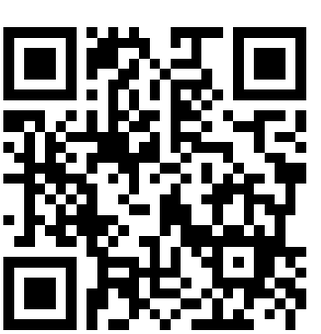

THE

Internal Revenue Record

AND

CUSTOMS JOURNAL.

VOLUME IV.

JULY—DECEMBER

1866.

NEW YORK:

P. VR. VAN WYCK, Editor and Proprietor

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INDEX.

VOLUME IV. JULY—DECEMBER, 1866.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 1. NEW YORK, JULY 7, 1866. WHOLE NUMBER 79.

REMOVAL.

☞ The Office of this Paper has been removed to 95 LIBERTY STREET, New York City

NOTICE.

The issue of last week completed Volume III. of the RECORD, covering a period of six months, from Januury 1, 1866, to June 30, 1866.

No single numbers of the RECORD are sold, and no subscriptions are received for a less period than six months, beginning with January or July. A few sets of the RECORD, from April 15, 1865, to June 30, 1866, can be furnished.

The peculiar character of this publication, being a specialty, precludes a very extended circulation, and the heavy expenses to which the publisher is subjected by the high prices of everything connected with the business, constrain him to insist upon prompt payments. He hopes that those who are in arrears will respond to the above without further or more particular notice.

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REVIEW.

THE Conference Committee on the Amendatory Tax Bill, it is reported, has agreed upon a tax on cotton of three cents per pound, and also agreed to permit gas companies to charge the tax to consumers, and railroad companies to their passengers. The Bill may be expected to become a law in the course of the coming week. The House is making rapid progress on the Tariff Bill, and it will shortly go to the Senate, where it will be considered this session, statements to the contrary notwithstanding. Few measures before Congress of late years, not purely political, have been more vehemently and earnestly debated, both in and out of Congress, yet in which party affiliations are less regarded. The Democratic members and press are a unit against home mining and manufacturing interests, and indirectly through them against the principal industrial interests of the country, where the same come in opposition to the English theories of Free Trade; while the Republican press are unfortunately divided. Free Trade may be correct in theory, and it universally enforced, might be beneficial in practice. We have it *within* the United States. We profit by it. The national interests are one. But Free Trade, as it is practised by Great Britain, France, and the German Zollverein, and which their emissaries, and those whose private interests are identified in the movement, seek to establish in this country, is an entirely different thing, and in truth is nothing but another name for *protection* of their individual interests at the expense of our home industry. There is, however, such a thing as killing with kindness, and it would be exceedingly unwise for Congress to fall into the error, in legislating for the good of domestic interests. A reaction in the public mind on the subject would be likely to lead to the repeal of so stringent a tariff as the one now before the House, and all the ground lost thereby would have again to be recovered. Had not the war, by creating the necessity for revenue, furnished cause for an increased tariff in 1861, we should even now barely have recovered from the effects of the free trade movement of '46. They should consider that, notwithstanding the protection policy is the true one for this country, the public mind is not educated to the point of its full and thorough acceptance as embodied in the proposed Tariff Bill.

The ruling of the Department in regard to furniture made of wood gives a liberal construction to the special clause in Section 94, relating to increased value. Accordingly chairs made of rounds, legs, seats, backs, which have been assessed and paid a tax as such, are liable only on the increased value thereof, that is to say, on the difference between the cost of the tax paid articles to the manufacturer of the chair, and the sale of the finished article. This decision is upon a special provision, and does not apply to any articles whatsoever, other than furniture or articles made of wood.

In a case submitted for the decision of the Department in regard to the assessment of license tax as wholesale dealers on a joint stock manufacturing company, whose factories are in the East, but who have a depot in New York, the Commissioner rules that the amount of the *orders* received at the depot, but filled from the factory by shipment to purchasers, through the said depot, or direct, should not be included in the amount of sales; but that the license should in such case cover all sales of goods at the depot, which have been manufactured by the company, and are on the premises at the time of sale, and all sales there made of goods not of its own manufacture; also sales through all agents except commission merchants having dealer's licenses.

The Solicitor of the Treasury renders an adverse opinion to claims of National Banks for return of duty paid on "surplus" or undivided profits, and for repayment of duty paid on balances settled through the "clearing-house," which Treasurer Spinner embodies in a circular upon the subject. The point of the opinion is that the provisions of existing laws do not authorize the repayment of the moneys in question paid into the Treasury by certain Banks, nor can any allowance or credit therefor be given upon taxes subsequently accruing from the reclaiming banks. Circular 4 of February 10, 1866 (RECORD Vol. III., p. 52)—is modified accordingly, and the banks are referred to Congress for relief.

THE Conference Committee's report on the Tax Bill was agreed to yesterday by both Houses of Congress, and the bill will go to the President as soon as it can be engrossed. The discussion in the Senate, when the report was presented there, was confined mainly to the cotton question.

In the House there was no debate on this subject. There was, however, very strenuous opposit on on the part of Eggleston, Schenck, and one or two others, to the agreement of the Committee with reference to the tax on gas companies and street railways, and on the part of Mr. Stevens and others to the claus giving assessors the right to decide questions of fraud. None of these gentlemen succeeded in convincing the House that it was expedient to reject the report, and it was adopted, but by only 14 majority. The report reads:

On cigars, cheroots and cigarettes, valued at over $12 per thousand, a tax of $4 per thousand, and, in addition, 20 per cent. ad valorem on the market value thereof.

Other noticeable points of the report are as follows:

State banks converted into National banks, or having ceased to do business as banks, shall pay an additional duty of ¼ of 1 per cent. per month on the average amount of outstanding State circulation.

The 10 and 25 cents stamp tax on weighers, gaugers, and measurers returns, and on warehouse receipts imposed under the existing law is abolished and a uniform stamp duty of two cents is fixed on all receipts exceeding $20.

The graduated scale of duties on playing cards is also abolished, and a uniform stamp duty of five cents per pack substituted.

Wine, mead, India rubber springs for railroad cars, iron drain and sewer pipes, clay retorts and tiles and saltpeter remain on the free list, and telescopes and telescopic mountings were added to it in conference

The salary of the Commissioner of Internal Revenue is fixed at $6,000, and he is given one Deputy, with $3,500 salary, and two with $3,000 each, and a Solicitor with $4,000.

The appointment of a Special Commissioner of the of the Revenues, with a salary of $4,000 is given to the Secretary of the Treasury.—*Cor. Tribune.*

THE BUREAU OF STATISTICS.

The last section of the new Tariff Bill makes provision for establishing a Bureau of Statistics in the Treasury Department. Whatever may be done with the remainder of the bill, it is sincerely hoped that Congress will not fail before adjourning, to provide for such a bureau, even though it may require a special bill to be reported for the purpose.

The importance of a full and thorough knowledge of the statistics of manufactures, productions, traffic, internal and external commerce, as a condition to appropriate and judicious legislation on the subjects of internal revenue and tariff, is absolutely incalculable. It is a marvel that Congress has been able to get along with such incomplete data as the existing laws enable the Treasury Department to furnish. The testimony of a long succession of Secretaries of the Treasury, confirmed by the opinion of the Revenue Commission, demonstrate the imperative necessity for a bureau of the kind.

The salary of the chief of the proposed bureau—$3,500—is not a dollar too much for compensating the services of a man of suitable abilities and acquirements to fill the post, while it is sufficient to command the best statistical skill in the country. Dr. Elder, Mr. E. B. Elliott, Secretary of the Revenue Commission, or Mr. Otis Clapp, of Boston, would either of them be capital selections.

The science of political economy, so far as legislation is concerned, is less a science than an art, and the art lies chiefly in a discriminating application of its acknowledged rules to the ever varying circumstances and degrees of development of commerce and manufactures in different sections; which is only possible when legislators are furnished with full, thorough and complete statistical data. Congress has never possessed this, owing to the absence of proper provisions of law, and it is not to be wondered that serious and almost irremediable mistakes have been made in its legislation; by which some branches of trade and manufacture have been well nigh crushed, and others unjustly erected into virtual monopolies.

With the statistical information that the proposed Bureau may supply, Congress will be enabled to render legislation less empirical than it is at present.

The text of the bill in relation to the subject is as follows:

That there shall be established in and attached to the Department of the Treasury, a Bureau, to be styled the Bureau of Statistics, and the Secretary of the Treasury is hereby authorized to appoint a director to superintend and conduct the business of said Bureau, who shall be paid an annual salary of $3,500, and it shall be the duty of the Director of the Bureau of Statistics to prepare the report on the statistics of commerce and navigation, exports and imports, now required by law, to be submitted annually to Congress by the Secretary of the Treasury, and said report, embracing the returns of the commerce and navigation, the exports and imports of the United States to the close of the fiscal year, shall be submitted to Congress in a printed form on or before the 1st day of December next succeeding, and the said director as soon as practicable after the organization of this office, shall, under the direction of the Secretary of the Treasury, prepare and publish monthly reports of the exports and imports of the United States, including the quantities and values of goods warehoused or withdrawn from warehouse, and such other statistics relative to the trade and industry of the country as the Secretary of the Treasury may consider expedient. And the director of the Bureau of Statistics shall also prepare an annual statement of all vessels registered, enrolled, and licensed under the laws of the United States, together with the name and tunnage of each vessel, the class to which she belongs, as to build and rigging, the name of her home port, and such other information as the Secretary of the Treasury may deem proper to embody therein; and to enable the said director to furnish the information required, the Secretary of the Treasury shall have power under such regulations as he shall prescribe to establish and provide a system of numbering all vessels so registered, enrolled and licensed, and each vessel so numbered shall have her number deeply carved, or otherwise permanently marked on her main beam, and if at any time she shall cease to be so marked, such vessel shall be no longer recognized as a vessel of the United States. The said director shall also prepare an annual statement of all merchandise passing in transit through the United States to foreign countries, each description of merchandise, so far as practicable, warehoused, withdrawn from warehouse, for consumption, for exportation, for transportation to other districts, and remaining in the warehouse at the end of each fiscal year, and to aid him in the discharge of these duties the several clerks now employed in the preparation of statistics in the Treasury Department or any bureau thereof shall be placed under his supervision and direction. It shall be the further duty of said Director to collect, digest, and arrange, for the use of Congress, the statistics of the manufactures of the United States, their localities, sources of raw material, markets, exchanges with the producing regions of the country, transportation of products, wages, and such other conditions as are found to affect their prosperity. The said Director shall also collect, digest, and arrange for the use of Congress, the statistics of the mining industry of the United States, the number and location of the mines, the products, wages of labor employed therein, and such other matters as may exhibit the condition and affect the prosperity of that branch of industry; and the said directors shall also annually prepare a report to be laid before Congress concerning the general course and influence of trade with foreign countries, exhibiting the distribution of the domestic exports of the United States among them, and the exchange of commodities with them, and the cost of production in the respective countries wherever attainable; which report shall extend to such particulars, and shall be arranged in such manner and form as may be required by the Secretary of the Treasury; and for all these purposes the said director shall have access to the statistics, papers and records of the several departments of the Government; and in addition to the clerical service hereinbefore provided, the Secretary of the Treasury shall detail such other clerks as may be necessary to fully carry out the provisions of this act; and the expenses of the Bureau of Statistics for clerical service, publication of reports, stationery, books, and statistical periodicals and papers required by the Bureau, shall be defrayed on the order and approval of the Secretary of the Treasury, out of any moneys in the Treasury not otherwise appropriated; and all letters and documents to and from the Director of the Bureau of Statistics, relating to the duties and business of his office, shall be transmitted by mail free of postage.

THE National Bank of Redemption at Boston, gives notice that it will continue to receive for redemption, as heretofore, the notes of the State banks in New England.

It is stated that all of the Boston banks will receive on deposit as heretofore, the old State bank currency.

AMENDMENT OF THE LAW RELATING TO WHOLESALE DEALERS' TAX.

Mr. Blow has introduced a bill, providing that where license tax, imposed upon wholesale dealers, and calculated upon the previous year's sales, shall prove to be in excess of the tax properly chargeable on the amount of sales actually made, the excess of the tax shall be refunded. It was read twice, and referred to the Committee of Ways and Means.

The strongest equity exists for the enactment of such a provision. By the present law the license of a wholesale dealer shall not be for a less amount than his sales for the previous license year, unless some change in his business is actually made or contemplated, which will obviously reduce the prospective sales. Only such changes as are affected by the withdrawal of capital, change of firm, discontinuance of particular branches of business, have been held to authorize a reduction of assessment. Should the sales prove, at the expiration of the year for which license is granted to be in excess of the amount covered by the license, the law is imperative that he shall be re-assessed; but if they should fall below such amount, no relief can at present be granted.

This is a rule that does not work both ways, and is consequently, by the proverb, bad! Assessors should be authorized to make proper allowance for an over-payment of license tax under such circumstances, upon their assessment of license for the succeeding year, or the Commissioner should be authorized to refund the excess of tax proved to have been so paid.

ALLOWANCE FOR DAMAGES OCCURRING ON VOYAGE OF IMPORTATION.

The Tariff Bill contains very important provisions in regard to the allowances to be made in future for damages to imported merchandise.

The fixing of a limit to such allowances will close a leak from which the Treasury has at times suffered sadly. The Bill says:

That no return of duties on account of damage to merchandise on the voyage of importation shall hereafter be made, except as hereinafter provided and upon the articles herein named: but it shall be lawful for any importer of merchandise, or for the representative or representatives of such importer, as insurers or otherwise, to abandon to the United States the whole or any part of any importation which may have received damage on the voyage, but no quantity shall be so abandoned the dutiable value of which on the original invoice, was less than $25; nor shall any quantity be so abandoned less than one whole package, and notice of intention to abandon any part of an importation shall be given in writing by the importer, or his representative, within ten days from the date of the original entry of the said goods, and in the said notice the marks and numbers of the packages, with the original and proper value of the said portions, shall be given, and the Collector shall then direct the appraisers of damages, or officers acting as such, to examine the said goods as for allowance of damage, and they shall return a written report of such examination, approving or disapproving abandonment; and, if approved, the Collector shall direct the duties paid on the entry of such merchandise to be refunded, and the appraisers shall also report at the same time whether the same abandoned merchandise is of value sufficient to pay the expenses of custody and sale, and if so, the same shall be sold by auction by the Collector, and the proceeds, less the expense of said sale, shall be paid into the Treasury; and if the merchandise shall be reported as

of value not sufficient to justify sale, the same shall be destroyed or otherwise disposed of, as the Collector shall direct. And the following described articles and merchandise only shall be excepted from the operations of the preceding provision, and may be permitted to return of duties on account of damage on the voyage of importation as follows: on tea damage may be awarded not above 20 per centum; on coffee not above 20 per centum; manufactures of textile fabrics fully wet by salt water, not above 20 per centum; and no damage shall be awarded on textile fabrics of every description from any other than actual immersion in or wetting in of salt water.

On machinery for the manufacture of textile fabrics, damage may be awarded by breakage or by salt water to the extent of twenty-five per centum of whatever material such machinery may be composed; on sumac not above 20 per centum; on tin, tinned iron, and terned tin, not above 15 per centum.

THE AMOUNT OF CURRENCY IN CIRCULATION.

Mr. Morrill, in his introductory speech upon the Tariff Bill, in the House, made the statement that, "Our present amount of circulating currency is vast—of legal tenders, so-called, we have $401,252,468; of national bank notes, $280,301,900; of outstanding notes of the old State banks, $48,479,782; of fractional currency, $27,053,709.04, and of compound interest notes, $154,926,910—amounting in all to $917,014,769.04."

If Mr. Morrill intended to convey a true idea of what amount of paper currency is really *in circulation*, and, according to his proposition, directly operates to cause high prices, he made a serious mistake in including compound notes as forming part of the circulating medium. He might as justly have included Five-Twenties and Erie stock. Neither affect the volume of currency less than do compounds, the price of which ranges above one per cent. premium with the accrued interest. They are sought for investment, and there is, probably, not a single note of the whole one hundred and fifty-five millions that is now used as *currency*.

From the legal tenders, one-fourth of the amount of national bank notes, seventy millions, required by law to be kept by the banks in reserve for redemption purposes, should properly be deducted from the amount in circulation. These two deductions give the proper amount of notes apparently in circulation at 692 millions, instead of 917 millions, as stated by Mr. Morrill. It may further be truly said that the currency actually in the Government vaults, exceeding 90 millions, does no more affect the volume in circulation than the unprinted reams of paper in Superintendent Clark's store-room. The amount of currency circulating is thus shown by Mr. Morrill's own figures, as explained, to be less than twenty dollars per capita. In France it is thirty-six; in England almost thirty!

PROVISION is made in the Tariff Bill for repealing the laws granting fishing bounties. The language is, "that all laws and parts of laws allowing fishing bounties to vessels hereafter licensed to engage in the fisheries, be repealed, provided that from and after the date of the passage of this act, vessels licensed to engage in the fisheries may take on board imported salt in bond, to be used in curing fish under such regulations as the Secretary of the Treasury shall prescribe; and upon proof that said salt has been used in curing fish the duties on the same shall be remitted."

THE INCOME TAX.

A member of the legal profession, in Springfield, is said to be preparing a case for the United States Supreme Court which involves the question of the constitutionality of the income tax. The contestant reports upwards of fifty-two thousand dollars income the past year, but, under protest, he declines to pay the tax, and will, when the usual compulsory action is invoked, ask injunctions from Judge Davis to restrain the Government officials from collecting. Thus the question will be brought squarely before the highest judicial tribunal. It is further related, that eminent jurists who have examined his "points" have pronounced them well taken, and express the opinion that so much of the internal revenue law as levies a tax on incomes will be overthrown by the court. The lawyer employed in the case is the same who succeeded in obtaining the decision of the Supreme Court in the famous cotton cases, which was to the effect that cotton captured on land by the expedition under Admiral Porter was not liable to condemnation as prize goods taken in war on the high seas.—*Chicago Post.*

The only clauses in the Constitution that can be wrested to cover such a point are the prohibition against the levying of a *direct* tax, unless in proportion to the census, and the requirement that *direct* taxes shall be apportioned among the several States according to their respective numbers. Whether the income tax is or is not a direct tax within the meaning of the Constitution, is a question that would, it is apprehended, be decided by the Supreme Court in the negative, unless it should ignore the grounds for its decision in the case of Hylton against the United States, that a tax on carriages is not a direct tax.—(3 Dall., 171).

THE BANKRUPT LAW.

There is still ample time for the Senate to act upon this important law. The subject is well understood, and requires no long speeches. If a Senator is opposed to it let him vote against it—if in favor, let him say Aye. Long speeches will throw no light upon the subject. Senator Morgan, in presenting the memorial of the New York Chamber of Commerce in favor of the bill met the subject manfully. Representing the largest commercial and creditor city of the Union, and himself a leading merchant, he has no misgivings or doubts.

"The measure," says Senator Morgan, "to which this memorial refers, is the bill introduced into the House of Representatives by the Hon. Mr. Jenckes of Rhode Island. It has passed that body, and is now in the hands of the Judiciary Committee of the Senate. While it is not usual to speak of any measure until it is reported, much less to anticipate the action of any Committee of this body, I nevertheless trust I shall be excused in at least expressing the hope that the Committee will report that bill sufficiently early to receive the consideration of the Senate at the present session.

"Mr. President, I am at the present time, and have been for a long time, in favor of a national bankrupt law. I am not only in favor of a national bankrupt law, but I am in favor of the bill which has passed the House of Representatives. I am in favor both of the voluntary and involuntary features of the bill. I believe that if we wait for a better we may, and probably shall, get a worse one. While it has been the high privilege of the people of the United States, acting through their constituted authorities, to unfetter four million human beings held in involuntary servitude or labor on a portion of our soil. I trust it will not be considered any less our duty to relieve from pecuniary bondage a class of men who have committed no crime, against whom there is no charge except the charge of having been unfortunate in business and unable to meet the legal obligations. I move that their memorial be printed, and referred to the Committee on the Judiciary.

"The motion was agreed to."—*Tribune.*

A VERY complete and nicely finished File of proper size for preserving the INTERNAL REVENUE RECORD, can be supplied to subscribers by mail, prepaid, for one dollar. This File is the best invention of the kind. The insertion of the paper is the work of a moment, and it is held as firmly in place as when bound, and does not tear out or become mutilated.

The File is made of two stiff leaves, with a pliable back of cloth or leather; to the inside edge of one leaf, where the back joins, two cords with needles are attached; to the opposite leaf are fastened two elastic bands with metal loops. The sheet to be bound is placed in the usual position; the needles are run through it near the fold, then passed under the staples on the inner edge of the opposite leaf, and caught in the loops on the elastic bands, which are forcibly drawn forward for the purpose.

Papers can be taken off of the File with perfect ease and replaced at will. We recommend its use, not only for preserving the RECORD, but for papers of any description—such as music, &c.

HON. D. C. WHITMAN, Deputy Commissioner of Internal Revenue, has resigned, and formed a connection with the Banking House of Jay Cooke & Co. in New York. Mr. Whitman was a most efficient officer, and discharged his onerous duties with unremitting fidelity and zeal. He is succeeded by Mr. Thomas Harland, who has been Chief Clerk of the Patent Office for the past year, and who was, prior to that, one of the principal clerks in the Revenue Bureau. He has large experience, a clear head, and is a most indefatigable and untiring worker. He is eminently well qualified for the position.

THE report of the Conference Committee on the Tax Bill does not meet with satisfaction in the House of Representatives. Mr. Stevens declared that the Bill should not pass without the House provision relating to proceedings of assessors in cases of alleged fraud. Strenuous objection was made to the amendment authorizing Railroad and Gas Companies to add the tax to their other charges. The provisions relating to income were stricken out, and the law will remain without modification in that regard.

NOTICE—REDEMPTION OF CERTIFICATES OF INDEBTEDNESS.

The following notice from the Secretary of the Treasury will be of interest to parties holding U. S. certificates:

TREASURY DEPARTMENT,
June 26, 1866.

Notice is hereby given to holders of certificates of indebtedness issued under acts of Congress approved March 1 and 41, 1862, that the Secretary of the Treasury, in accordance with said acts and the tenor of said certificates, is prepared to redeem before maturity all certificates of indebtedness falling due after August 31, 1866, which accrued interest thereon, if presented for redemption on or before July 15, 1866, and that thereafter such certificates will cease to bear interest, and will be paid on presentation at this department with interest only to said 15th of July.

H. MCCULLOCH, *Secretary.*

Treasury Dept., Decisions, &c.

ASSESSMENT OF WHOLESALE DEALERS TAKING ORDERS FOR FACTORIES.

FOURTH DISTRICT, NEW YORK,
June 2, 1866.

SIR: Holmes, Booth & Hayden, (Joint Stock Co.) sell goods at their depot, No. 49 Chambers Street, of their own manufacture, to an amount not exceeding $250,000, which are delivered from their depot. The corporation at Waterbury, Conn., manufacture goods to order. Some of these orders are received at their depot in Chambers Street. They are shipped in the following manner: A portion are sent direct from the factory, part sent to the depot and re-shipped to purchasers, being re-marked on the sidewalk of the depot, another part is sent to the depot, but do not arrive, in consequence of being re-shipped and re-marked to customers at the wharves or railroad termini. This Company have a similar warehouse in Boston.

Application is made for the sales only that are made of stored goods at their depot, and it is claimed that they are not liable to license fee on such goods for which orders are taken at the depot and shipped from the factory, or on goods sold upon order received at the depot and re-shipped from sidewalk and railroad and steamboat termini. I have held that inasmuch as goods of their own manufacture are stored at the depot they must pay on all other sales made upon orders received at their depot, although the goods may be marked on the sidewalk and at railroad termini. Is this correct—are the goods shipped direct to parties from the factory, on order received from the depot, also to be regarded as sales made at the depot?

Please give me the ruling of the Department in this case.

Respectfully,
PIERRE C. VAN WYCK,
U. S. Assessor, 4th Dist., N. Y.

Hon. E. A. ROLLINS,
Com. Internal Revenue, Washington, D. C.

(ANSWER.)

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 22, 1866.

SIR: Your letter of June 2d, in relation to sales of Holmes, Booth & Hayden, is received:

I reply—that the wholesale dealer's license taken by the firm for the depot at No. 49 Chambers Street, should not be required to cover the amount of *orders* taken at that place and filled at their manufactory in Waterbury, even though the goods so ordered pass through the warehouse at No. 49 Chambers Street.

The license should cover all sales of goods at that place, (No. 49 Chambers Street) which have been manufactured by the firm, and are *on the premises at the time of sale*, and all sales there made, of goods not of their own manufacture; also sales through all agents except commission merchants having dealer's licenses.

Very respectfully,
D. C. WHITMAN,
Deputy Commissioner.

P. C. VAN WYCK, Esq.,
Assessor, 108 Leonard St., N. Y.

INCREASE VALUE ON FURNITURE AND PARTS OF FURNITURE MADE OF WOOD.

FIFTH COLLECTION DISTRICT,
NEW YORK, June 25, 1866.

SIR: I am of the opinion that many persons in this and other districts, engaged in cabinet and chair making, have honestly withheld from the assistant assessors the cost of finished articles of wood, on which tax has been paid, *from the value of their sales*, and it is contended in their behalf, that the proviso relating to furniture in sec. 94 is capable of that construction.

In chair making, the turned work, *i. e.* the rounds, the legs, &c., on which a tax has been paid, have been deducted, the caned seats and backs, which are manufactures in themselves, on which the tax is paid by the manufacturer, have been deducted, and, with regard to the latter, there seems to be a difference even among the officers.

It is desirable that this matter be laid before you in order that a ruling may be made and promulgated from your office.

The opinion prevails among the class named that it is the interest of the law to impose but one tax on furniture, and therefore the articles used in the manufacture thereof that have paid a tax as manufactures in themselves, may be withheld.

Respectfully, &c.
DAVID MILLER, *Assessor.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 28, 1866.

SIR: Your letter of June 25th in relation to chairs has been received.

You wish to know whether chairs made from taxed materials are liable to duty on entire or increased value.

In answer I have to say, That it is provided in section 94, that furniture or other articles made of wood previously assessed, and a duty paid thereon, shall be assessed a duty upon the increased value only thereof, when sold in a finished condition. Under this provision this Office holds that chairs made from legs, rounds, seats, backs, &c., on which a duty has been assessed and paid, are liable to duty on increased value only, when sold or used.

There may be some doubt whether the provision referred to will admit of so liberal construction; but this Office has thought it proper to give the manufacturer the benefit of the doubt.

Very Respectfully,
D. C. WHITMAN,
Deputy Commissioner.

DAVID MILLER, Esq.,
Assessor, 5th District New York, N. Y.

LIABILITY TO TAX OF SALARIES OF STATE OFFICERS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 7, 1865.

SIR: I reply to your letter of the 14th inst., that this office cannot not assume the responsibility of fixing limits to the constitutional or legislative jurisdiction of Congress, in respect to the collection of the public revenue.

The 116th Section of the Act applies to "every person residing in the United States," and till the judiciary of the United States decides otherwise, this office must hold the salaries of State officers as liable to income tax.

Very Respectfully,
D. C. WHITMAN,
Dept. Commissioner.

CHAS. G. DAVIS, ESQ.,
Assessor, 1st, Dist. Plymouth, Mass.

CIRCULAR.

CLAIMS OF NATIONAL BANKS FOR RETURN OF DUTY PAID ON SURPLUS OR UNDIVIDED PROFITS, AND FOR REPAYMENT OF DUTY ON BALANCES SETTLED THROUGH CLEARING HOUSES.

TREASURY DEPARTMENT.
TREASURER'S OFFICE,
WASHINGTON, June 27, 1866.

A question having arisen as to the manner in which amounts paid into the Treasury, the return of which was claimed, should be refunded to the banks, the claims presented by them were, by direction of the Secretary of the Treasury, referred to the Solicitor of the Treasury on the 21st ultimo.

His reply is published in full, as follows:

TREASURY DEPARTMENT,
SOLICITOR'S OFFICE, June 25, 1866.

SIR: I have the honor herewith to return the letter of the Treasurer of the United States, together with the accompanying statements of claims made by certain national banks for a return of duties alleged to have been illegally exacted on "surplus" or "undivided profits" and on "balances settled through the clearing-house."

The facts in relation to the exaction and payment o these duties, and the question arising thereon, are thus set forth in the Treasury letter:

"Claims by National Banks for return of duty paid on 'Surplus' or Undivided Profits.

"In collecting duty from national banks under the 41st section of the national currency act, it was formerly a requirement of this office that the 'surplus' or 'undivided profits' be included with the 'deposits,' in the return of deposits, for payment of duty. Objections having been made by many banks to such requirements, and the duty having been in many cases paid under protest, it was deemed advisable, and especially in order that the regulations of this office might not conflict with the rulings of the Internal Revenue Office, which classed 'surplus' with capital, that the requirements be so modified as to permit the 'surplus' to be classed with the capital of the bank. This modification was adopted during the collection of the duty for the semi-annual term ending January 1, 1866, payments of duty on surplus as deposits having been made for the several semi-annual terms preceding.

"A number of banks having declined to include surplus with either deposits or capital, I deemed it to be my duty to enforce this requirement, and to withhold from non-complying banks certain interest. A recent decision of Judge Nelson, of the United States Circuit Court, in a case under the internal revenue act, being to the effect that 'surplus' is not properly taxable as 'capital,' the interest withheld has been, under the advice of the Solicitor of the Treasury, released to said banks. (RECORD, Vol. III. p. 143.)

"Claims are now made by many banks, which had paid duty on 'surplus' as deposits or as capital for the last semi-annual term, or on 'surplus' as 'deposits' for previous terms, for repayment to them of the amounts thus paid, which had in many cases been paid under protest.

"I submit herewith a schedule marked 'A,' containing a list of those banks which have made claim for repayment. It will be noticed that the amount of claims now filed is $8,749 47, of which the greater portion is for duty paid during the last semi-annual term, but some portion is for duty paid during previous terms. It is proper to say that undoubtedly other claims will be filed, but to what amount I have no means of ascertaining.

"I have, therefore, respectfully to ask your decision as to whether the claims now made, or that may be hereafter made, and properly authenticated, for repayment of duty paid on 'surplus' as 'deposits' or as 'capital,' shall be allowed; and if so, whether claims for duty paid in any preceding semi-annual term shall be allowed on the same principle as for duty paid in the last semi-annual term.

"Claims for repayment of duty paid on balances settled through the 'Clearing-House.'

"It having been ascertained at this office that it was the practice of many banks in the cities where clearing houses were in operation to estimate their deposits for payment of duty from the balances after statements of the next day through the clearing-house,

a practice which was considered improper and unjust to the Government, more stringent regulations were adopted, requiring banks which had followed this practice to make additional or amended returns, showing, and paying duty upon, the balances as they stood at the close of the day, and before exchanges at the clearing-house. It was required that the duty be paid upon the balances of deposits as they stood at the close of the day, except that where checks on city banks were deposited with the understanding that they were not to be drawn against until collected they might be deducted from the deposits of the day.

"I. The Schedule 'B,' herewith, contains a list of those banks which made amended returns, paying on deposits as they stood before the exchanges, with the exception of checks allowed to be deducted as above. The amount thus paid foots up $16,046 31, which is the additional amount of duty obtained.

"II. Certain banks which had estimated duty from balances of deposits as they stood at the close of the day without any deductions, considered that under the modified regulations they had a right to deduct certain uncollected checks, and made claim accordingly. The amount of these claims is shown in the Schedule 'C.'

"III. Certain other banks, which had estimated duty from balances of deposits after exchanges at the clearing house, also claimed a construction of the modified regulations, which would still further reduce the amount of their deposits liable to duty. The amount of these claims is shown in the Schedule 'D.' In respect to the latter claims, I am not able to see how the deposits *before* exchanges at the clearing-house—deducting only those checks deposited with the understanding that they should not be drawn against—could be less in amount than the deposits after exchanges at the clearing-house, when all checks having been collected, the amount must be considered as deposits liable to duty. In my opinion, therefore, claims of this class have been made under a misconception of the modified regulations, and are without proper foundation.

"Your decision is respectfully desired as to whether the claims, as stated in Schedules C and D, or in either of these schedules, should be allowed, and the duty paid refunded to the banks.

"Further, in the event that it shall be decided that any of the claims of which mention is made herein shall be allowed, and any amount of duty refunded to the bank, I desire to be instructed as to the method of repayment, whether it shall be by regular course of issue of warrants by the department, or by allowing the banks credit to that extent in the payment of duty due the first day of July next?"

I am asked for my opinion upon the questions thus presented, but I shall confine my attention to one of them, as the answer to that will, I apprehend, show the inutility of considering the others at present, and as some of them at least will come in review in connection with questions of a kindred nature presented by the Commissioner of Internal Revenue.

The question which I propose to examine is this: Assuming that the duties referred to, or any of them, were illegally exacted, can they be refunded in either of the ways suggested by the Treasurer? My opinion is that they cannot.

I. They cannot be refunded by warrant, because there is no law authorizing the issuing of a warrant for such a purpose. (Of course it is unnecessary to add that, being in the Treasury, they cannot be drawn thence and refunded, without a warrant.)

II. They cannot be indirectly refunded by allowing the banks credit for the amount in the payment of future duties.

1. Because there is no law authorizing such a course.

2. Because neither the Treasurer nor the Secretary can properly or lawfully treat that which has been regularly paid into the Treasury as otherwise than properly or legally paid, and thus make it the subject of credit in favor of debtors of the Government. This would be the assumption by those officers of judicial functions with which they are not invested.

3. The duties in question were paid upon the basis of returns regularly made in accordance with what was understood at the time to be the requirements of law. If those returns were correct, the duties were legally exacted and paid, without correction; therefore they show, and would continue to show, a basis for duties to the full amount paid for collections of which the Treasurer would be responsible; and I do not think it competent for that officer to permit any change in those returns. It is not, in my judgment, such a case of mistake as would justify such action; and besides, if it were otherwise, such a power could not, I conceive, be with propriety exercised after the payment of the duties into the Treasury.

In conclusion, I will add, that I think a consideration of the careful guards which the laws of Congress have thrown around the refunding of customs duties illegally exacted will fully convince any one that it could not have been the intention of the Legislature that either the Treasurer of the United States, or the Secretary of the Treasury, should exercise such powers as those invoked by the claimants in question.

I have the honor to be, very respectfully,

EDWARD JORDAN,
Solicitor of the Treasury.

Hon. H. MCCULLOCH,
Secretary of the Treasury.

It will thus be seen that, in the opinion of the law officer of this department, no authority is vested in this office, or in the department, to refund to any bank the amount of duty claimed to have been erroneously exacted from it, either by direct return of the amount paid, or by allowing it as a credit to the bank on the payment in July next.

The only remedy, then, left to the banks affected by this opinion of the Solicitor is in some provision by Congress, for repayment of the amounts claimed. In any endeavor to procure such action by Congress I will cheerfully co-operate by a representation of the facts, and in any other proper way.

Circular No. 4, 1866, issued from this office under date of February 10, 1866, in which it was proposed to refund, by allowing to be applied as payment on the July return any amount which a bank should show to be due to it by reason of the modified regulations respecting "surplus," cannot, therefore, under the construction given by the Solicitor of the Treasury to the powers and duties of this office, be carried out. (RECORD, Vol. III. p. 50.)

F. E. SPINNER,
Treasurer, U. S.

CIRCULAR TO DISBURSING OFFICERS OF THE NAVY IN REGARD TO THE INCREASE OF PAY OF NAVY OFFICERS.

TREASURY DEPARTMENT,
FOURTH AUDITOR'S OFFICE, June 15, 1866.

The attention of disbursing officers of the navy is called to the construction given by the Second Comptroller to General order No. 75, of the Navy Department dated May 23, 1866, increasing the pay of officers of the navy from the 1st of June 1866:

I. General Order, No. 75, authorizes payment of one-third addition to the regular pay of all naval officers whether employed or not, with the exceptions named in the order.

Those exceptions are: officers provided with quarters on shore stations, who are allowed an addition to their pay of twenty per cent. only; and midshipmen and mates, who are excluded from any addition.

The commutations for rations [illegible] order.

II. The benefits of the order extend to officers on the retired list.

III. Boatswains, gunners, sailmakers, and carpenters on the reserved list, not being named in the act of July 10, 1862, fixing the pay of officers on the reserved list, are entitled to the same pay as if they were on the active list, with the addition of one-third under General Order No. 75.

IV. Clerks to commanding officers and to paymasters are entitled to the additional pay under the order.

V. Officers attached to receiving ships, not being provided with quarters on shore, are entitled to the additional pay.

VI. Naval constructors and naval storekeepers are only entitled to the benefits of the order when they are commissioned or warrent officers of the navy, and receive as compensation the naval pay.

VII. The head of a bureau in the Navy Department is *not* a naval officer unless he holds a separate commission as such. In the latter case he may elect to receive pay and allowance as an officer of the navy, or his salary as head of a bureau; but he cannot combine both and be a civilian as to salary and a naval officer as to commutation of allowances under the order.

VIII. The Secretary of the Navy has decided that clerks of yards, clerks to commandants and inspectors, and clerks at the purchasing and disbursing offices, are not officers of the navy, and therefore are not entitled to additional pay under order No. 75.

STEPHEN J. W. TABOR, *Auditor.*

Customs.

CIRCULAR TO COLLECTORS OF CUSTOMS RELATIVE TO THE PASSENGER ACT.

TREASURY DEPARTMENT, June 22, 1866.

The 14th section of the "Act to regulate the carriage of passengers in steamships and other vessels," approved March 3, 1855, provides that the sum of ten dollars shall be paid to the collector by the master, captain or owner of any ship or vessel coming from a foreign port, for every passenger (other than cabin passengers) above the age of eight years "who shall have died on the voyage by natural disease;" "and the said collector shall pay the money thus received, at such times and in such manner as the Secretary of the Treasury, by general rules, shall direct, to any board or commission appointed by or acting under the authority of the State within which the port where such ship or vessel arrived is situated." &c.

I will thank you to make out and transmit to this department a report in detail, showing the amount of money received under this act in your district, and the disposition that has been made of it from the passage of said act to July 1, 1866.

The seventeenth section of said act requires the collector to "examine each emigrant ship or vessel, on its arrival at his port, and ascertain and report to the Secretary of the Treasury the time of sailing, the length of the voyage, the ventilation, the number of passengers, their space on board, their food, the native country of the emigrants, the number of deaths, the age and sex of those who died during the voyage; together with his opinion of the cause of the mortality, if any, on board, and, if none, what precautionary measures, arrangements, or habits are supposed to have had any, and what, agency in causing the exemption."

From and after the first day of July, 1866, you will make monthly reports to the Secretary of the Treasury, as required by said section, and in accordance with the accompanying form.

H MCCULLOCH,
Secretary of the Treasury.

[Official.]

DEPARTMENT OF STATE.

RELATIVE TO THE FISHERIES OF NOVIA SCOTIA, NEW BRUNSWICK, AND CANADA.

DEPARTMENT OF STATE,
WASHINGTON, June 25, 1866.

The Honorable Sir Frederick A. A. Bruce, the British Minister accredited to this Government, by an official note of the 24th instant, addressed to the Secretary of State, announces that the Government of Nova Scotia and New Brunswick have agreed that the possession of a license issued by Canada to fish shall entitle the holder during the season of 1866 to fish in the waters of New Brunswick and Nova Scotia as well as in those of Canada; the holder of a license from the Governments of Nova Scotia or New Brunswick, if any such shall be issued, being entitled to fish in Canadian waters.

N. B.—This ratification is supplemental to one issued early in June, in which it was stated R. Porter, Esq., (P. Fortin, Esq., is the correct name,) commanding the Canadian Government vessel La Canadienne, employed in protecting the fisheries, was authorized to issue fishing licenses on the payment of fifty cents per ton measurement of the vessel to which they were granted, to remain in force during this season, and conferring the same right, so far as the Canadian fisheries are concerned, as were conferred by the reciprocity treaty to United States fishermen.

W. H. SEWARD,
Secretary of State.

[Official.]

LAWS OF THE UNITED STATES,

Passed at the First Session of the Thirty-ninth Congress.

[PUBLIC, No. 72.]

AN ACT to provide for the settlement of accounts of certain public officers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all monies raised in the United States for the support of refugees or freedmen, and received by any officer of the United States army, shall be charged against such officer on the books of the Treasury Department, and accounted for by him in like manners if such monies had been drawn from the Treasury of the United States, and if any part thereof shall have been expended for the use of refugees and freedmen, the same shall be passed to the credit of the officer, if, upon examination of his accounts, it shall appear to the proper accounting officer of the Treasury Department that the amount expended was properly disbursed for such refugees and freedmen, and on the adjustment of the accounts of the officer, if any balance shall remain in the hands of such officer the same shall be paid into the treasury of the United States, for a fund for the relief of refugees and freedmen. And any officer having such balance in his hands who after being duly required, shall refuse or neglect to pay over to the same or who shall, after due notice, fail to settle his account shall be proceeded against in the same manner as is provided for by existing laws in the case of disbursing officers who neglect or refuse to account for monies drawn from the treasury of the United States.

SEC. 2 *And be it further enacted*, That where accounts are rendered for expenditures for refugees or freedmen under the approval or sanction of the proper officers, and which shall have been proper and necessary, but cannot be settled for want of specific appropriations, the same may be paid out of the fund for the relief of refugees and freedmen, on approval of the Commissioner of the Bureau of Refugees and Freedmen.

Approved, June 15, 1866.

[PUBLIC—No. 73.]

AN ACT to facilitate commercial, postal, and military communication among the several States.

Whereas the Constitution of the United States confers upon Congress, in express terms, the power to regulate commerce among the several States, to establish post roads, and to raise and support armies: Therefore—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That every railroad company in the United States, whose road is operated by steam, its successors and assigns, be and is hereby, authorized to carry upon and over its road, boats, bridges, and ferries, all passengers, troops, Government supplies, mails, freight, and property on their way from any State to another State, and to receive compensation therefor, and to connect with roads of other States so as to form continuous lines for the transportation of the same to the place of destination: *Provided*, That this act shall not affect any stipulation between the Government of the United States and any railroad company for transportation or fares without compensation, nor impair or change the conditions imposed by the terms of any act granting lands to any such company to aid in the construction of its road, nor shall it be construed to authorise any railroad company to build any new road or connexion with any other road without authority from the State in which said railroad or connexion may be proposed.

SEC. 2. *And be it further enacted*, That Congress may at any time alter, amend, or repeal this act.

Approved June 15, 1866.

STATEMENT OF H. WILKENS & CO., OF BALTIMORE.

To the Public:

After being closed up by the Government for more than four months, and after long weary trials and prosecutions before the Assessor and the United States Court, we have at last succeeded in freeing ourselves from the gripe of greedy detectives and spies. We think it our duty to make known to our colleagues in business what internal combinations are used to ruin an honest man and to enrich a few unscrupulous men, who do not care by what means they make money, as they shield themselves against everything by their plea of duty of office and patriotism. About four months ago a man who proved himself to be a United States Inspector of Internal Revenue, made his appearance in our counting-house, and wished to see our books. Feeling to have come up to our duties toward the Government in every respect, we placed, without hesitation, the books at his disposal. After looking through them for five or six hours, he demanded to take them home, and stated that after finding everything correct, he would return them to us. A time of ten or twelve days expired without our getting any information from the man, when, suddenly, without a word of explanation, our business was taken out of our hands, and seized by the Government. Soon after this, we heard that a report had been sent to Washington in which we were accused of having defrauded the Government of the amount of taxes on fifty-four thousand pounds of tobacco. We now demanded our books, wherewith we knew we could explain everything, especially as we were satisfied into what errors and mistakes the Inspector had been led by being perfectly ignorant of the tobacco-manufacturing business—so much so, indeed, as not to know cut stems from cut leaf. We were refused, and through our complaining to Washington, the Assessor got an order to look into the matter and make an assessment if necessary. But as it was impossible to show our innocence without first making extracts from our books, the detective insisted on an assessment against us of eighteen thousand dollars, as the amount of tobacco short by his statement had been increased to seventy-four thousand pounds. We protested, and demanded our books; but in vain. Our business was kept under seizure, and the time of trial before the United States Court was appointed. On the day of the trial, the judge, of course, ordered the books to be delivered into the hands of the Clerk of the Court, for us to make out our defence, and the trial was postponed. But the detective would not let go the books into our hands, as he put us down as the most cunning scoundrels and thieves to be met with. We now proceeded to take a full copy of our books, while himself or one of his helpers was present to guard them. We made our abstracts out of our copies, and not only found that we were not short, but had overpaid our taxes. We now went again before the Assessor, who, after a most thorough and impartial investigation of ten days, in which counsel were engaged on both sides, declared our statement to be right, and no fraud in the case, and reported to Washington accordingly. But all to no purpose; our antagonist went to Washington, and calumniated with his dire accusations the Assessor, a most honorable and highly respected gentlemen, as well as his own counsel, the Assistant U. S. District Attorney, who left him, as he saw the injustice of the prosecution. He insisted, however, as he was the informer, and consequently had a great interest in the matter, on bringing the case before the court, and he succeeded. But in the mean time, his statement of short returns had increased to the large number of eighty-four thousand pounds. When asked how the difference between this and his former returns had occurred, he explained it by saying that in his first statements he had made no allowance for the lawful deduction of paper, tin foil, etc. *A good reason, to be sure!* We then again had to go before the United States Court and enter into a new trial in which our opponent had engaged three of the first lawyers of the city to assist the District Attorney in the prosecution. This trial lasted twelve days, and ended with the disagreement of the jury—nine jurors being for us and three against us. One of those three declared in the jury room he would go for the Government right or wrong; the second was willing to find us not guilty if we would bind ourselves not to sue our opponents for damages, and the third one could not deny having having been looking at our books outside of the court room, assisted by the predjudiced explanations of the detective. The nine jurors made up a voluntary statement in the jury room, which was published in the Baltimore papers, and contained their opinions about the case, thereby verifying the Assessor's report. They, moreover, are willing to give us in writing the expressions used by the three jurors in the jury room. We now again went to Washington—this time to the Secretary of the Treasury, asking him to have the matter investigated by any one he might be plessed to send, as we had been closed up for four months, and our expenses were becoming enormous. At last a gentleman was sent to hear the opinion of the judge and other persons about the case. The judge said he thought the verdict of the jury ought to have been for us, and other persons told him the same. He then went back to Washington and returned with an order to release us if we would pay the costs of trial and bind ourselves to drop all claims against the Government and its officers—"for," said he, "the latter must be protected; otherwise the trial must be renewed." Now, it is very hard to get a jury in which not one man would be biassed enough to go for the Government, as the general impression is that a man who is brought up for fraud must be guilty to some extent. We might have had two or three more trials with the same result as the first one before the matter would come to an end, and it would be a question then if we could carry our claims for damages or not. So only to free ourselves, we submitted to the ultimatum and were released. We must yet add that we offered in the commencement to give bond. The same was granted, and we gave it with first-class security; but after it had been given our persecutors thought we would gain too much time by it, and it was rejected with the poor excuse that the appraisement made by two gentlemen sworn by the collector for the purpose, was not high enough.

H. WILKENS & CO.

BALTIMORE, June 26th, 1866

It is not perceived that any other course is open to the Government, in cases such as that of Messrs.

Wilkins, than to protect its officers from prosecutions growing out of the performance of their duties, unless it be made to appear that they act without probable cause. It is no less proper, however, for the Government to prevent officers abusing their powers to the injury of taxpayers, than it is to shield them in the discharge of their duties.

THE BASIS OF VALUATION FOR CUSTOMS DUTIES.

It seems that the opponents of the new Tariff, as well as its friends, have overlooked the provisions of the 17th section of the bill, which makes a radical change in fixing the value on which duties are to be assessed. By existing laws, the value of merchandise in the principal markets of the country whence imported, with costs and charges added, is the basis of valuation. By the new law, the actual *cost* of productions abroad is to be the basis. By this, wherever the foreign exporter is the manufacturer, which is in numerous instances the case, he will invoice his goods lawfully at the actual cost value instead of the market value, thereby escaping duties on the amount of the profit according to the market rates.

We call attention to the section which provides:

That in determining the dutiable value of all merchandise imported from foreign countries on which duties are imposed by this Act, or by any existing law, the entire cost of such merchandise shall be taken, which shall appear on the invoice certified by the Consul of the United States, at the place of original purchase or production, as having been paid by the purchaser to any party for or on account of said goods. And if such purchase or certification shall be at an interior town, city, or locality of any foreign country, there shall be added to such entire original cost all actual costs of transportation to the last port of shipment for the United States, and all cost of preparation or preservation paid or accruing in such port of last shipment, except only the actual cost of removal from warehouse on board the vessel for final exportation, or except the commission or brokerage paid for the care of such shipment, not exceeding two and one-half per centum; and if the importer of any merchandise shall neglect or refuse to place upon his invoice when offered for entry, all elements or items of actual cost so paid or accruing, or shall offer for entry as the total value any bill paid for such merchandise not completely finished, baled, packed, or marked, or shall omit to include the value of the casks, bottles, or other articles containing wines or liquors, or shall omit the proper cost of boxes, or of packing of cigars, such omission shall be held to be an undervaluation of the invoice, and the officers of customs examining and appraising the same shall add the said items of cost, and shall impose the penalties now prescribed by law for undervaluations, provided that any importer of merchandise may add items of cost paid or accruing after certification by the consul at the time of making entry without incurring penalty; but if the invoice value as certified be 20 per centum less than the real value or actual cost, all packages and costs of putting up included, and the said importer shall not be entitled to correct the entry without penalty, but shall, if the addition be to the extent of 20 per centum upon the certified value, pay 20 per centum additional as penal duty; and if said importer shall not offer to correct such undervaluation on entry, he shall pay 50 per centum penal duty, and if the undervaluation be 30 per centum or over, the merchandise shall be absolutely forfeited to the United States, and all charges of a general character incurred in the purchase of a general invoice shall be distributed pro rata upon all the parts of such invoice, and every part thereof charged with duties on value, whether specific or ad valorem, shall be advanced according to its proportion. All wines or other articles paying specific duty by grades shall be graded and pay duty according to the actual cost so determined.

AN INTERNAL REVENUE ASSESSOR'S EXPERIENCE.

ASSISTANT ASSESSOR'S OFFICE
EAST CHATHAM, June 20, 1866.

Editors of the Republican:

Having once more passed the ordeal of Annual Assessment under the requirements of the Internal Revenue laws, it may perhaps be interesting and profitable to some that, (with your consent) we publish a short review of our experience in the practical working of the Revenue System, and especially among those who with a limited amount of reading, derive most or all their notions from perusing some partizan journal that has for the last few years devoted so much of time and energy to embarrass the administration and make the tax law appear odious.

The tax law contemplates that all persons shall on the 1st day of May of each year call on the Assistant Assessor and make a full, true, and particular statement of his or her income for the previous year, &c. But usage here, as elsewhere, has established the rule otherwise, and we therefore have been willing, as far as possible, to call on the tax payer, hoping thereby to receive from him or her a ready and willing compliance with our requirements, and I am happy to say that in a large majority of cases these hopes have been realized. But the exceptions are quite too frequent, among which we will notice a few cases in contrast with those just alluded to.

We call to leave blanks with a farmer, the owner of several hundred acres, nearly or quite out of debt, with spacious and well finished houses and out buildings, and every external appearance of thrift and enterprise. He meets us, perhaps, with a curled lip, or a scowl, and commences with a tirade on the war. We reply that we have no inclination to discuss those topics on this occasion, and he endorses the suggestion, but out of the fullness of his heart continues, closing this part of the conversation with the remark that he has no taxable Income, and claims that his explanation should be sufficient to save him from further trouble in the matter. We reply that his statement must be made in figures, and try to give him reasons why. He replies that the whole war debt should be repudiated. We make a short reply and leave, and hear no more from him. In making up our sheet his case presents itself, and now comes the pinch. If we assess him we are accused of political persecution, if we pass him by we are guilty of neglect of duty, and have disobeyed instructions. So we grasp our "odious" pen, enter a tax, add the penalty, and take up a new case. Next a farmer from a different locality presents himself in obedience with notice served, and expresses himself as ready to report: *Question*—Where is your statement? *Answer*—I have not had time to make one yet. *Q.*—How do you expect to make a proper report without one? *A.*—Oh, I can do it in a very few minutes. *Q.*—What, and consider it sufficiently correct to swear to? Why, yes, on a stack of Bibles as high as you please. Well, then, proceed. *Q.*—How much live stock did you sell in 1865, and what amount did you receive? *A.*—"None, I believe." A short pause, with the head inclined thoughtfully forward, while sitting at the table. "65, 65, 6, yes, I believe I did sell two calves," and so the believing and guessing goes on with a strong tendency against tax, with memory apparently very accommodating, and when the balance is struck the order of the blank must be reversed in order to receive the statement. Income far below nothing. And yet this man is positively well off, lives in good [illegible] and acknowledges that he *has* made money, but last year was a "sticker." So this case is passed by, and left for future consideration, with one positive decision on our part, and that is, if you should continue guessing hereafter as before, we shall feel compelled to guess also, and not being very familiar with the act, there may be some tall guessing against you.

And now the scene changes. A comely, unassuming farmer approaches with memorandum in hand, and presents a statement, full and clear, in dollars and cents even, which is readily transferred to blank No. 24, and footed with the same ease and quickness that the deductions are that follow. A respectable balance subject to tax, is the footing, and yet this farmer has no more visible appearance of gains and profits than the two already alluded to. We raise our eyes from the pleasant task just finished, and how his manhood, in contrast, looms up before us; how visible and indelible is that sacred motto imprinted on his manly brow: "First my God, next my Country, then Myself." And how we appreciate that noble sentiment so beautifully expressed by Pope, "An honest man is the noblest work of God." We feel gratified, refreshed, yes, regenerated. We scoff at the idea of repudiation, and a disgraced country; we look forward hopefully, yes, with the full assurance that the time will soon arrive when we shall stand before the world, the proudest national monument of Justice and Power that the sun in all the course of his wide travels has ever looked upon.

Respectfuly Yours,

JOHN M. BARNES, *Asst. Assessor.*

—[*Columbia Republican.*

THE export of the precious metal from this port and Boston, for the past two months, has been as follows:

Week ending May 5	$1,247,240
Week ending May 12	1.064,496
Week ending May 19	8,763,295
Week ending May 26	11,354,840
Week ending June 2	6,873,278
Week ending June 9	5,835,300
Week ending June 16	6.153,199
Week ending June 23	1,409,408
Week ending June 30	550,574
Total	$43,251,630

THE Senate has confirmed the appointments of Charles Davis as Surveyor of Customs at Nashville; Joel Gressard, Surveyor of Customs at Windsor, N. C.; T. L. Cuthbert, Naval Officer at Charleston, S. C.; M. F. Conway, ex-member from Kansas, as Consul at Marseilles; R. D. Mesrill, Consul at Sidney, N. S. W.; Thomas Alcock, Consul at Gooderich, C. W.; G. H. Heap, Consul at Belfast; Albert Rhodes, of Pennsylvania, Consul at Rotterdam.

THE Tariff Bill contains a provision, that upon the reimportation of articles once exported of the growth, product, or manufacture of the United States, upon which no internal tax has been paid and refunded by allowance or drawback, there shall be levied, collected, and paid a duty equal to the tax imposed by the internal revenue laws upon such articles.

THE Conference Committee on the Tax Bill have concluded their labors. They have agreed upon a tax of three cents on cotton, and they also report in favor of permitting, until April, 1867, gas companies to charge consumers with their Government tax, and railroad companies to impose the like tax on travelers.

JUST PUBLISHED:

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The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 2. NEW YORK, JULY 14, 1866. WHOLE NUMBER 80.

REMOVAL.

☞ The Office of this Paper has been removed to 95 LIBERTY STREET, New York City.

NOTICE.

The issue of last week completed Volume III. of the RECORD, covering a period of six months, from January 1, 1866, to June 30, 1866.

No single numbers of the RECORD are sold, and no subscriptions are received for a less period than six months, beginning with January or July. A few sets of the RECORD, from April 15, 1865, to June 30, 1866, can be furnished.

The peculiar character of this publication, being a specialty, precludes a very extended circulation, and the heavy expenses to which the publisher is subjected by the high prices of everything connected with the business, constrain him to insist upon prompt payments. He hopes that those who are in arrears will respond to the above without further or more particular notice.

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REVIEW.

THE event of the week in revenue matters has been the virtual defeat of the Tariff Bill in the Senate, which was accomplished by carrying, by a vote of 23 to 17, a motion of Senator Fessenden to refer the same to the Finance Committee, to report the second Monday in December. We hope that Congress will not fail to increase the import duty on cigars this session, otherwise that branch of manufacture in this country, unable to sustain the additional burden of tax imposed by the Tax Bill will be defunct by next December. It has existed merely in hope for the past year.

The Tax Bill has not yet received the signature of the President, but doubtless will in time for publication in our next issue.

In estimating the value of successions, it is ruled that allowance can be made wherever actual incumbrances exist, such as mortgages, judgments, and liens in general or real estate, but that no allowance should be made for any *contingent* incumbrance thereon.

Commissioner Rollins, in a communication to Hon. D. A. Wells of the Revenue Commission, states that:

"Persons who on the 1st day of May were engaged in a branch of business requiring a license are liable to taxation under the law as it then stood, and the new bill, when it becomes a law, will not relieve them from the present liabilities.

"No monthly taxes will be required upon sales in excess of $50,000 per annum under the new law (if the bill passes in its present form), until the amount of sales of such case exceeds the sum upon which the present licenses are based, but the collection of license taxes now due cannot be suspended."

The result of the proceedings against George Mountjoy, indicted in New Jersey for perjury in making fraudulent returns of manufactured tobacco, will impress all revenue officers with the importance of requiring from all tax-payers a strict compliance with the regulations in regard to properly filling out returns. We know that assistant assessors have in many instances been exceedingly remiss in this matter, often overlooking omissions to fill the blanks with dates, names, description of manufacturers, &c. It will be observed by the report of the case that the returns made by the firm of which Mountjoy was a partisan, were upon old blanks, and were not legal returns.

THE TARIFF BILL.

Consideration of the Tariff Bill has been postponed in the Senate until the next session by a vote of 23 to 17:

YEAS (To Postpone):—Messrs. Sumner and Wilson of Mass., Foster of Conn., Harris and Morgan of N. Y., Riddle and Saulsbury of Del., Johnson (Reverdy) of Md., Willey of West Va., Davis and Guthrie of Ky., Hendricks and Lane of Ind., Trumbull of Ill., Doolittle of Wis., Norton of Minn., Grimes and Kirkwood of Iowa, Brown and Henderson of Mo., Pomeroy of Kansas, Nesmith and Williams of Oregon—23.

NAYS:—Messrs. Fessenden of Maine, Clark and Cragin of N. H., Edmunds and Poland of Vt., Anthony and Sprague of R. I., Cowan of Pa., Van Winkle of West Va., Wade of Ohio., Chandler and Howard of Mich., Howe of Wis., Ramsey of Minn., Stewart of Nevada, and Conness of California—17.

The Bill was far from being perfect in its details, yet we cannot doubt that its operation, if it had become a law, would have been beneficent, and its incongruities could have been remedied in the next Congress.

There can be no doubt but that the manufacture of domestic cigars of the medium and finer grades will be utterly destroyed, if some provision is not made before an adjournment to equalize the duties with the increased excise tax imposed by the new Internal Revenue law.

FRAUDULENT RETURNS—CASE OF MOUNTJOY.

In the United States District Court, Monday, July 9, the trial of George Mountjoy, of the firm of Mountjoy & McGinniss, of Rahway, for making fraudulent returns to the United States Assessor, was resumed.

The Court called D. P. Southworth, United States Assessor for the Fourth District of Pennsylvania, who had been charged with the investigation of the frauds charged in this case. It appearing by his evidence that the alleged return was made on an old form, such as was required under the law of 1862, and that the form prescribed by the Commissioner of Internal Revenue, under the act of 1864, had never been used by the Assistant Assessor at Rahway; and the witness testifying that the return in evidence would not have been accepted by him, and was in no sense in compliance with the act of 1864, the Court interrupted the further progress of the case.

His Honor, Judge Field, said that this was a difficulty that had occurred to his mind from the first, and now it appearing as a fact that no return had been made, he could not charge the Jury that such a return had actually been made, and that it was for them to decide whether it was false and fraudulent or not. This difficulty arises from the fact that the Assistant Assessor, A. S. Bonney, of Rahway, N. J., to cover up his own deficiencies, and to subserve his own private ends, it appearing that he was deeply interested in the return, had arranged his monthly account, at least, in a way to suit himself. The Court felt it was only proper to state this to the District Attorney, leaving it for him to make such statement as he might deem proper under the circumstances.

Mr. Keasbey, United States District Attorney, said that this was a difficulty he had been called upon to consider at the outset of the case, and he had drawn the indictments with reference to it. He could not control the facts of the case, and if the Court considered the objection an insuperable one, he must, of course, submit. He had tried to do his duty, and in future, as in this case, where evidence of fraud was presented to the Grand Jury, he should endeavor to secure a conviction.

The Court then directed the Jury to return a verdict of "not guilty," and under the direction of the Court, the verdict was returned.

A. Q. Keasbey, District Attorney, for the United States; Charles T. Bonsall, David Sellers, and E. Mercee Shreve, for the defence.

There being no other business before the Court ready for action, the jurors were discharged until Wednesday, and the Court adjourned.

SEVEN hundred and sixty-nine bills have been reported and one hundred and eighty-six joint resolutions during the present session of Congress, a number greatly in excess of that acted on by any preceding session.

[illegible]sioners arrived in Munich, the capital [illegible]ria, the 30th of May, and prosecuted their inquiries with much interest, so celebrated has Bavaria been, for several centuries, for its peculiar system of brewing, the excellence of its beer, the extent of its manufacture, and its general use among the people.

The Bavarian government first imposed a tax on malt liquors in 1290, of 7½ kreutzers for weak and 10 kreutzers for strong beer. Modifications of the tax were made in 1350, 1543, 1673, and 1750, increasing the rate, though lightly, and in 1811 the tax was fixed at its present rate, at which it has since remained. It is placed on the malt, and is 5 florins ($2) per scheffel, equivalent to 252 American pounds. A scheffel of malt produces 6½ eimers of beer. An eimer of beer is 18 gallons, American measure. The tax, therefore, is equivalent to 53 cents per barrel of 31 gallons of beer. The tax is paid quarterly.

The brewer is also required by the government to take out a permit before commencing his operations, and the malt, before being ground, is measured and weighed by the excise officer. The Brewer is also required to use only malt, hops, and water in manufacturing his beer. For any violation of the laws, in avoiding the payment of the tax, or using substitutes for the above materials, a penalty is imposed of 100 Prussian ($70) thalers for the first offence, 200 ($140) for the second, 300 ($210) for the third, when his property is confiscated.

The prices, wholesale and retail, at which beer is sold are fixed by the government. By special act of the national legislature these restrictions, at the solicitations of the brewers, have been removed to take effect October 1st of this year. Beer is sold by the brewers, for present use, at 5½ florins ($2,30) per eimer, (18 gallons,) and for stock or lager 6½ kreutzers (4½ cents) per maas, the retailer having but one florin profit per eimer. A retailer having entered into arrangements with the brewer for his supplies of beer for six months or one year, is prohibited by law from obtaining his beer from any other brewery during the term of his engagement, and, in the event of his failing to make payment for his beer, a judgment or execution are issued by the civil officers, which take precedence of other claims. An allowance of 5 per cent. is also made by the government to the brewers on the tax rates, as an especial privilege over other manufacturers. The brewers are permitted to distill their own yeast, lees, &c., into spirits, without an additional tax being enacted.

Notwithstanding the protection extended by the government to the brewers, the profits of the latter are but small. It was stated, by one of those most prominently engaged, in the business, that his capital employed had not yielded, for twenty-five years past, exceeding an average of 7½ per cent. per annum.

The government has derived a revenue from the tax on malt in the year 1811. 1,000,000, florins, or $400,000,; 1830, 4,000,000, florins, or $1,600,000, 1860, 7,000,000, florins, or $2,800,000; 1864, 9,000,000 florins, or $3,600,000.

The population of Bavaria in 1864 was 4,689,837; the national debt, $121,100,000; the national income, $51,500,000; the national expenditures, $35,636,700. In two of the provinces of Bavaria situated on the river Rhine, no tax on malt is imposed, in consequence of wine being produced, which comes into competition with beer in its consumption by the inhabitants.

We estimate the comsumption of beer in Bavaria, at 6,762,452 eimers, which does not include the provinces on the Rhine.

In the year 1816, and 1817 the barley crops having failed, the price of barley advanced to 23½ florins ($9 40 per scheffel, which enhancing also the price of beer, the consumption was materially reduced. In 1819, barley being abundant, the price declined to 5 florins ($2) per schefel, and continued low till 1844, never exceeding 10 florins, or $4, per shefel.

From 1818 to 1843 the brewing business (having received a great stimulus from the prices at which beer was sold) proving profitable, many new breweries were established, those in operation selling at from 500 to 800 per cent. on their former cost value. In Munich in 1848, 54 breweries were engaged in making beer, when the supply became so abundant in the market and the prices so reduced that the losses sustained by the brewers were very large, and many breweries were closed, but 24 continuing in operation.

The consumption of malt liquor throughout the kingdom is largely increasing, it being one hundred fold greater than it was 20 years ago. It is truly a national beverage, used by the people at their meals, at their places of public amusement and at their festivals, and is largely substituted by the poorer classes for coffee. It is a novel sight, to an American, to see the people, early in the morning, drinking beer in the market places whilst eating their breakfast. Having accepted an invitation from Mr. Richard Conner, acting consul for the United States, we attended the celebration of the annual festival of the artists, held near Munich on the 3d of June. There were assembled nearly 10,000 people of both sexes, who passed the day and evening in the lively enjoyment of their games, music, and various amusements, and drinking their wine, coffee and beer, but nowhere could be found any drunkenness or impropriety of conduct. Not a police officer was on the ground, or was required to be present to preserved order.

Previous to the year 1811 the brewing establishments belonged to the nobility and clergy, who were alone entitled to conduct them, the latter not being permitted to vend beer, and brewed only for their own use and that of the monastic institutions to which they were attached. In 1785 the people were permitted to brew for their own use, but prohibited from making sale of beer.

The people accustomed to purchasing beer at low prices oppose any advance beyond the usual cost of their favorite beverage. When, in the year 1847, in consequence of a partial failure of the barley harvests of the three years previous, the price of beer advanced from 4½ cents to 6 cents per quart, it caused a riot. The government, apprehensive of serious consequences to the public peace, was compelled to order a reduction to the former prices.

Through the courtesy and attention of the brewers of Munich, we had ample opportunities afforded us of visiting their establishments. The most extensive are those of Mr. Gabriel Sedlemyr and the Lyon brewery. These breweries each cover an area of ground equal to from eight to twelve acres in extent, and are well and conveniently arranged, with the most approved apparatus for brewing. The annual production of each amounts to from 300,000 to 400,000 eimers (170,000 to 230,000 barrels,) the chief portion of which is consumed within the city of Munich and its vicinity. The beer, whether present use or lager, is of a light quality, and is stored in deep vaults underlying their buildings and grounds. The beer is preserved by ice, with which the vaults are covered and surrounded. In one instance 10,000 tons of ice were thus stored away in a single establishment. This is necessary for its keeping qualities, as but a small quantity of hops is used in the brewing, the public taste being averse to a higher hopped beer. The malting of their barley is conducted in cellars underneath their breweries. The floors are composed of square blocks of stone similar to those used by lithographers for their drawings, and they present a very level and smooth appearance, the stone being admirably adapted for the purpose by its cleanliness and durability.

The malt is dried on kilns of perforated iron plates, arranged one above the other. The germinating barley is permitted to "wither" somewhat before being loaded on the kilns. The upper kiln is loaded first, and when the vapor has been expelled, the grain is let down to the lower, when the upper kiln is again loaded with moist malt, the drying being thus accomplished within twenty-four hours from the time it is taken from the malting floor. Turf or peat is used as fuel, the fumes of which are conducted through two large flues, one above the other and underneath the lower kiln. This rapid drying is preferred to the slower process pursued in this country and in England.

The King's brewery, situated near the central part of Munich, is one of the prominent institutions of the city. Under the control and management of the government, it furnishes to the people, at cost, a light and refreshing beer, at the low price of four cents per maas, containing rather over a quart. Under the long archway in front of the brewery you enter a door, hand the empty mug to the tapster, who is stationed by the large cask always freshly tapped, by whom it is filled, and, after paying for it, you take a seat at one of the long tables in the crowded saloon—if a seat is to be found. The daily sales here amount to 3,000 gallons.

Not less interesting was the visit of your commissioners to the monastery of St. Francis, situated within the limits of the city. Under the guidance of Dr. Max Petenkofer we were conducted to the ancient institution, and, after the usual formalities, invited to participate in the hospitalities of their social board. Surrounding a long table were seated the fathers, and a few strangers and some of the prominent citizens of Munich, enjoying their pleasant conversation. Before each was placed a large glass of beer, and it gives us pleasure to acknowledge the kind welcome we received and our enjoyment of the excellent and far-famed beer brewed by the Monks. We were permitted to inspect the complete and well arranged little brewing apparatus.

Malt liquor, or beer, as it is universally called, is regarded by the people of Bavaria as essential to their health and enjoyment. They use it freely and with impunity. The superiority and low cost of this beverage exclude the use of that which is unduly stimulating and too often adulterated, and which not one in one thousand persons is habituated to the use of. The government recognizes beer as a national beverage, protects the people in its good quality, employs officers to inspect on the 30th of April of each year the beer stored in vaults of the brewers, and by light taxation encourages its consumption, deeming it necessary for the promotion of good morals and the contentment of the people. It is a fact worthy of great attention that intemperance is of rare occurrence, and that (as stated by a leading official connected with the military and government hospitals) only in a period of five or six years does a case of *delirium tremens* occur.

Barley is selling for 76½ cents per bushel, and malt for 99 cents per bushel.

The brewers allow their workmen seven quarts of beer per day. This and their wages amount to 70 cents per day.

The distillers, if regularly engaged in the business, pay 57½ kreutzers for every metze of grain. Six metze are equal to one scheffel. The tax, therefore, is 38 cents for 43 pounds of grain. But little spirits are drunk by the people, being used chiefly for export or manufacturing purposes.

There is no tax imposed on wine manufactured in the kingdom.—*Report Com. U. S. Brewers' Asso.*

DEBATES ON THE TARIFF BILL.

During the discussion of the Tariff bill, Mr. Fessendon said he did not propose the merits of the bill just now. He had kept himself in some degree familiar

with the progress of the bill in the House, and he knew enough of it in its present condition to be very well satisfied that if it was, as proposed, committed to the Finance Committee, it would involve a great deal of labor. It would require a great deal of careful consideration. As to some of the sections to which the House had assented, he had no hesitation in saying he was entirely unconvinced of their correctness. But while that was the case, he would say that so far as the Committee on Finance was concerned, it was perfectly ready to enter upon the examination of the bill, and devote to it all the labor necessary in order to get it in such shape as to make it satisfactory to the committee and to the Senate. He agreed with Mr. Wade that if it was advisable to pass such a bill, considerations of convenience ought not to effect its postponement. He (Fessenden) was as anxious to go home as any one else. He knew that if the session was continued he would have to bear a full share of the labor. Nevertheless, the committee was ready, and he was ready, to give it the examination and the time it required. There were some provisions of the bill which were essential, and ought to be passed; as the one for extending the time for collecting the direct tax from the Southern States. With regard to his (Fessenden's) opinions on the general subject of the tariff, he believed they were pretty well understood. He was, and always had been, a protective man. As to the vote given in the house on this bill, he agreed with his friend from Massachussetts (Wilson), who stated the other day that it could by no means be considered a bill gotten up in the interest, although great pains had been taken to suggest that idea. The solid New England vote for the bill only proved that New England men were loyal to their convictions, whether a bill affected them or not. He believed a revision of the tariff was necessary. He would not try to influence any senator's vote on the motion to postpone.

Mr. Henderson took the floor in advocacy of the postponement, discussing the general question of revenue and tariff in the course of his remarks. The general character of the pending bill was to increase the tariff; the duty was not decreased, he believed, in a single instance. He was not a high tariff man, and the legislation of the last four years satisfied him of the utter futility of a protective tariff to prevent excessive importation. The cause of excessive importation was inflated currency, and not the want of sufficient protection to American industry.

Mr. Wilson—I intend to vote to commit this bill to the Finance Committee, with instructions to report in December. I will vote so because I believe the permanent interests of the whole country demand that, in adjusting the tariff, it shall be done with great care and after great examination. During the last five or six years we have had a new tariff almost annually, and these changes have been detrimental to the best interests of the country. We have revised the internal revenue of the country and relieved its productive interests. I want to see how that works. In revising the tariff, I want it done thoroughly and well, and so done that we shall not be compelled to change it within the next year or two. The tariff that comes to us from the House of Representatives is full of mistakes and errors—mistakes and errors, sir, that even the parties who favored the bill did not understand at all when they passed it. They now find out what they have done. I want the Committee on Finance to take time and devote their energies to it. Let them take a portion of the time after the adjournment to prepare a bill with great care and labor, and we can have it early in the next session. I do not think any of the interests of the country will suffer materially for four or five months. I know there are some interests that would be promoted by the immediate passage of the bill. There are other great interests of the country that will not be promoted but injured by it. I have a number of letters pointing out certain provisions of that bill to show how it will operate on certain of these interests.

The question was taken on amending Mr. Fessenden's motion as proposed by Mr. Grimes, to instruct the Committee on Finance to report on the second Monday in December. The yeas and nays were demanded, and recorded with the following result:

YEAS—Messrs. Brown, Davis, Doolittle, Foster, Grimes, Guthrie, Harris, Henderson, Hendricks, Johnson, Kirkwood, Lane, Morgan, Nesmith, Norton, Pomeroy, Riddle, Saulsbury, Sumner, Trumbull, Willey, Williams, Wilson—23.

NAYS—Messrs. Anthony, Chandler, Clark, Conness, Cowan, Craggin, Edmunds, Fessenden, Howard, Howe, Poland, Ramsay, Sherman, Sprague, Stewart, Van Winkle, Wade—17.

ABSENT—Messrs. Buckalew, Creswell, Dixon, McDougal, Morrill, Nye, Wright, Yates—8.

The motion of Mr. Fessenden, as amended, was then adopted, and the bill was referred to the Committee on Finance, with instructions to report on the second Monday in December.

THE PRACTICAL DEVELOPMENT OF OUR RESOURCES.

Notwithstanding our resources we can never compete with the 83,000,000 horse-power of steam machinery possesed by Great Britian until we increase the physical force of laboring unit in the same proportion—say one hundred fold. When this is done, and each million of our ingenious mechanics and experts shall have been increased to one hundred million, then we shall be prepared to advocate *free trade.*

But England will never permit this grand consummation, this magnificent development, as long as we allow her crush every attempt, by exposing our manufacturers to competition and ruin every few years, as a chronic political distemper.

We must have something stable, on which capitalists can depend, and that will justify our manufacturers to invest largely in manufacturing pursuits. Ad valorem tariffs are at best temptations to corruption and perjury. We are at the mercy of the unprincipled, both at home and abroad. But better this than nothing, provided it secured us against competition, and enabled us to build up our domestic industry. Specific duties, however, would save much false swearing, and perhaps not a few from perdition, while they would save the Government from being robbed, and frequently our manufacturers from ruin. We never know what ad valorem prices are. They vary as the necessities of the foreign manufacturers; are extremely low when we try to help ourselves by protective tariffs, but extremely high when our manufacturers are crippled. But specific duties only change as we feel the need of change, and leaves no chance for barefaced perjury and crime.

We would recommend earnestly a

SLIDING SCALE

of specific duties on imports, in order to regulate our commerce and place our manufactures out of danger from the periodical experiments.

In the two great commercial countries of England and France the importations and exportations are regulated to some extent by the national banks, which raise the rate of interest when importations are excessive, and lower it as they decrease. But here we have no such national regulator, nor do we want one. Stephen Colwell, Esq., we think, advocates a "scale" to regulate the imports, which we think the most judicious yet made on the subject.

It is to fix a fair rate of duties, sufficiently protective, but not prohibitory, and to require the Secretary of the Treasury, or a commission, *to increase the duties ten per cent. whenever the imports exceed the exports,* (*exclusive of coin,*) *during any quarter, until the exports exceed the imports.* This would prove and effective check against excessive importations, and thus keep our gold at home.

When, under this truly protective system, our manufactures obtain such a foothold as to require less protection, it would be an easy and pleasant duty to reduce the duties, when we can do so without danger to our domestic industry.

This plan would free the tariff question from constant legislation, and would give security and confidence to capital for investment in all branches of manufactures.

The knowledge that such a power is in the hands of the Secretary, or commission, would tend to check importation, because importers would watch the reports of our commerce, and govern themselves accordingly.

With this question settled, the drain of coin would be checked, gold would rapidly decline in value, as compared with currency, and we would then gradually descend from high war to peace prices; and when expedient a resumption of specie payments could be effected without disturbing the business of the country, under the national currency system. As all the property of the country is pledged as a basis for our national currency, of course a dollar in paper, with gold at par, would be just as good as a dollar in gold

With our currency and foreign commerce thus regulated on a permanent and equitable basis, providing for the future wants of the country, without further disturbing legislation on those important questions, our country would enter on a career of increasing prosperity and wealth, unparalleled in the history of nations, without any of the great drawbacks which have so frequently checked our onward course heretofore.

In order to give confidence to those whose great dread is an inflated currency, who believe we have too much money, and to check over issues Mr. Bannan, of the Pottsville, (Pa.) *Miners Journal*, proposes that some *fixed law* shall be given to the amount of currency issues of paper money.

If our national wealth is $18,000,000,000, and the products of our labor $5,000,000,000 annually, we want not less than four dollars in currency or available money for every thirty dollars of wealth. Any business man can estimate for himself the quantity required by the amount of his productions. There may be great difference in individual cases, but the requirements of communities are much the same in proportion. When wages and materials are high, as at present, and taxes heavy, a larger percentage is required. But a fixed law to the amount of currency issues could not fail to give confidence to business men. This, with some strict prohibition against the pernicious system of banking on deposits, would prevent panics and general bankruptcies. Our present system of conducting banking operations on the strength of individual deposits cannot fail to bring frequent ruin on the depositors. This needs no explanation, since the late bank failures in this country and England tell their own story.—*Chronicle.*

"THE law of Congress as amended. permits banks to pay out State Bank Currency until the 1st of August; after that, the ten per cent tax takes effect. This extension of one month only is of little consequence. The banks, both National and State, are liable to pay 10 per cent. tax on all State Bank notes they pay out. Any bank can receive it, at par or at a discount, and forward it to their correspondents for credit. The redemption banks must assort it, and they, on their part, must be prudent in not being parties to the various dodges to recirculate the money.

"Individuals, merchants, brokers, railroads, &c., can take in and pay out State Bank Currency after the 1st of August without being liable to the tax. The prohibition or the tax is applicable to *Banks* only. Agents of banks and parties acting in the interest of banks, will be construed as the bank itself, and in this respect there will arise some trouble. If the money, after it has been once taken in by the redeeming agent or by the bank itself, is again thrown into circulation, somebody will be held for the tax."

Treasury Dept., Decisions, &c.

MAKING UP RETURNS OF DEPOSITS OF NATIONAL BANKS.

TREASURY OF THE UNITED STATES,
DIVISION OF NATIONAL BANKS,
WASHINGTON, July 7, 1866.

SIR: I have received yours of the 3d instant. You say: "There is a difference of opinion in regard to one feature of our statements among national banks in this section which does not seem to be met by any of your published decisions. It is connected with the 'deposit' item. *We* make the amount by adding the amount due ordinary deposits to that received from collections on account of other banks, and deduct the amount of overdrafts, and that sent to and due from other banks, (on which, of course, *they* pay the tax.) In other words, we deduct the amount due *from* other banks from that due *to* them, and add this to the balance of deposit account, (deposits less overdrafts.)"

That there has been no published decision of this office in regard to the above manner of making returns is simply owing to the fact that it has not hitherto been supposed that any bank would claim to be allowed to deduct from its deposits the amount of its overdrafts or the sums due from other banks, virtually overdrafts. The deposits shown by the books of your bank are the deposits to be returned for payment of duty, without any deduction, whether of amounts due from other banks or of individual overdrafts, which are really loans illegitimately and improperly made, opposed to all principles of good banking, and against which there should be the most strict regulation.

The $20,000 mentioned by you as received from the Metropolitan Bank as a "call loan," and credited to said bank, is a deposit upon which duty should be paid, even though the amount has been left by you with *the same bank*, subject to your draft. The deduction, as an offset, of a like amount due from said bank would not be proper.

The check received by you from the Albany Bank and forwarded to the Saugerties Bank for collection, having been credited by you to the Albany Bank, must be returned by you as a deposit so long as it may remain with you, and it would not be proper to enter as an offset to this deposit the amount you have charged to the Saugerties Bank on account of said collection.

Very Respectfully,
F. E. SPINNER, *U. S. Treasurer.*

H. N. REYNOLDS, *Cashier State of New York National Bank, Kingston, New York.*

TAX ON WHOLESALE DEALERS UNDER THE NEW LAW—ITS EFFECTS ON EXISTING LICENSES.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 29, 1866.

SIR: The letter of Mr. Gray addressed to you, and by you referred to this office, has been received, and is as follows:

"The collectors are calling for the payment of licenses for one year, from May 1st, 1866, to May 1st, 1867, to be made on or before the 30th instant. If we pay, we shall have trouble and tribulation to get it back. Can not instructions be given to suspend action until the new law shall be passed. I wish the Secretary would telegraph to this effect. No time to be lost."

Persons who, on the first day of May, were engaged in a branch of business requiring a license, are liable to taxation under the law as it then stood, and the new bill, when it becomes a law, will not relieve them from their present liabilities.

Under a recent ruling of this office, dealers, when making applications for licenses for the year ending May 1, 1867, are allowed to estimate the amount of their sales for the year, and if such estimate is approved by the assessor, to take licenses based upon the estimated amounts, subject to re-assessments, if their annual sales exceed the estimates.

No monthly taxes will be required upon sales in excess of $50,000 per annum under the new law (if the bill passes in its present form) until the amount of sales in each case exceeds the sum upon which the present licenses are based; but the collection of license taxes now due can not be suspended.

Very respectfully,
E. A. ROLLINS,
Commissioner.

HON. D. A. WELLS,
Treasury Department, Washington, D. C.

DEDUCTIONS FROM PLANTERS' INCOME—EXPENDITURES FOR LABOR, &C.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 12, 1866.

SIR:—I reply to yours of the 25th ult., that expenditures for labor in one calendar year cannot be deducted from the proceeds of the crop sold in a subsequent year.

Losses in farming may be deducted from any business income.

Expenditures for labor in a year in which no crop is sold, may be deducted from business income, but not from rents, dividends, and the like.

Very respectfully,
D. C. WHITMAN,
Deputy Commissioner.

TO LUCIEN J. BARNES, Esq., *Assessor,*
Little Rock, Ark.

ESTIMATING VALUE OF SUCCESSIONS—DEDUCTIONS ON ACCOUNT OF MORTGAGES AND OTHER INCUMBRANCES.

ASSESSORS OFFICE,
FOURTH DISTRICT NEW YORK,
May 9, 1866.

SIR:—Parties in making returns of successions to real estate in cases where there is a mortgage on the premises passing, insist upon stating the mortgage as a proper deduction from the market value.

I see nothing in the law or instructions contemplating a deduction for mortgages, judgments, or liens, or any charge except such charges, &c., as are determinable, or for a period ascertainable, only by reference to death. The contrary view is relied on so persistently, even by gentlemen learned in the law, that I deem a ruling by the Department very important.

Very respectfully,
PIERRE C. VAN WYCK,
U. S. Assessor, 4th Dist., N. Y.

Hon. E. A. ROLLINS,
Commissioner Internal Revenue:

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 7, 1866.

SIR:—I reply to yours of May 9th, that the succession tax is assessable in general terms "upon the value" of the estate granted or derived.

It is prescribed in section 140, that in estimating such value, no allowance shall be made for any contingent incumbrance thereon,—the clear implication being, that allowance should be made wherever there exist actual incumbrances, and such are mortgages, judgments, and liens in general.

Your position is not therefore sustained.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

P. C. VAN WYCK, Esq.,
Fourth Dist., N. Y.

Customs.

CIRCULAR TO COLLECTORS OF CUSTOMS RELATING TO IMPORTATIONS OF LUMBER FROM THE PROVINCES UNDER THE ACT OF JUNE 1, 1866.

TREASURY DEPARTMENT, July 6, 1866.

Ordered, That before admitting to entry any importations under the provisions of the act of June 1, 1866, entitled "An act to protect American citizens engaged in lumbering on the St. Croix river, in the State of Maine," customs officers will require the presentation of a manifest setting forth the description and quality of such importations, being the produce of the forests of the State of Maine upon the St. Croix river and its tributaries, owned by the American citizens, and being unmanufactured in whole or in part, and specifying the place of original production, the place where the same was sawed, the name and residence of the owner or owners, the name of the person who sawed the same, and that he, as well as the owner, are citizens of the United States; which statement shall be sworn to by such owner and person who did the sawing, either before a justice of the peace of the State of Maine, a United States consul or consular officer residing in the Province of New Brunswick, or a justice of the peace authorized to administer oaths in said Province; and the officer before whom such oath shall be taken shall certify of the same on such manifest, and that he is satisfied of the truth thereof: *Provided*, That if the oath shall be taken before a justice of the peace of New Brunswick, his official character and authority shall also be certified by a United States consul or consular officer in said Province.

H MCCULLOCH,
Secretary of the Treasury.

TAXATION OF SHAREHOLDERS OF BANKS—INSTRUCTIONS OF THE COMPTROLLER OF THE STATE OF NEW YORK TO ASSESSORS OF TAXES.

STATE OF NEW YORK, COMPTROLLER'S OFEICE,
ALBANY, June 28, 1866.

Under the provisions of law which direct the Comptroller from time to time to transmit forms and instructions to the assessors throughout the State, and which require assessors to be governed thereby, the Comptroller deems it his duty to call the attention of these officers to the requirements of the act, chapter 751, laws of 1866, relating to the assessment and taxation of the shareholders of banks, and to prescribe the following rules for their observance:

First, In estimating the value of bank shares the usual course has been to assess them at their par value. But this standard cannot always be relied on as correct. The real value depends very much on the amount of surplus funds that has been accumulated, and when these amount to a large percentage on the capital, as they do in many instances, the real value of the shares will be increased in proportion. Hence to assess on the par value, as a fixed rule, would result in a discrimination in favor of banks holding large amounts of surplus funds, and against others not similarly situated. Assessors should decide as to the value on the best information within their reach. In no case, however, should the assessment be less than the par value, without proper evidence that the capital has been impaired, through losses actually charged over on the books. The Comptroller is informed that in several counties the assessors are disposed to assess bank shares at a price much less than the par value, under the pretence that in so doing they would only be giving to personal property, in the form of bank shares, the same advantage that is enjoyed by individual holders of other kinds of personal property, a large proportion of which it is said is concealed, and therefore not assessed or taxed. There is nothing in the act which justifies so

loose and incorrect a mode of assessment. The provision in the first section that the shares shall not be estimated "at a greater rate than is assessed upon other moneyed capital in the hands of individuals," evidently refers to the rate per cent. of tax, and not to the amount of the assessment. Such is the construction given to the passage by this department, and assessors should conform thereto.

Second. No deduction should be allowed shareholders from the assessment of their shares for debts. The only deduction provided for is a proportionate part of the real estate of the bank which is to be assessed against the corporation. If it had been the intention of the Legislature to allow of other deductions, it is fair to presume that they would have been expressly mentioned in the act. The inference that, because the value of the shares is to be included in the valuation of the personal property of the shareholder, his right of offset for debts will attach to this, as well as other items of his personal estate, does not appear reasonable or just. The value of the shares is to be included in the valuation of the personal property of the shareholder, "at the place, town or ward where the bank is located, and not elsewhere." Now, as a large proportion of the holders of bank shares reside in places, towns and wards other than where the institutions are located, it is plain the value of their shares cannot be included in the valuation of the personal property of this class, because it is a general provision of law that the taxpayer is to be assessed for his personal effects in the district where he resides. Hence, if the law were administered on the inference stated, it would give resident shareholders a privilege not possessed by non-residents, and thus result in an inequality which it may be presumed the legislature did not intend to sanction. It would have another bad effect, by making it impracticable for banks to assume and pay the taxes levied on the respective interests of their shareholders, as it is believed most of them will do, provided the shares are included in the valuation of the personal property of the stockholders, as a separate and distinct item. If mingled with other property, subject to deduction for debts, it would be difficult, if not impossible, to separate it from the mass, and ascertain the exact amount of tax with which it was chargeable. Thus, any benefit and convenience to be derived from an assumption of the tax by the banks would be lost. Practically, the question is of no importance, except to the few taxpayers, where debts exceed the value of their personal property other than bank stock. To the great majority the right of offset would be of no advantage if admitted, while it would create inequalities and embarassments that would render the administration of the law more difficult.

Third. No deduction should be allowed for the proportionate interest of a shareholder in the stock or bonds of the United States held by the corporation. It is true that these securieties cannot be taxed, either in the hands of corporations or individuals, but the Supreme Court of the United States, in the case of Van Allen vs. Nolan et al., assessors, has decided that a tax on the shares is neither a tax of the capital of the bank nor of the stocks of the United States, where a whole or portion of the capital may be invested in such stocks. However opinions may have differed on this subject, the case referred to must be taken as an authoritative decision of the question, which leaves the whole of the interest of the shareholder subject to the tax.

Fourth. In case of individual bankers, the act contemplates that they are to be assessed in the same way as banks and banking associations. This appears evident from the fact that, although they may not issue certificates of stock, each $100 of their capital, for the purpose of taxation, is to be held and regarded as one individual share, and the shares are declared to be personal property. It should be understood, however, that the term "individual banker" does not include persons engaged in business under the name of bankers who are not organized as such under the banking laws of the State, who issue no circulation, and who do not therefore appear to come within the designation of the term as used in the act. The capital of this class is to be assessed on the same principle as the property of other individuals, and they are entitled to the same deductions from the amount of their assessments, for debts and investments in United States stocks.

Fifth. By the seventh section of the act, "the franchises and priveleges granted by the Legislature to savings banks or institutions for savings are declared to be personal property, and liable to taxation as such in the town or ward where they are located to an amount not exceeding the gross sum of their surplus earned and in the possession of said bank or institution."

The right to tax corporations for their franchises is so clear that it is difficult to see how it can be strengthened by making them personal property, if that were possible. It is no less difficult to realize the policy or justice of taxing a bank for them to an amount equal to its whole earned surplus, a procedure which would at once close up every saving institution in the State. Construing the section in conformity with what is believed to have been the intention of the Legislature, though the language fails to express it, the Comptroller concludes that these institutions should be assessed on the amount of their surplus funds, after deducting such portion as may be invested in the stocks of the United States. It is not easy to see how this deduction can be avoided by a tax on the franchises and privileges, as provided in the act, if such tax be imposed in the usual form of a percentage on a fixed valuation or assessment. The stocks of the United States being exempt from taxation, they could not properly be included in the assessment and must therefore escape.

It is equally clear that these securities, as owned by savings banks, do not come within the scope of the decision of the Supreme Court before refered to. It is there held, substantially, that a tax on the shares of a banking corporation is not a tax on the stocks of the United States in the possession and ownership of the institution, but that, on the contrary, it is a tax upon the new use and application of these securities, conferred by the charter of the association. As there is no use or application of the indebtedness of the Government open to savings banks except such as is enjoyed in common with individuals—that is, the right of holding them for the purpose of investment—it seems plain that they are as fully exempted from local taxation in the one case as in the other.

THO. HILLHOUSE, *Comptroller.*

PRIVILEGES OF FREEDMEN AND REFUGEES UNDER THE HOMESTEAD LAWS—IMPORTANT CIRCULAR.

WAR DEPARTMENT,
BUREAU OF REFUGEES, FREEDMEN, AND ABANDONED LANDS,
Washington, July 2, 1866.

Circular No. 7.

The attention of the assistant commissioners of the states of Mississippi, Louisiana, Arkansas, and Florida, is called to an act of Congress for the disposal of the public lands "for homestead actual settlement" in those States, approved by the President June 21, 1866.

By the provisions of this act, freedmen and whites who can take an oath that they have not borne arms against the United States, have the exclusive right, till January 1, 1867, of entering [illegible] the following manner:

The applicant must make an affidavit that he is at the head of a family, or is twenty-one years of age, or shall have performed service in the army or navy of the United States, and that such application is for his exclusive use and benefit, and that said entry is made for the purpose of actual settlement and cultivation, and not either directly or indirectly for the use or benefit of any other person or persons whomsoever; and upon filing the said affidavit with register or receiver of public lands at the land office of the district in which the lands are located, and the payment of the five dollars, the applicant can enter not more than eighty acres of land, and take immediate possession.

If at the end of five years the land has been held and cultivated by the applicant, a patent giving him full right and legal title to the land will be issued upon the payment of five dollars.

Assistant commissioners should make themselves familiar with all the provisions of this act, intended to extend the privilege of securing homesteads from public lands to loyal whites and freedmen; giving them till January 1, 1867, special opportunities of obtaining homes by the mere act of settlement and paying five dollars, secure from any interference likely to occur. Information of the location and quality of lands, the manner of entry, the advantage of this offer of the Government, the increased security, and many reasons for companies of these people entering lands lying contiguous, should be collected and presented in the strongest manner.

Public lands can be entered at the following land offices, located in the States named: Alabama, Montgomery; Mississippi, Jackson; Louisiana, New Orleans; Arkansas, Little Rock, Washington, and Clarksville; Florida, Tallahassee.

O. O. HOWARD,
Major-General and Commissioner.

BUREAU OF REFUGEES,
FREEDMEN, AND ABANDONED LANDS,
WASHINGTON, July 17, 1866.

A circular has just been issued calling your attention to an act of Congress extending the provisions of the homestead law to the freedmen, and giving them an opportunity to enter lands unopposed by any influence till January 1, 1867.

The subject of this circular is of importance to the poor whites and freedmen under your charge, and in order to secure your most earnest action in their behalf I write this letter.

You are aware of the many advantages the Western States have derived from this wise action of Congress; of the many thousands of poor people who have entered lands in this way, and laid the foundation of their individual fortunes, and at the same time built up prosperous and powerful States.

There is no reason why the poor whites and freedmen of the South cannot take advantage of the present homestead law, and enter a career of prosperity that will secure them fortunes, elevate them socially and morally, add to the general prosperity of the country, and settle the many vexed questions that are now arising.

You should resort to every means in your power to spread the information this circular contains. You are empowered to employ a special agent, in order to get a man of special fitness, if you shall find it necessary. Correct maps of all the public lands in your district must be obtained immediately, and information as to the quality, location, &c., should be gathered and made known to the people interested. An officer or agent may be charged with the duty of answering all questions that may be asked by whites and blacks,

besides corresponding with the register of public lands, on all subjects connected with this matter. Many ways of aiding the people in obtaining information and will suggest themselves to the assistant commissioner.

It is the object of this letter to impress upon all officers of the bureau the importance of attending to this duty at once—to urge them to such action as will make the bureau an efficient agent in settling the public lands and securing homes to the poor whites and blacks. The Commissioner directs that you report, as soon as possible, what steps you have taken or propose to carry into effect the settlements so much desired.

O. O. HOWARD,
Major General and Commissioner.

[Official.]

LAWS OF THE UNITED STATES,

Passed at the First Session of the Thirty-ninth Congress.

[PUBLIC—No. 82.]

AN ACT to provide for the revision and consolidation of the statute laws of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorised, by and with the advice and consent of the Senate, to appoint three persons, learned in the law, as commissioners to revise, simplify, arrange, and consolidate all statutes of the United States, general and permanent in their nature, which shall be in force at the time such commissioners may make the final report of their doings.

SEC. 2. *And be it further enacted*, That, in performing this duty, the commissioners shall bring together all statutes and parts of statutes which, from similarity of subject, ought to be brought together, omitting redundant or obsolete enactments, and making such alterations as may be necessary to reconcile the contradictions, supply the omissions, and amend the imperfections in the original text; and they shall arrange the same under titles, chapters, and sections, or other suitable divisions and subdivisions, with head-notes briefly expressive of the matter contained in such divisions; also with side-notes, so drawn as to point to the contents of the text, and with references to the original text from which each section is compiled, and to the decisions of the federal courts, explaining or expounding the same, and also to such decisions of the State courts as they may deem expedient; and they shall provide by a temporary index, or other expedient means, for an easy reference to every portion of their report.

SEC 3. *And be it further enacted*, That when the commissioners have completed the revision and consolidation of the statutes, as aforesaid, they shall cause a copy of the same, in print, to be submitted to Congress, that the statutes so revised and consolidated may be reënacted, if Congress shall so determine; and at the same time they shall also suggest to Congress such contradictions, omissions, and imperfections as may appear in the original text, with the mode in which they have reconciled, supplied, and amended the same; and they may also designate such statutes or parts of statutes as, in their judgment, ought to be repealed, with their reasons for such repeal.

SEC. 4. *And be it further enacted*, That the commissioners shall be authorized to cause their work to be printed in parts, so fast as it may be ready for the press and to distribute copies of the same to members of Congress, and to such other persons, in limited numbers, as they may see fit, for the purpose of obtaining their suggestions; and they shall from time to time report to Congress their progress and doings.

SEC. 5. *And be it further enacted*, That the statutes so revised and consolidated shall be reported to Congress as soon as practicable, and the whole work closed without any unnecessary delay.

SEC. 6. *And be it further enacted*, That the commissioners shall each receive as compensation for his services at the rate of five thousand dollars a year for three years, with the reasonable expenses of clerical service and other incidental matters, not to exceed two thousand dollars annually for such expenses.

Approved, June 27, 1866.

[PUBLIC—No. 84.]

AN ACT to amend an act entitled "An act to authorize the sale of Marine Hospitals and Revenue Cutters, approved April 20th, 1866.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the act entitled "An act to authorize the sale of marine hospitals and revenue cutters," approved, April twentieth, eighteen hundred and sixty-six, shall not be construed to authorize the Secretary of the Treasury to lease or sell any such hospital where the relief furnished to sick marine[r]s shall show an extent of relief equal to twenty cases per diem, on an average, for the last preceding four years, or where no other suitable and sufficient hospital accommodations can be procured upon reasonable terms for the comfort and convenience of the patients.

Approved, June 27, 1866.

[PUBLIC—No. 85.]

AN ACT in amendment of an act to promote the progress of the useful arts, and the acts in amendment of and in addition thereto.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon appealing for the first time from the decision of the primary examiner to the examiners-in-chief in the Patent Office, the appellant shall pay a fee of ten dollars into the Patent Office to the credit of the Patent fund; and no appeal from the primary examiner to the examiners-in-chief shall hereafter be allowed until the appellant shall pay said fee.

Approved, June 27, 1866.

THE RESUMPTION OF SPECIE PAYMENTS.

We take the following letter from the *Evening Post*. It shows that the minds of men are gradually approaching to correct ideas on the subject of paper currency, and gives assurance that freedom from the dominant bullionist theories is not far off:

"I have seen in your paper recently something in relation to the amount of specie necessary for the payment of duties and the interest on our debt, which tempts me to trespass on your time while I present my own conclusions, which have resulted from a long continued and considerably intimate connection with the financial affairs of our own State and one of our most important railroads, and I hope you will pardon me for doing so when I assure you that I have no personal or party purposes to serve, and that all I ask is that the interest of the whole people may be promoted.

"And I am sure you will agree with me in desiring the cheapest and best mode of conducting our public as well as our private finances, consistent with due regard for the safety of our funds.

"Perhaps you may not at once admit that our end is to be secured by the use of paper in some form, almost exclusively in place of coin.

"But, I shall hope eventually that you will, as I do, perceive it to be our duty to the industry of the country to make this substitution almost entire, if not quite, and I take this ground because I find in practice that while specie is necessary as money, or the standard by which we measure our commercial transactions, the transactions are effected mainly by the use of some one of the many forms of paper or credits which go to make up what is really our currency, and which is the title and representative of our merchandise, or convertible property, precisely as deeds and mortgages are to our real estate or fixed property.

"I think you will agree with me that but a small fraction of the exchanges at your Clearing House, amounting at times to three thousand millions per month, are made by the use of coin. And yet, all these transactions bear some recognized relation to specie as a measure or standard.

"Let us suppose, for illustration, that when Mr. Fessenden wanted fifty millions of your banks he had mustered the sense and courage to have accepted the funds on deposit to his credit in these banks, instead of requiring the sum to be converted into his particular form of currency and placed in the Sub-Treasury. Would not his checks on these banks have paid any demands due from him—especially to parties who were themselves debtors to these same institutions, and who would have been glad enough of his checks or drafts?

"I confess that for more than thirty years I have been looking on in amazement at the strange infatuation of men who insist upon recognizing no currency but gold and silver, or those and bank notes, as legitimate. All the specie, bank notes and legal tenders together make but the small change in our immense business, and really are of but little consequence as causes—except that I do admit that specie has much to do as the secondary standard, being itself measured by labor.

"Therefore, if by the discovery of new mines and improved modes of working, more gold and silver are produced by the same labor, then labor and its products bring more dollars; or in other words a higher price. There is no escape from this, and therefore we may expect higher prices, not only here, but everywhere. More interest, more salaries, more rents, more everything, as measured by specie, which has depreciated as measured by labor.

"But the necessity for the use of specie is not yet apparent, any more than the use of expensive paper for our notes and checks, which are as much the representatives of wealth on the one kind of material as another. It is the title we look for, and not the style of the check.

"I admit that among parties who are not known, or at least thought to be honest, no paper would do, and we should insist upon something which had real value.

"And this is found in specie, though not alone in that, but in all products of labor.

"But these exceptions do not invalidate the general rule, which is, that merchandize is exchanged by the use of paper in some form, notes, drafts, checks, &c., which are the representatives of and title to all our wealth.

"Now the question arises, why the government or any individual should ever use specie if he is honest and has funds at command to meet his liabilities.

"Massachusetts has an income from taxes or other sources, and this is placed to the credit of our treasurer in one or more of our sound banks, upon which he makes his drafts or checks for what he owes for salaries, interest, and other expenses, just as all treasurers should.

"Of course he uses bank notes, as all do. But these are only the checks of the bank itself, payable to bearer on demand everywhere—used for convenience simply, but not necessarily.

"My point is that there can be no possible reason why the revenue of the United States should not be paid in the same funds which all bankers and business men

use, and placed in proper banking institutions to be drawn upon when wanted.

"And I do not hesitate to say that if Congress would be even half honest, and resume specie payments, or in other words return to the specie standard as recognized abroad, and then authorize a liberal loan, payable in London as the present commercial center, the Secretary of the Treasury could meet all his obligations hereafter, without the use of a single dollar in specie, bank notes, or legal tenders.

"Duties and taxes should be collected in such funds as would exchange into and meet these liabilities of course, and that is no more than all would expect, and be able to do. The only difficulty is in the resumption.

"This difficulty I propose to meet in a manner which which I suggested to Mr. McCulloch in January last, and which was subsequently put forth by another person in the *North American Review* for that month.

"It is simply to recognize the right of the debtor who owes for property purchased at currency prices, to meet his obligations when they become due upon precisely the same terms as he could do at the date of resumption.

"That is, if at that date he owes $150, and can pay that sum with $100 in gold, then convert his debt at once, interest and all, into a new one at that rate, and thus compensate him for the reduction in the price of goods just purchased at the higher rates.

Then he can afford to resume, and so can you. But without this he and his fellow-debtors will not permit it; and mark my prediction, that unless this is done, blood will be shed in the quarrel which will come between capital and labor—and that not long hence. The thousand or more national banks, and the horde of speculators who are fattening upon the labor of our returned soldiers, who have not only done the fighting, but are now to pay the debt, had better look this matter in the face in season, or, as sure as there is justice in heaven, so sure will there be trouble.

"These men who have been to the war did not go home to fight—they went to learn and get more liberal ideas; and they have done it, too. I have been much in their atmosphere here and there, and I say to politicians and speculators, beware! Much more might be said upon this point, and also in regard to a system of banking which should not only be self-adjusting and supply the needed business facilities, and a sufficient amount of perfectly reliable bank notes, but answer as the government fiscal agent without cost instead of the expensive, worse than useless sub-treasury. D. W.

Boston June 30.

SEIZURES.—The Commissioner of Customs recently received information of the seizure by custom house officers in this city of a large quantity of a compound composed principally of alcohol, which was shipped from Montreal to a firm in this city. The compound was made up of alcohol and castor oil, in the proportion of forty-five gallons of alcohol to five gallons of oil, with the addition of coloring matter to give it the appearance of medicine. The duty upon medical compounds of a character intended to be represented is but 50 cents per gallon, while the duty upon alcohol is $2 per gallon; thereby the parties who imported the liquid would have avoided the payment of the heavy duty upon spirituous liquors and realized handsome profits, as the oil could have been easily separated from the alcohol, and both would have been saleable.

THE Committee of Public Buildings has been instructed to enquire into the propriety of purchasing one hundred acres near Washington for a site and plans for a new Presidential mansion.

EXPENDITURES FOR PUBLIC WORKS.

In answer to a resolution a communication from the President was submitted to the Senate recently, covering a statement of the expenditures for public works since 1860, for Navy-Yards, Custom-Houses, Court-houses, courts, arsenals, river and harbor improvements. The total amount thus expended is $28,464,438; of this sum $1,358,864 was for the Capitol extension, $488,459 for the new dome. The following shows the amount expended in each State or Territory:

State.	Amount.
Maine	$1,716,441
New Hampshire	1,207,683
Vermont	15,675
Connecticut	14,778
Rhode Island	106,864
New York	3,778,738
New Jersey	732,046
Pennsylvania	580,257
Delaware	263,600
Maryland	656,322
District of Columbia	6,336,975
Virginia	1,258,867
North Carolina	32,632
Georgia	7,979
South Carolina	294,508
Florida	2,158,867
Alabama	32,055
Mississippi	371,600
Texas	365,068
Louisiana	294,255
Missouri	40,794
Kentucky	731
Tennessee	15,490
Ohio	138,740
Indiana	160,229
Illinois	152,859
Michigan	60,354
Minnesota	7,000
Wisconsin	93,183
Iowa	122,220
Kansas	22,000
California	2,332,655
Nebraska	5,000
New Mexico	7,851
Washington	118,334
Utah	3,254
Oregon and Washington	340,000
Colorado	51,323

The following amounts of public lands have been granted in the same period, amounting to 15,235,959 acres, valued at $19,044,949:

	Acres.
Illinois	7,619
Missouri	194,955
Michigan	1,135,680
Arkansas	320
Alabama	476,918
Louisiana	9,028
Iowa	2,132,759
Wisconsin	2,965,560
Oregon	72,960
Minnesota	4,708,160
Kansas	3,006,400
Nevada	525,600

In addition are the grants made for the Pacific Railroad and for agricultural colleges.

COTTON CULTIVATION IN GEORGIA.

Hon. Isaac Newton, Commissioner of Agriculture, recently received a letter containing interesting information relative to the condition and prospects of the cotton crops in the State of Georgia. During the Spring months the weather was unfavorable, as heavy rains fell, which were injurious to the plants. The past two months have been highly favorable, and it is expected that quite a large crop will be realized. The most intelligent farmers are in good spirits, and are convinced of the practicability of the present system of labor. There is a material difference between the labor systems of 1861 and 1866, which may be shown thus: In 1861, when the farmer hired labor, he paid from $125 to $150 per hand. On poor land, each laborer produced three bales of cotton, or 1,500 pounds of best cotton, which, at 10 cents per pound, was worth $150, or equal to the amount paid for the hand. Under the the present system, $150 will hire two and sometimes three hands, who will produce 6 bales, or 3,000 of cotton, by working a greater area of land. At New York gold prices this quantity of cotton would realize $750, or at 32 cents per pound in currency, it would be worth $960. In making this estimate the poor land alone is taken, and corn, wheat, peas, &c., which the laborer would produce, are not taken into consideration. On the best quality of cotton lands, three laborers would produce eighteen or twenty bales, or about 8,000 pounds, which, at 32 cents per pound, would be worth $2,560. The farmers expect to net from $500 to $700 from the labor of each hand this season, according to the condition of the land. The writer says this statement may perhaps astonish those persons who are not familiar with cotton culture; but admitting that there are some errors that tend to increase the amount given as profits, deduct one-half and even then the profits are enormous. There is considerable speculation as to the number of bales the present crop will produce in the South. By many it is estimated at 8,000,000; but this estimate is rather high, when the number of laborers taken from the country, the poor qualities of seed, &c., are taken into consideration.—*Chronicle.*

THE UNION PACIFIC RAILROAD.—The fourth section, of twenty miles, of the Union Pacific Railroad, eastern division, having been completed, and a report to that effect having been made by the commissioners, General J. H. Simpson, Hon. Wm. M. White, and Hon. Wm. Prescott Smith, the Secretary of the Treasury has ordered the issue to the above named railroad company of bonds to the amount of $320,000, to which by law they are entitled.

The Secretary has also ordered the issue of bonds to the amount of $640,000 to the Central Pacific Railroad Company of California, on the completion of one-fourth of the work of a section of twenty miles of the road, the cost of which has exceeded $1,015,000.

THE woolen mills of Massachusetts, in 1860, produced more cloth, and nearly as many blankets, as all the mills of the Middle States together. The total value of their products for that year was nearly $20,000,000, an increase of 53 per cent. over 1850. In this branch of industry there were employed 821 sets of machinery and about 13,000 hands. The product embraced 30,899,348 yards of cloth, 2,160,071 pounds of yarn, 57,207 pairs of blankets, and 157,000 shawls.

LATE advices from Mobile state that the fine weather has given an impetus to the young cotton in Alabama, and the hope is expressed that the yield of Alabama will not be less than 300,000 bales.

THE receipts from customs at the ports of Boston, Philadelphia, and Baltimore, for the last week, ending June 30, were as follows: Boston, 403,659 81; Philadelphia $134,612 25; Baltimore, $77,226 26; total $615,498 32. It is estimated that the receipts for the fiscal year will amount to $170,000,000.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 3. NEW YORK, JULY 21, 1866. WHOLE NUMBER 81.

REVIEW.

THE first portion of the New Amendatory Revenue Act, covering amendments as far as the eightieth section of the old statute takes up most of the present issue. The entire act will be concluded in that of next week. Some weeks may elapse before the official copy can be fully distributed, and it is of vital importance to taxpayers, as well as the Revenue, that officers and the public should without delay be informed of the changes that have been made.

The free list of articles entirely exempted from tax takes effect on and after the 13th of July, the date of the passage of the act.

The provisions reducing the tax on manufactures goes into operation on the 1st of August, 1866, and applies to all goods in the factory or warehouse and actually sold by the manufacturer on or after that date.

There have recently been many transactions that will hardly bear scrutiny. Manufactures have been sold during this month with the understanding that they shall not be charged or delivered until after the law takes effect. Here the sale has been actually made, and we take it, the tax has accrued under the old law. A manufacturer cannot, by refraining to enter the sale on his books, or delaying shipment, evade the lawful tax. Assistant assessors should enquire into such cases, and parties to them should take heed of the consequences. Large sales of clothing and shoes have been made as above.

The tax on raw cotton will be three cents a pound after August 1st, 1866, to be paid by the producer, owner, or holder. Manufacturers must keep books of account of the quantity used and goods produced, and pay the tax on the raw cotton where not previously paid. It may be removed under bond from the district of production, but in all such cases must pay tax within ninety days thereafter. After the 1st of September next all common carriers and others are prohibited from transporting, under severe penalties, any raw cotton on which the tax has not been paid, and is not properly marked.

Provision is made for drawback on the exportation of manufactures of cotton, but no drawback on raw cotton.

Returns due from Banks, after July 31, 1866, for taxes under Sections 110, 120 and 122 of the old law must be made to assistant assessors and the tax paid to collectors, and not to the commssioner at Washington. Duplicate returns should not hereafter be forwarded to that office. The tax should be assessed on the monthly list and paid as are other taxes to the collector.

Returns of the tax of ten per centum on State currency paid out by national and other banks after August 1, 1866, must be made monthly to assistant assessors, before the 10th of each month, and paid to the collector before the 30th of the same month, beginning with September 10th, 1866. Form 67 may be used until otherwise ordered.

The semi-annual returns of Savings institutions accruing in July, 1866, for liabilities are postponed to January, 1867.

The market value of cigars is to be determined by the sales price, which must include the tax. If, for instance, it be desired by the manufacturer to net twenty-five dollars per thousand for cigars, he can ascertain the tax by adding thereto the specific tax of four dollars, and one-fourth of the aggregate, twenty-nine dollars, to wit, seven dollars and a quarter. The market value in such case would be thirty-six dollars and a quarter, and the tax, ad volorem and specific, eleven dollars and a quarter. This rule applies to all cigars liable to the double tax.

The new provisions relating to distilled spirits and fermented liquors do not take effect until September 1, 1866. The tax on fermented liquors will thereafter be paid by stamps affixed to the spigot hole or tap, of which there shall be but one each in every barrel, such stamps to be procured from collectors. The rate is unchanged.

The system of licenses is abolished and that of a special tax substituted; but the licenses in force are good for the period for which granted, unless in the case of dealers making greater sales than their licenses authorize. In such event, returns of the sales must be made, and tax of one dollar per thousand paid monthly.

Brokers, Banks and Bankers must pay tax on all sales of gold, coin, stocks, bonds, or other securities, made subsequently to August 1, 1866, for themselves, on their own account, or for others, by means of stamps, which must be affixed to the memorandum of sale required to be given, at the rate of one cent for every one hundred dollars, or fractional part thereof.

The decisions and regulations under the recent amendments will be published in the RECORD immediately upon their promulgation by the Treasury Department.

Now is the time to subscribe to the RECORD; for all who desire to be thoroughly posted on the new law, and instructions and decisions under it.

[Circular No. 43.]

TO ASSESSORS CONCERNING RETURNS OF TAXES BY BANKS, BANKERS, SAVINGS BANKS, INSURANCE COMPANIES, RAILROADS, AND OTHER CORPORATIONS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, July 20, 1866.

Sections 110, 120, and 122, of the Act of June 30, 1864, having been amended by the Act of July 13, 1866, so as to provide that the taxes imposed therein are not to be returned and paid to the Commissioner of Internal Revenue, after August 1, 1866, Assessors will instruct the proper officers of corporations, &c., taxable under those sections, that all returns due from them after July 31, 1866, should be made to the proper Assistant Assessors, and when any such return is received after that date, will inform the person making the same that payment of the tax is to be made to the Collector. Duplicate returns should not be forwarded to this office.

The taxes should be assessed on the monthly list and paid to the Collector, as other taxes are paid, instead of being deposited to the credit of the Treasurer of the United States.

Section 6 of the Act of March 3, 1865, is amended so that every National Banking Association, State Bank, or State Banking Association, shall pay a tax of ten per centum on the amount of notes of any person, State Bank, or State Banking Association, used for circulation and paid out by them after the *first day of August*, 1866; and the tax is to be assessed and paid in such manner as shall be prescribed by the Commissioner of Internal Revenue.

It is hereby prescribed that the return of said tax shall be made for the preceding month, on or before the tenth day, and said tax shall be due and payable on or before the last day of each and every month, after August, 1866.

Until otherwise directed, the return can be made on Form No. 67.

No tax will be required to be paid, under this provision, on account of any circulation paid out prior to August 1, 1866.

The returns required to be made after July, 1866, by Associations or Companies, known as Provident Institutions, Savings Banks, Savings Funds, or Savings Institutions, having no capital stock and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the Association or Company, are to be made on the first Monday of January and July of each year. This postpones the return for liabilities accruing in July, 1866, until January, 1867.

E. A. ROLLINS, *Commissioner.*

PAYING OUT OF STATE CURRENCY—REDEMPTION OF SAME BY AGENTS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 18, 1866.

SIR: Your letter of 13th inst., addressed to the U. S. Treasurer, has been referred to this office for answer. You inquire: "If State Banks are prohibited by law, from paying out State currency after the 1st of July next, under a tax of ten per cent, have they a right to make the Albany Assorting House and Metropolitan National Bank their agents to receive, assort and return the same for them to the various Banks that issued it."

I reply, that where the bills of a State Bank are forwarded for *redemption*, either to an Assorting House or to a Bank that acts as the agent for redemption, it is not a *paying out* of such bills within the meaning of section 6, act March 3, 1865.

Very respectfully,
D. C. WHITMAN,
Deputy Commissioner.

S. MOFFAT, Esq., *Supt.,*
Assorting House for State Currency,
Albany, N. Y.

[OFFICIAL.]

THE AMENDATORY TAX BILL.

[PUBLIC—No. 111.]

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 thirtieth, eighteen hundred and sixty-four, and acts amendatory thereof.

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 August, eighteen hundred and sixty-six, in lieu of the taxes on unmanufactured cotton, as provided in "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 the act of March third, eighteen hundred and sixty-five, there shall be paid by the producer, owner, or holder, upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of three cents per pound, as hereinafter provided; and the weight of such cotton shall be ascertained by deducting four per centum for tare from the gross weight of each bale or package; and such tax shall be and remain a lien thereon, in the possession of any person whomsoever from the time when this law takes effect, or such cotton is produced as aforesaid, until the same shall have been paid; and no drawback shall, in any case, be allowed on raw or unmanufactured cotton of any tax paid thereon when exported in the raw or unmanufactured condition. But no tax shall be imposed upon any cotton imported from other countries, and on which an import duty shall have been paid.

SEC. 2. *And be it further enacted*, That the aforesaid tax upon cotton shall be levied by the assessor on the producer, owner, or holder thereof. And said tax shall be paid to the collector of internal revenue within and for the collection district in which said cotton shall have been produced, and before the same shall have been removed therefrom, except where otherwise provided in this act; and every collector to whom any tax upon cotton shall be paid shall mark the bales or other packages upon which the tax shall have been paid, in such manner as may clearly indicate the payment thereof, and shall give to the owner or other person having charge of such cotton a permit for the removal of the same, stating therein the amount and payment of the tax, the time and place of payment, and the weight and marks upon the bales and packages, so that the same may be fully identified; and it shall be the duty of every such collector to keep clear and sufficient records of all such cotton inspected or marked, and of all marks and identifications thereof, and of all permits for the removal of the same, and of all his transactions relating thereto, and he shall make full returns thereof, monthly, to the Commissioner of Internal Revenue.

SEC. 3. *And be it further enacted*, That the Commissioner of Internal Revenue is hereby authorized to designate one or more places in each collection district where an assessor or assistant assessor and a collector or deputy collector shall be located, and where cotton may be brought for the purpose of being weighed and appropriately marked: *Provided*, That it shall be the duty of the assessor or assistant assessor, and the collector or deputy collector to assess and cause to be properly marked the cotton, wherever it may be, in said district, provided their necessary travelling expenses to and from said designated place, for that purpose, be paid by the owners thereof.

SEC. 4. *And be it further enacted*, That all cotton having been weighed and marked as herein provided, and for which permits shall have been duly obtained of the assessor, may be removed from the district in which it has been produced to any one other district, without prepayment of the tax due thereon, upon the execution of such transportation bonds or other security, and in accordance with such regulations as shall be prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury. The said cotton so removed shall be delivered to the collector of internal revenue or his deputy forthwith upon its arrival at its point of destination, and shall remain subject to his control until the taxes thereon, and any necessary charges of custody thereof, shall have been paid, but nothing herein contained shall authorize any delay of the payment of said taxes for more than ninety days from the date of the permits; and when cotton shall have been weighed and marked for which a permit shall have been granted without prepayment of the tax, it shall be the duty of the assessor granting such permit to give immediate notice of such permit to the collector of internal revenue for the district to which said cotton is to be transported, and he shall also transmit therewith a statement of the taxes due thereon, and of the bonds or other securities for the payment thereof, and he shall make full returns and statements of the same to the Commissioner of Internal Revenue.

SEC. 5. *And be it further enacted*, That it shall be unlawful, from and after the first day of September, eighteen hundred and sixty-six, for the owner, master, supercargo, agent, or other person having charge of any vessel, or for any railroad company, or other transportation company, or for any common carrier, or other person, to convey, or attempt to convey, or transport any cotton—the growth or produce of the United States—from any point in the district in which it shall have been produced, unless each bale or package thereof shall have attached to or accompanying it the proper marks or evidence of the payment of the revenue tax and a permit of the collector for such removal, or the permit of the assessor, as hereinbefore provided, under regulations of the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, or to convey or transport any cotton from any state in which cotton is produced to any port or place in the United States without a certificate from the collector of internal revenue of the district from which it was brought, and such other evidence as the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, may prescribe, that the tax has been paid thereon, or the permit of the assessor as hereinbefore provided, and such certificate and evidence as aforesaid shall be furnished to the collector of the district to which it is transported, and his permit obtained before landing, discharging or delivering such cotton at the place to which it is transported as aforesaid. And any person or persons who shall violate the provisions of this act in this respect, or who shall convey or attempt to convey from any State in which cotton is produced to any port or place without the United States any cotton upon which the tax has not been paid, shall be liable to a penalty of one hundred dollars for each bale of cotton so conveyed or transported, or attempted to be conveyed or transported, or to imprisonment for not more than one year, or both; and all vessels and vehicles employed in such conveyance or transportation shall be liable to seizure and forfeiture, by proceedings in any court of the United States having competent jurisdiction. And all cotton so shipped or attempted to be shipped or transported without payment of the tax, or the execution of such transportation bonds or other security, as provided in this act, shall be forfeited to the United States, and the proceeds thereof distributed according to the statute in like cases provided.

SEC. 6. *And be it further enacted*, That upon articles manufactured exclusively from cotton, when exported, there shall be allowed as a drawback an amount equal to the internal tax which shall have been assessed and paid upon such articles in their finished condition, and in addition thereto a drawback or allowance of as many cents per pound upon the pound of cotton cloth, yarn, thread, or knit fabrics, manufactured exclusively from cotton and exported, as shall have been assessed and paid in the form of an internal tax upon the raw cotton entering into the manufacture of said cloth or other article, the amount of such allowance or drawback to be ascertained in such manner as may be prescribed by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury; and so much of section one hundred and seventy-one of the act of June thirty, eighteen hundred and sixty-four, "To provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," as now provides for a drawback on manufactured cotton, is hereby repealed.

SEC. 7. *And be it further enacted*, That it shall be the duty of every person, firm, or corporation, manufacturing cotton for any purpose whatever, in any district where cotton is produced, to return to the assessor or assistant assessor of the district in which such manufacture is carried on, a true statement in writing, signed by him, and verified by his oath or affirmation, on or before the tenth day of each month; and the first statement so rendered shall be on or before the tenth day of August, eighteen hundred and sixty-six, and shall state the quantity of cotton which such manufacturer had on hand and unmanufactured, or in process of manufacture, on the first day of said month; and each subsequent statement shall show the whole quantity in pounds, gross weight, of cotton purchased or obtained, and the whole quantity consumed by him in any business or process of manufacture during the last preceding calendar month, and the quantity and character of the goods manufactured therefrom; and every such manufacturer or consumer shall keep a book, in which he shall enter the quantity, in pounds, of cotton which he has on hand on the first day of August, eighteen hundred and sixty-six, and each quantity or lot purchased or obtained by him thereafter; the time when and the party or parties from whom the same was obtained; the quantity of said cotton, if any, which is the growth of the collection district where the same is manufactured; the quantity, if any, which has not been weighed and marked by an officer herein authorized to weigh and mark the same; the quantity, if any, upon which the tax had not been paid, so far as can be ascertained, before the manufacture thereof; and also the quantities used or disposed of by him from time to time in any process of manufacture, or otherwise, and the quantity and character of the product thereof, which book shall, at all times during business hours, be open to the inspection of the assessor, assistant assessors, collector or deputy collectors of the district, inspectors, or of revenue agents; and such manufacturer shall pay monthly to the collector, within the time prescribed by law, the tax herein specified, subject to no deductions, on all cotton so consumed by him in any manufacture, and on which no excise tax has previously been paid; and every such manufacturer or person whose duty it is so to do, who shall neglect or refuse to make such returns to the assessor, or to keep such book, or who shall make false or fraudulent returns, or make false entries in such book, or procure the same to be so done, in addition to the payment of the tax to be assessed thereon, shall forfeit to the United States all cotton and all products of cotton in his possession, and shall be liable to a penalty of not less than one thousand nor more than five thousand dollars, to be recovered with costs of suit, or to imprisonment not exceeding two years, in the discretion of the court; and any person or persons who shall make any false oath or affirmation in relation to any matter or thing herein required, shall be guilty of perjury, and shall be subject to the punishment prescribed by existing statutes for that offence: *Provided*, That nothing herein contained shall be construed in any manner to affect the liability of any person for any tax imposed by law on the goods manufactured from such cotton.

SEC. 8. *And be it further enacted*, That the provisions of the act of June thirty, eighteen hundred and sixty-four, as amended by the act of March third, eighteen hundred and sixty-five, relating to the assessment of taxes and enforcing the collection of the same, and all proceedings and remedies relating thereto, shall apply to the assessment and collection of the tax, fines, and penalties imposed by, and not inconsistent with, the provisions of the preceding sections of this act; and the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, shall make all necessary rules and regulations for ascertaining the weight of all cotton to be assessed, and for appropriately marking the same, and generally for carrying into effect the foregoing provisions. And the Secretary of the Treasury is authorized to appoint all necessary inspectors, weighers, and markers of cotton, whose compensation shall be determined by the Commissioner of Internal Revenue, and paid in the same manner as inspectors of tobacco are paid.

SEC. 9. *And be it further enacted*, That 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 the act of March third, eighteen hundred and sixty-five, be, and the same is hereby, amended as follows, viz:

That section five be amended by adding thereto the following: And any inspector, or revenue agent, or any special agent appointed by the Secretary of the Treasury, who shall demand or receive any compensation, fee, or reward, other than such as are provided by law for, or in regard to, the performance of his official duties, or shall be guilty of any extortion or wilful oppression in the discharge of such duties, shall, upon conviction thereof in any circuit or district court of the United States having jurisdiction thereof, be subject to a fine of not exceeding one thousand dollars, or to imprisonment for not exceeding one year, or both, at the discretion of the court, and shall be dismissed from office, and shall be forever disqualified from holding any office under the government of the United States. And one half of the fine so imposed shall be for the use of the United States, and the other half for the use of the person, to be ascertained by the judgment of the court, who shall first give the information whereby any such fine may be imposed.

That section eight be amended by striking out of said section all after the words "until an appointment filling the vacancy shall be made."

That section fourteen be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That in case any person shall be absent from his or her residence or place of business at the

time an assistant assessor shall call for the annual list or return, and no annual list or return has been rendered by such person to the assistant assessor as required by law, it shall be the duty of such assistant assessor to leave at such place of residence or business, with some one of suitable age and discretion, if such be present, otherwise to deposit in the nearest post office, a note or memorandum, addressed to such person, requiring him or her to render to such assistant assessor the list or return required by law within ten days from the date of such note or memorandum, verified by oath or affirmation. And if any person, on being notified or required as aforesaid, shall refuse or neglect to render such list or return within the time required as aforesaid, or if any person without notice, as aforesaid, shall not deliver a monthly or other list or return at the time required by law, or if any person shall deliver or disclose to any assessor or assistant assessor any list, statement, or return which, in the opinion of the assessor is false or fraudulent, or contains any understatement or undervaluation, it shall be lawful for the assessor to summon such person, his agent, or other person having possession, custody, or care of books of account containing entries relating to the trade or business of such person, or any other person he may deem proper, to appear before such assessor and produce such book, at a time and place therein named, and to give testimony or answer interrogatories under oath or affirmation respecting any objects liable to tax as aforesaid, or the lists, statements, or returns thereof, or any trade, business, or profession liable to any tax as aforesaid. And the assessor may summon, as aforesaid, any person residing or found within the State in which his district is situated. And when the person intended to be summoned does not reside and cannot be found within such State, the assessor may enter any collection district where such person may be found, and there make the examination hereinbefore authorized. And to this end he shall there have and may exercise all the power and authority he has or may lawfully exercise in the district for which he is commissioned. The summons authorized by this section shall in all cases be served by an assistant assessor of the district where the person to whom it is directed may be found, by an attested copy delivered to such person in hand or left at his last and usual place of abode, allowing such person at the rate of one day of each twenty-five miles he may be required to travel, computed from the place of service to the place of examination; and the certificate of service signed by such assistant assessor shall be evidence of the facts it states on the hearing of an application for an attachment; and when the summons requires the production of books, it shall be sufficient if such books are described with reasonable certainty. In case any person so summoned shall neglect or refuse to obey such summons, or to give testimony, or to answer interrogatories as required, it shall be lawful for the assessor to apply to the judge of the district court or to a commissioner of the circuit court of the United States for the district within which the person so summoned resides for an attachment against such person as for a contempt. It shall be the duty of such judge or commissioner to hear such application, and, if satisfactory proof be made, to issue an attachment, directed to some proper officer, for the arrest of such person, and upon his being brought before him to proceed to a hearing of the case; and upon such hearing the judge or commissioner shall have power to make such order as he shall deem proper, not inconsistent with the provisions of existing laws for the punishment of contempts, to enforce obedience to the requirements of the summons, and punish such person for his default or disobedience. It shall be the duty of the assessor or assistant assessor of the district within which such person shall have taxable property to enter into and upon the premises, if it be necessary, of such person so refusing or neglecting or rendering a false or fraudulent list or return, and to make, according to the best information which he can obtain, including that derived from the evidence elicited by the examination of the assessor, and on his own view and information, such list or return, according to the form prescribed, of the property, goods, wares, and merchandise, and all articles or objects liable to tax, owned or possessed or under the care or management of such person, and assess the tax thereon, including the amount, if any, due for special or income tax; and in case of the return of a false or fraudulent list or valuation, he shall add one hundred per centum to such tax; and in case of a refusal or neglect, except in cases of sickness or absence, to make a list or return, or to verify the same as aforesaid, he shall add fifty per centum to such tax; and in case of neglect occasioned by sickness or absence as aforesaid, the assessor may allow such further time for making and delivering such list or return as he may judge necessary, not exceeding thirty days; and the amount so added to the tax shall, in all cases, be collected by the collector at the same time and in the same manner as the tax; and the list or return so made and subscribed by such assessor or assistant assessor shall be taken and reputed as good and sufficient for all legal purposes.

That section nineteen be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That the assessor for each collection district shall give notice by advertisement in one newspaper published in each county within said district, and if there be none published in the district, then in a newspaper published in a collection district adjoining thereto, and shall post notices in at least four public places within each assessment district, and shall mail a copy of such notice to each postmaster in his district, to be posted in his office, stating the time and place within said collection district when and where appeals will be received and determined relative to any erroneous or excessive valuations, assessments, or enumerations by the assessor or assistant assessor returned in the annual list, and such notice shall be advertised and posted by the assessor and mailed as aforesaid at least ten days before the time appointed for hearing said appeals. And it shall be the duty of the assessor for each collection district, at the time fixed for hearing such appeals as aforesaid, to submit the proceedings of the assessor and assistant assessor, and the annual lists taken and returned as aforesaid, to the inspection of any and all persons who may apply for that purpose. And such assessor is hereby authorized at any time to hear and determine in a summary way, according to law and right, upon any and all appeals which may be exhibited against the proceedings of the said assessor or assistant assessors, and the office or principal place of business of the said assessor shall be open during the business hours of each day for the hearing of appeals by parties who shall appear voluntarily before him: *Provided*, That no appeal shall be allowed to any party after he shall have been duly assessed, and the annual list containing the assessment has been transmitted to the collector of the district. And all appeals to the assessor as aforesaid shall be made in writing, and shall specify the particular cause, matter, or thing respecting which a decision is requested, and shall, moreover state the ground or principle of error complained of. And the assessor shall have power to re-examine and determine upon the assessments and valuations, and rectify the same as shall appear just and equitable; but such valuation, assessment, or enumeration shall not be increased without a previous notice of at least five days to the party interested to appear and object to the same if he judge proper, which notice shall be in writing and left at the dwelling-house, office, or place of business of the party by such assessor, assistant assessor, or other person, or sent by mail to the nearest or usual post office address of said party: *Provided further*, That on the hearing of appeals it shall be lawful for the assessor to require by summons the attendance of witnesses and the production of books of account in the same manner and under the same penalties as are provided in cases of refusal or neglect to furnish lists or returns. The costs for the attendance and mileage of said witnesses shall be taxed by the assessor and paid by the delinquent parties, or by the disbursing agent for the district, on certificate of the assessor, at the rates allowed to witnesses in the district courts of the United States.

That section twenty be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That the assessor of each collection district shall, immediately after the expiration of the time for hearing appeals concerning taxes returned in the annual list, and from time to time, as taxes become liable to be assessed, make out lists containing the sums payable according to law upon every subject of taxation for each collection district; which list shall contain the name of each person residing within the said district, or owning or having the care or superintendence of property lying with the said district, or engaged in any businss or pursuit which is liable to any tax, when such person or persons are known, together with the sums payable by each; and where there is any property within any collection district liable to tax, not owned or occupied by or under the superintendence of any person resident therein, there shall be a separate list of such property, specifying the sum payable, and the names of the respective proprietors when known. And the assessor making out any such separate list shall transmit to the assessor of the district where the persons liable to pay such tax reside, or shall have their principal place of business, copies of the list of property held by persons so liable to pay such tax, to the end that the taxes assessed under the provisions of this act may be paid within the collection district where the persons liable to pay the same reside, or may have their principal place of business. And in all other cases the said assessor shall furnish to the collectors of the several collection districts, respectively, within ten days after the time of hearing appeals concerning taxes returned in the annual list, and from time to time thereafter as required, a certified copy of such list or lists for their proper collection districts. And in case it shall be ascertained that the annual list, or any other lists, which may have been, or which shall hereafter be, delivered to any collector, is imperfect or incomplete in consequence of the omission of the names of any persons or parties liable to tax, or in consequence of any omission, or understatement, or undervaluation, or false or fraudulent statement contained in any return or returns made by any persons or parties liable to tax, the said assessor may, from time to time, or at any time within fifteen months from the time of the passage of this act or from the time of the delivery of the list to the collector as aforesaid, enter on any monthly or special list the names of such persons or parties so omitted, together with the amount of tax for which they may have been or shall become liable, and also the names of the persons or parties in respect to whose returns, as aforesaid, there has been or shall be any omission, undervaluation, understatement, or false or fraudulent statement, together with the amounts for which such persons or parties may be liable, over and above the amount for which they may have been, or shall be, assessed upon any return or returns made as aforesaid, and shall certify or return said list to the collector as required by law. And all provisions of law for the ascertainment of liability to any tax, or the assessment or collection thereof, shall be held to apply, as far as may be necessary to the proceedings herein authorised and directed. And wherever the word "duty" is used in this act, or the acts to which this is an amendment, it shall be construed to mean "tax" whenever such construction shall be necessary in order to effect the purposes of said acts.

That section twenty-one be amended by striking out the words "without having taken the oath or affirmation required by this act," and inserting in lieu thereof the words "without having taken the oath or affirmation required by law."

That section twenty-two be amended by striking out all after the enacting clause and in inserting in lieu thereof the following: That there shall be allowed and paid to the several assessors a salary of fifteen hundred dollars per annum, payable quarterly; and, in addition thereto, where the receipts of the collection district shall exceed the sum of one hundred thousand dollars, and shall not exceed the sum of four hundred thousand dollars annually, one-half of one per centum upon the excess of receipts over one hundred thousand dollars. Where the receipts of a collection district shall exceed four hundred thousand dollars, and shall not exceed six hundred thousand, one-fifth of one per centum upon the excess of receipts over four hundred thousand dollars. Where the receipts shall exceed six hundred thousand dollars, one-tenth of one per centum upon such excess; but the salary of no assessor shall in any case exceed the sum of four thousand dollars. And the several assessors shall be allowed and paid the sums actually and necessarily expended, with the approval of the Commissioner of Internal Revenue, for office rent; but no account of such rent shall be allowed or paid until it shall have been verified in such manner as the Commissioner shall require, and shall have been audited and approved by the proper officers of the Treasury Department. And the several assessors shall be paid, after the account thereof shall have been rendered to and approved by the proper officers of the treasury, their necessary and reasonable charges for clerk-hire; but no such account shall be approved unless it shall state the name or names of the clerk or clerks employed and the precise periods of time for which they were respectively employed, and the rate of compensation agreed upon, and shall be accompanied by an affidavit of the assessor stating that such service was actually required by the necessities of his office, and was actually rendered, and also by the affidavit of each clerk, stating that he has rendered the service charged in such account on his behalf, the compensation agreed upon, and that he has not paid, deposited, or assigned, or contracted to pay, deposit, or assign any part of such compensation to the use of any other person, or in any way, directly or indirectly, paid or given, or contracted to pay or give, any reward or compensation for his office or employment, or the emoluments thereof; and the chief clerk of any such assessor is hereby authorized to administer, in the absence of the assessor, such oaths or affirmations as required by this act. And there shall be allow-

paid to each assistant assessor four dollars for every day actually employed in collecting lists and making valuations, the number of days necessary for that purpose to be certified by the assessor, and three dollars for every hundred persons asse[sse]d contained in the tax list, as completed and delivered by him to the assessor, and twenty-five cents for each permit granted for making tobacco, snuff, or cigars; and assistant assessors may be allowed, in the settlement of their counts, such sum as the Commissioner of Internal Revenue, shall approve not exceeding three hundred dollars per annum, for office rent; but no account for such rent shall be allowed or paid until it shall have been verified in such manner as the Commissioner of Internal Revenue shall require, and shall have been audited and approved by the proper officers of the Treasury Department; and assistant assessors, when employed outside of the town in which they reside, in addition to the compensation now allowed by law, shall, during such time so employed, receive one dollar per day, and the said assessors and assistant assessors, respectively, shall be paid, after the account thereof shall have been rendered to and approved by the proper officers of the treasury, their necessary and reasonable charges for stationery and blank books used in the discharge of their duties, and for postage actually paid on letters and documents received and sent, and relating exclusively to official business, and for money actually paid for publishing notices required by this act: *Provided*, That no such account shall be approved unless it shall state the date and the particular item of every such expenditure, and shall be verified by the oath or affirmation of such assessor or assistant assessor; and the compensation herein specified shall be in full for all expenses not otherwise particularly authorised: *Provided further*, That the Commissioner of Internal Revenue may, under such regulations as may be established by the Secretary of the Treasury, after due public notice, receive bids and make contracts for supplying stationery, blank books, and blanks to the assessors, assistant assessors, and collectors in the several collection districts: *Provided, further*, That the Secretary of the Treasury shall be, and he is hereby, authorized to fix such additional rates of compensation to be made to assessors and assistant assessors in cases were a collection district embraces more than a single congressional district, and to assessors and assistant assessors, revenue agents, and inspectors in Louisiana, Georgia, South Carolina, Alabama, Florida, Texas, Arkansas, North Carolina, Mississippi, Tennessee, California, Nevada, and Oregon, and the Territories, as may appear to him to be just and equitable, in consequence of the greater cost of living and traveling in those States and Territories and as may, in his judgment, be necessary to secure the services of competent officers; but the compensation thus allowed shall not exceed the rate of five thousand dollars per annum. Collectors of internal revenue acting as disbursing officers shall be allowed all bills of assistant assessors heretofore paid by them in pursuance of the directions of the Commissioner of Internal Revenue, notwithstanding the assistant assessor did not certify to hours therein, or that two dollars per diem was deducted from his salary or compensation before computation of the tax thereon.

That section twenty-four be amended by striking out the proviso thereto, and inserting in lieu thereof the following: *Provided*, That in calculating the commissions of assessors and collectors of internal revenue in districts whence cotton or distilled spirits are shipped in bond to be sold in another district, one-half the amount of tax received on the quantity of cotton or spirits so shipped shall be added to the amount on which the commissions of such assessors and collectors are calculated, and a corresponding amount shall be deducted from the amount on which the commissions of the assessors and collectors of the districts to which such cotton or spirits are shipped are calculated.

That section twenty-six be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That in the adjustment of the accounts of assessors and collectors of internal revenue which shall accrue after the thirtieth of June, eighteen hundred and sixty-four, and in the payment of their compensation for services after that date, the fiscal year of the Treasury shall be observed; and where such compensation, or any part of it, shall be by commissions upon assessments or collections, and shall during any year, in consequence of a new appointment, be due to more than one assessor or collector in the same district, such commissions shall be apportioned between such assessors or collectors: but in no case shall a greater amount of the commissions be allowed to two or more assessors or collectors in the same district than is or may be authorized by law to be allowed to one assessor or collector. And the [illegible] and commissions of assessors and collectors heretofore earned and accrued shall be adjusted, allowed, and paid in conformity to the provisons of this section, and not otherwise; but no payment shall be made to assessors or collectors on account of salaries or commissions without the certificate of the Commissioner of Internal Revenue that all reports required by law or regulation have been rendered to him of the cause of the delay.

That section twenty-eight be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That each of said collectors shall, within twenty days after receiving his annual collection list from the assessors, give notice, by advertisement in one newspaper published in each county in his collection district, if there be any, and if not, then in a newspaper published in an adjoining county, and by notifications to be posted in at least four public places in each county in his collection district, that the said taxes have become due and payable, and state the time and place within said county at which he or his deputy will attend to receive the same, which time shall not be less than ten days after the date of such notification, and shall send a copy of such notice by mail to each postmaster in the county, to be posted in his office. And if any person shall neglect to pay, as aforesaid, for more than ten days, it shall be the duty of the collector or his deputy to issue to such person a notice, to be left at his dwelling or usual place of business, or be sent by mail, demanding the payment of said taxes, stating the amount thereof, with a fee of twenty cents for the issuing and service of such notice, and with four cents for each mile actually and necessarily travelled in serving the same. And if such persons shall not pay the duties or taxes, and the fee of twenty cents and mileage as aforesaid, within ten days after the service or the sending by mail of such notice, it shall be the duty of the collector or his deputy to collect the said taxes and fee of twenty cents and mileage, with a penalty of ten per centum additional upon the amount of taxes. And with respect to all such taxes as are not included in the annual lists aforesaid, and all taxes the collection of which is not otherwise provided for in this act, it shall be the duty of each collector, in person or by deputy, to give notice and demand payment thereof, in the manner last mentioned, within ten days from and after receiving the list thereof from the assessor, or within twenty days from and after the expiration of the time within which such tax should have been paid; and if the annual or other taxes shall not be paid within ten days from and after such notice and demand, it shall be lawful for such collector, or his deputies, to proceed to collect the said taxes, with ten per centum additional thereto, as aforesaid, by distraint and sale of the goods, chattels, or effects, including stocks, securities, and evidences of debt, of the persons delinquent as aforesaid. And in case of distraint, it shall be the duty of the officer charged with the collection to make, or cause to be made, an account of the goods or effects distrained, a copy of which, signed by the officer making such distraint, shall be left with the owner or possessor of such goods or effects, or at his or her dwelling or usual place of business, with some person of suitable age and discretion, if any such can be found, with a note of the sum demanded, and the time and place of sale; and the said officer shall forthwith cause a notification to be published in some newspaper within the county wherein said distraint is made, if there is a newspaper published in said county, or to be publicly posted at the post office, if there be one within five miles, nearest to the residence of the person whose property shall be distrained, and in not less than two other public places, which notice shall specify the articles distrained, and the time and place for the sale thereof, which time shall not be less than ten nor more than twenty days from the date of such notification to the owner or possessor of the property and the publication or posting of such notice as herein provided, and the place proposed for sale shall not be more than five miles distant from the place of making such distraint. And said sale may be adjourned from time to time by said officer, if he shall think it advisable to do so, but not for a time to exceed in all thirty days. And if any person, bank, association, company, or corporation, liable to pay any tax, shall neglect or refuse to pay the same after demand, the amount shall be a lien in favor of the United States from the time it was due until paid, with the interest, penalties, and costs that may accrue in addition thereto, upon all property and rights to property belonging to such person, bank, association, company, or corporation; and the collector, after demand, may levy, or by warrant may authorize a deputy collector to levy, upon all property and rights to property belonging to such person, bank, association, company, or corporation, or on which the said lien exists, for the payment of the sum due as aforesaid, with interest and penalty for non-payment, and also of such further sum as shall be sufficient for the fees, costs and expenses of such levy. And in all cases of sale, as aforesaid, the certificate of such sale shall transfer to the purchaser all right, title and interest of such delinquent in and to the property sold; and where such property shall consist of stocks, said certificate shall be notice, when received, to any corporation, company, or association, of said transfer, and shall be authority to such corporation, company, or association to record the same on their books and records, in the same manner as if transferred or assigned by the person or party holding the same, in lieu of any original or prior certificates, which shall be void, whether cancelled or not. And said certificates, where the subject of sale shall be securities or other evidences of debt, shall be good and valid receipts to the person holding the same, as against any person holding, or claiming to hold, possession of such securities or other evidences of debt. And all persons, and officers of companies or corporations, are required, on demand of a collector or deputy collector about to distrain, or having distrained on any property or rights of property, to exhibit all books containing evidence or statements relating to the subject or subjects of distraint, or the property or rights of property liable to distraint for the tax so due as aforesaid: *Provided*, That in any case of distraint for the payment of taxes aforesaid, the goods, chattels, or effects so distrained shall and may be restored to the owner or possessor, if prior to the sale payment of the amount due shall be made to the proper officer charged with the collection, together with the fees and other charges; but in case of non-payment as aforesaid, the said officer shall proceed to sell the said goods, chattels, or effects at public auction, and shall retain from the proceeds of such sale the amount demandable for the use of the United States, and a commission of five per centum thereon for his own use, with the fees and charges for distraint and sale, rendering the overplus, if any there be, to the person who may be entitled to receive the same: *Provided further*, That there shall be exempt from distraint and sale, if belonging to the head of a family, the school books and wearing apparel necessary for such family; also arms for personal use, one cow, two hogs, five sheep, and the wool thereof, provided the aggregate market value of said sheep shall not exceed fifty dollars; the necessary food for such cow, hogs, and sheep, for a period not exceeding thirty days; fuel to an amount not greater in value than twenty-five dollars; provisions to an amount not greater than fifty dollars; household furniture kept for use to an amount not greater than three hundred dollars; and the books, tools, or implements of a trade or profession to an amount not greater than one hundred dollars shall also be exempt; and the officer making the distraint shall summon three disinterested householders of the vicinity, who shall appraise and set apart to the owner the amount of property herein declared to be exempt.

That section twenty-nine be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That in all cases where property liable to distraint for taxes may not be divisible, so as to enable the collector by a sale of part thereof to raise the whole amount of the tax, with all costs, charges, and commissions, the whole of such property shall be sold, and the surplus of the proceeds of the sale, after satisfying the tax, costs, and charges, shall be paid to the person legally entitled to receive the same; or if he cannot be found, or refuse to receive the same, then such surplus shall be deposited in the treasury of the United States, to be there held for the use of the person legally entitled to receive the same, until he shall make application therefor to the Secretary of the Treasury, who, upon such application and satisfactory proofs in support thereof, shall, by warrant on the treasury, cause the same to be paid to the applicant. And if any of the property advertised for sale as aforesaid is of a kind subject to tax, and such tax has not been paid, and the amount bid for such property is not equal to the amount of such tax, the collector may purchase the same in behalf of the United States for an amount not exceeding the said tax. And in all cases where property subject to tax, but upon which the tax has not been paid, shall be seized upon distraint and sold, the amount of such tax shall, after deducting the expenses of such sale, be first appropriated out of the proceeds thereof to the payment of said tax. And if no assessment of tax has been made upon such property, the collector shall make a return thereof in the form required by law, and the assessor shall assess the tax thereon. And all property so purchased may be sold by said collector, under such regulations as may be prescribed by the Commissioner of Internal Revenue. And the collector shall render a distinct account of all

charges incurred in the sale of such property to the Commissioner of Internal Revenue, who shall by regulation determine the fees and charges to be allowed in all cases of distraint and other seizures; or where necessary expenses for making such distraint or seizures have been incurred, and in case of sale, the said collector shall pay into the treasury the surplus, if any there be, after defraying such fees and charges.

That section thirty be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That in any case where goods, chattels, or effects sufficient to satisfy the taxes imposed by law upon any person liable to pay the same shall not be found by the collector or deputy collector whose duty it may be to collect the same, he is hereby authorized to collect the same by seizure and sale of real estate; and the officer making such seizures and sale shall give notice to the person whose estate is proposed to be sold, by giving him in hand, or leaving at his last or usual place of abode, if he has any such within the collection district where said estate is situated, a notice, in writing, stating what particular estate is proposed to be sold, describing the same with reasonable certainty, and the time when and the place where said officer proposes to sell the same; which time shall not be less than twenty nor more than forty days from the time of giving said notice. And the said officer shall also cause a notification to the same effect to be published in some newspaper within the county where such seizure is made, if any such there be, and shall also cause a like notice to be posted at the post office nearest to the estate to be seized, and in two other public places within the county; and the place of said sale shall not be more than five miles distant from the estate seized, except by special order of the Commissioner of Internal Revenue. At the time and place appointed, the officer making such seizure shall proceed to sell the said estate at public auction, offering the same at a minimum price, including the expense of making such levy, and all charges for advertising and an officer's fee of ten dollars. And in case the real estate so seized, as aforesaid, shall consist of several distinct tracts or parcels, the officer making sale thereof shall offer each tract or parcel for sale separately, and shall, if he deem it advisable, apportion the expenses, charges, and fees, aforesaid, to such several tracts or parcels, or to any of them, in estimating the minimum price aforesaid. And if no person offers for said estate the amount of said minimum price, the officer shall declare the same to be purchased by him for the United States, and shall deposit with the district attorney of the United States a deed thereof, as hereinafter specified and provided; otherwise, the same shall be declared to be sold to the highest bidder. And said sale may be adjourned from time to time by said officer for not exceeding thirty days in all, if he shall think it advisable so to do. If the amount bid shall not be then and there paid, the officer shall forthwith proceed to again sell said estate in the same manner; and upon any sale and the payment of the purchase money shall give to the purchaser a certificate of purchase, which shall set forth the real estate purchased, for whose taxes the same was sold, the name of the purchaser, and the price paid therefor; and if the said real estate be not redeemed in the manner and within the time hereinafter provided, then the said collector or deputy collector shall execute to the said purchaser, upon the surrender of said certificate, a deed of the real estate purchased by him as aforesaid, reciting the facts set forth in said certificate, and in accordance with the laws of the State in which such real estate is situate upon the subject of sales of real estate under execution, which said deed shall be prima facie evidence of the facts therein stated; and if the proceedings of the officer as set forth have been substantially in accordance with the provisions of law, shall be considered and operate as a conveyance of all the right, title, and interest the party delinquent had in and to the real estate thus sold at the time the lien of the United States attached thereto. Any person, whose estate may be proceeded against as aforesaid, shall have the right to pay the amount due, together with the costs and charges thereon, to the collector or deputy collector at any time prior to the sale thereof, and all further proceedings shall cease from the time of such payment. The owners of any real estate sold as aforesaid, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, shall be permitted to redeem the land sold as aforesaid, or any particular tract thereof, at any time within one year after the sale thereof, upon payment to the purchaser, or in case he cannot be found in the county in which the land to be redeemed is situate, then to the collector of the district in which the land is situate, for the use of the purchaser, his heirs or assigns, the amount paid by the said purchaser, and interest thereon at the rate of twenty per centum per annum. And any collector or deputy collector may, for the collection of taxes imposed upon any person, or for which any person may be liable, and committed to him for collection, seize and sell the lands of such person situated in any other collection district within the State in which said officer resides; and his proceedings in relation thereto shall have the same effect as if the same were had in his proper collection district. And it shall be the duty of every collector to keep a record of all sales of land made in his collection district, whether by himself or his deputies, or by another collector, in which shall be set forth the tax for which any such sale was made, the dates of seizure and sale, the name of the party assessed, and all proceedings in making said sale, the amount of fees and expenses, the name of the purchaser, and the date of the deed; which record shall be certified by the officer making the sale. And it shall be the duty of any deputy making sale, as aforesaid, to return a statement of all his proceedings to the collector, and to certify the record thereof. And in case of the death or removal of the collector or the expiration of his term of office from any other cause, said record shall be delivered to his successor in office; and a copy of every such record, certified by the collector, shall be evidence in any court of the truth of the facts therein stated. And when any lands sold, as aforesaid, shall be redeemed as hereinbefore provided, the collector shall make an entry of the fact upon the record aforesaid, and the said entry shall be evidence of such redemption. And when any property, personal or real, seized and sold by virtue of the foregoing provisions, shall not be sufficient to satisfy the claim of the United States for which distraint or seizure may be made against any person whose property may be so seized and sold, the collector may, thereafter, and as often as the same may be necessary, proceed to seize and sell, in like manner, any other property liable to seizure of such person until the amount due from him, together with all expenses, shall be fully paid: *Provided*, That the word "county," wherever the same occurs in this act, or the acts of which this is amendatory, shall be construed to mean also a parish or any other equivalent subdivision of a State or Territory.

That section thirty-four be amended by striking out all after the enacting clause and inserting the following: That each collector shall be charged with the whole amount of taxes, whether contained in lists delivered to him by the assessors, respectively, or delivered or transmitted to him by assistant assessors from time to time, or by other collectors, or by his predecessor in office, and with the additions thereto, with the par value of all stamps deposited with him, and with all moneys collected for passports, penalties, forfeitures, fees, or costs, and he shall be credited with all payments into the treasury made as provided by law, with all stamps returned by him uncancelled to the treasury, and with the amount of taxes contained in the lists transmitted in the manner above provided to other collectors, and by them receipted as aforesaid; and also with the amount of the taxes of such persons as may have absconded, or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him or by his deputy acting as collector to his successor in office: *Provided*, That it shall be proved to the satisfaction of the Commissioner of Internal Revenue that due diligence was used by the collector, who shall certify the facts to the first Comptroller of the Treasury. And each collector shall also be credited with the amount of all property purchased by him for the use of the United States, provided he shall faithfully account for and pay over the proceeds thereof upon a resale of the same as required by law. In case of the death, resignation, or removal of the collector, all lists and accounts of taxes uncollected shall be transferred to his successor in office as soon as such successor shall be appointed and qualified, and it shall be the duty of such successor to collect the same.

That section forty-one be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That it shall be the duty of the collectors aforesaid, or their deputies, in their respective districts, and they are hereby authorized, to collect all the taxes imposed by law, however the same may be designated, and to prosecute for the recovery of any sum or sums which may be forfeited by law; and all fines, penalties, and forfeitures which may be incurred or imposed by law, shall be sued for and recovered, in the name of the United States, in any proper form of action, or by any appropriate form of proceeding, qui tam or otherwise, before any circuit or district court of the United States for the district within which said fine, penalty, or forfeiture may have been incurred, or before any other court of competent jurisdiction. And taxes may be sued for and recovered, in the name of the United States, in any proper form of action before any circuit or district court of the United States for the district within which the liability to such tax may have been or shall be incurred, or where the party from whom such tax is due may reside at the time of the commencement of said action. But no such suit shall be commenced unless the Commissioner of Internal Revenue shall authorize or sanction the proceedings: *Provided*, That in case of any suit for penalties or forfeitures brought upon information received from any person, other than a collector, deputy collector, assessor, or assistant assessor, revenue agent, or inspector of internal revenue, the United States shall not be subject to any costs of suit, nor shall the fees of any attorney or counsel employed by any such officer be allowed in the settlement of his account, unless the employment of such attorney or counsel shall be authorized by the Commissioner of Internal Revenue, either expressly or by general regulations.

That section forty-four be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, shall be, and is hereby, authorized, on appeal to him made, to remit, refund, and pay back all taxes erroneously or illegally assessed or collected, all penalties collected without authority, and all taxes that shall appear to be unjustly assessed or excessive in amount or in any manner wrongfully collected, and also repay to collectors or deputy collectors the full amount of such sums of money as shall or may be recovered against them, or any of them, in any court, for any internal taxes or licenses collected by them, with the costs and expenses of suit, and all damages and costs recovered against assessors, assistant assessors, collectors, deputy collectors, and inspectors, in any suit which shall be brought against them, or any of them, by reason of anything that shall or may be done in the due performance of their official duties; and all judgments and moneys recovered or received for taxes, costs, forfeitures, and penalties, shall be paid to the collector as internal taxes are required to be paid: *Provided*, That where a second assessment may have been made in case of a list, statement, or return which in the opinion of the assessor or assistant assessor was false or fraudulent, or contained any understatement or undervaluation, such assessment shall not be remitted, nor shall taxes collected under such assessment be recovered, refunded, or paid back, unless it is proved that said list, statement, or return was not false or fraudulent, and did not contain any understatement or undervaluation.

That section forty-eight be amended by striking out all after the enacting clause and inserting the following: That all goods, wares, merchandise, articles, or objects, on which taxes are imposed by the provisions of law, which shall be found in the possession, or custody, or within the control of any person or persons, for the purpose of being sold or removed by such person or persons in fraud of the internal revenue laws, or with design to avoid payment of said taxes, may be seized by the collector or deputy collector of the proper district, or by such other collector or deputy collector as may be specially authorized by the Commissioner of Internal Revenue for that purpose, and the same shall be forfeited to the United States; and also all raw materials found in the possession of any person or persons intending to manufacture the same into articles of a kind subject to tax for the purpose of fraudulently selling such manufactured articles, or with design to evade the payment of said tax; and also all tools, implements, instruments, and personal property whatsoever, in the place or building or within any yard or enclosure where such articles or such raw materials shall be found, may also be seized by any collector or deputy collector, as aforesaid, and the same shall be forfeited as aforesaid; and the proceedings to enforce said forfeiture shall be in the nature of a proceeding in rem in the circuit or district court of the United States for the district where such seizure is made, or in any other court of competent jurisdiction. And any person who shall have in his custody or possession any such goods, wares, merchandise, articles, or objects, subject to tax as aforesaid, for the purpose of selling the same with the design of avoiding payment of the taxes imposed thereon, shall be liable to a penalty of five hundred dollars, or not less than double the amount of taxes fraudulently attempted to be evaded, to be recovered in any court of competent jurisdiction; and the goods, wares, merchandise, articles, or objects, which shall be so seized by any collector or deputy collector, may, at the option of the collector, be delivered to the marshal of said district, and remain in the care and custody of said marshal, and under his control until he shall obtain possession by process of law, and

the cost of seizure made before process issues shall be taxable by the court: *Provided*, That when the property so seized may be liable to perish or become greatly reduced in price or value by keeping, or when it cannot be kept without great expense, the owner thereof, the collector, or the marshal of the district, may apply to the assessor of the district to examine said property; and if, in the opinion of said assessor, it shall be necessary that the said property should be sold to prevent such waste or expense, he shall appraise the same; and the owner thereupon shall have said property returned to him upon giving bond in such form as may be prescribed by the Commissioner of Internal Revenue, and in an amount equal to the appraised value, with such sureties as the said assessor shall deem good and sufficient, to abide the final order, decree, or judgment of the court having cognizance of the case, and to pay the amount of said appraised value to the collector, marshal, or otherwise, as he may be ordered and directed by the court, which bond shall be filed by said assessor with the United States district attorney for the district in which said proceedings in rem may be commenced: *Provided further*, That in case said bond shall have been executed and the property returned before seizure thereof, by virtue of the process aforesaid, the marshal shall give notice of the pendency of proceedings in court to the parties executing said bond, by personal service or publication, and in manner and form as the court may direct, and the court shall thereupon have jurisdiction of said matter and parties in the same manner as if such property had been seized by virtue of the process aforesaid. But if said owner shall neglect or refuse to give said bond, the assessor shall issue to the collector or marshal aforesaid an order to sell the same; and the said collector or marshal shall thereupon advertise and sell the said property at public auction in the same manner as goods may be sold on final execution in said district; and the proceeds of the sale, after deducting the reasonable costs of the seizure and sale, shall be paid to the court aforesaid, to abide its final order, decree, or judgment.

That sections fifty-three, fifty-four, fifty-five, fifty-six, fifty-seven, fifty-nine, sixty-two, sixty-three, sixty-four, sixty-five, sixty-six, sixty-seven, sixty-eight, sixty-nine, and seventy, be, and the same are hereby, repealed, to take effect on the first day of September, eighteen hundred and sixty-six.

That section seventy-one be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That no person, firm, company, or corporation shall be engaged in, prosecute, or carry on any trade, business, or profession, hereinafter mentioned and described, until he or they shall have paid a special tax therefor in the manner hereinafter provided.

That section seventy-two be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That every person, firm, company, or corporation engaged in any trade, business, or profession, on which a special tax is imposed by law, shall register with the assistant assessor of the assessment district, first, his or their name or style, and in case of a firm or company, the names of the several persons constituting such firm or company, and their places of residence; second, the trade, business, or profession, and the place where such trade, business, or profession is to be carried on; third, if a rectifier, the number of barrels he designs to rectify: if a peddler, whether he designs to travel on foot, or with one, two, or more horses or mules; if an inn-keeper, the yearly rental value of the house and property to be occupied for said purpose. All of which facts shall be returned duly certified by such assistant assessor, to both the assessor and collector of the district; and the special tax shall be paid to the collector or deputy collector of the district as hereinafter provided for such trade, business, or profession, who shall give a receipt therefor.

That section seventy-three be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That any one who shall exercise or carry on any trade, business or profession, or do any act hereinafter mentioned, for the exercising, carrying on, or doing of which a special tax is imposed by law, without payment thereof as in that behalf required, shall for every such offence, besides being liable to the payment of the tax, be subject to imprisonment for a term not exceeding two years, or a fine not exceeding five hundred dollars, or both, and such fine shall be distributed between the United States and the informer, if there be any, as provided by law.

That section seventy-four be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That the receipt for the payment of any special tax shall contain and set forth the purpose, trade, business or profession for which such tax is paid, and the name and place of abode of the person or persons paying the same; if by a rectifier, the quantity of spirits intended to be rectified; if by a peddler, whether for traveling on foot or with one, or two, or more horses or mules, the time for which payment is made, the date or time of payment, and (except in case of auctioneers, produce brokers, commercial brokers, patent-right dealers, photographers, builders, insurance agents, insurance brokers, and peddlers) the place at which the trade, business, or profession for which the tax is paid shall be carried on: *Provided*, That the payment of the special tax herein imposed shall not exempt from an additional special tax the person or persons, (except lawyers, physicians, surgeons, dentists, cattle brokers, horse dealers, peddlers, produce brokers, commercial brokers, patent-right dealers, photographers, builders, insurance agents, insurance brokers, and auctioneers,) or firm, company, or corporation doing business in any other place than that stated; but nothing herein contained shall require a special tax for the storage of goods, wares, or merchandise in other places than the place of business, nor for the sale by manufacturers or producers of their own goods, wares, and merchandise, at the place of production or manufacture, and at their principal office or place of business, provided no goods, wares, or merchandise shall be kept except as samples, at said office or place of business. And every person exercising or carrying on any trade, business, or profession, or doing any act for which a special tax is imposed, shall, on demand of any officer of internal revenue, produce and exhibit the receipt for payment of the tax, unless he shall do so may be taken and deemed not to have paid such tax. And in case any peddler shall refuse to exhibit his or her receipt, as aforesaid, when demanded by any officer of internal revenue, said officer may seize the horse or mule, wagon, and contents, or pack, bundle, or basket of any person so refusing, and the assessor of the district in which the seizure has occurred may, on ten days' notice, published in any newspaper in the district, or served personally on the peddler, or at his dwelling-house, require such peddler to show cause, if any he has, why the horses or mules, wagon, and contents, pack, bundle, or basket so seized shall not be forfeited; and in case no sufficient cause is shown, the assessor may direct a forfeiture, and issue an order to the collector or to any deputy collector of the district for the sale of the property so forfeited; and the same, after payment of the expenses of the proceedings, shall be paid to the collector for the use of the United States. And all such special taxes shall become due on the first day of May in each year, or on commencing any trade, business, or profession upon which such tax is by law imposed. In the former case the tax shall be reckoned for one year, and in the latter case, proportionately for that part of the year from the first day of the month in which the liability to a special tax commenced, to the first day of May following.

That section seventy-five be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That upon the death of any person having paid the special tax for any trade, business, or profession, it may and shall be lawful for the executors or administrators, or the wife or child, or the legal representatives of such deceased person to occupy the house or premises, and in like manner to exercise or carry on, for the residue of the term for which the tax shall have been paid, the same trade, business, or profession, as the deceased before exercised or carried on, in or upon the same houses or premises, without payment of any additional tax. And in case of the removal of any person or persons from the house or premises for which any trade, business, or profession was taxed, it shall be lawful for the person or persons so removing to any other place to carry on the trade, business, or profession specified in the tax receipt at the place to which such person or persons may remove without payment of any additional tax: *Provided*, That all cases of death, change, or removal, as aforesaid, shall be registered with the assistant assessor, and with the collector, together with the name or names of the person or persons making such change or removal, or successor to any person deceased, under regulations to be prescribed by the Commissioner of Internal Revenue.

That section seventy-six be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That in every case where more than one of the pursuits, employments, or occupations, hereinafter described, shall be pursued or carried on in the same place by the same person at the same time, except as hereinafter provided, the tax shall be paid for each according to the rates severally prescribed: *Provided*, That in cities and towns having a less population than six thousand persons according to the preceding census, one special tax shall be held to embrace the business of land warrant brokers, claim agents and real estate agents, upon payment of the highest rate of tax applicable to either one of said pursuits.

That section seventy-seven be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That no auctioneer shall, by virtue of having paid the special tax as an auctioneer, sell any goods or other property at private sale, nor shall the employ any other person to act as auctioneer in his behalf, except in his own store or warehouse or in his presence; and any auctioneer who shall sell goods or commodities otherwise than by auction, without having paid the special tax imposed upon such business, shall be subject and liable to the penalty imposed upon persons dealing in or retailing, trading or selling goods or commodities without payment of the special tax for exercising or carrying on such trade or business; and where goods or commodities are the property of any person or persons taxed to deal in or retail, or trade in or sell the same, it shall and may be lawful for any person exercising or carrying on the trade or business of an auctioneer to sell such goods or commodities for and on behalf of such person or persons in said house or premises.

That section seventy-eight be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That any number of persons, except lawyers, conveyancers, claim agents, patent agents, physicians, surgeons, dentists, cattle brokers, horse dealers, and peddlers, doing business in copartnership at any one place, shall be required to pay but one special tax for such copartnership.

That section seventy-nine be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That a special tax shall be and hereby is, imposed as follows, that is to say:

One. Banks chartered or organized under a general law, with a capital not exceeding fifty thousand dollars, and bankers using or employing a capital not exceeding the sum of fifty thousand dollars, shall pay one hundred dollars; when exceeding fifty thousand dollars, for every additional thousand dollars in excess of fifty thousand dollars, two dollars. Every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or for sale, shall be regarded as a bank or as a banker: *Provided*, That any savings bank having no capital stock, and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

Two. Wholesale dealers, whose annual sales do not exceed fifty thousand dollars, shall pay fifty dollars; and if their annual sales exceed fifty thousand dollars, for every additional thousand dollars in excess of fifty thousand dollars, they shall pay one dollar; and the amount of all sales within the year beyond fifty thousand dollars shall be returned monthly to the assistant assessor, and the tax on sales in excess of fifty thousand dollars shall be assessed by the assessors and paid monthly as other monthly taxes are assessed and paid. Every person shall be regarded as a wholesale dealer whose business it is, for himself or on commission, to sell or offer to sell any goods, wares, or merchandise of foreign or domestic production, not including wines, spirits, or malt liquors, whose annual sales exceed twenty-five thousand dollars. And the payment of the special tax as a wholesale dealer shall not exempt any such person acting as a commercial broker from the payment of the special tax imposed upon commercial brokers: *Provided*, That no person paying the special tax as a wholesale dealer in liquors shall be required to pay an additional special tax on account of the sale of other goods, wares, or merchandise on the same premises: *And provided further*, That, in estimating the amount of sales for the purposes of this section, any sales made by or through another wholesale dealer on commission shall not be again estimated and included as sold by the party for whom the sale was made.

Three. Retail dealers shall pay ten dollars. Every person whose business or occupation it is to sell or offer for sale any goods, wares, or merchandise of foreign or domestic production, not including spirits, wines, ale, beer, or other malt liquors, and whose annual sales exceed one thousand and do not exceed twenty-five thousand dollars, shall be regarded as a retail dealer.

Four. Wholesale dealers in liquors whose annual sales do not exceed fifty thousand dollars shall pay one

hundred dollars, and if exceeding fifty thousand dollars, for every additional one thousand dollars in excess of fifty thousand dollars, they shall pay one dollar, and such excess shall be assessed and paid in the same manner as required of wholesale dealers. Every person who shall sell or offer for sale any distilled spirits, fermented liquors, or wines of any kind in quantities of more than three gallons at one time to the same purchaser, or whose annual sales, including sales of other merchandise, shall exceed twenty-five thousand dollars, shall be regarded as a wholesale dealer in liquors.

Five. Retail dealers in liquors shall pay twenty-five dollars. Every person who shall sell or offer for sale foreign or domestic spirits, wines, ale, beer, or other malt liquors in quantities of three gallons or less, and whose annual sales, including all sales of other merchandise, do not exceed twenty-five thousand dollars, shall be regarded as a retail dealer in liquors.

Six. Lottery ticket dealers shall pay one hundred dollars. Every person, association, firm, or corporation who shall make, sell, or offer to sell lottery tickets or fractional parts thereof, or any token, certificate, or device representing or intending to represent a lottery ticket or any fractional part therof, or any policy of numbers in any lottery, or shall manage any lottery, or prepare schemes of lotteries, or superintend the drawing of any lottery, shall be deemed a lottery ticket dealer: *Provided*, That the managers of any lottery shall give bond in the sum of one thousand dollars that the persons paying such tax shall not sell any tickets or supplementary ticket of such lottery which has not been duly stamped according to law, and that he will pay the tax imposed by law upon the gross receipts of his sales.

Seven. Horse dealers shall pay ten dollars. Any person whose business it is to buy or sell horses or mules shall be regarded as a horse dealer: *Provided*, That one special tax having been paid, no additional tax shall be imposed upon any horsedealer for keeping a livery stable, nor upon any livery stable keeper for dealing in horses.

Eight. Livery stable keepers shall pay ten dollars. Any person whose business it is to keep horses for hire, or to let, or to keep, feed, or board horses for others, shall be regarded as a livery stable keeper.

Nine. Brokers shall pay fifty dollars. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: *Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker.

Ten. Pawnbrokers using or employing a capital of not exceeding fifty thousand dollars, shall pay fifty dollars; and when using or employing a capital exceeding fifty thousand dollars, for every additional thousand dollars in excess of fifty thousand dollars, shall pay two dollars. Every person whose business or occupation is to take or receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money lent thereon, shall be deemed a pawnbroker.

Eleven. Land-warrant brokers shall pay twenty-five dollars. Any person shall be regarded as a land-warrant broker who makes a business of buying and selling land warrants or of furnishing them to settlers or other persons.

Twelve. Cattle brokers, whose annual sales do not exceed ten thousand dollars, shall pay ten dollars; and exceeding the sum of ten thousand dollars, one dollar for each additional thousand dollars; and such excess shall be assessed and paid in the same manner as required of wholesale dealers. Any person whose business it is to buy or sell or deal in cattle, hogs, or sheep, shall be considered as a cattle broker.

Thirteen. Produce brokers, whose annual sales do not exceed the sum of ten thousand dollars, shall pay ten dollars. Every person other than one having paid the special tax as a commercial broker or cattle broker, or wholesale or retail dealer, or peddler, whose occupation it is to buy or sell agricultural or farm products, and whose annual sales do not exceed ten thousand dollars, shall be regarded as a produce broker.

Fourteen. Commercial brokers shall pay twenty dollars. Any person or firm whose business it is, as a broker, to negotiate sales or purchases of goods, wares, or merchandise, or to negotiate freights, and other business for the owners of vessels, or for the shippers, or consignors, or consignees of freight carried by vessels, shall be regarded as a commercial broker.

Fifteen. Custom-house brokers shall pay ten dollars. Every person whose occupation it is, as the agent of others, to arrange entries and other custom-house papers, or transact business at any port of entry relating to the importation or exportation of goods, wares or merchandise, shall be regarded a custom-house broker.

Sixteen. Distillers shall pay one hundred dollars. Every person, firm, or corporation, who distills or manufactures spirits, or who brews or makes mash, wort, or wash for distillation or the production of spirits, shall be deemed a distiller; *Provided*, That distillers of apples, grapes, or peaches, distilling or manufacturing fifty and less than one hundred and fifty barrels per year from the same, shall pay fifty dollars: and those distilling or manufacturing less than fifty barrels per year from the same, shall pay twenty dollars: *And provided further*, That no tax shall be imposed for any still, stills, or other apparatus used by druggists and chemists for the recovery of alcohol for pharmaceutical and chemical or scientific purposes which has been used in those processes.

Seventeen. Brewers shall pay one hundred dollars. Every person, firm, or corporation who manufactures fermented liquors of any name or descriptions, for sale, from malt, wholly or in part, or from any substitue therefor, shall be deemed a brewer: *Provided*, That any person, firm, or corporation, who manufactures less than five hundred barrels per year, shall pay the sum of fifty dollars.

Eighteen. Rectifiers who shall rectify any quantity of spirituous liquors, not exceeding five hundred barrels, packages, or casks, containing not more than forty gallons to each barrel, package, or cask, shall pay twenty-five dollars; and twenty-five dollars additional for each additional five hundred such barrels, packages or casks, or any fractional part thereof. Every person, firm, or corporation, who rectifies purifies, or refines distilled spirits or wines by any process, or who, by mixing distilled spirits or wine with any materials, manufactures any spurious, imitation, or compound liquors for sale, under the name of whiskey, brandy, gin, rum, wine, "spirits," or "wine bitters," or any other name, shall be regarded as a rectifier.

Nineteen. Coal oil distillers and distillers of burning fluid and camphene shall pay fifty dollars. Any person, firm, or corporation, who shall refine, produce, or distil petroleum, or rock oil or oil made of coal, asphaltum, shale, peat, or other bituminous substances, or shall manufacture illuminating oil, shall be regarded as a coal oil distiller.

Twenty. Keepers of hotels, inns, or taverns, shall be classified and rated according to the yearly rental, or if not rented, according to the estimated yearly rental of the house and property intended to be so occupied as follows, to wit: when the rent or valuation of the yearly rental of said house and property shall be two hundred dollars, or less, they shall pay ten dollars; and if exceeding two hundred dollars, for any additional one hundred dollars, or fractional part thereof in excess of two hundred dollars, five dollars: *Provided*, That a payment of such special tax shall be construed to permit the person so keeping a hotel, inn, or tavern, to furnish the necessary food for the animals of such travellers or sojourners without the payment of an additional special tax as a livery stable keeper. Every place where food and lodging are provided and furnished to travellers and sojourners for pay shall be regarded as a hotel, inn, or tavern: *Provided*, That keepers of hotels, taverns, and eating-houses, in which liquors are sold by retail, to be drank upon the premises, shall pay an additional tax of twenty-five dollars. the yearly rental shall be fixed and established by the assistant assessor of the proper assessment district at its proper value; but if rented, at not less than the actual rent agreed on by the parties. All steamers and vessels, upon waters of the United States, on board of which passengers or travellers are provided with food or lodgings, shall be subject to and required to pay twenty-five dollars; *Provided*, That any person who shall make a false or fraudulent return concerning the actual rent mentioned in this paragraph shall be subject to a penalty therefor of double the amount of the tax.

Twenty-one. Keepers of eating-houses shall pay ten dollars. Every place where food or refreshments of any kind, not including where spirits, wines, ale, beer, or other malt liquors, are provided for casual visitors and sold for consumption therein, shall be regarded as an eating-house. But the keeper of an eating-house, having paid the tax therefor, shall not be required to pay a special tax as a confectioner, anything in this [act] to the contrary notwithstanding. And keepers of hotels, inns, taverns, and eating-houses, having paid the special tax therefor, shall not be required to pay additional tax for selling tobacco, snuff, or cigars on the same premises, anything in this act to the contrary notwithstanding.

Twenty-two. Confectioners shall pay ten dollars. Every person who sells at retail confectionery, sweetmeats, comfits, or other confects, in any building, shall be regarded as a confectioner. But wholesale and retail dealers, having paid the special tax therefor, shall not be required to pay the special tax as a confectioner, anything in this act to the contrary notwithstanding.

Twenty-three. Claim agents and agents for procuring patents shall pay ten dollars. Every person whose business it is to prosecute claims in any of the executive departments of the federal government, or procure patents, shall be deemed a claim or patent agent, as the case may be.

Twenty-four. Patent-right dealers shall pay ten dollars. Every person whose business it is to sell, or offer for sale, patent-rights, shall be regarded as a patent-right dealer.

Twenty-five. Real estate agents shall pay ten dollars. Every person whose business it is to sell or offer for sale real estate for others, or to rent houses, stores, or other buildings or real estate, or to collect rent for others, except lawyers paying a special tax as such, shall be regarded as a real estate agent.

Twenty-six. Conveyancers shall pay ten dollars. Every person, other than one having paid the special tax as a lawyer or claim agent, whose business it is to draw deeds, bonds, mortgages, wills, writs, or other legal papers, or to examine titles to real estate, shall be regarded as a conveyancer.

Twenty-seven. Intelligence office keepers shall pay ten dollars. Every person whose business it is to find or furnish places of employment for others, or to find or furnish servants upon application in writing or otherwise, receiving compensation therefor, shall be regarded as an intelligence office keeper.

Twenty-eight. Insurance agents shall pay ten dollars. Any person who shall act as agent for any fire, marine, life, mutual, or other insurance company or companies, or any person who shall negotiate or procure insurance for which he receives any commission or other compensation, shall be regarded as an insurance agent: *Provided*, That if the annual receipts of any person as such agent shall not exceed one hundred dollars, he shall pay five dollars only: *And provided further*, That no special tax shall be imposed upon any person for selling tickets or contracts of insurance against injury to persons while travelling by land or water.

Twenty-nine. Foreign insurance agents shall pay fifty dollars. Every person who shall act as an agent of any foreign fire marine, life, mutual or other insurance company or companies, shall be regarded as a foreign insurance agent.

Thirty. Auctioneers, whose annual sales do not exceed ten thousand dollars, shall pay ten dollars, and if exceeding ten thousand dollars shall pay twenty dollars. Every person shall be deemed an auctioneer whose business it is to offer property at public sale to the highest or best bidder: *Provided*, That the provisions of this paragraph shall not apply to judicial or executive officers making auction sales by virtue of any judgment or decree of any court, nor public sales made by or for, executors, administrators, or guardians of any estate held by them as such.

Thirty-one. Manufacturers shall pay ten dollars. Any person, firm, or corporation who shall manufacture by hand or machinery any goods, wares, or merchandise, not otherwise provided for, exceeding annually the sum of one thousand dollars, or who shall be engaged in the manufacture or preparation for sale of any articles or compounds, or shall put up for sale in packages with his own name or trade-mark thereon any articles or compounds, shall be regarded as a manufacturer.

Thirty-two. Peddlers shall be classified and rated as follows, to wit: When travelling with more than two horses, or mules, the first class, and shall pay fifty dollars; when travelling with two horses, or mules, the second class, and shall pay twenty-five dollars; when travelling with one horse, or mule, the third class, and shall pay fifteen dollars; when travelling by foot, or by public conveyance, the fourth class, and shall pay ten dollars. Any person, except persons peddling only charcoal, newspapers, magazines, bibles, religious tracts, or the products of his farm or garden, who sells or offers to sell, at retail, goods, wares, or other commodities, travelling from place to place in the town or through the country, shall be regarded as a peddler: *Provided*, That any peddler who sells, or offers to sell, distilled spirits, fermented liquors or wines, dry goods, foreign or domestic, by one or more original packages or pieces, at one time, to the same person or persons, or who peddles jewelry, shall pay fifty dollars: *Provided further*, that manufacturers and producers of agricultural tools and implements, garden, seeds, fruit and ornamental trees, stoves and hollow ware, brooms,

wooden ware, charcoal, and gunpowder, delivering or selling at wholesale any of said articles, by themselves or their authorized agents, at places other than the place of manufacture, shall not therefor be required to pay any special tax: *Provided further*, That persons who sell shell or other fish or both, travelling from place to place, and not from any shop or stand, shall be required to pay five dollars only; and no special tax shall be imposed for selling shell or other fish from hand-carts or wheelbarrows.

Thirty-three. Apothecaries shall pay ten dollars. Every person who keeps a shop or building where medicines are compounded or prepared according to prescriptions of physicians, or where medicines are sold, shall be regarded as an apothecary. But wholesale and retail dealers, who have paid the special tax therefor, shall not be required to pay a tax as an apothecary; nor shall apothecaries who have paid the special tax be required to pay the tax as retail dealers in liquor in consequence of selling alcohol, or of selling or of dispensing, upon physicians' prescriptions, the wines and liquors official in the United States and other national pharmacopœias, in quantities not exceeding half a pint of either at any one time, nor exceeding in aggregate cost value the sum of three hundred dollars per annum.

Thirty-four. Photographers shall pay ten dollars. Any person who makes for sale photographs, ambrotypes, daguerreotypes, or picture, by the action of light, shall be regarded as a photographer.

Thirty-five. Tobacconists shall pay ten dollars. Any person, firm, or corporation whose business it is to manufacture cigars, snuff, or tobacco in any form, shall be regarded as a tobacconist.

Thirty-six. Butchers shall pay ten dollars. Every person whose business it is to sell butchers' meat at retail shall be regarded as a butcher: *Provided*, That no butcher having paid the special tax therefor shall be required to pay the special tax as a retail dealer on account of selling other articles at the same store, stall, or premises: *Provided further*, That butchers who sell butchers' meat exclusively by themselves or agents, travelling from place to place, and not from any shop or stand, shall be required to pay five dollars only, any existing law to the contrary notwithstanding.

Thirty-seven. Proprietors of theatres, museums, and concert halls, shall pay one hundred dollars. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls rented or used occasionally for concerts or theatrical representations, shall be regarded as a theatre: *Provided*, That when any such edifice is under lease at the passage of this act the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

Thirty-eight. The proprietor or proprietors of circuses shall pay [one] hundred dollars. Every, building, tent, space, or area, where feats of horsemanship or acrobatic sports or theatrical performances are exhibited, shall be regarded as a circus: *Provided*, That no special tax paid in one State shall exempt exhibitions from the tax in another State. And but one special tax shall be imposed for exhibitions within any one State.

Thirty-nine. Jugglers shall pay twenty dollars. Every person who performs by sleight of hand shall be regarded as a juggler. The proprietors or agents of all other exhibitions or shows for money, not enumerated in this section, shall pay ten dollars: *Provided*, That a special tax paid in one State shall not exempt exhibitions from the tax in another State. And but one special tax shall be required for exhibitions within any one State.

Forty. Proprietors of bowling alleys and billiard rooms shall pay ten dollars for each alley or table. Every place or building where bowls are thrown or billiards played, and open to the public with or without price, shall be regarded as a bowling alley or billiard room, respectively.

Forty-one. Proprietors of gift enterprises shall pay one hundred and fifty dollars. Every, person, firm, or corporation who shall sell or offer for sale any real estate or article of merchandise of any description whatsoever, or any ticket of admission to any exhibition or performance, with a promise, express or implied, to give or bestow, or in any manner hold out the promise of gift or bestowal of any article or thing for and in consideration of the purchase by any person of any other article or thing, shall be regarded as a proprietor of a gift enterprise: *Provided*, That no such proprietor, in consequence of being thus taxed, shall be exempt from paying any other tax imposed by law, and the special tax herein required shall be in addition thereto.

Forty-two. Owners of stallions and jacks shall pay ten dollars. Every person who keeps a horse or jack for the use of mares, requiring or receiving pay therefor, shall be regarded as the owner thereof, and shall furnish a statement to the assessor or assistant assessor, which shall contain a brief description of the animal, its age, and place or places where used or to be used: *Provided*, That all accounts, notes, or demands for the use of any such horse or jack, the owner or keeper thereof not having paid the tax as aforesaid, shall be void.

Forty-three. Lawyers shall pay ten dollars. Every person who for fee or reward shall prosecute or defend causes in any court of record or other judicial tribunal of the United States or any of the States, or whose business it is to give legal advice in relation to any cause or matter whatever, shall be deemed to be a lawyer.

Forty-four. Physicians, surgeons, and dentists shall pay ten dollars. Every person (except apothecaries) whose business it is, for fee and reward, to prescribe remedies or perform surgical operations for the cure of any bodily disease or ailing, shall be deemed a physician, surgeon, or dentist.

Forty-five. Architects and civil engineers shall pay ten dollars. Every person whose business it is to plan design, or superintend the construction of buildings, or ships, or of roads, or bridges, or canals, or railroads, shall be regarded as and architect and civil engineer: *Provided*, That this shall not include a practical carpenter who labors on a building.

Forty-six. Builders and contractors shall pay ten dollars. Every person whose business it is to construct buildings, or vessels, or bridges, or canals, or railroads, by contract, whose receipts from building contracts exceed two thousand five hundred dollars in any one year, shall be regarded as a builder and contractor.

Forty-seven. Plumbers and gas-fitters shall pay ten dollars. Every person, firm, or corporation, whose business it is to fit, furnish, or sell plumbing materials, gas-pipes, gas-burners, or other gas-fixtures, shall be regarded as a plumber and gas-fitter.

Forty-eight. Assayers, assaying gold and silver, or either, of a value not exceeding in one year two hundred and fifty thousand dollars, shall pay one hundred dollars, and two hundred dollars when the value exceeds two hundred and fifty thousand dollars and does not exceed five hundred thousand dollars, and five hundred dollars when the value exceeds five hundred thousand dollars. Any person or persons or corporation whose business or occupation it is to separate gold and silver from other metals or mineral substances with which such gold or silver, or both, are alloyed, combined, or united, or to ascertain or determine the quantity of gold or silver in any alloy or combination with other metals, shall be deemed an assayer.

Forty-nine. Miners shall pay ten dollars. Every person, firm, or company, who shall employ others in the business of mining for coal, or for gold, silver, copper, lead, iron, zinc, spelter, or other minerals, not having paid the tax therefor as a manufacturer, and no other, shall be regarded as a miner: *Provided*, That this shall not apply to any miner whose receipts as such shall not exceed, annually, one thousand dollars.

Fifty. Express carriers and agents shall pay ten dollars. Every person, firm, or company, engaged in the carrying or delivery of money, valuable papers, or any articles for pay, or doing an express business, whose gross receipts therefrom exceed the sum of one thousand dollars per annum, shall be regarded as an express carrier: *Provided*, That but one special tax of ten dollars shall be imposed upon any one person, firm, or company, in respect to all the business to be done by such person, firm, or company, on a continuous route, and the payment of such tax shall cover all business done upon such route by such person, firm, or company, anywhere in the United States; and such tax shall be required only from the principal in such business, and not from any subordinate: *Provided further*, That draymen and teamsters owning only one dray or team shall not be required to pay such tax.

Fifty-one. Grinders of coffee or spices shall pay one hundred dollars. Any person who manufactures or prepares for use and sale, by grinding or other process, coffee, spices, or mustard, or adulterated coffee, spices, or mustard, or any article or compound intended for use in the adulteration of or as substitutes for coffee, spices, or mustard, shall be regarded as a grinder of coffee or spices: *Provided*, That any person who shall roast coffee for use and sale shall be required to pay the special tax herein imposed upon grinders of coffee or spices.

That section eighty be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That the special tax shall not be imposed upon apothecaries, confectioners, butchers, keepers of eating houses, hotels, inns, or taverns, or retail dealers, except retail dealers in spirituous and malt liquors when their annual gross receipts shall not exceed the sum of one thousand dollars, any provision of law to the contrary notwithstanding; the amount of such annual receipts to be ascertained or estimated in such manner as the Commissioner of Internal Revenue shall prescribe, as well as the amount of all other annual sales or receipts where the tax is graduated by the amount of sales or receipts; and where the amount of the tax has been increased by law above the amount paid by any person, firm, or company, or has been understated or underestimated, such person, firm, or company shall be again assessed, and pay the amount of such increase: *Provided*, That when any person, before the passage of this act, has been assessed for a license, the amount thus assessed being equal to the tax herein imposed for the business covered by such license, no special tax shall be assessed until the expiration of the period for which such license was assessed.

That section eighty-one be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That nothing contained in the preceding sections of this act shall be construed to impose a special tax upon vintners who sell wine of their own growth at the place where the same is made; nor upon apothecaries, as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines; nor shall physicians be taxed for keeping on hand medicines solely for the purpose of making up their own prescriptions for their own patients: nor shall farmers be taxed as manufacturers or producers for making butter or cheese, with milk from their own cows, or for any other farm products: *Provided*, That the payment of any tax imposed by law shall not be held or construed to exempt any person carrying on any trade, business or profession, from any penalty or punishment provided by the laws of any State for carrying on such trade, business, or profession within such State, or in any manner to authorize the commencement or continuance of such trade, business, or profession contrary to the laws of such State, or in places prohibited by municipal law; nor shall the payment of any tax herein provided be held or construed to prohibit or prevent any State from placing a duty or tax for State or other purposes on any trade, business or profession, upon which a tax is imposed by law.

That section eighty-six be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That any person, firm, company, or corporation, manufacturing or producing goods, wares, and merchandise, sold or removed for consumption or use, upon which taxes are imposed by law shall, in their return of the value and quantity, render an account of the full amount of actual sales made by the manufacturer, producer, or agent thereof, and shall state whether any part, and if so, what part of said goods, wares, and merchandise, has been consumed or used by the owner, owners, or agent, or used for the production of some other manufacture or product, together with the market value of the same at the time of such use or consumption; whether such goods, wares, or merchandise were shipped for a foreign port or consigned to auction or commission merchants other than agents, for sale; and shall make a return according to the value at the place of shipment, when shipped for a foreign port, or according the value at the place of manufacture or production, when removed for use or consumption, or consigned to others than agents of the manufacturer or producer. The value and quantity of the goods, ware, and merchandise required to be stated as aforesaid shall be estimated by the actual sales made by the manufacturer or by his agent. And where such goods, wares, and merchandise have been removed for consumption or for delivery to others, or placed on shipboard, or are no longer within the custody or control of the manufacturer or his agent, not being in his factory, store, or warehouse, the value shall be estimated at the average of the market value of the like goods, wares, and merchandise at the time when the same became liable to tax.

That section eighty-seven be amended by striking out all after the enacting clause, and inserting in lieu thereof, the following: That any person, firm, company, or corporation who may now be engaged in the manufacture of tobacco, snuff, or cigars, or who shall hereafter commence or engage in such manufacture, before commencing or if already commenced, before continuing, such manufacture for which they may be liable to be assessed under the provisions of the law,

[*To be continued.*]

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 4. NEW YORK, JULY 28, 1866. WHOLE NUMBER 82.

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REVIEW.

HE codified copy of the Internal Revenue Statutes in course of preparation by the Treasury artment is not yet fully completed. It will inorate all provisions of the Internal Revenue laws hereafter to be enforced, and will contain full index and marginal notes. There are a great many changes made by the new Act which it is important for Revenue officers to make themselves acquainted with, without delay, and to facilitate them in so doing, the entire Act will be published in the RECORD.

The new Tariff Act will not go into operation until the 10th of August, 1866. Duties on goods now in bond will be at the old rates. The most important feature of that Act is contained in Section 9, which provides:

"That in determining the dutiable value of imported merchandise, there shall be added to the cost on the actual wholesale prices, or general market value at the time of exportation in the principal markets of the country from which the same shall have been imported into the United States, the cost of transportation, shipment, and transhipment, with all expenses included, from the place of growth, production, or manufacture, whether by land or water, to the vessel in which shipment is made to the United States; the value of the sack, box, or covering of any kind in which such goods are contained; commission at the usual rates, but in no case less than two and a half per centum; brokerage, export duty and all other actual or usual rates for putting up, preparing and packing for transportation or shipment, and all charges of a general character incurred in the purchase of a general invoice, shall be distributed pro rata among all parts of such invoice, and every part thereof charged with duties based on value shall be advanced according to its proportion, and all wines or other liquors paying specific duty by grades shall be graded and pay duty according to the actual value so determined. All additions made to the entered value of merchandise for charge shall be regarded as part of the actual value of such merchandise, and if such addition shall exceed by ten per centum the value so declared in the entry in addition to the duties imposed by law, there shall be levied, collected and paid a duty of twenty per centum on such value. The duty shall in nowise be assessed upon an amount less than the invoice or entered value. It further provides that nothing herein contained shall apply to long-combing carpet wools costing twelve cents or less per pound, unless the charges added shall carry the cost above twelve cents, in which case one cent per pound duty is to be levied."

It has been ruled that penalties imposed for violations of excise law, are legitimate offsets to the profits of the business in connection with which they were issued, but they cannot be allowed on deductions from income actually realized from other pursuits.

ASSESSMENT OF TAX ON CIGARS.

WASHINGTON, July 19th, 1866.

GENTLEMEN: Your letter of the 16th instant, relative to the mode of calculating the tax on cigars under the law which has just been passed by Congress, and which is to go into operation on the first day of August proximo, has been received.

In answer I have to say, That the tax imposed by the new law is partly specific, and partly ad valorem.

On cigars, &c., the market value of which is not over eight dollars per thousand, the tax is two dollars per thousand.

On cigars, &c., the market value of which is over eight dollars, and not over twelve dollars, per thousand, a tax of four dollars per thousand.

On all cigars, &c., the market value of which is over twelve dollars per thousand, a tax of four dollars per thousand, and in addition thereto, twenty per centum ad valorem on the *market value*.

By the term "market value," must be understood the price at which the cigars, &c., *are sold in the market*, and this price in all cases must *include* the tax. If the manufacturer *receives* ten dollars for a thousand cigars, he will pay four of it to the government, as tax on cigars the market value of which *was over eight dollars*, and not simply two dollars, as tax on cigars the market value of which was *not over eight dollars*.

You ask, "What, under the law, will be the tax on cigars worth at present twenty-five dollars per thousand and with the present tax brings them to the selling price of thirty-five dollars," or, in other words, upon what sum shall the ad valorem part of the tax be computed, and how is the manufacturer to know at what price to sell his cigars unless the twenty per cent. ad valorem is computed upon the *twenty-five dollars*.

To these questions I reply, First, the tax will be eleven and one-quarter ($11 25) dollars if the manufacturer sells them for a price sufficient to yield him after paying the tax, twenty-five dollars, And, Second, the price at which they should be, or must be sold, to do this is thirty-six dollars and one-quarter ($36 25).

For example:

Market value	$36.25 per M
Ad valorem tax	20 per ct
Amount of ad valorem tax	$7.25
Add specific tax	4.00
Full amount of tax	$11.25

and third, the precise sum in this and every other case, is found by adding four dollars to the price the manufacturer wishes to realize, and then increasing that sum be one-fourth of itself.

Take for example the cigars you value at twenty-five dollars per thousand: Add to the $25, the specific tax, $4, gives the sum of $29; increase by one-fourth, $7.25, gives for the saleable value, $36.25, or the price at which you must sell such cigars to realize for yourself $25 per thousand.

Suppose you have cigars on which you wish to realize $40 per thousand. Add the specific tax, $4, and increase by one-fourth of $44, which is equal to $11, and it gives the market value, $55, or the price at which your cigars must be sold to net you forty dollars.

By this rule you may always compute the price at which your cigars must be sold in order that they may net you a given sum, after paying the government tax.

You will, however, understand that at *whatever price you sell* your cigars, under the new law, the government will claim four dollars more than one-fifth of such price as the government tax.

Cigars sold for $25, $40, $50, $75 per thousand will be taxed $9, $12, $14, $19 per thousand respectively, and so on for any other prices.

From the rules I have thus given you, and the examples illustrating the rules, you will see, I think, that the tax in every case can be *definitely and accurately determined*, that the calculation is *simple* and easy, and ends just where the law intends that it shall, viz.: with a "specific tax of four dollars per thousand, and in addition thereto twenty per centum ad valorem on the *market value*."

Yours respectfully,

E. A. ROLLINS,
Commissioner.

Messrs. —— ——
Allentown, Penn.

[OFFICIAL.]

THE AMENDATORY TAX BILL.

[PUBLIC—No. 111.]

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 thirtieth, eighteen hundred and sixty-four, and acts amendatory thereof.

[*Continued from page* 24.]

shall in addition to a compliance with all other provisions of law, furnish to the assessor or assistant assessor a statement, subscribed under oath or affirmation, accurately setting forth the place, and, if in a city, the street and number of the street where the manufacturing is, or is to be, carried on, the name and description of the manufactured article, and, if the same shall be manufactured for or to be sold and delivered to any other person or party, the name and residence and business or occupation of the person or party for whom the said article is to be manufactured or to whom it is to be delivered, and generally the kind and quality manufactured or proposed to be manufactured; and shall give a bond to the United States, with one or more sureties to be approved by the collector of the district, in the sum of three thousand dollars for each cutting machine kept for use, in the sum of one thousand dollars for each screw press kept for use in making plug or pressed tobacco, in the sum of five thousand dollars for each hydraulic press kept for use, in the sum of one thousand dollars for each snuff mull kept for use, and in the sum of one hundred dollars for each person employed by said person, firm, company, or corporation in making cigars, conditioned that he will comply with all the requirements of law in regard to the manufacture of tobacco, snuff, or cigars; that he will not employ others to manufacture cigars who have not obtained the requisite permit for making cigars; that he will not engage in any attempt, by himself or by collusion with others, to defraud the government of any tax on any manufacture of tobacco, snuff, or cigars; that he will render truly and correctly all the returns, statements and inventories prescribed for manufacturers of tobacco, snuff, and cigars; that whenever he shall add to the number of cutting machines, presses, snuff mulls or cigar-makers, used or employed by him, he will immediately give notice thereof to the collector who holds the bonds that he will pay to the collector of the district all the taxes which may or should be assessed and due on any tobacco, snuff, or cigars so manufactured, and that he will not knowingly sell, purchase, or receive for sale any such tobacco, snuff, or cigars which have not been inspected, branded, or stamped as required by law, or upon which the tax has not been paid if it has accrued or become payable. And the said bond may be renewed or changed from time to time, in regard to the sureties or amount thereof, according to the discretion of the collector, under the instructions of the Commissioner of Internal Revenue. And every person firm, company, or corporation aforesaid shall exhibit, whenever demanded by any officer of internal revenue, a certificate from the collector, who is hereby authorized and directed to issue the same, setting forth the kind and number of machines, presses, snuff mulls, and number of cigar-makers for which the bond has been given. And any person, firm, or corporation manufacturing tobacco, snuff, or cigars of any description without first furnishing the bond in the cases herein required, shall be subject to a fine of three hundred dollars, and in addition thereto, upon conviction thereof, shall be liable to imprisonment for a term not exceeding one year at the discretion of the court.

That section eighty-eight be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That it shall be the duty of the assistant assessor of each district to keep a record, in a book or books to be provided for the purpose, to be open to the inspection of any person upon reasonable request, of the name of any and every person, firm, company, or corporation who may be engaged in the manufacture of tobacco, snuff, or cigars together in his district, together with the place where such manufacture is carried on, and place of residence of the person or persons engaged therein; and the assistant assessor shall enter in said record, under the name of each manufacturer, an abstract of his monthly returns; and each assessor shall keep a similar record for the entire district.

That section eighty-nine be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That in all cases where tobacco, snuff, or cigars, of any description, are manufactured, in whole or in part, upon commission or shares, or where the material from which any such articles are made, or are to be made, is furnished by one party and manufactured by another, or where the material is furnished or sold by one party with an understanding or contract with another that the manufactured article is to be received in payment therefor or any part thereof, the tax imposed by law thereon may be assessed upon the party for whom the same was made, or to whom the same was delivered as aforesaid, or upon the person or party who made the same, as the assessor shall deem best for the collection of the revenue. And in case of fraud on the part of either of said parties in respect to said manufacture, or of any collusion on their part with intent to defraud the revenue, such material and manufactured articles shall be liable to forfeiture; and such articles shall be liable to be assessed the highest rates of tax imposed by law upon any article of like kind.

That section ninety be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That any person, firm, company, or corporation, now or hereafter engaged in the manufacture of tobacco, snuff, or cigars, of any description whatsoever, shall be, and hereby is, required to make out and deliver to the assistant assessor of the assessment district a true statement or inventory of the quantity of each of the different kinds of tobacco, snuff-flour, snuff, cigars, tinfoil, licorice, and stems, held or owned by him or them on the first day of January of each year, or at the time of commencing business under this act, setting forth what portion of said goods was manufactured or produced by him or them, and what was purchased from others, whether chewing, smoking, fine-cut shorts, pressed, plug, snuff-flour or prepared snuff, or cigars, which statement or inventory shall be verified by the oath or affirmation of such person or persons, and be in manner and form as prescribed by the Commissioner of Internal Revenue; and every such person, company, or corporation shall keep in book form an accurate account of all the articles aforesaid thereafter purchased by him or them, the quantity of tobacco, snuff, snuff-flour, or cigars, of whatever description, manufactured, sold, consumed, or removed for consumption or sale, or removed from the place of manufacture; and he and they shall, on or before the tenth day of each month, furnish to the assistant assessor of the district a true and accurate abstract of all such purchases and sales, or removals, which abstract shall be verified by oath or affirmation; and in case of refusal or neglect to deliver the inventory, or keep the account, or furnish the abstract aforesaid, he or they shall forfeit the sum of five hundred dollars, to be recovered with costs of suit. And it shall be the duty of any manufacturer or vender of tinfoil, or other material used in manufacturing tobacco, snuff, or cigars, on demand of an officer of internal revenue, to render to such officer a correct statement, verified by oath or affirmation, of the quantity and amount of tinfoil or other materials sold or delivered to any person or persons named in such demand; and in case of refusal or neglect to render such statement, or of cause to believe such statement to be incorrect or fraudulent, the assessor of the district may cause an examination of persons, books, and papers to be made in the same manner as provided in the fourteenth section of this act. And all the provisions of law relating to manufacturers generally, so far as applicable and not inconsistent herewith, shall be held to apply to the manufacture of tobacco, snuff, and cigars: *Provided*, That the tax imposed upon the manufacturer of tobacco, snuff, and cigars, shall be held to accrue upon the sale or removal from the place of manufacture, unless removed to a bonded warehouse: *Provided further*, That manufactured tobacco, snuff, or cigars, whether of domestic manufacture or imported, may be transferred, without payment of the tax, to a bonded warehouse established in conformity with law and treasury regulations, under such rules and regulations and upon the execution of such transportation bonds or other security as may be prescribed by the Commissioner of Internal Revenue subject to the approval of the Secretary of the Treasury, said bonds or other security to be taken by the collector of the district from which such removal is made; and may be transported from such a warehouse to any other bonded warehouse established as aforesaid, and may be withdrawn from bonded warehouse for consumption on payment of the tax, or removed for export to a foreign country without payment of tax, in conformity with the provisions of law relating to the removal of distilled spirits, all the rules, regulations, and conditions of which, so far as applicable, shall apply to tobacco, snuff or cigars in bonded warehouse. And no drawback shall in any case be allowed upon any manufactured tobacco, snuff, or cigars.

That section ninety-one be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That all manufactured tobacco, snuff, or cigars, shall, before the same is used or removed for consumption, be inspected by an inspector appointed under the provisions of law, who shall mark or affix a stamp upon the box or other package containing such tobacco, snuff, or cigars, in a manner to be prescribed by the Commissioner of Internal Revenue, denoting the kind, quantity, or number contained in each package, with the date of inspection and the name of the inspector, and the collection district. The fees of such inspector shall in all cases be paid by the owner of the manufactured tobacco, snuff, or cigars, so inspected. And any person who shall affix upon any box or other package containing such tobacco, snuff, or cigars, any mark or stamp which shall be false or fraudulent in any of the particulars before recited in this section, or shall, with intent to defraud the United States, or to cause the same to be defrauded, change in any manner such stamp or mark, or such box or package so marked or stamped, shall be liable to a fine of not less than fifty dollars, or to imprisonment, not exceeding two years, for every such offense. And all cigars manufactured after the passage of this act shall be packed in boxes or paper packages. And any manufactured tobacco, snuff, and cigars, whether of domestic manufacture or imported, which which shall be sold or pass out the hands of the manufacturer or importer, except into a bonded warehouse, without the inspection marks or stamps affixed, unless otherwise provided, shall be forfeited, and may be seized wherever found, and shall be sold, and the proceeds of such sale shall be distributed between the United States and the informer, if there be any, as provided by law. The Commissioner of Internal Revenue shall keep an account of all stamps delivered to the several inspectors; and said inspectors shall also keep an account of all stamps, by them used or placed upon boxes containing cigars, and of all tobacco, snuff, and cigars inspected, and the name of the person, firm, or company for whom the same were so inspected, and shall return to the assessor of the district a separate and distinct account of the same, and also return to the said Commissioner, on demand, all stamps not otherwise accounted for, and shall give a bond for a faithful performance of all duties to which he may be assigned, and to return or account for all stamps which may be placed in his hands.

That section ninety-two be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That if any person other than the manufacturer shall sell, or consign, or remove for sale, or part with the possession of any manufactured tobacco, snuff, or cigars upon which the taxes imposed by law have not been paid, with the knowledge thereof, such person shall be liable to a penalty of one hundred dollars for each offence. And any person who shall purchase or receive for sale any such tobacco, snuff, or cigars, which has not been inspected, branded, or stamped as required by law, or upon which the tax has not been paid, if it has accrued or become payable, with knowledge thereof, shall be liable to a penalty of fifty dollars for each and every offence. And any person who shall purchase or receive for sale any such tobacco, snuff, or cigars, from any manufacturer who has not paid the special tax, shall be liable for each and every offence to a penalty of one hundred dollars, and, in addition thereto, a forfeiture of all the articles, as aforesaid, so purchased or received, or the full value thereof. And every person, before making any cigars after the passage of this act, shall apply for and procure from the assistant assessor of the district in which he resides a permit authorizing such persons to carry on the trade of cigar making, for which permit he shall pay said assistant assessor the sum of twenty-five cents. And every person employed or working at the business of cigar making in any other district than that in which he or she is a resident shall, before making any cigars in such other district, present said permit to the assistant assessor of the district where so employed or working, and procure the indorsement of said assistant assessor thereon, authorizing said business in said district, for which indorsement the assistant assessor shall be entitled to receive from the applicant the sum of ten cents. And it shall be the duty of every assistant assessor, upon application of any person residing in his district, to furnish a permit, or to indorse upon the permit of the applicant, if resident in another district authority to pursue the trade of cigar making within the proper district of such assistant assessor; and said assistant assessor shall keep a record of all permits granted or indorsed by him, showing the date of each permit, the name, residence, and place of employment of the party named therein, the name and district of the officer who originally granted the same, or who may have made any subsequent indorsements thereon, and the name or names of the party or parties by whom

the person named in such permit is employed, or, if working for himself, stating such fact; and every person making cigars shall keep an accurate account in a book of all the cigars made by him, for whom, and their kind or quality; and, if made for any other person, shall state in said account the name of the person for whom the were made, and his place of business, and shall, on the first Monday of every month, deliver to the assistant assessor of the district a copy of such account, verified by oath or affirmation that the same is true and correct. And if any person shall make any cigars without procuring such permit, or the proper indorsements thereon, or neglect to keep such account in book-form, he shall be punished by a fine of five dollars for each day he shall so offend, or by imprisonment for such time as the court may order for each day's offence, not exceeding thirty days in the whole, upon any one conviction. And if any person making cigars shall fail to make the return herein required, or shall make a false return, he shall be punished by a fine not exceeding one hundred dollars, or by imprisonment not exceeding thirty days. And any person may apply to the assistant assessor or inspector of the district to have any cigars of his own manufacture counted; and on receiving a certificate of the number, for which such fee as may be prescribed by the Commissioner of Internal Revenue shall be paid by the owner thereof, may sell and deliver such cigars to any purchaser, in the presence of said assistant assessor or inspector, in bulk, or unpacked, without payment of the tax. A copy of the certificate shall be retained by the assistant assessor, or by the inspector, who shall return the same to the assessor of the district. The purchaser shall pack such cigars in boxes or paper packages, and have the same inspected and marked or stamped according to the provisions of law, and shall make a return of the same, as inspected, to the assistant assessor of the district wherein the same were manufactured, and unless removed to a bonded warehouse, shall pay the taxes on such cigars within fifteen days after purchasing them, to the collector of the district wherein they were manufactured, and before the same have been removed from the store or building of such purchaser, or from his possession; and if such purchaser shall neglect for more than fifteen days to pack and have such cigars duly inspected, and to pay the taxes thereon according to law, he shall be fined not exceeding five hundred dollars, and be imprisoned not exceeding six months, at the discretion of the court, and the cigars may be seized by the collector and shall be forfeited to the United States. And if any person, firm, company, or corporation shall employ or procure any person to make any cigars, who has not the permit or the indorsement thereon required by this act, he shall be punished by a fine of ten dollars for each day he shall so employ such person, or by imprisonment not exceeding ten days. And if any person shall be found making cigars without such permit, or the indorsement thereon, the collector of the district may seize any cigars, or tobacco for making cigars, which may be found in possession of such person, and the same shall be forfeited to the United States and sold; and the proceeds of such sale shall be distributed between the United States and the informer, if there be any, as provided by law.

That section ninety-three be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That all goods, wares, and merchandise, or articles manufactured, made, or produced (except refined petroleum, refined coal oil, cotton, gold and silver, spirituous and malt liquors, manufactured tobacco, snuff, and cigars) by any person or firm, where the product shall not exceed the rate of one thousand dollars per annum, and shall be made or produced by the labor of such person or firm, or by his or their family, shall be and are hereby exempt from tax; where the product shall exceed such rate, and not exceed the rate of three thousand dollars, the tax shall be levied, assessed, and collected only upon the excess above the rate of one thousand dollars per annum; and in all other cases the whole annual product, including any business or transaction where one party has been furnished with materials, or any part thereof, and employed by another party to manufacture, make, or finish the goods, wares, and merchandise, or articles, paying or promising to pay therefor, and to whom the same are returned when so made and finished, shall be assessed and the tax paid thereon by the producer or manufacturer: *Provided*, That whenever a producer or manufacturer shall use or consume, or shall remove for consumption or use, any articles, goods, wares, or merchandise, which, if removed for sale, would be liable to taxation, he shall be assessed for the tax upon the articles, goods, wares, or merchandise so used, or so removed for consumption or use; but naptha, the product of the distillation of petroleum, and other similar bituminous substances, when used or consumed on the premises for fuel or cleaning, shall be exempt from tax.

That section ninety-four be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That upon the articles, goods, wares, and merchandise hereinafter mentioned, except where otherwise provided, which shall be produced and sold, or be manufactured or made and sold, and be consumed or used by the manufacturer or producer thereof, or removed for consumption, or use, or for delivery to others than agents of the manufacturer or producer within the United States or Territories thereof, there shall be assessed, collected, and paid the following taxes, to be paid by the producer or manufacturer thereof, that is to say:

On candles, of whatever material made, a tax of five per centum ad valorem.

On gas, illuminating, made of coal wholly or in part, or any other material, when the product shall not be above two hundred thousand cubic feet per month, a tax of ten cents per one thousand cubic feet; when the product shall be above two and not exceeding five hundred thousand cubic feet per month, a tax of fifteen cents per one thousand cubic feet; when the product shall be above five hundred thousand and not exceeding five millions of cubic feet per month, a tax of twenty cents per one thousand cubic feet: when the product shall be above five millions, a tax of twenty-five cents per one thousand cubic feet. And the general average of the monthly product for the year preceding the return required by law shall determine the rate of tax herein imposed. And where any gas-works have not been in operation for the next year preceding the return as aforesaid, then the rate shall be determined by the estimated average of the monthly product: *Provided*, That the product required to be returned by law by any gas company shall be understood to be, in addition to the gas consumed by said company or other party, the product charged in the bills actually rendered by the gas company during the month preceding the return; and until the thirtieth day of April, eighteen hundred and sixty-seven, all gas companies whose price is fixed by law are authorized to add the tax herein imposed, to the price per thousand feet on gas sold; and all such companies which have heretofore contracted to furnish gas to municipal corporations are, in like manner and for the same period, authorized to add such tax to such contract price: *Provided further*, That all gas furnished for lighting street lamps or for other purposes, and not measured, and all gas made for and used by any hotel, inn, tavern, and private dwelling-house, shall be subject to tax whatever the amount of product, and may be estimated; and if the returns in any case shall be understated or underestimated, it shall be the duty of the assistant assessor of the district to increase the same as he shall deem just and proper: *And provided further*, That gas companies located within the corporate limits of any city or town, whether in the same district or otherwise, or so located as to compete with each other, shall pay the rate of tax imposed by law upon the company having the largest production: *And provided further*, That coal tar and ammoniacal liquor produced in the manufacture of illuminating gas, and the products of the re-distillation of coal tar, and the products of the manufacture of ammoniacal liquor thus produced, shall be exempt from tax.

On illuminating, lubricating, or other mineral oils, marking not less than thirty-six nor more than fifty-nine degrees Baume's hydrometer, the product of the distillation, re-distillation, or refining of crude petroleum, twenty cents per gallon; and all such oils between the specific gravity, by Baume's test, of thirty-six and fifty-nine degrees, inclusive, shall be deemed refined illuminating oil; and any person or persons who, for the purpose of sale or consumption, shall mix any of the heavier paraffine oils with such illuminating oils, or with naphtha, or either one with the other, shall be deemed manufacturers of illuminating oil, and taxed as such; and said oil thus mixed, either with or without further distillation, shall be subject to a tax of twenty cents per gallon if, after said mixing or distillation, the product marks, by Baume's hydrometer, between said points of thirty-six and fifty-nine degrees, inclusive.

On illuminating, lubricating, or other mineral oils, marking not less than thirty-six nor more than fifty-nine degrees Baume's hydrometer, the exclusive product of the refining of crude oil produced by a single distillation of coal, shale, asphaltum, peat, or other bituminous substances, not otherwise provided for, ten cents per gallon.

On oil, naphtha, benzine, benzole, or gasoline, marking more than fifty-nine degrees Baume's hydrometer, the product of the distillation, re-distillation, or refining of crude petroleum, or of crude oil produced by a single distillation of coal, shale, peat, asphaltum, or other bituminous substances, a tax of ten cents per gallon: *Provided*, That distillers and refiners of illuminating, lubricating, or other mineral oil, naphtha, benzine, benzole, or gasoline, shall be subject to all the provisions of law applicable to distillers of spirits, with regard to special taxes, bonds, returns, assessments, removing to and withdrawing from warehouses, liens, penalties, forfeitures, drawbacks, and all other provisions designed for the purpose of ascertaining the quantity distilled, and securing the payment of taxes, so far as the same may, in the judgment of the Commissioner of Internal Revenue, and under regulations prescribed by him, be deemed necessary for that purpose: *And provided further*, That distillers and refiners of coal or mineral oil, whose product shall not exceed twenty-five barrels per day, on a monthly average, shall not be required to make returns oftener than once in thirty days.

On spirits of turpentine, ten cents per gallon.

On coffee, roasted or ground, on all ground spices and dry mustard, and upon all articles intended for use as substitutes for or as adulterations of coffee, spices, or mustard, and upon all compounds and mixtures prepared for sale, or intended for use and sale as coffee, spices, or mustard, or as substitutes therefor, one cent per pound: *Provided*, That the exemption of one thousand dollars in annual value of product manufactured shall not apply to any of the above-specified articles mentioned in this paragraph.

On molasses produced from the sugar-cane, and not from sorghum or imphee, a tax of three cents per gallon.

On syrup of molasses or sugar-cane juice, when removed from the plantation, concentrated molasses or melado, and cistern bottoms, of sugar produced from the sugar-cane and not made from sorghum or imphee, a tax of three fourths of one cent per pound.

On sugar not above number twelve Dutch standard in color, produced from the sugar-cane and not from sorghum or imphee, other than those produced by the refiner, a tax of one cent per pound.

On sugars above number twelve and not above number eighteen Dutch standard in color, produced directly, from the sugar-cane and not from sorghum or imphee, a tax of one and a half cent per pound.

On sugar above number eighteen Dutch standard in color, produced directly from the sugar-cane and not from sorghum or imphee, a tax of two cents per pound.

On the gross amount of the sales of sugar refiners, including all the products of their manufactories or refineries, a tax of two and one half of one per centum ad valorem: *Provided*, That every person shall be regarded as a sugar refiner, and pay the taxes required by law, whose business it is to advance the quality and value of sugar upon which a tax or duty has been paid, by melting and recrystallization, or by liquoring, claying, or other washing process, or by any other chemical or mechanical means, or who shall by boiling or other process advance the quality or value of molasses, concentrated molasses, or melado, upon which a tax or duty has been paid.

On sugar candy and all confectionery made wholly or in part of sugar, valued at not exceeding twenty cents per pound, including the tax, a tax of two cents per pound; exceeding twenty and not exceeding forty cents per pound, including the tax, a tax of four cents per pound; when exceeding forty cents per pound, including the tax, or sold by the box, package, or otherwise than by the pound, a tax of ten per centum ad valorem.

On chocolate and cocoa prepared, a tax of one and a half cent per pound.

On gun cotton, a tax of five per centum ad valorem.

On gunpowder, and all explosive substances used for mining, blasting, artillery, or sporting purposes, not otherwise provided for, when valued at thirty-eight cents per pound or less, including the tax, a tax of five per centum ad valorem; and when valued at above thirty-eight cents per pound, including the tax, a tax of ten cents per pound.

On varnish or japan, made wholly or in part of gum copal, or other gums or substances, a tax of five per centum ad valorem.

On glue and gelatine of all descriptions, in the solid state, a tax of one cent per pound.

On glue and cement, made wholly or in part of glue, sold in the liquid state, a tax of forty cents per gallon.

On pins, solid head or other, a tax of five per centum ad valorem.

On photographs, ambrotypes, daguerreotyes, or other pictures taken by the action of light, and not herein-

after exempted from tax, a tax of five per centum ad valorem.

On screws, commonly called wood screws, a tax of ten per centum ad valorem.

On clocks and timepieces, and on clock movements, when sold without being cased, a tax of five per centum ad valorem.

On all soaps valued at above three cents per pound, not perfumed, and on salt-water soap made of cocoanut oil, a tax of five mills per pound.

On all perfumed soaps, a tax of three cents per pound.

On all uncompounded chemical productions not otherwise provided for, a tax of five per centum ad valorem.

On essential oils of all descriptions, a tax of five per centum ad valorem.

On all furniture, or other articles made of wood, sold in the rough or unfinished, not otherwise provided for, a tax of five per centum ad valorem: *Provided*, That all furniture, or other articles made of wood, previously assessed, and a tax paid thereon, shall be assessed a tax of five per centum ad valorem upon the increased value only thereof when sold in a finished condition.

On salt, a tax of three cents per one hundred pounds.

On scales, pumps, garden engines, and hydraulic rams, a tax of three per centum ad valorem.

On tin ware of all descriptions, not otherwise provided for, a tax of five per centum ad valorem.

On all iron, not otherwise provided for, advanced beyond muck-bar, blooms, slabs, or loops, and not advanced beyond bars, and band, hoop, and sheet iron not thinner than number eighteen wire-gauge, and plate iron not less than one-eighth of an inch in thickness, a tax of three dollars per ton: *Provided*, That a ton shall, for all the purposes of this act, be deemed and taken to be two thousand pounds.

On band, hoop, and sheet iron, thinner than number eighteen wire-gauge, plate iron less than one-eighth of an inch in thickness, and cut nails and spikes, not including nails, tacks, brads, or finishing nails, usually put up and sold in papers, whether in papers or otherwise, a tax of five dollars per ton: *Provided*, That rods, bands, hoops, sheets, plates, spikes, and nails, not including such as are usually put up in papers, as before mentioned, manufactured from iron upon which the tax of three dollars has been levied and paid, shall be subject only to a tax of two dollars per ton in addition thereto, anything in this act to the contrary notwithstanding.

On steel made directly from muck-bar, blooms, slabs, or loops, a tax of three dollars per ton.

On stoves, and hollow ware in all conditions, whether rough, tinned, or enamelled, and castings of iron, not otherwise provided for, a tax of three dollars per ton.

On tubes made of wrought iron, a tax of five dollars per ton.

On steam, locomotive, and marine engines, including the boilers, and on railroad cars, a tax of five per centum ad valorem: *Provided*, That when the boilers, tubes, wheels, tire[s], axles, bells, shafts, cranks, wrists, or head-lights of such engines or cars shall have been once assessed, and a tax previously paid thereon, the amount so paid shall be deducted from the taxes on the finished engine or cars.

On boilers of all kinds, water tanks, sugar tanks, oil stills, sewing machines, lathes, tools, planes, planing machines, shafting, and gearing, a tax of five per centum ad valorem.

On railings, gates, fences, furniture, and statuary made of iron, a tax of five per centum ad valorem.

On copper and brass tubes, nails, or rivets, sheet lead, and lead pipes and shot, a tax of five per centum ad valorem.

On goat, calf, kid, sheep, horse, hog, and dog skins, tanned or dressed in the rough, a tax of five per centum ad valorem.

On goat, calf, kid, sheep, horse, hog, and dog skins, curried or finished, a tax of five per centum, ad valorem: *Provided*, That all goat, calf, kid, sheep, horse, hog, and dog skins upon which duties or taxes have been actually paid, shall be assessed on the increased value only when curried or finished.

Upon patent, enamelled, and japanned leather and skins of every description, a tax of five per centum ad valorem: *Provided*, That when a tax or duty has been paid on the leather in the rough, the tax shall be assessed and paid only on the increased value.

On oil-dressed leather, a tax of five per centum ad valorem.

On leather of all descriptions, tanned or partially tanned, in the rough, a tax of five per centum ad valorem.

On leather of all descriptions, curried or finished, a tax of five per centum ad valorem: *Provided*, That all leather in the rough upon which duties or taxes have been actually paid, shall be assessed on the increased value only when curried or finished.

On all liquors known or denominated as wine, not made from grapes, currants, *rhubard* [rhubarb], or berries, produced by being mixed or rectified with other spirits, or into which any matter whatever may be infused to be sold as wine, or by any other name, and not otherwise provided for in this act, a tax of fifty cents per gallon: *Provided*, That the return, assessment, collection, and the time of collection of the taxes on such wines shall be subject to the regulations of the Commissioner of Internal Revenue. And any person who shall willingly and knowingly sell or offer for sale any such wine made after the passage of this act, upon which the tax herein imposed has not been paid, or which has been fraudulently evaded, shall, upon conviction thereof, be subject to a fine of five hundred dollars or to imprisonment not exceeding two years, at the discretion of the court.

On cloth and all textile or knitted or felted articles or fabrics of cotton, wool, or other materials, before the same has been, dyed, printed, or bleached, and on all cloth painted, enamelled, shirred, tarred, varnished, or oiled, a tax of five per centum ad valorem.

On thread and twine, a tax of five per centum ad valorem.

On articles of clothing manufactured or produced for sale by weaving, knitting, or felting; on silk hats, bonnets, and hoop-skirts; on articles manufactured or produced for sale as constituent parts of clothing, or for trimming or ornamenting the same, and on articles of wearing apparel manufactured or produced for sale from India-rubber, gutta-percha, or from fur, or fur skins dressed with the fur on, a tax of five per centum ad valorem: *Provided*, That on all articles made of fur, the value of which shall not exceed twenty dollars, a tax of two per centum only shall be paid.

On boots, shoes, and shoe-strings, a tax of two per centum ad valorem; to be paid by every person making, manufacturing, or producing for sale boots or shoes, or furnishing the materials or any part thereof, and employing others to make, manufacture, or produce them: *Provided*, That any boot or shoemaker making boots or shoes to order as custom work only, and not for general sale, and whose work, exclusive of the materials, does not exceed annually in value one thousand dollars, shall be exempt from this tax.

On clothing, gloves, mittens, moccasins, caps, felt hats, and other articles of dress for the wear of men, women, and children, not otherwise assessed and taxed, a tax of two per centum ad valorem, to be paid by every person making, manufacturing, or producing for sale clothing, gloves, mittens, moccasins, caps, felt hats, and other articles of dress, or furnishing the materials or any part thereof, and employing others to make, manufacture, or produce them: *Provided*, That any tailor, or any maker of gloves, mittens, moccasins, caps, felt hats, or other articles of dress to order as custom work only, and not for general sale, and whose work, exclusive of the materials, does not exceed annually in value one thousand dollars, shall be exempt from this tax; and articles of dress made or trimmed by milliners or dressmakers for the wear of women and children shall also be exempt from this tax: *Provided*, That the branching into sprays, branches, or wreaths of artificial flowers, on which an impost or internal tax has already been paid, shall not be considered a manufacture within the meaning of this act.

On paper not otherwise herein provided for, a tax of three per centum ad valorem.

On all manufactures not otherwise provided for, of cotton, wool, silk, worsted, hemp, jute, india-rubber, gutta-percha, wood, glass, pottery-ware, leather, paper, iron, steel, lead, tin, copper, zinc, brass, gold, silver, horn, ivory, bone, bristles, wholly or in part, or of other materials, a tax of five per centum ad valorem: *Provided*, That on all cloths or articles dyed, printed, or bleached, on which a tax or duty shall have been paid before the same were so dyed, printed, or bleached, the said tax of five per centum shall be assessed only upon the increased value thereof: *And provided further*, That any cloth or fabrics or articles as aforesaid, when made of thread, yarn, or warps, imported, or upon which an internal tax shall have been assessed and paid, shall be assessed and pay a tax on the increased value only thereof; and when made wholly by the same manufacturer, shall be subject to a tax only of five per centum ad valorem: *And provided further*, That brown earthen and common or gray stoneware shall be subject to a tax of two and one half per cent. ad valorem, and no more.

On all diamonds, emeralds, precious stones and imitations thereof, and all other jewelry, a tax of five per centum ad valorem: *Provided*, That when diamonds, emeralds, precious stones or imitations thereof, imported from foreign countries, and upon which import duties have been paid, shall be set or reset in gold or any other material, the tax shall be assessed and paid only upon the value of the settings.

On bullion in lump, ingot, bar, or otherwise, a tax of one half of one per centum ad valorem, to be paid by the assayer of the same, who shall stamp the product of the assay as the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, may prescribe by general regulations. And all sales, transfers, exchanges, transportation, and exportation of gold or silver assayed at any mint of the United States, or by any private assayer, unless stamped as prescribed by general regulations, as aforesaid, are hereby declared unlawful; and every person or corporation who shall sell, transfer, transport, exchange, export, or deal in the same, shall be subject to a penalty of one thousand dollars for each offence, and to a fine not exceeding that sum, and to imprisonment for a term not exceeding two years nor less than six months. No jeweller, worker or artificer in gold or silver shall use either of those metals except it shall have first been stamped as aforesaid, as required by this act. No person or corporation shall export or cause to be exported from the United States any gold or silver in its natural state, not coined, assayed or stamped, as aforesaid; and for every violation of this paragraph every offender shall be subject to the penalties herein provided: *Provided*, That nothing herein contained shall apply to the reworking of old gold or silver in lump, ingot, or bar, as aforesaid.

On snuff, manufactured of tobacco or any substitute for tobacco, ground, dry, or damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of forty cents per pound.

On cavendish, plug, twist, and all other kinds of manufactured tobacco, not herein otherwise provided for, a tax of forty cents per pound.

On tobacco twisted by hand, or reduced from leaf into a condition to be consumed without the use of any machine or instrument, and without being pressed, sweetened, or otherwise prepared, and on fine-cut shorts, a tax of thirty cents per pound.

On fine-cut chewing tobacco, whether manufactured with stems in or not, or however sold, whether loose, in bulk, or in rolls, packages, papers, wrappers, or boxes, a tax of forty cents per pound.

On smoking tobacco, sweetened, stemmed, or butted, a tax of forty cents per pound.

On smoking tobacco of all kinds, not sweetened, nor stemmed, nor butted, including that made of stems, or in part of stems, and imitations thereof, a tax of fifteen cents per pound.

On cigarettes, or small cigars, made of tobacco enclosed in a wrapper, or binder, and not over three and a half inches in length, and on cigars made with twisted heads, and on cheroots, and on cigars known as short-sixes, the market value of which is not over eight dollars per thousand, a tax of two dollars per thousand.

On all cheroots, cigarettes, and cigarettes, the market value of which is over eight dollars and not over twelve dollars per thousand, a tax of four dollars per thousand.

On all cheroots, cigarettes, and cigars, the market value of which is over twelve dollars per thousand, a tax of four dollars per thousand, and in addition thereto twenty per centum ad valorem on the market value thereof. And the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe such regulations for the inspection and valuation of cigars, cheroots, and cigarettes, and the collection of the tax thereon, as shall, in his judgment, be most effective for the prevention of inequalities and frauds in the payment of such tax. And, in addition to other regulations, it shall be the duty of the inspector or assessor who appraises any cigars, cigarettes, or cheroots, to examine the manufacturer thereof or his agent under oath, which oath shall be administered by the inspecting and appraising officer, and reduced to writing, and signed by such manufacturer or his agent with a view to ascertaining whether such manufacturer has any interest, direct or indirect, in any sale that has been made, or any resale to be made of said cigars, cigarettes, or cheroots, by the concealment of which he seeks to obtain a false, fraudulent, or deceptive appraisement.

That section ninety-eight be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That there shall be levied and collected and paid monthly on all sales of real estate, goods, wares, merchandise, articles, or things at auction, including all sales of stocks, bonds, and other securities, a duty of one-tenth of one per centum on the gross amount of such sales: *Provided*, That no tax shall be levied under the provisions of this section upon

any sales by or for judicial or executive officers making auction sales by virtue of a judgment or decree of any court, nor to public sales made by guardians, executors, or administrators.

That section ninety-nine be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That there shall be paid on all sales made by brokers, banks or bankers, whether made for the benefit of others or on their own account, the following taxes, that is to say: Upon all sales and contracts for the sale of stocks, bonds, gold and silver bullion and coin, promissory notes or other securities, a tax at the rate of one cent for every hundred dollars of the amount of such sales or contracts; and on all sales and contracts for sale negotiated and made by any person, firm, or company not paying a special tax as a broker, bank or banker, of any gold or silver bullion, coin, promissory notes, stocks, bonds, or other securities, not his or their own property, there shall be paid a tax at the rate of five cents for every hundred dollars of the amount of such sales or contracts; and on every sale and contract for sale, as aforesaid, there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale or contract, on which there shall be affixed a lawful stamp or stamps in value equal to the amount of tax on such sale, to be determined by the rates of tax before mentioned; and in computing the amount of the stamp tax in any case herein provided for, any fractional part of one hundred dollars of value or amount on which tax is computed shall be accounted at one hundred dollars. And every bill or memorandum of sale, or contract of sale, before mentioned, shall show the date thereof, the name of the seller, the amount of the sale or contract, and the matter or thing to which it refers. And any person or persons liable to pay the tax as herein provided, or any one who acts in the matter as agent or broker for such person or persons, who shall make any such sale or contract, or who shall, in pursuance of any sale or contract, deliver or receive any stocks, bonds, bullion, coin, promissory notes, or other securities, without a bill or memorandum thereof as herein required, or who shall deliver or receive such bill or memorandum without having the proper stamps affixed thereto, shall forfeit and pay to the United States a penalty of five hundred dollars for each and every offence where the tax so evaded, or attempted to be evaded, does not exceed one hundred dollars, and a penalty of one thousand dollars when such tax shall exceed one hundred dollars, which may be recovered with costs in any court of the United States of competent jurisdiction, at any time within one year after the liability to such penalty shall have been incurred; and the penalty recovered shall be awarded and distributed by the court between the United States and the informer, if there be any, as provided by law, who, in the judgment of the court, shall have first given the information of the violation of the law for which recovery is had: *Provided*, That where it shall appear that the omission to affix the proper stamp was not with intent to evade the provisions of this section, said penalty shall not be incurred. And the provisions of law in relation to stamp duties in schedule B of this act shall apply to the stamp taxes herein imposed upon sales and contracts of sales made by brokers, banks or bankers, and others as aforesaid. And there shall be paid monthly on all sales by commercial brokers of any goods, wares, or merchandise, a tax of one-twentieth of one per centum upon the amount of such sales; and on or before the tenth day of each month, every commercial broker shall make a list or return to the assistant assessor of the district of the gross amount of such sales as aforesaid for the preceding month, in form and manner as may be prescribed by the Commissioner of Internal Revenue: *Provided*, That in estimating sales of goods, wares, and merchandise for the purposes of this section, any sales made by or through another broker upon which a tax has been paid, shall not be estimated and included as sold by the broker for whom the sale was made.

That section one hundred be amended by striking out all after the enacting clause, including schedule A, and inserting in lieu thereof the following: That there shall be levied, annually, on every carriage, gold watch, and billiard table, and on all gold or silver plate, the tax or sums of money set down in figures against the same, respectively, or otherwise specified and set forth in schedule A, hereto annexed, to be paid by the person or persons owning, possessing, or keeping the same on the first day in May, in each year, and the same shall be and remain a lien thereon until paid.

SCHEDULE A.

Carriage, phæton, carryall rockaway, or other like carriage, and any coach, hackney coach, omnibus, or four-wheeled carriage, the body of which rests upon springs of any description, which may be kept for use, for hire, or for passengers, and which shall not be used exclusively in husbandry or for the transportation of merchandise, valued at exceeding three hundred dollars and not above five hundred dollars, each, including harness used therewith, six dollars	$6 00
Carriages of like description, valued above five hundred dollars, each, ten dollars	10 00
On gold watches, composed wholly or in part of gold or gilt, kept for use, valued at one hundred dollars or less, each, one dollar	1 00
On gold watches, composed wholly or in part of gold or gilt, kept for use, valued at above one hundred dollars, each, two dollars	2 00
Billiard tables, kept for use, each, ten dollars	10 00

Provided, That billiard tables kept for hire, and upon which a special tax has been imposed, shall not be required to pay the tax on billiard tables kept for use, as aforesaid, anything herein contained to the contrary notwithstanding.

On plate, of gold, kept for use, per ounce troy, fifty cents	50
On plate, of silver, kept for use, per ounce troy, five cents	05

Provided, That silver spoons or plate of silver used by one family to an amount not exceeding forty ounces troy belonging to any one person, plate belonging to religious societies, and souvenirs and keepsakes actually given and received as such and not kept for use; also, all premiums awarded as a token of merit by any agricultural society, corporation, or association of persons, for any purpose whatever, shall be exempt from tax.

That sections one hundred and one and one hundred and two be, and the same are hereby, repealed.

That section one hundred and three be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That every person, firm, company, or corporation owning or possessing or having the care or management of any railroad, canal, steamboat, ship, barge, canal-boat, or other vessel, or any stage coach or other vehicle, except hacks or carriages not running on continuous routes, engaged or employed in the business of transporting passengers for hire, or in transporting the mails of the United States upon contracts made prior to August first, eighteen hundred and sixty-six, shall be subject to and pay a tax of two and one-half per cent. of the gross receipts from passengerr and mails of such railroad, canal, steamboat, ship, barge, canal-boat, or other vessel, or such stage coach or other vehicle: *Provided*, That the tax hereby imposed shall not be assessed upon receipts for the transportation of persons or mails between the United States and any foreign port; but such tax shall be assessed upon the transportation of persons from a port within the United States through a foreign territory to a port within the United States, and shall be assessed upon and collected from persons, firms, companies, or corporations within the United States, receiving hire or pay for such transportation of persons or mails; and so much of section one hundred and nine as requires returns to be made of receipts hereby exempted from tax when derived from transporting property for hire is hereby repealed: *Provided also*, That any person or persons, firms, companies, or corporations owning, possessing, or having the care or management of any toll-road, ferry, or bridge, authorized by law to receive toll for the transit of passengers, beasts, carriages, teams, and freight of any description, over such toll-road, ferry, or bridge, shall be subject to and pay a tax of three per cent. of the gross amount of all their receipts of every description; but when the gross receipts of any such bridge or toll-road, for and during any term of twelve consecutive calendar months, shall not exceed the amount necessarily expended during said term to keep such bridge or road in repair, no tax shall be assessed upon such receipts during the month next following any such term: *Provided further*, That all such persons, companies, and corporations shall, until the thirtieth day of April, eighteen hundred and sixty-seven, have the right to add the tax imposed hereby to their rates of fare whenever their liability thereto may commence, any limitations which may exist by law or by agreement with any person or company which may have paid or be liable to pay such fare to the contrary notwithstanding. And whenever the addition to any fare shall amount only to the fraction of one cent, any person, or company, liable to the tax of two and half per centum, may add to such fare one cent in lieu of such fraction, and such person or company shall keep for sale at convenient points, tickets in packages of twenty and multiples of twenty, to the price of which only an amount equal to the revenue tax shall be added: *And provided further*, That no tax under the foregoing provisions of this section shall be assessed upon any person, firm, company or corporation, whose gross receipts do not exceed one thousand dollars per annum: *And provided further*, That all boats, barges, and flats, not used for carrying passengers, nor propelled by steam or sails, which are floated or towed by tug-boats or horses, and used exclusively for carrying coal, oil, minerals, or agricultural products to market, shall be required hereafter, in lieu of enrollment fees or tonnage tax, to pay an annual special tax, for each and every such boat of a capacity exceeding twenty-five tons, and not exceeding one hundred tons, five dollars; and when exceeding one hundred tons, as aforesaid, shall be required to pay ten dollars; and said tax shall be assessed and collected as other special taxes provided for in this act.

That section one hundred and seven be amended by striking all after the enacting clause, and inserting in lieu thereof the following: That any person, firm, company, or corporation owning or possessing or having the care or management of any telegraphic line by which telegraphic dispatches or messages are received or transmitted, shall be subject to and pay a tax of three per centum on the gross amount of all receipts of such person, firm, company, or corporation.

That section one hundred and ten be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That there shall be levied, collected, and paid a tax of one twenty-fourth of one per centum each month upon the average amount of the of the deposits of money, subject to payment by check, or draft or represented by certificates of deposit or otherwise, whether payable on demand or at some future day, with any person, bank, association, company, or corporation engaged in the business of banking; and a tax of one twenty-fourth of one per centum each month, as aforesaid, upon the capital of any bank, association, company or corporation, and on the capital employed by any person in the business of banking beyond the average amount invested in United States bonds; and a tax of one-twelfth of one per centum each month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and an additional tax of one sixth of one per centum, each month, upon the average amount of such circulation, issued as aforesaid, beyond the amount of ninety per centum of the capital of any such bank, association, corporation, company or person. And a true and accurate return of the amount of circulation, of deposit and of capital, as aforesaid, and of the amount of notes of persons, State banks or State banking associations paid out by them for the previous month, shall be made and rendered monthly by each of such banks, associations, corporations, companies, or persons to the assessor of the district in which any such bank, association, corporation, or company may be located, or in which such person has his place of business, with a declaration annexed thereto, and the oath or affirmation of such person, or of the president or cashier of such bank, association, corporation, or company, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful statement of the amounts subject to tax as aforesaid; and for any refusal or neglect to make or to render return and payment, any such bank, association, corporation, company, or person so in default, shall be subject to and pay a penalty of two hundred dollars, besides the additional penalty and forfeitures in other cases provided by law; and the amount of circulation, deposit, capital, and notes of persons, State banks, and banking associations paid out, as aforesaid, in default of the proper return, shall be estimated by the assessor or assistant assessor of the district as aforesaid, upon the best information he can obtain; and every such penalty may be recovered for the use of the United States in any court of competent jurisdiction. And in the case of banks with branches, the tax herein provided for shall be assessed upon the circulation of each branch, severally, and the amount of capital of each branch shall be considered to be the amount allotted to such branch; and so much of an act entitled "An act to provide ways and means for the support of the government," approved March three, eighteen hundred and sixty-three as imposes any tax on banks, their circulation, capital, or deposits other than is herein provided, is hereby repealed: *Provided*, That this section shall not apply to associations which are taxed under and by virtue of the act "to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof." And the deposits in associations or companies known as Provident

Institutions, Savings Banks, Savings Funds, or Savings Institutions, having no capital stock and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company, shall be exempt from tax on so much of their deposits as they have invested in securities of the United States, and on all deposits less than five hundred dollars made in the name of any one person; and the returns required to be made by such Provident Institutions and Savings Banks after July, eighteen hundred and sixty-six, shall be made on the first Monday of January and July of each year, in such form and manner as may be prescribed by the Commissioner of Internal Revenue;

That section one hundred and eleven be amended by inserting after the words "proprietors, managers or agents of lotteries," the words "and all lottery ticket dealers."

That section one hundred and fourteen be amended by inserting after the word "periodically," in the first sentence of said section, the words: or otherwise, or publishing any guide, almanac, catalogue, directory, or any other paper or book.

That section one hundred and sixteen be amended by inserting after the words "on the excess of five thousand dollars," the following: and a like tax shall be levied, collected, and paid annually upon the gains, profits, and income of every business, trade, or profession, carried on in the United States by persons residing without the United States, not citizens thereof.

That section one hundred and nineteen be amended by striking all after the enacting clause and inserting in lieu thereof the following: that the taxes on incomes herein imposed shall be levied on the first day of May, and be due and payable on or before the thirtieth day of June, in each year, until and including the year eighteen hundred and seventy, and no longer; and to any sum or sums annually due and unpaid after the thirtieth of June, as aforesaid, and for ten days after notice and demand thereof by the collector, there shall be levied, in addition thereto, the sum of ten per centum on the amount of duties unpaid, as a penalty, except from the estates of deceased or insolvent persons.

That section one hundred and twenty be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That there shall be levied and collected a tax of five per centum on all dividends in scrip or money thereafter declared due, wherever and whenever the same shall be payable, to stockholders, policy holders, or depositors or parties whatsoever, including non-residents, whether citizens or aliens, as part of the earnings, income, or gains of any bank, trust company, savings institution, and of any fire, marine, life, inland insurance company, either stock or mutual, under whatever name or style known or called, in the United States or Territories, whether specially incorporated or existing under general laws, and on all undistributed sums, or sums made or added during the year to their surplus or contingent funds; and said banks, trust companies, savings institutions, and insurance companies shall pay the said tax, and are hereby authorized to deduct and withhold from all payments made on account of any dividends or sums of money that may be due and payable as aforesaid the said tax of five per centum. And a list or return shall be made and rendered to the assessor 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; and said list or return shall contain a true and faithful account of the amount of taxes as aforesaid; and there shall be annexed thereto a declaration of the president, cashier, or treasurer of the bank, trust company, savings institution, or insurance company, under oath or affirmation in form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful account of the taxes as aforesaid. And for any default in the making or rendering of such list or return, with such declaration annexed, the bank, trust company, savings institution, or insurance company making such default, shall forfeit as a penalty the sum of one thousand dollars; and in case of any default in the payment of the tax as required, or 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 or refusal: *Provided*, That the tax upon the dividends of life insurance companies shall not be deemed due until such dividends are payable; nor shall the portion of premiums returned by mutual life insurance companies to their policy holders, nor the annual or semi-anual interest allowed or paid to the depositors in savings bank or saving institutions, be considered as dividends.

That section one hundred and twenty-two be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That any railroad, canal, turnpike, canal navigation, or slack-water company, indebted for any money for which bonds and other evidence of indebtedness have been issued, payable in one or more years after date, upon which interest is stipulated to be paid, or coupons representing the interest, or any such company that may have declared any dividend in scrip or money due or payable to its stockholders, including non-residents, whether citizens or aliens, as part of the earnings, profits, income or gains of such company, and all profits of such company carried to the account of any fund, or used for construction, shall be subject to and pay a tax of five per centum on the amount of all such interest, or coupons, dividends, or profits, whenever and and wherever the same may be payable and to whatsoever party or person the same may be payable, including non-residents, whether citizens or aliens; and said companies are hereby authorized to deduct and and withhold from all payments on account of any interest, or coupons, and dividends due and payable as aforesaid, the tax of five per centum; and the payment of the amount of said tax so deducted from the interest, coupons, or dividends, and certified by the president or treasurer of said company, shall discharge said company from that amount of dividend, or interest, or coupon on the bonds or other evidences of their indebtedness so held by any person or party whatever, except were said companies may have contracted otherwise. And a list or return shall be made and rendered to the assessor or assistant assessor on or before the tenth day of the month following that in which said interest, coupons, or dividends become due and payable, and as often as every six months; and said list or return shall contain a true and faithful account of tax, and there shall be annexed thereto a declaration of the president or treasurer of the company, under oath or affirmation in form and manner as may be prescribed by the Commisssioner of Internal Revenue, that the same contains a true and faithful account of said tax. And for any default in making or rendering such list or return, with the declaration annexed, or of the payment of the tax as aforesaid, the company making such default shall forfeit as a penalty the sum of one thousand dollars; and in case of any default in making or rendering said list or return, or of the payment of the tax or any part thereof, as aforesaid, the assessment and collection of the tax and penalty shall be made according to the provisions of law in other cases of neglect or refusal.

That section one hundred and twenty-two be further amended by adding thereto the following proviso: *Provided*, That whenever any of the companies mentioned in this section shall be unable to pay the interest on their indebtedness, and shall in fact fail to pay such interest, *that* in such cases the tax levied by this section shall not be paid to the United States until said company resume the payment of interest on their indebtedness.

That section one hundred and twenty-three be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That there shall be levied, collected and paid on all salaries of officers, or payments for services to persons in the civil, military, naval, or other employment or service of the United States including senators and representatives and delegates in Congress, when exceeding the rate of of six hundred dollars per annum, a tax of five per centum on the excess above the said six hundred dollars, and a tax of ten per cent on the excess over five thousand dollars; and it shall be the duty of all paymasters and all disbursing officers, under the government of the United States, or persons in the employ thereof when making any payment to any officers as aforesaid, or upon settling or adjusting the accounts of such officers or persons, to deduct and withhold the aforesaid tax, and they shall, at the same time, make a certificate stating the name of the officer or person from whom such deduction was made, and the amount thereof, which shall be transmitted to the office of the Commissioner of Internal Revenue, and entered as part of the internal tax; and the pay-roll, receipts, or account of officers paying such tax, as aforesaid, shall be made to exhibit the fact of such payment. And it shall be the duty of the several Auditors of the Treasury Department, when auditing the accounts of any paymaster or disbursing officer, or any officer withholding his salary from moneys received by him, or when settling or adjusting the accounts of any such officer, to require evidence that the taxes mentioned in this section have been deducted and paid over to the Commissioner of Internal Revenue, or other officer authorized to receive the same: *Provided*, That payments of prize money shall be regarded as income from salaries, and the tax thereon shall be adjusted and collected in like manner: *Provided further*, That this section shall not apply to payments made to mechanics or laborers employed upon public works.

That section one hundred and twenty-four be amended by adding thereto the following additional proviso: *Provided further*, That any legacy or share of personal property passing as aforesaid to a minor child of the person who died as aforesaid shall be exempt from taxation under this section, unless such legacy or share shall exceed the sum of one thousand dollars, in which case the excess only above that sum shall be liable to such taxation.

That section one hundred and twenty-five be amended by inserting after the words "that the tax or duty as aforesaid," the following: "shall be due and payable whenever the party interested in such legacy or distributive share or property or interest aforesaid shall become entitled to the possession or enjoyment thereof, or to the beneficial interest in the profits accruing therefrom, and the same;" and by inserting after the words "United States," in the first sentence of said section, the words: "And every administrator, executor, or trustee, having in charge or trust any legacy or distributive share, as aforesaid, shall give notice thereof in writing to the assessor orassistant assessor of the district where the deceased grantor or bargainer last resided, within thirty days after he shall have taken charge of such trust:" And by inserting after the words "shall make out such lists and valuation as in other cases of neglect or refusal, and shall assess the duty thereon," the words: And in case of wilful neglect, refusal, or false statement by such executor, administrator, or trustee, as aforesaid, he shall be liable to a penalty of not exceeding one thousand dollars, to be recovered with costs of suit." Any tax paid under the provisions of sections one hundred and twenty-four and one hundred and twenty-five shall be deducted from the particular legacy or distributive share on account of which the fame is charged.

That section one hundred and thirty-seven be amended by inserting after the words "imposed by this act," the words "shall be assessed in the collection district where the estate is situate, and."

That section one hundred and thirty-eight be amended by adding thereto the words: "And every such person having in charge or trust any disposition of real estate or interest therein, subject to tax under this act, shall give notice thereof in writing to the assessor or assistant assessor of the district where the estate is situate, within thirty days from the time when he shall have taken charge of such trust, and prior to any distribution of said real estate, together with a description and value thereof, and the names of the persons interested therein; and for wilful neglect or refusal so to do, shall be liable to a penalty of not exceeding five hundred dollars, to be recovered with costs of suit."

That section one hundred and forty-five be amended by inserting after the word "years" the words: "from the time when such tax shall have become due and payable."

That section one hundred and forty-seven be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That any person liable to pay a tax in respect to any succession shall give notice to the assessor or assistant assessor of his liability to such tax within thirty days from the time when he shall become entitled in possession to such succession or to the receipt of the income and profits thereof, and shall at the same time deliver to the assessor or assistant assessor a full and true account of said succession for the tax whereon he shall be accountable, and of the value of the real estate involved, and of the deductions claimed by him, together with the names of the successor and predecessor and their relation to each other, and all such other particulars as shall be necessary or proper for enabling the assessor or assistant assessor fully and correctly to ascertain the taxes due; and the assessor or assistant assessor, if satisfied with such account and estimate as originally delivered, or with any amendments that may be made therein upon his requisition, may assess the succession tax on the footing of such account and estimate; but it shall be lawful for the assessor or assistant assessor, if dissatisfied with such account, or if no account and estimate shall be delivered to him, to assess the tax on the best information he can obtain, subject to appeal as hereinafter provided; and if the tax so assessed shall exceed the tax so assessible according to the return made to the assessor or assistant assessor, and with which he shall have been dissatisfied, or if no account and estimate has been delivered, and if no appeal shall be taken against such assessment, then it shall be in the discretion of the assessor,

having regard to the merits of each case, to assess the whole or any part of the expenses incident to the taking of such assessment, in addition to such tax; and if there shall be an appeal against such last-mentioned assessment, then the payment of such expenses shall be in the discretion of the Commissioner of Internal Revenue.

That section one hundred and forty-eight be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That if any person required to give any such notice or deliver such account, as aforesaid, shall wilfully neglect to do so within the time required by law, he shall be liable to pay the United States a sum equal to ten per centum upon the amount of tax payable by him; and if any person liable to pay any tax in respect of his succession shall, after such tax shall have been finally ascertained, wilfully neglect to do so within ten days after being notified, he shall also be liable to pay to the United States a sum equal to ten per centum upon the amount of tax so unpaid, at the same time and in the same manner as the tax to be collected.

That section one hundred and fifty be, and the same is hereby, repealed.

That section one hundred and fifty-two be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That it shall not be lawful to record any instrument, document, or paper required by law to be stamped, unless a stamp or stamps of the proper amount shall have been affixed, and cancelled in the manner required by law; and the record of any such instrument, upon which the proper stamp or stamps aforesaid shall not have been affixed and canceled as aforesaid, shall be utterly void, and shall not be used in evidence.

That section one hundred and fifty-four be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That all official instruments, documents, and papers issued by the officers of the United States government, or by the officers of any State, county, town, or other municipal corporation, shall be, and hereby are, exempt from taxation: *Provided*, That it is the intent hereby to exempt from liability to taxation such State, county, town, or other municipal corporation, in the exercise only of functions strictly belonging to them in their ordinary governmental and municipal capacity.

That section one hundred and fifty-five be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That if any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have be[en] provided, or may hereafter be provided, made, or used in pursuance of this act, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression or any part of the impression, of any such stamp, die, plate, or other instrument, as aforesaid, upon any vellum, parchment, or paper, or shall stamp or mark, or cause or procure to be stamped or marked, any vellum, parchment, or paper, with any such forged or counterfeited stamp, die, plate, or other instrument, or part of any stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed, or any part thereof; or if any person shall utter or sell or expose to sale, any vellum, parchment, paper, article, or thing, having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited, or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use, or permit the use of any stamp, die, plate, or other instrument, which shall have been so provided, made, or used, as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other, instrument, which shall have been provided, made, or used, in pursuance of this act, from any vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed, to, with, or upon any vellum, parchment, paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law, or if any person shall wilfully remove or cause to be removed, alter or cause to be altered, the canceling or defacing marks on any adhesive stamp, with intent to use the same, or to cause the use of the same after it shall have been once used, or shall knowingly or wilfully sell or buy such washed or restored stamps, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamps, which have been removed from any vellem, parchment, paper instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and wilfully aiding, abetting, or assisting in committing any such offence as aforesaid, shall, on conviction thereof, forfeit the said counterfeit stamps and the articles upon which they are placed, and be punished by fine not exceeding one thousand dollars, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court.

That section one hundred and fifty-eight be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That any person or persons who shall make, sign, or issue, or who shall cause to be made, signed, or issued, any instrument, document, or paper of any kind or description whatsoever, or shall accept, negotiate, or pay, or cause to be accepted, negotiated, or paid, any bill of exchange, draft, or order, or promissory note for the payment of money, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this act, shall, for every such offence, forfeit the sum of fifty dollars, and such instrument, document, or paper, bill, draft, order, or note, not being stamped according to law, shall be deemed invalid and of no effect: *Provided*, That the title of a purchaser of land by deed duly stamped shall not be defeated or affected by the want of a proper stamp on any deed conveying said land by any person from, through, or under whom his grantor claims or holds title: *And provided further*, That hereafter, in all cases where the party has not affixed to any instrument the stamp required by law thereon, at the time of making or issuing the said instrument, and he or they, or any party having an interest therein, shall be subsequently desirous of affixing such stamp to said instrument, or if said instrument be lost, to a copy thereof, he or they shall appear before the collector of the revenue of the proper district, who shall, upon the payment of the price of the proper stamp required by law, and of a penalty of fifty dollars, and where the whole amount of the tax denoted by the stamp required shall exceed the sum of fifty dollars, on payment also of interest, at the rate of six per centum on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such instrument or copy, and note upon the margin thereof the date of his so doing, and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued: *And provided further*, That where it shall appear to said collector, upon oath or otherwise, to his satisfaction that any such instrument has not been duly stamped at the time of making or issuing the same, by reason of accident, mistake, inadvertence, or urgent necessity, and without any wilful design to defraud the United States of the stamp, or to evade or delay the payment thereof, then and in such case, if such instrument, or, if the original be lost, a copy thereof duly certified by the officer having charge of any records in which such original is required to be recorded, or otherwise duly proven to the satisfaction of the collector, shall, within twelve calendar months after the first day of August, eighteen hundred and sixty-six, or within twelve calendar months after the making or issuing thereof, be brought to the said collector of revenue to be stamped, and the stamp tax chargeable thereon shall be paid, it shall be lawful for the said collector to remit the penalty aforesaid, and to cause such instrument to be duly stamped. And when the original instrument, or a certified or duly proved copy thereof, as aforesaid, duly stamped so as to entitle the same to be recorded, shall be presented to the clerk, register, recorder, or other officer having charge of the original record, it shall be lawful for such officer, upon the payment of the fee legally chargeable for the recording thereof, to make a new record thereof, or to note upon the original record the fact that the error or omission in the stamping of said original instrument has been corrected pursuant to law; and the original instrument or such certified copy or the record thereof may be used in all courts and places in the same manner and with like effect as if the instrument had been originally stamped: *And provided further*, That in all cases where the party has not affixed the stamp required by law upon any instrument made, signed, or issued, at a time when and at a place where no collection district was established, it shall be lawful for him or them, or any party having an interest therein, to affix the proper stamp thereto, or if the original be lost, to a copy thereof; and the instrument or copy to which the proper stamp has been thus affixed prior to the first day of January, one thousand eight hundred and sixty-seven, and the record thereof, shall be as valid, to all intents and purposes, as if stamped by the collector in the manner hereinbefore provided. But no right acquired in good faith before the stamping of such instrument or copy thereof, and the recording thereof, as herein provided, if such record be required by law, shall in any manner be affected by such stamping as aforesaid.

That section one hundred and sixty-three be amended by striking out all after the enacting clause and inserting in lieu thereof the following. That hereafter no deed, instrument, document, writing, or paper, required by law to be stamped, which has been signed or issued without being duly stamped, or with a deficient stamp, nor any copy thereof, shall be recorded or admitted, or used as evidence in any court until a legal stamp or stamps, denoting the amount of tax, shall have been affixed thereto, as prescribed by law: *Provided*, That any power of attorney, conveyance, or document of any kind, made or purporting to be made in any foreign country to be used in the United States, shall pay the same tax as is required by law on similar instruments or documents when made or issued in the United States; and the party to whom the same is issued, or by whom it is to be used, shall, before using the same, affix thereon the stamp or stamps indicating the tax required.

That section one hundred and sixty-five be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That if any person, firm, company, or corporation shall make, prepare, and sell, or remove for consumption or sale, drugs, medicines, preparations, compositions, articles, or things, including perfumery, cosmetics, lucifer or friction matches, cigar lights, or wax tapers, and playing cards, and also including prepared mustards, preserved meats, fish, shell-fish, fruits, vegetable, sauces, syrups, jams, and jellies, when packed or sealed in cans, bottles, or other single packages, whether of domestic manufacture or imported, upon which a duty or tax is imposed by law, as enumerated and mentioned in schedule C, without affixing thereto an adhesive stamp or label denoting the tax before mentioned, he or they shall incur a penalty of fifty dollars for every omission to affix such stamp.

That section one hundred and sixty-nine be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That any person who shall offer or expose for sale any of the articles named in schedule C, or in any amendments thereto, whether the articles so offered or exposed are imported or are of foreign or domestic manufacture, shall be deemed the manufacturer thereof, and subject to all the duties, liabilities, and penalties imposed by law in regard to the sale of domestic articles without the use of the proper stamp or stamps denoting the tax paid thereon, and all such articles imported, or of foreign manufacture, shall, in addition to the import duties imposed on the same, be subject to the stamp tax, respectively, prescribed in schedule C, as aforesaid: *Provided*, That when such imported articles, except playing cards, lucifer or friction matches, cigar lights, and wax tapers, shall be sold in the original and unbroken package in which the bottles or other enclosures were packed by the manufacturer, the person so selling said articles shall not be subject to any penalty on account of the want of the proper stamp.

That schedule B, preceding section one hundred and seventy-one, be amended by striking out all after the paragraphs relating to "gauger's returns" and "measurer's returns;" and by striking out all from "receipts for the payment of any sum of money," down to "weigher's returns, if of a weight not exceeding five thousand pounds, ten cents; exceeding five thousand pounds, twenty-five cents," inclusive, and inserting in lieu thereof the following: Receipts for any sum of money, or for the payment of any debt, exceeding twenty dollars in amount, not being for the satisfaction of any mortgage or judgment or decree of any court or by indorsement on any stamped obligation in acknowledgment of its fulfillment, for each receipt two cents: *Provided*, That when more than one signature is affixed to the same paper, one or more stamps may be affixed thereto representing the whole amount of the stamp required for such signatures; and that the term

money, as herein used, shall be held to include drafts and other instruments given for the payment of money.

That schedule B, preceding section one hundred and seventy-one, be amended by inserting, immediately preceding the proviso relating to stamps on mortgages, the following: Upon every assignment or transfer of a mortgage the same stamp tax upon the amount remaining unpaid thereon as is herein imposed upon a mortgage for the same amount. Also by striking out the words "mortgage or" in said proviso. Also by inserting the words "domestic and inland bills of lading and" after "than" and before "those" in the first line of said schedule.

That schedule B be amended, under the head of contract, by striking out the words following: "Stocks, bonds," and "notes of hand." Also by inserting under the head of contract, after the words, "for each note or memorandum of sale, ten cents," the words following: Bill or memorandum of the sale or contract for the sale of stocks, bonds, gold or silver bullion, coin, promissory notes, or other securities, shall pay a stamp tax at the rate provided in section ninety-nine.

That schedule C be amended by striking out the paragraph in relation to photographs.

That schedule C be further amended by striking out the paragraph relating to cigar lights and wax tapers, and inserting in lieu thereof the following: For wax tapers, double the rates herein imposed upon friction or lucifer matches; on cigar lights, made in part of wood, wax, glass, paper, or other materials, in parcels or packages containing twenty-five lights or less in each parcel or package, one cent; when in parcels or packages containing more than twenty-five and not more than fifty lights, two cents; for every additional twenty-five lights or fractional part of that number, one cent additional; and by striking out all after the words "playing cards," and inserting in lieu thereof the following:

For and upon every pack, not exceeding fifty-two cards in number, irrespective of price or value, five cents;

For and upon every can, bottle, or other single package containing meats, fish, shell-fish, fruits, vegetables, sauces, sirups, prepared mustard, jams or jellies contained therein and packed, sealed, made, prepared, and sold, or offered for sale, or removed for consumption in the United States, on and after the first day of October, eighteen hundred and sixty-six, when such can, bottle, or other single pages, with its contents, shall not exceed two pounds in weight, the sum of one cent..... $0 01

When such can, bottle, or other single package, with its contents, shall exceed two pounds in weight, for every additional pound or fractional part thereof, one cent.....0 01

That section one hundred and seventy-one be amended by adding thereto the following proviso: *Provided also*, That no claim for drawback on any articles of merchandise exported prior to June thirtieth, eighteen hundred and sixty-four, shall be allowed unless presented to the Commissioner of Internal Revenue within three months after this amendment takes effect.

That section one hundred and seventy-nine be amended by striking out all after the enacting clause and inserting in lieu thereof the following: That, where it is not otherwise provided for, it shall be the duty of the collectors, in their respective districts, and they are hereby authorized, to prosecute for the recovery of any sum or sums that may be forfeited; and all fines, penalties, and forfeitures which may be imposed or incurred shall and may be sued for and recovered, where not otherwise provided, in the name of the United States, in any proper form or action, or by any appropriate form of proceeding, before any circuit or district court of the United States for the district within which said fine, penalty, or forfeiture may have been incurred, or before any court of competent jurisdiction. And where not otherwise provided for, such share as the Secretary of the Treasury shall, by general regulations, provide, not exceeding one moiety nor more than five thousand dollars in any one case, shall be to the use of the person, to be ascertained by the court which shall have imposed or decreed any such fine, penalty, or forfeiture, who shall first inform of the cause, matter, or thing whereby such fine, penalty, or forfeiture shall have been incurred; and when any sum is paid without suit, or before judgment, in lieu of fine, *penlty* [penalty,] or forfeiture, and a share of the same is claimed by any person as informer, the Secretary of the Treasury, under general regulations to be by him prescribed, shall determine whether any claimant is entitled to such share as above limited, and to whom the same shall be paid, and shall make payment accordingly. It is hereby declared to be the true intent and meaning of the present and all previous provisions of internal revenue acts granting shares to informers that no right accrues to or is vested in in any informer in any case until the fine, penalty, or forfeiture in such case is fixed by judgment or compromise and the amount or proceeds shall have been paid, when the informer shall become entitled to his legal share of the sum adjudged or agreed upon and received: *Provided*, That nothing herein contained shall be construed to limit or affect the power of remitting the whole or any portion of a fine, penalty, or forfeiture conferred on the Secretary of the Treasury by existing laws. The Commissioner of Internal Revenue shall be, and is hereby authorized and empowered to compromise, under such regulations as the Secretary of the Treasury shall prescribe, any case arising under the internal revenue laws, whether pending in court or otherwise. The several circuit and district courts of the United States shall have jurisdiction of all offences against any of the provisions of this act committed within their several districts: *Provided*, That whenever in any civil action for a penalty the informer may be a witness for the prosecution, the party against whom such penalty is claimed may be and shall be admitted as a witness on his own behalf. Every person who shall receive any money or other valuable thing under a threat of informing or as a consideration for not informing against any violation of this act, shall, on conviction thereof, be punished by a fine not exceeding two thousand dollars, or by imprisonment not exceeding one year, or both, at the discretion of the court, with costs of prosecution.

SEC. 9. [bis.] *And be it further enacted*, That sections two, five, eight, nine, ten, and twelve of the act entitled "An act 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 thirtieth, eighteen hundred and sixty-four," approved March third, eighteen hundred and sixty-five, be, and the same are hereby, repealed.

That section six of the act of March third, eighteen hundred and sixty-five, entitled "An act 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 striking out all after the enacting clause, and inserting in lieu thereof the following: That every national banking association, State bank or State banking association, shall pay a tax of ten per centum on the amount of notes of any person, State bank, or State banking association, used for circulation and paid out by them after the first day of August, eighteen hundred and sixty-six, and such tax shall be assessed and paid in such manner as shall be prescribed by the Commissioner of Internal Revenue.

That section fourteen of the same act shall be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: That the capital of any State bank or banking association which has ceased or shall cease to exist, or which has been or shall be converted into a national bank, shall be assumed to be the capital as it existed immediately before such bank ceased to exist or was converted as aforesaid; and whenever the outstanding circulation of any bank, association, corporation, company, or person shall be reduced to an amount not exceeding five per centum of the chartered or declared capital existing at the time the same was issued, said circulation shall be free from taxation; and whenever any bank which has ceased to issue notes for circulation shall deposit in the treasury of the United States, in lawful money, the amount of its outstanding circulation, to be redeemed at par, under such regulations as the Secretary of the Treasury shall prescribe, it shall be exempt from any tax upon such circulation; and whenever any State bank or banking association has been converted into a national banking association, and such national banking association has assumed the liabilities of such State bank or banking association, including the redemption of its bills, by any agreement or understanding whatever with the representatives of such State bank or banking association, such national banking association shall be held to make the required return and payment on the circulation outstanding, so long as such circulation shall exceed five per centum of the capital before such conversion of such State bank or banking association.

That an act entitled "An act to declare the meaning of certain parts of the internal revenue act approved June thirty, eighteen hundred and sixty-four, and for other purposes," approved March tenth, eighteen hundred and sixty-six, be amended by striking out sections three, four, and five of said act, and inserting in lieu thereof the following: That it shall be the duty of all persons required to make returns or lists of income and articles or objects charged with an internal tax, to declare in such returns or lists whether the several rates and amounts therein contained are stated according to their values in legal tender currency or according to their values in coined money; and in case of neglect or refusal so to declare to the satisfaction of the assistant assessor receiving such returns or lists, such assistant assessor is hereby required to make returns or lists for such persons so neglecting or refusing, as in cases of persons neglecting or refusing to make the returns or lists required by the acts aforesaid, and to assess the tax thereon, and to add thereto the amount of penalties imposed by law in cases of such neglect or refusal.—And whenever the rates and amounts contained in the returns or lists as aforesaid shall be stated in coined money, it shall be the duty of each assessor receiving the same to reduce such rates and amounts to their equivalent in legal tender currency, according to the value of such coined money in said currency for the time covered by said returns. And the lists required by law to be furnished to collectors by assessors shall in all cases contain the several amounts of taxes assessed, estimated, or valued in legal tender currency only.

SEC. 10. *And be it further enacted*, That from and after the passage of this act the articles and products hereinafter enumerated shall be exempt from internal tax:

Alum; aluminum; aluminous cake, patent alum, sulphate of alumina, and cobalt;
Aniline and aniline colors;
Animal charcoal, or carbon;
Anvils;
Articles manufactured in institutions for the blind, and in institutions for the deaf and dumb, which are sold to aid in their support, or the support of the pupils;
Barrels and casks, other than those used for the reception of fluids; packing boxes made of wood; and boxes of wood or paper for friction matches, cigar lights, and wax tapers;
Beeswax, crude or unrefined;
Bi-chromate and prussiate of potash;
Bleaching powders;
Blue vitriol;
Borax, and boracic acid;
Brass not more advanced than rods or sheets;
Brick, fire-brick, draining tiles, cement, drain and sewer pipes, earthern and stone water-pipes, retorts and tiles made of clay;
Bristles;
Brooms made from corn, brush, or palm-leaf;
Building stone of all kinds, including slate, marble, freestone, and soapstone, and rock, and ground gypsum;
Bunting and flags of the United States, and banners made of bunting of domestic manufacture;
Burrstones, millstones, and grindstones, rough or wrought;
Candle wicking;
Chronometers;
Coffins and burial cases;
Copperas;
Copper, lead, and tin, in ingots, pigs, or bars;
Copper and yellow sheathing metal, not more advanced than rods or sheets;
Crates, and grain or farm baskets made of splints;
Crucibles of all kinds;
Crutches and artificial limbs, eyes, and teeth;
Deer-skins, smoked, or not oil-dressed;
Feather beds, mattrasses, palliasses, bolsters, and pillows;
Fertilizers of all kinds;
Flasks and patterns used by founders;
Flax and the manufactures thereof;
Flavoring extracts solely for cooking purposes;
German silver in bars or sheets;
Gold leaf and gold foil;
Hemp and jute prepared for textile or felting purposes;

[*To be continued.*]

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

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REMOVAL.

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REVIEW.

SO far as special taxes are concerned, which are substituted for licenses, the Act of July 13, 1866, took effect on the 1st instant. It thus becomes necessary from August 1, 1866, to reassess any licensee for the excess of the special tax over the amount paid by him for license tax. Wholesale dealers, brewers, distillers, and gift enterprise proprietors are thus rendered liable to reassessment on account of special tax from that date for the nine months ending April 30, 1867. In the case of a wholesale dealer in liquors who has paid fifty (50) dollars for his license, the reassessment would amount to $37.50. Distillers of burning fluid and camphene, grinders of coffee and spices, and peddlers of liquors, should be assessed for special tax from the same date, and manufacturers of tobacco and cigars for a special tax as tobacconists, even though their annual products are less than one thousand dollars No persons holding tobacco manufacturer's license should, however, be assessed for special tax as a tobacconist while his license is in force. Where the sales of a person now holding license as tobacconist exceed $25,000 per annum, he becomes liable thereupon to reassessment as a wholesale dealer.

Any person who prepares or makes up any article or compound, or puts the same up for sale in packages with his trade mark thereon, is required by the new law to pay special tax as a manufacturer.

The change respecting wholesale dealers is especially to be noted, as involving great additional labor, and requiring increased care and attention from assistant assessors. As soon as their sales within the year exceed $50,000, monthly returns and tax thereon becomes due. Wholesale dealers who hold license based upon their sales in excess of $50,000 per annum, should make return of their sales monthly as soon as the same exceed the amount authorized by the license, and wholesale dealers in liquors, in consequence of their special tax being increased from $50 to $100, should render such returns as soon as their sales reach within $37,500 of the amount authorized by their license in force The tax in these cases are to be assessed and entered on the regular monthly lists and collected like other monthly taxes.

Draymen and teamsters owning only one dray or team are exempted from special tax as common carriers, but all other common carriers whose gross receipts exceed $1,000 per annum, are liable to special tax as such.

No provision is made by the new law to refund license taxes where they exceed the special tax provided for the same business, but no person holding license should be assessed in addition for special tax on the same business, unless the special exceeds the license tax.

It is apprehended that Collectors with little alteration may make use of blank licenses in giving receipts for special tax, until appropriate forms can be furnished by the Department.

Savings banks are relieved from special tax, which takes the place of license tax by the new law, but they are held liable to pay the tax of 10 per cent. on State currency paid out by them under section 9 of the Act of July 13, 1866.

THE Amendatory Act is concluded in this number. The many changes made by it cannot be apprehended at once. They are varied and important, and we earnestly urge upon revenue officers the imperative duty of instructing themselves in respect thereof. The Department should have realized by this time that upon the efficiency of its subordinate officers depends in great measure the success of its administration. They must be instructed by every possible and reliable means, and then held to a rigid accountability. The losses to the revenue may be counted by millions, solely attributable to the defective method of instructing them in the law and the decisions under it, *and keeping them informed.*

Treasury Dept., Decisions, &c.

TAX ON STATE CURRENCY PAID OUT BY SAVINGS BANKS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 4, 1866.

SIR: Your letter of the 31st ult. is received. Section 9 of the act of the 13th ult. provides that every national banking association, State bank or State banking association shall pay a tax of 10 per centum on the amount of notes of any person, State bank, or State banking association, used for circulation, and paid out by them after the first day of August, instant. You inquire if Savings Banks are subject to the tax thus imposed. Is the association in question a bank or banking association? If it is, I see no reason why the tax does not lie. The purpose of the law as evidenced by the amount of tax, was unquestionably the suppression of State bank circulation; and as savings banks are not specially excluded, it is just, and in fact necessary to presume that they are included among the banks liable to tax. Banks are fully defined in paragraph 1 of section 79 of the law. It is there provided that every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened, by the deposit or collection of money or currency subject to be paid or remitted upon draft, check or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, etc., shall be regarded as a bank or as a banker. It was necessary, it seems, in the opinion of Congress, that in the paragraph here cited, savings banks should be specially exempted by name, in order to relieve them of the special tax which takes the place of license tax. But no exemption in their favor is made in the 9th section now in question. The grand provision of that section, therefore, must fall upon all banks, whether of issue or savings.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

JOHN MCDUFFIE, Esq.

WHOLESALE DEALERS' LICENSES—RE-ASSESSMENT.

FIFTH COLLECTION DISTRICT,
NEW YORK, July 12, 1866.

Hon. E. A. ROLLINS, *Commissioner:*

SIR: When wholesale dealers remove from one district to another on the expiration of the license held as such, is it proper for the assessor of the district from which the party removed, to require a return of sales on Form 31 to be made in the district of said assessor, and the amount due on license, if any, assessed in said district, or should the assessment, if any is required, be made in the district to which the wholesale dealer has removed? An early reply will oblige.

Very respectfully,
DAVID MILLER, *Assessor.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 13, 1866.

SIR: Your letter of July 12th, relative to the re-assessment of wholesale dealers who have removed from the district, is received. I reply, that the re-assessment should in general be made in the district where the business was done. But where a dealer removes *before his license expires*, and has the same transferred and does business under it in the new district, it would generally be advisable to make the re-assessment in the new district.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

D. MILLER, Esq.,
Assessor, 563 Broadway, New York.

THE President has made the following appointments: General Benjamin Partridge, Assessor, 6th district, Michigan; Major William G. McCandless, Collector, 23d district, Pennsylvania; Colonel Alfred G. Lloyd, Assessor, 23d district, Pennsylvania; Ferdinand E. Volse, Collector, 22d district, Pennsylvania; John A. Hunter, Collector, 12th district, Ohio; Austin H. Brown, Collector, 6th district, Indiana; William C. Wilson, Collector, 8th district, Indiana; John B. Hayes, Assessor, 20th district, Pennsylvania.

[OFFICIAL.]

THE AMENDATORY TAX BILL.

[PUBLIC—No. 111.]

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 thirtieth, eighteen hundred and sixty-four, and acts amendatory thereof.

[*Continued from page* 32.]

Hulls of ships and other vessels:
Illuminating gas manufactured by educational institutions for their own use exclusively;
India-rubber springs used exclusively for railroad cars;
Iron bridges, and castings for iron bridges;
Iron drain and sewer pipes;
Keys, actions, and strings for musical instruments;
Litharge and orange mineral;
Machines driven by horse power and used exclusively for cutting firewood, staves, and shingle bolts, and hand-saws;
Magnesium, calcined magnesia, and carbonate of magnesia;
Malleable iron castings, unfinished;
Manganese;
Masts, spars, ship and vessel blocks, and tree-nail wedges and deck plugs, cordage, ropes, and cables made of vegetable fibre;
Medicinal and mineral waters, of all kinds, sold in bottles or from fountains, and mead;
Mounting and machinery of telescopes for astronomical purposes;
Mills and machinery for the manufacture of sugar, sirup, and molasses from sorghum, imphee, beets and corn;
Mineral coal of all kinds, and peat;
Monuments of stone of all kinds, not exceeding in value the sum of one hundred dollars: *Provided*, That monuments exceeding the value aforesaid, erected by public or private contributions to commemorate the service of Union soldiers who have fallen in battle, shall be exempt from taxation;
Mouldings for looking-glasses and picture frames;
Muriatic, nitric, and acetic acids;
Nickel, quicksilver, and sodium;
Nitrate of lead;
Oakum;
Original paintings, statues, and groups of statuary and casts made thereof by the artist from the original designs;
Oxide of zinc;
Paints, painters' and paper stainers' colors;
Printing paper of all descriptions; and tarred paper for roofing and other purposes; books, maps, charts, and all printed matter, and book-binding; paraffine; paraffine oil, not exceeding in specific gravity thirty-six degrees Baume's hydrometer, a residuum of distillation or the products thereof; lubricating oil made from crude petroleum, coal, or shale, not exceeding in specific gravity thirty-six degrees Baume's hydrometer: *Provided*, That such oil shall be subject to the same inspection as illuminating oil; crude petroleum, and crude oil, the product of the first and single distillation of coal, shale, asphaltum, peat, or other bituminous substances;
Photographs or any other sun picture, being copies of engravings or works of art, when the same are sold by the producer at wholesale at a price not exceeding fifteen cents each, or are used for the illustration of books;
Pickles when sold by the gallon and not contained in glass packages;
Pig-iron; muck bar; blooms, slabs, and loops;
Ploughs, cultivators, harrows, straw and hay cutters, planters, seed-drills, horse-rakes, hand-rakes, cotton gins, grain cradles, and winnowing-mills;
Pot and pearl ashes;
Productions of stereotypers, lithographers, engravers, and electrotypers;
Putty;
Quinine, morphine, and other vegetable alkaloids, and phosphorus;
Railroad iron, and railroad iron re-rolled;
Railroad chairs and fish plates; railroad, boat, and ship spikes; axe polls; iron axles; shoes for horses, mules, and oxen; rivets, horseshoe nails, nuts, washers, and bolts; vises, iron chains, and anchors; when such articles are made of wrought iron which has previously paid the tax or duty assessed thereon;
Reapers, mowers, threshing machines, and separators; corn-shellers and wooden ware; cotton and hay presses;
Repairs of articles of all kinds;
Residuums, the product of mineral, vegetable, or animal substances drawn from stills after distillation;
Roman and water cements, and lime;
Roofing slate, slabs, and tiles;
Saleratus, sal soda, caustic soda, crude soda, aluminosilicate of soda; aluminate of soda; bi-carbonate of soda; and silicate of soda;
Sails, tents, awnings, and bags made by sewing from fabrics or other articles upon which a duty or tax has been paid; and bags made of paper;
Saltpeter;
Salts of tin;
Silex used in the manufacture of glass;
Soap, valued at not above three cents per pound;
Spelter;
Spindles and castings of all descriptions made specially for locks, safes, looms, spinning machines, steam engines, hot air and hot water furnaces, and sewing machines, and not sold or used for any other purposes and upon which a tax is assessed and paid on the article of which the casting is a part;
Spokes, hubs, bows, and felloes; poles, shafts, arms, and wheels not ironed or finished for carriages or wagons; wooden handles for ploughs, and for other agricultural, household and mechanical tools and implements; and pail and tub ears and handles; and wooden tanks, and cisterns for crude mineral oil;
Starch;
Steel, made from iron advanced beyond muck bar, blooms, slabs, or loops in ingots, bars, rails made and fitted for railroads, sheet, plate, coil, or wire, hoop-skirt wire covered or uncovered; car wheels, thimble skeins and pipe boxes, and springs, tire and axles made of steel used exclusively for vehicles, cars or locomotives; and clock springs, faces and hands;
Stoves, composed in part of cast iron and in part of sheet iron, or of soapstone, fire-brick, or freestone, with or without cast iron or sheet iron: *Provided*, That the cast and sheet iron shall have paid the tax or duty previously assessed thereon;
Sugar, molasses, or sirup made from beets, corn, sugar maple, or from sorghum, or imphee;
Sulphate of barytes;
Sulphur, flowers of sulphur, and sulphur flour;
Tar and crude turpentine;
Tin cans used for preserved meats, fish, shell-fish, fruits, vegetables, jams, jellies, paints, oils, and spices;
Umbrellas and parasols, and sticks and frames for the same;
Value of bullion used in the manufacture of wares, watches, and watch-cases, and bullion prepared for the use of platers and watch-makers;
Vegetable, animal, and fish oils of all descriptions, not otherwise provided for, including red oil, oleic acid, and admixtures of the same with paraffine oil, not exceeding in specific gravity thirty-six degrees Baume's hydrometer;
Verdigris;
Vinegar;
White and red lead;
Whiting; Paris white;
Window glass of all kinds;
Wine made of grapes, currants or other fruits, and rhubarb;
Wire made from wire less than number twenty wire gauge, upon which a tax has been assessed and paid as wire, and no manufactured wire shall pay a greater tax than that imposed on number twenty wire guage;
Yarn and warp for weaving, braiding, or manufacturing purposes exclusively;
Yeast and baking powders;
Zinc, in ingots or sheets:

Provided further, That the exemptions aforesaid shall, in all cases, be confined exclusively to said articles in the state and condition specified in the foregoing enumeration, and shall not extend to articles in any other form, nor to manufactures from said articles.

SEC. 11. *And be it further enacted*, That all lists or returns required to be made monthly, by any person, firm, company, corporation, or party whatsoever, liable to tax, shall be made on or before the tenth day of each and every month, and the tax assessed or due thereon shall be certified or returned by the assessor to the collector on or before the last day of each and every month. And all lists or returns required to be made quarterly, and all other lists or returns, for which no provision is otherwise made, shall be made on or before the tenth day of each and every month in which said list or return is required to be made, or succeeding the time when the tax may be due and liable to be assessed, and the tax thereon shall be certified or returned as herein provided for monthly lists or returns. And the tax shall be due and payable on or before the last day of each and every month. And in case said tax is not paid on or before the last day of each and every month the collector shall add ten per centum thereto: *Provided*, That notice of the time when such tax shall become due and payable shall be given in such manner as shall be prescribed by the Commissioner of Internal Revenue: and if said tax shall not be paid on or before the last day of the month as aforesaid, it shall be the duty of said collector to demand payment thereof, with ten per centum additional thereto in the manner prescribed by law: and if said tax and ten per centum additional are not paid within ten days from and after such demand thereof, it shall be lawful for the collector or his deputy to make distraint therefor, as provided by law, and so much of section eighty-three of the act of June thirtieth, eighteen hundred and sixty-four, as amended by the act of March third, eighteen hundred and sixty-five, as relates to the time of payment and collection of tax, is hereby repealed; and in all cases of neglect to make such lists or returns, or in case of false and fraudulent returns, the provisions of existing law, as amended by this act, shall be applicable thereto.

SEC. 12. *And be it further enacted*, That apothecaries who manufacture, for their own dispensation and sales to consumers and to physicians, the medicines compounded according to the United States or other national pharmacopœias, or of which the full and proper formula is published in any of the dispensatories now or hitherto in common use among physicians or apothecaries, or in any pharmaceutical journal now issued by any incorporated college of pharmacy, shall not be regarded as manufacturers under this act. But apothecaries and all other persons who manufacture for the dispensing and sales of others, or who make and advertise any article, medicinal or otherwise, simple or compound, with any special proprietary claim to merit, or to special advantage in use or effect, whether such claim be based on the properties, qualities, price, or any other distinctive or distinguishing characteristic, whether real or pretended, of the articles so made and advertised, whether such article be or be not made according to the authorities above cited in this section, shall be regarded as manufacturers under this act.

SEC. 13. *And be it further enacted*, That no stamp tax shall be imposed upon any uncompounded medicinal drug or chemical, nor upon any medicine compounded according to the United States or other national pharmacopœia, or of which the full and proper formula is published in any of the dispensatories now or hitherto in common use among physicians or apothecaries, or in any pharmaceutical journal now in issued by any incorporated college of pharmacy, when not sold or offered for sale, or advertised under any other name, form, or guise than that under which they may be severally denominated and laid down in said pharmacopœias, dispensatories, or journals as aforesaid; nor upon medicines sold to or for the use of any person, which may be mixed and compounded for said person according to the written receipt or prescription of any physician or surgeon. But nothing in this section shall be construed to exempt from stamp tax any medicinal articles, whether simple or compounded by any rule, authority, or formula, published or unpublished, which are put up in a style or manner similar to that of patent or proprietary medicines in general, or advertised in newspapers or by public handbills for popular sale and use, as having any special proprietary claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect, whether such claim be real or pretended.

SEC. 14. *And be it further enacted*, That in case any goods or commodities for or in respect whereof any tax is or shall be imposed, or any materials, utensils, or vessels proper or intended to be made use of for or in the making of such goods or commodities shall be removed, or shall be deposited or concealed in any place, with intent to defraud the United States of such tax, or any part thereof, all such goods and commodities, and all such materials, utensils, and vessels, respectively, shall be forfeited; and in every such case, and in every case where any goods or commodities shall be forfeited under this act, or any other act of Congress relating to the internal revenue, all and singular the casks, vessels, cases or other packages whatsoever, containing, or which shall have contained, such goods or commodities, respectively, and every vessel, boat, cart, carriage, or other conveyance whatsoever, and all horses or other animals, and all things used for the removal or for the deposit or concealment thereof, respectively, shall be forfeited; and every person who shall remove, deposit, or conceal, or be concerned in removing, depositing, or concealing any goods or commodities for or in respect whereof any tax is or shall be imposed, with intent to defraud the United States of such tax or any part thereof, shall be liable to a fine or penalty of not exceeding five hundred dollars.

SEC. 15. *And be it further enacted*, That the judge of any circuit or district court of the United States, or any commissioner thereof, may issue a search warrant, authorizing any internal revenue officer to search any

premises, if such officer shall make oath in writing that he has reason to believe, and does believe, that a fraud upon the revenue has been or is being committed upon or by the use of said premises.

SEC. 16. *And be it further enacted*, That in case any person shall sell, give, or purchase or receive any box, barrel, bag, or any vessel, package, wrapper, cover, or envelope of any kind, stamped, branded or marked in any way so as to show that the contents or intended contents thereof have been duly inspected, or that the tax thereon has been paid, or that any provision of the internal revenue laws has been complied with, whether such stamping, branding, or marking may have been a duly authorized act or may be false and counterfeit, or otherwise without authority of law, said box, barrel, bag, vessel, package, wrapper, cover, or envelope being empty, or containing anything else than the contents which were therein when said articles had been so lawfully stamped, branded, or marked by an officer of the revenue, such person shall be liable to a penalty of not less than fifty nor more than five hundred dollars. And any person who shall make, manufacture, or produce any box, barrel, bag, vessel, package, wrapper, cover, or envelope, stamped, branded, or marked, as above described, or shall stamp, brand, or mark the same, as hereinbefore recited, shall, upon conviction thereof, be liable to penalty as before provided in this section. And any person who shall violate the foregoing provisions of this section, with intent to defraud the revenue, or to defraud any person, shall, upon conviction thereof, be liable to a fine of not less than one thousand nor more than five thousand dollars, or imprisonment for not less than six months, nor more than five years, or both such fine and imprisonment, at the discretion of the court. And all articles sold, given, purchased, received, made, manufactured, produced, branded, stamped, or marked in violation of the provisions of this section, and all their contents, shall be forfeited to the United States.

SEC. 17. *And be it further enacted*, That where any whiskey, oil, tobacco, or other articles of manufacture or produce, requiring brands, stamps, or marks of whatever kind to be placed thereon, shall be sold upon distraint, forfeiture, or other process provided by law, the same not having been branded, stamped, or marked as required by law, the officer selling the same shall, upon sale thereof, fix or cause to be affixed the brands, stamps, or marks so required, and deduct the expense thereof from the proceeds of such sale.

SEC. 18. *And be it further enacted*, That manual labor schools and colleges shall not be required to pay a manufacturer's or special tax while the proceeds of the labor of such institution are applied exclusively to the support and maintenance of such institutions.

SEC. 19. *And be it further enacted*, That no suit shall be maintained in any court for the recovery of any tax alleged to have been erroneously or illegally assessed or collected, until appeal shall have been duly made to the Commissioner of Internal Revenue according to the provisions of law in that regard, and the regulations of the Secretary of the Treasury established in pursuance thereof, and a decision of said Commissioner shall be had thereon, unless such suit shall be brought within six months from the time of said decision, or within six months from the time this act takes effect: *Provided*, That if said decision shall be delayed more than six months from the date of such appeal, then said suit may be brought at any time within twelve months from the date of such appeal.

SEC. 20. *And be it further enacted*, That section fifteen of the act of March three, eighteen hundred and sixty-five, entitled "An act 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 striking out all after the enacting clause, and inserting in lieu thereof the following: That in any port of the United States in which there is more than one collector of internal revenue, the Secretary of the Treasury may designate one of said collectors to have charge of all matters relating to the exportation of articles subject to tax under the laws to provide internal revenue; and at such ports as the Secretary of the Treasury may deem it necessary, there shall be an officer appointed by him to superintend all matters of exportation and drawback, under the direction of the collector, whose compensation therefor shall be prescribed by the Secretary of the Treasury, but shall not exceed, in any case, an annual rate of two thousand dollars, excepting at New York, where the compensation shall be an annual rate of three thousand dollars. And all the books, papers, and documents in the bureau of drawback in the respective ports, relating to the drawback of taxes paid under the internal revenue laws, shall be delivered to said collector of internal revenue; and any collector of internal revenue, or superintendent of exports and drawbacks, shall have authority to administer such oaths and certify to such papers as may be necessary under any rules and regulations that may be prescribed under the authority herein conferred.

SEC. 21. *And be it further enacted*, That every person, firm, or corporation who distils or manufactures spirits or alcohol by continuous distillation from grain, who brews or makes mash, wort, or wash, for the distillation or the production of spirits, shall be deemed a distiller, under this act And the making or keeping by any person of grain, mash, wash, or beer, prepared or fit for distillation, together with the possession by such person of a still or other apparatus capable of use for distilling, upon the same premises, shall be deemed and taken as presumptive evidence that such person is a distiller within the meaning of this act.

SEC. 22. *And be it further enacted*, That every person, firm, or corporation who rectifies, purifies, or refines distilled spirits or wines by any process, or who, by mixing distilled spirits or wine with any materials, manufactures any spurious imitation, or compound liquors for sale, under the name of whiskey, brandy, gin, rum, wine, "spirits," or "wine bitters," or any other name, shall be regarded as a rectifier under this act.

SEC. 23. *And be it further enacted*, That if any person shall carry on the business of a distiller or rectifier without having paid the special tax, as required by law, he shall for every such offence be liable to a fine of not less than double the tax imposed upon the spirits distilled, or double the special tax due for the spirits rectified by such person or found upon the premises hereinafter mentioned, and to imprisonment for a term not exceeding two years; and all spirituous liquors so distilled or rectified, or owned by such person, or found as hereinafter mentioned, and all materials for making or preparing the same, and all vessels containing the same, and all stills or other apparatus capable of being used for distilling, owned by such person or found upon any premises where such business shall be carried on in violation of this section, shall be forfeited to the United States, and may be seized by the collector or deputy collector of the district within which such offence is committed.

SEC. 24. *And be it further enacted*, That every person engaged in, or intending to be engaged in, the business of a distiller or rectifier, shall give notice in writing, subscribed by him, to the assessor of the district within which such business is to be carried on, stating the name or style under which, the name or names, and the place or places of residence of the person or persons by whom, and the place where said business is to be carried on, and whether of distilling or rectifying. In case of a distiller, the notice shall also state the kind of stills, boilers, and other implements to be use, the capacity of each, the name or names of the owner or owners of the premises on which the distillery is or is to be situated, and if such premises are leased, the terms of the lease. In case of any change in the location, form, capacity, ownership, agency, or superintendence of such distillery, stills, boilers, or other implements, like notice shall be given as aforesaid, within twenty-four hours, of such change. Such person shall also give bond, in form to be prescribed by the Commissioner of Internal Revenue, with sureties approved by the collector of the district, who may approve the same if he shall be satisfied, by affidavits made on said bond, of the sufficiency of said sureties, conditioned that he will comply with all the requirements of the law in relation to distilled spirits. The penal sum of such bond shall not be more than double the amount of the tax on the spirits that can be distilled by such still or stills or other implements during a period of fifteen days; said collector may refuse to approve said bond when, in his judgment, the location of the distillery is such as would enable the distiller to defraud the revenue, and in case of such refusal, the distiller may appeal to the Commissioner of Internal Revenue, whose decision in the matter shall be final. A new bond may be required in case of the death, insolvency, or removal of either of the sureties, or in any other contingency, at the discretion of the collector. Any person failing to give the notice or bond hereinbefore required, or giving a false or fraudulent notice, shall be liable to the fine and forfeiture provided in the last preceding section.

SEC. 25. *And be it further enacted*, That no person shall use any still, boiler, or other vessel, for the purpose of distilling in any building or on any premises where beer, lager beer, ale, porter, or other fermented liquors, vinegar, or ether, are manufactured or produced, or where sugars or sirups are refined, or where liquors or any description are retailed, or any other business is carried on, or in any dwelling-house; and every person who shall use such still, boiler, or other vessel, for the purpose of distilling, as aforesaid, in any building or other premises where the above specified articles are manufactured, produced, or other business is carried on, or in any dwelling-house, or who shall procure the same to be done, shall forfeit such stills, boilers, or other vessels so used, and all the spirits distilled, and pay a fine of one thousand dollars, or be imprisoned for not more than one year, in the discretion of the court; and any person who shall manufacture any still, boiler, or other vessel, to be used for the purpose of distilling, shall, before the same is removed from the place of manufacture, notify the collector where such still, boiler, or other vessel is to be used or sent, and by whom it is to be used, and of its capacity, and the time when the same is to be sent or set up; and no such still, boiler, or other vessel, shall be set up without the permit in writing of the collector for that purpose; and any person who shall set up such still, boiler, or other vessel, without first obtaining a permit from the collector of the district in which such still, boiler, or other vessel is intended to be used, or who shall fail to give such notice, shall pay in either case the sum of five hundred dollars, and shall forfeit the distilling apparatus thus removed or set up in violation of law: *Provided*, That saleratus may be made or manufactured in any building or on any premises where spirits are distilled: *Provided further*, That any boiler used in generating steam or heating water to be used in such distillery may be located in any other building or on any other premises to be connected with such still or boiling tubs, by suitable pipes or other apparatus, or the steam from such boiler in the distillery may be conveyed to other premises to be used for manufacturing or other purposes.

SEC. 26. *And be it further enacted*, That every rectifier or wholesale dealer in distilled spirits shall enter, daily, in a book or books, kept for the purpose, under such rules and regulations as the Commissioner of Internal Revenue may prescribe, the number of proof gallons of spirits purchased or received of whom purchased and received, and the number of proof gallons sold or delivered; and every rectifier or wholesale dealer who shall neglect or refuse to keep such record shall forfeit all spirits in his posession, together with the apparatus, tools, and implements used, and be subject to a fine of five hundred dollars, or imprisonment for not less than six months nor more than one year, in the discretion of the court. And every rectifier shall mark on each package of five gallons or more of distilled or rectified spirits sold by him, his name and place of business.

SEC. 27. *And be it further enacted*. That the owner or owners of any distillery shall provide at his or their own expense a warehouse suitable for the storage of bonded spirits, of [his or] their own manufacture only; or he or they may provide a secure room in a suitable building, to be used as such warehouse, but no dwelling house shall be used for such purpose; and no door, window, or other opening shall be made or permitted in the walls thereof, leading to any other room or building used for any other purpose, or into the distillery; and after a bond has been given, as hereinafter provided, such warehouse or room, when approved by the Secretary of the Treasury, on report of the district collector, is hereby declared to be a bonded warehouse of the United Stattes, and shall be used only for the storing of spirits manufactured by the o[w]ner, agent, or superintendent of such distillery, and shall be under the custody of the inspector as hereinafter provided; and shall be kept locked up by the proper officer in charge, at all times, except when he shall be present; and the tax on the spirits stored in such warehouse shall be paid before removal from such warehouse, unless removed in pursuance of law. And the owner or owners of such warehouse shall execute a general bond to the United States with two or more sureties, to be approved by the collector; and such bond shall be for not less than the amount of taxes on the spirits to be covered thereby, and in such form and containing such conditions, as shall be approved by the Secretary of the Treasury, and shall be changed or renewed from time to time in regard to the amount and sureties thereof, as the collector, with the approval of the Secretary of the Treasury, may require.

SEC. 28. *And be it further enacted*. That general bonded warehouses, for the storage of spirits or other merchandise allowed by law to be placed in bond to secure the payment of the internal revenue tax thereon, or the exportation thereof, may be established under such rules and regulations and upon the execution of such bonds as the Secretary of the Treasury may prescribe, and shall be in the immediate custody of storekeepers who shall be appointed for that purpose, whose compensation shall be paid monthly to the collector of the district by the owners or proprietors of such warehouse, and shall not exceed the rates wi-

may be allowed to storekeepers of bonded warehouses established under the laws and regulations relating to customs: *Provided*, That any article manufactured in a bonded warehouse established under the one hundred and sixty-eighth section of the Internal revenue act of June thirtieth, eighteen hundred and sixty-four, and located in any of the Atlantic States, may be removed therefrom for transportation to a customs bonded warehouse at any port on the Pacific coast of the United States, for the purpose only of being exported therefrom, under such rules and regulations and upon the execution of such bonds or other security as the Secretary of the Treasury may prescribe.

SEC. 29. *And be it further enacted*, That there shall be appointed by the Secretary of the Treasury an inspector for every distillery established according to law, who shall take an oath faithfully to perform his duties; and who shall take an account of all the meal and vegetable productions or other substances to be used for the purpose of producing spirits, when put into the mash tub or otherwise used; and shall inspect, gauge and prove all the spirits distilled, under such rules and regulations as may be prescribed by the Commissioner of Internal Revenue; and shall take charge of the bonded warehouse established for the distillery in conformity to law; and such warehouse shall be in the joint custody of such inspector and the owner thereof, his agent or superintendent; and when any spirits shall be placed in such warehouse, an entry therefor, in such form as shall be prescribed by regulations, shall immediately be made and signed by the owner of said spirits, and shall have endorsed thereon a certificate of the inspector that the spirits mentioned have been duly inspected and received in said warehouse, and such entry and certificate shall be filed with the collector of the district; and said inspector shall not engage in any other business while employed as an inspector, and shall be paid five dollars per day for the time during which he is engaged; and the amount of compensation thus paid for inspection shall be assessed by the assessor upon the distiller, and returned to the collector monthly for collection; and in addition to the above compensation, such inspector shall receive such fee as may be prescribed by the Commissioner of Internal Revenue for each and every proof gallon of distilled spirits inspected by him and removed to the bonded warehouse, which shall be paid by the distiller or owner of the spirits; but no compensation shall be allowed to such inspector for more than one inspection of such spirits. And in case the duties of such inspector shall be greater at any time than he can perform, upon the joint application of the inspector and the owner of such distillery, the Secretary of the Treasury may appoint an assistant inspector; and upon the refusal of the distiller to join in such application, the collector shall decide as to such necessity; and such assistant inspector shall qualify in the same manner and be subject to the same penalties as the inspector, and he shall be paid in the same manner as the inspector, at a rate not exceeding the sum of three dollars per day while so employed; and in case of disagreement as to the necessity of retaining the services of such assistant, between the owner of the distillery and the inspector, the collector shall decide as to such necessity, and his decision in the matter shall be final. And in case of absence by sickness, or from any other cause, of such inspector or assistant, the collector may designate a person to take temporary charge of such distillery and warehouse, who shall during such absence perform the duties, receive the same rate of pay, and be paid in the same manner, as said inspector or assistant for the time he may be so employed: *Provided*, That the owner, agent or superintendant of any distillery who shall use, cause or permit to be used, any materials for the purpose of producing spirits, or shall distil or remove any spirits in the absence of the acting inspector or assistant, without permission granted by the collector of the district, shall forfeit and pay double the amount of taxes on the spirits so produced, distilled, or removed, and in addition thereto be liable to a fine of one thousand dollars, to be recovered in the manner provided for other penalties: *Provided further*, That any person who shall ship, transport or remove any spirituous or fermented liquors or wines, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the casks or packages containing the same, or who shall cause the same to be done, shall forfeit the same, and shall, on conviction thereof be subject to and pay a fine of five hundred dollars.

SEC. 30. *And be it further enacted*, That there shall be appointed by the Secretary of the Treasury, in every collection district where the same may be necessary, one or more general inspectors of spirits who shall be entitled to receive such fee as may be prescribed by the Commissioner of Internal Revenue for each and every proof gallon gauged and proved by him, to be paid by the owner of the spirits: and any owner, agent or superintendent of any distillery or bonded warehouse who shall refuse to admit an inspector upon such premises, so far as it may be necessary for the performance of his duties, or who shall obstruct an inspector in the performance of his duties, shall forfeit and pay the sum of five hundred dollars, to be recovered in the manner provided for recovery of other penalties imposed by this act.

SEC. 31. *And be it further enacted*, That every person making or distilling spirits, or owning any still, boiler, or other vessel used for the purpose of distilling spirits or having such still, boiler or other vessel so used under his superintendence, either as agent or owner, or using any such still, boiler, or other vessel, shall fromday to day, *to* make, or cause to be made, true and exact entry in a book, to be kept in such form as the Commissioner of Internal Revenue may prescribe, of the number of pounds or gallons of materials used for the purpose of producing spirits, the number of gallons of spirits distilled, the number of gallons placed in warehouse, and the proof thereof, and the number of gallons sold, with the proof thereof, and the name and place of business or residence of the person to whom sold; and shall also on the first, eleventh, and twenty-first days of each month, or within five days thereafter, render to the assessor or assistant assessor an account in duplicate, taken from his books in the particulars hereinbefore recited, and verified by oath, of all the facts occurring after the last day of account preceding. The entries to be made in the books of the distiller as aforesaid shall, upon the several days when the returns are made, as provided, be verified by oath or affirmation of the person or persons by whom such entries shall have been made, in the presence of the assessor or assistant assessor, or other proper officer, who shall append thereto his certificate of the execution of the same. The owner, agent, or superintendent of any distillery shall, in case the original entries required to be made in his books by this act shall not have been made by himself, subjoin to the certificate of the person by whom they were made the following oath or affirmation: "I do certify that to the best of my knowledge and belief the foregoing entries are just and true, and that I have taken all the means in my power to make them so." Said book shall always be open for the inspection of any assessor, assistant assessor, collector, deputy collector, revenue agents or inspectors, and any premises where distilling shall be carried on shall be open to said officers, or either of them, at all times. Any person who shall violate the provisions of this section shall for every such offence be liable to a fine of five hundred dollars. Any person who shall render an account under the provisions of this section which shall be false or fraudulent shall be liable to a fine of not less than five hundred dollars, or to imprisonment not less than six months.

SEC. 32. *And be it further enacted*, That there shall be levied, collected, and paid on all distilled spirits upon which no tax has been paid according to law, a tax of two dollars on each and every proof gallon, to be paid by the distiller, owner, or any person having possession thereof; and the tax shall be a lien on the spirits distilled, on the distillery used for distilling the same, with the stills, vessels, fixtures, and tools therein, and on the interest of said distiller in the lot or tract of land whereon the said distillery is situated, from the time said spirits are distilled, until the said tax shall be paid: *Provided*, That the tax on all spirits shall be collected at no lower rate than the basis of first-proof, and shall be increased in proportion for any greater strength than the strength of first-proof.

SEC. 33. *And be it further enacted*, That proof spirits shall be held and taken to be that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten thousandths(.7939 at sixty degrees Fahrenheit; and the Secretary of the Treasury is hereby authorized to adopt, procure, and prescribe for use, such hydrometers, weighing and gauging instruments, meters or other means for ascertaining the strength and quantity of spirits subject to tax, and to prescribe such rules and regulations as he may deem necessary to insure a uniform and correct system of inspection, weighing and gauging of spirits subject to tax throughout the United States. And in all sales of spirits hereafter made, where not otherwise specially agreed, a gallon shall be taken to be a gallon of first-proof, according to the foregoing standard set forth and declared for the inspection and gauging of spirits throughout the United States.

SEC. 34. *And be it further enacted*, That the owner, agent, or superintendent of any distillery established as hereinbefore provided, shall erect, in a room or building to be provided and used for that purpose, and for no other, two or more receiving cisterns, each to be at least of sufficient capacity to hold all the spirits distilled during the day of twenty-four hours, into one of which shall be conveyed each day all the spirits manufactured in said distillery during that day; and such cisterns shall be so constructed as to leave an open space of at least three feet between the tops thereof and the floor or roof above, and of not less than eighteen inches between the bottoms thereof and the floor below, and shall be separated in such a manner as will enable the inspector to pass around the same, and shall be connected with the outlet of the stills, boilers, or other vessels used for distilling, by suitable pipes or other apparatus so constructed as always to be exposed to the view of the inspector, such cisterns and the room in which they are contained shall be in charge of and under the lock and seal of the inspector; and on the third day after the spirits are conveyed into such cisterns the same shall be drawn off into casks or other packages, under the supervision of the inspector, and shall be immediately inspected, gauged, proved, and the casks or packages marked as herein provided, and be removed directly to the bonded warehouse before mentioned: *Provided*, That the spirits may be drawn off from said cisterns at any time previous to the third day, if so desired by the owner, agent, or superintendent of such distillery; and all locks and seals required by law shall be provided by the Secretary of the Treasury, at the expense of the owner of the distillery or warehouse, and the keys shall always be in the custody of the inspector or assistant inspector, or the officer having charge of the distillery or warehouse.

SEC. 35. *And be it further enacted*, That any person who shall knowingly and fraudulently use any false weights or measures in ascertaining, weighing, or measuring the quantities of grain, meal, or vegetable materials, molasses, beer, or other substances to be used for distillation, or who shall fraudulently make false record of the same, or who shall destroy or tamper with any locks or seal which may be placed on any cistern, rooms, or buildings, by the duly authorized officers of the revenue, shall on conviction thereof be imprisoned for the term of two years, and pay a fine not exceeding one thousand dollars, in the discretion of the court; and any person who shall use any molasses, beer, or other substances, whether fermented on the premises or elsewhere, for the purpose of producing spirits, before an account of the same shall have been registered in the proper record book provided for this purpose, shall forfeit and pay the sum of one thousand dollars for each and every offence so committed.

SEC. 36. *And be it further enacted*, That on all wines, liquors, or compounds known or denominated as wine, made in imitation of sparkling wine or champagne, and put up in bottles in imitation of any imported wine, or with the pretence of being imported wine, or wine of foreign growth or manufacture, there shall be levied and paid a tax of six dollars per dozen bottles, each bottle containing more than one pint, and not more than one quart, or three dollars per dozen bottles, each bottle, containing not more than one pint; said tax to be paid by the manufacturer, owner, or person having possession thereof; and the returns, assessment, collection, and time of collection of the tax on such imitation wines shall be subject to the regulations of the Commissioner of Internal Revenue And any person who shall wilfully and knowingly sell or offer for sale any such wine, made after this act takes effect, upon which the tax herein imposed has not been paid, or which has been fraudulently evaded, shall, upon conviction thereof, be subject to a penalty of one thousand dollars, or to imprisonment not exceeding one year, at the discretion of the court.

SEC. 37. *And be it further enacted*, That every owner, agent, or superintendant of any distillery shall, at all times when required, supply all assistance, lights, ladders, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus, belonging to such person, and shall open all doors, and open for examination all boxes, packages, and all casks, barrels, and other vessels not under the control of the inspector, when required so to do by any duly authorized officer, under a penalty of two hundred dollars for any refusal or neglect so to do.

SEC. 38. *And be it further enacted*, That all spirits distilled, shall, before the same are removed to the bonded warehouse, be inspected, gauged, and proved by the inspector appointed for that purpose, after the same has been drawn into casks or packages, each of not less capacity than twenty gallons, wine measure, and said inspector shall mark by cutting, branding, or otherwise upon the cask or package, containing such spirits, in a manner to be prescribed by the Commissioner of Internal Revenue, the quantity and proof of the contents of such cask or package, with the date of

inspection, the collection district, the name of the inspector and the name of the distiller, and also the number of each cask in progressive order, such progressive number, for every distiller, to begin with number one with the first cask or package inspected, after this act takes effect, and subsequently with number one with the first cask inspected, on or after the first of January, in each year, and no two or more casks warehoused in the same year by the same distiller shall be marked with the same number, and the officer in charge of the warehouse shall refuse to allow any casks of spirits to be taken out therefrom which has not marked thereon all the several particulars aforesaid, and in the manner required by law. And the inspector or other revenue officer in charge of any distillery shall make a prompt return of all spirits inspected by him in accordance with the provisions of law, and the name of the distiller, to the collector, and a duplicate thereof to the assessor of the district: and any person who shall fraudulently evade or attempt fraudulently to evade the payment of the tax upon any spirits distilled as aforesaid, by changing any marks upon any such cask or package, or in any other manner whatever, or who shall fraudently put into such cask or package spirits of greater strength than that inspected and certified to by the inspector, shall pay double the amount of tax on each proof gallon of the quantity of such spirits, to be assessed and collected as in case of other taxes, and forfeit and pay as a penalty the additional sum of five hundred dollars for each cask or package so altered or changed, to be recovered as provided by law; and any inspector, assistant inspector, or officer temporarily in charge of any distillery, who shall conspire with the proprietor of any distillery or with any other person or persons to defraud the United States of the revenue or tax arising from distilled spirits or any part thereof, or who shall, with intent to defraud the United States of such revenue or tax, make any false or fraudulent entry, certificate, or return, or place any false or fraudulent mark upon any cask or package, shall on conviction thereof, pay a fine of not less than one thousand nor more than five thousand dollars and be imprisoned for not less than two nor more than five years; and any person who shall fraudulently use any cask or package bearing inspection marks, for the purpose of selling any other spirits than that so inspected, or for selling spirits of a quantity or quality different from that so inspected, shall be imprisoned for a term of six months, or shall pay a fine of one hundred dollars for each cask or package so used, in the discretion of the court: and any person who shall knowingly purchase or sell, with inspection marks thereon, any cask or package, after the same has been used for distilled spirits, or who shall fraudulently omit to erase or obliterate the inspection marks upon any such package or cask at the time of emptying the same, shall forfeit and pay the sum of two hundred dollars for every cask so purchased or used, or on which the marks are not so obliterated. And any person who shall, with fraudulent intent, use any inspector's brands or plates upon any cask or package containing or purporting to contain distilled spirits, or who shall knowingly make or use any counterfeit or spurious brand or plate upon any cask or package of distilled spirits, as aforesaid shall be deemed guilty of a felony, and, on conviction thereof, shall pay a fine of one thousand dollars and be imprisoned for not less than two nor more than five years, and such cask or package, with its contents shall be forfeited to the united States. And any inspector who shall permit any person not employed by him to use any of his brands or plates, or who shall negligently or wilfully leave such brands or plates where they can be used by any other person than those who may be in his employ, shall pay a fine not exceeding one thousand dollars, in the discretion of the court. And any inspector who shall employ any owner, agent, or superintendent of any distillery or warehouse under his supervision, or who shall employ any person in the service of such owner, agent, or superintendent, to use his plates or brands, or to discharge any of the duties imposed by law on such inspector, shall for each offense so committed, be subject to the fine last mentioned.

SEC. 39. *And be it further enacted*, That any person or persons who shall add, or cause to be added, any ingredients to any spirits before the tax imposed by law shall have been paid thereon, for the purpose of creating a fictitious proof, shall, upon conviction, be subject to a fine of one thousand dollars for each cask or package so adulterated, and be imprisoned for not less than one nor more than two years, in the discretion of the court, and such cask or package, with its contents shall be forfeited to the United States.

SEC. 40. *And be it further enacted*, That any distilled spirits which have been inspected, gauged, proved, and marked by the inspector according to the provisions of law, may be removed without the payment of tax from the bonded warehouse owned by the distiller, under such rules and regulations, and upon the execution of such transportation bonds or other security, as the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, may prescribe, and may be transported to any general bonded warehouse used for the storage of distilled spirits, established under the internal revenue laws and regulations, after having been branded as follows: "U. S. bonded warehouse, ——— district, ———: for transportation to ——— district, ———," (inserting in each case the number of the district and name of the state;) and immediately after the arrival of such distilled spirits at the district of the collector to which it has been transferred, it shall again be inspected and placed in a bonded warehouse; and the tax shall be paid on the difference between the number of proof gallons as stated in the bond given at the place of shipment and the number received at the warehouse, less the allowance for leakage as established by the regulations of the Commissioner of Internal Revenue; and except for actual destruction by unavoidable accident, by the elements, or by the public enemy, no other allowance for loss shall be made; and any distilled spirits entered in a general bonded warehouse shall be subject to such rules and regulations as the Commissioner of Internal Revenue may prescribe, and be chargeable with the same costs and expenses, in all respects, to which imported goods deposited in public store or bonded warehouse may be subject, and shall be in charge of a storekeeper, to be appointed by the Secretary of the Treasury, who, with the owner and proprietor of the warehouse, shall have the joint custody of all the distilled spirits so stored in said warehouse, which shall be at the risk of the owner of the said spirits; and all labor on the same shall be performed by the owner or proprietor of the warehouse, under the supervision of the officer in charge of the same, and at the expense of the said owner or proprietor. And the same fees shall be paid for the execution of all papers, instruments, and documents relating to the exportation of any spirits or other merchandise, as are charged to exporters for like services in the custom-house; and all expense and services required in the removal, transfer, and shipment of the same for export shall be paid by the owner thereof: *Provided*, That any distilled spirits may be withdrawn from a bonded warehouse, after having been inspected and gauged by the proper officer, and after the payment to the collector of internal revenue for the district in which the warehouse is situated of the tax imposed by law, and when so delivered, shall be branded "U. S. bonded warehouse, tax paid;" or may be removed from said warehouse without the payment of the tax for the purpose of being exported, or for the purpose of being rectified, or re-distilled, canned, or put into other packages after the quantity and proof of the spirits to be removed have been ascertained and inspected as required by law, under such rules and regulations and the execution of such bonds or other security as the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, may prescribe; but such removal of bonded spirits for the purpose of being rectified, redistilled, or put into other packages, shall be allowed but once on the same spirits; and all spirits so removed for re-distillation, rectification, or change of package, shall be returned to the same warehouse, and shall again be inspected; and the tax shall be paid to the said collector on any deficiency or reduction beyond three per cent. And upon spirits removed under bond for the purpose of being re-distilled or rectified, or change of package as aforesaid, and upon which an allowance shall have been made, as herein provided, the duty upon such allowance shall be paid, together with the taxes imposed by law upon such spirits, in case such spirits shall be withdrawn for consumption or sale, or for transportation without being exported. And no drawback shall be allowed on any distilled spirits on which the tax has been paid; but nothing in this section shall be so construed as to prevent the manufacture in bond for exportation, without the payment of taxes, of medicines, preparations, compositions, perfumery, cosmetics, cordials, and other liquors manufactured wholly or in part of domestic spirits, as provided by law.

SEC. 41. *And be it further enacted*, That any spirits or other merchandise may be removed from bonded warehouse, for the purpose of being exported, upon the order of the superintendent of exports for the port whence the spirits are to be exported; and such order shall state the port to which such spirits are to be shipped, and the name of the vessel, and also the number of proof gallons, and the marks of the packages or casks; and such spirits or other merchandise shall be branded "U. S. bonded warehouse, for export," and shall be put on board of the vessel in or by which they are to be exported, by an officer under direction of the superintendent of exports, and placed under the supervision of an officer of the customs, after a bond with good and sufficient sureties shall have been given in such form and containing such conditions as the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, may prescribe. And such bond shall be cancelled upon the presentation of the proper certificate that said spirits have been landed at the port named in said bond, or at any other port without the jurisdiction of the United States, or upon satisfactory proof that after shipment the spirits have been lost. And at any port where there shall be no superintendent of exports, all the duties and services required of superintendents of exports and drawback shall devolve upon and be performed by the collector of internal revenue designated to have charge of exportations.

SEC. 42. *And be it further enacted*, That any person or persons who shall execute or sign any false or fraudulent bond, permit, entry, or other document, required by law or regulations; or who shall fraudulently procure the same to be executed; or who shall connive at the execution thereof, by which the payment of any internal revenue tax shall be evaded, or attempted to be evaded, or which shall be executed, or purport to be executed, for the purpose of placing in, or withdrawing from, any bonded warehouse any spirits or other merchandise for any purpose whatever, or which shall in any way be used or attempted to be used in fraud of the internal revenue laws and regulations, on conviction thereof, shall forfeit all property in such spirits or other merchandise to which such instrument relates, or purports to relate, and shall be imprisoned for a term not less than one nor more than five years, at the discretion of the court.

SEC. 43. *And be it further enacted*, That any person owning any distilled spirits intended for sale, manufactured prior to the time when this act takes effect, exceeding fifty gallons altogether, shall notify in writing the collector of the district wherein such spirits may be stored, held, or owned, within sixty days thereafter, to gauge and prove the same; and upon the receipt of said notice the collector shall cause said spirits to be gauged and proved, and the casks or packages containing the same to be marked by the inspector in the following manner:

Manufactured prior to
———, 186–.
———, Inspector,
——— District.
Inspected ———, 186–.

And no spirits so manufactured, held, or owned, shall be gauged, proved, or marked in any cistern or other stationary vessel, but shall be gauged, proved, and marked only in barrels, casks, or packages in which the same shall have been placed; and the quantity held in leach-tubs shall be estimated by the inspector, and when drawn off into packages, shall be gauged and marked as herein provided. Upon the receipt of the return the collector shall immediately forward to the Commissioner of Internal Revenue a copy thereof; and any person holding or owning such spirits, and refusing or neglecting to notify the collector, as in this section provided, shall forfeit the same and pay the sum of five hundred dollars, to be collected in the manner provided by law for the collection of other penalties. No distilled spirits on which the tax has been paid shall be stored or allowed to remain on any distillery premises, under the penalty of a forfeiture of all spirits so found. And all spirits, after being removed from the original package in which they were inspected and gauged into other packages for purposes of rectification, redistillation or change of proof, shall again be inspected and gauged and properly branded; and the absence of an inspector's brand shall be taken and held as sufficient cause or evidence upon which any spirits so found may be forfeited. And any person who shall change the character of any spirits, either by rectification, mixing, or otherwise, after they have been duly inspected and marked, as hereinbefore provided, and place the same in other packages for consumption or sale without first stamping or branding upon such package in such manner as the Commissioner of Internal Revenue may prescribe, the word "Rectified," shall forfeit such spirits, and the same may be seized by the collector or deputy collector of the district where such spirits may be found, or by such other collector or deputy collector as may be specially authorized by the Commissioner of Internal Revenue for that purpose. And any person who shall so brand any package containing spirits, knowing the taxes thereon have not been paid, shall forfeit such spirits, and shall be deemed guilty

a misdemeanor, and upon conviction shall be imprisoned for not more than two years, at the discretion of the court.

SEC. 44. *And be it further enacted* That all boilers, stills, or other vessels, tools, and implements, used in distilling or rectifying, and forfeited under any of the provisions of this act, and all condemned material, together with any engine or other machinery connected therewith, and all empty barrels, and all grain or other material suitable for distillation, shall, under the direction of the court in which the forfeiture is recovered, be sold at public auction, and the proceeds thereof, after deducting the expenses of sale, shall be disposed of according to law. And all spirits or spirituous liquors which may be forfeited under the provisions of this act, unless herein otherwise provided, shall be disposed of by the Commissioner of Internal Revenue as the Secretary of the Treasury may direct. And the Commissioner of Internal Revenue is hereby authorized, with the approval of the Secretary of the Treasury, to exempt distillers of brandy from apples, peaches, or grapes exclusively, from such of the provisions of this act relating to the manufacture of spirits as in his judgment may seem expedient. And any word or words in any and all parts of this act, and of all acts to which this act is additional, indicating or referring to person or persons, shall be taken to include partnerships, firms, associations, bodies corporate or politic, or any other party whatsoever, when not otherwise designated, or manifestly incompatible with the intent thereof.

SEC. 45. *And be it further enacted*, That any person who shall remove any distilled spirits from the place where the same are distilled, otherwise than into a bonded warehouse as provided by law, shall be liable to a fine of double the amount of the tax imposed thereon, or to imprisonment for not less than three months. All distilled spirits so removed, and all distilled spirits found elsewhere than in a bonded warehouse, not having been removed from such warehouse according to law, and the tax imposed by law on the same not having been paid, shall be forfeited to the United States, or may, immediately upon discovery, be seized, and, after assessment of the tax thereon, may be sold by the collector for the tax and expenses of seizure and sale. And proceedings upon such seizure shall be according to existing provisions of law in relation to distraint, and in conformity with any regulations which shall be made by the Commissioner of Internal Revenue. And the burden of proof shall be upon the claimant of said spirits to show that the requirements of law in regard to the same have been complied with. And any person who shall aid or abet in the removal of distilled spirits from any distillery otherwise than to a bonded warehouse as provided by law, or shall aid in the concealment of such spirits so removed, shall be liable, on conviction thereof, to a fine of not less than two hundred nor more than one thousand dollars, or to imprisonment for not less than three nor more than twelve months. And any person who shall remove, or shall aid or abet in the removal of any distilled spirits from any bonded warehouse, other than is allowed by law, shall be liable to a fine of not more than one thousand dollars, or to imprisonment for not less than three nor more than twelve months.

SEC. 46. *And be it further enacted*, That every brewer shall, before commencing or continuing business after this act takes effect, file with the assistant assessor of the assessment district in which he shall design to carry on his business, a notice in writing, stating therein the name of the person, company, corporation, or firm, and the names of the members of any such company or firm, together with the place or places of residence of such person or persons, and a description of the premises on which the brewery is situated, and of his or their title thereto, and the name or names of the owner or owners thereof; and also the whole quantity of malt liquors annually made and sold or removed from the brewery for two years next preceding the date of filing such notice.

SEC. 47. *And be it further enacted*, That every brewer shall execute a bond to the United States, to be approved by the collector of the district, in a sum equal to twice the amount of tax which, in the opinion of the assessor, said brewer will be liable to pay during any one month, which bond shall be renewed on the first day of May in each year, and shall be conditioned that he will pay or cause to be paid, as herein provided, the tax required by law on all beer, lager beer, ale, porter, and other fermented liquors aforesaid made by him, or for him, before the same is sold or removed for consumption or sale except as hereinafter provided; and that he will keep, or cause to be kept, a book in the manner and for the purposes hereinafter specified, which shall be open to inspection by the proper officers as by law required, and that he will in all respects faithfully comply, without fraud or evasion, with all requirements of law relating to the manufacture and sale of any malt liquors before mentioned: *Provided*, That no brewer shall be required to pay a special tax as a wholesale dealer, by reason of selling at wholesale, at a place other than his brewery, malt liquors manufactured by him.

SEC. 48. *And be it further enacted*, That there shall be paid on all beer, lager beer, ale, porter, and other similar fermented liquors, by whatever name such liquors may be called a tax of one dollar for every barrel containing not more than thirty-one gallons; and at a like rate for any other quantity or for any fractional part of a barrel which shall be brewed or manufactured and sold, or removed for consumption or sale, within the United States; which tax shall be paid by the owner, agent or superintendent of the brewery or premises in which such fermented liquors shall be made, in the manner and at the time hereinafter specified: *Provided*, That fractional parts of a barrel shall be halves, quarters, sixths, and eighths; and any fractional part of a barrel containing less than one-eighth shall be accounted one-eighth; more than one-eighth and not more than one sixth shall be accounted one-sixth; more than one-sixth and not more than one-quarter, shall be accounted one-quarter; more than one-quarter and not more than one-half, shall be accounted one-half; more than one-half and not more than one barrel, shall be accounted one barrel; and more than one barrel and not more than sixty-three gallons, shall be accounted two barrels, or a hogshead.

SEC. 49. *And be it further enacted*, That every person owning or occupying any brewery or premises used or intended to be used, for the purpose of brewing or making such fermented liquors, or who shall have such premises under his control or superintendence as agent for the owner or occupant, or shall have in his possession or custody any brewing materials, utensils, or apparatus, used or intended to be used on said premises in the manufacture of beer, lager beer, ale, porter, or other similar fermented liquors, either as owner, agent, or superintendent, shall, from day to day, enter or cause to be entered, in a book to be kept by him for that purpose, the kind of such fermented liquors, the description of packages, and number of barrels and fractional parts of barrels of fermented liquors made, and also the quantity sold or removed for consumption or sale, and shall also, from day to day, enter or cause to be entered, in a separate book to be kept by him for that purpose, *on* [an] account of all material by him purchased for the purpose of producing such fermented liquors, including grain and malt; and shall render to said assessor or assistant assessor, on or before the tenth day of each month, a true statement in writing, taken from his books, of the whole quantity or number of barrels and fractional parts of barrels of fermented liquors brewed and sold, or removed for consumption or sale, during the preceding month; and shall verify, or cause to be verified, the said statement, and the facts therein set forth, by oath or affirmation to be taken before the assessor or assistant assessor of the district, according to the form required by law, and shall immediately forward to the collector of the district a duplicate of said statement, duly certified by the assessor or assistant assessor. And said books shall be open at all times for the inspection of any assessor or assistant assessor, collector, deputy collector, inspector, or revenue agent, who may take memorandums and transcripts therefrom.

SEC. 50. *And be it further enacted*, That the entries made in such books shall, on or before the tenth day of each month, be verified by the oath or affirmation of the person or persons by whom such entries shall have been made, which oath or affirmation shall be written in the book at the end of such entries, and be certified by the officer administering the same, and shall be in form as follows: "I do swear (or affirm) that the foregoing entries were made by me, and that they state truly, according to the best of my knowledge and belief, the whole quantity of fermented liquors brewed, the quantity sold, and the quantity removed from the brewery owned by ———, in the county of ———. And further, that I have no knowledge of any matter or thing, required by law to be stated in said entries, which has been omitted therefrom." And the owner, agent, or superintendent aforesaid, shall also, in case the original entries made in his books shall not have been made by himself, subjoin thereto the following affirmation, to be taken in manner as aforesaid: "I do swear (or affirm) that, to the best of my knowledge and belief, the foregoing entries fully set forth all the matters therein required by law, and that the same are just and true, and that I have taken all the means in my power to make them so."

SEC. 51. *And be it further enacted*, That the owner agent, or superintendent of any brewery, vessels or utensils used in making fermented liquors, who shall evade or attempt to evade the payment of the tax thereon, or fraudulently neglect or refuse to make true and exact entry and report of the same in the manner by law required, or to do or cause to be done any of the things by law required to be done by him as aforesaid, or who shall intentionally make false entry in said book or in said statement, or knowingly allow or procure the same to be done, shall forfeit, for every such offence, all the liquors made by him or for him, and all the vessels, utensils, and apparatus used in making the same, and be liable to a penalty of not less than five hundred nor more than one thousand dollars, to be recovered with costs of suit, and shall be deemed guilty of a misdemeanor, and shall be imprisoned for a term not exceeding one year. And any brewer who shall neglect to keep the books, or refuse to furnish the account and duplicate thereof as provided by law, or who shall refuse to permit the proper officer to examine the books in the manner provided, shall, for every such refusal or neglect, forfeit and pay the sum of three hundred dollars.

SEC. 52. *And be it further enacted*, That the Commissioner of Internal Revenue shall cause to be prepared, for the payment of the tax aforesaid, suitable stamps denoting the amount of tax required to be paid on the hogshead, barrels, and halves, quarters, sixths, and eighths of a barrel of such fermented liquors, and shall furnish the same to the collectors of internal revenue, who shall each be required to keep on nand, at all times, a supply equal in amount to two months' sales thereof, if there shall be any brewery or brewery warehouse in his district, and the same shall be sold by such collectors only to the brewers of their districts, respectively; and such collectors shall keep an account of the number and values of the stamps sold by them to each of such brewers, respectively; and the Commissioner of Internal Revenue shall allow upon all sales of such stamps to any brewer, and by him used in his business, a *decuction* [deduction] of seven and one half per centum. And the amount paid into the treasury by any collector on account of the sale of such stamps to brewers shall be included in estimating the commissions of such collector and of the assessor of the same district.

SEC. 53. *And be it further enacted*, That every brewer shall obtain, from the collector of the district in which his brewery or brewery warehouse may be situated, and not otherwise, unless said collector shall fail to furnish the same upon application to him, the proper stamp or stamps, and shall affix upon the spigot-hole or tap (of which there shall be but one) of each and every hogshead, barrel, keg, or other receptacle, in which any fermented liquor shall be contained, when sold or removed from such brewery or warehouse, a stamp denoting the amount of the tax required upon such fermented liquor, in such a way that the said stamp or stamps will be destroyed upon the withdrawal of the liquor from such hogshead, barrel, keg, or other vessel, or upon the introduction of a faucet or other instrument for that purpose; and shall also, at the time of affixing such stamp or stamps as aforesaid, cancel the same by writing or imprinting thereon the name of the person, firm, or corporation by whom such liquor may have been made, or the initial letters thereof, and the date when cancelled. Every brewer who shall refuse or neglect to affix and cancel the stamp or stamps required by law in the manner aforesaid, or who shall affix a false or fraudulent stamp thereto, or knowingly permit the same to be done, shall be liable to pay a penalty of one hundred dollars for each barrel or package on which such omission or fraud occurs, and shall be liable to imprisonment for not more than one year.

SEC. 54. *And be it further enacted*, That any brewer, carman, agent for transportation, or other person, who shall sell, remove, receive, or purchase, or in any way aid in the sale, removal, receipt, or purchase of any fermented liquor contained in any hogshead, barrel, keg, or other vessel from any brewery or brewery warehouse, upon which the stamp required by law shall not have been affixed, or on which a false or fraudulent seamp is affixed, with knowledge that it is such, or on which a stamp once cancelled is used a second time; and any retail dealer

or other person, who shall withdraw or aid in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel containing the same, without destroying or defacing the stamp affixed upon the same, or shall withdraw or aid in the withdrawal of any fermented liquor from any hogshead, barrel, keg, or other vessel, upon which the proper stamp shall not have been affixed, or on which a false or fraudulent stamp is affixed, shall be liable to a fine of one hundred dollars, and to imprisonment not more than one year. Every person who shall make, sell, or use any false or counterfeit stamp or die for printing or making stamp which shall be in imitation of or purport to be a lawful stamp or die of the kind before mentioned, or who shall procure the same to be done, shall be imprisoned for not less than one nor more than five years: *Provided*, That every brewer, who sells fermented liquor at retail at the brewery or other place where the same is made, shall affix and cancel the proper stamp or stamps upon the hogsheads, barrels, kegs, or other vessels in which the same is contained, and shall keep an account of the quantity so sold by him, and of the number and size of the hogsheads, barrels, kegs, or other vessels in which the same may have been contained, and shall make a report thereof, verified by oath, monthly to the assessor, and forward a duplicate of the same to the collector of the district: *And provided further*, That brewers may remove malt liquors of their own manufacture from their breweries or other place of manufacture to a warehouse or other place of storage occupied by them within the same district in quantities of not less than six barrels in one vessel without affixing the proper stamp or stamps, but shall affix the same upon such liquor when sold or removed from such warehouse or other place of storage. But when the manufacturer of any ale or porter manufactures the same in one collection district, and owns, occupies, or hires a depot or warehouse for the storage and sale of such ale or porter in another collection district, he may, without affixing the stamps on the casks at the brewery, as herein provided for, remove or transport, or cause to be removed or transported, said ale or porter, in quantities not less than one hundred barrels at a time, under a permit from the collector of the district wherein said ale or porter is manufactured, to said depot or warehouse, but to no other place, under such rules and regulations as the Commissioner of Internal Revenue may prescribe, and thereafter the manufacturer of the ale or porter so removed shall stamp the same when it leaves such depot or warehouse, in the same manner and under the same penalties and liabilities as when stamped at the brewery as herein provided; and the collector of the district in which such depot or warehouse is situated shall furnish the manufacturer with the stamps for stamping the same, as if the said ale or porter had been manufactured in his district; *And provided further*, That where fermented liquor has become sour or damaged so as to be incapable of use as such, brewers may sell the same for manufacturing purposes, and may remove the same to places where it may be used for such purposes, in casks, or other vessels, unlike those ordinarily used for fermented liquors, containing respectively not less than one barrel each, and having the nature of their contents marked upon them, without affixing thereon the stamp or stamps required.

SEC. 55. *And be it further enacted*, That every brewer shall mark or cause to be marked, in such manner as shall be prescribed by the Commissioner of Internal Revenue, upon every hogshead, barrel, keg, or other vessel containing the fermented liquor made by him, before it is sold or removed from the brewery, or brewery warehouse, or other place of manufacture, the name of the person, firm, or corporation by whom such liquor was manufactured, and the place where the same shall have been made; and any person other than the owner thereof, or his agent, who shall intentionally remove or deface such mark therefrom, shall be liable to a penalty of fifty dollars for each cask from which the mark is so removed or defaced.

SEC. 56. *And be it further enacted*, That every person, other than the purchaser or owner of any fermented liquor, or person acting on his behalf, or as his agent, who shall intentionally remove or deface the stamp affixed upon the hogshead, barrel, keg, or other vessel, in which the same may be contained, shall be liable to a fine of fifty dollars for each such vessel, from which the stamp is so removed or defaced, and to render compensation to such purchaser or owner for all damages sustained by him therefrom.

SEC. 57. *And be it further enacted*, That the ownership or possession by any person of any fermented liquor after its sale or removal from brewery or warehouse, or other place where it was made, upon which the tax required shall not have been paid, shall render the same liable to seizure wherever found, and to forfeiture; and that the want of the proper stamp or stamps upon any hogshead, barrel, keg, or other vessel in which fermented liquor may be contained after its sale or removal from the brewery where the same was made, or warehouse as aforesaid, shall be notice to all persons that the tax has not been paid thereon, and shall be prima facie evidence of the non-payment thereof.

SEC. 58. *And be it further enacted*, That every person who shall withdraw any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp or stamps shall not have been affixed, for the purpose of bottling the same, or who shall carry on, or attempt to carry on, the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery or any warehouse, shall be liable to a fine of five hundred dollars, and the property used in such bottling or business shall be liable to forfeiture.

SEC. 59. *And be it further enacted*, That any inspector or revenue agent who shall hereafter become interested, directly or indirectly, in the manufacture of tobacco, snuff, or cigars, and any assessor, collector, inspector, or revenue agent, who shall hereafter become interested, directly or indirectly, in the production, by distillation, or by other process, of spirits, ale, or beer or other fermented liquors, shall, on conviction before any court of the United States of competant jurisdiction, pay a penalty not less than five hundred dollars, nor more than five thousand dollars, in the discretion of the court. And any such officer interested as aforesaid in any such manufacture at the time this act takes effect, who shall fail to divest himself of such interest, within sixty days thereafter, shall be held and declared to have become so interested after this act takes effect.

SEC. 60. *And be it further enacted*, That every internal revenue officer, whose payment, charges, salary, or compensation shall be composed, either wholly or in part, of fees, commissions, allowances, or rewards, from whatever source derived, shall be required to render to the Commissioner of Internal Revenue, under regulations to be approved by the Secretary of the Treasury, a statement under oath setting forth the entire amount of such fees, commissions, emoluments or rewards of whatever nature, or from whatever source received, during the time for which said statement is rendered; and any false statement knowingly and willfully rendered under the requirements of this section, or regulations established in accordance therewith, shall be deemed wilful perjury, and punished on conviction thereof, as provided in section forty-two of the act of June thirty, eighteen hundred and sixty-four, to which this act is an amendment; and any neglect or omission to render such statement when required shall be punished on conviction thereof, by a fine of not less than two hundred dollars nor more than five hundred dollars, in the discretion of the court.

SEC. 61. *And be it further enacted*, That so much of this act as changes the existing law relating to distilled spirits and fermented liquors shall take effect from and after the first day of September, eighteen hundred and sixty-six.

SEC. 62. *And be it further enacted*, That if any person or persons shall, directly or indirectly, promise, offer, or give, or cause or procure to be promised, offered, or given, any money, goods, right in action, bribe, present, or reward, or any promise, contract, undertaking, obligation, or security for the payment or delivery of any money, goods, right in action, bribe, present or reward, or any other valuable thing whatever to any officer of the United States, or persons holding any place of trust or profit, or discharging any official function under, or in connection with, any department of the government of the United States, after the passage of this act, with intent to influence his decision or action on any question, matter, cause, or thing which may then be pending, may by law be brought before him in his official capacity, or in his place of trust or profit, or with intent to influence any such officer or person to commit, or aid or abet in committing, any fraud on the revenue of the United States, or to connive at or collude in, or to allow or permit, or make opportunity for the commission of any such fraud, and shall be thereof convicted, such person or persons so offering, promising, or giving, or causing, or procuring to be promised, offered, or given any such money, goods, right in action, bribe, present, or reward, or any promise, contract, undertaking, obligation, or security for the payment or delivery of any money, goods, right in action, bribe, present, or reward, or other valuable thing whatever, and the officer or person who shall in anywise accept or receive the same, or any part respectively, shall be liable to indictment in any court of the United States having jurisdiction, and shall, upon conviction thereof, be fined, not exceeding three times the amount so offered, promised, given, accepted or received, and imprisoned not exceeding three years; and the person convicted of so accepting or receiving the same, or any part thereof, if an officer or person holding any such place of trust or profit, shall forfeit his office or place; and any person so convicted under this section shall forever be disqualified to hold any office of honor, trust, or profit under the United States.

SEC. 63. *And be it further enacted*, That hereafter in all cases of seizure of any goods, wares, or merchandise, which shall, in the opinion of the collector or deputy collector making such seizure, be of the appraised value of three hundred dollars or less, and which shall have been so seized as being subject to forfeiture under any of the provisions of this act, or of any act to which this is an amendment, excepting in cases otherwise provided, the said collector or deputy collector shall proceed as follows, that is to say: He shall cause a list containing a particular description of the goods, wares, or merchandise seized to be prepared in duplicate, and an appraisement of the same to be made by three sworn appraisers, to be selected by him for said purpose, who shall be respectable and disinterest[ed] citizens of the United States residing within the collection district wherein the seizure was made. The aforesaid list and appraisement shall be properly attested by such collector or deputy collector and the persons making the appraisement, for which service said appraisers shall be allowed the sum of one dollar and fifty cents per day each, to be paid as other necessary charges of collectors according to law. If the said goods shall be found by such appraisers to be of the value of three hundred dollars or less, the said collector or deputy collector shall publish a notice, for the space of three weeks, in some newspaper of the district where the seizure was made, describing the articles and stating the time, place, and cause of their seizure, and requiring any person or persons claiming them to appear and make such claim within thirty days from the date of the first publication of such notice; *Provided*, That any person or persons claiming the goods, wares, or merchandise, so seized, within the time specified in the notice, may file with such collector or deputy collector a claim, stating his or their interest in the articles seized, and may execute a bond to the united States in the penal sum of two hundred and fifty dollars, with sureties, to be approved by said collector or deputy collector, conditioned that, in case of condemnation of the articles so seized, the obligers will pay all the costs and expenses of the proceedings, to obtain such condemnation; and upon the delivery of such bond to the collector or deputy collector, he shall transmit the same, with the duplicate list or description of the goods seized, to the United States district attorney for the district, who shall proceed thereon in the ordinary manner prescribed by law: *And provided also*, That if there shall be no claim interposed, and no bond given within the time above specified, the collector or deputy collector, as the case may be, shall give ten days' notice of the sale of the goods, wares, or merchandise, by publication; and at the time and place specified in said notice, shall sell the article so seized at public auction, and after deducting the expense of appraisement and sale he shall deposit the proceeds to the credit of the Secretary of the Treasury. And within one year after the sale of any goods, wares, or merchandise, as aforesaid, any person or persons claiming to be interested in the goods, wares, or merchandise so sold may apply to the Secretary of the Treasury for a remission of the forfeiture thereof, or any of them, and a restoration of the proceeds of the said sale, which may be granted by the said Secretary upon satisfactory proof, to be furnished in such manner as he shall prescribe *Provided*, That it shall be satisfactorily shown that the applicant, at the time of the seizure and the sale of the goods in question, and during the intervening time, was absent out of the United States, or in such circumstances as prevented him from knowing of such seizure, and that he did not know of the same; and also that the said forfeiture was incurred without wilful negligence or any intention of fraud on the part of the owner or owners of such goods. If no application for such restoration be made within on

year, as hereinbefore prescribed, then at the expiration of the said time, the Secretary of the Treasury shall cause the proceeds of the sale of the said goods, wares, or merchandise, to be distributed according to law, as in the case of goods, wares, or merchandise condemned and sold pursuant to the decree of a competent court.

SEC. 64. *And be it further enacted*, That the office of the Commissioner of Internal Revenue be re-organized so as to include—

One Commissioner of Internal Revenue, with a salary of six thousand dollars; and

One deputy commissioner, with a salary of three thousand five hundred dollars;

Which offices are already created, and the duties thereof defined by law; and to authorize, under the direction of the Secretary of the Treasury, the employment of the following additional officers and clerks, and with the salaries hereinafter specified, namely:

Two deputy commissioners, each with a salary of three thousand dollars;

One solicitor, with a salary of four thousand dollars;

Seven heads of divisions, each with a salary of two thousand five hundred dollars;

Thirty-four clerks of class four; forty-five clerks of class three; fifty clerks of class two; and thirty-seven clerks of class one;

Fifty-five female clerks; five messengers;

Three assistant messengers, and fifteen laborers; and a sum sufficient to pay the additional salaries of officers, clerks, and employees herein authorized is hereby appropriated out of any money in the treasury not otherwise appropriated; and this section shall take effect from and after the *the* thirtieth day of June, eighteen hundred and sixty-six.

SEC. 65. *And be it further enacted*, That all official communications made by assessors to collectors, assessors to assessors, or by collectors to collectors, or by collectors to assessors, or by assessors to assistant assessors, or by assistant assessors to assessors, or by collectors to their deputies, or by deputy collectors to collectors, may be officially franked by the writers thereof, and shall, when so franked, be transmitted by mail free of postage.

SEC. 66. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized to appoint an officer in his department who shall be styled "Special Commissioner of the Revenue," whose office shall terminate in four years from the thirtieth day of June, eighteen hundred and sixty-six. It shall be the duty of the Special Commissioner of the Revenue to inquire into all the sources of national revenue, and the best methods of collecting the revenue; the relations of foreign trade to domestic industry; the mutual adjustment of the systems of taxation by customs and excise, with the view of insuring the requisite revenue with the least disturbance or inconvenience to the progress of industry and the development of the resources of the country; and to inquire, from time to time, under the direction of the Secretary of the Treasury, into the manner in which officers charged with the administration and collection of the revenues perform their duties. And the said Special Commissioner of the Revenue shall from time to time report, through the Secretary of the Treasury, to Congress, either in the form of a bill or otherwise, such modifications of the rates of taxation or of the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce or taxation of the country, as he may find, by actual observation of the operation of the law, to be conducive to the public interest; and, in order to enable the Special Commissioner of the Revenue to properly conduct his investigations, he is hereby empowered to examine the books, papers, and accounts of any officer of the revenue, to administer oaths, examine and summon witnesses, and take testimony; and each and every such person falsely swearing or affirming shall be subject to the penalties and disabilities prescribed by law for the punishment of corrupt and wilful perjury; and all officers of the Government are hereby required to extend to the said Commissioner all reasonable facilities for the collection of information pertinent to the duties of his office. And the said special commissioner shall be paid an annual salary of four thousand dollars, and the traveling expenses necessarily incurred while in the discharge of his duty; and all letters and documents to and from the Special Commissioner relating to the duties and business of his office shall be transmitted by mail free of postage. And section nineteen of an act entitled "An act 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 thirtieth, eighteen hundred and sixty-four," approved March third, eighteen hundred and sixty-five, be, and the same is hereby, repealed.

SEC. 67. *And be it further enacted*, That in any case, civil or criminal, where suit or prosecution shall be commenced in any court of any State against any officer of the United States, appointed under or acting by authority 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," passed June thirtieth, eighteen hundred and sixty-four, or of any act in addition thereto or in amendment thereof, or against any person acting under or by authority of any such officer on account of any act done under color of his office, or against any person holding property or estate by title derived from any such officer, concerning such property or estate, and affecting the validity of this act or acts of which it is amendatory, it shall be lawful for the defendant, in such suit or prosecution, at any time before trial, upon a petition to the circuit court of the United States in and for the district in which the defendant shall have been served with process, setting forth the nature of said suit or prosecution, and verifying the said petition by affidavit, together with a certificate, signed by an attorney or counsellor at law of some court of record of the State in which such suit shall have been commenced, or of the United States, setting forth that, as counsel for the petitioner, he has examined the proceedings against him, and carefully inquired into all the matters set forth in the petition, and that he believes the same to be true; which petition, affidavit and certificate shall be presented to the said circuit court if in session, and if not, to the clerk thereof, at his office, and shall be filed in said office, and the cause shall thereupon be entered on the docket of said court, and shall be thereafter proceeded in as a cause originally commenced in that court; and it shall be the duty of the clerk of said court, if the suit were commenced in the court below by summons, to issue a writ of certiorari to the State court, requiring said court to send to the said circuit court the record and proceedings in said cause; or if it were commenced by capias, he shall issue a writ of habeas corpus cum causa, a duplicate of which said writ shall be delivered to the clerk of the State court, or left at his office, by the marshal of the district, or his deputy, or some person duly authorized thereto; and thereupon it shall be the duty of the said State court to stay all further proceedings in such cause, and the said suit or prosecution, upon delivery of such process, or leaving the same as aforesaid, shall be deemed and taken to be moved to the said circuit court, and any further proceedings, trial, or judgment therein in the State court shall be wholly null and void. And if the defendant in any such suit be in actual custody on mesne process therein, it shall be the duty of the marshal, by virtue of the writ of habeas corpus cum causa, to take the body of the defendant into his custody, to be dealt with in the said cause according to the rules of law and the order of the circuit court, or of any judge thereof in vacation. All attachments made and all bail and other security given upon such suit or prosecution shall be and continue in like force and effect as if the same suit or prosecution had proceeded to final judgment and execution in the State court; and if, upon removal of any such suit or prosecution, it shall be made appear to the said circuit court that no copy of the record and proceedings therein in the State court can be obtained, it shall be lawful for said circuit court to allow and require the plaintiff to proceed de novo, and to file a declaration of his cause of action, and the parties may thereupon proceed as in action originally brought in said circuit court; and, on failure of so proceeding, judgment of nolle prosequi may be rendered against the plaintiff, with costs for the defendant: *Provided*, That an act entitled "An act further to provide for the collection of duties on imports," passed March second, eighteen hundred and thirty-three, shall not be so construed as to apply to cases arising under an act entitled "An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," passed June thirtieth, eighteen hundred and sixty-four, or any act in addition thereto or in amendment thereof, nor to any case in which the validity or interpretation of said act or acts shall be in issue: *Provided further*, That if any officer appointed under and by virtue of any act to provide internal revenue, or any person acting under or by authority of any such officer, shall receive any injury to his person or property, for or on account of any act by him done, under any law of the United States, for the collection of taxes, he shall be entitled to maintain suit for damage therefor in the circuit court of the United States, in the district wherein the party doing the injury may reside or shall be found. And all property taken or detained by any officer or other person under authority of any revenue law of the United States shall be irrepleviable, and shall be deemed to be in the custody of the law, and subject only to the orders and decrees of the courts of the United States having jurisdiction thereof. And if any person shall dispossess or rescue, or attempt to dispossess or rescue, any property so taken or detained as aforesaid, or shall aid or assist therein, such person shall be deemed guilty of a misdemeanor, and shall be liable to such punishment as is provided by the twenty-second section of the act for the punishment of certain crimes against the United States, approved the thirtieth day of April, anno Domini one thousand seven hundred and ninety, for the wilful obstruction or resistance of officers in the service of process.

SEC. 68. *And be it further enacted*, That the fiftieth section of an act passed June thirtieth, 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," is hereby repealed: *Provided*, That any case which may have been removed from the courts of any State under said fiftieth section to the courts of the United States shall be remanded to the State court from which it was so removed, with all the records relating to such cases, unless the justice of the circuit court of the United States in which such suit or prosecution is pending shall be of opinion that said case would be removable from the court of the State to the circuit court under and by virtue of the sixty-seventh section of this act. And in all cases which may have been removed from any court of any State under and by virtue of said fiftieth section of said act of June thirtieth, eighteen hundred and sixty-four, all attachments made, and all bail or other security given upon such suit or prosecution, shall be and continue in full force and effect until final judgment and execution, whether such suit shall be prosecuted to final judgment in the circuit court of the United States, or remanded to the State court from which it was removed.

SEC. 69. *And be it further enacted*, That whenever a writ of error shall be issued for the revision of any judgment or decree in any criminal proceeding where is drawn in question the construction of any statute of the United States, in a court of any State, as is provided in the twenty-fifth section of an act entitled "An act to establish the judicial courts of the United States," passed September twenty-fourth, seventeen hundred and eighty-nine, the defendant, if charged with an offence bailable by the laws of such State, shall not be released from custody until a final judgment upon such writ, or until a bond, with sufficient sureties, in a reasonable sum, as ordered and approved by the State Court, shall be given, and if the offence is not so bailable, until a final judgment upon the writ of error. Writs of error in criminal cases shall have precedence upon the docket of the Supreme Court of all cases to which the government of the United States is not a party, excepting only such cases as the court, at their discretion, may decide to be of public importance.

SEC. 70. *And be it further enacted*, That this act shall take effect, where not otherwise provided, on the first day of August, eighteen hundred and sixty-six, and all provisions of any former act inconsistent with the provisions of this act are hereby repealed: *Provided, however*, That all the provisions of said acts shall be in force for collecting all taxes, duties, and licenses properly assessed, or liable to be assessed, or accruing under the provisions of acts, 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 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: *And provided further*, That whenever the duty imposed by any existing law shall cease in consequence of any limitation therein contained before the respective provisions of this act shall take effect, the same duty shall be, and is hereby, continued until such provisions of this act shall take effect: and where any act is hereby repealed, no duty imposed thereby shall be held to cease in consequence of such repeal, until the respective corresponding provisions of this act shall take effect: *And provided further*, That all manufactures and productions on which a duty was imposed by either of the acts repealed by this act, which shall be in the possession of the manufacturer or producer, or of his agent or agents, on the day when this act takes effect, the duty imposed by any such former act not having been paid, shall be held and deemed to have been manufactured or produced after such date; and whenever by the terms of this act a duty is imposed upon any articles, goods, wares, or merchandise, manufactured or produced, upon no duty was imposed by either of said former acts, it shall apply to such as were manufactured or produced, and not removed from the place of manufacture or production, on the day when this act takes effect. And the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, is authorized to make all necessary regulations and prescribe all necessary forms and proceedings for the collection of such taxes and the enforcement of such fines and penalties for the execution of the provisions of this act.

SEC. 71. *And be it further enacted*, That it shall be the duty of the Commissioner of Internal Revenue to have this act, and the acts to which it is amendatory, published in at least one German newspaper in each of the States of the Union where such paper may be published.

Approved July 13, 1866.

DEPARTMENT OF STATE,
Washington, July 20, 1866.

A true copy:

R. S. CHEW.
Acting Chief Clerk.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

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REVIEW.

THE special attention of Assessors and Inspectors of cigars and tobacco is directed to the instructions contained in Circular No. 49, which is published at length. The various changes made by the recent law in relation to the tax on manufactures of tobacco are pointed out, and the duties of officers and manufacturers specified. The rule for the assessment of tax on cigars is clearly laid down.

The faithful performance in person of the respective duties of Assistant Assessors and Inspectors devolved upon them by law and the regulations, is enjoined by the Commissioner, under pain of dismissal from office.

Careful study of the law and this Circular are required in order that officers may thoroughly comprehend their duties, which are exacting, yet if discharged with fidelity must result in securing a largely increased tax from this source. We trust to see the law rigidly enforced, and those manufacturers who pay their tax fully protected by the Government.

A circular in relation to the changes effected by the new law in the matter of licenses and special tax, is also promulgated. Wholesale liquor dealers, brewers, and grinders of coffee and spices, and other occupations, the special tax on which is increased above the license tax required to be reassessed, and the subject is one which calls for the immediate attention of assistant assessors.

Several new rulings in relation to income are printed this week. The one defining what shall be considered, in certain cases, revenue from fixed investments, is important, but is not sufficiently full or clear to be satisfactory.

If a person leaves his house unoccupied, or occupied by persons hired to take charge of it, he cannot be allowed to deduct on account of rent, since he has a home elsewhere. We understand this ruling to go in effect thus far: That no person shall be allowed to make deductions on account of rent paid out by him for more than one house. If he hires a house in the city and another in the country he cannot properly deduct the rent for both; but if he sub-lets one, he would be allowed to deduct from the rent received therefor the amount of rent paid for the other.

Fines and penalties exacted and paid under the revenue laws are ruled to be proper deductions from the profits of the business in connection with which they were incurred.

Root beer is decided to be liable to a tax of five per centum, and is not exempt under the provision of law exempting medicinal and mineral waters.

A description of elastic fabric is ruled to be liable on the increased value over the tax-paid thread, yarn, or warps used in its manufacture, but no deductions are to be allowed on account of the tax-paid rubber used therein.

The value of annuities arising from a fixed principal, it is ruled, should uniformly be estimated by assuming the rate of interest upon money at six (6) per centum, without reference to the legal rate of any particular State.

The Commissioner instructs Assessors and Collectors to refrain from assessing and collecting from honorably discharged officers and soldiers the special war income tax, imposed by the joint resolution of July 4, 1864.

A most important decision has been made holding ferries which may have paid tonnage duties on their ferry boats, liable to the tax on their gross receipts. We believe all of the New York Ferries are in arrears on this liability, and the revenue to be collected from them will probably exceed $100,000.

DECISION IN THE SAVANAH COTTON CASES.

UNITED STATES CIRCUIT COURT.

Before Judge Nelson.

Alexander Dennistoun, et als, vs. Simeon Draper.—This case, which has been before the courts for some time, has been decided in favor of the defendant on the point mainly contested—the jurisdiction of the United States courts in the matter as against the jurisdiction of the State courts. The facts are these:—In January and February, 1865, the Treasury agent of the United States seized in the State of Georgia a large quantity of cotton, claimed to be confiscable and abandoned property under various laws of the United States. These agents, under direction of the Treasury Department, shipped this cotton to Simeon Draper, United States cotton agent, to be disposed of by him for the benefit of the government; on the arrival of the cotton here, replevin suits were brought by Dennistoun & Co., claiming to be the owners of the property by purchase in the South, by which suits they took possession of the cotton; at this stage of the case Mr. Courtney, United States District Attorney, filed a writ of certiorari under the "force act" of 1833, and also took proceedings under the so-called habeas corpus act of 1863, by which the cases were removed from the Supreme Court of the State of New York to the United States Circuit Court; then Mr. Draper retook the cotton; the plaintiffs made a motion before Judge Nelson, on the 22d of May last, for an order remanding these suits to the Supreme Court of the State for trial, on the ground that the removal was illegal and that Mr. Draper was a mere trespasser on the premises. Judge Nelson has just rendered his opinion, as given below.

It is proper to say that there are one hundred and ten other suits, involving the same questions, which are decided in this case, and the amount involved in all the suits is said to be upwards of ten millions of dollars. It will be seen that Judge Nelson retains the cases in the United States Court for trial. The opinion will also be of great interest to the legal profession as settling a question of practice in the removal of suits by writ of certiorari from the State tribunals to the Circuit Court of the United States

NELSON, J.—This is a motion in three actions of replevin, brought by the plaintiffs against the defendant in the Supreme Court of the State of New York, to recover possession of some four hundred and sixty-one bales of cotton. The defendant has taken proceedings to remove the litigation into this court. The motion, on the part of the plaintiffs, is to test the legality of these proceedings, and to remand the causes back to the State court. The second section of the act of March 2, 1833 (4 St. at L. p. 632), provides that the jurisdiction of the circuit courts of the United States shall extend to all cases in law and equity arising under the revenue laws of the United States, &c.; and the third section, That in any case where a suit shall be brought in a State court against any officer or other person for or on account of any act done under the revenue laws of the United States, or under color thereof, or on account of any right, authority or title set up or claimed by such officer or other person under any such law of the United States, it shall be lawful for such defendant, at any time before trial, upon a petition to the Circuit Court in and for the district in which he has been served with process, setting forth the nature of the suit and verifying the petition

affidavit, together with a certificate of an attorney or counsel, setting forth that as counsel for the petitioner he has examined the proceedings against him, and has carefully inquired into all the matters set forth in the petition, and that he believes the same to be true; which petition, &c., shall be presented to the said Circuit Court, &c., and shall be filed in the office of the clerk, and the cause shall thereupon be entered upon the docket of the court, and shall be thereafter proceeded in as a cause originally commenced in that Court. The section then provides for the issuing of a writ of certiorari to the State court requiring the same to send to the circuit the record and proceedings in the cause—and thereupon it shall be the duty of the State court to stay all further proceedings in such cause, and the same shall be deemed and taken to be removed to the said circuit; and any further proceedings, trial or judgment in the State court shall be null and void. The defendant in these actions claims that he was an officer under the revenue laws of the United States, having been appointed by the Secretary of the Treasury in pursuance of law; and that he was in possession of the cotton and held it it as captured, abandoned and confiscable property, under legal authority, and especially under the acts of Congress of July 2, 1864, March 3, 1863, and August 6, 1861; and has taken the proper proceedings for the purpose of removing the said causes from the State to the Circuit Court under the act of 1833, usually called the Force Act. As already stated, this motion has been made to remand the causes back to the State Court, or to quash the proceedings in this court, on the ground that the defendant did not hold the cotton at the time of the replevin suits in the State Court as an officer of the revenue laws, nor as a person authorized to hold it under the same; but, on the contrary, held it wrongfully and in violation of the rights of the plaintiffs in the property, and that he was simply *a tort feasor*. We agree, if the petition and affidavit with the certificate of counsel failed to bring the causes within the act of Congress providing for the removal, it would be the duty of the Court, on motion, to remand them; and such order has also not unfrequently been entered in cases where it appeared clearly by the admission of the parties, or otherwise, that they were not within the act of removal. But, in cases where the proceedings are in conformity with the act, the removal is imperative, both upon the State and the Circuit Court; and, if the facts are seriously contested, they must be in a formal manner by pleadings and proofs in the latter court. The question of jurisdiction belongs to the federal courts, and must be heard and determined there. The statute is peremptory, "that the cause shall thereupon be entered on the docket of said court, and shall be thereafter proceeded in as a cause originally commenced in that Court"—and shall be deemed, and taken to be moved to said Circuit Court, and any further proceedings, trial or judgment therein in the State Court shall be wholly null and void." It is true the plaintiff, after the removal of the cause into the Circuit, has no means, according to the course of proceeding in that Court, to raise the question of jurisdiction upon the pleadings; and which disability, doubtless, furnishes some plausibility of reason for the hearing of the question upon motion. But this mode of presenting it, which must be upon affidavits, oftentimes conflicting and irreconcilable, is most unsatisfactory, and should not be entertained, unless from unavoidable necessity, with a view to ascertain the appropriate tribunal to hear and determine the cause. We are of opinion no such necessity exists. On the contrary, the very circumstance that the plaintiff can have no opportunity to present the question upon the pleadings should and will enable him to avail himself of the objection to the jurisdiction in any stage of the trial. If, when the evidence is closed, it shall appear that the causes were such as not to come within the cognizance of the Court under the act of 1833, it will be its duty to instruct the jury that the court had no jurisdiction of them, and to remand the same back to the State court. The case of Pollard and Picketos Dwight et al. (4 Cranch 421—428) is an authority for this view. That was the case of a removal under the twelfth section of the Judiciary Act. The objection was taken to the jurisdiction, on error, to the circuit, and Chief Justice Marshall, after overruling the objection, observed:—"Were it otherwise, the duty of the Circuit Court would have been to remand the case to the State Court in which it was instituted, and this court would be bound now to direct that proceeding." (See also Diggs and Keith vs. Wolcott, Lib. p. 179.) In cases where original jurisdiction is conferred directly upon the Circuit Court, as in the second section of the act under consideration, in behalf of a person who has received an injury for an act done in protection of the revenue laws, the jurisdictional question, whether or not the act was done within the meaning of the statute, may be raised by a plea in abatement, or to the jurisdiction. It has been held that as it respects the citizenship of the parties as an ingredient of jurisdiction, advantage can be taken only by the proper plea in abatement. (1 Peters, p. 476.) Whether this principle is applicable to an objection founded upon every other jurisdictional fact, is a question which so far as we know, has not yet been decided. But the principle has no application to the case of original jurisdiction acquired indirectly by a removal from the State court to this court, as the defendant then is concerned, so far as the question of the removal is involved, to maintain the jurisdiction. And, as we have seen, the plaintiff, on the removal, has no opportunity, according to the practice of the court, to present the question upon the pleadings. Although the act gives to the person the right to sue in this court for an injury to his person or property for an act done in protection of the revenue, it does not give the same right to the party claiming to have sustained an injury from such person; and hence the only judicial remedy is by a suit in the State court, subject to the indirect original jurisdiction of this court in cases where it is given by removal into it. The causes, therefore, in question were properly instituted in the State Court, leaving the only question for consideration on this motion as to the legal effect of the removal; and as to that, we are of opinion that inasmuch as the act of Congress has been fully complied with, it is not proper, if competent, for this court to determine the disputed jurisdictional facts involving the right or legality of the removal upon motion; and that, inasmuch as the question of jurisdiction involving them cannot be raised upon the pleadings, the proper place to hear and determine them is on the trial, where the plaintiff is at liberty to take advantage of the objection. These cases afford a very strong illustration of the impropriety, if not impossibility, of determining this question upon motion where the jurisdictional facts are contested. The petition for removal places the right upon the ground that the suit is brought in the State court on account of acts done by the defendant under the revenue laws, or under color thereof, while acting as an officer, by virtue of the authority of the same, as more fully developed in the papers. The defendant claims to hold the cotton as captured, abandoned and confiscable property under the acts of August 6, 1861; March 12, 1863, and July 2, 1864. And, in addition, it is suggested that the cotton is confiscable, as having been purchased for the purpose of running the blockade. The plaintiffs insist that the cotton neither at the time it came into the possession of the defendant, nor at any time previously, fell within the provisions of either of these statutes, and that their (the plaintiffs') title to the same was complete and perfect at the time they were deprived of it. It is also further insisted that they have been deprived of the possession without due process of law, and against the guarantees of the constitution; and that it is not competent for two of the departments of the government, the executive and legislative combined, to confiscate the property of the citizen without resort to the judicial department of the government. As will be readily seen, the cases involve some of the gravest questions of fundamental law and which are incidentally connected with the question of jurisdiction, and the facts upon which they arise should be presented in the most authentic form. Having arrived at this conclusion, the cases must be returned in this court as the proper tribunal to hear and determine the question of jurisdiction; and, that it cannot be heard and determined except on the trial, a question arises as to the disposition of the cotton in the meantime, which is now in the hands of the sheriff. The act provides "that all attachments made, and that all bail and other security given upon such suit, or prosecution, shall be and continue in like force and effect as if the same suit or prosecution had proceeded to final judgment and execution in the State court." We do not doubt our authority to deal with this cotton, so as to preserve the right of all parties to the same during the litigation, and if it should turn out in the end that this court had no jurisdiction, to remand the same, or its proceeds, with the causes, to the State court, if no disposition is made of the cotton by amicable adjustment, the subject may be brought before us by either party on reasonable notice to the other. We would, however, respectfully suggest the propriety of a sale of the article under the direction of the Court, the proceeds to be brought into the registry, to abide the result of the litigation. Our practice is to direct such proceeds to be deposited with the United States Trust Company of the city of New York, at such interest as may be agreed on, for the benefit of whom it may concern.

Messrs. Fisher & Thomson, Charles O'Conner, William M. Evarts and Francis Pierrepont for Dennistoun & Co; Mr. Samuel G. Courtney, United States Attorney, for Draper, and Mr. Charles Eames, Special Counsel for Treasury Department.

UNITED STATES CIRCUIT COURT, JULY 1866.

Before Justice Nelson.

Luther C. Clark et al. vs. Sylvester P. Gilbert, assessor, and Sheridan Shook, Collector of Internal Revenue, 32d District, New York.

1. Persons holding license as Bankers, who, in carrying on such business, receive at their banking house, stocks, bonds, and bullion for sale; and bills of exchange, and promissory notes for discount and sale, which they may sell on and for the account of the parties from whom received, charging therefor the customary compensation as bankers; and who lend and advance moneys to various parties, on stocks, bonds, and bullion, which they may afterwards sell on account of the parties from whom the same were received, and to whom the moneys were lent and advanced; and who buy and sell stocks, bonds, &c. on their own account, and not on commission or for others, are not bankers doing business as brokers, and are not liable to brokers' tax on such business under section 99 of the Excise Act of July 30, 1864, as amended by the act of March 3, 1865.

2. United States assessor and collector enjoined from levying and collecting brokers' tax in the premises.

This suit was brought by the plaintiffs, who were regularly licensed bankers, to enjoin the officers of the revenue from assessing and collecting from them the brokers' tax on sales imposed by section 99 of the Excise Act of June 30, 1864.

An abstract of the points and argument submitted in support of the motion on the part of the plaintiffs to continue the injunction was published in Vol. III, RECORD, p. 182.

The officers of the revenue claimed under the instructions of the commissioner that the plaintiffs should pay such tax as bankers doing business as

brokers. The counsel for the plaintiff made the points of which the substance is here given:

1. The tax imposed by the 99th section of the revenue act, is imposed upon brokers, and not on bankers.

2. The 79th section of same act expressly authorizes bankers to receive stocks and securities for sale or discount, "and to lend and advance on such stocks and securities;" and this necessarily carries with it the right to sell the same either to reimburse themselves or to discharge the duty to sell, imposed by the receipt of such stocks for the purpose of sale.

3. That the transactions in the fourth sub-division of the bill mentioned were equally exempt, because

(*a*) No tax is imposed on the purchase of stocks and securities, but only on the sales.

(*b*) When the purchase is made, no tax or duty is payable until the banker *sells*.

(*c*) In such cases no sale is made, unless by *order* of the principal, or to reimburse the amount paid by the banker on the purchase, and in either case the transaction is within the category of "stocks received for sale or on which loans or advances are made."

4. That the distinction between the banker and the broker is clear and well defined, and that even if it should be that the transactions above mentioned were such as a broker might engage in, this did not convert the banker into a broker or deprive the banker of his exemption.

5. That even if the transactions in the fourth or other subdivisions should be decided to form part of a broker's business, and taxable as such, this did not render the plaintiffs taxable in respect to transactions which formed a part of the business of bankers.

6. That by combining the business of a banker and broker, the broker did not lose the exemption to which he was entitled as banker.

7. That even if the plaintiffs were taxable in respect to transactions had on account of others, this did not render them taxable on transactions made on their own account.

8. That the Supreme Court of the United States, in the case of Fisk and Hatch, decided that bankers were exempt from taxation upon all transactions as bankers.

9. That in the case of Cutting, that court decided that a broker doing business under the ninth paragraph of section seventy-nine was liable to pay taxes on all transactions specified in that paragraph.

10. That the Supreme Court had not decided that a banker licensed under the first sub-denomination of section seventy-nine was liable to pay any tax on the business for which he is so licensed, nor that where bankers engage in transactions in which brokers likewise engage that they thereby lose such exemption as bankers.

The District Attorney controverted these propositions, and, in addition to the oral argument, presented a printed brief, in which the questions were thoroughly discussed.

NELSON, C. J.—The bill is filed in this case against the defendants, who are the assessor and collector of the Thirty-second Collection district of New York, under the Internal Revenue laws, for the purpose of restraining them from the assessment and collection of a tax claimed to have accrued against the plaintiffs as bankers, doing business as brokers within said district, under the following circumstances:

The plaintiffs have a license as bankers, and have, from time to time, received at their banking-house stocks, bonds, and bullion for sale; and, also have, during the same time, received bills of exchange and promissory notes for discount and sale; and did discount and sell the same on and for the account of the parties from whom received; and charged the customary compensation as bankers; and also, during the time aforesaid, did, at their banking-house, lend and advance moneys to various parties, on stocks, bonds, and bullion; and, after such advances and loans, did sell said stocks, bonds, and bullion, on account of the parties from whom the same were received, and to whom the moneys were lent and advanced, deducting from said sales the moneys so loaned, and advanced with the interest and customary charges as bankers; and, also, bought and sold stocks, bonds, &c., on their own account, and not on commission or for others.

The tax claimed as having accrued out of the above dealings is 1-20 of one per centum, monthly, on all the sales of the stock, bonds, &c., under the ninety-ninth section of the act (13 U. S. St. p. 273) which imposes the tax on brokers, and "bankers doing business as brokers." The question in the case is, whether or not the plaintiffs in carrying on the aforesaid business under a banker's license, are to be regarded as bankers doing business as brokers.

The first subdivision of this seventy-ninth section (p. 251) enacts that bankers employing capital, not exceeding $50,000, shall pay $100 for a license, and $2 for every thousand over this amount—and then defines the term banker: "Every person, firm, company, &c., having a place of business; (1) where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order; (2) where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be regarded a banker under this act."

Besides the license fee exacted, the banker, under the 110th section (p. 277), pays a tax of 1-24 of one per centum monthly upon the average amount of deposits—1-24 of one per centum monthly upon the average amount of the capital of his bank beyond the amount invested in United States bonds—1-12 of one per centum monthly on the average amount of circulation if issued by any bank—and in addition, 1-6 of one per centum monthly on the amount of circulation beyond 90 per centum of the capital. The license fee and the above tax are the burdens imposed on the banker for the privileges conferred. Now among these is the privilege of doing the business set forth in the bill of complaint, and to which we have referred at large; and yet, it is claimed, the plaintiffs are liable to the additional tax as brokers specified in the ninety-ninth section of this act. According to this construction the license or privilege of the banker would be of little value. He might, indeed, receive deposits and pay them out, advance or lend money on stocks, bonds, &c.: but in case of default of payment, he must not sell the pledge, to reimburse himself—he may receive stocks, bonds, &c., for discount, or sale, but is not at liberty to sell. If he does, it is insisted he instantly becomes a broker, and liable to the broker's monthly tax, in addition to the banker's, which he has already paid. We cannot agree to this view of the act. On the contrary, we are satisfied the banker is both by express terms, as well as by necessary implication, empowered to carry on the business, authorized under his license, to its practical and useful results. That, when he is authorized to lend or advance money on stocks, bonds, &c., he has the right, in case of default in the re-payment, to convert the security into money by way of reimbursement—and, when authorized to receive stocks, bonds, &c., for sale, he may sell the same without, in either instance, making himself a broker.

The United States *vs.* Fisk *et al.*, decided at the last term, carried the privileges of the banker far beyond the present case; for it was there held that he could purchase and sell stocks, bonds, &c., for himself, and on his own account, under his license—a business not specified in the definition of a banker. That case, in effect, decided that any business which a banker could carry on, as such, did not fall within the ninety-ninth section of the act.

The case of the plaintiffs, as set forth in the fourth paragraph of the bill, is in substance as follows: That in carrying on their business as bankers, they purchase stocks, bonds, &c., for others, but make the purchases in their own name, and advance their own money, and take the transfers in their own name, and hold stocks as security for repayment by the persons for whom purchased; and on receiving such repayment, interest, and customary charges, delivers the stocks, bonds, &c., as per agreement—or in default of repayment, they sell the same to reimburse themselves.

This business is not only outside of the business of a banker as defined by the act, but comes directly within that of a broker, and subject to the tax under the 99th section.

But, it is urged, that if the plaintiffs, in any or their dealings in stocks, bonds, &c., are brought within the category of *bankers doing business as brokers*, their whole business, as bankers, is thereby brought within it, and subjected to the brokers' tax; and this extraordinary proposition is supposed to be decided in the case above referred to.

The ninth subdivision (p. 252), declaring who shall be a broker, is as follows: "Every person, firm or company, &c., (except such hold a license as a banker) whose business it is as a broker to negotiate purchases or sales of stocks, bonds, &c., shall be regarded as a broker." The exception take the banker out of the category of broker, and to make it more clear what was intended by the exception, a proviso is added "That any person holding a license as a banker shall not be required to take out a license as a broker;" meaning, obviously, that he may do business as a broker under his license as a banker. But surely there is nothing in the provision which thus permits the business both of a banker and broker to be carried on under the bankers' license, that suggests the idea, or gives any countenance to it, that dealing in both capacities merges the banker into the broker, so as to subject all his dealings to the brokers' tax. The fair and natural inference would seem to be the other way, namely: that the broker is merged in the banker. But, we suppose, the reasonable and proper conclusion is, that although the license of the banker authorizes him to do the business of a broker without further payment of money, yet, so far as he may do that business, he is to be regarded as a broker, and must pay the brokers' tax. This we think is not only the natural conclusion and fair legal effect from the provisions of the law referred to, but is confirmed as will be seen, by the language of the 99th section, imposing the tax on brokers as follows: "That all brokers and *bankers doing business as brokers* shall be subject to pay the following duties" &c., clearly enough implying that the banker, besides carrying on his own business, may also engage in business as a broker; but in such case, as respects the business done as a broker, he must pay the tax imposed, over and above what he has already paid as a banker.

This view of the statute was taken in the case of the United States vs. Fisk, et al., and is stated in the opinion in a few words: "Now, a banker, says Mr. Justice Grier, "pays a much higher license tax than a broker, and is permitted to 'prosecute or carry on' the business or profession of a broker, without paying any further license; but, if he prefers, he may not combine that business with his own."

Without pursuing the case further, an injunction must issue in conformity with the above opinion. If any difficulty arises in the settlement of this order, it can be referred to me.

John E. Burrill and William M. Evarts for plaintiff. Samuel G. Courtney for defendant.

Treasury Dept., Decisions, &c.

(Circular No. 49.)

DUTIES OF OFFICERS AND MANUFACTURERS OF TOBACCO, SNUFF AND CIGARS, IN RESPECT OF THE ASSESSMENT AND COLLECTION OF TAXES THEREON.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 30, 1866.

1. By the act of July 13, 1866, the following rates of tax are imposed on manufactured tobacco, cigars, cigarettes, cheroots, and snuff, to wit:

On Cavendish, plug, twist, fine-cut chewing tobacco, and all other kinds of manufactured tobacco, not elsewhere enumerated, per pound.	$0 40
On fine cut shorts, per pound	30
On tobacco twisted by hand, or reduced from leaf to a condition to be consumed, without the use of any machine or instrument, and without being pressed, sweetened, or otherwise prepared, per pound	30
On smoking tobacco, sweetened, stemmed, or butted, per pound	40
On all other kinds of smoking tobacco, and imitations, including that made of stems, per pound	15
On snuff of all descriptions, manufactured of tobacco, or any substitute for tobacco, when prepared for use, per pound	40
On cigars, cigarettes, and cheroots, however made or known, the market value of which is not over eight dollars per thousand, per thousand	2 00
On cigars, cigarettes, cheroots, &c., the market value of which is over eight dollars and not over twelve dollars per thousand, per thousand	4 00
On cigars, cigarettes, cheroots, &c., the market value of which is over twelve dollars per thousand, per thousand	4 00

And in addition thereto an ad valorem tax of 20 per centum upon the market value thereof.

2. Smoking tobacco, if manufactured or cut in such a manner as to include the entire stem, and without being sweetened, is liable only to a tax of fifteen cents per pound. If any portion of the leaf is removed, whether it be from the top by cutting across the stem, or from the side or sides by cutting in the direction of the stem, and such portion so removed is manufactured, either with or without sweetening, such tobacco is liable to the duty of forty cents per pound.

3. By the term "market value" must be understood the price at which cigars of like quality are selling in the market. If the price at which the cigars, &c., are sold is eight dollars per thousand, the tax is two dollars; if such price is ten dollars per thousand, the tax is four dollars; and in all cases where cigars, &c., are sold for more than twelve dollars per thousand, the tax is four dollars more than one-fifth of such price. For example, cigars, &c., sold respectively for $25, $40, $50, or $75 per thousand, are liable to $9, $12, $14, or $19 per thousand tax.

4. The tax on tobacco, snuff, and cigars, accrues upon the sale or removal from the place of manufacture, unless removed to a bonded warehouse; and a return of all tobacco, snuff, and cigars which have been manufactured, as well as of that upon which the tax has accrued, must be made on or before the tenth day of each month.

All manufactured tobacco, snuff, and cigars, before being used or removed for consumption, must be inspected and marked or stamped; and all cigars must be packed in boxes or paper packages, except where the maker of cigars is authorized to sell in bulk, or unpacked, after the same have been counted by an assistant assessor or an inspector, and a certificate has been received therefor. In this case the purchaser is required to pack the same in boxes or packages, make return of them, and, unless removed to a bonded warehouse, pay the tax thereon within fifteen days.

5. The 87th section of the act of June 30, 1864, as amended by the act of July 13, 1866, requires every person, firm, company or corporation, before commencing, or if already commenced, before continuing the manufacture of tobacco, snuff, or cigars, to make to the assessor or assistant assessor a statement, [Form No. 36,] subscribed under oath or affirmation, of the number of machines, &c., used, and the number of persons employed, &c., and also to give bond [form No 40] to the collector of the district, with approved sureties, for the faithful performance of all the requirements of the law. The collector will give to the manufacturer of tobacco or cigars, on receiving his bond, a certificate, on Form 4, showing the number of different machines used by him, and the number of men employed in making cigars, on which the amount of said bond has been determined. Blank forms for such statement, bond, and certificate will be furnished from this office, and assessors and collectors are particularly charged with the execution of these provisions of the law.

6. The assistant assessor of each division is required to record in a book, to be kept for that purpose, the name of every person, firm, company, or corporation, engaged in the manufacture of tobacco, snuff, or cigars in his division, with the place where the manufacture is carried on, and the place of residence of the person or persons engaged therein; and under the name of each manufacturer he will enter also an abstract of his monthly returns. A similar record for the entire collection district is required to be kept by each assessor.

7. The manufacturer's statement or inventory required to be made the first day of January of each year, or at the time of commencing business, and the account of all his purchases and sales kept in book form, are to be made under the new law substantially as required heretofore. An additional and important item, however, is to be entered in his book each month, viz; the total amount of goods manufactured, as well as goods sold and removed.

An abstract of all purchases, sales, and removals must be furnished to the assistant assessor on Form No, 62, on or before the tenth day of each month.

8. Section 90 of the act of June 20th, 1864, as amended by the act of July 13, 1866, provides that manufactured tobacco, snuff, or cigars, may be transferred without the payment of the tax to a bonded warehouse, established in conformity with law and Treasury regulations, under such rules and regulations and upon the execution of such transportation bonds or other security as may be prescribed by the Commissione of Internal Revenue; subject to the approval of the Secretary of the Treasury; said bond or other security to be taken by the collector of the district from which such removal is made.

The tax on cigars, cigarettes, and cheroots being levied and assessed partly on the basis of a specific tax and partly ad valorem, renders it necessary that all cigars, cigarettes, and cheroots shall be appraised before they are removed to a bonded warehouse, and no collector will issue a permit for the removal of any cigars in bond until he has received from the assessor or assistant assessor a statement of the value of such cigars as estimated by him, which value, together with the number of cigars, must be distinctly marked upon the package in which the cigars are contained. The basis on which such approved value is made must be price at which cigars, cigarettes, or cheroots of like quality are selling in the market at the time the appraisal is made; and whenever cigars, cigarettes, or cheroots are removed from bond for consumption, the tax is to be computed upon the appraised value, as specified in the bond or permit, and marked or stamped upon the boxes or packages containing the cigars, cigarettes, or cheroots.

It being of the highest importance that a correct valuation or appraisement should be made in all cases where cigars, cigarettes, &c., are removed in bond, the assessor who fixes such valuation should avail himself of every means at his command to become acquainted with the cost of producing the cigars, &c., and their market value.

The law makes it the duty of the inspector or the assessor to appraise cigars, &c. In no case can this duty be discharged by any other person. But in case the manufacturer is dissatisfied with the valuation made by the inspector or assessor, it may be well that both the inspector and assessor should examine the same, and, if possible, agree upon the proper valuation to be given.

9. Section 92 of the act of June 30, 1864, as amended by the act of July 13, 1866, requires that every cigar maker shall procure from the assistant assessor of the division in which he resides, a permit [form No. 71] authorizing him to carry on the business of cigar making; and if he makes cigars in any other division than the one in which he resides, he must procure the endorsement of the assistant assessor of such other division to be made upon his permit. This section also requires every person making cigars under such permit to keep an accurate account in a book of all cigars made by him, for whom made, and their kind or quality, and on the first Monday of every month to deliver to the assistant assessor of the division a copy of such account, verified by oath or affirmation.

Assistant assessors are particularly charged to see that these provisions of law are complied with: that every cigar maker in his division has a permit, keeps account of the number, kind, and quality of the cigars made by him, and, if made for any other person, the name of the person for whom the same are made, and his place of business, and that on the first Monday of each month he delivers a copy to him of such record.

The assistant assessor is also particularly charged to see that every manufacturer of tobacco, snuff, or cigars furnishes the sworn statement as required by section 87, and makes his inventory and keeps an accurate account, in book form, of his purchases, manufactures, sales, removals, &c., as required by section 90; and any neglect on the part of assistant assessors in these particulars, or of inspectors, personally to perform the duties assigned to them, will be deemed just cause for removal from office.

10. Before cigars, cigarettes, or cheroots are removed for sale or consumption, they must be inspected and have a stamp affixed to the box or package in which they are contained; and it will be the duty of the inspector, whenever he inspects any cigars, &c., except where the same are removed to a bonded warehouse, to make an appraisal of such cigars, and at the same time to examine the manufacturer thereof or his agent, under oath, the oath to be reduced to writing and signed by the manufacturer or his agent, in order to ascertain whether such manufacturer has any interest, direct or indirect, in any sale that has been made, or any resale to be made, of cigars, cigarettes, or cheroots sold at a price less than the appraised valuation, by the concealment of which he seeks to obtain a false, fraudulent, or deceptive valuation, on which to have the tax assessed. For this affidavit form No. 8 will be used.

On the first Monday of each month, or oftener if required by the assessor, the inspector must return to the assessor of his district a separate and distinct account of the weight and kind of tobacco or snuff inspected by him, the number of cigars, cigarettes, and cheroots inspected or stamped, and their appraised value. He is required to give also in his return the names of the persons, firms, companies, and corporations for whom he has inspected any tobacco, snuff, or cigars, and keep an accurate account of all stamps used or placed on boxes or packages containing cigars. The market value, as determined by an actual *bona fide* sale of the cigars, is the basis on which the ad valorem tax will be

[illegible] before assessing the tax on a return of [illegible] manufacturer or his agent, [illegible] individually at a less value than that [illegible] the inspector, the assessor shall make such examination as shall satisfy him as to the truth of the facts.

11. It will be the duty of every officer through whose hands cigars may pass while in bond, to see if the number and apparent value of the same correspond with the number and value contained in the bond and stated in the permit given by the collector.

All cigars, on being withdrawn from bond for consumption, must be inspected and stamped by the inspector of the district in which the bonded warehouse is situated. This will be necessary in all cases, in order to protect the cigars from liability to seizure and forfeiture.

Cigars, cigarettes, and cheroots which shall be in bonded warehouses on the first day of August, 1866, will be subject to the tax of ten dollars per thousand.

12. By the recent tariff act, it is made the duty of officers of customs to inspect and stamp all imported cigars before they are withdrawn for consumption. But under the ninety-first section of the act of June 30, 1864, as amended by the act of July 13, 1866, all imported cigars which are sold or pass out of the hands of the importer without the inspection marks or stamps affixed are liable to seizure and forfeiture, and it will be the duty of internal revenue officers to take notice of any infringement of the law in this respect, in regard to imported cigars equally as in the case of cigars of domestic manufacture.

13. By the eighty-ninth section it is provided, that in all cases where tobacco, snuff, or cigars are manufactured on commission or shares, or where the materials are furnished by one party and manufactured by another, or where the manufactured articles are received in payment for materials furnished, the assessor may assess the taxes on articles so made upon the party for whom they are made, or to whom they are delivered, or upon the person or party making the same, as the assessor shall deem best for the collection of the revenue.

This section gives discretionary power to the assessor which he is expected to use. In all cases where the person making cigars is a recognized manufacturer, having given bond for the performance of all the requirements of the law, the tax on all articles made for him should be assessed upon him. But where they are made for parties who are not known as manufacturers and have not given bond, the tax should, if possible, be collected from the maker of the articles.

In every case where an assessor receives a return sent to him from the assessor of another district, he should acknowledge the receipt of such return and immediately proceed to assess the tax on the same, as though the cigars had been manufactured in his district. If the person or party for whom the articles were manufactured is not found in his district, he will immediately notify the assessor from whom he has received the return of such fact, that the taxes may be collected of the maker of the same.

E. A. ROLLINS,
Commissioner.

Circular No. 60.

RELATIVE TO THE SPECIAL INCOME TAX DUE FROM OFFICERS AND SOLDIERS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 31, 1866.

The following joint resolution of Congress, approved July 28, 1866, is printed for the information and guidance of officers of Internal Revenue. Assessors and collectors will accordingly take notice that said special income tax of five per cent., imposed by the joint resolution of July 4, 1864, is not to be further enforced against officers or soldiers in the service of the United States who have been honorably discharged therefrom. In all cases where said tax has been assessed against officers or soldiers who have been honorably discharged from the service, and the same still remains unpaid, collectors will present the same to this office in the proper manner for abatement:

[PUBLIC RESOLUTION—No. 79.]

Joint resolution to prevent the further enforcement of the joint resolution No. 77, approved July 4, 1864, against officers and soldiers of the United States who have been honorably discharged, so as to relieve them from the further payment of the special five per cent. income tax imposed thereby.

Whereas by the resolution (No. 77) of Congress, approved July 4, 1864, a special income tax of five per cent. on all incomes exceeding $600 was directed to be assessed and collected, and was enforced generally upon all citizens accessible to the revenue officers, but was not enforced against all our soldiers in the field in the active service of the country; *And whereas*, since the surrender of the insurrectionary armies, and the disbanding and return of the Federal soldiers to their homes paid tax is being, with manifest hardship, assessed and collected of them in many parts of the country; therefore,

Be it Resolved, By the Senate and House of Representatives of the United States of America in Congress assembled, that said special tax so imposed shall not be further enforced against said officers or soldiers lately in the service of the United States, and who have been honorably discharged therefrom, and that the Secretary of the Treasury direct the proper observance of the resolution by all revenue officers

Approved July 28, 1856.

The above resolution does not confer any authority for refunding the tax imposed by the joint resolution of July 4, 1864, which has already been paid, nor does it relate in any way to the tax required to be deducted and withheld by paymasters and disbursing officers.

E. A. ROLLINS, *Commissioner.*

[Circular No. —.]

INSTRUCTIONS RELATIVE TO RE-ASSESSMENTS OF SPECIAL TAX ON WHOLESALE DEALERS, LIQUOR DEALERS, BREWERS, DISTILLERS, PEDDLERS, AND OTHERS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, July 31, 1866.

Attention is hereby called to the changes made in the internal revenue laws relating to licenses by the act of July 13, 1866, which act goes into effect, so far as special taxes provided for in said act are concerned, on the 1st of August, 1866.

Licenses are abolished, and a "special tax" is substituted therefor.

By the provisions of section eighty, it becomes the duty of assessors to re-assess any person, firm, or company, holding license, for any excess of the special tax substituted therefor over the license tax which has been paid, from the 1st day of August, 1866, ratably, up to the 1st day of May, 1867.

Under these provisions, persons having a license as wholesale dealers in liquor, brewers, distillers, and proprietors of gilt enterprises, will be liable to re-assessment from the 1st day of August, 1866. Every wholesale dealer in liquors, for instance, who has paid but $50 for his license, will be immediately liable to re-assessment for the nine months ending May 1, 1867, the amount of re-assessment being $37 50.

A special tax is to be assessed from the same date against distillers of burning fluid and camphene, grinders of coffee and spices, and peddlers of liquors. Peddlers traveling by public conveyances are classed as peddlers of the fourth class. Persons whose business it is to manufacture cigars, snuff, or tobacco in any form, should be immediately assessed a special tax as tobacconists, without reference to the amount of their products; but where such persons now hold license as manufacturers, they will not be subject to the special tax until the expiration of their present licenses as manufacturers, unless they are engaged at the same time in the manufacture of other articles, in such manner as to be liable to special tax both as manufacturers and as tobacconists. But no special tax is imposed upon journeymen employed in a cigar manufactory.

Persons now licensed as tobacconists should be assessed a special tax as wholesale dealers when their sales exceed twenty-five thousand dollars.

Any person who is engaged in the manufacture or preparation for sale of any articles or compounds, or who puts up for sale in packages, with his name or trade-mark thereon, any articles or compounds is liable, under the new law, to special tax as a manufacturer.

Producers of ornamental and fruit trees, and charcoal, selling the same at wholesale, by themselves or authorized agents, at places other than the places of production, are exempt from special tax in respect thereof.

All boats, barges, and flats, not used for carrying passengers, nor propelled by steam or sails, which are floated or towed by tug-boats or horses, and used exclusively for carrying coal, oil, minerals or agricultural products to market, will be assessable under the new law with an annual special tax, from and after the expiration of the time covered by their present enrollment fees and tonnage duties, in lieu of such fees and duties. Such boats of a capacity exceeding twenty-five tons and not exceeding one hundred tons will be subject to a special tax of five dollars, and when exceeding one hundred tons, to a special tax of ten dollars, said tax to be assessed and collected as other special taxes provided for in the act. The above special tax on boats, barges, and flats, does not, however, affect the liability of the proprietors to special tax as express carriers or agents, when doing business as described in paragraph 50 of section 79 of the act of June 30, 1864, as amended by the act of July 13, 1866.

Wholesale dealers are required, as soon as the amount of their sales within the year exceeds fifty thousand dollars, to make monthly return of sales to the assistant assessor, and pay the tax on sales monthly, as other monthly taxes are paid; and in estimating the amount of sales, any sales made by or through another wholesale dealer need not again be estimated and included as sold by the party for whom the sale was made. Wholesale dealers now holding license based on a certain amount of sales will be liable to make monthly returns of sales as soon as their sales exceed the amount named in the license; wholesale dealers in liquors, as soon as their sales shall reach an amount which is less than the basis of their license by the sum of thirty-seven thousand and five hundred dollars.

The bond required of lottery dealers is further conditioned, by the new law, that the dealer will pay the tax imposed by law on the gross receipts of his sales, and the managers of any lottery, now or hereafter existing, can give the bond required.

Cattle brokers should be assessed on the excess of sales over ten thousand dollars in the same manner as of wholesale dealers.

Under the new law, "every person (other than one having paid the special tax as a commercial broker, or cattle broker, or wholesale dealer, or retail dealer, or peddler) whose occupation it is to buy or sell agricultural or farm products, and whose annual sales do not exceed ten thousand dollars, is to be regarded a produce broker."

The payment of the special tax of a hotel-keeper per-

mits the person so keeping a hotel, &c., to furnish the necessary food for the animals of travelers or sojourners, without the payment of an additional special tax as a livery-stable keeper.

Lawyers, who have paid a special tax as such, are exempted under paragraph twenty-five from paying the special tax as real estate agents.

If the annual receipts of an insurance agent shall not exceed $100, a special tax of $5 only is imposed under the new law; and the paragraph relative to insurance brokers is omitted. No special tax is imposed by the new law for selling tickets or contracts of insurance against injury to persons while traveling.

Apothecaries, who have paid the special tax as such, are not required by the new law to pay the tax as retail dealers in liquor, in consequence of selling or of dispensing upon physicians' prescriptions the wines and spirits officinal in the United States or other national pharmacopœias, in quantities not exceeding half a pint of either at one time, nor exceeding, in aggregate cost value, the sum of three hundred dollars per annum.

No special tax is required of a common carrier, by the new law, where the gross receipts do not exceed the sum of one thousand dollars per annum. Draymen and teamsters owning only one dray or team will not be liable to this tax.

By proviso to section forty-seven of the act of July 13, 1866, brewers are exempted from special tax as wholesale dealers, when selling at wholesale, even at a place other than their breweries, malt liquors manufactured by them.

Manual-labor schools and colleges are exempt from special tax as manufacturers where the proceeds of the labor of such institutions are applied exclusively to the support and maintenance of such institutions, (sec. 18.)

There is no provision in the new law for refunding license taxes where they exceed the special taxes provided by said law in respect to the same business.

No person doing a business requiring payment of special tax under the new law should be assessed therefor if he now holds a license covering a business of the same nature, unless the special tax provided for exceeds the license tax, in which case the difference of tax should be assessed immediately.

Receipts for special taxes will be furnished from this office. No more licenses will be furnished. With slight alteration, receipts for special taxes may be used as receipts for license taxes assessed under former laws. E. A. ROLLINS, *Commissioner.*

INCOME OF MERCHANTS AND STOCKHOLDERS—DEDUCTION OF LOSSES IN BUSINESS.

ASSESSOR'S OFFICE,
FIRST DISTRICT OF MASSACHUSETTS,
PLYMOUTH, July 8, 1866.

To the Commissioner of Internal Revenue:

SIR: Will you be kind enough to inform me whether you have modified your former decisions with regard to the deduction of losses from gains and income, any further than this; namely, That losses in one kind of business may be set off against gains in another business, and that the earning of a salary is a business; but that losses in business cannot be *set off against profits on fixed investments*, and vice versa.

Under this view of your decision I have held that a man who had lost in a flour mill carried on by himself, could not deduct the loss from profits in a manufacturing corporation of which he was merely a stockholder; but if his flour mill was incorporated, and he was merely a stockholder, he could make the deduction; that a man who was interested in vessels, having purchased a share for investment merely, and having nothing to do with the management, could not deduct the losses in that investment from his salary as bank cashier; and that another who had incurred his share of the losses of a manufacturing corporation could not deduct the same from his salary, but if he was personally engaged in manufacturing he could deduct losses from gains in other business carried on by himself.

If losses in business cannot be deducted from income of permanent or fixed investments, it becomes material to know your definition of a fixed investment, as these rulings are dependent upon that definition.

I have been able to see no other line of distinction than this; that one who invests as a shareholder in a corporation, or in any business in which he is not personally engaged, unless it be silent partnerships in trade, makes a permanent or fixed investment, but if he carries on the same business personally, it is a "business."

Now it results from this rule, that one man who owns in a manufacturing corporation which has made great gains, claims to deduct his share of losses in another corporation; whilst another who owns in the losing corporation cannot deduct from his salary; and that whilst the owner in the two corporations may off set, the owner of the flour mill cannot deduct his losses from the profits in the other corporation.

These results, claimed as inequitable, seem to result from allowing losses in one business to be deducted from gains in another, but not from fixed investments.

Your decision upon these points is respectfully requested. Your obedient servant,

CHAS. G. DAVIS, *Assessor,*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 16, 1866.

SIR: I reply to yours of the 8th inst., That where the income of a former year is lost, it cannot be deducted from the income of the year of tax, except the same, (in its present condition of capital) is used in business, and lost in the year of tax; when it is allowable to deduct such loss from business income only. It is a liberal rule of the office which permits this last named deduction, since the law furnishes no certain ground for allowing the income of a former year, when lost, to be deducted from the income of the year of tax.

This rule of deduction is not extended, however, to capital not used in business. When such capital is lost, it cannot be deducted from any income, either income derived from like capital, or income derived from business.

The office does not recognize capital invested in any stockholding company, whatsoever, as capital used in business, and there is no deduction for the loss of such capital. Nor does the office recognize the profits of any incorporated or stockholding company as business profits of the taxpayer, but as income derived from fixed investments.

If a person is engaged in a partnership business, however, either as a silent partner or otherwise, his gains and losses must be considered as incident to the business, and treated accordingly.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

CHAS. G. DAVIS,
Assessor, Plymouth, Mass.

SCOPE AND OPERATION OF THE CARLISLE TABLES IN ESTIMATING SUCCESSIONS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, May 5, 1866.

SIR: Your letter of the 20th of April has been received, together with its enclosures. In reply I have to say that the "Carlisle Tables" were adopted for the use of the revenue officers after due consideration, and although it may be a matter of inconvenience in some States, that other tables have been adopted by such States, in cases similar to those arising under the Internal Revenue law. Yet there seems to be serious objection to making any change in the regulations in reference to this matter, or any exception in favor of a particular State.

Very respectfully,
D. C. WHITMAN,
Deputy Commissioner.

P. H. NEHER,
Assessor, &c., Troy, N. Y.

DEDUCTION ON ACCOUNT OF RENT—INCOME.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 5, 1866.

SIR: I reply to yours of the 30th ult., that if a party rents his own house and is subjected to pay rent elsewhere on account thereof, he must return the rent received, and will be allowed to deduct the amount of rent paid.

But if he leave his house unoccupied, or occupied by persons hired by him to take charge of the same, he cannot deduct on account of rent, since he has a home elsewhere. Very respectfully,
E. A. ROLLINS, *Commissioner.*

CHAS. G. DAVIS, Esq.,
Assessor, Plymouth, Mass.

ROOT BEER NOT EXEMPT FROM TAX AS A MEDICINAL OR MINERAL WATER.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 4, 1866.

SIR: Your letter of the 1st inst., relative to "root beer," has been received. In reply I have to say that the provision of law exempting medicinal and mineral waters, &c., cannot be held to apply to root beer, which is clearly liable to a tax of five per cent. ad valorem, under the general provisions of the 94th section of the act of June 30, 1864, as amended by the act of July 13, 1866. Yours respectfully,
THOMAS HARLAND,
Deputy Commissioner.

GEO. E. STEINBRENNER, Esq.,
U. S. Assessor, New York City

DEDUCTION OF FINES AND PENALTIES IN ESTIMATING INCOME.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 27, 1866.

SIR: Your letter of May 30th, relative to the deduction of fines and penalties from income, has been held for consideration.

I now reply—That penalties imposed for violations of excise law, are legitimate offsets to the profits of the business in connection with which they were incurred; but they cannot be allowed as deductions from income actually realized from other pursuits.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

A. J. BLEECKER, Esq.,
Assessor 8th District, N. Y. City.

INCOME OF MERCHANTS—REALIZED PROFITS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 10, 1866.

SIR: Your letter of June 15th, enclosing letter of ———, relative to income of Mr. S., is received. It appears that S. was a partner in business with Mr. F. in 1865, and that his share of the profits was about $5,000. In December the firm dissolved, and Mr. S. gave Mr. F. the amount of his said profits in payment for his share of the "good will" of the firm.

I reply—That Mr. S. plainly had an income of $5,000, more or less, and should pay income tax on the same, although he re-invested the amount in purchasing his partner's interest in the "good will" of the firm. The

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AND CUSTOMS JOURNAL.

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VOL. IV.—No. 7. NEW YORK, AUGUST 18, 1866. WHOLE NUMBER 85.

REMOVAL.

☞ The Office of this Paper has been removed to 95 LIBERTY STREET, New York City.

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THE new regulations published concerning the weighing and marking of cotton, the assessment and collection of the tax, and the removal of cotton under bond, from one district to another, are commended to the attention of Revenue officers, especially in the districts where cotton is produced, and those where it is manufactured.

Accounts are required to be kept by Assistant Assessors with every producer of cotton, similar to those now kept with manufacturers of the goods produced by them monthly. Cotton manufacturers must make monthly return of cotton consumed, and their various manufactures from it. The Department enjoins a rigid enforcement of the provisions of section 5 of the act of July 13, prohibiting common carriers, railroad companies, steamboats, vessels, &c., from transporting after September 1, 1866, any raw cotton not weighed and marked according to law.

After the 1st inst. all United States cotton, produced prior to that date, and found beyond the limits of the districts of production, *no tax having been paid thereon*, should be assessed forthwith in the name of the owner or holder for a tax of three cents per pound, except such cotton should have been removed under a bond executed prior to August 1, 1866, in accordance with Treasury regulations of October 9, 1865, (II. RECORD, 164), which bond does not expire until after August 1, 1866. In such case the tax is two cents per pound. And in all cases where cotton may have been assessed and assessment returned to the Collector prior to Aug. 1, 1866, the tax on the same is two cents a pound, irrespective of payment after that date.

Articles on the free list of the new Act it will be observed from the ruling published, should not be assessed for tax after the 13th of July, 1866.

It is held under the amended law that sales made by auctioneers after August 1, 1866, for or on account of judicial or executive officers, or for executors or administrators, are not liable to tax. This changes the practice under the old law, and decisions, which held such sales to be subject.

INCREASED VALUE UNDER SECTION 96.

An interesting decision which, together with the correspondence relating to it, is published in another column, has recently been made under section 96 of the Excise Law.

Dealers in clocks, time-pieces, clock movements, parts of clocks, and cases, are accustomed to employ labor to encase the movements, and complete the clock so as to put it in running order, and make it ready for use, and the question arose whether the assembling by them in this manner of the wooden or metal case, face ring, dial plate, and movement, which last named includes the running gear, pendulum, ball, hands, bell, &c., which case, ring, plate, and movement, had previously paid tax as distinct manufactures, rendered the finished clock liable to tax, and if so, what tax. The Commissioner holds that inasmuch as the said tax paid parts are not increased in value five per centum by such operation, the assembling thereof as aforesaid is exempt from tax under the provisions of section 96.

The point upon which the decision turned seems to have been the mode of estimating the increased value. In cases under section 96 this is to be done by calculating the increase over and above the actual cash value of the tax-paid parts at the time of assembling, as distinguished from their *cost*, which is prescribed by section 95.

This is confirmatory of the principle laid down by Commissioner Lewis in cases under the 96th section, a copy of whose decision is published, the principle still being applicable under existing laws.

The ruling of the 10th February, 1864, referred to in the correspondence, is published also, because the phraseology of the statute upon which rendered was re-enacted in the act of 1864, and is unchanged by the subsequently amendatory acts, and the principle still applies with full force.

UNITED STATES APPRAISER'S STORES.—The govment has leased the large warehouses at Nos. 115 and 123 Greenwich street, to be used as the United States Appraisers' stores. These stores have a frontage of one hundred and twenty-five feet on Greenwich street, running back to Trinity place, two hundred and twenty-five feet. They are five stories high, with large and commodious cellars. Steam hoisting apparatus of the most approved pattern is in the building, by which packages will be more readily and economically handled. The space for examinations and storage of merchandise gained in the new premises will be nearly two-thirds more than those at present in use.

The large increase of business at this port has rendered necessary the occupation of more suitable apartments than those heretofore occupied by the Appraisers, and the increased facilities thus afforded, for which the thanks of importers are due to Collector Smythe, will, it is hoped, effectually remove all occasions of delay in passing goods through public store.

THE distillery of Wilson & Co., in Flushing Avenue, near Skillman Street, was seized by the Revenue Inspector a few days ago, the proprietors being charged with fraudulent acts toward the government. A United States detective was put in charge or the building pending the investigation into the charges against Wilson & Co. While in discharge of his duty he was interfered with by a man named William Fletcher, one of the firm, and threatened with violence. Fletcher then, to carry out his threat, drew a pistol, with which he proposed to blow out the brains of the detective. The latter did not see the propriety of such an act, knocked down his antagonist, called the assistance of a policeman of the Forty-ninth precinct, seized Fletcher and took him to the station-house. The accused will be examined before a United States Commissioner.

THE INTERNAL REVENUE GUIDE—Law of July 13, 1866, containing all the Internal Revenue Laws, codified and arranged in their appropriate places, with all amendments substituted for sections or parts of sections repealed, with decisions, rulings, tables of taxation, exemptions, stamp duties, &c., and full digest and alphabetical index. Edited by CHARLES N. EMERSON, Assessor 10th District of Massachusetts. Springfield, Mass., Samuel Bowles & Co. New York, American News Company. Boston, Lee & Shepherd.

Assessor Emerson has done a good work and done it promptly. He has succeeded in preparing the most serviceable edition of the internal revenue laws that has yet been brought to our notice. The original excise law was enacted July 1, 1862, and, almost from the moment of its passage, did the work of amending it begin. Not later than July 14, 1862, a joint resolution provided that the portion relating to stamps should not take effect until September 1, 1862, and again, three days after, another joint resolution made other changes, and vested the Secretary of the Treasury with anomalous authority to fix the dates when the various provisions should begin to operate. March 3, 1863, witnessed the adoption by Congress of most important amendments, before the machinery of the law had been fairly put in motion. The next Congress reviewed the whole subject, and the act of June 30, 1864, was the result. Again, on the 3d March, 1865, another Amendatory Act was passed, and materially increasing the rates of taxation; and now the act of July 13, 1866, which contains many and varied

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UNITED STATES APPRAISER'S STORES.—The government has leased the large warehouses at Nos. 115 and 123 Greenwich street, to be used as the United States Appraisers' stores. These stores have a frontage of one hundred and twenty-five feet on Greenwich street, running back to Trinity place, two hundred and twenty-five feet. They are five stories high, with large and commodious cellars. Steam hoisting apparatus of the most approved pattern is in the building, by which packages will be more readily and economically handled. The space for examinations and storage of merchandise gained in the new premises will be nearly two-thirds more than those at present in use.

The large increase of business at this port has rendered necessary the occupation of more suitable apartments than those heretofore occupied by the Appraisers, and the increased facilities thus afforded, for which the thanks of importers are due to Collector Smythe, will, it is hoped, effectually remove all occasions of delay in passing goods through public store.

THE distillery of Wilson & Co., in Flushing Avenue, near Skillman Street, was seized by the Revenue Inspector a few days ago, the proprietors being charged with fraudulent acts toward the government. A United States detective was put in charge or the building pending the investigation into the charges against Wilson & Co. While in discharge of his duty he was interfered with by a man named William Fletcher, one of the firm, and threatened with violence. Fletcher then, to carry out his threat, drew a pistol, with which he proposed to blow out the brains of the detective. The latter did not see the propriety of such an act, knocked down his antagonist, called the assistance of a policeman of the Forty-ninth precinct, seized Fletcher and took him to the station-house. The accused will be examined before a United States Commissioner.

THE INTERNAL REVENUE GUIDE—LAW of July 13, 1866, containing all the Internal Revenue Laws, codified and arranged in their appropriate places, with all amendments substituted for sections or parts of sections repealed, with decisions, rulings, tables of taxation, exemptions, stamp duties, &c., and full digest and alphabetical index. Edited by CHARLES N. EMERSON, Assessor 10th District of Massachusetts. Springfield, Mass., Samuel Bowles & Co. New York, American News Company. Boston, Lee & Shepherd.

Assessor Emerson has done a good work and done it promptly. He has succeeded in preparing the most serviceable edition of the internal revenue laws that has yet been brought to our notice. The original excise law was enacted July 1, 1862, and, almost from the moment of its passage, did the work of amending it begin. Not later than July 14, 1862, a joint resolution provided that the portion relating to stamps should not take effect until September 1, 1862, and again, three days after, another joint resolution made other changes, and vested the Secretary of the Treasury with anomalous authority to fix the dates when the various provisions should begin to operate. March 3, 1863, witnessed the adoption by Congress of most important amendments, before the machinery of the law had been fairly put in motion. The next Congress reviewed the whole subject, and the act of June 30, 1864, was the result. Again, on the 3d March, 1865, another Amendatory Act was passed, and materially increasing the rates of taxation; and now the act of July 13, 1866, which contains many and varied

amendments, is enacted. It may therefore be surmised that the task of making an intelligible guide book which should contain an epitome of the laws in force would not be easy. Mr. Emerson, however, by adopting a comprehensive plan, has succeeded admirably. The official copy of the law of June 30, 1864 (as amended March 3, 1865), collated with pertinent provisions of other statutes, has been taken as the basis, and the various provisions of the recent act engrafted upon it, preserving the unity of the system.

Illustrations and explanatory notes by the capable editor, accompany the text of the law, and various rulings and decisions of the Revenue officers are added, with tables of taxation, exemption, stamps, and the whole is improved by a complete index. The work is recommended as reliable to officers and taxpayers.

Among the manufacturing centres of Connecticut, New Haven stands first in the amount of capital, having $3,936,655 invested in manufactures, employing 4,339 males and 3,315 females, and producing goods valued at $5,283,435 annually. Waterbury has invested $2,736,000, employs, 1,662 males and 840 females, and produces annually goods worth $3,853,875. Bridgeport has $1,466,400 invested, 2,150 males, and 1,119 females employed, and produces $5,573,920 worth of goods. Hartford has invested $2,583,200, 2,275 males and 1,760 females employed, and its products are valued at $5,283,435. Norwich has invested $2,493,750, employs 1,674 males and 1,399 females, and produces $3,572,870 worth of goods annually. New London has invested $1,379,200, employs 1,670 males and 201 females, and produces $2,163,588 worth of goods.

Appointments of Revenue Officers.—Martin Igoe, Assessor of Internal Revenue for the Sixth district of Indiana; Colonel Norman Eddy, Collector of Internal Revenue for the Ninth district of Indiana (Colfax's district); Somerset Walters, Collector of Internal Revenue for the Fourth district of Maryland (the Frederick district), vice Schley removed.

The Treasury Department has commenced sending out the funds to the various Pension Agents, for the payment of Pensions due Sept. 1. The amount required for this purpose is something over $8,000,000.

National bank circulation was issued during the week by the Deputy Controller of the Currency to the amount of $515,655; making the total issued to date $287,049,050.

[Public—No. 180.]

AN ACT TO PROTECT THE REVENUE, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the tenth day of August eighteen hundred and sixty-six, in lieu of the duties now imposed by law on the articles mentioned and embraced in this section, there shall be levied, collected, and paid, on all goods, wares, and merchandise imported from foreign countries, the duties *heretofore* [hereinafter] provided, viz.:

On cigars, cigarettes, and cheroots of all kinds, three dollars per pound, and, in addition thereto, fifty per centum ad valorem: *Provided*, That paper cigars and cigarettes, including wrappers, shall be subjected to the same duties as are herein imposed upon cigars; *And provided further*, That on and after the first day of August, eighteen hundred and sixty-six, no cigars shall be imported unless the same are packed in boxes of not more than five hundred cigars in each box; and no entry of any imported cigars shall be allowed of less quantity than three thousand in a single package; and all cigars on importation shall be placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected and a stamp affixed to each box indicating such inspection, with the date thereof. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps, and to make all necessary regulations for carrying the above provisions of law into effect:

On cotton three cents per pound.

On all compounds or preparations of which distilled spirits is a component part of chief value, there shall be levied a duty not less than that imposed upon distilled spirits: *Provided*, That brandy and other spirituous liquors may be imported in casks or other packages of any capacity not less than thirty gallons; and that wine in bottles may be imported in boxes containing not less than one dozen bottles of not more than one quart each; and wine, brandy, or other spirituous liquor imported into the United States, and shipped after the first day of October, eighteen hundred and sixty-six, in any less quantity than herein provided for, shall be forfeited to the United States.

Sec. 2. *And be it further enacted*, That the second proviso in section four of an act entitled "An act amendatory of certain acts imposing duties upon foreign importations," approved March three, eighteen hundred and sixty five, shall be construed to include any ship, vessel, or steamer to or from any port of the Sandwich Islands or Society Islands.

Sec. 3. *And be it further enacted*, That so much of an act entitled "An act to authorize protection to be given to citizens of the United States who may discover deposits of guano," approved August eighteen, eighteen hundred and fifty-six, as prohibits the export thereof, is hereby suspended in relation to all persons who have complied with the provisions of section second of said act, for five years from and after the fourteenth day of July, eighteenth hundred and sixty-seven.

Sec. 4. *And be it further enacted*, That all laws and parts of laws allowing fishing bounties to vessels hereafter licensed to engage in the fisheries be, and the same are hereby repealed: *Provided*, That, from and after the date of the passage of this act, vessels licensed to engage in the fisheries may take on board imported salt in bond to be used in curing fish, under such regulations as the Secretary of the Treasury shall prescribe, and upon proof that said salt has been used in curing fish, the duties on the same shall be remitted.

Sec. 5. *And be it further enacted*, That from and after the passage of this act, all goods, wares, or merchandise arriving at the ports of New York, Boston, and Portland, or any other port of the United States which may be specially designated by the Secretary of the Treasury, and destined for places in the adjacent British Provinces, or arriving at the port of Point Isabel, Texas, or any other port of the United States which may be specially designated by the Secretary of the Treasury, and destined for places in the Republic of Mexico, may be entered at the custom-house and conveyed in transit through the territory of the United States without the payment of duties, under such rules, regulations, and conditions for the protection of the revenue of the Secretary of the Treasury may prescribe.

Sec. 6. *And be it further enacted*, That imported goods, wares, or merchandise in bond, or duty-paid, and products or manufactures of the United States, may, with the consent of the proper authorities of the provinces or republic aforesaid, be transported from one port or place in the United States to another port or place therein, over the territory of said provinces or republic, by such routes and under such rules, regulations and conditions as the Secretary of the Treasury may prescribe; and the goods, wares, and merchandize so transported shall, upon arrival in the United States from the provinces or republic aforesaid, be treated in regard to the liability to or exemption from duty, or tax, as if the transportation had taken place entirely within the limits of the United States.

Sec. 7. *And be it further enacted*, That whenever it shall be shown to the satisfaction of the Secretary of the Treasury that more moneys have been paid to the collector of customs, or others acting as such, than the law requires, and the parties having failed to comply with the requirements of the 14th and the 15th sections of the act entitled "an act to increase the duties or imports, and for other purposes," approved June thirtieth, eighteen hundred and sixty-four, and the Secretary of the Treasury, shall be satisfied that said non-compliance with the requirements, as above stated, was owing to circumstances beyond the control of the importer, consignee, or agent making such payments, he may draw his warrant upon the Treasurer in favor of the person or persons entitled to the overpayment, directing the said Treasurer to refund the same out of any money in the treasury not otherwise appropriated.

Sec. 8. *And be it further enacted*, That the provisions of the second, third, and fourth sections of the act approved March 2, 1833, entitled "An act further to provide for the collection of duties on imports," and of the twelfth section of the act approved March 3, 1863, entitled "An act to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," shall be taken and deemed as extending to and embracing all cases arising or which may have heretofore arisen, and all suits and prosecutions heretofore brought and now pending, or which may hereafter be brought against any officer of the United States or other person by reason of any acts done or proceedings had by such officer or other person, under authority or color of the act approved March 12, 1863, entitled "An act to provide for the collection of abandoned property, and for the prevention of frauds in insurrectionary districts within the United States," or the act approved July 2, 1864, entitled "An act in addition to the several acts concerning commercial intercourse between loyal and insurrectionary States, and to provide for the collection of captured and abandoned property, and the prevention of frauds in States declared in insurrection." *Provided*, That such acts done or proceedings had under the two acts last aforesaid, or under color thereof, shall have been done and had under the authority or by the direction of the Executive Government of the United States. *And provided further*, That when a recovery shall have been, or shall hereafter be had in any such suit or prosecution brought, or which may hereafter be brought, as aforesaid, the payment, of the amount recovered, as provided for in the said twelfth section of the act approved March 3, 1863, aforesaid, shall be made out of the moneys arising and obtained from the proceeds of sales and leases and fees collected and paid over to the Government under the two acts approved March 12, 1863, and July 2, 1864, aforesaid, in relation to captured and abandoned property.

Sec. 9. *And be it further enacted*, That in determining the dutiable value of merchandise, hereafter imported, there shall be added to the cost, or to the actual wholesale price or general market value at the time of exportation in the principal markets of the country from whence the same shall have been imported into the United States, the cost of transportation,

shipment and transhipment, with all the expenses included from the place of growth, production or manufacture, whether by land or water, to the vessel in which shipment is made to the United States; the value of the sack, box or covering of any kind in which such goods are contained; commission at the usual rates, but in no case less than two and a half per centum; brokerage, export duty, and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment. And all charges of a general character incurred in the purchase of a general invoice shall be distributed pro rata among all parts of such invoice; and every part thereof charged with duties based on value shall be advanced according to its proportion, and all wines or other articles paying specific duty by grades shall be graded and pay duty according to the actual value so determined: *Provided*, That all additions made to the entered value of merchandise for charges shall be regarded as part of the actual value of such merchandise, and if such addition shall exceed by ten per centum the value so declared in the entry, in addition to the duties imposed by law, there shall be levied, collected and paid a duty of twenty per centum on such value: *Provided*, That the duty shall in no case be assessed upon an amount less than the invoice or entered value: *Provided, further*, That nothing herein contained shall apply to long-combing or carpet wools costing twelve cents or less per pound, unless the charges so added shall carry the cost above twelve cents per pound, in which case one cent per pound duty shall be added.

SEC. 10. *And be it further enacted*, That the second proviso in section twenty-one of an act entitled "An act increasing temporarily the duties on imports, and for other purposes," approved July 14, 1862, which provides that any goods remaining in public store or bonded warehouse beyond three years shall be regarded as abandoned to the government, and sold under such regulations as the Secretary of the Treasury may prescribe, and the proceeds paid into the Treasury, be, and the same is hereby amended, so as to authorize the Secretary of the Treasury, in case of any sale under the said provision, to pay to the owner, consignee or agent of such goods the proceeds thereof, after deducting duties, charges and expenses, in conformity with the provision of the first section of the Warehouse Act of August six, eighteen hundred and forty-six.

SEC. 11. *And be it further enacted*, That during [the] period of one year from the passage of this act, there may be imported into the United States, free of duty, any machinery designed solely for and adapted to the manufacture of sugar from beets, including all the preliminary processes requisite therefore, but not including any machinery which may be used for any other manufactures.

SEC. 12. *And be it further enacted*, That upon the reimportation of articles once exported of the growth, product, or manufacture of the United States, upon which no internal tax has been assessed or paid, or upon which such tax has been paid and refunded by allowance or drawback, there shall be levied, collected and paid a duty equal to the tax imposed by the internal revenue laws upon such articles.

SEC. 13. *And be it further enacted*, That there shall be established in and attached to the Department of the Treasury a bureau, to be styled "The Bureau of Statistics," and the Secretary of the Treasury is hereby authorized to appoint a director to superintend and control the business of said bureau, who shall be paid an annual salary of $3,500. And it shall be the duty of the director of the Bureau of Statistics to prepare the report on the statistics of commerce and navigation, exports and imports, now required by law, to be submitted annually to Congress by the Secretary of the Treasury; and said report, embracing the returns of the commerce and navigation, the exports and imports of the United States to the close of the fiscal year, shall be submitted to Congress in a printed form on or before the first day of December next succeeding; and the said director, as soon as practicable after the organization of this office, shall, under the direction of the Secretary of the Treasury, prepare and publish monthly reports of the exports and imports of the United States, including the quantities and values of goods warehoused or withdrawn from warehouse, and such other statistics relative to the trade and industry of the country as the Secretary of the Treasury may consider expedient. And the director of the Bureau of Statistics shall also prepare an annual statement of vessels registered, enrolled, and licensed under the laws of the United States, together with the class, name, tonnage, and place of registry of each vessel, and such other information as the Secretary of the Treasury may deem proper to embody therein; and to enable the said director to furnish the information required, the Secretary of the Treasury shall have power, under such regulations as he shall prescribe, to establish and provide a system of numbering vessels so registered, enrolled, and licensed; and each vessel so numbered shall have her number deeply carved or otherwise permanently marked on her main beam; and if at any time she shall cease to be so marked, such vessel shall be no longer recognized as a vessel of the United States. The said director shall also prepare an annual statement of all merchandise passing in transit through the United States to foreign countries, each description of merchandise, so far as practicable, warehoused, withdrawn from warehouse for consumption, for exportation, for transportation to other districts, and remaining in the warehouse at the end of each fiscal year. It shall be the further duty of said director to collect, digest, and arrange for the use of Congress, the statistics of the manufactures of the United States, their localities, sources of raw material, markets, exchanges, with the producing regions of the country, transportation of products, wages, and such other conditions as are found to affect their prosperity; and to aid him in the discharge of these duties, the several clerks now employed in the preparation of statistics in the Treasury Department, or in any bureau thereof, may be placed under his supervision and direction; and, in addition, the Secretary of the Treasury shall detail such other clerks as may be necessary to fully carry out the provisions of this act. And the expenses of the Bureau of Statistics for clerical service, publication of reports, stationery, books and statistical periodicals and papers required by the Bureau, shall be defrayed on the order and approval of the Secretary of the Treasury, out of any moneys in the Treasury not otherwise appropriated. And all letters and documents to and from the director of the Bureau of Statistics, relating to the duties and business of his office, shall be transmitted by mail free of postage.

SEC. 14. *And be it further enacted*, That the Secretary of the Treasury be authorized to suspend the collection, in any of the States heretofore declared in insurrection, of the direct tax imposed by an act of Congress passed August fifth, eighteen hundred and sixty-one, entitled "An act to provide increased revenue from imports, to pay interest on the public debt, and for other purposes," until January first, eighteen hundred and sixty-eight.

Approved, July 28, 1866.

MANUFACTURERS SELLING CIGARS AT RETAIL—BONDING AND TAX.

By bonding their cigars manufacturers can have them appraised at the wholesale market value, and on withdrawing them for consumption they can sell them as they please, at wholesale or retail, as they may find customers. But if no tax is paid upon cigars until they are sold, the actual price received, whether at wholesale or retail, must be returned and the tax assessed upon such price. The tax upon cigars sold at $30 per thousand is $10; but if the same quality of cigars are retailed at $50 per thousand the tax will be $14.

August 13, 1866.

ARMY BOARD APPOINTED TO CONSIDER ALL CLAIMS AGAINST THE WAR DEPARTMENT.

WAR DEPARTMENT,
ADJUTANT GENERAL'S OFFICE,
WASHINGTON, D. C., August 9, 1866.

Special Orders, No. 391:

First. That for the examination and speedy decision of claims in the War Department a commission is hereby organized, to consist of General Canby, General Hunter, Judge Advocate General Holt, and Colonel and Judge Advocate De Witt Clinton to be recorder for said commission. All special claims not within the jurisdiction of any bureau, which may be referred to the Secretary of War, will be examined and decided by the commission. It will also review such claims hereafter rejected by any bureau of this department as shall be presented to the Secretary of War on appeal or review, or that may be referred by the President for examination or review.

Second. All claims referred to the commission shall be registered in their order by the recorder, who shall record the decisions and the grounds thereof, and transmit them, with the papers in each case, to the proper bureau, giving notice to the claimants. The decisions of this board shall be held as the final decisions of this department.

Third. The commission may call upon the heads of bureaus and military commanders for information, reports, explanations, or papers relating to any claim, who, when so called upon, shall make prompt answer thereto.

Fourth. The commission may prescribe rules for their proceedings, in conformity with law and regulations. Claims will be diligently examined and disposed of in the order of their filing before the commission.

A brief statement of claims filed each month, and of the action thereon, will be published by the recorder in the newspapers of Washington authorized by law to publish official advertisements. The office of the commission will be at the headquarters Department of Washington.

The provisions of this order will not reopen claims before decided.

By order of the Secretary of War.

E. D. TOWNSEND,
Assistant Adjutant General.

STATE AGENTS FOR BOUNTY CLAIMANTS.

"State agents who are paid by their States, and who act gratuitously in the collection of claims, are exempted from so much of the act of July 26, 1866, respecting bounty to colored soldiers, as requires the agent or attorney to file with each claim his oath or affirmation that he has no interest in the bounty beyond the fees for the collection of the same."

2d Comptroller, August, 1866.

ARREARS OF PAY AND BOUNTY CANNOT BE PAID TO DISLOYAL HEIRS, OR NEXT OF INHERITANCE.

"Arrears of pay and bounty cannot be paid to disloyal heirs, nor can such heirs be passed over and payment made to the next person in the order of inheritance prescribed by the Act of July 11, 1862. The case is not similar to that of a non-resident of the United States, inasmuch as the act referred to provides for the payment to the next heir resident in the order prescribed.

No such provision is made in any law for passing over a disloyal heir, and in such cases the money reverts to the United States."

2d Comptroller, August, 1866.

Treasury Dept., Decisions, &c.

(Series 2. No. 5.)

REGULATIONS CONCERNING THE WEIGHING AND MARKING OF COTTON, THE ASSESSMENT AND COLLECTION OF THE TAX, AND THE REMOVAL OF COTTON UNDER BOND.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 31, 1866.

The act of July 13, 1866, provides that on and after August 1, 1866, there shall be paid by the producer, owner, or holder, upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of three cents per pound, and that such tax shall be and remain a lien thereon, in the possession of any person whomsoever, from the time when such law took effect, or such cotton is produced, until the same shall have been paid. The same law prohibits, under severe penalties, (which take effect September 1, 1866,) the removal of cotton out of the district in which it is produced before the tax is paid, unless it is removed under bond or other security, accompanied by the permit of the assessor of the district.

If, however, before September 1, 1866, cotton should be removed out of the district in which it was produced without the payment of the tax, or without being bonded, it will be subject to the payment of the tax of three cents per pound by the holder thereof, wherever it may be found; and in such cases, if any should occur, an immediate assessment should be made upon the holder, and if the tax is not paid upon the demand of the collector, the cotton may be seized under section 48.

Any cotton produced in the United States prior to August 1, 1866, which may be found after that date beyond the limits of the district in which it was produced, no tax having been paid thereon, will be subject to the payment of the tax of three cents per pound by the holder wherever found, except in the following cases, viz.:

Cotton removed under a bond executed prior to August 1, 1866, in accordance with the regulations of the Secretary of the Treasury, dated October 9, 1865, which bond does not expire until after August 1, 1866, will be subject only to the rate or tax (two cents per pound,) in force at the time of the execution of the bond.

In all cases where cotton may have been assessed and the assessment returned to the collector prior to August 1, 1866, such cotton will be subject only to the rate (two cents) so assessed, although the tax may not have been paid prior to August 1.

Places for Weighing, &c.

Section 3 authorizes the commissioner to designate places in each collection district where an assessor or an assistant assessor, and a collector or a deputy collector, shall be located, and where cotton may be brought for the purpose of being weighed and appropriately marked. These places will be designated, and public notice given of the same, from time to time, as the proper information is received from the assessors and collectors of each district. At such places an assessor or an assistant assessor, and a collector or a deputy collector, must be located, and where found necessary, persons will be stationed there whose duty it will be to weigh and mark the cotton, under the supervision of the assessor or an assistant, who will be appointed by the Secretary of the Treasury, under the authority conferred by section 8.

The fees for weighing and marking will be fixed by the Commissioner of Internal Revenue, and must in all cases be paid by the producer, owner, or holder of the cotton for whom the work is done.

The duty of the weigher and marker will be to weigh each bale and to mark its gross weight thereon, with marking ink or paint, in large figures. The amount of tax to be assessed upon cotton will be ascertained by deducting from the gross weight of each bale or package four per centum for tare. The assessor or assistant assessor located at the designated place for weighing must either weigh and mark, or see weighed and marked, each bale or package, and must keep an exact account of such weights and marks, and also the names of the holder, owner, or producer for whom the cotton was weighed and marked.

Weighing at other than the Designated Places.

Under the proviso to section 3, the owner of cotton may have it weighed and marked wherever it may be in the district, provided he pays the necessary travelling expenses of the officers who do the work. It is presumed that these expenses can be readily agreed upon by the parties, but in case of disagreement an appeal may be taken to the Commissioner. In no case, however, must an officer decline or delay to do the work because of such disagreement.

When cotton is weighed at such places, the services of a regularly appointed weigher may be dispensed with, provided the owner of the cotton provides for the performance of all the manual labor connected with weighing and marking. In *all cases* the assessor, or an assistant assessor, must see the cotton weighed and marked, and must keep a record of the weights, marks, and the name of the owner or person for whom it was weighed.

Assessors and collectors, as well as producers, owners or holders of cotton, will note that the weighing and marking of this article as herein provided does not cause the tax to acccrue and become payable immediately thereafter. Cotton can be held within the limits of the district where produced, without payment of the tax becoming due, at the option of the owner, unless sold for consumption in the district.

Withdrawals for transportation under bond, or upon payment of the tax, can be made at any time after weighing and marking.

Account to be kept with Producers of Cotton.

In order to prevent confusion in the assessment and collection of the tax on cotton, after the same has been weighed and marked, each assessor is required to keep an account with each person for whom cotton has been weighed, similar to the account now kept with manufacturers of the goods produced by them monthly. This account will be debited with the quantity of cotton weighed and marked for each producer or owner, and be credited with the quantity transported beyond the limits of the district in bond under permit granted by the assessor, or removed upon payment of the tax, as also with the quantity, if any, sold and delivered to any manufacturer or manufacturing company for consumption in the district.

Removal of Cotton under Bond.

Under section 4, cotton may be removed from the the district in which it has been produced to any one other district, without prepayment of the tax, under bond or other security, to be prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury.

When the producer, owner, or holder of cotton desires to remove it in this manner, he is required to make and deposit with the Collector of the district an entry of withdrawal in the following form, viz.:

FORM. 86.

ENTRY OF COTTON intended to be withdrawn from the —— district of ——, for transportation in bond to the —— district of ——, which was weighed and marked for —— ——, on the —— day of ——, 186—.

Marks.	No. of Bales.	Gross Weight.	Net Weight.	Rate.	Am't of Tax.
				3 cts.	

(Signed) —— ——.
Dated at ——, ——, 186—.

When the cotton is proposed to be withdrawn by another party than the one for whom it was weighed and marked, the authority to withdraw, from the proper person, should always accompany the entry.

Upon receipt of this entry by the collector, he will exact from the party making it a bond, with at least two good and sufficient sureties, the penal sum in which shall be double the amount of tax upon the cotton described in the entry of withdrawal, in the following form, viz.:

FORM 90.

Bond for the Removal of Cotton.

KNOW ALL MEN BY THESE PRESENTS, That we, —— ——, as principal, and —— —— and —— ——, as sureties, are held and firmly bound unto the United States of America in the sum of —— dollars; for the payment of which sum we do bind ourselves and our legal representatives, jointly and severally, firmly by these presents. Sealed with our seals, and dated at ——, this —— day of ——, A. D. 186—.

The condition of this obligation is such, that if the above-bounden —— ——, principal, shall transport, or cause to be transported, the following described cotton, viz:

[Same statement as in form 86.]

From ——, in the—— collection district of the State of ——, directly to ——, in the collection district of the State of ——, and shall deliver, or cause the same to be delivered to the Collector of Internal Revenue for the said —— district, in the State of ——, and shall, within ninety days from the date of the permit granted by the Assessor for the removal of said cotton, pay to the said Collector of the —— district of the State of ——, the taxes on said cotton, amounting to —— dollars and —— cents, ($——,) and all necessary charges of custody thereof, and shall, within thirty days thereafter, produce to the Collector of Internal Revenue for the —— district of the State of —— the certificate of such Collector, bearing his official seal, showing that the said cotton has been duly delivered to him and the taxes and charges thereon have been duly paid to him, then this obligation to be void; otherwise, to abide and remain in full force and virtue.

(Signed) ——, [L. S.]
——, [L. S.]
——, [L. S.]

Sealed and delivered in presence of
——.
——.

[25-cent stamp.]

Upon this bond being duly executed, the Collector will deliver to the party depositing the entry of withdrawal the following certificate, viz.:

FORM 87.

Collector's Certificate of Execution of Bond.

COLLECTOR'S OFFICE, —— DISTRICT OF ——,
——, ——, 186—.

To —— ——, *Assessor —— District of*——.

I hereby certify that —— —— has delivered me a bond, with good and sufficient sureties, for the removal of the following described cotton, viz.:

[Same statement as in Form 86.]

You are therefore requested to deliver to the said —— —— a permit for the removal of said cotton as desired. —— ——, *Collector.*

[Collector's seal.]

Upon receiving this certificate, the Assessor will

grant a permit in the following form, in which he must be particular to enter the date, viz.:

FORM 88.

Assessor's Permit for the Removal of Cotton.

OFFICE OF ASSESSOR OF INTERNAL REVENUE,
—— *District, State of* ——.
——, ——, 186—.

Permission is hereby given to —— —— to remove from ——, in this district, to ——, in the —— district of ——, in the State of ——, without prepayment of tax, the following described cotton, viz.:

[Same statement as in Form 86.]

The said —— —— having executed and delivered to the Collector of this district the necessary bond for the removal of the same.

—— ——, *Assessor.*

To —— ——, *Collector,*
—— *District,* ——, ——.

This permit must be executed in triplicate, one copy of which the Assessor will forward to the Collector of his district, one copy will be delivered to the shipper of the cotton, and the other will be immediately forwarded by mail to the Collector of the district to which said cotton is to be transported.

Section four requires that the cotton removed under bond and permit, as aforesaid, shall be delivered to the collector of internal revenue *forthwith* upon its arrival at its point of destination, and shall remain subject to his control until the taxes thereon, and any necessary charges of custody thereof, shall have been paid; which payment must be made within ninety days from the date of the permit granted by the assessor for the removal of the cotton.

Upon the arrival and delivery of the cotton to the collector, and upon the payment to him of the taxes stated in the permit and the proper charges of custody, if any, he will make, under his seal of office, and deliver a certificate in the following form, viz.:

FORM 89.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District, State of* ——,
——, ——, 186—.

This is to certify that the following described cotton, claimed to have been transported under bond by —— ——, from ——, in the —— collection district of ——, under permit of the Assessor of the said district dated ——, 186—, has been received by me, and that the taxes upon the same, amounting to —— dollars and —— cents, ($——,) as stated in said permit, were paid to me on the —— day of ——, 186—:

[Same statement as in Form 86.]

—— ——, *Collector.*

To —— ——, Esq.,
Collector —— *District, State of* ——.
[Collector's seal.]

The collector receiving the tax will deliver this certificate to the person paying the same, who will thereupon present it to the assessor or assistant assessor of the district where the tax was paid, who will thereupon debit the bonded account of the collector of the district with the amount of tax so received, to which he will certify at the bottom of the collector's certificate in the following form, viz.:

I hereby certify that the foregoing certificate has been presented to me, and the amount thereof entered in the bonded account of this district.

—— ——,
—— Assessor.

And no certificate of payment issued by any collector shall be taken as sufficient evidence for the cancellation of the transportation bond, unless it bears the foregoing endorsement of the assessor of the district where the cotton was delivered, and the tax paid.

In case the taxes should not be paid to the collector of the district to which the cotton was sent within ninety days from the date of the permit, said collector must immediately notify the collector who took the bond of the default, and it will then be the duty of the latter to proceed upon the bond. Unless the signers to the bond pay the amount of the taxes without delay, the bond should be placed in the hands of the United States District Attorney for suit.

A collector to whose district cotton is permitted to be removed in bond may at any time receive the taxes named in the permit, without the actual delivery of the cotton; and, in such case, he may give his certificate that the taxes on the cotton described in the permit have been paid, and omit the statement that the cotton itself has been delivered.

Where the Tax is Paid before Removal.

Where parties are desirous of paying the tax on their cotton before removal from the district where the same is produced, they will be required to make a return to the assessor, or an assistant assessor of the district, in the following form, viz.:

FORM 37.

Return for payment of tax of cotton which was weighed and marked for —— ——, at ——, on the —— day of ——, 186—.

[Same statement as in Form 86.]

(Signed) —— ——

Dated ——, ——,
——, 186—.

Upon receipt of this return, the assessor or the assistant assessor to whom it is delivered will immediately proceed to assess the tax upon the cotton mentioned therein, and will at once certify the amount thereof to the collector and make the required entry in his monthly list.

Collector's Permit.

Upon receipt of the assessor's certificate, the collector will at once collect the tax, and will thereupon issue his permit for the removal of the cotton; which permit must state the amount and payment of the tax, the time and place of payment, and the marks, numbers, and gross weight of the bales or packages, so that the same may at all times be fully identified. The blank permit (Form 95) will be furnished from the office of internal revenue for this purpose.

Marking Tax-paid Cotton.

Whenever the tax is paid upon cotton, the collector or deputy collector receiving same will, until otherwise instructed, affix, or cause to be affixed, by the designated marker, the metallic tag or mark heretofore used for denoting such payment: and will, in all cases, carefully insert, under the proper heading in the permit for the removal of the cotton, the letter and numbers upon the same.

These tags or marks must be firmly inserted into the bale, and must be used by collectors in their regular consecutive order.

The cost of inserting or affixing the tags denoting tax-paid cotton will, in all cases, be paid by the producer or shipper of the cotton. Unless these tags are affixed by the collector or deputy collector, the designated marker is the only person who can be legally entrusted with the performance of this duty.

The attention of collectors is called to the fact that an account is kept in this office of all tags with which they have been or may be furnished, and that they are expected to render an account of the disposition made by them of the same, and to see that all of the foregoing requirements are carefully complied with. The convenience and safety of tax-payers, as well as the security of Government, require that the marks shall in all cases, be properly affixed, so that they may surely accompany the bales to their destination, and also that the permits be carefully filled up in every particular as herein required.

Collector's Record.

The Collector of each district is required by section 2 to keep clear and sufficient records of all cotton inspected or marked, and of all marks and identifications thereof, and of all permits for the removal of the same, and of all his transactions relating thereto. The form of this record, as prescribed by the Commissioner, is as follows:

Name of owner.	Location.	District to which shipped.	Marks.	Numbers.	Weight.	Am't of tax.

And will be either furnished by this office, or each Collector will be authorized to purchase one. The required entries must be carefully and faithfully made according to law.

When permits are granted by the Collector for removal upon payment of the tax, he will enter "tax paid" in the column headed "District to which shipped."

Regulations Revoked.

The regulations of October 9, 1865, (II Record, 164), permitting the removal of cotton and other products under bond, having been revoked by the Secretary of the Treasury, ceased to have any force from and after July 25, 1866.

Cotton Manufacturers' Monthly Return, &c.

Section 7 of the act of July 13, 1866, prescribes that the manufacturer of cotton in any district where cotton is produced shall perform the following duties, viz.:

1. On or before the 10th day of August, 1866, he shall return to the assessor or assistant assessor of the district in which such manufacture is carried on, a true statement, verified by oath or affirmation, of the quantity of cotton which such manufacturer had on hand and manufactured, or in process of manufacture, on the 1st day of August, 1866.

Assessors must be particular to obtain this statement from all manufacturers in their respective districts, even though it may not be returned until after August 10. This statement is absolutely necessary as the starting point of the account which assessors must keep with each manufacturer.

2. On or before the tenth day of each subsequent month, each manufacturer must return to the assistant assessor a statement, verified by oath or affirmation, of the quantity of cotton consumed, and the quantity and character of the goods manufactured therefrom, during the last preceding calendar month. This statement must be made on Form 76.

3. Each manufacturer or consumer must keep a book, as required by law, in which he must enter the quantity, in pounds, of cotton which he had on hand the first day of August, 1866, and each quantity or lot purchased or obtained by him thereafter; the time when, and the party or parties from whom the same was obtained; the quantity of said cotton, if any, which is the growth of the collection district where the same is manufactured; the quantity, if any, which has not been weighed, and marked by any officer authorized by law to weigh and mark the same; the quantity, if any, upon which the tax has not been paid, so far as can be ascertained, before the manufactures thereof; and also the quantities used or disposed of by him, from time to time, in any process of manufacture or otherwise, and the quantity and character of the product thereof. And this book must be kept at all times during business hours open to the inspection of assessors, collectors, and other revenue officers. Assessors and their assistants will see that this book is faithfully and accurately kept, in accordance with the foregoing regulations, by every manufacturer or manufacturing company in their respective districts.

4. Every such manufacturer must, on or before the last day of each month, pay to the collector the amount of tax assessed against him upon all the cotton consumed by him during the preceding month on which no tax has been paid, which amount, subject to no deductions, must be entered on the above mentioned form 76, and certified to the collector on the assessor's list.

The special attention of all manufacturers of cotton in districts where it is produced should be called to all the duties and penalties prescribed and imposed by section 7 of the act of July 13, 1866.

Collectors Monthly return of Cotton.

Section 2 requires Collectors to make, monthly, full returns from his record to the Commissioner. This will consist of an abstract from his record, made out in the same form of the monthly transactions in cotton, and is required to be furnished by the tenth day of each month succeeding that for which the return is made.

Assessor's Record of Permits.

The Assessor will keep a record of the permits issued by him, in which he will enter the names of the owners, location of the cotton, the marks, numbers, weight, amount of tax, district to which shipped, and date of permit, in the following form, viz.:

Name of owner.	Location.	Date of permit.	District to which shipped.	Marks.	No. of bales.	Weight.	Am't of tax.

This record will either be furnished by the office or each Assessor will be permitted to purchase one at the expense of the Government.

Bonded cotton to be returned on Forms 60 and 61.

All cotton removed in bond must be returned monthly to the Assessor, in detail, on Form 60, stating the name of the party, the weight and the amount of the tax on each lot covered by each bond, and the aggregate quantity and amount of tax, must be returned to the Commissioner of Internal Revenue, monthly, on Form 61. A special account of bonded cotton will be kept with each Collector, as in the case of bonded spirits, tobacco, &c. In this account the Collector will be debited with all taxes on cotton returned on Form 61, and credited with the amount of the tax on all bonds taken for the removal of the same when returned to this office accompanied by the evidence showing them to have been properly cancelled.

This account will be balanced monthly, on the receipt of Assessor's statement on Form 94, when any balance unaccounted for against the Collector will be transferred to his debit on his general account in the office of Internal Revenue.

Transportation of Cotton.

All persons engaged in producing or dealing in cotton, or in the transportation of the same, will specially note that section 5 of the act of July 13, 1866, renders it unlawful, from and after the 1st day of September, 1866, for the owner, master, supercargo, agent, or other person having charge of any vessel, or for any railroad or other transportation company, or for any common carrier or other person, to convey, or to attempt to convey, or transport any cotton, the growth or produce of the United States, from any point in the district in which it shall have been produced, unless each bale or package thereof shall have attached to or accompanying it the proper marks or evidence of the payment of the revenue tax and a permit of the collector for such removal, or the permit of the assessor as hereinbefore provided, or to convey or transport any cotton from any State in which cotton is produced, to any port or place in the United States, without the certificate of the collector of internal revenue of the district from which it was brought that the tax has been paid thereon, or the permit of the assessor, as hereinbefore provided; and such certificate and evidence must be furnished to the collector of the district to which it is transported, and his permit obtained before landing, discharging, or delivering such cotton at the place to which it is transported. Any person who violates these provisions, or who conveys, or attempts to convey, from any State in which cotton is produced, to any port or place without the United States, any cotton upon which the tax has not been paid, is liable to a penalty of one hundred dollars for each bale of cotton so conveyed or transported, or attempted to be conveyed or transported, or to imprisonment for not more than one year, or both; and all vessels and vehicles employed in such conveyance or transportation are liable to seizure and forfeiture by proceedings in any court in the United States having competent jurisdiction. And all cotton so shipped or attempted to be shipped or transported, without payment of the tax or the execution of transportation bonds, may be forfeited to the United States.

Assessors and collectors are strictly enjoined to rigidly enforce the provisions of this section.

E. A. ROLLINS, *Commissioner.*

Approved:

W. E. CHANDLER,
Acting Secretary of the Treasury.

[Special No. 41.]

TO COLLECTORS, CONCERNING FORM 22.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 30, 1866.

Collections should be entered in the abstract opposite such headings as are appropriate to the articles taxed, whether such collections are made at the old or new rates. For instance, collections on *Cutlery*, now taxable at 6 per cent., but on and after August 1, 1866, at 5 per cent., should be entered opposite No. 34, without reference to the fact whether such collections were made at 5 per cent. or 6 per cent.

Collections on articles exempt on and after July 13, 1866, should be entered as follows:

In "Manufactures and Productions," opposite No. 121.

In "Sales," opposite heading marked A.

In "Schedule A," opposite heading marked B.

In "Slaughtered Animals," opposite heading marked C.

All collections on *Fermented Liquors*, whether collected in accordance with the provisions of present laws or arising from the sale of stamps to brewers, should be entered in the abstract, opposite No. 37.

Amounts collected from *Common Carriers* or *Insurance Brokers*, arising out of their present liability to license as such, should be entered in the former case opposite No. 181, and in the latter opposite No. 189. Collections on *Special Income* should be entered opposite No. 216.

Collections in August, 1866, should be reported on *the new abstract.*

The abstract should contain a classified statement of all collections actually made in the month for which it is prepared, including the first and last days thereof. Such amounts as are retained by the Collector when acting as disbursing officer, as *tax on salaries*, and amounts derived from the sale of stamps, other than those used for fermented liquors, and all amounts specially deposited to the credit of the Secretary of the Treasury, should not be entered on the abstract.

In preparing the abstract, Collectors should correct any errors they may discover in the classification of the Assessor.

Prior to the transmission of the abstract to this Office, it should be carefully revised in every particular, and a copy thereof made and filed in the office of the Collector.

E. A. ROLLINS, *Commissioner.*

RELATIVE TO LIABILITY TO TAX OF METAL FRONT CLOCKS ON BEING CASED.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 16, 1866.

SIR: Information has been received that the * * * * * Clock Companies in your district do not pay duty on metal front clocks manufactured by them from clock movements and parts which they buy and assemble.

You will please investigate this matter immediately and report to this office whether this information is correct, and if so, why the parties above named have not been required to pay duties on their manufactures.

Very respectfully,
D. C. WHITMAN,
Deputy Commissioner.

P. C. VAN WYCK, Esq.,
Assessor 4th Dist., New York.

[REPORT.]

FOURTH DISTRICT, NEW YORK,
New York, Aug. 1st, 1866.

SIR: Your letter of June 16th ult., in reference to taxation of certain Clock Companies in this District, for assembling together parts of clocks, has been received. I have required each one of these Companies to furnish me statements of their sales since the beginning of the law, and have examined members of firms as to their business in this particular. They claim not to add five per cent to the value of the materials they use, and that clocks made by assembling the parts together are not liable to tax.

The examinations herein referred to, seem to confirm their statement of less than five per cent difference between the market value of the materials (to wit: movement, case, dial and face ring) and the sales price of the clocks during each month in which the sales were made.

These statements, not yet completed, I was induced to require of the parties on an inference I drew from your letter that the Department held the encasing of clocks as taxable. If these parties, however, are held to be more completely finishing a clock movement which has paid tax, by encasing or framing it, then they would be liable to tax on their sales of clocks after deducting the cost of the movement. I find that it costs about 8 cents to fasten in the movement of some of the clocks which may be termed the 1st class—12 cents for the 2nd class—and 18 cents for the 3d class.

The value of the movements vary from 80 cents first class, $1.75 second class, to $2.60 third class. These movements are encased and the completed clock sold for prices varying from $2 first class, $3.10 to $5.10 second class, from $4.50 to $12.25 third class, and sometimes for more. The value of the movements above given is not the cost, but the market value. The pre-requisites as stated in your decision of Nov. 9, 1865, exist in the encasing of clocks, and would seem to withdraw it from the operation of the 96th section (see letter of the Department, dated February 10, 1864, to this office). A review of this subject occasioned by your letter, has determined me to hold these parties liable to taxation on the increased value, unless otherwise directed.

Respectfully,
P. C. V[illegible]
Assessor 4th Dist[illegible] York.

Hon. E. A. ROLLINS,
Commissioner Internal Revenue.

[DECISION.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 7, 1866.

SIR: Your letter of the 1st inst. in relation to the assembling together of the parts of clocks, by certain clock companies, has been received.

In answer I have to say, that after a careful examination of the evidence submitted upon the subject in question, by the verbal statements of parties interested and by affidavits and representations, the Commissioner is of opinion that the assembling of the parts of clocks in question does not increase the value of the taxed parts 5 per cent., and such assembling is therefore exempt from tax, under the provisions of section 96, act of June 30, 1864.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

P. C. VAN WYCK, Esq.,
U. S. Assessor, New York.

ESTIMATING INCREASED VALUE ON CLOTHS DYED, PRINTED OR BLEACHED.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Feb. 10, 1864.

SIR: In answer to your letter of the 8th inst. I have to say that cloths when dyed, printed, bleached, &c., are never exempt from taxation on their increased value under the 5 per cent. limitation clause of the 29th section of the act of 3d March, 1863.

In estimating the increased value for purposes of taxation, it is fair to presume that it is in no case less than the price paid for dyeing, &c., in most cases it may be much more. Respectfully,

JOSEPH J. LEWIS, *Commissioner.*

PIERRE C. VAN WYCK,
U. S. Assessor, New York.

CLAIMS FOR EXEMPTION FROM TAX UNDER INCREASED VALUE PROVISIONS OF SECTION 96.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 19, 1864.

SIR: In answer to yours of the 17th inst., I am of the opinion that goods manufactured and sold under the act of June 30, 1864, are exempt from duty by section 96, whenever the actual cash value of the goods manufactured, as determined by the price received for them, is not five per cent. more than the actual cash value of the materials contained in the same goods, as determined by sales of precisely similiar materials in the same market at the time of delivery of the goods.

But the question of fact, whether the increase of value in such case is or is not less than five per centum cannot be left wholly to the manufacturer. He should return the amount of his sales, entering separately that portion of the whole on which he claims exemption under section 96, with a statement of this claim, and on the requisition of the assistant assessor, with such proof as he can supply, that the actual cash value of the materials at the time of the delivery was not less than five per cent. than the value of the finished articles. The assessor will then, if satisfied with the proofs adduced, or if satisfied of the truth of the claim by his own knowledge of the facts, make no assessment upon such goods.

Very respectfully yours,
JOSEPH J. LEWIS, *Commissioner.*

INCREASED VALUE UNDER SECTION 96.

"Whether a contract of sale is to be executed a day or a year hence, the rule for the ascertainment of values must be the same. The term of the completing of the sale is the important point, and that in all cases is the time of delivery. The object of the law is to determine the increase of value caused by the process of manufacture and not the increase caused by the fluctuations of prices in a market constantly subject to the influences of panic and speculation. The time when the sale takes place is obviously the time at which the increase value is to be ascertained. There is no other time indicated by the statute, and to say that the return of the sale shall be as of one time and the estimate of the increase value as of another, is to defeat the object of the law and to renounce a safe and certain rule sustained by principle, for one that has no solid foundation and is without practical value or virtue to recommend it."

To Assessor Van Wyck, March 13, 1865.

INCOME OF ASSISTANT ASSESSORS, DEDUCTION OF CERTAIN OFFICE EXPENSES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, June 13, 1866.

SIR: Your letter of June 5th relative to deductions from income of Assistant Assessors for traveling expenses and printing bills paid by him and disallowed by the Auditing Office, is received.

I reply—That if the person in question actually paid out of his income any sums for printing or for traveling expenses necessarily incurred in the prosecution of his business, he may deduct the amount so paid from his income, provided the same was not refunded to him. But he should not include as traveling expenses, any expenses for food and lodging, but merely the amount of *fares* paid, or the hire of vehicles, so far as such fares, &c., were expenses of business.

Very respectfully,
D. C. WHITMAN,
Deputy Commissioner.

P. H. NEHER,
Assessor, &c., Troy, N. Y.

PENSIONS REGARDED AS INCOME.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 6, 1866.

SIR: I reply to yours of the 26th ult., that the recipient of a pension should return the entire amount of the same as income of the year when received, if not before returned for year when accrued.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

P. H. NEHER,
Assessor, Troy, N. Y.

ARTICLES IN FREE LIST CEASE TO BE TAXABLE AFTER JULY 13, 1866.

"Relative to the date on which articles exempted by the new law cease to be taxable, I have to say, that section 10 of the new law provides, 'that from and after the passage of this act the articles, &c., shall be exempt from internal tax.' As the law was approved July 13, 1866, that was the date at which such articles ceased to be taxable."

Assessor Bleecker, August 7, 1866.

TAXES UPON AUCTION SALES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 9, 1866.

SIR: Your letter of this date in relation to tax upon auction sales has been received.

Prior to the date of the late Act of July 13, 1866, it was held that sales made by auctioneers for Judicial or Executive officers, or for executors and administrators, were liable to tax in the same manner as sales made for other persons.

The law has been amended, and it is now held that the sales of auctioneers made for or on account of the persons or officers above specified are not liable to tax since August 1st, instant, the time when the above act takes effect.

E. A. ROLLINS, *Commissioner.*

H. L. KENDIG, Esq.,
Washington, D. C.

NO SUCCESSION TAX ON PROCEEDS OF REALITY PASSING TO CHILDREN UNDER WILL OF FATHER UPON THE DECEASE OF MOTHER IN 1865.

ONEONTA, N. Y., July 27, 1866.

DEAR SIR: S—— Y—— died in 1851, worth about $5000; about $3500 of which was real estate. His will provided as follows: "Let my property be equally divided among my children; let my wife be supported out of it as long as she lives; I appoint my wife Lucy, and M. Walling my executors. Let them manage the property." In 1855 or 1856 the executors, by order of the Surrogate, sold the real estate and converted it into personalty. Lucy, the widow, who was to be supported out of the property, died in October, 1865. There was then on hand of the property about $2000, since distributed, or to be, to the children. Are the children liable to pay a succession or distributive tax? They claim it is not like the case divided by the Commissioner February 3, 1866, (3 INTERNAL REVENUE RECORD, 53) to John B. Bright, for the reason that in that case there was a precedent life estate in the property itself, and the children had no title to, or enjoyment of, the real estate until the widow's death. That the widow took a life estate, and *all* the rents and profits while in this case the moment the testator died the title to the real estate was in the children, and they had a right to the rents and profits except just so much thereof as was necessary to support the widow. In other words, the property was *theirs* when their father died, and the executors had no right under the will to keep or accumulate a surplus. If they did it was simply a matter of abundant caution, and without right or authority of law under the will. A decision of the question will oblige,

Respectfully yours,
N. C. MOAK.

COMMISSIONER INTERNAL REVENUE.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 30, 1866.

SIR: I reply to yours of 27th inst., relative to estate of S—— Y——, deceased, that if, as appears, the real estate in question was converted into personalty in 1855 or 1856, no succession taxes accrued against the children upon the death of their mother. The terms of sec. 138 do not apply to a case like that presented.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

N. C. MOAK, Esq.,
Oneonta, N. Y.

STAMPING OF PROMISSORY NOTES ON RENEWAL THEREOF BY ENDORSEMENT, AND WHEN PROTEST IS WAIVED.

"OFFICE, ST. LOUIS INSURANCE COMPANY,
ST. LOUIS, June 7, 1866.

"To the Commissioner of Internal Revenue, Washington City:

"Sir: I desire to know whether the usual stamp be necessary under the law upon the renewal of an endorsed note when protest has been waived, and the receipt of interest on the extended time acknowledged on the note.

"Very respectfully, your obed'ent servant,
"GEORGE K. MCGUNNEFLE, *President.*"

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, July 6, 1866.

"Sir: Your letters of the 7th and 22d ultimo, relative to the extension of the time of payment for promissory notes, have been received.

"The endorsement of a partial payment on the back of a note is regarded as a new memorandum, not subject to stamp duty, and the fact that by an implication of law it operates as an extension of the time of payment, does not effect the case.

"The agreement to waive protest and notice of protest, signed by the party making it, is subject to stamp duty as a contract or agreement.

"Very respectfully,
"E. A. ROLLINS, *Commissioner.*"

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 8. NEW YORK, AUGUST 25, 1866. WHOLE NUMBER 86.

TABLE OF CONTENTS.

REVIEW.

THE Treasury Department has issued circular instructions under the provisions of the new Amendatory Act, respecting the interests of informers in fines, penalties, and forfeitures, and has prescribed a schedule of informers' shares in such cases. No right accrues to any informer in any case until the penalty is fixed in such case by judgment or compromise, and the amount of the proceeds shall have been paid.

Where judgment is decreed, the Court designates the informer, if any, and in the case of compromise that duty devolves on the Secretary of the Treasury. The shares of informers are limited to a specific sum, and materially reduced from the allowances under previous laws,—but are regarded as sufficient for the purpose for which provided. Many large claims of informers, amounting in some instances to several hundred thousand dollars, cannot be recognized under the amendment, which in express terms is given a retrospective force.

The official schedule of stamp duties in force after Aug. 1, 1866, is published at length. The most important changes in the law relate to the tax on brokers' sales, the exemption from stamp tax of receipts for delivery of property and legal documents. In the matter of brokers' sales, a memorandum or note of the sale or contract of sale, showing the date thereof, name of the seller, and amount thereof, must be given in each separate transaction, and be appropriately stamped. Where any person, firm, or corporation not licensed, or who has not paid special tax as a bank, banker, or broker, effects sales of gold, securities, &c., belonging to others, the required memorandum as in the case of a regular broker, must be stamped at the rate of five cents for every one hundred dollars, or fractional part thereof.

Unlicensed persons, firms, or corporations, or those who have not paid special tax, not being liable thereto as banks, bankers or brokers, bona fide selling their own property, in gold, securities, &c., do not appear to be subjected to stamp tax.

We reprint in full Decision No. 170, of August 1, 1866, relative to the gross receipts of ferry boats and other vessels, correcting a typographical error, which might cause misapprehension. Gross receipts for the transportation of property from and after the 13th of July, 1866, are exempt from tax. The receipts for the carriage of passengers, however, are still taxable, and also the receipts for the transportation of United States mails under contracts made prior to August 1, 1866.

Instructions are promulgated relative to the affixing and cancellation of stamps on packages of fermented liquors. Nothing is said as to the supply or furnishing of the requisite stamps, but it is believed that the same are now ready for distribution. Collectors will keep these stamps for sale to brewers, and it would prevent annoyance and delay, in view of the near approach of the first of September, when the use of them becomes necessary, if they would at once write for supplies, stating denominations and quantity

ASSISTANT ASSESSORS AND LOCAL OFFICES.

An order has been promulgated from the office of Internal Revenue, by direction of the Secretary of the Treasury, instructing Assessors to report promptly the name of any Assistant Assessor who may accept, or who is known to be seeking any nomination for an elective office, in order that a successor may be forthwith appointed.

The Department, jealous of the integrity of its subordinates, has been constrained to issue this stringent order because of representations that Assistant Assessors have in some instances used their official position to advance their personal and political interests. The authority vested by law in Assistant Assessors, gives them extensive powers which may unquestionably be perverted and asserted to the injury and oppression of citizens by unscrupulous and designing men, and we cannot but regard the order as well timed and excellent. We do not think the scope of the order includes offices other than those of emolument and profit, as school officers, commissioners, &c., who have no salaries.

APPOINTMENT OF INTERNAL REVENUE OFFICERS.—Nathaniel S. Howe, to be Collector of Internal Revenue for the Sixth District of Massachusetts; Daniel A. Carpenter, to be Assessor of Internal Revenue for the Second District of Tennessee.

Assessors of Internal Revenue for Missouri—Joseph A. Hay, Third district; Garland C. Brooks, Fifth district; Joseph A. Greason, Second district. Collectors of Internal Revenue for Missouri—John M. Glover, Third district; T. T. Crittenden, Fifth district, and W. M. Hamilton, Second District.

JAY COOKE, the well-known banker, returns an income for 1865 of $625,000. His tax will be over $60,000. He resides in Cheltenham, Montgomery county, Pennsylvania.

[For the Internal Revenue Record.]

COST OF ASSESSING AND COLLECTING THE INTERNAL REVENUE.

As the present state of the country necessarily requires heavy taxation, the people have a right to require strict economy in all departments of the Government. Believing that a great misapprehension exists, relative to the expense of assessing and collecting the excise taxes, and knowing that grumblers avail themselves of this false impression for the purpose of creating a prejudice against the law, and in fact against the government, I think it due alike to the government and to the people, that the facts, as they exist, should be known.

The experience of this country has exploded what was considered a settled principle, that an excise tax was far more expensive in collection than any other system of taxation. The Commissioner of Internal Revenue in his last Report estimates the entire expense of assessing and collecting throughout the country at three and one half (3½) per cent. on the amount collected. The rate of course will vary in different sections of the country, in consequence of the amount assessed, the sparseness of the population, and the economy of the local officers. In Massachusetts, it is believed that the expense is less than half the estimated rate.

In the sixth District, during the last fiscal year, the amount assessed was four millions, sixty thousand five hundred and thirty-four dollars and thirty-nine cents ($4,060,534.39) and the rate including all the expenses of assessing and collecting was but a trifle over eighty-four one hundredths of one per cent. (84-100ths of 1 per cent.) This includes all the expenses of compensation of officers, office rent, clerk hire, stationery, postage, and the like. And of the large sum thus assessed there has been only a mere fraction which has been lost to the Government. During the last year the amount of abatements and refunds has been only one-tenth of one per cent.

Thus it will be seen that the entire expense of assessing and collecting in the sixth District of Massachusetts is only 84-100ths of one per cent., while it is believed that the expense of assessing and collecting the city and town taxes throughout the State is at least three times that rate.

CHARLES HUDSON,
Assessor 6th District, Mass

THE following announcement has been made by the Treasury Department:

August 14, 1866.

Notice is hereby given to holders of certificates of deposit of temporary loan, other than those issued for clearing-house purposes, that the Treasury Department is prepared to redeem the same on presentation at the offices from which they were issued, with accrued interest thereon to the time of presentation between this date and August 26, and that after the latter date interest will cease on such certificates.

H. MCCULLOCH, *Secretary of the Treas*

UNITED STATES SUPREME COURT.

December Term, 1865.

The United States, defendants in error, vs. 125 *baskets of champagne marked V. C., and* 600 *baskets champagne marked E. C.*

This case originated in a seizure by the Collector of the port of San Francisco, in March 1864, of the two lots of champagne mentioned in the title of the cause, which were claimed by Eugene Clicquot. The information filed alleged that in September, 1863, one J. H. Wolther, being one of the owners of the wines, and intending to import them into the United States, made and signed an invoice thereof, and produced it at the Consular Agency of the United States, &c., with a declaration endorsed thereon that the invoice contained the actual market value of the wines, at the time and place when and where they were procured or manufactured; whereupon the Consular agent signed the certificate required by law; that afterwards they were consigned and imported into the United States, that in fact the declarations in the invoice were false and fraudulent, and did not state or contain a true and full statement of the actual market value of the wines at the time and place where manufactured or purchased, but that on the contrary the owner knew the invoice to be false, and that the market value of the wines was much greater than the prices stated in the invoice.

The case was tried in the District Court for the Northern District of California, and the verdict of the Jury was for the Government. Thereupon the case was taken by writ of error to the Circuit Court where the judgment of the District Court was affirmed. It then came here.

By the Court.—Mr. Justice SWAYNE delivering the opinion:—This case was brought into this Court by writ of error to the Circuit Court of the United States for the Northern District of California. The proceeding was instituted in the District Court, by a libel of information for the forfeiture of certain baskets of champagne described therein. The champagne belonged to the claimant, had been manufactured at Rheims, in France, exported from that country and entered at the office of the Collector of Customs at the port of San Francisco. The charge was, that in making this entry the consignee had "produced and used an invoice which did not contain a true and full statement of the actual market value of said goods and merchandise, at the time and place when and where the same were produced and manufactured: but that, on the contrary, as the owner well knew, the said invoice was false, and that the market value of said goods and merchandise was much greater than the sums and prices stated in said invoice." The prosecution was founded on the act of March 2, 1863, (12 Stat. at large, 737.) The case was tried by a jury. Upon the trial numerous exceptions were taken, which will be considered as we proceed.

1. The counsel for the plaintiffs propounded to the witness the three following questions: "What did you ascertain, if anything, concerning the price or value of Eugene Clicquot champagne? Did you ascertain what was the jobbing or wholesale price at Paris? What means did you take to ascertain the price or value, and what was the result of your investigation?" To which questions the witness answered as follows: "I went to the agents of Eugene Clicquot, Jean Petit & Fils, whose place of business was No. 7 Rue de la Mechorcher. They had wines for sale, and stated that they were the agents of Eugene Clicquot, of Rheims, for the sale of his wines. They were generally reputed to be such agents, and there was a sign to that effect outside the door. I examined the wines which they had there for sale, and inquired the prices per bottle, and also inquired the wholesale prices for shipment to England and elsewhere. The agent stated to me the different prices." The defendant's counsel objected to the witness testifying what the said Jean Petit & Fils stated to him in regard to the prices of champagne as inadmissible and incompetent, on the ground that it was hearsay and that there was no evidence that said Jean Petit & Fils were agents of said claimant. The bill of exceptions does not purport to set out all the evidence given in the case, whether there was sufficient proof of the agency to warrant the admission of the acts and declarations of the agent in evidence upon the subject embodied in the bill. This was not done. It appears, however, that the proof was sufficient. Besides other evidence "it was proved by the deposition of Eugene Clicquot, the claimant, that the firm of Jean Petit & Fils, at Paris, was the agent for the sale of the champagne manufactured by said Eugene Clicquot." Whatever is done by an agent, in reference to the business in which he is at the time employed, and within the scope of his authority, is said or done by the principal, and may be proved as well in a criminal as in a civil case, in all respects as if the principal were the actor or the speaker, (American Fur Co. vs. the United States, 2 Peters, 364.)

2. The second exception was to the admission, in evidence, of the price-current furnished by the agent to the witness; coming from that source, it was clearly admissible. It was not so remote in its bearing upon the issue as to be irrelevant. Its weight and application depended upon the other evidence in the case, which is not shown. We cannot presume error. It must be made manifest. The presumption is the other way. 3. "The witness further testified that almost all the leading champagne manufacturers have agencies in Paris; that he inquired of several agencies for champagne at wholesale for exportation, and the agents uniformly stated to him their prices;" that he could find no agents for Eugene Clicquot at Paris, other than said house of Jean Petit & Fils; that among other wine dealers in Paris was the house No. 6 Provence street, on the outside of which was a sign: "E. Delouze Rogot, de la Maison, Minet, Jeune & Co., Rheims;" that he called at said establishment and was shown by the proprietor samples of various wines, who stated their wholesale prices; that he was also at the same time handed a printed price current, which he now produces. The plaintiff's counsel offered to read the said price current in evidence, to which the claimant's counsel objected, on the grounds that such proposed evidence would be hearsay, and irrelevant and immaterial, and that such paper did not purport to state or give the wholesale price at Paris of the wines therein mentioned, but merely the price of the single bottle; that no actual transaction on the part of said Farwell or any one else had been proved or was proposed to have been based on such paper, or on the prices stated therein; that said paper had not in any manner been connected with the claimant, and that the wines mentioned and stated in such paper did not appear to be, and had not been proved to be of the same kind or quality as those proceeded against in this case. In Lusk vs. Druse, (4 Wendell 315,) the proof upon the trial in the Court below was as follows: "A witness proved the value of the wheat in Albany in 1822, '23, '24, and '25, derived by him from the books of large dealers in wheat at that place—he knowing nothing of the price of his own knowledge." The Court said: "The proof was by a witness who had enquired of merchants dealing in the article, and examined their books. This, uncontradicted, was sufficient." With this ruling we are satisfied. While Courts, in the administration of the law of evidence, should be careful not to close the door to falsehood, they should be equally careful not to shut out truth. They should not encumber the law with rules which will involve labor and expense to the parties, and delay the progress of the remedy—itself a serious evil—without giving any additional safeguard to the interests of justice. We think the price current is not liable to the objection that it was hearsay. It was prepared and used by the party who furnished it, in the ordinary course of his business. It is as little liable to that objection as the entries in the books of the dealer, or his answers to the inquiries of a witness, both of which were admissable upon the authority of the case referred to in Wendell. It was clearly relevant. What effect should it have in connection with the other evidence adduced by the parties was a question for the jury. 4. The counsel for the plaintiff also asked the said Farwell, at said trial, the following question: Did you, upon inquiry at Paris, ascertain the difference in price between Rheims and Paris, as to Mumm champagne, and as to Moet and Choudon champagne? Whereupon the counsel for the claimant did then and there, at the said trial, and before the said question was answered by the witness, Farwell, object to the said question, as calling for irrelevant and immaterial testimony, also, as calling for hearsay testimony, also because it referred to champagne wines, proceeded aginst in this action. Whether the wines named were the same with those in question of the claimant, except in name, or not, is not disclosed in the bill of exceptions. If there were such differences as was assumed by counsel for the defendant, it should have been made to appear, by setting out either the evidence which proved it, or an admission by the Judge to that effect. Either would have been sufficient. Their place cannot be supplied by the allegations of counsel. The silence of the Judge does not amount to an admission. The other grounds of the objection are sufficiently answered by what has been said in considering the preceding exception. The evidence being closed, the learned Judge who presided at the trial, delivered a full and able charge to the Jury. It embraced all the points arising in the case. We concur with him upon all of them, except one, presently to be considered, and upon that, the charge was more favorable to to the party defending, than he was entitled to claim. The counsel for the claimant submitted eleven prayers for instructions, all of which were refused, and he excepted. As the charge of the Judge covered the entire case, and is satisfactory to the Court, we might consistently, with the rule of law upon the subject, forbear to enter upon their examination in this opinion. But as some of them involve new and important questions, and all of them have been pressed upon our attention, with zeal and ability, and we have considered them with care, we deem it proper briefly to state our conclusions. The term "place," as used in the first section of the act of 1863, does not mean any locality, more limited than the country where the goods are bought or manufactured. The standard to be applied is their value in the principal markets of that country. The commerce into which they enter is international, and the language of the statute must be construed in a large and liberal spirit. Proof of the value of the wines at Paris, if there was no other evidence upon the subject, was sufficient to enable the Jury to arrive at the proper conclusion. Upon this point our opinion differs from that of the learned Judge who tried the case. It is claimed that the rule relating to probable cause, and the *onus probandi*, prescribed in the seventy-first section of the act of 1799, is confined to prosecutions under that act, and has no application to those under the act of 1863, which is silent upon the subject. The seventieth section of the act of 1799, directs the officers of the customs "to make seizure of any ship or vessel, goods, wares, or merchandise, which shall be liable to seizure, by this or any act of the United States, respect-

ing the revenue, which is now or may hereafter be enacted, as well without as within their respective districts." It would be a singular result, if, in a prosecution upon an information containing counts upon this and later statutes *in pari materia*, the rule should apply to a part of the counts and not to others. The seventieth and seventy-first sections must be construed together. They both look to a future and further legislation. In all the changes which the revenue laws have undergone, neither has been repealed. The authority to seize out of the district of the seizing officer—and this rule of *onus probandi* have always been regarded as paramount features of the revenue system of the country. This act is the only one ever passed containing this rule. All the later laws are silent upon the subject. In Wood vs. The United States, (16 Peters, 342, 360), the Court below instructed the Jury that the rule applied in a trial upon an information founded upon the act of 1799, and the act of July 14, 1832. No discrimination was made between the counts. This Court sustained the instruction.

In Taylor vs. The United States, 3 How. 197, 203; in Clifton vs. The United States, 4 How. 242; and in Buckley vs. The United States, 4 How. 252, 257, 260, the information was founded upon certain sections of the acts of 1799, 1830, 1832. The Court below applied the rule alike to all the counts. The same result followed in this count as in the case of Wood vs. The United States. In none of these cases was the point here under consideration expressly made. The applicability of the rule alike in cases arising under *all the revenue laws*, was assumed by the eminent counsel concerned, and by the Court. Other questions relating to the subject were fully discussed. This tacit recognition is equivalent to an express declaration. The term *knowingly*, in the act of 1863, in the connection here under consideration, refers to the guilty knowledge of the owner, consignee or agent, by whom the entry is made or attempted to be made. The offence to be punished consists of three particulars, (Low vs. Cross, 1 Black, 533:) the making or attempting to make an entry by the owner, consignee, or agent; the use by such owner, consignee or agent of the forbidden means; guilty knowledge on the part of such owner, consignee or agent. This we think is the proper construction. It is claimed as a consequence, that if the owner is guilty and the entry is made by an innocent consignee or agent, the case is not embraced by this statute. We cannot yield our assent to this view of the subject. In that case the act of the agent or consignee is to be regarded as the act of the guilty principal, and the same penal consequences follow as if the entry had been made by the owner in his own person. The Court below was pressed to instruct the jury that "knowingly" is used in the statute as the synonym of fraudulently. The instruction given was eminently just and we have nothing to add to it. The provision that the act should not apply to invoices of goods imported into any port of the United States from beyond Cape Horn or the Cape of Good Hope, until the 1st of January, 1864, does not affect this case. Its meaning is that the requisites prescribed by this act, for foreign invoices, in order to secure the entry of the goods at a port of the United States, need not be complied with in the cases mentioned until the time specified. It does not apply to cases of fraud, and gives no impunity to guilt. If the guilty means, named in the statute, were used after it took effect, no matter when they were prepared, the offence was complete. Revenue laws are not penal laws, in the sense that requires them to be construed with great strictness in favor of the defendant. They are rather to be regarded as remedial in their character, and intended to prevent fraud, suppress public wrong, and promote the public good. They should be so construed, as to carry out the intention of the Legislature in passing them, and most effectually accomplish these objects. Taylor vs. The United States, 3 How., 210.

The judgment below is affirmed.

UNITED STATES SUPREME COURT.

December Term, 1865.

Letters written by third persons and addressed to third persons, held to be evidence of matters stated therein in respect to the current rates and prices of wines, as between the Government and importers.

Three hundred baskets of champagne, marked H. G. & Co., R. Ferustein, Claimant, Plaintiff in error vs. the United States.

The facts in this case are in the main the same as in the above case of Eugene Clicquot. In so far as the cases differ the following views of the Court set forth.

By the Court.—Mr. Justice SWAYNE delivering the opinion,

This case was brought into this court by a writ of error to the Circuit Court of the United States for the Northern District of California.

The proceeding was instituted in the same court—in the same way, and for the same purpose—as the proceeding in the case of Clicquot, claimant, vs. the U.S., just decided. All the questions presented for decision here, were decided in that case except one. It appears by the bill of exceptions that upon the trial "the claimants introduced testimony tending to show that champagne wines in the hands of the manufacturers in the champagne district of France, in a manufactured state, ready for consumption, have no fixed actual market value, and are not sold or dealt in at the place of production." To rebut this evidence "and for the purpose of showing that such wines are held for sale at current rates and prices, at which they are freely offered and sold there," and also to show among other things, the market value of the wines in question, the United States offered in evidence seven letters from large dealers at Rheims, where the wines in controversy were manufactured.

"To the introduction of each and every of said seven letters the claimant's counsel objected, as being immaterial and irrelevant; also as being *res inter alios acta;* also because they referred to champagne wines, different in kind, price and quality from the 'Veuve Clicquot Ponsarsin Champagne' proceeded against in this action; also because said letters were not admissible under the pleadings in this case; also because no actual sale or purchase had been proved, or was proposed to be proved by said letters, or based upon or connected with said letters; also because the letters to which these letters (the ones offered in evidence) were answers, were not offered or proposed to be offered in evidence."

The only point of these objections necessary to be considered is, that the letters were *res inter alios acta*, and hence incompetent. The others are disposed of by what was said in the preceding case. In Taylor et al. vs. The United States, (3 Howard, 210,) foreign invoices relating to goods other than those of the claimant, and received by other merchants, were admitted to rebut the evidence of the claimant of a general usage to allow a deduction of five per cent. for measurement—those invoices showing no such allowance—and a foreign letter attached to one of the invoices, though objected to, was also received. This Court approved the ruling of Court below.

In the case of Eugene Clicquot, claimant, vs. The United States, we held that the answer of a dealer, and a price current, relative to the prices of his wines, given by him to a witness, were competent evidence.

In Doe d. Patteshall vs. Turford, 3 B. and A., 890, it was held that the entry by an attorney of the service on a tenant of a notice to quit, made in the ordinary, course of his business, was admissible. In Stapylton vs. Clough, 22 Eng. L. and E., 276, a like entry made by an attorney's clerk, cotemporaneously with the service, was held to be admissible for the same reasons; but the after parol declaration of the clerk, offered to contradict the entry, was rejected. In this case Lord Campbell said; "I entirely approve of the decision of Doe d. Patteshall vs. Turford, and the cases decided upon the same principle. They lead to the admission of sincere evidence, and in the investigation of truth."

In Carrol vs. Tyler, 2 Harris Gill, 56; in Sherman vs. Crosby, 11 Johnson, 70; and in Shearman vs. Akens, 4 Pickering, 183, the receipts of third persons for money paid to them by one of the parties to the suit were received in evidence, without the presence of the persons by whom the receipts were given. In Holliday, executor of Littlepage, vs. Littlepage, 2 Mumford, 316, the parol declaration by a third person of such payment was admitted. In Alston vs. Taylor, 1 Haywood, 395, a receipt given by an attorney of another State for certain claims placed in his hands for collection, was held to be admissible, to show the time at which he received the claims.

In Brather vs. Johnson 3 H. and J., 487, the Court of Appeals of Maryland said: "If A, as surety of B, pays a debt due to C on proof of the payment, A could recover of B. He could recover on C's saying he had paid, and of course if C wrote that A had paid, surely it is evidence, whether the writing is in a book or a letter." We think the letters in question in this case were properly admitted. In reaching this conclusion, we do not go beyond the verge of the authorities to which we have referred. In some of these cases the person claimed to be necessary as a witness was dead. But that can make no difference in the result—(1 Greanl. Ev., sec. 120; 2 Mumford, 321. The rule rests upon the consideration that the entry, either writing or parol declaration of the author, was within his ordinary business. In most cases he must make the entry contemporaneously with the occurrence to which it relates—(22 E. C. L. and E., 276.) In all he has ful knowledge, no motive to falsehood, and there is the strongest improbability of falsehood. Safer sanctions rarely surround the testimony of a witness examined under oath.

The rule is as firmly fixed as the more general rule to which it is an exception. Modern legislation has largely and wisely liberalized the law of evidence.

We feel no disposition to contract the just operation of the rule here under consideration. The judgment below is affirmed.

DISSENTING OPINION.

We cannot assent to so much of the opinion in this case as decides that the letters written by third persons, and addressed to third persons, were properly admitted in evidence.

JAMES M. WAYNE,
NATHAN CLIFFORD,
DAVID DAVIS.

N. Y. Times.]

The President has made the following appointments:

Wm. B. Taylor, Register of Land Office at Jackson, Miss.; Austin Morgan, Receiver of Public Money for the district of lands subject to sale at Jackson, Miss.; Lafayette Carter, Surveyor of Land for Territory of Idaho; H. A. McKelay, Assessor Internal Revenue, Second District, Iowa; Wm. E. Bond, Collector Internal Revenue, First District, North Carolina; Richard H. Jackson, U. S. Attorney for Territory of New Mexico; O. S. Baker, Justice of Peace for County of Washington, D. C.; C. S. Eyster, of Colorado, Associate Justice of Supreme Court for the Territory of Colorado.

THE redemption of the temporary loan will absorb $70,000,000 in currency

Treasury Dept., Decisions, &c.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,

SCHEDULE OF STAMP DUTIES.

ON AND AFTER AUGUST 1, 1866.

Stamp Duty.

Accidental Injuries to persons, tickets or contracts for insurance against, are exempt from stamp duty.

Affidavits in suits or legal proceedings are exempt from stamp duty.

Agreement or Contract, other than domestic or inland bills of lading. For every sheet or piece of paper upon which either of the same shall be written..... 5c

If more than one appraisement, agreement, or contract shall be written upon one sheet or piece of paper, 5 cents for each and every additional appraisement, agreement, or contract.

Agreement, renewal of, same stamp as original instrument.

Appraisement of value or damage, or for any other purpose, for each sheet of paper on which it is written..... 5c

Assignment of a Lease, same stamp as original, and additional stamp upon the value or consideration of transfer, according to the rates of stamps on Deeds. (See *Conveyance.*)

Assignment of Policy of Insurance, same stamp as original instrument. (See *Insurance.*)

Assignment of Mortgage, same stamp as that required upon a mortgage for the amount remaining unpaid. (See *Mortgage.*)

Bank Check, draft, or order for any sum of money drawn upon any bank, banker, or trust company, at sight or on demand..... 2c

When drawn upon any other person or persons, companies or corporations, for any sum exceeding $10, at sight or on demand. 2c

Bill of Exchange, (Inland,) draft, or order for the payment of any sum of money not exceeding $100, otherwise than at sight or on demand, or any promissory note, or any memorandum, check, receipt, or other written or printed evidence of an amount of money to be paid on demand or at a time designated, for a sum not exceeding $100..... 5c

And for every additional $100, or fractional part thereof in excess of $100..... 5c

Bill of Exchange, (Foreign,) or letter of credit, drawn in, but payable out of, the United States, if drawn singly, same rates of duty as inland bills of exchange or promissory notes.

If drawn in sets of three or more—for every bill of each set, where the sum made payable shall not exceed $100, or the equivalent thereof, in any foreign currency..... 2c

And for every additional $100, or fractional part thereof in excess of $100..... 2c

[The acceptor or acceptors of any Bill of Exchange, or order for the payment of any sum of money drawn, or purporting to be drawn, in any foreign country, but payable in the United States, must, before paying or accepting the same, place thereupon a stamp indicating the duty.]

Bill of Lading or receipt (other than charter party) for any goods, merchandise, or effects to be exported from a port or place in the United States to any foreign port or place..... 10c

Stamp Duty.

Bill of Lading to any port in British North America does not require a stamp.

Bill of Lading, domestic or inland, requires no stamp.

Bill of Sale by which any ship or vessel, or any part thereof, shall be conveyed to or vested in any other person or persons, when the consideration shall not exceed $500..... 50c

Exceeding $500, and not exceeding $1,000...$1.00

Exceeding $1,000, for every additional amount of $500, or fractional part thereof..... 50c

Bond for indemnifying any person for the payment of any sum of money, when the money ultimately recoverable thereupon is $1,000 or less..... 50c

When in excess of $1,000, for each $1,000 or fraction..... 50c

Bond for due execution or performance of duties of office.....$1.00

Bond, personal, for security for the payment of money. (See *Mortgage.*)

Bond of any description, other than such as may be required in legal proceeding, or used in connection with mortgage deeds, and not otherwise charged in this Schedule. 25c

Bond or note accompanying a mortgage requires no stamp if the mortgage is stamped. But one stamp is required on those papers, which may be placed on either, and must be the highest rate required upon either.

Broker's Notes. (See *Contract.*)

Certificates of Measurement or weight of animals, wood, coal, or hay, exempt from stamp duty.

Certificates of Measurement of other articles.... 5c

Certificates of Stock in any incorporated company..... 25c

Certificates of Profits, or any certificate or memorandum showing an interest in the property or accumulations of any incorporated company, if for a sum not less than $10 and not exceeding $50..... 10c

Exceeding $50 and not exceeding $1,000.... 25c

Exceeding $1,000, for every additional $1,000, or fractional part thereof..... 25c

Certificate. Any certificate of damage or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such..... 25c

Certificate of Deposit of any sum of money in any bank or trust company, or with any banker or person acting as such:

If for a sum not exceeding $100..... 2c

For a sum exceeding $100..... 5c

Certificate of any other description than those specified..... 5c

Charter, renewal of, same stamp as on original instrument.

Charter Party for the charter of any ship, or vessel, or steamer, or any letter, memorandum, or other writing relating to the charter, or any renewal or transfer thereof, if the registered tonnage of such ship, or vessel, or steamer, does not exceed 150 tons.$1.00

Exceeding 150 tons, and not exceeding 300 tons.....$3.00

Exceeding 300 tons, and not exceeding 600 tons.....$5.00

Exceeding 600 tons.....$10.00

Check. Bank Check..... 2c

Contract. Broker's note, or memorandum of sale of any goods or merchandise, exchange, real estate, or property of any kind or description issued by brokers or persons

Stamp Duty.

acting as such, for each note or memorandum of sale..... 10

Bill or memorandum of the sale or contract for the sale of stocks, bonds, gold or silver bullion, coin, promissory notes, or other securities made by brokers, banks, or bankers, either for the benefit of others or on their own account, for each hundred dollars, or fractional part thereof, of the amount of such sale or contract.....

Bill or memorandum of the sale or contract for the sale of stocks, bonds, gold or silver bullion, coin, promissory notes, or other securities not his or their own property, made by any person, firm or company not paying a special tax as broker, bank, or banker, for each hundred dollars, or fractional part thereof, of the amount of such sale or contract.....

Contract. (See *Agreement.*)

Contract, renewal of, same stamp as original instrument.

Conveyance, deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value does not exceed $500..... 5

When the consideration exceeds $500, and does not exceed $1,000.....$1.0

And for every addititional $500, or fractional part thereof, in excess of $1,000..... 5

Conveyance—the acknowledgement of a deed, or proof by a witness, needs no stamp.

Conveyance—certificate of record of a deed does not require a stamp.

Credit, Letter of. Same as Foreign Bill of Exchange.

Custom-house Entry. (See *Entry.*)

Custom-house Withdrawals. (See *Entry.*)

Deed. (See *Conveyance—Trust Deed.*)

Draft. Same as Inland Bill of Exchange.

Endorsement of any negotiable instrument....exem

Entry of any goods, wares, or merchandise at any custom-house, either for consumption or warehousing, not exceeding $100 in value..... 2

Exceeding $100, and not exceeding $500 in value..... 5

Exceeding $500 in value.....$1.0

Entry for the withdrawal of any goods or merchandise from bonded warehouse..... 5

Gauger's Returns.....exem

Indorsement upon a stamped obligation in acknowledgement of its fulfillment..... exem

Insurance, (Life.) Policy, when the amount insured shall not exceed $1,000..... 2

Exceeding $1,000, and not exceeding $5,000.. 5

Exceeding $5,000.....$1.0

Insurance, (Marine, Inland, and Fire) Policies, or renewals of the same, if the premium does not exceed $10..... 1

Exceeding $10, and not exceeding $50..... 2

Exceeding $50..... 5

Assignment of policy of insurance, same stamp as original instrument.

Insurance, contracts, or tickets against accidental injuries to persons, do not require stamps.

Lease, agreement, memorandum, or contract for the hire, use, or rent of any land, tenement, or portion thereof, where the rent or rental value is $300 per annum or less..... 50

Stamp duty.

Where the rent or rental value exceeds the sum of $300 per annum, for each additional $200, or fractional part thereof in excess of $300 ..... 50c

Assignment of lease, same stamp as original instrument, and the value or consideration of the transfer at the same rate as a deed. (See *Conveyance.*)

Legal Documents:

Writ or other original process by which any suit is commenced in any court of record, either of law or equity 50c

Where the amount claimed in a writ, issued by court not of record, is $100 or over 50c

Upon every confession of judgment, or cognovit, for $100, or over (except in those cases where the tax for the writ of a commencement of suit has been paid) 50c

Writs or other process on appeals from justice courts or other courts of inferior jurisdiction to a court of record 50c

Warrant of distress, when the amount of rent claimed does not exceed $100 ..... 25c

When the amount claimed exceeds $100 ..... 50c

Letters of Administration. (See *Probate of Will.*)

Letter of Credit. Same as Bill of Exchange, (Foreign.)

Manifest for custom-house entry or clearance of the cargo of any ship, vessel, or steamer, for a foreign port:

If the registered tonnage of such ship, vessel, or steamer does not exceed 300 tons $1.00

Exceeding 300 tons and not exceeding 600 tons $3.00

Exceeding 600 tons $5.00

[These provisions do not apply to vessels or steamboats plying between ports of the United States and British North America.]

Measurer's Returns ..... exempt

Memorandum of Sale, or Broker's Note. (See *Contract.*)

Mortgage of Lands, estate, or property, real or personal, heritable, or moveable whatsoever, a trust deed in the nature of a mortgage, or any personal bond given as security for the payment of any definite or certain sum of money exceeding $100, and not exceeding $500 ..... 50c

Exceeding $500, and not exceeding $1,000 .. $1.00

And for every additional $500, or fractional part thereof in excess of $1,000 ..... 50c

Upon each assignment or transfer of a mortgage, a stamp duty equal to that upon a mortgage for the amount remaining unpaid.

Orders for payment of money, if the amount is $10 or over 2c

Passage Ticket on any vessel from a port in the United States to a foreign port, not exceeding $35 ..... 50c

Exceeding $35, and not exceeding $50 ..... $1.00

And for any additional $50, or fractional part thereof in excess of $50 ..... $1.00

[Passage tickets to ports in British North America do not require stamps.]

Pawner's Checks 5c

Power of Attorney, for the sale or transfer of any stock, bonds, or scrip, or for the collection of any dividends or interest thereon 25c

Power of Attorney or proxy for voting at any election for officers of any incorporated company or society, except religious, charitable, or literary societies, or public cemeteries ... 10c

Power of Attorney to receive or collect rent ... 25c

Power of Attorney to sell and convey real estate, or to rent or lease the same $1.00

Stamp duty.

Power of Attorney for any other purpose 50c

[Power of Attorney or other papers relating to applications for bounties, arrearages of pay, or pensions, or receipts therefor, require no stamp. See, also, *Warrant of Attorney.*]

Probate of Will, or letters of administration, where the estate and effects for or in respect of which such probate or letters of administration applied for shall be sworn or declared not to exceed the value of $2,000 .. $1.00

Exceeding $2,000, for every additional $1,000, or fractional part thereof, in excess of $2,000 50c

Promissory Note. (See *Bill of Exchange*, Inland.)

Deposit note to mutual insurance companies, when policy is subject to duty ..... exempt

Renewal of a note subject to the same duty as an original note

Protest of a note, bill of exchange, acceptance, check, or draft, or any marine protest 25c

Quit Claim Deed to be stamped as a conveyance, except when given as a release of a mortgage by the mortgagee to the mortgagor, in which case it is exempt; but if it contains covenants *may* be subject as an agreement or contract

Receipt for satisfaction of any mortgage or judgment or decree of any court ..... exempt

Receipts for the payment of any sum of money or debt due, or for a draft or other instrument given for the payment of money, exceeding $20, not being for satisfaction of any mortgage or judgment or decree of court. (See *Indorsement.*) 2c

Receipts for the delivery of property ..... exempt

Renewal of Agreement, contract, or charter, by letter or otherwise, same stamp as original instrument

Sheriff's Return on writ, or other process ..... exempt

Trust Deed, made to secure a debt, to be stamped as a mortgage.

Warehouse Receipts ..... exempt

Warrant of Attorney accompanying a bond or note requires no stamp if the bond or note is stamped.

Weigher's Returns ..... exempt

Writs and other process in any criminal or other suits commenced by the United States or any State ..... exempt

*Official documents, instruments, and papers issued by officers of the United States Government ..... exempt

*Official instruments, documents, and papers issued by the officers of any State, county, town, or other municipal corporation, in the exercise of functions strictly belonging to them in their ordinary governmental or municipal capacity ..... exempt

GENERAL REMARKS.

Revenue stamps may be used indiscriminately upon any of the matters or things enumerated in Schedule B, except proprietary and playing card stamps, for which a special use has been provided.

Postage stamps cannot be used in payment of the duty chargeable on instruments.

It is the duty of the maker of an instrument to affix the stamp thereto, and to cancel the same in the manner required by law. Proper cancellation is essential.

Under the provisions of section 158, an instrument subject to stamp duty, but issued without a stamp or with an insufficient one, may be so stamped by the Collector as to be as valid to all intents and purposes (*except as against rights acquired in good faith before such stamping and the recording of the instrument, if a record be required*) as if properly stamped when made or issued. Such an instrument issued at a time when and in a place where no collection district was established may be stamped by the party who issued it or by any party having an interest therein at any time prior to January 1, 1867, and the legal effect of the stamp thus affixed will be the same as though affixed by the Collector. When originals are lost the necessary stamps may be affixed to copies.

Suits are commenced in many States by other process than writ, viz: summons, warrant, publication, petition, &c., in which cases, these, as the original processes, severally require stamps.

The jurat of an affidavit, taken before a Justice of the Peace, Notary Public, or other officer duly authorized to take affidavits, is held to be a certificate, and subject to a stamp duty of five cents, except when taken in suits or legal proceedings.

Certificates of Loan, in which there shall appear any written or printed evidence of an amount of money to be paid on demand, or at a time designated, are subject to stamp duty as "Promissory Notes."

When two or more persons join in the execution of an instrument, the stamp to which the instrument is liable under the law may be affixed and canceled by either of them; and "when more than one signature is affixed to the same paper, one or more stamps may be affixed thereto representing the whole amount of the stamp required for such signatures."

No stamp is required on any warrant of attorney accompanying a bond or note when such bond or note has affixed thereto the stamp or stamps denoting the duty required; and whenever any bond or note is secured by mortgage, but one stamp duty is required on such papers, such stamp duty being the highest rate required for such instruments, or either of them. In such case a note or memorandum of the value or denomination of the stamp affixed should be made upon the margin or in the acknowledgement of the instrument which is not stamped.

*Particular attention is called to the change in section 154, by striking out the words "or used;" the exemption thereunder is thus restricted to documents, &c., *issued* by the officers therein named. Also to the changes in sections 152 and 158, by inserting the words "and cancelled in the manner required by law."

E. A. ROLLINS.
Commissioner.

(No. 170.)

DECISION RELATIVE TO THE GROSS RECEIPTS OF FERRY-BOATS AND OTHER VESSELS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 1, 1866.

It having been claimed by the owners and managers of certain ferry-boats that they were exempt from the payment of taxes upon their gross receipts, by reason of the payment of tonnage duties, the question has been submitted to the Secretary of the Treasury, and he has decided as follows:

"The language of the first proviso in the fourth section of the Tariff Act of March 3, 1865, is, 'That the *receipts of vessels* paying tonnage duty shall not be subject to the tax provided in section one hundred and three of 'An Act to provide internal revenue to support the Government, to pay interest on the public debt, and for other purposes,' approved June 30, 1864, nor by any Act amendatory thereof.'

"The section here referred to imposes, *first*, a duty of 2½ per centum upon the gross receipts of any railroad, canal, *steamboat, ship, barge, canal boat, or other vessel*, engaged or employed in the business of transporting passengers or property for hire; and *secondly*, a duty of 3 per centum on the gross amount of all receipts of every description, of 'any person or persons, firms, companies, or corporations owning, possessing, or having the care or management of any toll-road, *ferry*, or bridge, authorized by law to receive toll for the transit of passengers, beasts, carriages, teams, and freight of any description over such toll road, *ferry*, or bridge.'

"There is a marked difference in the language used in these two clauses, the first speaking expressly of *vessels*, and imposing the duty upon the *gross receipts of vessels;* while the latter omits all mention of vessels, and imposes the duty upon 'the *gross amount* of all receipts of every description'—not of vessels used in ferrying—but of 'any person or persons, firms, companies, or corporations, owning, possessing, or having the care or management of any toll-road, *ferry*, or bridge.'

"Now, the vessels used in ferrying do not ordinarily constitute all of a 'ferry authorized by law to receive tolls,' and, as regards many of them, the tolls are not paid on the vessel, but at toll-houses at each end of the line; and when there are two vessels used at the same ferry, it would be no easy matter to decide what portion of the receipts were derived from the earnings of each vessel. The receipts cannot properly be called the receipts of the vessels, but those of all that constitutes the ferry.

"I think, therefore, that the exemption provided for by the fourth section of the Act of 1865 does not apply to ferry-boats, and that the gross receipts of those owning, possessing, or managing them are subject to the duty of 3 per centum, even when the boats are subjected to the payment of tonnage duty."

In accordance with the above decision, Assessors will immediately require returns of gross receipts of every description from all persons, firms, companies, or corporations owning, possessing, or having the care or management of any ferry authorized by law to receive toll for the transit of passengers, beasts, carriages, teams, and freight of any description, and assess the tax of three per centum thereon without reference to the payment or non-payment of tonnage duties by the vessels of such companies, and return the same to the Collectors of their districts. The returns should embrace all the receipts of such persons, firms, companies, &c., since June 30, 1864, which have not been heretofore returned, and the tax paid thereon.

The gross receipts of all other vessels paying tonnage duty are exempt from tax on gross receipts under section 103, by the provisions of the amendatory Tariff Act of March 3, 1865, from and after the 1st of April, 1865. Wherever the tax on gross receipts of such vessels since that date has been assessed or collected, the same should be abated or refunded, as the case may be, and Assessors should render assistance in preparation of the proper claims. In the case of vessels not paying tonnage duties until after the 1st of April, 1865, care should be taken that no tax on gross receipts be abated or refunded for any month previous to the date of such payment of tonnage duties.

By the Act of July 13, 1866, receipts from transportation, except from transportation of passengers for hire, or of the mails of the United States upon contracts made prior to August 1, 1866, will be exempt under section 103, from and after the latter date; except in the case of ferries, toll-roads, and bridges.

E. A. ROLLINS, *Commissioner.*

SHARES OF INFORMERS IN REVENUE FRAUS.

(Circular Instructions.)

TREASURY DEPARTMENT, August 14, 1866.

The Act amendatory of the Internal Revenue Law, which went into effect on August 1, contains the following provisions:

"And where not otherwise provided for, such share as the Secretary of the Treasury shall, by general regulations, provide, not exceeding one moiety nor more than five thousand dollars in any one case, shall be to the use of the person, to be ascertained by the Court which shall have imposed or decreed any such fine, penalty, or forfeiture, who shall first inform of the cause, matter, or thing whereby such fine, penalty, or forfeiture shall have been incurred; and when any sum is paid without suit, or before judgment, in lieu of fine, penalty, or forfeiture, and a share of the same is claimed by any person as informer, the Secretary of the Treasury, under general regulations to be by him prescribed, shall determine whether any claimant is entitled to share as above limited, and to whom the same shall be paid, and shall make payment accordingly. It is hereby declared to be the true intent and meaning of the present and all previous provisions of internal revenue acts granting shares to informers that no right accrues to or is vested in any informer in any case until the fine, penalty, or forfeiture in such case is fixed by udgment or compromise, and the amount or proceeds shall have been paid, when the informer shall become entitled to his legal share of the sum adjudged or agreed upon and received, *Provided*, That nothing herein contained shall be construed to limit or affect the power of remitting the whole or any portion of a fine, penalty, or forfeiture conferred on the Secretary of the Treasury by existing laws."

Under the authority here conferred, the following schedule of informer's shares is hereby prescribed:

Of the first five hundred dollars of any penalty the informer shall receive . . .	50 per cent.
Of the next fifteen hundred dollars . .	40 per cent.
Of the next two thousand dollars . .	30 per cent.
Of the next two thousand dollars . .	25 per cent.
Of the next two thousand dollars . .	20 per cent.
Of the next two thousand dollars . .	15 per cent.
Of the next two thousand dollars . .	10 per cent.
Of all above twelve thousand dollars, and not exceeding fifty-five thousand dollars	5 per cent.

THUS: If the penalty is five hundred dollars, the informer will receive . . . $250 00

If one thousand dollars	450 00
If two thousand dollars	850 00
If three thousand dollars	1,150 00
If four thousand dollars	1,450 00
If five thousand dollars	1,700 00
If six thousand dollars	1,950 00
If seven thousand dollars	2,150 00
If eight thousand dollars	2,350 00
If nine thousand dollars	2,500 00
If ten thousand dollars	2,650 00
If eleven thousand dollars	2,750 00
If twelve thousand dollars	2,850 00
Of every additional one thousand dollars up to fifty-five thousand dollars . .	50 00

H. M'CULLOCH,
Secretary of the Treasury.

ASSISTANT ASSESSORS AND ELECTIVE OFFICES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 20, 1866.

It has been represented to this office that in some instances assistant assessors have used their official positions to secure their nomination to the local office, and it is urged that their relation to the tax-payer is such that they may use h personal advantage in this respect if so disposed; it is also believed that the position of a candidate for office before the people is unfavorable to that strict impartiality which is so essential to the proper discharge of the duties of an assistant assessor. The Secretary of the Treasury has, therefore, directed that notice be issued that the acceptance of a nomination to an elective office by any assistant assessor will be taken as evidence that he no longer wishes to retain his position. Assessors are instructed to promptly report the name of any assistant who may accept, or who is known to be seeking any nomination for such office, in order that a successor may be forthwith appointed.

THOMAS HARLAND,
Acting Commissioner.

STAMP-TAX ON BROKER'S SALES—EACH NOTE REQUIRES STAMP.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 10, 1866.

SIR—I reply to yours of the 7th inst., That the Act of July 13, 1866 allows, and requires, the sales of commercial brokers to be returned monthly; but there is no such provision relating to the sales of banks, bankers, and money or stock brokers. The law distinctly requires a memorandum or bill of sale to be given in respect of each and every sale or contract for sale of stocks, bonds, gold, &c., &c., and if any assessor is permitting brokers to stamp their books, instead of giving stamped memorandums, you will save the brokers considerable expense, and this office some trouble, by furnishing the name of such assessor.

The law provides, That "any person or persons liable to pay the tax as herein provided, or any one who acts in the matter as agent or broker for such person or persons, who shall make any such sale or contract, or who shall, in pursuance of any sale or contract, deliver or receive any stocks, bonds, bullion, coin, promissary notes, or other securities, without a bill or memorandum thereof as herein required, or who shall deliver or receive such bill or memorandum without having the proper stamp affixed thereto, shall forfeit and pay to the United States a penalty," &c., &c.

A bill of sale by a bank, banker or broker of a less amount than $100, requires a one cent stamp, by express provision of the law.

Very respectfully,
THOMAS HARLAND,
Dep. Commissioner.

THE STAMP TAX ON FERMENTED LIQUORS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 17, 1866.

By section 57 of the Act of July 13, 1866, it is provided that, after the first day of September, 1866, any fermented liquor owned or possessed by any person, after sale or removal from the brewery or warehouse, or other place where it was made, upon which the required tax shall not have been paid, shall be liable to forfeiture. Furthermore the want of the proper stamp upon the vessel containing such liquor, after such removal or sale, is to be notice to all persons, and *prima facie* evidence that the required tax has not been paid.

These provisions make it necessary that the stamps should be well secured to the vessels, and not easily removed therefrom, except by intentional effort to that purpose. The following method of affixing is therefore prescribed:

A hole two and three-quarter inches in diameter, and one-eighth inch deep, should be countersunk in the head of the barrel, in such position as will bring the spigot at the lower edge of the stamp, where the perforations are made. The stamp is to be pasted in this countersunk hole, with the perforated portion over the spigot hole, with strong paste, and if the barrels are to be exposed to the action of the weather, or to be stored in damp places for considerable periods, the stamp should also be secured by four tacks to prevent its peeling off.

In renewing the stamp upon a barrel used the second time, the tacks should be withdrawn, and the stamp carefully scraped off to prevent the hole from being filled with the scraps of former stamps.

The stamps, at the time of being affixed, are to be canceled by writing or imprinting thereon the name of the person, firm or corporation by whom such liquor may have been made or the initial letters of such name, and the date of such cancellation.

THOMAS HARLAND,
Acting Commissioner.

LIABILITIES OF COMMISSION MERCHANTS TO SPECIAL TAX ON SALES FOR MANUFACTURING CORPORATION.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 14, 1866.

SIR: I reply to yours of the 1st inst., enclosing letter of ——— as follows:

Section 74 of the act of July 30, 1864, and the same act, as amended by act of March 30, 1865, provides "That nothing herein contained shall prohibit" the sale by manufacturers or producers of *their own* goods, wares or merchandise, at "the place of production," "or at their principal office, or place of business,

Provided, no goods, wares, or merchandise shall be kept for sale at said office."

It is clear that, under these provisions, none but manufacturers and producers, selling their own products *at their principal* office, are exempted from any license tax which the law provides for the use of merchandise. If the establishment of ——— is not the principal office of any one of the manufacturing corporations for which they sell, the exemption does not apply to their sales for such corporation. By a liberal construction of the law, the sales of ——— by sample as stated, may be regarded as the sales of the manufacturers; but such sales are not exempted under the act, unless made at the principal office of the manufacturer.

If ——— sell more of the products of any manufacturing corporation than are sold at any other place except the manufactory, their place may be regarded as the principal office of said corporation. The office regards the provision that "no goods shall be kept for sale, &c., &c.," to refer to the manufacturers' *own products;* and this construction is assisted by the terms of the act as amended by act of July 13, 1866, which provides that no goods shall be kept *except as samples* at such office, evidently meaning samples of the manufacturing products.

The office would not therefore regard the fact that a manufacturer sold merchandise, other than that of his own production, at his principal office, in the manner of a dealer, so affecting the liability of such manufacturer or his agent beyond liability on such sales.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

JAMES RITCHIE, ESQ.,
Assessor, Boston.

PHOTOGRAPHIC ALBUMS LIABLE TO TAX.

ASSESSORS OFFICE,
FOURTH DISTRICT, NEW YORK,
AUGUST 6, 1866.

SIR: Are photographic clasped albums liable to tax under the present law? The cards for the insertion of the photographs are claimed to be printed matter. It is true that they are printed with border lines of gilt, which might not be taxable in themselves, but I have not considered that the binding of them somewhat in imitation of a book can be called "book binding," exempting them from taxation.

Respectfully,
PIERRE C. VAN WYCK,
Assessor Fourth District.

Hon. E. A. ROLLINS, *Commissioner.*

(DECISION.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August, 18, 1866.

SIR: In reply to your letter of the —— inst., I have to say that the Commissioner is of opinion that photograph albums cannot be regarded as books, and are therefore not exempt as such.

Yours respectfully,
THOMAS HARLAND.
Deputy Commissioner.

P. C. VAN WYCK, ESQ.,
U. S. Assesor.

LIABILITY OF WHERRIES, FLOATS, AND OTHER SMALL BOATS TO TAX AS MANUFACTURES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 6, 1866.

SIR: Your letter of the 1st instant has been received. You enquire whether wherries, floats, and other small boats intended to be propelled by oars, are exempt under the provisions of section 10, act of July 13th, 1866.

In answer, I have to say, that boats propelled by oars cannot be regarded as *vessels* under the provisions of the above section, but are held liable to a duty of 5 per cent, as manufacturers not otherwise provided for, under the general provision of the 94th section.

Very respectfully,
(Signed,) THOMAS HARLAND,
Deputy Commissioner.

AMOS NOYES, ESQ.,
U. S. Assessor, Newburyport, Mass.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas a war is existing in the Republic of Mexico, aggravated by foreign military intervention;

And whereas the United States, in accordance with their settled habits and policy, are a neutral Power in regard to the war which thus afflicts the Republic of Mexico;

And whereas it has become known that one of the belligerents in the said war—namely, the Prince Maximilian—who asserts himself to be Emperor in Mexico, has issued a decree in regard to the port of Matamoras, and other Mexican ports which are in the occupation and possession of another of the said belligerents—namely the United States of Mexico—which decree is in the following words:

"The port of Matamoras, and all those of the Northern Frontier which have withdrawn from their obedience to the Government, are closed to foreign and coasting traffic during such time as the empire of the law shall not be therein reinstated.

"ART. 2D. Merchandise proceeding from the said ports, on arriving at any other where the exercise of the empire is collected, and shall pay the duties on importation, introduction, and consumption, and, on satisfactory proof of contravention, shall be irremissably confiscated. Our Minister of the Treasury is charged with the punctual execution of this decree.

"Given at Mexico, the 9th of July, 1866."

And whereas the decree thus recited, by declaring a belligerent blockade unsupported by competent military or naval force, is in violation of the neutral rights of the United States, as defined by the law of nations, as well as of the treaties existing between the United States of America and the aforesaid United States of Mexico;

Now, therefore, I, ANDREW JOHNSON, President of the United States, do hereby proclaim and declare, that the aforesaid decree is held, and will be held, by the United States, to be absolutely null and void, as against the Government and citizens of the United States; and that any attempt which shall be made to enforce the same against the Government or citizens of the United States will be disallowed.

In witness whereof I have hereunto set my hand, and caused the seal of the United States to be affixed.

Done at the city of Washington, the seventeenth day of August, in the year of our Lord one thou-
[L.S.] sand eight hundred and sixty-six, and of the independence of the United States of America the ninety-first.

ANDREW JOHNSON.

By the President:
WILLIAM H. SEWARD, *Secretary of State.*

INSTRUCTIONS IN REGARD TO APPLICATIONS FOR PENSIONS UNDER THE ACT OF JULY 25, 1866.

PENSION OFFICE, August 4, 1866.

The first section of the act of July 25, 1866, extends the benefits conferred by the pension laws to provost marshals, deputy-provost marshals, and enrolling officers, disabled in the line of official duty as such, and to the widows or dependents of such officers in like manner. Declarations will be made in accordance with the instructions issued under the Pension act of July 14, 1862, and supplementary acts The grade of such officers, for the purpose of determining the rates of pensions under this section, is fixed as follows:—Provost marshals will rank as captains, their deputies as first lieutenants, and enrolling officers as second lieutenants.

The second section of this act allows to those who are or shall be pensioned as widows of soldiers or sailors $2 per month additional pension for each child under sixteen years of age of the deceased soldier or sailor by the widow thus pensioned. On the death or remarriage of such widow, or on the denial of a pension to her, in accordance with the provisions of section 11 of the act of June 6, 1866, the same amount to which she would otherwise be entitled under this and previous provisions is allowed to the minor children. The number and names of the children, with their ages, must be proved by the affidavits of two credible and disinterested witnesses. The provisions of this section only include the children of the widow, and not those of the deceased husband by a previous marriage. The widows or minor children of officers are not entitled to this increase. The pension certificate must be sent with all applications filed subsequently to September 4, 1866.

All pensioners under acts approved prior to July 14, 1862, are by the third section of the present act granted the same rights as those pensioned under acts approved at or since that date, so far as said acts may be applicable, with the exception of soldiers of the revolution or their widows. This section applies only to pensioners who were such at the date of the approval of this act. Declarations of claimants under this section will be made in accordance with the forms previously issued under the act of July 14, 1862, and subsequent pension acts with the necessary modifications, and the pension certificates will be returned.

The fourth section of this act is construed in connection with the tenth section of the act of July 4, 1864, and the sixth section of the act of June 6, 1866, to which it is supplementary. If an applicant for an invalid pension dies while his claim is pending, the evidence having been completed, the pension under the provisions of this section and of those sections of previous acts above referred to, is disposed of as follows:—First—if he left a widow, or minor child or children under sixteen years of age, or other dependent relatives, and died of wounds received or of diseases contracted in the service and in the line of duty, no invalid pension certificate will issue; but such widow or dependent relatives will receive a pension in their own right, taking precedence in the order prescribed by law in other cases (see section ten, act of July 4, 1864). Second—If the claimant left a widow or dependent relatives, but did not die of wounds received or disease contracted in the service and in the line of duty, so that neither widow nor dependent relatives would be entitled to a pension on his account, then the certificate will be issued in his name, and the pension paid to the widow or to the dependent relatives, as the case may be, in the same order in which they would have been pensioned if entitled as set forth in the preceding paragraph. Third—If the claimant left no widow or dependent relatives, the certificate will issue in his name, and the pension will be drawn by his executor or administrator.

The fifth section reserves all rights that may have accrued under the fifth section of the Pension Act of July 4, 1864, and the third section of the Pension Act of March 3, 1865, though repealed by the first section of the act of June 6, 1866. Widows who remarry while their claims are pending are entitled, under the sixth section, if their claims are otherwise valid, to receive pensions to the date of re-marriage if the deceased officer, soldier or sailor on whose account they claim left no legitimate child under sixteen years of age.

JOSEPH H. BARRETT,
Commissioner of Pensions.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 9. NEW YORK, SEPTEMBER 1, 1866. WHOLE NUMBER 87.

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REVIEW.

THE most important decision printed this week is that relating to the tax on wire, which is held to be 5 per cent. ad valorem, as a manufacture not otherwise provided for, whether made of iron, steel, brass or copper.

Castings made specially for locks, safes, looms, spinning machines, steam engines, hot-air and hot-water furnaces, and sewing machines. These castings when not sold or used for any other purpose, and when a tax is assessed and paid on the article of which the casting is a part, are exempt from taxation. Castings of all descriptions made for articles, machines or instruments other than those specially enumerated, are liable to tax. The words, "castings of all descriptions," includes castings of brass and other metals and combinations of metals, as well as castings of iron.

In the ruling in regard to the exemption of shot, sheet lead and pipe, under Section 96, where not increased in value 5 per cent. by manufacture, it will be observed that the principle of the decisions on the subject hitherto published is confirmed. In the case of lead pipe referred to, the term *cost* plainly refers to the cost of lead manufactured immediately into the pipe, and does not contemplate fluctuations in the market price of the raw material. Thus, supposing lead is purchased for 10 cents per pound, and made into pipe which is sold at 10½ cents per pound, and the cost of manufacture is less than a half cent per pound, the lead pipe would be exempt under Section 96. In this case the term cost is synonymous with market value. In all cases of claims for exemption under Section 96, the assessor and not the manufacturer is to be the judge, and it would unquestionably be a fraudulent practice for manufacturers to determine for themselves the question of liability, and to omit returning sales of the goods claimed to be exempt.

BRASS, STEEL AND COPPER WIRE.

It was in response to the following communication from Assessor Wright, that the decision in relation to the construction of the language of the free list exempting "Wire made from wire less than No. 20 wire gauge, upon which a tax has been assessed and paid as wire, and no manufactured wire shall pay a greater tax than that imposed on No. 20 wire gauge," was given. Assessor Wright asked whether this clause applied to copper and brass wire, and remarked that "There are several manufacturers of brass wire in this district who advance brass from the ingot to wire of extreme fineness. At No. 20, it is worth at present about sixty cents per pound, advanced to the condition in which it is sold, it is worth near two dollars per pound.

"One manufacturer informs me that, acting with the manufacturers in New York, he shall withhold from his returns brass wire of all numbers and sizes, contending that, as no wire can be held for a greater tax than that imposed on No. 20, and as wire of that No. is not mentioned in the law as subject to any tax, wire of all kinds is exempt from duty. Another admits that brass wire though not *specially* taxed, is subject to a tax of five per centum ad valorem as a manufacture not otherwise provided for, but contends that, under the clause above quoted, it may be returned at its market value when advanced to No. 20, and that any further advancement is exempt.

"Still another claims that, as the law exempts 'wire made from wire *less* than No. 20,' he has a right to return it at its market value when advanced to the lowest number, at which it can properly be termed wire, and when its market value is some thirty per cent less than at No. 20, and that after such return no additional tax can be assessed."

Upon this the department says that:

"Wire, whether made of iron, steel, brass or copper is liable to a tax of 5 per cent. ad valorem, as a manufacture not otherwise provided for."

"When wire less than No. 20, on which a tax of 5 per cent ad valorem has been paid, is afterwards drawn to a greater degree of fineness no additional tax is to be assessed thereon.

"Wire, however, on which no tax has been previously paid, as wire, is liable to a tax of 5 per cent. upon the price at which it is sold, whether that price is sixty cents, one dollar, or two dollars per pound. The law imposes a tax of 5 per cent. ad valorem. The *assessment* of the tax must be at *that rate*. The amount of tax depends upon the value of the *wire*. This is a variable quantity subject to the fluctuations of the market supply and demand. The rate is fixed, being *imposed* by the law, at 5 per cent. ad valorem. It cannot be changed except by a change of the law."

THE NEW WHISKEY LAWS.

THE new provisions of law relating to the distillation, rectification, and sale of distilled spirits, and liquors, goes into operation to-day. Regulations on the subject are prepared and will be at once promulgated by the Revenue office.

Many of the small distilleries owing to the charge of $5 per day for Inspector's pay, imposed upon each by the Act, will be discontinued. The law will operate for the advantage of large distillers and the revenue—and we learn that the Department will exact from its officers and persons engaged in the trade, a scrupulous performance of their duties and a rigid accountability.

The following are the most important provisions of the law:

SECTION 21 of the law recites that every person, firm, or corporation who distils or manufactures spirits or alcohol by continuous distillation from grain, who brews or makes mash, wort, or wash for distillation, or the production of spirits, shall be deemed a distiller under the act; and the keeping of such articles shall be deemed and taken as presumptive evidence that such person is a distiller under the meaning of the act.

SEC. 22 provides that every person, firm, or corporation who rectifies, purifies, or refines distilled spirits or wine by any process, or who, by mixing distilled spirits or wine with any materials, manufactures any spurious imitation or compound liquors for sale, under the name of whiskey, brandy, gin, rum, wine, "spirits," or "wine bitters," or any other name, shall be regarded as a rectifier under the act.

SEC. 23 declares that if any person shall carry on the business of a distiller or rectifier without having paid the special tax he shall, for every offence, be liable to a fine of not less than double the tax imposed on the spirits distilled, or double the special tax due for the spirits rectified by such person or found on the premises, and to imprisonment for a term not exceeding two years, and all the products and materials used in the manufacture of such whiskey shall be forfeited to the United States.

SEC. 24 provides that all distillers, or persons about to engage in the business, shall give notice to the assessor of the district where their establishments are located, of their names and residences, and the number of the street where their distilleries are situated; and also give bonds to a required amount which shall be approved by the collector of the district, that they shall comply with the provisions of the law. Any person failing to give this notice may be subject to the fines and forfeitures mentioned in the preceding section.

SEC. 25 declares that no person shall manufacture whiskey in any building where lager beer, beer, ale or porter, or other fermented liquors, vinegar or ether are produced, or in any dwelling house, under the penalty of a fine of $1,000, or one year's imprisonment, at the discretion of the Court, and the forfeiture of the stills, vessels, &c., which may be found on the premises.

SEC. 26 provides for a daily record of all the whiskey manufactured in each distillery, under the penalty of the forfeiture of all the liquor found in the establishment, and be subject to a fine of $500.

SEC. 27 declares that every distiller shall provide at his own expense a warehouse suitable for the storage of spirits.

SEC. 28 provides that general bonded warehouses for the storage of spirits to secure the payment of the revenue tax and duty, may be established under the regulations the Secretary of the Treasury shall prescribe, and shall be in the immediate custody of storekeepers.

The next important section, 45, provides that any person who shall remove spirits from his premises except to a bonded warehouse, shall be liable to a fine of double the tax imposed thereon, or to imprisonment for not less than three months.

Another section provides that an inspector shall take charge of each distillery, and that the distillers shall pay him $5 per day.

In accordance with the provisions of the new law inspectors are now being appointed by the different collectors, and for the approval of the Secretary of the Treasury.

OFFICIAL.

LAWS OF THE UNITED STATES.

Passed at the First Session of the Thirty-ninth Congress.

[PUBLIC—No. 112.]

AN ACT to prevent smuggling and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of this act, the term vessel, whenever hereinafter used, shall be held to include every description of water craft, raft, vehicle, and contrivance used or capable of being used as a means or auxiliary of transportation on or by water; and the term vehicle, whenever hereinafter used, shall be held to include every description of carriage, wagon, engine, car, sleigh, sled, sledge, hurdle, cart, and other artificial contrivance, used or capable of being used as a means or auxiliary of transportation on land.

SEC. 2. *And be it further enacted*, That it shall be lawful for any officer of the customs, including inspectors and occasional inspectors, or of a revenue cutter, or authorized agent of the Treasury Department, or other person specially appointed for the purpose in writing by a collector, naval officer, or surveyor of the customs, to go on board of any vessel, as well without as within his district, and to inspect, search, and examine the same, and any person, trunk, or envelope on board, and to this end, to hail and stop such vessel if under way, and to use all necessary force to compel compliance; and if it shall appear that any breach or violation of the laws of the United States has been committed, whereby or in consequence of which, such vessel, or the goods, wares, and merchandise, or any part thereof, on board of or imported by such vessel, is or are liable to forfeiture, to make seizure of the same, or either or any part thereof, and to arrest, or in case of escape, or any attempt to escape, to pursue and arrest any person engaged in such breach or violation: *Propided*, That the original appointment in writing of any person specially appointed as aforesaid shall be filed in the custom house where such appointment is made.

SEC. 3. *And be it further enacted*, That any of the officers or persons authorized by the second section of this act to board or search vessels may stop, search, and examine, as well without as within their respective districts, any vehicle, beast, or person on which or whom he or they shall suspect there are goods, wares, or merchandise which are subject to duty or shall have been introduced into the United States in any manner contrary to law, whether by the person in possession or charge, or by, in, or upon such vehicle or beast, or otherwise, and to search any trunk or envelope, wherever found, in which he may have a reasonable cause to suspect there are goods which were imported contrary to law; and if any such officer or other persons so authorized as aforesaid shall find any goods, wares, or merchandise, on or about any such vehicle, beast, or person, or in any such trunk or envelope, which he shall have reasonable cause to believe are subject to duty, or to have been unlawfully introduced into the United States, whether by the person in possession or charge, or by, in, or upon such vehicle, beast, or otherwise, he shall seize and secure the same for trial; and every such vehicle and beast, or either, together with teams or other motive power used in conveying, drawing, or propelling such vehicle, goods, wares, or merchandise, and all appurtenances, including trunks, envelopes, covers, and all means of concealment, and all equipage, trappings, and other appurtenances of such beast, team, or vehicle shall be subject to seizure and forfeiture; and if any person who may be driving or conducting, or in charge of any such carriage or vehicle or beast, or any person traveling, shall willfully refuse to stop and allow search and examination to be made as herein provided, when required to do so by any authorized person, he or she shall, on conviction, be fined in any sum, in the discretion of the court convicting him or her, not exceeding one thousand dollars, nor less than fifty dollars; and the Secretary of the Treasury may from time to time prescribe regulations for the search of persons and baggage, and for the employment of female inspectors for the examination and search of persons of their own sex; and all persons coming into the United States from foreign countries shall be liable to detention and search by authorized officers or agents of the Government, under such regulations as the Secretary of the Treasury shall from time to time prescribe: *Provided*, That no railway car or engine or other vehicle, or team used by any person or corporation, as common carriers in the transaction of their business as such common carriers shall be subject to forfeiture by force of the provisions of this act unless it shall appear that the owners, superintendent, or agent of the owner in charge thereof at the time of such unlawful importation or transportation thereon or thereby, was a consenting party, or privy to such illegal importation or transportation.

SEC. 4. *And be it further enacted*, That if any person shall fraudulently or knowingly import or bring into the United States, or assist in so doing, any goods, wares or merchandise, contrary to law, or shall receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of such goods, wares, or merchandise; after their transportation, knowing the same to have been imported, contrary to law, such goods, wares, and merchandise shall be forfeited, and he or she shall, on conviction thereof before any court of competent jurisdiction, be fined in any sum not exceeding five thousand dollars nor less than fifty dollars, or be imprisoned for any time not exceeding two years, or both, at the discretion of such court, and in all cases where the possession of such goods shall be shown to be in the defendant, or where the defendant shall be shown to have had possession thereof, such possession shall be deemed evidence sufficient to authorize conviction unless defendant shall explain the possession to the satisfaction of the jury.

SEC. 5. *And be it further enacted*, That any person authorized by this act to make searches and seizures, or any person assisting him or acting under his directions may, if deemed necessary by him or them, enter into or upon or pass through the lands, enclosures, and buildings, other than the dwelling-house of any person whomsoever, in the night or in the day-time, in order to the more effectual discharge of his or their official duties.

SEC. 6. *And be it further enacted*, That if any person shall forcibly assault, resist, oppose, prevent, impede, or interfere with any officer of the customs, or his deputy or deputies, or any person assisting them or either of them in the execution of their duties, or any person authorized by this act to make searches or seizures, in the execution of his duties, or shall rescue or attempt to rescue, or cause to be rescued, any property which shall have been seized by any person authorized, as aforesaid, or shall before, at, or after any such seizure, in order to prevent the seizure or securing of any goods, wares, or merchandise, by any person authorized as aforesaid, stave, break, throw overboard, destroy, or remove the same, the person so offending shall, for every such offence, on conviction thereof, forfeit, and pay a sum of not less than one hundred dollars, nor more than two thousand dollars, or shall be imprisoned not less than one month nor more than one year, or both, at the discretion of the court, convicting him or her, and shall stand committed until such fine and the costs of prosecution shall have been fully paid; and if any person shall discharge any deadly weapon at any person authorized as aforesaid to make searches or [illegible] use any deadly or dangerous weapon in resisting [illegible] execution of his duty, with intent to [illegible] injury upon him, or to deter or prevent him [illegible] charging his duty, every such person so offending shall, upon conviction thereof, be deemed guilty of felony, and shall be imprisoned at hard labor for a term not exceeding ten years nor less than one year.

SEC. 7. *And be it further enacted*, That it shall be the duty of the several collectors of customs to report within ten days to the district attorney of the district in which any fine or personal penalty may be incurred for the violation of any law of the United States relating to the revenue, in all cases in which such fine or penalty shall not be voluntarily paid a statement of all the facts and circumstances of the case within their knowledge, together with the names of the witnesses, and which come to their knowledge from time to time, stating the provisions of the law believed to be violated, and on which a reliance may be had for a condemnation or conviction; and such district attorney shall cause suit and prosecution to be commenced and prosecuted without delay for the fines and personal penalties by law in such case provided, unless upon inquiry and examination he shall decide that a conviction cannot probably be obtained, or that the ends of public justice do not require that a suit or prosecution should be instituted, in which case he shall report the facts to the Secretary of the Treasury for his direction, and for expenses incurred and services rendered in prosecutions for such fines and personal penalties, the district attorney shall receive such allowance as the Secretary of the Treasury shall deem just and reasonable, upon the certificate of the judge before whom such prosecution was had; and if any collector shall in any case fail to report to the proper district attorney, as prescribed in this section, such collector's share of any fine or penalty imposed or incurred in such case shall be forfeited to the United States, and the same shall be awarded to such persons as may make complaint and prosecute the same to conviction.

SEC. 8. *And be it further enacted*, That in any case where a vessel or the owner, master, or manager of a vessel shall be subject to a penalty for a violation of the revenue laws of the United States, such vessel shall be holden for the payment of such penalty, and may be seized and proceeded against summarily, by libel, to recover such penalty, in any district court of the United States having jurisdiction of the offence.

SEC. 9. *And be it further enacted*, That the act entitled "An act further to regulate the entry of merchandise imported into the United States from any adjacent territory, approved March two, eighteen hundred and twenty-one, be, and the same is hereby, so amended that wherever in said act the word "merchandise occurs, the same shall read, "goods, wares, or merchandise."

SEC. 10. *And be it further enacted*, That every officer or other person authorized to make searches and seizures by this act shall at the time of executing any of the powers conferred upon him by this act make known, upon being questioned his character as an agent or officer of the customs or government, and shall have authority to demand of any person within the distance of three miles to assist him in making any arrest, search, or seizure authorized by this act, where such assistance may be necessary; and if such person shall, without reasonable excuse, neglect or refuse so to assist, upon proper demand, he shall be deemed guilty of a misdemeanor, and shall forfeit a sum not exceeding two hundred dollars nor less than five dollars.

SEC. 11. *And be it further enacted*, That in all cases of seizure of property subject to forfeiture for any of the causes named in this act, or any other act relating to the customs, or the registering, enrolling or licensing of vessels, now in force, when, in the opinion of the collector or other principal officer of the revenue making

such seizure, the value of the property so seized shall not exceed five hundred dollars, he shall cause a list and particular description of the property so seized to be prepared in duplicate, and an appraisement of the same to be made by two sworn appraisers under the revenue laws, if there are such appraisers at or near the place of seizure; but if there are no such appraisers then by two competent and disinterested citizens of the United States, to be selected by him for that purpose, residing at or near the place of seizure; which list and appraisement shall be properly attested by such collector or other officer and the persons making the appraisal; and for such services of the appraisers they shall be allowed out of the revenue one dollar and fifty cents each for every day necessarily employed in such service. If the amount of such appraisal shall not exceed the sum of five hundred dollars, said collector or other principal officer shall publish a notice once a week for three successive weeks in some newspaper of the county or place where such seizure shall have been made, if any newspaper shall be published in said county; but if no newspaper shall be published in said county, then such notice shall be published in some newspaper of the county in which the principal customs office of the district shall be situated; and if no newspaper shall be published in such county, then notices shall be posted in proper public places, which notices shall describe the articles seized, and state the time, cause, and place of seizure, and shall require any person claiming such articles to appear and file with such collector or other officer his claim to such articles within twenty days from the date of the first publication of such notice.

SEC. 12. *And be it further enacted*, That any person claiming the property so seized may, at any time within twenty days from the date of such publication, file with the collector or other officer a claim, stating his or her interest in the articles seized, and, upon depositing with such collector or other officer a bond to the United States in the penal sum of two hundred and fifty dollars, with two sureties, to be approved by such collector or other officer, conditioned that, in case of the condemnation of the articles so claimed, the obligors shall pay all the costs and expenses of the proceedings to obtain such condemnation, such collector or other officer shall transmit the same, with the duplicate list and description of the articles seized and claimed, to the United States district attorney for the district, who shall proceed for a condemnation of the property in the ordinary mode prescribed by law. But if no such claim shall be filed nor bond given within the twenty days above specified, such collector or other officer shall give not less than fifteen days' notice of the sale of the property so seized, by publication in the manner before mentioned, and, at the time and place specified in such notice, he shall sell at public auction the property so seized, and shall deposit the proceeds, after deducting the actual expenses of such seizure, publication, and sale, to the credit of the Treasurer of the United States, as shall be directed by the Secretary of the Treasury: *Provided*, That the collector shall have power to adjourn such sale from time to time for a period not exceeding thirty days in all.

SEC. 13. *And be it further enacted*, That any person claiming to be interested in the property sold under the provisions of the *proceeding* [preceding] section may, within three months after such sale, apply to the Secretary of the Treasury for a remission of the forfeiture and a restoration of the proceeds of such sale, and the same may be granted by said Secretary, upon satisfactory proof to be furnished in such manner as he shall direct, that the applicant, at the time of the seizure and sale of the property in question, did not know of the seizure and was in such circumstances as prevented him from knowing of the same, and that said forfeiture was incurred without wilful negligence or any intention of fraud on the part of the owner of such property.

SEC. 14. *And be it further enacted*, That if no application for such remission or restoration shall be made within three months after such sale, the Secretary of the Treasury shall then cause the proceeds of such sale to be distributed in the same manner as if such property had been condemned and sold in pursuance of a decree of a competent court.

SEC. 15. *And be it further enacted*, That whenever seizure shall be made of any property which, in the opinion of the appraisers, shall be liable to perish or waste, or to be greatly reduced in value by keeping, or cannot be kept without great disproportionate expense, whether such seizure consist of live animals, or goods, wares, or merchandise, and when the property thus seized shall not exceed five hundred dollars in value, and when no claim shall have been interposed therefor as is hereinbefore provided, the said appraisers, if requested by the collector or principal officer making the seizure at the time when such appraisal is made, shall certify on oath in their appraisal their belief that the property seized is liable to speedy deterioration, or that the expenses of its keeping will largely reduce the net proceeds of the sale; and in case the appraisers thus certify, such collector or other officer may proceed to advertise and sell the same at auction, by giving notice for such time as he may think reasonable, but not less than one week, of such seizure and intended sale, by advertisement as is hereinbefore provided; and the proceeds of such sale shall be deposited to the credit of the Treasurer of the United States, subject, nevertheless, to the payment of such claims as shall be presented within three months from the day of sale, and allowed by the Secretary of the Treasury.

SEC. 16. *And be it further enacted*, That the Secretary of the Treasury shall have authority to ascertain the facts upon all applications for remission of fines, penalties, and forfeitures incurred or accruing under the revenue laws, where the amount in question does not exceed one thousand dollars, in such manner and under such regulations as he may deem proper; and he may thereupon remit or mitigate such fines, penalties, or forfeitures, if in his opinion the same shall have been incurred without wilful negligence or any intention of fraud.

SEC. 17. *And be it further enacted*, That whenever the proper officer of the customs shall be duly notified of the existence of a lien upon imported goods, wares, or merchandise in his custody, he shall, before delivering such goods, wares, or merchandise to the importer, owner, or consignee thereof, give seasonable notice to the party or parties claiming the lien; and the possession by the officers of customs shall not affect the discharge of such lien; *Provided*, That the rights of the Government shall not be prejudiced thereby. And the Secretary of the Treasury may prescribe all needful regulations to carry this provision into effect; *And provided*, That neither the United States nor its officers shall be in any manner liable for losses incurred in consequence of the omission by accident and without their fault of officers of the customs to give the notice aforesaid.

SEC. 18. *And be it further enacted*, That nothing in this act contained shall be taken to abridge or limit any forfeiture, penalty, fine, liability, or remedy provided for or existing under any law now in force, except as herein otherwise specially provided.

SEC. 19. *And be it further enacted*, That where the value of goods, wares, or merchandise imported or brought into the United States shall not exceed one hundred dollars, the collector is authorized in his discretion to admit the same to entry without the production of the triplicate invoice required by the act of March three, eighteen hundred and sixty-three, entitled "An act to prevent and punish frauds," and so forth, and without submitting the question to the Secretary of the Treasury: *Provided*, That the collector shall be satisfied that the neglect to produce such invoice was unintentional, and that the importation was in good faith and without any purpose of defrauding or evading the revenue laws of the United States.

SEC. 20. *And be it further enacted*, That if any goods, wares, or merchandise shall, at any port or place in the United States on the northern, northeastern, or northwestern frontiers thereof, be laden upon any vessel belonging in whole or in part to a subject or subjects of a foreign country or countries, and shall be taken thence to a foreign port or place, to be reladen and reshipped to any other port or place in the United States on said frontiers, either by the same or any other vessel, foreign or American, with intent to evade the provisions of the fourth section of "the act concerning the navigation of the United States," approved March one, eighteen hundred and seventeen, the said goods, wares, or merchandise shall, on their arrival at such last named port or place, be seized and forfeited to the United States, and the vessel shall pay a tonnage duty of fifty cents per ton on her measurement.

SEC. 21. *And be it further enacted*, That all steam tug boats, not of the United States, found employed in towing documented vessels of the United States plying from one port or place in the same to another, shall forfeit and pay the sum of fifty cents per ton on the admeasurement of every such vessel so towed by them respectively, as aforesaid, which sum may be recovered by way of libel or suit.

SEC. 22. *And be it further enacted*, That if any vessel enrolled or licensed to engage in the foreign and coasting trade on the northern, northeastern, and northwestern frontiers of the United States, shall touch at any port or place in the adjacent British provinces, and the master or other person having charge of such vessel shall purchase any goods, wares, or merchandise, for the use of said vessel, said master or other person having charge of said vessel shall report the same, with cost and quantity thereof, to the collector or other officer of the customs at the first port in the United States at which he shall next arrive, designating them "sea stores;" and in the oath to be taken by such master or other person in charge of such vessel, on making said report, he shall declare that the articles, so specified or designated "sea stores," are truly intended for the use exclusively of said vessel, and are not intended for sale, transfer, or private use, and if, upon examination and inspection by the collector or other officer of the customs, such articles are not deemed excessive in quantity for the use of said vessel for the voyage on which she is engaged, such articles shall be declared free of duty; but if it shall be found that the quantity or quantities of such articles or any part thereof so reported are excessive, it shall be lawful for the collector or other officer of the customs to estimate the amount of duty on such excess, which shall be forthwith paid by said master or other person having charge of said vessel, on pain of forfeiting a sum of not less than one hundred dollars nor more than four times the value of such excess, or said master or other person having charge of such vessel shall be liable to imprisonment for a term of not less than three months nor more than two years, at the discretion of the court. And if any other or greater quantity of dutiable articles shall be found on board such vessel than are specified in such report or entry of said articles, or any part thereof shall be landed without a permit from a collector or other officer of the customs, such articles, together with the vessel, her apparel, tackle, and furniture, shall be seized and forfeited: *Provided, always*, That articles purchased for the use of or for sale on board any steamboat, propeller, or other vessel, as "saloon stores or supplies," shall be deemed goods, wares, and merchandise, and shall be liable (when purchased at a foreign port) to entry and the payment of the duties

found to be due thereon at the first port of arrival of such vessel in the United States, and for a failure on the part of the saloon keeper or person purchasing or owning such articles to report, make entries, and pay duties, as hereinbefore required, such articles, together with the fixtures and other goods, wares or merchandise, found in such saloon or on or about such vessel belonging to and owned by such saloon keeper or other person interested in such saloon, shall be seized and forfeited, and such saloon keeper or other person purchasing and owning as aforesaid shall forfeit and pay the sum of not less than one hundred dollars nor more than five hundred dollars, and in addition thereto shall be imprisoned for a term not less than three months nor more than two years.

SEC. 23. *And be it further enacted*, That the equipments or any part thereof, (including boats,) purchased for, or the expenses of repairs made in a foreign country upon a vessel enrolled and licensed under the laws of the United States to engage in the foreign and coasting trade on the northern, northeastern and northwestern frontiers of the United States, or a vessel intended to be employed in such trade, shall, on the first arrival of such vessel in any port of the United States, be liable to entry and the payment of an ad valorem duty of fifty per centum on the cost thereof in such foreign country; and if the owner or owners, or master of such vessel shall wilfully and knowingly neglect or fail to report, make entry, and pay duties as herein required, such vessel, with her tackle, apparel, and furniture, shall be seized and forfeited: *Provided*, That if the owner or owners, or master of such vessel shall furnish good and sufficient evidence that such vessel, while in the regular course of her voyage, was compelled, by stress of weather or other casualty, to put into said foreign port and purchase such equipments, or make such repairs, to secure the safety of the vessel to enable her to reach her port of destinaton, then it shall be competent for the Secretary of the Treasury to remit or refund such duties, and such vessel shall not be liable to forfeiture, and no license or enrolment and license, or renewal of either, shall hereafter be issued to any such vessel until the collector to whom application is made for the same shall be satisfied, from the oath of the owner or master, that all such equipments and repairs made within the year immediately preceding such application, have been duly accounted for under the provisions of this section, and the duties accruing thereon after the passage of this act duly paid; and if such owner or master shall refuse to take such oath or take it falsely, the vessel shall be seized and forfeited.

SEC. 24. *And be it further enacted*, That if any certificate of registry, enrolment, or license, or other record or document granted in lieu thereof to any vessel shall be knowingly or fraudulently obtained or used for any vessel not entitled to the benefit thereof, such vessel, with her tackle, apparel, and furniture, shall be liable to forfeiture.

SEC. 25. *And be it further enacted*, That on and after the first day of July next, the several provisions of the act entitled "An act to regulate the collection of duties on imports and tonnage," approved March two, seventeen hundred and ninety-nine, relating to manifests, shall apply as well to vessels owned in whole or in part by foreigners as to vessels of the United States; and that the Secretary of State send copies of this section to all consular officers of the United States in foreign countries.

SEC. 26. *And be it further enacted*, That no goods, wares, or merchandise, taken from any port or place in the United States, on the northern, northeastern, or northwestern frontiers thereof, to a port or place in another collection district of the United States on said frontiers, in any ship or vessel, shall be unladen or delivered from such ship or vessel within the United States but in open day, that is to say, between the rising and setting of the sun, except by special license from the collector or other principal officer of the port for the purpose, nor at any time without a permit from such collector or other principal officer for such unlading or delivery. And the owner or owners of every vessel whose master or manager shall neglect to comply with the provisions of this section, shall forfeit and pay to the United States a sum not less than one hundred dollars nor more than five hundred dollars: *Provided*, That the Secretary of the Treasury be, and he is hereby authorized, from time to time, to make such regulations as to him shall seem necessary and expedient for unlading at and clearance from any port or place on said frontiers of ships or vessels at night.

SEC. 27. *And be it further enacted*, That the Secretary of the Treasury be, and he is hereby authorized to make such rules and regulations, from time to time, as to him shall seem necessary, relative to the duties of inspectors authorized by law, to be placed on board of vessels destined for one or more ports in the United States.

SEC. 28. *And be it further enacted*, That all vessels which, under the provisions of the fifteenth section of the act entitled "An act increasing temporarily the duties on imports, and for other purposes," approved July fourteen, eighteen hundred and sixty-two, of the fourth section of the act entitled "An act to modify existing laws imposing duties on imports, and for other purposes," March three, eighteen hundred and sixty-three, and of the fourth section of an act entitled "An act amendatory of certain acts imposing duties upon foreign importations," approved March three, eighteen hundred and sixty-five, are exempted from paying tonnage duties more than once in a year, shall hereafter pay the same either at the first clearance from or entry at, according to priority, a custom-house in the United States in each calendar year: *Provided:* That all licensed and enrolled and licensed vessels of the United States shall pay the said duty when taking out or renewing their respective enrolments or licences, if the same has not previously been paid for the calendar year: *And provided further*, That nothing in this act shall be construed to prevent customs officers from collecting such tonnage duty at the entry of any vessel at their respective custom-houses during the calendar year, if the same shall not previously have been paid for such year: *And provided further*, That all vessels which are subject to enrollment or license shall hereafter be liable to the payment of the fees established by law for services of customs officers incident thereto.

SEC. 29. *And be it further enacted*, That the Secretary of the Treasury be, and he hereby is, authorized, whenever he shall think it advantageous to the public service or revenue, to abolish or suspend the offices of naval officer, or any other subordinate office, in any collection district of the United States, except in those enumerated in section nine of the act of May seven, eighteen hundred and twenty-two, and the amendment thereto, by the act of April nine, eighteen hundred and sixty-four, and the port of San Francisco, and to assign the duties of the office or any other subordinate office so abolished to a deputy collector or inspector of the customs; and so much of all fines, penalties, and forfeitures as would otherwise inure to either of such naval officers shall, after the discontinuance of their offices respectively, be paid into the treasury of the United States, and there credited to the fund for defraying the expenses of collecting the revenue from customs. And the Secretary of the Treasury is hereby further authorized in all cases in which, in his opinion, the public interest demands it, to clothe deputy collectors, located at ports other than the principal port of entry of their respective districts with all the powers of their principals appertaining to their official acts.

SEC. 30. *And be it further enacted*, That no officer or clerk whose duty it shall be to make payments on account of the salary or wages of any officer or person employed in connection with the customs or the internal revenue service shall make any payment to any officer or person so employed on account of services rendered or of salary, unless such officer or person so to be paid shall have made and subscribed an oath that, during the period for which he or she is to receive pay for salary or services rendered, neither he nor she, nor any member of his or her family, has received, either personally, or by the intervention of another party, any money or compensation of any description whatever, nor any promises for the same, either directly or indirectly, for services rendered or to be rendered, or acts performed, or to be performed, in connection with the customs or internal revenue, nor purchased, for like services or acts, from any importer, (if affiant is connected with the customs, or manufacturer, if affiant is connected with the internal revenue service,) consignee, agent, or custom-house broker, or other person whomsoever, any goods, wares, or merchandise, at less than regular retail market prices therefor. And any person who shall willfully and falsely take and subscribe said oath, and being duly convicted thereof, shall be subjected to the penalties and disabilities by law prescribed for the punishment of wilful and corrupt perjury.

SEC. 31. *And be it further enacted*, That all goods, wares, and merchandise, or property of any kind, seized under the provisions of this act or any other law of the United States relating to the customs, shall, unless otherwise provided by law, be placed and remain in the custody of the collector or other principal officer of the customs of the district in which the seizure shall be made, to abide adjudication by the proper tribunal, or other disposition according to law; and the proceedings in regard to fines, penalties, and forfeitures by virtue of this act, and not herein prescribed, shall be the same as are now provided by law in like cases; and all such fines, penalties, and forfeitures shall, after deducting all proper costs and charges, be disposed of and applied as provided for in the ninety-first section of the act entitled "An act to regulate the collection of duties on imports and tonnage," approved March two, seventeen hundred and ninety-nine.

SEC. 32. *And be it further enacted*, That in all cases in which any collector or surveyor of customs has paid or accounted for, or is charged with duties or fees accruing under the act entitled "An act to provide increased revenue from imports to pay interest on the public debt, and for other purposes," approved August five, eighteen hundred and sixty-one, or the act entitled "An act to increase duties on imports, and for other purposes," approved June thirty, eighteen hundred and sixty-four, or the act entitled "An act to create an additional supervising inspector of steamboats and two local inspectors of steamboats for the collection-district of Memphis, Tennessee, and two local inspectors for the district of Oregon, and for other purposes," approved June eight, eighteen hundred and sixty-four, or the act entitled "An act amendatory of certain acts imposing duties on foreign importations," approved March three, eighteen hundred and sixty-five, and in regard to which the Secretary of the Treasury shall be satisfied that the collection of said duties or fees was omitted by such collector or surveyor, or by any steamboat inspector, for the reason that he was not informed of the existence of the said acts when the said duties or fees accrued, that the Secretary be, and he is hereby authorized, under such rules as he may prescribe, to remit or refund, as the case may require, such duties or fees to such collector or surveyor, or steamboat inspector.

SEC. 33. *And be it further enacted*, That in all cases in which the fees and emoluments received by any collector or other principal officer of the customs are, in the opinion of the Secretary of the Treasury, insuffi-

cient to afford a reasonable compensation for the services of such officer, after payment out of the same of reasonable incidental expenses of the office, the said Secretary may direct that so much of the said incidental expenses as shall seem to him to be just, shall be paid out of the appropriation for paying the expenses of collecting the revenue; and the said Secretary shall have the same power in regard to incidental expenses which have heretofore been incurred, and which have not been settled and paid into the treasury; and all fees paid into the treasury by customs officers shall be placed to the credit of the fund for defraying expenses of collecting the revenue from customs.

SEC. 34. *And be it further enacted*, That the provisions of the first section of the act entitled "An act relative to collectors and other officers of customs," approved February eleven, eighteen hundred and forty-six, shall, from and after the passage of this act, be applied and enforced in regard to all officers, agents, and employees of the United States whomsoever, as well those whose compensation is determined by a commission on disbursements, not to exceed an annual maximum, as those paid by salary or otherwise.

SEC. 35. *And be it further enacted*, That if any person shall, directly or indirectly, at any time make or offer to make to any officer of the revenue, or to any other person or persons authorized by this act to make searches and seizures, any gratuity or present of money, or other thing of value, or give or offer any bribe or reward, of whatever nature, with intent to influence or induce such officer or other person or persons to do any act in violation of his or her or their official duty, or to refrain from doing anything which, under the law, it is or shall be his, or her, or their duty to do, or if any such officer or person shall ask or receive in any manner any such gratuity, present, bribe or reward, every person so offending shall be liable to indictment, as for a high crime and misdemeanor, in any court of the United States having jurisdiction for the trial of crimes and misdemeanors, and shall, upon conviction thereof, be fined not exceeding three times the amount so offered, promised, or given, asked or received, and imprisoned in a penitentiary not exceeding three years.

SEC. 36. *And be it further enacted*, That from and after the passage of this act no suit begun thereafter shall be maintained in any court for the recovery of duties alleged to have been erroneously or illegally exacted by collectors of customs unless the plaintiff shall, within thirty days after due notice of the appearance of the defendant, either in person or by attorney, serve on the defendant or his attorney a bill of particulars of the plaintiff's demand, giving the name of the importer or importers, the description of the merchandise and place from which imported, the name or names of the vessel or vessels, or means of importation, the date of the invoice, the date of the entry at the custom house, the precise amount of duty claimed to have been exacted in excess, the date of payment of said duties, the day and year on which protest was filed against the exaction thereof, the date of appeal thereon to the Secretary of the Treasury, and date of decision, if any, on such appeal. And if a bill of particulars, containing all the above mentioned items, be not served as aforesaid, a judgment of non pros. shall be rendered against the plaintiff or plaintiffs in said action.

SEC. 37. *And be it further enacted*, That parts of such buildings as shall be approved by the Secretary of the Treasury may be bonded for the storage of grain, under such rules, regulations, and conditions as he may prescribe for the security of the revenue, and that so much of the act entitled "An act to extend the warehousing system by establishing private bonded warehouses, and for other purposes," approved March twenty-eight, eighteen hundred and fifty-four, as conflicts with this act be, and the same is hereby, repealed.

SEC. 38. *And be it further enacted*, That for the purpose of estimating the duties on importations of grain, the number of bushels shall be ascertained by weight, instead of by measuring; and sixty pounds of wheat, fifty-six pounds of corn, fifty-six pounds of rye, forty-eight pounds of barley, thirty-two pounds of oats, sixty pounds of peas, and forty-two pounds of buckwheat, avoirdupois weight, shall respectively be estimated as a bushel.

SEC. 38. *And be it further enacted*, That in order to facilitate the execution of the provisions of the seventh section of the act entitled "An act to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," approved March three, eighteen hundred and sixty-three, relative to the seizure of "invoices, books, and papers," any district judge of the United States may hereafter issue his warrant or warrants and direct the same to any collector or collectors of the customs in whose respective districts any such invoices, books, or papers may be thought to be.

SEC. 40. *And be it further enacted*, That if any collector of the customs, or other officer or agent, shall neglect or refuse to comply with the provisions of the first section of the act entitled "An act requiring all moneys receivable from customs and from all other sources to be paid immediately into the treasury, without abatement or reduction, and for other purposes," approved March three, eighteen hundred and forty-nine, he shall be subject to be removed from office and to forfeit to the United States any share or part of the moneys withheld to which he might otherwise be entitled; and all moneys received by collectors for the custody of goods, wares, and merchandise in bonded warehouses, shall be accounted for as storage under the provisions of the fifth section of the act of March third, eighteen hundred and forty-one.

SEC. 41. *And be it further enacted*, That it shall be the duty of the master of any foreign vessel, laden or in ballast, arriving in the waters of the United States from any foreign territory adjacent to the northern, northeastern, or northwestern frontiers of the United States, to report at the office of any collector or deputy collector of the customs, which shall be nearest to the point at which such vessel may enter said waters; and such vessel shall not proceed further inland, either to unlade or take in cargo, without a special permit from such collector or deputy collector, issued under and in accordance with such general or special regulations as the Secretary of the Treasury may in his discretion, from time to time, prescribe. And for any violation of this section such vessel shall be seized and forfeited.

SEC. 42. *And be it further enacted*, That if any collector of the customs, supervising or local inspector of steamboats, or other officer, shall neglect or refuse to make any of the returns or reports which he is required to make at stated times by any act of Congress or regulation of the Treasury Department, other than his accounts, within the time prescribed by such act or regulation, he shall, upon conviction thereof before the district court of his district, forfeit and pay, for the use of the United States, any sum not less than one hundred dollars nor more than one thousand dollars.

SEC. 43. *And be it further enacted*, That the act entitled "An act for the more effectual recovery of debts due from individuals to the United States," approved March three, seventeen hundred and ninety-five; and the act entitled "An act to extend for a longer period the several acts now in force for the relief of insolvent debtors of the United States," approved May twenty-seven, eighteen hundred and forty; and the last clause of the tenth section of the act entitled "An act for enrolling and licensing ships and vessels to be employed in the coasting trade and fisheries, and for regulating the same," approved February eighteen, seventeen hundred and ninety-three, being all after the words "complied with;" and the seventh section of the act entitled "An act making appropriations for the civil and diplomatic expenses of the government for the fiscal year ending the thirtieth day of June, eighteen hundred and forty-five, and for other purposes," approved June seventeen, eighteen hundred and forty-four, and the one hundred and third section of the act entitled "An act to regulate the collection of duties on imports and tonnage," approved March two, seventeen hundred and ninety-nine; and the tenth section of the act entitled "An act amendatory of certain acts imposing duties upon foreign importations," approved March three, eighteen hundred and sixty-five; and all other acts and parts of acts conflicting with or supplied by this act, be, and the same are hereby, repealed.

SEC. 44. *And be it further enacted*, That the provisions of this act shall not be deemed to effect any action or proceeding or indictment pending at the time this act shall take effect, but the same shall be tried, and disposed of, and judgment or decree executed as if this act had not been passed.

Approved July 18, 1866.

COUNTERFEIT POSTAL CURRENCY, NEW ISSUE.—50 cent notes, new issue. On the top of the bill the words, "Furnished only by the Assistant Treasurer and Designated Depositaries of the United States;" observe the two words "of the" on the genuine there is a little space between them, not so on the imitation.

50 cent. The long green issue; good imitation; they are sixteenth of an inch narrower than the genuine.

50 cent notes; the engraving is good, but the gilt frame around the head is very bad. The paper has, however, the appearance of common print paper, and is very whitish. The whole of it is a little smaller than the genuine. Six barrels on the right end of Washington are very indistinct.

25 cent notes, new issue; very dark green, poorly engraved.

25 cent notes, poorly engraved, on poor paper, and the gilt frame around the head don't show any gilt.

10 cent notes; very coarsely done, and the green ink very pale.

Treasury Dept., Decisions, &c.

TAX ON IRON, BRASS, STEEL AND COPPER WIRE AND CASTINGS—DEDUCTIONS FOR FREIGHT AND COMMISSION.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 27, 1866.

SIR:—In answer to your letter of the 23d inst., I have to say that the tax on wire, whether made of iron, steel, brass or copper, is 5 per cent ad valorum as a manufacture not otherwise provided for. There is, however, in the 10th section of the new law, a provision exempting wire made from wire less than No. 20 wire gauge, upon which a tax has been assessed and paid as wire, and also a proviso that no manufactured wire shall pay a greater tax than that imposed on No. 20 wire gauge.

When wire less than No. 20 on which a tax of 5 per cent ad valorem has been paid, is afterwards drawn to a greater degree of fineness, no additional tax is to be assessed thereon. Wire, however, on which no tax has been previously paid as wire, is liable to a tax of 5 per cent upon the price at which it is sold, whether that price is sixty cents, one dollar or two dollars per pound. The law imposes a tax of 5 per cent ad valorem. The *assessment* of the tax must be at *that rate*. The amount of tax depends upon the value of the *wire*. This is a variable quantity, subject to the fluctuations of the market, supply and demand. The rate is fixed, being *imposed* by the law, at 5 per cent ad valorem—it cannot be changed except by a change of the law. You are not to assess the same amount only of tax on wire sold at one dollar per pound as on wire sold at sixty cents per pound.

The tax on the former is 5 cents and on the latter 3 cents, unless in the one case the wire has been re-drawn from wire less than No. 20 wire gauge on which a tax has been previously paid as wire.

Castings of iron of all descriptions not otherwise provided for, are subject to a tax of $3 per ton under the new law.

The castings otherwise provided for are (1) malleable iron castings, unfinished, and (2) castings made specially for locks, safes, looms, spinning machines, steam engines, hot air and hot water furnaces, and sewing machines.

These castings when not sold or used for any other purpose, and when a tax is assessed and paid on the article of which the casting is a part, are exempt from taxation.

Castings of all descriptions made for articles, machines or instruments, other than those specially enumerated, are liable to tax.

The words "castings of all descriptions" includes castings of brass and other metals or combinations of metals, as well as castings of iron.

No deductions for freight, commissions, or other expenses of sale are allowed under the Act of July 13th, 1866.

Yours respectfully,
(Signed) THOMAS HARLAND,
Dep. Commissioner.

JOHN B. WRIGHT, Esq.,
U. S. Assessor, Clinton, Conn.

INCREASE VALUE UNDER SECTION 96.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 20, 1866.

GENTLEMEN: Your letter of this date is before me in which you state that parties in New York claim that if they buy lead at 10 cents per pound, and the market price advances so that the same lead is worth 11 cents per pound, they can sell goods manufactured from said lead at not over 5 per cent advance without becoming liable to any tax, relying upon the last clause of the 96th section of the act of June 30, 1864.

In reply to this inquiry, I have to state that a liability occurs under the 94th Section whenever the cost or value of materials is advanced by manufacture and sale above 5 per cent.

If lead which cost 10 cents per pound can be made into pipe, and the pipe sold for 10½ cents per pound, and is so sold, the pipe is not liable to any excise tax; but if the pipe is sold for more than 10½ cents, then it is liable to a tax of 5 per cent. ad valorem.

If a manufacturer holds lead which cost him more than its present market value, or more than he could sell sheet lead, or shot, or lead pipe for, were he to manufacture such lead into these articles, still he would be liable to pay tax on his products, if the cost of converting his materials (lead) into products, with his profits added, exceeded by more than 5 per cent. the market value of the raw material at the time of manufacture.

The manufacturer of sheet lead, shot, or lead pipe in determining his liability under the limitation clause of the 96th Section must take the average market value of the raw material or pig lead and the average market value of the manufactures thereof during any month, and if the difference betw en the two is more than 5 per cent. of the value of the former, the manufactured articles are taxable and must be returned.

The assessor, in all cases, is to be the judge of the liability, after a careful examination of all the facts, in every case where exemption is claimed under the provision of the 96th Section referred to. No party claiming exemption can be allowed to be the judge in his own case.

In the case presented by you, and on your statement of the facts, the parties are clearly liable in my opinion.

"Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

To ——— ———.

CITY RAILROAD TICKETS—STAMP TAX.

No. 330 HENRY STREET,
NEW YORK CITY, Aug. 7, 1866.

Hon. E. A. ROLLINS, *Commissioner of Internal Revenue, Washington, D. C.*

SIR: As a matter of importance to the traveling community of this City, will you kindly oblige me by saying whether or not an agreement, of which the inclosed is a copy, should have a five cent revenue stamp thereon? It is evidently a compact between vendor and vendee.

The company issuing these "agreements" also charges the purchaser two cents extra on these contracts for the printing thereof. It is humbly submitted that each of these acts is a violation of the Internal Revenue act.

Yours, with much respect,
JOHN BUTCHER, *Notary Public.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 14, 1866.

SIR: In reply to your communication of August 7, concerning the tickets issued by the East Broadway and Battery Railroad Company, I have to say that it is held by this office that the first of such tickets is an agreement which requires a stamp denoting the duty of five cents, and it is believed that the additional charge of two cents gives evidence of an intent on the part of the Company to defraud the public.

A letter has been addressed to Collector Putnam, giving him the proper instructions in regard to the matter.

Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

JOHN BUTCHER, *Esq., No. 330 Henry St. New York City.*

OFFICE OF DRY DOCK, EAST BROADWAY AND BROADWAY, RAILROAD Co.,
New York, Aug. 17, 1866.

Hon. THOMAS HARLAND, Acting Commissioner, Internal Revenue Department:—

SIR:—I have just received from George P. Putnam, Clolector of this district, a copy of your letter to him of the 14th instant, in reference to the issue and sale of tickets by this company.

And, first, I wish to remove from your mind the impression caused by the statement of Mr. Batcher (honestly, but erroneously made), that this company has attempted the petty larceny of charging two cents additional to the legal rate for the issue of each twenty tickets.

* * * I understand your decision to be that, in its present form, the ticket is an agreement, and as such is liable to a five cent revenue stamp.

We desire to give the public every accommodation in the matter of the issue and sale of tickets, so far as it can be done with safety to the company; but it is necessary for us to guard against the danger of forgery on the one hand, and on the other to insure that each ticket issued shall be used but once for the transportation of a passenger. We propose to change the form of the tickets so that the signed one shall read as follows:

"ONE PASSENGER.

"Each of the tickets on this sheet entitles the holder hereof to one ride for a passenger in a car of this company. The conductor alone is authorized to tear off the small tickets."

This we propose shall be numbered, dated and signed by the President and the receiver who sells it.

Each of the small tickets we propose shall read:

"One ride due the holder of the signed ticket. Not good unless torn off by the conductor."

Will you please inform me if in the form above proposed the ticket would be liable to the addition of a stamp, as we wish, if possible, to avoid the necessity which would in that case exist of increasing the "revenue tax" which we are authorized by law to collect from the purchaser of tickets, from two and a half to seven and a half per cent?

Very respectfully, your obedient servant,
WILLIAM RICHARDSON, *President.*

REPLY.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 18, 1866.

SIR:—Your letter of the 17th inst., has been received in relation to the tax upon railway tickets. You say: "We propose to change the form of the tickets so that the signed one shall read as follows:—'One passenger. Each of the tickets on this sheet entitles the holder thereof to one ride for a passenger in a car of this company. The conductor is alone authorized to tear off the small tickets.' And the 'coupon' tickets entitle the holder to 'one ride,' but are not to be 'good' unless torn off by the conductor." In reply to your inquiry I have to say that, with the above change, the "signed ticket" is not liable to stamp duty, as an agreement. And I have to say, further, that the evidence furnished by you in the matter of the alleged extortion from purchasers of tickets, of a larger percentage, as tax, than is allowed by law, shows very conclusively that the officers of the company should be exonerated from such charge; and that, in the instance alleged, they are free from blame.

Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

THE law affecting the distilling of whiskey, goes into effect to-day, and in consequence of its stringent regulations a number of distilleries will cease operations.

FOREIGN MONEY VALUES.

A synopsis of the value of foreign specie moneys in the money terms and gold of the United States, prepared at the United States mint and used at the Treasury Department.

TREASURY DEPARTMENT, COMPTROLLER'S OFFICE, August 1, 1866.

Austria—Silver Florin, (100 Kreutzers,)	value	$.4803
Belgium—Silver Franc,	value	$.19455
Bolivia—Silver Dollar,	value	$.7804
Brazil—Milrei, (1,000 Reis,)	value	$.5415
Bremen—Thaler, (72 Grotes,)	value	$.79
Buenos Ayres—See New Granada and Mexico.		
Central America—Doubloon,	value	$15.747
Gold Dollar,	value	$.9842
Four Dollar Piece, (2 Escudos,)	value	$3.68
Chili—Gold Dollar,	value	$.91275
China—Tael,	value	$1.48
Mexican Dollar,	value	$1.05
(The Chop Dollar has no standard value.)		
Denmark—Silver Rigsdaler, (6 Marks,)	value	$.5463
Ecuador—Dollar, (8 Reals,)	value	$.69
Egypt—Piastre,	value	$.05
England—Pound,	value	$4.84
France—Franc, (100 centimes,)	value (gold)	$.193
(See Belgium,)	value (silver)	$.19455
Germany—Thaler, (30 Groschen,)	value	$.7205
Austrian Florin, (100 Kreutzers.) (See Austria,)	value	$.4803
Southern Florin, (60 Kreutzers,)	value	$.412
Greece—Drachm, (100 Lepta,)	value	$.17275
Hamburgh—Mark Banco, (16 Skillings,)	value	$.3643
India—Rupee, (16 Annas,)	value	$.462
Italy—Lira of Sardinia,	value	$.193
Lira of Florence,	value	$.1636
Scudo of Rome,	value	$1.05
Ducat of Naples,	value	$.8274
Japan—Itzebu,	value	$.34
Mexican Dollar,	value	$1.05
Mexico—Doubloon,	value	$15.747
Gold Dollar,	value	$.9842
Silver Dollar,	value	$1.05
Morocco—Bontqui,	value	$2.00
Netherlands—Guilder,	value	$.4085
New Granada—Peso, (1-10 of a Condor,)	value in gold	$.965
	value in silver	$.973
Peru—Same as Bolivia.		
Portugal—Milrei, (1,000 Reis,)	value,	$1.08
Prussia—Thaler, (30 Groschen,) *See* Germany.		
Russia—Rouble, (100 Copecks,)	value	$.777
Spain—Real, (100 Centimos,)	value	$.05
Sweden—Rigsdaler-riksmynt, (¼ species Daler,)	value	$.269
Switzerland—Franc, (100 Rappen,) *See* France.		
Tunis—Piastre,	value	$.125
Turkey—Piastre, (40 Paras,)	value (gold)	$.0435
	value (silver)	$.043

THE British revenue returns for the year ending 30th of June show the following totals:

	1865.	1866.
Customs	£22,304,000	£21,369,000
Excise	19,559,000	20,067,000
Stamps	9,481,000	9,553,000
Taxes	3,267,000	3,421,000
Property tax	7,699,000	5,777,000
Post office	4,110,000	4,300,000
Crown Lands	311,000	321,000
Miscellaneous	2,857,756	2,868,436
Total	£69,588,756	£67,726,436

THE Commissioner of Internal Revenue has designated the following additional places in the South for the weighing and assessment of cotton:

Second District of Georgia.—Macon, Columbus, and Griffin, Mondays, Wednesdays, and Fridays; Albany, Bainbridge, and Fort Gaines, Mondays and Saturdays; Hawkinsville and Fort Valley, Tuesdays, Thursdays, and Saturdays; America and Georgetown, Wednesdays and Thursdays; Cuthburt, Tuesdays and Fridays.

District of Arkansas.—Little Rock, Helena, Lewis, Camden, Fulton, Marie, Saline, and Champagnole, Mondays, Wednesdays, and Fridays; Pine Bluff, Madison, Osceola, Chicot, and Jacksonport, Tuesdays, Thursdays, and Saturdays; Napoleon, continuously.

First District of Louisiana.—New Orleans, continuously.

THOMPSON'S REPORTER remarks that: "Our 5-20s of the 1862 (old) issue continue to advance in Europe. The last quotation in London was $72, at 4s. 6d. sterling per dollar, for every $100 of bonds. This, reduced to sterling, gives £16 4s.; put into dollars, with enchange at 108, $77.68 gold for the $100 of bonds; so that a sale in London at 72 is equal to 77.68 here in gold. Put this gold into currency, with gold at 148, and we have $114 7-8 for the $100 bond. In this calculation we make no deduction for the expense of shipping and selling abroad, which, including insurance, is about 1 per cent. There is every prospect that our bonds will advance in the European market 20 per cent. yet, which is equal to an advance here in currency of *thirty per cent.* If the theory holds good that as our bonds rise abroad there should be a correspondding rise here, and gold should be held up to 150, then we shall see old 5-20s up to 144 7-8."

We wish that some substantial benefit might accrue to the Government, and not all the profit be absorbed by foreign and home bond holders, by this advance in the national securities. Most of these bonds were sold by the United States for fifty cents gold or less on the dollar. Now it is sought to force them up so as to make the Government pay 100 cents gold for what it only received 50. We confess that we would more like to see the substantial interest of tax-payers improved, with which the the Government is identical of interest, than to note advances in 5-20s.

EMERSON'S REVENUE GUIDE.—The following are a few of the very flattering notices which we have seen of this truly valuable book:

"The labor undertaken has been thoroughly done, and the editor has furnished here a ready answer to all ordinary questions likely to rise under our new and intricate revenue system."—*Worcester Spy.*

"It is almost indispensable to those affected by the provisions of the revenue law."—*Boston Daily Advertiser.*

"The editor has put in much valuable matter in the way of notes, which will be of great assistance to business men who make use of the work."—*New York Evening Post.*

"It is the most compact guide we have yet seen.—*Woonsocket Patriot.*

THE following appointments of officers of Internal Revenue has recently been made: Jas. H. Butler, collector 4th district, Maine; Daniel H. Winfield, collector 4th district, New Jersey; Silas O. Loomis, asesssor 2d district, Michagen; J. Crockett Sayres, collector 6th district, Kentucky; George S. Cooper, assessor 4th district, Michigan; Thomas R. Staples, collector of customs at Machias, Maine, vice Stephen Longfellow, removed; and Colonel Thomas Gray, naval officer at San Francisco, California, vice Noah Brooks, removed.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 10. NEW YORK, SEPTEMBER 8, 1866. WHOLE NUMBER 88

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REVIEW.

IT is of moment to the interests of the revenue that the collection of tax on cigars should be thorough, and that no questionable practices should be permitted through ignorance of subordinate officers or cigar makers to obtain a foothold under the new law and regulations. Attention is directed, therefore, to the ruling made on an application of a manufacturer to have certain cigars packed and re-stamped in his own district, which he had purchased from the maker in another district in bulk, which were accompanied by certificate of Inspector as to the number, and that tax thereon had been paid.

Such practice is declared to be in violation of existing laws. The only circumstances under which cigars may be *sold* in bulk without packing and stamping are, that the same must by counted by an Assistant Assessor or Inspector who should give a certificate of the number, and the sale and delivery should be in the presence of the officer. No payment of tax is to be made then. The purchaser must within fifteen days thereafter have the cigars packed, inspected, and stamped, and pay the tax *in the district in which the cigars were made.* The tax in such case accrues on the appraised value of the cigars packed, stamped, and ready for market. To admit of any other course would tend to render nugatory the checks upon illicit manufacturing provided by the laws.

Circular 52 is issued prescribing regulations under which persons are to pay a special tax as lottery dealers, in conformity with the recent amendments on the subject contained in the acts of July 13, 1866. Two important changes are made. The managers of *any* lottery, in stead of any *existing* lottery, may give bond for lottery ticket dealers. The condition of the bond requires the lottery ticket *dealer*, and not the managers as hitherto permitted, to pay the tax on the gross receipts of *his* sales. No dealer shall sell tickets in any lottery the managers of which have not given bond for him. Collectors are required to enforce the strict observance of these regulations.

WE shall begin next week and publish from time to time the names of the licensed distillers in New York and Brooklyn, their places of business, the capacity of their stills, the amount of their bonds, and the names and residence of their sureties. This is to be done with the object of better acquainting officers and the public with the persons who are interested in this branch of business, and to afford some protection to the revenue. Enormous frauds in this business are daily perpetrated upon the revenue. It is not hazardous to say that more revenue on distilled spirits is annually evaded in New York city alone than would defray the expense of collecting the entire revenue in all of the United States.

IT has been the practice of collectors and agents of the customs, and assessors and collectors of internal revenue, to absent themselves from their official duties whenever they deemed it necessary, without seeking the sanction of any higher authority. This has been productive of some injury to the government service, and the Secretary of the Treasury has directed in accordance with law and regulations, that in future they must not absent themselves from their posts without first obtaining the permission of the head of the department.

ACTING Second Comptroller Smith has decided that an officer, whose discharge is dated prior to April 9, 1865, but was not received until after that time, is not entitled to the three months' pay proper granted by act of Congress, approved March 3, 1865, and amended July 13, 1866.

SINCE August 1, the collections of internal revenue in the fourth district of Massachusetts, amount to $1,200,000. The district claims to be the promptest in the country in the payment of taxes.

THE Paymaster General has issued a circular to the chief paymasters, announcing that the proclamation of the President, dated Aug. 20, does not in any way affect the pay of officers and enlisted men of the army.

THE best paste for affixing cigar or beer stamps, is made by dissolving one and a half pounds wheat flour and one ounce of alum in a gallon of cold water, and then boiling the mixture until it is of the proper thickness. Sour flour is better than sweet for the purpose.

BULLION THEORIES FALLACIOUS.

THERE is a favorite theory, that the currency—the money authorized by law to be passed in exchange for land, labor, commodities and debts,—should possess *intrinsic value*,—an inherent natural property rendering it useful and desirable: that it should consist of gold and silver, for the reason that those metals possess the requisite natural property: and that being coined and a specific degree of intrinsic value being assumed and stamped on the respective pieces in arithmetical figures, it should be, according to those figures, a rule or standard by which to reckon the market price or exchangeable value of other things as expressed by the same figures. By this theory the fixed intrinsic value of the coin should be the rule of comparison, calculation, proportion, like inches, feet, yards, in measures of length. As values are of different degrees or proportions to each other, like weights and lengths, which required to be expressed in figures or signs of proportion, it is necessary to fix and specify the inherent value of coin, as a rule by which to calculate the different degrees of value in different things, so as to distinguish between them, and ascertain the difference.

This as a theory may seem plausible and prepossessing; but in practice, unless in barbarous countries where pecuniary transactions are limited and where mutual confidence and the use of credit are unknown, it is fallacious and inadequate to its object.

First, because the precious metals do not exist or are not attainable in sufficient quantity to supply an adequate currency in coin for the demands of internal and foreign traffic in a highly productive, prosperous, and commercial country like our own. They are not attainable in sufficient quantity to facilitate and liquidate a tenth part of the exchanges and payments which are necessary; and either traffic and exchanges must be reduced in proportion to the deficiency of coin, or the defect must be supplied by the use of credit, trust in personal promises expressed in book accounts, notes of hand, drafts, bills of exchange, etc.—mere tokens or certificates of indebtedness—not money, not currency, not things of intrinsic value.

Secondly, Because, if a sufficient quantity of the metals were at any time attainable, they could not be controlled and retained under our system of commercial relations and intercourse with other nations. Being, on account of their intrinsic value, exportable commodities, and as much wanted in other countries as in this, they would be constantly liable by being drained away, to become inadequate in quantity, and thereby disastrously to depress the exchangeable values of all other commodities. For it is essential to its being a just measure of the value of other things that the coin should itself be uniform in quantity as that yard-sticks should be uniformly

of the same length to be just measures of cloth, or that weights, gallons, bushels, acres and miles, as defined and fixed by statute, should be invariable as measures. Those measures of quantity are purely arbitrary enactments of law; and in like manner it is solely in virtue of legal prescription and definition that coin is sanctioned as currency at a specific and fixed rate expressed by those marks of notation in which commercial computations and exchanges are expressed. Coin, as having *intrinsic* value is a commodity of trade and commerce like wheat and cloth, and is liable like them to be affected by alternate scarcity and abundance. As currency it is its *legal* value denomination or rate irrespective of its market price as a commodity, that is fixed by statute constituting it a rule by which to compare and reckon the fluctuating value or market price of other things.

As such to be a uniform rule, and applicable at all times and to all commodities, the quantity must be uniformly adequate to the demands of trade. For as the quantity is reduced below the demands of trade, the exchangeable value or market price of other things, supposing them to remain as abundant as before, will be reduced. Thus if, with an adequate currency of coin, indicated by gold and silver being at par in the market as commodities, the legal dollar was equivalent to the exchangeable value of a bushel of wheat, then if the quantity of coin were diminished one half, the legal dollar would be equivalent to the exchangeable value of two bushels of wheat. The intrinsic value—the value for use—of the wheat, might remain as before. The exchangeable value would be reduced one half. The legal value of the dollar would remain unchanged, but its exchangeable value would be doubled; and as a commodity it would be said to be at a premium of 100 per cent., solely because the quantity of legal value with which the price of all other things was to be compared and paid, was diminished. It is therefore plain that to be a standard, the quantity must be uniform in relation and proportion to the payments to be effected, so that the legal value or rate and the intrinsic value or price in the market, of coin, might be uniformly the same. The intrinsic value of a thing is its *value for use*, which at different times may be indefinitely greater or less than at a given time. The exchangeable value is the price at which a thing will sell, which will depend on the proportion of supply to demand, and more or less on other circumstances. L.

SMUGGLING.—Commissioner Sargent has received information of the conviction of a man in the Buffalo, New York, district for smuggling whiskey, who was sentenced to pay a fine of $600 and be imprisoned in the penitentiary for six months. This man had been defrauding the Government for nearly a year past, and was finally arrested through the agency of an old Washington detective. He was convicted upon the testimony of his own son-in-law.

Some large seizures of smuggled goods have recently been made in New Orleans, which has given the professional smugglers there such a scare that they will probably seek some more honorable employment.

The smuggling operations premeditated along the coast of Florida and South Carolina, heretofore referred to, have been frustrated by the activity of the Government agents.

SECRETARY McCULLOCH ON THE FINANCES.

Some business men of Boston sent an invitation to Secretary McCulloch while on his recent Maine trip to accept the honor of a public dinner. The invitation did not reach him until after his return to Washington, and in a letter of thanks for the honor, he says of the finances:

Although it was hoped that ere this the currency of the country would have been brought nearer to the specie standard, I am sure the people have cause for congratulation that our finances are in so healthy a condition as they are.

Since March, 1865, the war has been brought to a successful conclusion; immense armies have been disbanded; every soldier has been paid before being mustered out of the service; all maturing obligations of the Government have been satisfactorily provided for, while the national debt is nearly two hundred and fifty millions less than it was estimated it would be at the present time, and the reduction of it has averaged for the past year more than ten millions per month. If no other nation ever rolled up a debt so rapidly, none certainly ever commenced the reduction of its debt so soon after its creation. If our currency is depreciated, we have so far escaped the financial troubles that usually occur among nations at the close of expensive wars, and which there was reason to apprehend would happen to us at the termination of the great war in which we have been engaged. If the business of the country is conducted upon a changing and uncertain basis, it has been subject to no severe revulsions. If our taxes are heavy, our resources are almost unlimited, while the disposition of the people to bear cheerfully their burdens is a surprise even to those who have the greatest confidence in the honor and good faith of a free people. In my opinion, the people of the United States are to make republicanism illustrious among the nations by establishing the fact that the securities of a republican government are the safest of all securities, and that the people who impose taxes upon themselves are the most jealous of their national credit.

I do not, however, disguise the fact that great financial difficulties are still to be overcome: that our present prosperity is rather apparent than real, that we are measuring values by a false standard, that we are, in fact, exposed to all the dangers which attend an inflated and irredeemable currency, which diminishes labor—the true source of national wealth—and stimulates speculation and extravagance, which lead invariably to thriftlessness and demoralization. Before the country becomes again really prosperous, the specie standard must be restored, prices reduced, industry stimulated, the products of the country increased, the balance of trade between the United States and other nations cease to be against us, all the great interests of the country cared for and protected by wise and impartial legislation, and all sections of the country be brought again into harmonious and practical relations with the general government. That the country will be again thus really prosperous is as certain as anything in the future. That it should be so at an an early day, and that too without a financial crisis, it is only necessary that there should be proper legislation by Congress, economy in the public expenditures, and fidelity on the part of those who are entrusted with the management of the public revenues.

BY the 8th section of the Homestead Act of '6[illegible] parties who have made entry under that law on th[illegible] condition of five years continuous settlement an[illegible] cultivation, have the right at any time before th[illegible] expiration of that period, to make proof of such se[illegible] tlement up to a given day, and then pay for th[illegible] tract at $1.25 per acre, and at once get a titl[illegible] Where a Homestead seller has entered a tract co[illegible] taining more than 160 acres, he is required to pa[illegible] for the excess in cash, and when he desires [illegible] change his Homestead to a cash purchase, he [illegible] credited with the amount of such excess, and onl[illegible] requires to pay for 160 acres. Where a party ente[illegible] under the Homestead, and abandoned the tract, h[illegible] forfeits all claims to the fees, commissions, &c[illegible] which at the time of entry were paid at the loc[illegible] office for the services rendered by the Register an[illegible] Receiver in regard to such entry.

THE intention of the Administration in regard [illegible] removals from office, may be gathered from the fo[illegible] lowing excerpt from a communication to the Ho[illegible] Leonard Myers, of Pennsylvania, from Secreta[illegible] Welles:

"The Administration, and those connected wi[illegible] it, would fail in their duty to the country were the[illegible] to retain in the employment of the Government an[illegible] one who would weaken and embarrass the effor[illegible] which are made to promote national unity, or wh[illegible] would, at such a period, impair confidence in tho[illegible] who are exerting themselves to sustain the Presid[illegible] in his labors for the welfare of the whole country.

THE STATE ELECTIONS.

The elections in the several States are as follows:

New Hampshire—First Tuesday in March.
Connecticut—First Monday in March.
Rhode Island—First Wednesday in April.
Virginia—Fourth Thursday in May.
Oregon—First Monday in August.
Alabama—First Monday in August.
Arkansas—First Monday in August.
Kentucky—First Monday in August.
Texas—First Monday in August.
North Carolina—Second Thursday in August.
Vermont—First Tuesday in September.
Maine—Second Monday in September.
Florida—First Monday in August.
Mississippi—First Monday in August.
Georgia—First Wednesday in October.
Indiana—First Tuesday in October.
Iowa—First Tuesday in October.
Ohio—First Tuesday in October.
Pennsylvania—First Tuesday in October.
West Virginia—Fourth Thursday in October.
Louisiana—First Monday in November.
Delaware—First Tue day in November.
Illinois—First Tuesday in November.
Kansas—First Tuesday in November.
Maryland—First Tuesday in November.
Massachusetts—First Tuesday in November.
Michigan—First Tuesday in November.
Minnesota—First Tuesday in November.
Missouri—First Tuesday in November.
Nevada—First Tuesday in November.
New Jersey—First Tuesday in November.
New York—First Tuesday in Novemb r.
Wisconsin—First Tuesday in November.
Colorado—Second Tuesday in November.
South Carolina—Fourth Monday in November.

There are no State elections held in the months January, February, July and December.

INTERNAL REVENUE OFFICERS.

FOURTH DISTRICT, NEW YORK.

Assessor, PIERRE C. VAN WYCK, 108 Leonard.

Collector, JOSHUA F. BAILEY, 61 Chambers.

The Fourth Collection District comprises the 3d, 5th, 6th, and 8th Wards of the city of New York. Boundaries:

Broadway, Park Row, Chatham, Bowery, Canal, Broadway, West Houston, Hudson River, and West Street, Liberty, to No. 149 Broadway, place of beginning. Sub-divided into 20 Divisions.

ASSISTANT ASSESSORS.

1st Division, HENRY E. HUTCHINSON. Boundaries: No. 364 to 416 Broadway, 240 to 290 Canal, 157 to 113 Centre, 20 to 64 Franklin, to Broadway, place of beginning. Office 108 Leonard.

2d Division, EDWARD A. NICHOLS. Boundaries: No, 320 to 362 Broadway, 65 to 17 Franklin, 52 to 74 Centre, 90 to 164 Worth, 85 to 111 Park, 27 to 1 Mott, 180 to 126 Chatham, 464 to 554 Pearl to Broadway, place of beginning. Office 108 Leonard Street.

3d Division, JOSEPH BRECK. Boundaries: No. 555 to 463 Pearl, 124 to 2 Chatham, West side of Park Row to Broadway, East side, No. 272 to 318 Broadway to Pearl, the place of beginning. Office 108 Leonard.

4th Division, PHILIP VAN WYCK. No. 149 to 191 Broadway, 1 to 55 Dey, 185 to 149 Greenwich, 123 to 79 Liberty to Broadway, the place of beginning. Office 95 Liberty.

5th Division, SAMUEL N. LECOMTE. No. 125 to 147 Liberty, No. 102 to 159 West and Hudson River, 78 to 50 Robinson, 240 to 148 Greenwich to Liberty, the place of beginning. Office 216 Greenwich.

6th Division, DANIEL MOONEY. No. 229 to 271 Broadway, 72 to 102 Chambers, 87 to 27 Church, 24 to 1 Barclay to Broadway, the place of beginning. Office 108 Leonard.

7th Division, JOHN B. LAWRENCE. No. 381 to 417 Broadway, 292 to 344 Canal, 235 to 193 Church, 34 to 66 White to Broadway, the place of beginning. Office 108 Leonard.

8th Division, JAMES M. TUTHILL. No. 96 to 128 Warren, 177 to 224 West and Hudson River, No. 110 to 2 North Moore, 122 to 50 W Broadway, 162 to 188 Duane, 322 to 282 Greenwich to Warren, the place of beginning. Office 114 Warren.

9th Division, THOMAS G. BAKER. No. 489 to 609 Broadway, 1 to 61 West Houston, 166 to 56 Wooster, 482 to 440 Broome, to Broadway, the place of beginning. Office 108 Leonard.

10th Division, JOHN FORSHAY. No. 489 to 541 Canal, 295 to 342 West, and Hudson River, 349 to 129 West Houston, 166 to 46 Sullivan, 2 to 66 Watts, to Canal, the place of beginning. Office 108 Leonard.

11th Division, JAMES H. ROWAN. No. 357 to 415 Canal, 1 to 165 Sullivan, 127 to 63 West Houston, 165 to 1 Wooster, to Canal, the place of beginning. Office 108 Leonard.

12th Division, JAMES A. MESSENGER. No. 10 to 94 Laigbt, 255 to 294 West, and Hudson River, 542 to 488 Canal, 65 to 1 Watts, 44 to 2 Sullivan, to Laight, the place of beginning. Office 108 Leonard.

13th Division, E. M. HARTSHORNE. No. 305 to 379 Broadway, 67 to 1 White, 117 to 51 West Broadway, 28 to 2 Thomas, Church to Duane, 123 to 89 Duane, to Broadway, the place of beginning. Office 108 Leonard.

14 Division, C. M. B. HARRIS. No. 193 to 227 Broadway, 2 to 72 Barclay, 229 to 187 Greenwich, 58 to 2 Dey, to Broadway, place of beginning. Office 108 Leonard.

15th Divisi A. J. KNEELAND. No. 273 to 303 Broadway, 90 to 124 Duane, to Church, 112 to 126 Church, 1 to 55 Thomas, 323 to 303 Greenwich, 171 to 63 Chambers, to Broadway, the place of beginning. Office 108 Leonard.

16th Division, GEORGE M. REA. No. 416 to 486 Broadway, 439 to 481 Broome, 54 to 2 Wooster, 355 to 291 Canal, to Broadway, the place of beginning. Office 108 Leonard.

17th Division. M. N. JONES. No. 1 to 31 College Place, 170 to 134 Chambers, 301 to 283 Greenwich, 97 to 127 Warren, 176 to 160 West and Hudson River, 79 to 49 Robinson, 249 to 231 Greenwich, 73 to 53 Barclay, to College Place. Office, 108 Leonard.

18th Division. W. O. PLATT. No. 1 to 109 North Moore, 225 to 354 West, and Hudson River, 93 to 1 Laight, 398 to 346 Canal, 236 to 194 Church, 32 to 2 White, to North Moore, the place of beginning. Office, 108 Leonard.

19th Division. BENJAMIN H. MUNSON. No. 2 to 60 Bowery, 142 to 238 Canal, 158 to 76 Centre, 133 to 163 Worth, 84 to 112 Park, 28 to 2 Mott, to Bowery, place of beginning. Office, 108 Leonard.

20th Division. PIERRE VAN CORTLANDT, Jr. No. 25 to 53 Barclay, 2 to 30 College Place, 132 to 104 Chambers, 88 to 28 Church, to Barclay, place of beginning. Office, 108 Leonard.

Assistant Assessors, on special service, distilleries, &c.—John Sheals, Vincent Le Compte, C. M. Teller and Thomas Ogilvie. Offices, 108 Leonard Street.

THE following are the instructions for the conversion of the first series of seven-thirties into the five twenties of 1865:

The interest on the bonds is charged from May 1, 1866, to the date of conversion, interest being allowed on the seven-thirty notes to the same date. If the coupons, due August 15, 1866, have been detatched, sufficient currency must accompany the notes to pay the accrued interest on the bonds, otherwise such accrued interest will be deducted from the principal of the notes. The notes payable to order must be indorsed by the payer in blank, or to the order of the party transmitting them for conversion, who must indorse such notes over the signature, as follows: "Pay the Secretary of the Treasury for redemption." All notes, indorsed by administrators, executors, or assignees, or per attorney, must be accompanied by certificates of the power of the indorsers. About $60,000,000 of the notes have been converted within the past two months.

THE daily receipts of the Government from Internal Revenue during the last week were as follows:

Monday	$2,035,907 94
Tuesday	1,180,807 82
Wednesday	1,393,502 75
Thursday	1,345,649 95
Friday	1,629,958 98
Saturday	2,700,005 19
Total	$10,285,831 63

The receipts from this source during the month of August amounted to $38,043,340.81, being the largest sum received from internal revenue during any one month since the law went into operation. The total amount received since the 1st of July, the commencement of the present fiscal year, up to Sept. is $67,822,449.38.

REDUCTION OF CUBAN IMPORT DUTIES.

The following dispatch communicating official information of the temporary reduction of Cuban import duties, has been given to the public by the Department of State:

UNITED STATES CONSULATE GENERAL,
HAVANA, August 11, 1866.

Hon. W. H. Seward, Secretary of State:

SIR: The Governor-General of the island has determined to suspend for two months and a half, counting from the 1st instant, the effects of the royal order under the extra charge on merchandise entered to examination was raised from 4 per cent., the former rate, to 16 per cent. The General's decree is subjected to the approval of the supreme government. This royal order referred to was communicated by me to the State Department on the 17th ult. Despatch No. 219.

I have the honor to be, sir, very respectfully your obedient servant,

THOMAS SAVAGE,
Consul-General.

THE smuggling of whiskey and brandy by the bottle has been carried to such an extent on the Canadian frontier that, in order to put an end to the abuse, Collector Curtis, of Ogdensburgh, has issued the following circular to his subordinates:

"The instructions under which you have heretofore been authorized to allow single bottles of brandy and other liquors to be brought into this district from Canada, is clearly in violation of the revenue laws, and such importations will no longer be permitted.

"It is imperative on all officers of Customs that the laws of Congress, and the instructions of the Treasury Department, relating to the collection of duties on imports, be strictly and faithfully enforced, and no officer reporting to this office will knowingly permit any violation of them under any circumstances.

"When ignorant persons shall violate regulations of the Department unintentionally, a full statement of the case will be forwarded to this office, and if it shall appear proper, the Secretary of the Treasury will be requested to release the captured goods under such conditions as he may direct, but in no case will the Collector or either of the deputies assume to do what the law makes no provision for, respecting any articles seized for violation of the revenue laws."

ASSESSOR'S OFFICE, U. S. INTERNAL REVENUE,
FIRST DISTRICT, LOUISIANA,
NEW-ORLEANS, Aug. 23, 1866.

Annual income list for the year 1866	$352,360 47
Annual income list for the year 1865	292,577 44
Excess of 1866 over 1865	$59,783 03
Annual license list for the year 1866	$317,681 20
Annual license list for the year 1865	130,882 00
Excess of 1866 over 1865	$186,799 20
Monthly assessments for the month of June, 1866	$258,007 95
Monthly assessments for the month of July, 1866	189,441 58

JAMES READY, *Assessor.*

THE Treasury Department during the last week authorized the printing of the following sums in fractional currency: Fifty cent notes, $162,000; Twenty-five cent notes, $109,500; ten cent notes, $31,000; total $302,500. The shipments made by Treasurer Spinner during the week were as follows:

To the Assistant Treasurer at Philadelphia	$60,000
To National Banks	200,000
Total	$260,000

The Redemption Division during the week cancelled mutilated fractional currency to the amount of $368,067.

Treasury Dept., Decisions, &c.

PACKING AND RE-STAMPING OF CIGARS PURCHASED IN BULK.

(Mr. Arnold, a licensed cigar manufacturer, purchased after August 11, 1866, two cases each containing 3000 cigars, put up a hundred in a bundle, which cigars were made in another district. The cigars were inspected, the cases stamped, and the tax assessed and paid on their sales value in that condition. An application of Mr. Arnold to repack the said cigars in boxes, and have the same stamped in his own district, was refused by his Assessor. On an appeal to the Commissioner the following decision was rendered.)

PACKING AND RE-STAMPING OF CIGARS PURCHASED IN BULK.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 28, 1866.

SIR: Your letter of the 28th in which you inquire if permission will be granted you to have some 6000 cigars, purchased in bulk, re stamped, has been received.

In answer, I have to say that the sale of cigars in bulk in the manner described by you, was in plain violation of law, and this office will not authorize the re-stamping of the same.

The law expressly provides that all cigars, before they are inspected and stamped, shall be packed in boxes or other packages. The boxes or packages must be such as are used by the trade to put cigars into a marketable condition.

Whenever a manufacturer wishes to sell his cigars in bulk, or unpacked, he must have them counted by an Assistant Assessor or an Inspector, and receive a certificate of the number. He may then sell them and deliver them to the purchaser in presence of the Assistant Assessor or Inspector without payment of the tax. The purchaser is required to pack such cigars in boxes or paper packages, have them inspected and marked or stamped, according to law, and make a return of the same as inspected to the Assistant Assessor of the district where they were manufactured, and unless they are removed to a bonded warehouse, he must pay the taxes on such cigars within fifteen days after purchasing them to the Collector of the District wherein they were manufactured, and before they are removed from his store or building, or from his possession.

Very respectfully,

(Signed,) THOMAS HARLAND,
Deputy Commissioner.

ISADOR ARNOLD, Esq.,
No. 62 Cortlandt St., New York City.

Circular No. 52.

REGULATIONS UNDER WHICH PERSONS ARE TO PAY SPECIAL TAX AS LOTTERY DEALERS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August, 30, 1866.

The attention of all Officers of Internal Revenue is hereby called to the following Regulations on the above subject, issued by the secretary of the Treasury.

E. A. ROLLINS, *Commissioner.*

TREASURY DEPARTMENT,
WASHINGTON, Aug. 29, 1866.

Section nine of the amendatory act of July 13, 1866, provides that lottery ticket dealers shall pay a special tax of $100: "*Provided*, That the managers of any lottery shall give bond in the sum of $1,000, that the person paying such tax shall not sell any tickets or supplementary tickets of such lottery which have not been duly stamped, according to law, and that he will pay the tax imposed by law upon the gross receipts of his sales."

The amendatory act of July 27, 1866, provides "that all persons and every person who shall engage or be concerned in the business of a lottery dealer without paying the special tax therefor under such rules and regulations as shall be prescribed by the Secretary of the Treasury, shall forfeit and pay a penalty of $1,000, to be assessed by the assessor of the proper district, and collected as assessed taxes are collected, subject, nevertheless, to the provisions of law relating to erroneous assessments, and shall, on conviction by any court of competent jurisdiction, suffer imprisonment for a period not exceeding a year, at the discretion of the court; and it shall be the duty of all managers and proprietors and their agents, to keep, or cause to be kept, just and true books of account wherein all their transactions shall be plainly and legibly set forth, which books of account shall, at all reasonable times and hours, be subject to the inspection of the assessor, assistant assessor, revenue agent and inspector of the proper district; and any manager, proprietor, agent or vender under this act, who shall refuse or prohibit such inspection of his or their books, as aforesaid, shall pay a penalty of $1,000, or suffer imprisonment for a term not exceeding one year for every such offence."

The following regulations are, therefore, prescribed:—

1. When any person desires to engage in business as a "lottery ticket dealer" he shall—

Make return in the usual form to the assessor of the district in which he is located, which return shall state, in addition to other information now required, the name or names of the managers or proprietors for whom he acts, with their place of business.

2. Before paying the special tax of $100 to the collector, the applicant must procure and present to that officer the duly executed bond of the managers of the lottery in which such applicant proposes to deal. If he proposes to deal in the tickets or numbers of more than one lottery he must procure and present to the collector the seperate bond of the managers of each different lottery in which he proposes to deal, and he will not be allowed to deal in the tickets or numbers of any lottery whose managers have not furnished bonds for him. When, however, a single person or firm is the manager of several lotteries, then one bond furnished by such person or firm will be sufficient for a dealer in those several lotteries.

3. The bond or bonds so to be given are to be conditioned in the sum of $1,000, that any person who has paid the tax to do business in the lottery or lotteries of which the obligors are managers, shall not sell any ticket or supplementary ticket of such lottery or lotteries which has not been duly stamped according to law with the name of the vendor of the ticket or supplementary ticket, and with the date of the sale, and that he will pay the tax imposed by law on the gross receipts of his sales. The form of the bonds must also be first approved by the Commissioner of Internal Revenue.

4. Any person dealing in the tickets or numbers of any lottery or lotteries in violation of the above rules and regulations will be liable to the penalty imposed by law for every such violation, and this penalty will be enforced in the most summary manner.

Collectors of Internal Revenue are required to enforce the strict observance of these regulations in their respective districts.

H. MCCULLOCH,
Secretary of the Treasury.

EXAMINATION AND INVESTIGATION IN CASES OF INCOMPLETE RETURNS AND CASES OF FRAUD.

NEW YORK, August 20th, 1866.

SIR: Some doubts have arisen as to the proper construction of the provision providing, in certain cases, for re-assessment within fifteen months, contained in Section 38, page 17, of recently compiled Internal Revenue Laws. Considered in connection with the well known decision of Judge Smalley, it is to be construed that, in cases of fraud, the assessor can only investigate and assess back to a period of fifteen months previous to the delivery of the list to the collector. or that until fifteen months after the passage of the law of July 13, 1866, such investigation and assessment may be made without regard to time? Or what is the proper construction? A decision upon this point will greatly oblige many officers of the Revenue as well as

Yours respectfully,
. B. FIELD, *Collector.*

Hon. E. A. ROLLINS,
Commissioner Int. Rev.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 21, 1866.

SIR: Your letter of the 20th instant has been received relative to the construction of a certain part of Section twenty, act of July 13th, 1866.

That part of said Section is this, "In case it shall be ascertained that the annual list, or any other list, *which may have been*, or which *shall hereafter be*, delivered to any collector is imperfect or incomplete * * * the said assessor may * * * at any time within fifteen months from the time of the passage of this act, or from the time of the delivery of the list to collector as aforesaid, enter on any monthly or special list the names of the persons, &c."

There can be no reasonable doubt, as it seems to me, that Congress contemplated the application of the provision I have quoted to two classes of cases: first, *past* omissions or deficiencies; and, second, *future* omissions or deficiencies; and that all cases, both past and future, should be included in the two classes. The natural import of the language is in accordance with that idea. After having taken it for granted that certain lists "*may have been*" *heretofore* imperfect, the Statute says that the assessor may at any time "within fifteen months from the time of the passage of this act" make the necessary correction.

If any practical force is to be given to this language, I do not see how it can be properly restricted to any *particular part* of those cases where the lists "may have been" imperfect. I think it clearly includes them all, and that, (to quote your language of inquiry,) "until the expiration of fifteen months after the passage of the law "of July 13th, 1866, the investigation and assessment may be made without regard to the time" when the list was delivered to the collector.

Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

M. B. FIELD, ESQ.,
Collector Int. Rev. New York City.

CIRCULAR CONCERNING CANCELLATION OF COUPONS.

TREASURER'S OFFICE, TREASURY DEPARTMENT,
Washington, Sept. 1, 1866.

The attention of assistant treasurers, designated depositaries, and officers of national banks designated as such, is hereby called to that port on of the circular issued from this office November 19, 1864, which enjoins that, in the cancellation of coupons paid by them, care be taken not to punch from the same either the numbers or dates. A disregard of this injunction has, in many instances subjected this and other offices of the Department to great inconvenience; inasmuch as coupons, the dates or numbers of which have been thus removed in the process of punching, have delayed, if not entirely prevented, the reimbursing of the Treasurer for his payment of the same. Heretofore, payment for the remittance has been made by him without regard to the coupons so defaced; but, in view of the

fact that such defacement is needless, inasmuch as there is upon each coupon ample space for cancellation without destroying any essential part, and as, by such reckless cancellation, the evidence as to the maturity or even legitimacy of a coupon is destroyed, it has been determined that hereafter all coupons from which either the date or number has in in any way been removed will be returned to the parties remitting them, and payment thereon withheld until the dates or numbers shall be fully established by affidavit or other satisfactory proof.

F. E. SPINNER,
Treasurer U. S.

ALLOWANCE FOR COMMISSON ON SALES MADE BY AGENTS AWAY FROM FACTORY, UNDER ACT OF 1864.

ASSESSOR'S OFFICE,
FOURTH DISTRICT NEW YORK,
NEW YORK, Aug. 20, 1866.

SIR: In reference to the enclosed letter I have to say, that the party was assessed as a commercial broker in the 5th District, under decision 159, but I have not insisted on clerks or agents of one firm only, taking out license as commercial brokers, as formerly, in accordance with instructions in Series 2, No. 4, paragraph 43, on licenses.

In regard to the commission claimed, I have regarded the sales in this case as only initiated by the agent taking the order, and as made or completed at the factory, in which case they are not entitled to a deduction of 3 per cent. commission on their sales.

Respectfully,
PIERRE C. VAN WYCK,
Assessor Fourth District.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 25, 1866.

SIR: In reply to your letter of the 20th instant, enclosing a statement of Moses Bernard, Esq., in relation to commissions allowed to agents taking orders for goods, &c., I have to say, that under the Act of June 30, 1864, a commission of 3 per cent. was allowed the manufacturer when sales were made at a place other than the place of manufacture; but sales made by traveling agents taking orders for goods which were delivered from the factory, would not be regarded as "sales made at a place other than the place of manufacture," and no commission could, therefore, be allowed thereon. Under the present law, no commissions are allowed under any circumstances.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

P. C. VAN WYCK, Esq.,
U. S. Assessor, New York.

SHIPMENT OF ARMS AND AMMUNITION TO THE SOUTHERN STATES.

TREASURY DEPARTMENT,
August 21, 1866.

SIR: In conformity with the proclamations issued by the President of the United States, on the 2d of April last, and of the 20th instant, respectively, copies of which are herewith enclosed, you are hereby instructed that permits are no longer necessary in the shipment of arms, ammunition or other merchandise into any of the States recently in insurrection; and that all the ports of the United States, without exception, are placed on the same footing, and are governed by the same general laws and regulations of the department. You will be guided accordingly.

Very respectfully,
H. M'CULLOCH,
Secretary of the Treasury.

H. A. SMYTHE,
Collector of the Customs, New York.

THE PUBLIC DEBT.

The following is the statement of the public debt of the United States on the 1st of August, 1866:

DEBT BEARING COIN INTEREST.

Five per cent. bonds	$198,241,100 00
Six per cent. bonds of 1867 and 1868	18,323,591 80
Six per cent. bonds of 1881	283,734,100 00
Six per cent Five-twenty bonds	742,329,650 00
Total	$1,242,628,441 80

DEBT BOARING CURRENCY INTEREST.

Six per cent. bonds	$6,042,000 00
Temporary loan	118,665,469 96
Three year compound interest notes	166,012,140 00
Three year Seven-thirty notes	798,949,350 00
Total	$1,089,668,959 96
Matured debt not presented for pay't.	4,670,160 32

DEBT BEARING NO INTEREST.

United States notes	$400,361,728 00
Fractional currency	26,684,188 91
Gold certificates of deposits	16,403,180 00
Total	$443,449,046 91
Total debt	$2,770,416,608 99

AMOUNT IN TREASURY.

Coin	$51,322,156 57
Currency	75,995,205 04
Total	$137,317,362 61
Am't of debt, less cash in Treasury	$2,633,099,246 38

The foregoing is a correct statement of the public debt, as appears from the books and Treasurer's Returns in the Department, on the 1st of August, 1866.

HUGH MCCULLOCH, *Secretary of the Treasury.*

Debt, less cash in Treasury, on Aug 1. 1866	$2,633,099,246 38

SEPTEMBER STATEMENT.

The following is the statement of the public debt of the United States on the 1st of September, 1866:

DEBT BEARING COIN INTEREST.

5 per cent. bonds	$198,091,350 00
6 per cent. bonds of 1867 and 1868	18,323,591 80
6 per cent. bonds, 1881	283,734,800 00
6 per cent. 5-20 bonds	776,422,800 00
Navy pension fund	11,750,000 00
Total debt bearing coin interest	$1,288,322,541 80

DEBT BEARING CURRENCY INTEREST.

6 per cent. bonds	$8,202,000 00
Temporary loan	45,538,000 00
3-year compound interest notes	155,512,140 00
3-year 7.30 notes	769,518,900 00
Total debt bearing currency interest.	$978,771,040 00

MATURED DEBTS NOT PRESENTED FOR PAYMENT.

United States notes	$399,603,592 00
Fractional currency	26,483,998 33
Gold certificates of deposit	15,480,220 00
Total	$441,567,810 33
Debt on which interest has ceased	19,663,443 82
Total debt	2,728,314,835 95

AMOUNT IN TREASURY.

Coin	$76,333,918 27
Currency	56,29 ,749 46
Total in Treasury	$132,631,667 73
Amt. of debt, less cash in Treasury	$2,595,683,168 22

The foregoing is a correct statement of the public debt, as appears from the books and Treasurer's Returns in the Department on the 1st of September, 1866.

HUGH MCCULLOCH, *Secretary of the Treasury.*

COMPARATIVE STATEMENT.

Debt, less cash in Treasury, Sept. 1, 1866	$2,595,683,168 22
Reduction	37,416,108 16

ASSESSORS AND COLLECTORS OF INTERNAL REVENUE IN THE UNITED STATES.

AUGUST 27, 1866.

[The commissions of many of the officers given in this list will not be renewed, and in some instances their successors have been designated. Yet the list is as correct as it could be made as to those qualifying by bonds and taking the oath, having been furnished direct from the Treasury records. Changes will be noted from time to time.]

MAINE.

1st Dist—Nathaniel G. Marshall, Assessor, Portland.
Nathaniel J. Miller, Collector, Portland.

2d Dist—Hannibal Belcher, Assessor, Farmington.
Jesse S. Lyford, Collector, Lewistown.

3d Dist—George W. Wilcox, Assessor, Gardiner.
Peter F. Sanborn, Collector, Augusta.

4th Dist—George P. Sewall, Assessor, Oldtown.
Aaron A. Wing, Collector, Bangor.

5th Dist—Nathaniel A. Joy, Assessor, Ellsworth.
John West, Collector, Ellsworth.

NEW HAMPSHIRE.

1st Dist—George M. Herring, Assessor, Farmington.
James M. Lovering, Collector, Exeter.

2d Dist—Isaac W. Smith, Assessor, Manchester.
John Kimball, Collector, Concord.

3d Dist—Bolivar Lovell, Assessor, Paper Mill Village, Cheshire Co.
Daniel P. Wheeler, Collector, Orford.

VERMONT.

1st Dist—William C. Kittredge, Assessor, Fairhaven.
Joseph Poland, Collector, Montpelier.

2d Dist—Thomas E. Powers, Assessor, Woodstock.
Chas. S. Dana, Collector, St. Johnsbury.

3d Dist—Henry C. Adams, Assessor, East Alburgh.
Carlos Baxter, Collector, Burlington.

MASSACHUSETTS.

1st Dist—Charles G. Davis, Assessor, Plymouth.
Walter C. Durfee, Collector, Fall River.

2d Dist—Elias S. Beals, Assessor, North Weymouth.
Benj. W. Harris, Collector, Boston.

3d Dist—James Ritchie, Assessor, Boston.
Wm H. McCartney, Collector, Boston.

4th Dist—Otis Clapp, Assessor, Boston.
John Sargent, Collector, Boston.

5th Dist—Amos Noyes, Assessor, Newburyport.
J. Vincent Browne, Collector, Salem.

6th Dist—Charles Hudson, Assessor, Lexington.
George Cogswell, Collector, Haverhill.

7th Dist—C. C. Esty, Assessor, Framingham.
John Nesmith, Collector, Lowell.

8th Dist—Ivers Phillips, Assessor, Worcester.
Adin Thayer Collector, Worcester.

9th Dist—Amasa Norcross, Assessor, Fitchburg.
Daniel W. Alvord, Collector, Greenfield.

10th Dist—C. N. Emerson, Assessor, Pittsfield.
E. R. Tinker, Collector, North Adams.

RHODE ISLAND.

1st Dist—Thomas G. Turner, Assessor, Providence.
L. B. Frieze, Collector, Providence.

2d Dist—William A. Pirce, Assessor, Johnston.
William D. Brayton, Collector, Warwick.

CONNECTICUT.

1st Dist—Alphonso C. Crosby, Assessor, Rockville.
J. G. Bolles, Collector, Hartford.

2d Dist—John B. Wright, Assessor, Clinton.
John Woodruff, Collector, New Haven.

3d Dist—Jesse S. Ely, Assessor, Norwich.
Henry Hammond, Collector, Norwich.

4th Dist—Reuben Rockwell, Assessor, Bridgeport.
David F. Hollister, Collector, Bridgeport.

NEW YORK.

1st Dist—Henry W. Eastman, Assessor, Roslyn, Queens Co.
George F. Carman, Collector, Long Island City.

Dist—John Williams, Assessor, Brooklyn.
A. M. Wood, Collector, Brooklyn.

3d Dist—William E. Robinson, Assessor, Brooklyn.
Henry C. Bowen, Collector, Brooklyn.

4th Dist—Pierre C. Van Wyck, Assessor, New York.
Joshua F. Bailey, Collector, New York.

5th Dist—David Miller, Assessor, New York.
Joseph Hoxie, Collector, New York.

6th Dist—John F. Cleveland, Assessor, New York.
Maunsell B. Field, Collector, New York.

7th Dist—Geo. F. Steinbrenner, Assessor, New York.
Marshall B. Blake, Collector, New York.

8th st—Anthony J. Bleecker, Assessor, New York.
Geo. P. Putnam, Collector, New York.

9th Dist—Homer Franklin, Assessor, New York.
Edgar Ketchum, Collector, New York.

10th Dist—Abram Hyatt, Assessor, Sing Sing.
J. M. Mason, Collector, Yonkers.

11th Dist—James C. Curtis, Assessor, Cochecton, Sullivan County.
John G. Wilkin, Collector, Middletown.

12th Dist—B. Platt Carpenter, Assessor, Poughkeepsie.
P. Edward Van Alstyne, Collector, Kinderhook.

13th Dist—Frederick Cooke, Assessor, Catskill.
William Masten, Collector, Kingston.

14th Dist—John G. Treadwell, Assessor, Albany.
Theodore Townsend, Collector, Albany.

15th Dist—Philip H. Neher, Assessor, Troy.
Asahel C. Geer, Collector, Troy.

16th Dist—Lawrence Myers, Assessor, Plattsburgh.
Walter A. Faxon, Collector, Glenn's Falls.

17t Dist—Uriah D. Meeker, Assessor, Malone.
Erasmus D. Brooks, Collector, Potsdam.

18th Dist—Alex. H. Palmer, Assessor, Schnectady.
Allen C. Churchill, Collector, Gloversville, Fulton Co.

19th Dist—Hascall Ransford, Jr., Assessor, Norwich, Chenango Co.
George W. Ernst, Collector, Cooperstown.

20th Dist—Nelson J. Beach, Assessor, Watson, Lewis Co.
Lawrence L. Merry, Collector, Ilion, Herkimer Co.

21st Dist—Charles M. Dennison, Assessor, Rome.
Thomas R. Walker, Collector, Utica.

22d Dist—Leonard Ames, Assessor, Oswego.
Ralph H. Avery, Collector, Canastota.

23d Dist—William Candee, Assessor, Syracuse.
Silas F. Smith, Collector, Syracuse.

24th Dist—Joseph W. Gates, Assessor, Lyons, Wayne Co.
William A. Halsey, Collector, Port Byron, Cayuga Co.

25th Dist—Lewis Peck, Assessor, Phelps.
Farley Holmes, Collector, Penn Yan.

26th Dist—Alfred Wells, Assessor, Ithica.
Simon C. Hitchcock, Collector, Binghampton.

27th Dist—John J. Nicks, Assessor, Elmira.
Seymour F. Denton, Collector, Elmira.

28th Dist—John W. Graves, Assessor, Medina, Orleans Co.
S. P. Allen, Collector, Rochester.

29th Dist—James P. Murphy, Assessor, Lockport.
Hiram W. Hascall, Collector, Le Roy.

30th Dist—Otis F. Presbrey, Assessor, Buffalo.
Philip Dorsheimer, Collector, Buffalo.

31st Dist—Lewis Hall, Assessor, Jamestown.
Milton Smith, Collector, Jamestown, Chautauque Co.

32d Dist—S. P. Gilbert, Assessor, New York.
Sheridan Shook, Collector, New York.

NEW JERSEY.

1st Dist—David P. Elmer, Assessor, Bridgeton.
Wm. S. Sharp, Collector, Salem, Salem Co.

2d Dist—George W. Cowperthwait, Assessor, Tom's River, Ocean Co.
Stephen B. Smith, Collector, Ocean Co.

3d Dist—Robert Rusling, Assessor, Hackettstown, Warren Co.
Elston Marsh, Collector, Plainfield.

4th Dist—Nathaniel Lane, Assessor, Patterson.
Eugene Ayres, Collector, Morristown.

5th Dist—George A. Halsey, Assessor, Newark.
Alexander H. Wallis, Collector, Jersey City.

PENNSYLVANIA.

1st Dist—Jno. W. Frazier, Assessor, Philadelphia.
John H. Taggart, Collector, Philadelphia.

2d Dist—Thomas W. Sweney, Assessor, Philadelphia.
John H. Diehl, Collector, Philadelphia.

3d Dist—J. Fletcher Budd, Assessor, Philadelphia.
Samuel M. Zulick, Collector, Philadelphia.

4th Dist—Delos P. Southworth, Assessor, Philadelphia.
Benj. F. Brown, Collector, Philadelphia.

5th Dist—Hacy R. Coggshall, Assessor, Germantown.
Algernon S. Cadwallader, Collector, Yardleysville, Bucks Co.

6th Dist—Henry J. Saeger, Assessor, Allentown.
B. F. Hancock, Collector, Norristown P. O.

7th Dist—Archa N. Martin, Assessor, Westchester.
Franklin Taylor, Collector, Westchester.

8th Dist—Alexander P. Tutton, Assessor, Reading.
Diller Luther, Collector, Reading.

9th Dist—James K. Alexander, Assessor, Lancaster.
Alexander H. Hood, Collector, Lancaster.

10th Dist—John W. Killinger, Assessor, Lebanon.
James A. Innes, Collector, Pottsville.

11th Dist—Jas. L. Selfridge, Assessor, Bethlehem.
Josiah P. Ketrich, Collector, Easton.

12th Dist—William H. Jessup, Assessor, Montrose, Susquehanna Co.
Joseph A. Scranton, Collector, Scranton, Luzerne Co.

13th Dist—Robt. F. Clark, Assessor, Bloomsburg, Columbia Co.
H. Lawrence Scott, Collector, Towanda, Bradford Co.

14th Dist—Daniel Kendig, Assessor, Middletown.
Chas. H. Shriner, Collector, Mifflinsburg.

15th Dist—Horace Bonham, Assessor, York.
Levi Kauffman, Collector, Mechanicsburg.

16th Dist—Robert G. Harper, Assessor, Gettysburgh.
Edward Scull, Collector, Somerset.

17th Dist—J. Sewall Stewart, Assessor, Huntingdon.
Samuel J. Royer, Collector, Johnstown.

18th Dist—Robert H. Foster, Assessor, Bellefonte.
George Bubb, Collector, Williamsport.

19th Dist—Daniel Livingston, Assessor, Curwensville, Clearfield Co.
John W. Douglass, Collector, Erie.

20th Dist—Joseph H. Lenhart, Assessor, Meadville.
Peter McGough, Collector, Franklin.

21st Dist—D. W. Shryock, Assessor, Greensburgh.
Wm. H. Markle, Collector, Greensburgh.

22d Dist—Henry A. Weaver, Assessor, Pittsburgh.
Wm. Little, Collector, Pittsburgh.

23d Dist—Samuel Marks, Assessor, Freeport.
David N. White, Assessor, Alleghany.

24th Dist—Samuel Davenport, Assessor, Beaver.
David Sankey, Collector, Newcastle.

DELAWARE.

1st Dist—R. John P. McLear, Assessor, Wilmington.
Charles H. B. Day, Collector, Dover.

MARYLAND.

1st Dist—Thos. K. Carroll, Assessor, Church Creek, Dorchester Co.
James T. McCullough, Collector, Elkton.

2d Dist—John W. Webster, Assessor, Baltimore.
James L. Ridgely, Collector, Baltimore.

3d Dist—Joseph J. Stewart, Assessor, Baltimore.
Wm. P. Smith, Collector, Baltimore.

4th Dist—Thomas Gorsuch, Assessor, Frederick.
Frederick Schley, Collector, Frederick.

5th Dist—William Welling, Assessor, Clarksville, Howard Co.
George W. Sands, Collector, Ellicott's Mills.

DISTRICT OF COLUMBIA.

1st Dist—Peter M. Pearson, Assessor, Washington.
Lewis Clephane, Collector, Washington.

WEST VIRGINIA.

1st Dist—Albert G. Leonard, Assessor, Parkersburgh.
James C. Orr, Collector, Wheeling.

2d Dist—Thos. R. Carksadon, Assessor, New Creek Station.
Jas. V. Boughner, Collector, Morgantown.

3d Dist—Thos Thunburg, Assessor, Barbourville.
John H. Oley, Collector, Knawha, C. H.

VIRGINIA.

1st Dist—John H. Hudson, Assessor, Richmond.
William James, Collector, Richmond.

2d Dist—Jacquelin M. Wood, Assessor, Lynchburg.
Samuel R. Sterling, Collector, Harrisonburg, Rockingham Co.

3d Dist—Josiah Millard, Assessor, Alexandria.
Thomas L. Sanborn, Collector, Alexandria.

4th Dist—John M. Donn, Assessor, Norfolk.
John H. Anderson, Collector, Manchester.

— Dist—John B. Ailworth, Assessor, Drummondtown.
Simon Stone, Collector, Norfolk.

— Dist—John H. Patterson, Assessor, Manchester.
E. Boyd Pendleton, Collector, Lynchburgh.

— Dist—John H. Freeman, Assessor, Lexington.

— Dist—George S. Smythe, Assessor, Wytheville.
George W. Jackson, Collector, Wytheville.

NORTH CAROLINA.

1st Dist—R. Pierment, Assessor, Elizabeth City.
Edward M. Jones, Collector, Plymouth.

2d Dist—Jennings Pigott, Assessor, Beaufort.
Lewellyn G. Estes, Collector, Wilmington.

3d Dist—Wm. H. Worth, Assessor, Fayetteville, Cumberland Co.
Charles W. Woollen, Collector, Fayetteville.

4th Dist—Solomon Pool, Assessor, Chapel Hill.
John Reed, Collector, Warrenton.

5th Dist—Jesse Wheeler, Assessor, Greensboro.
Wm. H. Thompson, Collector, Greensboro.

6th Dist—Hardie H. Helper, Assessor, Salisbury.
Samuel H. Wiley, Collector, Salisbury.

7th Dist—W. W. Anderson, Assessor, Hendersonville.
John B. Weaver, Collector, Ashville.

SOUTH CAROLINA.

1st Dist—C. W. Dudley, Assessor, Bennettsville.
Montgomery Moses, Collector, Sumpter Court House.

2d Dist—Chas. J. Hascall, Assessor, Charleston.
F. A. Sawyer, Collector, Charleston.

3d Dist—Chas. J. Elford, Assessor, Greenville.
James G. Gibbes, Collector, Columbia.

ALABAMA.

1st Dist—Wm. D. Mann, Assessor, Mobile.
Francis W. Kellogg, Collector, Mobile.

2d Dist—Edward La Croix, Assessor, Selma.
James Berney, Collector, Montgomery.

3d Dist—Rich'd S. Watkins, Russelville.
John T. Tanner, Collector, Athens, Limestone, Co.

MISSISSIPPI.

1st Dist—A. H. Hall, Assessor, Monticello.
Edwin G. Cook, Hazelhurst, Copiah Co.

2d Dist—Alonzo C. Mayers, Assessor, Brandon.
Fidelio S. Hunt, Collector, Jackson.

3d Dist—Robert M. Findall, Assessor, Okolona.
Benj. H. Sheppard, Collector, Okolona.

TEXAS.

1st Dist—Benj. F. McDonough, Assessor, Galveston.
Milton Stapp, Collector, Galveston.

2d Dist—Wm. J. Phillips, Assessor, Wharton.
Robt. B. Kingsbury, Collector, Brownsville.

3d Dist—John L. Haynes, Assessor, Austin.
Rich'd McLane, Collector, Austin.

4th Dist—Horace Boughton, Assessor, Marshall.
Davis B. Boufoey, Collector, Marshall.

GEORGIA.

1st Dist—Chas. H. Hopkins, Assessor, Savannah.
Alex. N. Wilson, Collector, Savannah.

2d Dist—Joseph E. Webster, Assessor, Columbus.
Jas. C. McBurney, Collector, Macon.

3d Dist—John Bowles, Assessor, Savannah.
Wm. D. Bard, Collector, Augusta.

4th Dist—Wm. H. Watson, Assessor, Atlanta.
James Atkins, Collector, Atlanta.

FLORIDA.

1st Dist—Lemuel Wilson, Assessor, Newnanville.
Maicelius A. Williams, Collector, Fernandina.

KENTUCKY.

1st Dist—Wm. T. Owsley, Assessor, Paducah.
John D. Kelley, Collector, Paducah.

2d Dist—John R. Grissom, Assessor, Owensboro', Daviess Co.
Robert M. Hathaway, Collector, Owensboro'.

3d Dist—Thomas W. Campbell, Assessor, Bowling Green.
Erasmus L. Mottley, Collector, Bowling Green.

4th Dist—Wm. L. Rankim, Asseseor, Covington.

5th Dist—David S. Goodloe, Assessor, Lexington.
Willard Davis, Collector, Lexington.

6th Dist—Samuel L. Blaine, Assessor, Maysville.
James L. Hudnall, Collector, Covington.

7th Dist—William M. Spencer, Assessor, Lebanon,
Duncan S. Smith, Collector, Lebanon.

8th Dist—Thomas J. Morrow, Assessor, Somerset.
Wm. C. Gilliss, Collector, Richmond.

9th Dist—John Jay Anderson, Assessor, Mt. Sterling.
Thompson B. Oldham, Collector, Mt. Sterling.

— Dist—Edgar Needham, Assessor, Louisville.
Philip Speed, Collector, Louisville.

MISSOURI.

1st Dist—Theophile Papin, Assessor, St. Louis.
Wm. Taussig, Collector, St. Louis.

2d Dist—Daniel Q. Gale, Assessor, Washington, Franklin Co.
J. P. Maupin, Collector, Washington.

3d Dist—Joseph A. Hay, Assessor, La Grange, Lewis Co.
Wm. S. Inghan, Collector, Hannibal.

4th Dist—Philander Draper, Assessor, Louisiana, Pike Co.
Alex. H. Marsh, Collector, Troy, Lincoln Co.

5th Dist—Geo. R. Smith, Assessor, Sedalia.
Jas. A McCullah, Collector, Springfield.

6th Dist—Joshua Thorne, Assessor, Kansas City.
William A. Price, Collector, St. Joseph.

OHIO.

1st Dist—Charles R. Fosdick, Assessor, Cincinnati.
Leonard A. Harris, Collector, Cincinnati.

2d Dist—Maxwell P. Gaddis, Assessor, Cincinnati.
Reuben M. W. Taylor, Collector, Cincinnati.

3d Dist—Obadiah C. Maxwell, Assessor, Dayton.
John L. Martin, Collector, Dayton.

4th Dist—D. M. Fleming, Assessor, Piqua.
F. M. Wright, Collector, Urbana, Champaign Co.

5th Dist—George W. Beery, Assessor, Upper Sandusky.
Shelby Taylor, Collector, Lima.

6th Dist—Daniel H. Murphy, Assessor, Ripley.
David Sanders, Collector, Wilmington, Clinton Co.

7th Dist—Isaac M. Barrett, Spring Valley, Greene Co.
B. Franklin Martin, Collector, Columbus.

8th Dist—C. S. Hamilton, Assessor, Marysville, Union Co.
Isaac Banney, Collector, Delaware, Delaware Co.

9th Dist—Luther A. Hall, Assessor, Tiffin, Seneca Co.
John F. Dewey, Collector, Norwalk, Huron Co.

10th Dist—Melancton W. Hubbell, Assessor, Toledo.
Harry Chase, Collector, Toledo.

11th Dist—Daniel McFarland, Assessor, Portsmouth.
John Campbell, Ironton, Lawrence Co.

12th Dist—John M. Connell, Assessor, Lancaster.
Nathan Denny, Collector, Circleville.

13th Dist—Benjamin Grant, Assessor, Mt. Vernon, Knox Co.
Albert A. Guthrie, Collector, Zanesville.

14th Dist—Aaron Pardee, Assessor, Wadsworth, Medina Co.
N. B. Gates, Elyria, Collector, Lorain Co.

15th Dist—Geo. M. Woodbridge, Marietta, Nash Co.
Wm. P. Richardson, Collector, Athens, Athens Co.

16th Dist—John H. Barnhill, Assessor, New Philadelphia, Tuscarawas Co.
Charles J. Albright, Collector, Cambridge, Guernsey Co.

17th Dist—Anson G. McCook, Assessor, Steubenville.
Lyman W. Potter, Collector, Salem.

18th Dist—Joseph E. Hurlbut, Assessor, Cleveland.
Richard C. Parsons, Collector, Cleveland.

19th Dist—Horace Y. Beebe, Assessor, Ravenna, Portage Co.
Henry Fassett, Collector, Ashtabula, Ashtabula Co.

MICHIGAN.

1st Dist—Joseph B. Bennet, Assessor, Detroit.
David E. Harbaugh, Collector, Detroit.

2d Dist—Elisha J. House, Assessor, Kalamazor.
Alexander H. Morrison, Collector, St. Joseph, Berrien Co.

3d Dist—Whitney Jones, Assessor, Lansing, Ingham Co.
Samuel S. Lacey, Collector, Marshall.

4th Dist—Alonzo Sessions, Assessor, Ionia, Ionia Co.
Aaron B. Turner, Collector, Grand Rapids, Kent Co.

5th Dist—Chas Draper, Assessor, Pontiac.
Alonzo M. Keeler, Collector, Disco.

6th Dist—Townsend North, Assessor, Vassar, Tuscola Co.
Samuel N. Warren, Collector, Flint, Genesee Co.

WISCONSIN.

1st Dist—Charles A. Bronson, Assessor, Milwaukie.
Thomas J. Emerson, Collector, Milwaukie.

2d Dist—David Atwood, Assessor, Madison.
Geo. W. Hazelton, Collector, Madison.

3d Dist—Bernard W. Brisbois, Assessor, Prairie du Chien.
J. H Warren, Collector, Albany, Green Co.

4th Dist—Orrin Hatch, Assessor, Fond du Lac, Fond du Lac Co.
Joseph H. Babcock, Collector, Beaver Dam.

5th Dist—Samuel P. Gary, Assessor, Oshkosh, Winnebago Co.
Horace Meriam, Collector, Berlin, Green Lake Co.

6th Dist—Lute A. Taylor, Assessor, Prescott.
Charles Shuter, Collector, Sparta.

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AND CUSTOMS JOURNAL.

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TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. The same belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE regulations concerning the manufacture and collection of tax on fermented liquors have just been promulgated and are published at length. The new law imposes very severe penalties for non-compliance on the part of brewers, with its varied requirements. These differ in so many particulars from the former law, that it is vital to the interests of brewers and dealers to become thoroughly acquainted with their obligations and to perform them faithfully. The radical change in the method of paying the tax obliges the brewer to affix and cancel on each barrel or package appropriate stamps which he must purchase from his Collector, who will allow him 7½ per cent. discount. This discount is allowed by law to cover losses on beer which shall sour after the stamp shall have been affixed. Every barrel must be branded with the name of the manufacturer and place of manufacture.

The regulations should be carefully studied by officers and brewers who may thereby acquire a more thorough and better knowledge of the laws with greater facility than in any other way.

The attention of Collectors is particularly directed to the instructions contained in the letter to Collector McCullough respecting the stamping of instruments which had been previously made and used without the proper stamps being affixed, but with no wilful intention of fraud on the part of the maker.

The regulations in regard to the distillation and rectification of spirits, have not yet been promulgated, but there can be no excuse on that account for parties continuing to conduct their business without complying with the plain requirements of the law. No distillers should be permitted to run spirits unless he at once provides his private bonded warehouse for the storage of his own spirits exclusively, in which all spirits distilled by him must first be placed before the same can be sold or removed for consumption, transportation in bond, or export. All spirits removed since September 1, in violation of this provision, are liable to forfeiture, whether the tax has been paid thereon or not. The time has come for a rigid enforcement of the laws, and the Department enjoins upon its officers an energetic and strict performance of their duties.

INSPECTION, MARKING AND BRANDING OF SPIRITS AND SPIRITUOUS LIQUORS.

THE provisions of the Act of July 13, 1866, respecting the marking and branding of spirits and spirituous liquors, are so important to the interests of distillers, rectifiers and dealers therein, as well imported as domestic liquors, that correct information upon the subject will not here be inappropriate.

The construction given to the terms of the Act requires *all* liquors, in quantities exceeding fifty gallons altogether, imported and domestic, held by distillers or dealers upon the first of September, 1866, to be inspected, gauged, and branded or marked. In order to avoid misapprehension it may, perhaps, be best to classify the same, and to indicate clearly what the law and instructions of the Internal Revenue office require to be done in the premises with respect to each class.

It is to be observed that the intention of the law is clear that no spirits or spirituous liquors shall hereafter be sold in the market unless in branded or marked packages. Not a barrel of the stock of liquors on hand September 1, 1866, can lawfully be removed from the place where stored, or sold, without first being gauged and branded as hereinafter set forth. Any purchaser of liquors not properly branded since that date, is liable to have the same seized and forfeited.

All spirits distilled after September 1, 1866, must, before they can lawfully be sold or removed from the distillery to the bonded warehouse, which each distiller must provide for his own spirits exclusively, be placed in casks or packages of not less capacity than twenty gallons wine measure, and be inspected, gauged, and marked with the quantity and proof of the contents, date of inspection, collection district, name of inspector, and distiller, and number in progression, beginning with the first barrel inspected after that date.

1st. With reference to tax-paid spirits and high wines distilled prior to September 1, 1866, whether in the original package or in cisterns or other stationary vessels.

The owner of such spirits, if exceeding in quantits fifty gallons altogether, must notify in writing the Collector of the disirict wherein the same are stored, within sixty days after the first day of September, 1866, to have the same gauged and proved. This notice shall describe the packages, give the place of storage and state by whom owned. The Collector will thereupon cause the same to be immediately gauged and proved if the same be in barrels, casks or packages, but in no event to be gauged or marked in cisterns or stationary vessels. The Inspector, after gauging and proving, will mark the casks or packages containing said spirits, or into which the same may be placed, "manufactured prior," &c., as directed by section forty-three. If such spirits be in leach tubs at the time of notice, the inspector will *estimate* the quantity, and will gauge, prove and mark the same when drawn off into packages, which must be done within the sixty days aforesaid.

2d. Spirits rectified or re-distilled prior to September 1, 1866:—

These are to be treated precisely like the preceding class.

3d. Wine, Bourbon, rum, brandy, gin, whiskey, or any spirituous liquors sold under those names, or any other name, produced by refining, mixing or otherwise, prior to September 1, 1866, from either imported or domestic spirits, liquors or wines:—

The owner or holder of all such liquors, exceeding in quantity fifty gallons altogether, must give like notice in writing, and have the same gauged and marked in all respects as described above for the first class.

4th. *Imported* spirits liquors, brandies, whiskies, wines, &c., imported before September 1, 1866, on which import duty has been paid, if changed in proof, or mixed, refined or rectified, or not sold in the original imported package, in the same condition as when imported:—

Written notice as above must be given, and such liquors be gauged and marked in the same manner as the foregoing. It is not necessary that a holder of liquors should have the same all inspected, gauged and marked at the same time, but it must all be done within sixty days after September 1, 1866, and sale or removal of any of the September the first stock, without gauging and branding, subjects it to seizure. These four classes embrace all liquors distilled, re-distilled, rectified, imported or produced *prior* to the first day of September, 1866.

5th. Spirits rectified, re-distilled or changed in proof *after* September 1, 1866, which may have for that purpose been removed from the original packages in which they were inspected and gauged:—

Such spirits must again be inspected and gauged, and properly branded "Rectified."

6th. All spirits, wines, brandies, liquors, whiskies, &c., domestic or imported, changed in character by rectification, mixing, or otherwise, after inspection and marking as above specified, and provided by section forty-three, and placed in packages for consumption or sale. Such must be marked "Rectified" by the rectifier or dealer under penalty of forfeiture-

7th. Wines, bourbon, rum, brandy, gin, whiskey, or any spirituous liquors sold under those names, or any other name, produced by mixing or otherwise, or the proof of which may have been or be changed, after September 1, 1866, from either domestic or imported spirits, or liquors. All such must be marked "rectified" by the rectifier or dealer before sale or removal—

To fully understand the scope of these requirements, it will be necessary to refer to section 22, which provides that every person, firm, or corporation, who rectifies, purifies, or refines distilled spirits or wines by any process, or who, by mixing distilled spirits or wines with any materials, manufactures any spurious, imitation, or compound liquors for sale, under the name of whiskey, brandy, gin, rum, wine, "spirits," or "wine bitters," or any other name, shall be regarded as a *rectifier*.

Every rectifier must, under section 26, mark with a stencil plate on each package of five gallons or more of distilled or rectified spirits, *sold* by him, his name, and place of business.

The term "rectified spirits" here used is understood to apply to all the different descriptions of liquors, the refining or mixing of which constitutes a rectifier under the act, whether the same be purchased or "rectified" by him, and whether sold in the same package in which purchased, or in a different one.

This clause does not, however, conflict with the provisions of section 48, which require the word "rectified" to be stamped or branded on packages, into which have been placed for consumption or sale, *any* spirits, the character of which has been changed, either by rectification, mixing, or otherwise, *after they have been duly inspected and marked*, as provided in the said forty-third section.

Bonded spirits removed for transportation, exportation, or consumption, must be branded as directed by sections 40 and 41, and not under section 48.

The principal points to be noted by those interested, are that no liquors whatsoever on hand September 1st, 1866, could lawfully be removed from the place where stored on that date, without first being inspected, gauged, and branded. (2) All such such liquors, removed or sold without the inspectors brand, are liable to seizure wherever found. (3) Every distiller must provide a bonded warehouse which all spirits distilled by him, and none other, must be stored, before removal or sale. Any distiller not complying with this requirement is violating the law, and subjects his establishment and everything in it to forfeiture. Every person having liquors on hand September 1, 1866, must give the written notice to the Collector before the expiration of sixty days thereafter. Sale or removal of any of his stock without branding exposes it to seizure and forfeiture. It is not requisite that all his stock be gauged and marked at one time, but *all* must be marked within sixty days after September 1, 1866. Every liquor dealer who changes the proof or mixes spirits or wines, in any way, or purifies, or refines them, is a rectifier, and must give notice in writing to the Assessor of his District, and pay tax as such. Any person doing such business without having paid tax as a rectifier, subjects his establishment and everything in it to forfeiture. Other important provisions relating to distillers will receive attention hereafter.

DISTILLERIES IN NEW YORK.

The information given below is furnished from official sources with a view of acquainting the public with data, the truth of which may be tested, and facts be elicited which will stimulate and aid revenue officers in the discharge of their duties, with greater efficiency, in detecting and punishing fraud in the distillation, rectification and sale of distilled spirits.

The profit derived from illicit distillation is so large that it is extensively carried on right in the teeth of the severe penalties of forfeitures, fines and imprisonment imposed by the laws. The provisions for rewarding those who incur the odium of giving information of fraud, and who work up cases to accumulate evidence for conviction, are very inadequate in practice, and the Government is compelled to rely, in its efforts to prevent fraud, almost exclusively upon the exertions of its officers, many poorly, some extremely well paid, and the assistance which good citizens may afford it.

The names of the distillers and their address are given, with the location of their distilleries, the capacity of their stills, the names and address of their sureties, and the amount of their bonds. These sureties should be responsible men, and be worth, over and above all other liabilities, the amount of the bonds. If any of these are straw men, or their wrong addresses have been given to the Collector, or if the real facts do not in any particular accord with the data here given, those having knowledge thereof will be enabled to call the attention of the officers of the Revenue to the matter. This they should do promptly. No tax payer, no individual, even, for all are made to pay tax directly or indirectly, who may possess the knowledge which can aid the revenue, should hesitate, from any false delicacy, or apprehension of odium, or fear to commit a breach of commercial honor, to impart it to the officers of the revenue. A violation of the revenue laws is a personal matter with every tax-payer. All the people, through the Government, their agent, owe a ponderous debt. This debt and the interest thereon must be paid. There is no escape from that. Each citizen is called to contribute by taxes. If any evade, they cast their burden on their neighbors, who are thus forced to pay more than their just share. If good citizens will aid their own agent, the Government, to secure the tax on distilled spirits, they will obtain a general reduction of taxes and remove from their shoulders the heavy weight of income and other particularly objectionable taxes sooner than by any other method.

DISTILLERIES IN 8TH DIST.

The 8th District of New York is composed of the 18th, 20th, and 21st Wards of the city. It comprises all that portion from river to river, south of East and West 40th streets, along the East river to E. 14th street, along and north of E. 14th street and W. 14th street to 6th avenue, up 6th avenue, on the east side, to W. 26th street, north of W. 26th street to the Hudson River, and up the same to the foot of W. 40th street. The Assessor is Anthony J. Bleecker, Esq., whose office is at No. 896 Broadway. His chief clerk is Judge James H. Welsh. The Collector of the District is George P. Putnam, Esq., No. 928 Broadway.

The list here given includes the distillers who were licensed and in operation prior to September 1, 1866, when the new law took effect.

The first fifteen designated will probably continue under the new law.

1. Allen John, 11th av. and 41st st., still 531 W. 36th, capacity not given; sureties, R. Shannon, Hamilton av., Brooklyn and T. Cassin, 25 Prince street, bond $5,000.

2. Galligan P., 170 Lewis st., still 18th st. between avs. B and C, capacity 150 gals., sureties, Charles D. Conckling, 9 Lispenard street, William Gildersleeve, 845 6th avenue, bond $2,500.

3. Kelly Wm., 11th av. and 32d st., still 307 W. 29th, capacity 90 gals., sureties, James McNulty, 309 W. 29th st., F. McKenna, 289 10th av., bond $7,000.

4. Hayman H., 227 E. 24th st., still 455 10th av., capacity 3,200 gals., sureties, J. J. Wilson, 155 Madison av., James Dewitt, 75 Delancey st. and others, bond $100,000.

5. Krohne Wm., 152 E. 40th st., still 152 E. 40th st., capacity 200 gals., sureties, Ed. Hersfall, 24 Rutgers street, R. O'Reilley, 277 Division street, bond $3,500.

6. Koehler D. M., 171 E. 14th st., still 495 1st av., capacity 600 gals., sureties, Simon Schwartz, 430 5th street, M. Ruchman, 507 E. 13th street, bond $10,000.

7. Margraf E., 247 W. 39th st., still 247 W. 39th st., capacity 280 gals., sureties, James Coddington,

277 Fulton street, Thomas Brown, Tompkins av., Brooklyn, bond $15,000.

8. Marx Marcus, 208 E. 26th st., still 208 E. 26th st., capacity 200 gals., sureties, H. C. Pratonius, 40 Fulton street, C. G. Johnson, 45 Fulton street, bond $2,000.

9. Van Noort L., 212 E. 23d st., still 426 W. 36th st. capacity 90 gals., sureties, G. Eckhoff, 109 Laurens street, T. Burgmeyer, 39 Raymond street,, Brooklyn, bond $2,000.

10. Levy M., 294 E. 33d st., still 294 E. 33d street, capacity not given; sureties, L. Popper, 55 Murray street, E. Haaman, 45 Bowery, bond $5,000.

11. Monaghan P., 177 E. 26th st., still 177 E. 26th st., capacity 90 gals., sureties, Wm. Rossman, 14 Abingdon square, Pat Galligan, 337 1st av., bond $2,500.

12. Smallen Pat., 262 E. 18th st., still 262 E. 18th st., capacity 150 gals., sureties, I. M. Smith, 23 Irving place, Ed. Lebrie, 8 Varick street, bond $1,000.

13. Engelman G., 88 W. 27th st., still 9 Abbatoir place, capacity 600 gals., sureties, G. W. Palmer, 24 Rutgers street, J. A. Henderson, 206 East Broadway, bond $4,000.

14. Boh Philipp, 9 Columbia place, still 24 and 25 Abbatoir place, capacity 300 gals., sureties, H. McGovern, 232 Delancey street, M. McMahon, 209 Division street, bond $5,000.

15. Hanlon & Davis, 305 avenue A, still 305 avenue A, capacity 300 gals., sureties, D. F. Farrell, 245 Delancey street, Hy. Carter, 25 Lewis street, bond $1,000.

Anthony, Jas., 121 E. 25th st., still, 156 E. 28th st., capacity, 130 gals. sureties, N. Haughton, 255 E. 24th, Wm. T. Meyer, 187 3d av. bond $1,500.

Byrne, M., 523 W. 26th, still 523 W. 26th, capacity 100 gals. surety, Jno. Blexham, 120 6th st., bond $1,000.

Fegeler, F. W., 175 E. 27th, still 175 E. 27th, capacity, 75 gals., sureties, Wm. D. Burns, 435 1st av., A. A. Roeckal, 179 E. 27th, bond $1,500.

Balch, W. E., 155 E. 50th, still 257 E. 18th, capacity 150 gals., sureties, James L. Smith, 149 E. 48th George Shaver, 108 Broad street, Brooklyn, bond $5,000.

Cooley, J. C., 41st and 11th av., still 35 Abbatoir Place, capacity 80 gals., sureties M. Hennessy, Oswego, N. Y., N. M. Rowe, Oswego, N. Y, bond $2,500.

Fenelon, P., 221 E. 24th, still 156 W. 30th, capacity 90 gals., sureties James Coddington, 27 Fulton av., Brooklyn, Louis Dean, Mt. Vernon, N. Y., bond $2,500.

Frictenberg, S. R., 339 W. 39th, still 339 W. 39th, capacity 200 gals., sureties J. McCuen, 80 East Broadway, H. Dodd, 21 New street, bond $3,000.

Hafner, A., 165 W. 30th, still 165 W. 30th, capacity 80 gals., sureties J. Lebkuchner, 165 W. 30th, John Mott, 124 W. 30th, bond $1,000.

Hennessy, R., 365 3d av., still 11 Abbatoir Place, capacity 160 gals., sureties D. H. Murray, 148 E. 21st, T. J. Hennessy, 555 5th st., bond $3,000.

Kelly, Thomas, 147 E. 35th, still 498 2d av. sureties S. Geoghegan, 747 2d av., M. Fay, 724 2d av., bond $1,000.

Koehler, John, 182 E. 28th, still 122 E. 28th, capacity 60 gals., sureties Ed. Sturt, 186 E. 28th, John Geis, 180 E. 28th, bond $1,000.

Lebkuchner, J., 148 W. 28th, still 146 W. 28th, capacity 70 gals., sureties A. Hafner, 165 W. 30th, John Filser, 126 W. 41st, bond $1,000.

Levy S., 139 10th av., still 32 Abbatoir Place, capacity 150 gals., Daniel F. Farrell, 245 Delancy, Edward Horsfall, 24 Rutgers st., bond $5,000.

Reynolds, W. R., 117 W. 35th, still 117 W. 35th, capacity 80 gals., sureties Wm. Pratt, 45 Liberty st. T. Brown, 130th st., and 4th av., bond $2,000.

Schuman, T., 381 6th av., still 236 E. 17th, capacity 60 gals., sureties Wm. Hauf, 425 Canal st., P. Ballud, 87 W. 40th, bond $500.

Snedeker A. C., 243 9th av., still 357 W. 26th, capacity 160 gals., sureties J. C. Landman, 339 W. 26th, E. H. Hinners, 3 Franklin Place, bond $1,000.

Rogers, J. B. 17 Morris Place, still 33 Abbatoir Place, sureties Daniel Murray, 148 E. 21st, G. H. Springmeyer, 27th st., and 2nd av., bond $5,000.

Boll, Joseph, 42 Sheriff st., still 15 Abbatoir Place, capacity 600 gals., sureties J. A. Engle, 27 Sheriff st., P. Fisher, 116 1st av., bond $12,000.

Thompson, W. L., 355 W. 43d, still 644 E. 16th, capacity 60 gals., sureties H. A. Tonner, 257 E. 17th, Charles Mohr, 646 E. 16th, bond $2,000.

Luther, C. 25 st. and 1st av., still 25 st. and 1st av., capacity 60 gals., sureties James Follett, 69 Prince, E. Horsall, 23 Monroe, bond $2,500.

Hughes, William, 692 2d av., still 692 2d av., sureties W. Gallagher, 66th st. and 3d av., M. Taff, 398 Broadway, bond $1,000.

Leonhard, A., 258 W. 37th, still 258 W. 37th, sureties Charles Diehm, 517 8th av., J. Spielman, 258 W. 37th, bond $5,000.

DISTILLERS IN THE FIFTH DISTRICT.

The 5th District of New York comprises the 7th, 10th, 13th, and 14th Wards of New York City. Its boundaries begin at Broadway and Houston St., along Houston, south side, to the Bowery, down the Bowery, west side, to Rivington, along Rivington, south side, to the East River, along the East River, including the docks, to Catherine Street, up Catherine, east side, to the Bowery, up the Bowery, west side, to Canal, along Canal, north side, to Broadway, up Broadway, east side, to Houston Street, the place of beginning. The Assessor is David Miller, whose office is at 561 Broadway. His Chief Clerk, Mr. John R. Nelson. The Collector is Joseph Hoxie, Esq.; Office 561 Broadway.

The following distillers were licensed prior to September 1, 1866, and have given the requisite notice of their intention to continue in business under the new law.

Loeb, Charles, 467 W. 22d st., still 102 and 104 Hester st., capacity 300 gals., sureties Augustus Loeb 467 W 22d, John Ludlum 248 W. 22d, bond $35,000.

Rickes, Anton, 73 Orchard, still 73 Orchard, capacity 180 gals., sureties Wm. H. Gildersleeve, 93 Barrow st., Chas. G. Conkling 27 Dean st. Brooklyn, bond $10,000.

Roch, Herman, 10 Ludlow st., still 10 Ludlow st., capacity 125 gals., sureties Fras. E. Archibald, 13 3d st., between 5th and 6th avs., Charles Shode, 447 E. 14th st., bond $10,000.

Taussig, Maurice, 80 E. Broadway, still 223 Cherry st., capacity 100 gals., sureties Edward Hamann, 45 Bowery, John T. Kelly, 346 8th av., bond $10,000.

Obelhardt, Conrad, Residence 5 Bleecker st., still 25 Bowery, capacity 100 gals., sureties Jacob Burd, 437 2d av., Edward Hamann, 45 Bowery, bond $5,000.

It is unlawful for any person to be now engaged in distilling or rectifying, who has not given written notice of his intention, and it is imperative that he give written notice of any change in the location, form, capacity, ownership, agency, or superintendence of his distillery. Neglect or failure so to do, subjects the distillery, and all of its paraphernalia, materials, &c., to seizure and forfeiture.

DISTILEERS IN THE FIRST DISTRICT.

The 1st District comprises the Counties of Richmond, Queens, and Suffolk. It takes in all of Staten Island and Long Island, outside of Brooklyn and Williamsburg, and Kings County. The Assessor is Henry W. Eastmann, whose principal office is at Roslyn, L. I., but who has an office also at No. 80 Cedar St., New York City, where he can be communicated with. The Collector is George F. Carman, whose office is at Long Island City.

The following distillers have given notice on the 31st ultimo of their intention to continue distilling under the new law. Every person now distilling or rectifying in these counties, who have not given notice, are doing business in violation of law, and subject their places and goods to seizure and forfeiture.

McKenna, Francis, Maspeth, L. I., capacity, still, less than 100 bbls., per annum, sureties John C. Connor, Astoria, L. I., John Hunt, L. I. City, bond, $1,500.

Witchieben, D. A., Astoria, L.I., capacity still, less than 300 bbls. per annum, sureties Henry Menchen, Astoria, L. I., Claus Hellbrandt, Astoria, L. I., bond $5,000.

Lane & Morrisson, Newtown, L. I., capacity still, less than 300 bbls. per annum, sureties, John Jenkins, Newtown, L. I., James Pringle.

Collector Carman has not reported the actual capacity of the still, but the number of barrels which it is presumed the distillers expect to produce in the year.

THERE is a growing opinion that the people are the losers under the system by which the government is required to give capitalists money to carry on their private banking business, upon their depositing its gold-bearing bonds as security, because the gold interest runs against the government on these deposited bonds, all the time that the capitalists are using and making profit ont of the money which the government advanced upon them. We believe the national banking system has thus far proved beneficial to the government and the country, but its supporters cannot, without danger to their interests, disregard the mutterings of the distant thunder of a storm that, unless changes be made, will inevitably burst forth from a free population overburdened with taxes. The close corporation system which the National Banks have practically instituted will be overturned and swept away. Taxpayers will insist upon freedom in that as in other things. Every citizen who possesses or can control capital will claim equal rights under the banking system, and protest against being excluded by an arbitrary statute limitation. He will utterly fail to comprehend how the law can be considered just which gives his neighbor capitalist the privilege to obtain money from the government on a deposit of bonds, and denies him the same privilege.

THE opinion also grows that the tax-payers will insist through Congress, that after due notice, the interest on the bonds deposited by national banks to secure their currency shall cease while the same are on deposit and currency outstanding. We are believers in the national system notwithstanding its imperfections, and all the more for that reason direct the attention of its friends to the dangers which threaten it, that proper efforts may be made to improve it, and do away with its inequalities.

Treasury Dept., Decisions, &c.

OFFICIAL.

(Series 2. No. 6.)

REGULATIONS CONCERNING THE TAX ON FERMENTED LIQUORS, AND THE PAYMENT THEREOF.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 31, 1866.

The 48th section of the act of July 13, 1866, (paragraph 143 of compilation,) imposes on all beer, lager beer, ale, porter, and other similar fermented liquors, which shall be brewed or manufactured and sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, a tax of one dollar for every barrel containing not more than thirty-one gallons, and at a like rate for any other quantity, or for any fractional part of a barrel. Fractional parts of a barrel are to be reckoned as halves, quarters, sixths, and eighths; each one of these fractions including all below its own quantity and above that of the next lower fraction. Vessels containing more than one-half, and not more than a barrel, are to be accounted one barrel; and vessels containing more than one barrel, and not more than sixty-three gallons, are to be accounted two barrels or one hogshead.

This tax is to be paid by the owner, agent, or superintendent of the brewery or premises in which such fermented liquors shall be made; and stamps for that purpose are to be purchased and used as hereinafter explained.

NOTICE OF INTENTION TO CARRY ON BUSINESS.

A notice in writing is required by section 46 (paragraph 144) from every brewer, before commencing or continuing business under this act, to be filed with the assistant assessor of the division in which he shall design to carry on the business; which notice should be in the following form:

Brewer's Notice.

————, 186—.

Notice is hereby given that [if a partnership, insert here the name of each person comprised in the firm, whether as general or special partner, with the place of residence of each] of ——, in the County of ——, and State of ——, under the firm —— ——, intend to carry on as heretofore ——, ha— done, at ——, in the Town of ——, in the County and State aforesaid, the business of brewing beer, [lager beer, ale, porter, or other fermented liquors.]

The premises on which our brewery is situated are bounded, in general, as follows: [Boundaries of premises to be inserted here.] The brewery consists of the following buildings: [Buildings to be designated here.] The other buildings on the premises are as follows: [The other buildings to be indicated here.]

The premises are owned by [or leased to] us [by a lease from —— ——, who are the owners thereof.]

For the two years next preceding this date the whole quantity of malt liquors annually made and sold or removed from the brewery, has been as follows:

For the year ending ——, 1865, —— bbls.
For the year ending ——, 1866, —— bbls.

[Signed] —— ——.

The assistant assessor with whom this notice is filed will immediately forward a certified copy thereof to both the assessor and collector of the district.

BREWER'S BOND.

Every brewer is required by section 47, (paragraph 145,) to execute a bond—which must be renewed on the first day of May in each year—after Form No. 20, and in compliance with instructions therein.

BREWER'S BOOKS.

Two books are required to be kept—section 49, (paragraph 146)—by every person engaged in brewing, as above described.

Form No. 104 is recommended for the book for recording the quantities made, removed, and sold.

In a separate book is to be entered, from day to day, an account of all materials purchased by him for the purpose of producing fermented liquors, including grain and malt, in such form as shall be distinct and explicit, and convenient for reference.

The entries made in these books must, on or before the tenth day of each month, be verified by the oath or affirmation of the person or persons by whom such entries shall have been made, which oath or affirmation must be written in the books respectively at the end of such entries, and be certified by the officer administering the same. And said books are required to be open at all times for the inspection of any assessor or assistant assessor, collector, deputy collector, inspector, or revenue agent, who may take memorandums therefrom.

For verification of the book containing the entries of materials purchased, the same form is to be used as given in Form No. 104, except that for the words "fermented liquors brewed, the quantity sold, and the quantity removed from," the words "material purchased for the purpose of producing fermented liquors in," should be substituted. And the owner, agent, or superintendent, when the entries are not made by himself, must further verify them in the manner shown by Form 104.

Every person owning or occupying—or having under his control or superintendence, as agent for the owner or occupant—any brewery or premises used for making fermented liquors, or having in his possession or custody, as agent, owner, or superintendent, any brewing materials, utensils, or apparatus, used or intended to be used on such premises in the manufacture of fermented liquors, is liable to punishment if these books are not kept as required by law.

MONTHLY RETURNS.

On or before the tenth day of each month, there must be rendered to the assessor or assistant assessor a true statement, in writing, (Form 18,) of the whole quantity or number of barrels and fractional parts of barrels of fermented liquors brewed and sold, or removed for consumption and sale, during the preceding month, verified by oath; and a duplicate of said statement, duly certified by the assessor or assistant assessor, must be immediately forwarded to the collector of the district.

Every brewer who sells fermented liquor at retail, besides affixing and cancelling the proper stamps on the vessels in which the same is contained, is required to keep an account of the quantity so sold by him, and of the number and size of the vessels in which the same may have been contained, and to make a report thereof, verified by oath, monthly, to the assessor, and forward a duplicate of the same to the collector.

All returns made by brewers to the assessor must be forwarded by that officer to the assistant assessor within whose division the brewery is located, for which any return has been so rendered, for the purpose of placing the assistant assessor in possession of all facts necessary to the proper performance of his duties.

STAMPS TO BE AFFIXED AND CANCELLED.

In accordance with section 52, (paragraph 148,) the collector of internal revenue in any district in which there shall be a brewery, or brewery warehouse, will be furnished by the Commissioner of internal revenue with stamps denoting the tax on fermented liquors; will keep the same for sale to the brewers in his own district alone, for use in their business, and will allow to such brewers a deduction of seven and one-half per centum of the value denoted by the stamps which he sells to them.

Every brewer desiring to obtain stamps denoting payment of the tax on fermented liquors, will first apply to the collector of the district in which his brewery is situated. Failing them of such collector, he may apply [illegible] of another district; and the last named collector, upon satisfying himself of a previous application and refusal, as before specified, may furnish to him the desired stamps.

These stamps are to be affixed upon every vessel containing fermented liquor *when sold or removed from the brewery or warehouse.* This requirement is also obligatory, under the first proviso of section 54, (paragraph 152,) on brewers selling at retail at their breweries.

By section 57 (paragraph 155) it is provided that any fermented liquor owned or possessed by any person after its sale or removal from the brewery or warehouse, or other place where it was made, upon which the required tax shall not have been paid, shall be liable to forfeiture. Furthermore, the want of the proper stamp upon the vessel containing such liquor, after such removal or sale, is to be notice to all persons, and *prima facie* evidence, that the required tax has not been paid.

These provisions make it necessary that the stamps should be well secured to the vessels, and not easily removed therefrom except by intentional effort for that purpose. The following method of affixing them is therefore prescribed:

A hole 2¼ inches in diameter, ⅛ inch deep, should be countersunk in the head of the barrel, in such position as will bring the spigot at the lower edge of the stamp where the perforations are made. The stamp is to be pasted on this countersunk hole, with the perforated portion over the spigot hole, with strong paste; and, if the barrels are to be exposed to the action of the weather, or to be stored in damp places for considerable periods, should also be secured by four tacks to prevent its peeling off.

In renewing the stamp upon a barrel used the second time, the tacks should be withdrawn, and the stamp carefully scraped off, to prevent the hole from being filled with the scraps of the former stamp.

The stamps at the time of being affixed are to be cancelled by writing or imprinting thereon the name of the person, firm, or corporation, by whom such liquor may have been made, or the initial letters of such name, and the date of such cancellation.

REMOVAL WITHOUT STAMPS.

Brewers may, by the second proviso of section 54, (paragraph 152,) without affixing such stamps, remove their fermented liquors from their breweries to their places of storage within the same district, in quantities of not less than six barrels in one vessel. In this case the stamps are to be affixed when the liquor is sold or removed from the place of storage.

Persons manufacturing ale or porter in one district, and owning, occupying, or hiring a place for the storage and sale of the same in another district, may, by the third proviso in section 54, (par. 152,) without affixing the required stamps, remove their ale or porter, in any quantity not less than one hundred barrels, to such place of storage and sale; the stamps in this case, also, to be affixed when the liquor leaves the warehouse.

For the removal of ale or porter a permit (Form No. 29) must be obtained from the collector of the district wherein such liquor was manufactured, on application to that officer, which application is to be made in the following form:

Application for Permit to Remove Ale or Porter from Brewery to Warehouse.

TO THE COLLECTOR OF INTERNAL REVENUE.

————, 186—.

—— *Collection District, State of* ——

The undersigned, manufacturer of ale [or porter] at —— in said District, owning [or occupying or hiring] a depot or warehouse for the storage and sale of the same in another, viz: the —— District of the State of ——, to wit: at ——, in the —— of ——, and county of ——, hereby applies for a permit to remove

——— hundred ——— barrels from his brewery aforesaid, to his place of storage and sale aforesaid, without affixing stamps thereto.

The quantity of fermented liquors now at said brewery is as follows: [Quantity stated here;] and the quantity of the same at said warehouse is as follows: [Quantity at warehouse stated here.]

(Signed) ——— ———.

A duplicate of the permit will be forwarded by the collector to the collector of the district to which the removal is to be made; and the brewer will promptly notify the last-named collector of the receipt at his store or warehouse of such fermented liquors. If this last notice is not seasonably received, information of this fact will be given to the collector who granted the permit.

A record of all permits granted must be kept by the collector granting them.

Stamps for use at the place of storage in these cases should be obtained of the collector of the district within which the warehouse is situated.

Sour or damaged fermented liquor, incapable of use as such, may, as allowed by the fourth provision in section 54, (paragraph 152,) be sold for manufacturing purposes, and may be removed to places of use for such purposes, without the use of stamps. But the vessels in which it is so removed are to be unlike those ordinarily used for fermented liquors, are to contain not less than one barrel each, and the nature of their contents is to be marked thereon.

BOTTLING.

The requirements of law respecting stamps are to be observed in the business of bottling fermented liquors. No person is allowed to withdraw fermented liquor from any vessel upon which the proper stamp or stamps shall not have been affixed, for the purpose of bottling the same, nor to carry on, or attempt to carry on, the business of bottling fermented liqnor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse wherein fermented liquors may be stored, as provided by law, under pain of fine and forfeiture.

CASKS TO BE MARKED.

Every vessel containing fermented liquor, before it is sold or removed from the brewery, is to be marked, by branding, with the name of the manufacturer, and the place of manufacture.

PENAL OFFENCES.

The following acts and omissions are made penal offences under the provisions of the act of July 13, 1866, relating to fermented liquors:

Refusing or neglecting to affix the required stamps. Affixing false or fraudulent stamps, or permitting the same to be done. Intentionally removing or defacing the lawful marks upon any vessel containing such liquors when done by any person other than the owner of such liquors. Sec. 53, (par. 149.)

Evading, or attempting to evade, the payment of tax. Refusing or neglecting to make true and exact entry as required by law. Intentionally making or procuring, or knowingly allowing, a false entry. Neglecting to keep the required books. Refusing to furnish the required account and duplicate. Refusing to permit the proper officer to examine the books. Selling, removing, receiving, or purchasing, or aiding in the sale, removal, receipt, or purchase of any fermented liquor contained in any vessel, from any brewery or warehouse, upon which the stamp required by law shall not have been affixed, or upon which a false or fraudulent stamp is affixed with knowledge that it is such; or on which a stamp once cancelled is used a second time. Withdrawing, or aiding to withdraw, any fermented liquor from any vessel without destroying or defacing the stamp affixed upon the same; or from any vessel upon which the proper stamp shall not have been affixed; or on which a false or fraudulent stamp is affixed. Making, selling, or using any false or counterfeit stamp or die for printing or making stamps in imitation of, or purporting to be, lawful stamps or dies, or procuring this to be done. Sec. 51, (par. 151.)

Removing or defacing any stamp affixed upon any vessel containing fermented liquor by any person other than the owner of such liquor. Sec. 56, (par. 153.)

Withdrawing, for the purpose of bottling the same, any fermented liquor from any vessel upon which the proper stamp has not been affixed. Carrying on, or attempting to carry on, the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery or any warehouse. Sec. 58, (par. 154.)

Shipping, transporting, or removing any fermented liquors under any other than the proper name or brand known to the trade, as designating the kind and quality of the contents of the casks or packages containing the same, or causing the same to be done. Sec. 29, (par. 129.)

In addition to the above penalties, it is provided by section 51 (paragraph 151) that the owner, agent, or superintendent of any brewery, vessels, or utensils used in making fermented liquors, who shall fraudulently neglect or refuse to do or cause to be done any of the things by law required to be done by him, shall forfeit all the liquors made by him or for him, and all the vessels, utensils, and apparatus used in making the same, and be liable to a penalty of not less than five hundred nor more more than one thousand dollars, to be recovered with costs of suit, and shall be imprisoned for a term not exceeding one year.

COLLECTOR'S STAMP ACCOUNT.

Every collector is required to report, on or before the fifteenth day of each month, upon Form No. 103, the face value of the stamps of each denomination on hand on the first day of the month for which the report is made; the face value of the stamps received during the month; the face value of the stamps sold during the month; the face value of the stamps remaining on hand at the close of the month; and the aggregate value of all denominations in each of the above subdivisions in one column, and the value, less seven and one-half per centum, in another.

This report will be required for each month, although no sales may have been made. Every collector is also required to keep a record corresponding with the monthly report, and also an account with each brewer in his district, showing the denominations and entire value of all stamps sold to him each month, and the value thereof, less seven and one-half per cent.

Upon the sale of stamps, the collector will enter the amount *received* upon his record of daily collections, and include the same in his chrtificate of deposit for that day, or for any period in which he is required by the Secretary of the Treasury to deposit collections.

The amount received from sales will be entered in his absttact of collections, Form No. 22, under the appropriate number, as though collected upon Assessors' lists.

In reporting upon Form No. 51, Beer Stamps will form a separate title for each month, and should be designated: Beer Stamps for month of ———. Only the amount received for stamps *sold* should be entered in the first column as for a list, and also entered in the collection and total columns.

Wherever a change of assessors shall occur during any month, the collector will specify upon his report the value of stamps sold during the respective periods of office of each, that each one may receive his proper amount of commissions upon sales.

Collectors will compare the monthly return made by brewers with their own accounts of the stamps sold to the same brewers, and will take special care, when applications are made for permits to remove fermented liquors from one collection district to another, to satisfy themselves that no fraud is intended, and that none is committed, in case permits are granted.

The collector will take suitable measures, including seizare, if necessary, for the prevention of fraud in the sale and removal of fermented liquor alleged to be sour or damaged.

The collector will, from time to time, examine the barrels and other vessels used in the sale of fermented liquor, to see if they are properly marked, as required by sec. 55, (par. 150.)

Assessors and assistant assessors are instructed to use similar vigilance, and to make diligent examination of returns made to them, and of the facts involved in such returns; to make frequent inspections of breweries; and when satisfied that the government is deprived of its just amount of tax, by concealment of the quantity of liquor brewed and sold, or removed from the brewery, or otherwise, the deficiency should be assessed and payment required.

E. A. ROLLINS.
Commissioner.

STAMPING BY COLLECTORS OF INSTRUMENTS MADE AND UTTERED WITHOUT STAMPS.—POWERS AND DUTIES OF COLLECTORS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 5th, 1866.

SIR: Your letter of the 16th ultimo has been received. You state that an instrument, of which the following is a copy, has been presented to you to be stamped under the provisions of Section 159 of the act now in force.

"SNOW HILL, Sept. 1, 1865.

"Received of Richardson, Moore & Co., one copy of judgment against Henry Bratton, superseded by Wm. A. Rowly and Wm. H. Bratton, assigned from Thos. S. Turpin am't thirty-five dollars and four cents, with interest from 3d day of March, 1860, for collection according to law.

"I. T. BRIDDELL, *Const.*"

Under the laws of Maryland, a constable's receipt, like the foregoing is *prima facie* evidence in a suit upon his official bond. Richardson, Moore & Co., are desirous of putting Briddell's bond in suit, and to that end they present that instrument to you to be stamped. J. R. P. Moore, a member of the firm of Richardson, Moore & Co., makes an affidavit that the receipt in question "was not stamped at the time of making the same, by mistake of the parties, supposing that no stamp was required, and that there was no wilful design to defraud the United States of the stamp duty, or to evade or delay the payment thereof," and asks that the penalty of fifty dollars be remitted. The sureties upon the bond have filed a remonstrance against the affixing of the stamp; and Briddell himself certifies "that at the time he gave this receipt with others, which are also unstamped, he (Briddell) was aware of the law; but did not stamp the receipts because the parties to whom they were given were unconcerned about having them stamped, and that it was not done through ignorance."

You ask:

1st. Is the instrument a receipt, or is it an agreement?

2d. Can the stamp be affixed and the penalty remitted upon the application of any party except the one who made, signed, and issued the instrument?

3d. Should the stamp be affixed by you against the protest of the party who made, signed, and issued the instrument, and in view of the conflicting evidence respecting the *intent* in the omission of the stamp?

I reply, That the instrument is simply a receipt, and if liable at all, is liable to a stamp duty of two cents only.

Under the 2d proviso to Section 158, it is made the duty of a Collector, upon payment of the stamp duty, a penalty of fifty dollars, and in certain cases, interest upon the amount of stamp duty from the day on which the stamp ought to have been affixed, to affix a stamp to an instrument issued unstamped, when it is presented to him for that purpose by the party who signed and issued it, *or by any party having an interest therein.* Under the 3d proviso, the Collector is authorized to remit the penalty whenever it appears to *his satisfaction*, upon oath or otherwise, that the instrument presented to him was not duly stamped at the time it was made or issued by reason of accident, mistake, inadvertence, or urgent necessity, and that there was no wilful design to defraud the United States of the stamp, or to evade or delay the payment thereof. It is not particularly stated in the act what parties may claim the benefit of the 3d proviso; but, I think, there can be no doubt whatever that Congress designed to extend its benefits to any and all parties having an interest in an unstamped instrument.

When Richardson, Moore & Co. comply with the requirements of the statute, it is your duty to affix a stamp to the receipt, if they desire it, even though, in your opinion, it may not be chargeable with stamp duty; and if at any time the party presenting an instrument to be stamped under Section 158 insists upon having a certain amount of stamps only affixed, you should affix them, even though you may think the amount insufficient; the party in such case takes all risk of the validity of the instrument. You should not affix your stamp to an instrument as provided in *Section* 162 without the payment of the stamp duty which *you* deem necessary.

You are authorized to remit a penalty when it is proved to your satisfaction that the stamp was omitted by reason of accident, mistake, &c., and without intent to defraud the United States. This question of intent is one for you, and for you only; and your decision upon that point is final, so far as the affixing of the stamp is concerned. When, as in this case, the party who signed and issued the instrument, and who must be supposed to have the best knowledge of his own intentions, admits that he knowingly and intentionally violated the law, as he understood it, the evidence it would seem should be extremely full and conclusive to convince a collector that there was no fraudulent intent.

The act of July 13th, 1866, relieved receipts for the delivery of property from stamp duties, on and after August 1st, 1866. Under the present law a receipt like the one in question requires no stamp. This receipt, however, was given prior to the passage of the act of July 13th, and, if liable at all, is liable under the law in force at the time it was issued.

It is the practice of this office to withhold its opinion respecting the liability of any particular instrument, when the question has been raised, or is about to be raised, in the courts—a practice which will not be departed from in the present instance.

If you are convinced there was no fraudulent intent, you should affix a stamp to the receipt presented to you by Richardson, Moore & Co., and remit the penalty; if you are not convinced, you will, of course, decline to affix it until the penalty is paid. If the instrument should be carried into court unstamped, and be held subject to stamp duty, you should forthwith report the case to the United States District Attorney, who will undoubtedly cause Mr. Briddell to be indicted for a fraudulent omission of the stamp, and can hardly fail to convict him upon his own admissions alone.

Very respectfully,

[Signed] THOMAS HARLAND,
Deputy Commissioner.

JAMES T. MCCULLOUGH, Esq.,
Collector of Internal Revenue, Ellsworth.

ASSESSORS AND COLLECTORS OF INTERNAL REVENUE IN THE UNITED STATES.

August 27, 1866.

[The commissions of many of the officers given in this list will not be renewed, and in some instances their successors have been designated. Yet the list is as correct as it could be made as to those qualifying by bonds and taking the oath, having been furnished direct from the Treasury records. Changes will be noted from time to time.]

INDIANA.

1st Dist—Joseph G. Bowman, Assessor, Vincennes.
Horace B. Shepard, Collector, Vincennes.

2d Dist—Wm. P. Davis, Assessor, New Albany.
Benjamin F. Scribner, Collector, New Albany.

3d Dist—William F. Browning, Assessor, Bloomington, Monroe Co.
Simeon Stansifer, Collector, Columbus.

4th Dist—Richard H. Swift, Assessor, Brookville.
John Ferris, Collector, Lawrenceburg.

5th Dist—Solomon Meredith, Assessor, Cambridge City.
Wm. Grose, Collector, New Castle.

6th Dist—Martin Igoe, Assessor, Indianapolis, Marion Co.
Austin H. Brown, Collector, Indianapolis, Marion Co.

7th Dist—James Farrington, Assessor, Terre Haute.
R. W. Thompson, Collector, Terre Haute.

8th Dist—William C. Wilson, Assessor, La Fayette.
John L. Smith, Collector, La Fayette, Tippecanoe Co.

9th Dist—David Turner, Assessor, Crown Point, Lake Co.
Norman Eddy, Collector, South Bend.

10th Dist—George D. Copeland, Assessor, Goshen.
Warren H. Withers, Collector, Fort Wayne, Allen Co.

11th Dist—Henry Craven, Assessor, Pendleton, Madison Co.
Dewitt C. Chipman, Collector, Noblesville, Hamilton Co.

ILLINOIS.

1st Dist—Martin R. M. Wallace, Assessor, Chicago.
Orwin L. Mann, Collector, Chicago.

2d Dist—Duncan Ferguson, Assessor, Rockford.
Wait Talcott, Collector, Rockford.

3d Dist—Andrew J. Warner, Assessor, Prophetstown.
Henry A. Mix, Collector, Oregon, Ogle Co.

4th Dist—Moses M. Bane, Assessor, Quincy.
Jackson Grimshaw, Collector, Quincy.

5th Dist—Franklin C. Smith, Assessor, Oneida.
John H. Bryant, Collector, Princeton.

6th Dist—Thomas Orton, Assessor, Ottawa.
Able Longworth, Collector, Wilmington.

7th Dist—Wm. M. Chambers, Assessor, Charleston,
W. T. Cunningham, Collector, Danville, Vermillion Co.

8th Dist—Dudley Wickersham, Assessor, Springfield,
David T. Littner, Collector, Lincoln.

9th Dist—Amos C. Babcock, Assessor, Canton, Fulton Co.
Silas Cheek, Collector, Canton.

10th Dist—Isaac I. Ketchum, Assessor, Jacksonville.
Nathan M. Knapp, Collector, Winchester.

11th Dist—Stephen J. Hicks, Assessor, Salem,
Robert D. Noleman, Collector, Centralia, Marion Co.

12th Dist—Augustus W. Brown, Assessor, Collinsv
Willard C. Flagg, Collector, Alton.

13th Dist—Robert R. Towns, Assessor, Du Quoin,
Daniel G. Hay, Collector, Cairo.

IOWA.

1st Dist—R. M. Pickel, Assessor, Mount Pleasant, I
ry Co.
William W. Belknap, Collector, Keokuk.

2d Dist—Pliny Fay, Assessor, Muscatine, Musc
Co.
Jacob W. Stewart, Collector, Davenport, S
Co.

3d Dist—L. L. Huntley, Assessor, Dubuque.
David B. Henderson, Collector, Dubuque

4th Dist—John Connel, Assessor, Toledo, Tama Co
Wm. F. Cowles, Collector, Ottumwa.

5th Dist—Cole Noel, Assessor, Adel.
Sanford Haines, Collector, Des Moines.

6th Dist—Cyrus H. Mackey, Assessor,
S. B. Hewitt, Jr, Collector, Eagle Gr
Wright Co.

MINNESOTA.

1st Dist—W. McMicken, Assessor, Mantorville,
Daniel Cameron, Collector, La Crescent.

2d Dist—W. L. Wilson, Assessor, St. Paul.
Thomas G. Jones, Collector, Anoka, An
Co.

KANSAS.

— Dist—Thos. J. Sternbergh, Assessor, Lawrence.
Edward Carroll, Collector, Leavenworth.

CALIFORNIA.

1st Dist—Lewis C. Gunn, Assessor, San Francisco.
Frank Soulè, Collector, San Francisco.

2d Dist—Richard Savage, Assessor, San Jose.
Wm. N. Slocum, Collector, San Jose, Sa
Clara Co.

3d Dist—N. M. Orr, Assessor, Stockton.
John Sedgwick, Collector, Stockton.

4th Dist—J. M. Avery, Assessor, Sacramento.
Alfred B. Briggs, Collector, Sacramento.

5th Dist—W. A. Elinson, Assessor, Santa Rosa.
W. C. L. Smith, Collector, Napa City.

OREGON.

— Dist—Thomas Frazar, Assessor, Portland.
Medoram Crawford, Collector, Portland.

NEBRASKA.

— Dist—Frederick Renner, Assessor, Nebraska Cit
Joseph E. Lamaster, Collector, Nebraska C

DAKOTAH TERRITORY.

— Dist—Edward C. Collins, Assessor, Elk Point.
William Shriner, Collector, Vermillion

TERRITORY OF NEW MEXICO.

— Dist—Wm. V. B. Wardwell, Assessor, Santa Fé.
Charles Blumner, Collector, Santa Fé.

UTAH TERRITORY.

— Dist—Jesse C. Little, Assessor, Great Salt L
City.
Robert T. Burton, Collector, Great Salt L
City.

COLORADO TERRITORY.

— Dist—Daniel Witter, Assessor, Denver.
George W. Brown, Collector, Denver.

NEVADA TERRITORY.

— Dist—Warren Wasson, Assessor, Carson City.
Stephen T. Gage, Collector, Virginia City.

WASHINGTON TERRITORY.

— Dist—Samuel D. Howe, Assessor, Olympia.
P. D. Moore, Collector, Olympia.

IDAHO.

— Dist—George Woodman, Assessor, Boise City.
J. Carygerr, Collector, Boise City.

MONTANA.

— Dist—T. C. Everts, Assessor, Bannock City.
Nathaniel P. Langford, Collector, Virginia City.

ARKANSAS.

1st Dist—James S. Smith, Assessor, Elgin,
Edwin R. Maguire, Collector, Batesville.

2d Dist—John M. Oliver, Assessor, Little Rock,
William J. Patton, Collector, Little Rock.

3d Dist—John Edwards, Assessor, Fort Smith.

TENNESSEE.

1st Dist—John P. Holtzinger, Assessor, Greenville.

2d Dist—Daniel A. Carpenter, Assessor, Clinton.

3d Dist—_____ _____, Assessor,
Asa Faulkner, Collector, McMinnville.

4th Dist—Not organised.

5th Dist—John McClellan, Assessor, Nashville,
H. L. Norvell, Collector, Nashville,

6th Dist—Not organized.

7th Dist—Not organized.

8th Dist—Halsey F. Cooper, Assessor, Memphis.
Ruel Hough, Collector, Memphis,

LOUISIANA.

1st Dist—James Ready, Assessor, New Orleans.
William P. Benton, Collector, New Orleans.

2d Dist—Henry L. Jones, Assessor, Baton Rouge.
Henry Bausher, Jr., Collector, Baton Rouge.

3d Dist—Aug. W. Norcross, Assessor, Shreveport,
Lycius B. Collins, Collector, Monroe.

Messrs. P. & G. Lorillard, the well known tobacco and snuff manufacturers, No 16 and 18 Chamber Street, have paid tax on cut tobacco and snuff for the past twelve months as follows:

Sept, 1865,	$50,599 00
Oct	60,618 65
Nov	59,109 80
Dec	66,407 15
Jan, 1866,	58,547 25
Feb	49,463 35
March	52,747 85
April	60,496 75
May	72,236 75
June	70,772 90
July	60,698 70
August	84,239 05
	$740,931 70

This amount does not include the license tax, tax on sales, or inspectors' fees. Neither does it include the indirect taxes on cigars and plug tobacco which are paid by others.

They hope before the year is out to show $100,000 tax per month. Such returns are not to be sneezed at.

To the Assessors, Assistants, and other officers of the Revenue, who have patronized the Record, we are deeply grateful, and beg that they will accept our sincere thanks for their favors.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 12. NEW YORK, SEPTEMBER 22, 1866. WHOLE NUMBER 90.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE new regulations concerning the manufacture and sale of distilled spirits, have been promulgated, and are published in this issue. They are commended to the attentive perusal of officers, distillers, and dealers in spirits and liquors. Tax payers naturally rely upon the officers of the law to apprise them of their duties and liabilities, but any neglect or transgression of the laws and regulations upon their part cannot be excused by the omission of the officer to have instructed them in the premises. The new laws are particularly severe and strict, and their rigid enforcement is enjoined in terms that leave transgressors little to hope in the way of leniency in cases of detected fraud or neglect. All packages of distilled spirits, or rectified spirits or spirituous liquors, not in bonded warehouse, which shall not be marked according to law, may be seized and forfeited. Collectors in such cases, or in cases of fraudulent marking or branding, are directed in general to proceed for the forfeiture of the liquor, rather than for assessment and distraint for the tax of two dollars per gallon. This will allow officers and others to hope for a fair reward for their services by way of shares or moieties of the proceeds of such forfeiture, from which they have hitherto been practically debarred. The best results are to be expected from these instructions. Experience teaches that many informers will for obvious reasons look for pay from delinquents, unless they can expect as much or more from the Government.

Regulations under the recent Acts to prevent smuggling, have been prescribed by the Secretary of the Treasury, and are published in full. They are particularly applicable to the Canadian and Mexican frontiers.

The term "boxes" used in the decision relative to "wooden ware," refers to boxes of wood, other than "packing boxes."

The receipts from Internal Revenue continue very heavy, being largely in advance of a million a day. This increased revenue indicates a degree of efficiency in the revenue service that speaks well for the administration of the Treasury and Internal Revenue Departments.

☞ The back numbers of volume IV, from No. 1 to No. 9, inclusive, have been mailed this week to collectors and assessors. Those for assistant assessors were mailed under cover to each assessor, to to be distributed by him to his assistants.

THE DUTIES OF RECTIFIERS AND WHOLESALE DEALERS IN LIQUORS.

THE word rectifier is not used in its popular sense in the new law, but is given a more extended meaning, and it is necessary to bear this in mind in order to understand the full force of the laws and regulations.

Every person who rectifies, purifies or refines distilled spirits or wines by any process, or who, by mixing distilled spirits or wine with any materials, manufactures any spurious, imitation, or compound liquors for sale, under the name of whiskey, brandy, gin, rum, wine, "spirits," or "wine bitters," or any other name, is a rectifier, under the law, and must pay special tax as such, at the rate of twenty-five dollars per annum for any quantity of liquors so treated not exceeding five hundred packages or casks, containing not more than forty gallons each.

This language is very comprehensive, and will subject almost every wholesale and retail liquor dealer to the rectifier's tax and liabilities.

Every person thus defined to be a rectifier must at once give notice in writing to the Assessor of the district where such business is conducted, stating name and residence, name of firm, and place where the rectifying is carried on. He must keep a book, and enter therein, daily, the number of proof gallons of spirits purchased and received, the name and place of business of the persons of whom purchased or received, and the number of proof gallons sold or delivered. This book is intended to be a record of all spirits or spirituous liquors coming into or passing out of the possession, or custody, or care of the rectifier by purchase, or receipt, sale or delivery. Refusal to keep such book in proper form, forfeits all spirits in his possession, and subjects him to fine and imprisonment. The entries must be made and the account kept continuously.

Wholesale dealers in liquors, that is to say, dealers who sell at wholesale in the popular sense of the word, must keep a book or books in the same manner as rectifiers.

Rectifiers must mark with a stencil plate on each package of five gallons or more of distilled or rectified spirits and liquors sold by him, his name and place of business. This, the Commissioner prescribes, may be done in such style as the rectifier may select, provided it is done accurately and and plainly. Failure so to mark such packages exposes them to seizure and forfeiture. Wholesale dealers are not required to mark packages of liquors sold by them if in the same packages and in the same condition in every respect, as that in which the same came into their possession. If they mix, compound, and change the proof or packages, they become rectifiers, and as such must mark the packages as above. It is the intention of the law that no *unmarked* packages of spirits or liquors shall be dealt in or sold in the market.

All the stock on hand September 1, 1866, must be inspected, gauged and marked, before the 1st of November, 1866, and sale or removal without

gauging or marking by the inspector, subjects the same to forfeiture.

TAXATION OF HOMESTEADS.

The law requires a homestead settler to occupy and cultivate the land for five years before he can acquire a title. The question has been raised whether the improvements made by the settler within that time can be taxed before the title is passed to him. The Commissioner of the General Land Office, in an opinion on the subject, says: "If a qualified settler goes upon the land, resides there and cultivates the tract for the full term of five years, the Government stipulates that he shall, on paying a small fee, get a complete title. The consideration is mainly a labor consideration, stipulated not only for the interest of the claimant, but for the benefit of the State. The statute, in virtue of the Sixth Article of the Constitution, is the supreme law of the land. It cannot, therefore, be rendered imperative or abridged by such an exercise of the taxing power as would defeat the privilege conferred upon the settler. The spirit and purpose of Congress in this respect is clearly manifested in the fourth section of said Act of May 20, 1862, which declares that no lands acquired under the provisions of this act shall, in any event, become liable to the satisfaction of any debt or debts contracted prior to the issuing of the patent thereof. It is the generous purpose, then, of the United States, through the National Legislature, to protect settlers in their homes under the law until their titles reach maturity."

CORRESPONDENCE.

STEUBENVILLE, OHIO, Sept. 17, 1866.

EDITOR RECORD:

We doubt whether any other set of revenue officers in the service can, this morning, make as clean a report as those of this county. On the 15th inst. the deputy collector remitted *in full* the amount charged against him on the annual lists, for income and licenses. This has been accomplished simply by promptness all round. The assessor, Gen. McCook, with his assistants, was *up to time*, just as he used to be when at the head of his regiment. Advance lists were furnished the collector, from which collections were made.

The amount of the annual in this county, is considerably less than last year, but it is distributed among a greater number of persons. A large portion was in small taxes, scattered all over the country. So soon as a list was placed in the hands of the deputy collector, he would at once "go for them." Neither has he, for the purpose of showing a clean sheet, waived any of these out of the way taxes, and paid them himself. The deputy collector is an exceedingly modest man, and will not thank me, perhaps, for alluding to him at all. I think, however, that promptness should always be commended. If there is any other county, anywhere, that can claim precedence over old Jefferson, let us hear from them. We profess out here in the West to be "masters of the situation," until further advised. Our deputy collector is D. Myers, of this city; the assistant assessor in the first division is Wm. Marshall, of Warrenton, and in the second division the assistant is—well, no matter about *him*.

D. E. H.

[We note with gratification what zeal and energy can accomplish when properly directed. Let all revenue officers do their work as promptly and well as those referred to by our correspondent, and there will be no fault to find.—ED.]

THE receipts from internal revenue since the 1st of July are $88,086,000, and from customs $42,000,000, or an aggregate of over $130,000,000.

QUARTERLY STATEMENT.

The following is a statement of the receipts and expenditures of the United States for the quarter June 30, 1866:

TREASURY DEPARTMENT, REGISTER'S OFFICE, September 18, 1866.

RECEIPTS.

Customs	$46,175,151
Sales of public land	176,719
Direct tax	488,636
Internal revenue	63,857,738
Incidental and miscellaneous	18,342,516
Total receipts exclusive of loans	$129,040,762
Receipts from loans, etc., postage and other stamps, act of July 17, 1862	$12,600
Fractional currency, act March 3, 1866	4,278,297
Certificates of gold deposits, act of March 3, 1863	43,546,880
Six per cent, twenty year bonds, act of July 17, 1866	13,150
Temporary loans, acts of February 25 and March 17, 1862	106,146,819
Certificates of indebtedness, acts of March 1 and 17, 1862	412,183
Five per cent twenty year bonds, act of March 3, 1864	182,000
Do., act of March 3, 1865	37,800,400
Total receipts	$321,433,092

EXPENDITURES

Civil, foreign intercourse and miscellaneous	$11,853,339
Interior, pensions and Indians	2,983,302
War	12,744,022
Navy	9,218,474
Interest on public debt, including treasury notes	36,155,280
Redemption of Texas indemnity stock, per act September 7, 1850	53,000
Payment of Treasury notes, per act March 2, 1861	400
Redemption of Treasury notes, per act July 17, 1861	111,452
Redemption of 7-30 three year coupon bonds, per act July 17, 1861	548,900
Reimbursement of temporary loan, per acts July 25 and March 17, 1862	100,613,448
Redemption of certificates of indebtedness per acts of March 1 and 17, 1862	34,933,000
Redemption of Treasury notes per act of February 25, 1862	21,630,391
Redemption of postage and other stamps per act of July 17, 1862	857,542
Redemption of fractional currency, act March 3, 1863	4,574,300
Redemption of gold certificates, act March 3, 1862	51,454,920
Redemption of two year five per cent interest bearing Treasury notes, per act of March 3, 1863	6,500,000
Redemption of three year six per cent. compound interest notes, per act of March 3, 1863	13,000,000
Redemption of three year 7 3-10 Treasury notes per acts of June 30, 1864, and March 3, 1865	19,152,450
Remain in the purchase of the same	58,476
Total expenditures	$322,442,701

THE Government is putting forth strenuous efforts to stop all illicit foreign traffic, and with commendable success. We lean to the belief, however, that the best act to prevent smuggling would be the act of annexing the British Provinces. Though intensely loyal in sentiment to the Queen, their thinking and progressive men are not so averse to annexation as generally supposed. Their Confederation scheme is a step towards annexation. It is a departure from old political land-marks in the several Provinces, and this accomplished, they will gravitate by the weight of commercial and liberal ideas to the United States. They would not, perhaps, dare a war with the mother country to effect it, but, a few years will see them willing to join us, it can be done peaceably.

DISTRIBUTION AND SALE OF INTERNAL REVENUE STAMPS.—The Secretary of the Treasury has issued instructions to the Assistant Treasurers at New York, Philadelphia, Boston, St. Louis, and San Francisco, and to the Collectors of Customs, designated as depositories, at Baltimore, Buffalo, Chicago, Detroit, Cincinnati, and Charleston, under which they are required to keep on hand unbroken packages of internal revenue stamps for sale at the same rates of commission as are allowed by the Commissioner of Internal Revenue.

All national banks designated as depositories of public moneys are also required, by instruction from the Secretary of the Treasury, to keep internal revenue stamps for sale in such amounts as the public shall require, and which they may purchase from the Assistant Treasurers, or the depositories first named, or the commissioner.

The rates allowed are as follows:
Two per cent in sums of $50 and upwards.
Three per cent in sums of $200 and upwards.
Four per cent in sums of 3500 and upwards.
Five per cent in sums of $1,000 and upwards.

These instructions do away with the system of advancing stamps to officers on bonds, which has hitherto been the practice. It will secure a more thorough distribution, and with less risk of loss to the government. The national banks designated as depositories it is understood will be required to furnish stamps at the same rates of discount, payable in stamps, as above specified.

THE President has recognized J. W. Currier as Consul General for the Dominican republic, in New York. This is the first instance of the appointment of such an officer to the United States from that government.

The President has also recognized the following Consuls:—Wesner Dresel, Consul of Hanover, at Baltimore; Carlos Chacon, Consul of Spaid, at Galveston, Texas; Herman Theophilus Plate, Consul for Saxony, at Philadelphia; Charles E. Wunderlich, Consul for Bremen, and also Consul for the Netherlands, at Charleston, S. C.; Francisco Parrago, Consul General for the United States of Columbia, at New York; Jean Marie Berrier, Consular Agent of France, at Newport, Rhode Island; L. Westergaark, Consul of the Netherlands, at Philadelphia; G. C. Johnson, Gomsul General of Sweden and Norway, at San Francisco; David Toucey, Consular Agent for the kingdom of Italy, at St. Louis, Missouri; Pierre Jean Esmard, Vice Consul of Portugal, at Charleston, S. C.; and Jose Antonio De Lavalle, Consul of Spain, at Philadelphia.

THE Secretary of the Treasury, in reply to a communication asking for a construction of the ninth section of the Act of July 28 last, in regard to the including of charges in determining the dutiable value of importation, says:

"The dutiable value of Russian wool, shipped from England to the United States, should be determined by ascertaining the market value thereof in the principal markets of England at the period of exportation, to which should be added commiss on at the usual rate, in no case less than 2½ per centum, and all other actual charges and expenses incurred in England, including transportation, shipment and transhipment in said country to the vessel in which shipment is made to the United States. Neither the cost of transportation to the markets of England, nor any charges which have accrued on the merchandise prior to such transportation are dutiable as costs and charges, but being embraced in the market value in England they become subject to duty in that form."

DIRECTORY 8th COLLECTION DISTRICT, NEW YORK.

Assessor, ANTHONY J. BLEECKER, 896 Broadway.

Chief Clerk, JAMES H. WELSH, 896 B'way.

Collector, GEORGE P. PUTNAM, 928 B'way.

The 8th District comprises the 18th, 20th, and 21st Wards of New York City. Boundaries:

West 40th St. and E. 40th St. East River, East and West 14th St. 6th avenue, West 26th St. Hudson River, Sub-divided into 19 Divisions.

1st Division, JAMES M. ROBISON, 896 Broadway. Boundaries: 6th Avenue to 26th St. to 5th Avenue, to West 14th St. to 6th Avenue again.

2d Division, JAMES BLEECKER, 896 Broadway. Boundaries: 5th Avenue to 26 St. to 4th Avenue, to Union Square, to West 14th St. to 5th Avenue.

3d and *4th Divisions* O. G. HILLARD, 896 Broadway. Boundaries: Union Square to 4th Avenue, to 26th St. to Third Avenue, to East 14th St. to Union Square.

5th Division, A. W. RENNEDAY, 896 Broadway. Boundaries: Third Avenue, to 26th St, to Second Av. to East 14th St. to Third Avenue.

6th Division, WM. C. ENOS, 896 Broadway. Boundaries: Second Avenue to 26th St. to First Avenue to East 14th St. to Second Avenue.

7th Division, JACOB B. BACON, 896 Broadway. Boundaries: First Avenue to 26th St. to Avenue A., to East 14th St. to First Avenue.

8th Division, JAMES S. COMBS, 896 Broadway. Boundaries: Avenue A, to East River to Tompkins St. to Avenue D, to East 14th St. to Avenue A.

9th Division, ALLAN J. DENNIS, 410 Fourth Avenue. Boundaries: Second Avenue to 40th St. to East River, to 26th St. to Second Avenue again.

10th Division, Boundaries: Third Avenue to 40th St. to Second Avenue, to 26th St. to Third Avenue again.

11th Division, R. P. DUNCAN, 410 4th Avenue. Boundaries: Fourth Avenue to 40th St. to Third Avenue, to 26th St. to Fourth Avenue.

12th Division, GEO. W. HINOHMAN, Jr., 410 4th Avenue. Boundaries: Fifth Avenue to 40th St. to 4th Avenue, to 26th St. to 5th Avenue.

13th Division, JAMES M. BOYD, 896 Broadway, Boundaries: Sixth Avenue to 40th St. to 5th Avenue, to 26th St. to 6th Avenue.

14th Division, R. H. BLEECKER, 896 Broadway, Boundaries: Seventh Avenue to 40th St. to 6th Avenue, to 26th St. to Seventh Avenue again.

15th Division, A. S. DUNCOMB, 896 Broadway, Boundaries: 8th Avenue to 40th St. to 7th Avenue, to 26th St. to 8th Avenue again.

16th Division, A. C. Loomis, 1,254 Broadway, Boundaries: 9th Avenue to 40th St. to 8th Avenue, to 26th St. to 9th Avenue again.

17th Division, H. CHILTON, 896 Broadway, Boundaries: 10th Avenue to 40th St. to 9th Avenue, to 26th St. to 10th Avenue again.

18th Division, WM. STARRIT, 511 West 36th St, Boundaries: North River to 40th St. to 10th Avenue, to 33d St. to North River.

19th Division, EDWARD BLEECKER, 876 Broadway, Boundaries: North River to 33d St. to 10th Avenue, to 26th St. to North River again.

Gazette.

Solon Chase, Turner, Me., Collector 2d District, Maine, vice Jesse S. Lyford.

James H. Butler, Bangor, Me., Collector 4th District, Maine, vice Aaron A. Wing.

Ebenezer W. Pierce, Fall River, Mass, Collector 1st District, Massachusetts, vice Walter C. Durfee.

Wm. C. Binney, Amesbury, Mass., Assessor 5th District, Massachusetts, vice Amos Noyes.

John C. Sargent, Lawrence Mass., Assessor 6th District, Massachusetts, vice Charles Hudson.

Nathaniel S. Howe, Haverhill, Mass., Collector 6th District, Massachusetts, vice George Cogswell.

Church Howe, Worcester, Mass., Collector 8th District, Massachusetts, vice Adin Thayer.

Josepe G. Lamb, Norwich, Conn., Assessor 3d District, Connecticut, vice Jesse S. Ely.

Calvin E. Pratt, Brooklyn, N. Y., Collector 3d District, New York, vice Henry C. Bowen.

Thomas W. Egan, New York City, Collector 9th District, New York, vice Edgar Ketchum.

Thomas G. Halley, Utica, N. Y., Assessor 21st District, New York, vice Charles M. Dennison.

David H. Abell, Mount Morris, Livingston Co., N. Y., Collector 25th District, New York, vice Farley Holmes.

Matthew D. Freer, Watkins, N. Y., Assessor 26th District, New York, vice Alfred Wells.

Wm. R. Judson, Elmira, N. Y., Assessor 27th District, New York, vice John J. Nicks.

Alonzo Tanner, Buffalo, N. Y., Assessor 30th District, New York, vice Otis F. Presbrey.

Conrad M. Zulick, Newark, N. J., Assessor 5th District, New Jeysey, vice Wm. A. Halsey.

Albert B. Sloanaker, Philadelphia, Penn., Collector 1st District, Pennsylvania, vice John H. Taggart.

Peter A. Keyser, Philadelphia, Penn., Assessor 3d District, Pennsylvania, vice J. Fletcher Budd.

John W. Stokes, Philadelphia, Penn., Assessor 4th District Pennsylvania, vice Delos P. Southworth.

John Hancock, 413 Cestnut st., Philadelphia, Collector 4th District, Pennsylvania, vice Benj. F. Brown.

Francis Y. Heebner, Allentown, Penn., Assessor 6th District, Pennsylvania, vice Henry J. Saeger.

Archer N. Martin, Lenni Mills, Delaware Co., Penn., Assessor 7th District, Pennsylvania.

William C. Talley, Media, Delaware Co., Penn., Collector 7th District, Pennsylvania, vice Franklin Taylor.

Davis A. Brown, Pleasant Grove, Penn., Assessor 9th District, Pennsylvania, vice Jonas K. Alexander.

Matthew M. Strickler, Columbia, Penn., Collector 9th District, Pennsylvania, vice Alexander H. Hood.

James L. Selfridge, Assessor 11th District, Pennsylvania, Post Office changed to Easton, Penn.

Josiah P. Hetrich, Collector 11th District, Pennsylvania, Easton, Penn.

Thomas J. Jordan, Harrisburg, Pa., Assessor 14th District, Pennsylvania, vice Daniel Kendig.

Wm. Penn Lloyd, Mechanicsburg, Pa., Collector 15th District, Pennsylvania, vice Levi Kauffman.

John R. Campbell, Williamsport, Pa., Collector 18th District, Pennsylvania, vice George Bubb.

John B. Hayes, Meadville, Pa., Assessor 20th District Pennsylvania, vice Joseph H. Lenhart.

Ferdinand E. Volz, Pittsburgh, Pa., Collector 22d District, Pennsylvania, vice Wm. Little.

Alfred G. Lloyd,, Alleghany City, Pa., Assessor 23d District, Pennsylvania, vice Samuel Marks.

Wm. G. McCandless, Alleghany City, Pa, Collector 23d District, Pennsylvania, vice David N. White.

Archibald Robertson, New Brighton, Pa., Collector 24th District, Pennsylvania, vice David Sankey.

Wm. J. Buttingham, Elkton, Md., Collector 1st District, Maryland, vice J. T. McCullough.

Wm. H. Purnell, Baltimore, Md., collector 3d District, Maryland, vice Joseph J. Stewart.

Somerset R. Waters, Frederick, Md., Collector 4th District, Maryland, vice Frederick Schley.

Arthur P. Gorman, Ellicott's Mills, Md., Collector 5th District, Maryland, vice George W. Sands.

John B. Ailworth, Drummondstown, Va., Assessor 1st District, Virginia.

George C. Tyler, Onancock, Va., Collector 1st District, Virginia.

John M. Donn, Norfolk, Va., Assessor 2d District, Virginia.

Simon Stone, Norfolk, Va., Collector 2d District, Virginia.

John H. Hudson, Richmond, Va., Assessor 3d District, Virginia.

Wm. James, Richmond, Va., Collector 3d District, Virginia.

John H. Patterson, Manchester, Va., Assessor, 4th District, Virginia.

John H. Anderson, Manchester, Va., Collector 4th District, Virginia.

Jacqueline M. Wood, Lynchburg, Va., Assessor 5th District, Virginia.

E. Boyd Pendleton, Lynchburg, Va., Collector, 5th District, Virginia.

John H. Freeman, Lexington, Va., Assessor 6th District, Virginia.

Samuel R. Sterling, Harrisonburg, Va., Collector 6th District, Virginia.

Josiah Millard, Alexandria, Va., Assessor 7th District, Virginia.

Thomas L. Sanborn, Alexandria, Va., Collector 7th District, Virginia.

George S. Smith, Wytheville, Va., Assessor 8th District, Virginia.

George W. Jackson, Wytheville, Va., Collector 8th District, Virginia.

Treasury Dept., Decisions, &c.

OFFICIAL.

(Series 2. No. 7.)

REGULATIONS CONCERNING THE MANUFACTURE, INSPECTION, AND SALE OF DISTILLED SPIRITS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 1, 1866.

By the Act of July 13, 1866, (section 32,) there is laid on all distilled spirits upon which no tax has been paid, a tax of two dollars on every proof gallon.

TAX TO BE A LIEN.

This tax is to be a lien, on the spirits distilled, on the distillery used for distilling the same, with the stills, vessels, fixtures, and tools therein, and on the interest of the distiller in the land on which the distillery is situated, from the time the spirits are distilled until the tax is paid.

BASIS OF TAXATION.

The tax is to be collected upon the wine gallon when the spirits are below proof, and upon the proof gallon when they are of greater strength than proof. The exemption from this rule in favor of spirits used in the manufacture of vinegar or acetic acid, which was created by the Act of March 3, 1865, having been repealed by the Act of July 13, 1866, such spirits will be taxed hereafter in accordance with the above rule.

POSSESSOR OF STILL, &C., TO BE DEEMED DISTILLER.

The making or keeping, by any person, of grain, mash, wash, or beer, prepared or fit for distillation, together with the possession by such person of a still or other apparatus capable of use for distillation upon the same premises, is to be deemed presumptive evidence that such person is a distiller.

DISTILLER TO GIVE NOTICE AND BOND.

Every person who is, or who intends to be, a distiller (section 24) must give notice on Form 27, over his own signature, to the Assessor of the district in which such business is to be carried on, who will forthwith furnish a copy thereof to the Collector. Like notice of any change in the location, form, capacity, ownership, agency, or superintendence of such distillery, stills, boilers, or other implements, is to be given within twenty-four hours of such change. Every distiller (section 24) must give bond on Form No. 30. Collectors will give especial attention to the instructions printed thereon, as to the manner of the execution of the bond. Bonds under the old law will not suffice.

NO OTHER BUSINESS TO BE DONE IN DISTILLERY.

The use of any still, boiler, or other vessel, for the purpose of distilling, is forbidden (section 25) in any dwelling-house, or in any building, or on any premises where *any other business*, except the manufacture of saleratus, is carried on. If the steam from any boiler in the distillery is conveyed to other premises, to be used for other purposes, the utmost vigilance must be used by revenue officers to prevent this privilege from being made a facility for the perpetration of fraud upon the revenue.

SPIRITS NOT TO BE REDISTILLED IN DISTILLERY.

Rectifying or redistillation of distilled spirits in any distillery, or on any premises where distillation is carried on, is inconsistent with the provisions of section 34, which requires the spirits to be conveyed directly from the still into the receiving cistern, and from thence immediately into the bonded warehouse.

RECEIVING CISTERNS.

Every distiller (section 34) is required to erect two or more receiving cisterns in a room or building used for that purpose, and for no other, for each distillery. Each of these cisterns must be of sufficient capacity to hold all the spirits distilled during the day of twenty-four hours. These cisterns must be so constructed as to leave an open space of at least three feet between the top and the roof or floor above, and a space of not less than eighteen inches between the bottom and the floor below, and they must be separated so that the Inspector may pass around them; and the pipes or other apparatus by which the cisterns are connected with the outlet of the stills, boilers, or other vessels, must be so constructed as to be always exposed to the view of the Inspector.

LOCKS AND SEALS.

The locks (section 34) and seals to be used in connection with the cisterns will be designated by the Secretary of the Treasury, and are to be procured at the expense of the distillers, from the Collectors of the proper districts.

DISTILLERS TO PROVIDE WAREHOUSE.

Every distiller (section 27) must provide at his own expense a warehouse suitable for the storage of bonded spirits, or a secure room, in a suitable building, to be used as such warehouse. Such room may be in the distillery building, or in a building containing other rooms used as warehouses by other distillers, provided such rooms have no interior communication with each other. But no spirits can be stored in such room except spirits manufactured by the distiller who provides said room.

No dwelling house can be used as such warehouse; and no door, window, or other opening can be made or permitted in the walls of any such warehouse or room, leading to any other room or building, used for any other purpose, or into the distillery. Every person desiring to establish a bonded warehouse for this purpose, will make application in the manner prescribed in the Regulations relating to bonded warehouses.

INSPECTOR FOR EACH DISTILLERY.

An Inspector (section 29) will be appointed by the Secretary of the Treasury for each distillery, except those which distil brandy from apples, peaches, or grapes, exclusively, who is not to engage in any other business while employed as an Inspector, and who cannot have charge of more than one distillery. In addition to his pay of five dollars per day for the time during which he is employed, he will receive a fee, which is hereby prescribed, of one mill for each proof gallon (or wine gallon if below proof) of distilled spirits inspected by him, and removed to the bonded warehouse. No compensation is to be allowed to him for more than one inspection of such spirits.

The Inspector will, at the end of each month, render his bill to the Assessor on Form No. 105, to be made out and transmitted in accordance with the instructions printed thereon. When the Assessor has examined and approved the bill, he will assess the amount thereof on the distiller, and certify the same to the Collector, who will collect and pay the same to the Inspector, giving a receipt to the distiller, and taking one from the Inspector.

ASSISTANT INSPECTOR.

When the duties of such Inspector are greater than he can perform, the Secretary of the Treasury may appoint an Assistant Inspector, on the joint application of the Inspector and the owner of the distillery. If the distiller refuses to join in the application, the Collector will decide as to the necessity of appointing an assistant, and, likewise, in case of like disagreement, as to the necessity of retaining him in service.

The Assistant Inspector will quality in the same manner, and will be subject to the same responsibilities and penalties as the Inspector. He will be paid at such rate as the Secretary of the Treasury may prescribe at the time of his appointment, not exceeding the rate of three dollars per day while employed, this compensation being paid to him in the same manner as to an Inspector. Besides this per diem pay, he will be entitled to receive the same inspection fee as his principal for all spirits which he may inspect. When the Inspector is absent, the Collector may appoint a person to take temporary charge of the distillery and warehouse, who will, during such absence, perform the same duties as the Inspector. Where an Assistant Inspector is employed in the same distillery with an Inspector, the Assistant should be appointed Acting Inspector in the Inspector's absence, unless the Collector can appoint the Inspector of some adjacent distillery not in operation at that time. When the Assistant Inspector is made Acting Inspector, or when he is absent, the Collector will appoint some other person, when necessary, giving preference to any other Assistant Inspector, temporarily out of employ, as Acting Assistant Inspector. When the Assistant Inspector or any other person acts by appointment of the Collector as Inspector, he will take the pay of Inspector, five dollars per day; and Acting Assistant Inspectors will take the pay of Assistant Inspectors. The Acting Inspector and Acting Assistant Inspector will be subject to the same responsibilities and penalties, and be paid in the same manner as the Inspector and Assistant Inspector.

INSPECTOR'S REPORT.

The Inspector must take an account of all distillable substances put into the mash tub, or otherwise used for the production of spirits. This account must be kept in a book, in which the Inspector must enter, in tabular form, the quantity and kind of grain, mill-feed, molasses, or other substances brought into the distillery for distillation. These entries must be made at the time when such materials or substances are received. He must also specify in said account the quantity and kind of substances put into the mash tub whenever a mash is made, and record the serial number of every cask inspected, date of inspection, proof, and number of proof gallons. A monthly report of the aggregate amounts so received, used, and inspected, must be made on Form 50, together with a report of all other matters called for by the instructions printed on said blank form.

SPIRITS TO PASS DIRECTLY FROM STILL TO RECEIVING CISTERN.

The Inspector will see that all spirits manufactured each day are conveyed into one of the receiving cisterns on the same day. These cisterns and the room containing them must be in charge of the Inspector, and under his lock and seal. In no case will he permit the distiller, or any person interested or employed in the distillery to have access to the keys, or handle or use them.

SPIRITS DRAWN FROM CISTERN.

On or before the third day after the spirits are conveyed into the receiving cisterns, they must be drawn off into casks or packages. This must be done under the direct oversight of the Inspector, and the spirits must be immediately inspected, gauged, and proved by the Inspector himself, with his own hands. In no case can the Inspector or Assistant Inspector deputize another person to gauge casks or prove spirits for him.

MARKING CASKS.

The casks or packages must be of not less capacity than twenty gallons, wine measure. When properly filled, gauged, and proved, Inspectors will mark with a cutting iron, upon the bung stave of each cask or package its capacity and the number of wine gallons of spirits contained therein, with the proof thereof; and he will mark the same on the head of the barrel or other package, with stencil plate, in blacking or ink, together with the collection district, the name of the In-

spector, the name of the distiller, the date of inspection, the number of the cask, in progressive order, marking the first cask inspected No. 1, and continuing the series until the last day of the year, and commencing a new series with the first day of January in each year. In this way, the number of gallons and proof thereof in each package can be ascertained when the barrels are piled in tiers; and if the marks on the head should be effaced or rendered illegible, the number of gallons could be ascertained from the cutting on the bung stave. These marks should never be on paper, or any other substance merely attached to the head of the cask, but must always be put on the wood of the head itself. No two casks warehoused in the same year by the same distiller should be marked with the same number.

ENTRY FOR WAREHOUSING.

The casks or packages, having been properly marked, must be directly removed to the bonded warehouse established in connection with the distillery, which must be in the joint charge of the Inspector appointed for said distillery and the distiller. When spirits are placed in the warehouse, an entry therefor must immediately be made and signed by the owner of the spirits in the following form:

ENTRY of distilled spirits manufactured at the distillery and placed in the bonded warehouse, Class A, at ———, owned by ——— ———.

Number of Packages.	Serial numbers.	Wine gallons.	Proof gallons.	Am't of tax.

(Signed) ——— ———.

Dated at ———, ——, 186—.

The Inspector in charge must endorse on the above entry the following certificate:

—— COLLECTION DISTRICT, STATE OF ———, ———, 186—.

I hereby certify that the spirits described in the within Entry have been by me duly inspected, and received into the bonded warehouse under my charge at said distillery. (Signed)

———, *Inspector.*

The Inspector must keep a record of every entry, showing the date of each, and all other particulars stated in the entry, and he will forward the original entry and certificate to the Collector of his district, and a duplicate to the Assessor.

The Inspector must also make return, in duplicate, of all spirits inspected by him, on Form No. 50, together with other matters heretofore required to be reported on the same Form. One copy of this return must be sent to the Collector, and the other to the Assessor, by the fifteenth day of each month.

MODE OF ESTABLISHING WAREHOUSES.

The establishment of bonded warehouses, storage, and keeping of distilled spirits therein, and withdrawal of same therefrom, will be governed by the Regulations of May 1, 1865, [RECORD, Vol. II. p. 11] issued by the Secretary of the Treasury, until otherwise ordered, except as the same are modified by sections 40 and 41 of the act of July 13, 1866; and warehouses heretofore established will continue to be used.

Special attention is called to the fact that casks or packages of spirits in bonded warehouse must be marked as prescribed in said sections 40 and 41 whenever withdrawn.

DISTILLERY NOT TO RUN IN ABSENCE OF INSPECTOR.

Authority is, to some extent, implied in the Collector in the proviso to section 29, to permit the distilling and removal of spirits from the distillery in the absence of an Inspector or Assistant Inspector, but this should never be exercised except in cases when the inspecting officer is unavoidably kept away for a short period, and when the Collector is entirely satisfied that no loss to the revenue will ensue.

GENERAL INSPECTORS.

One or more General Inspectors (section 30) of spirits will be appointed in every district where it may be necessary, who will be entitled to receive the prescribed fee for any spirits gauged and proved, to be paid by the owner of the spirits.

General Inspectors will be entitled to the rates of fees heretofore prescribed in the several districts until other instructions are issued.

These Inspectors will inspect spirits in bonded warehouses other than those attached to distilleries, and any spirits which may require inspection at places other than the distilleries. They will also inspect any spirits already inspected when so ordered by a Collector.

Returns of their inspections must be made both to the Collector and Assessor of the district, on Form 59, in accordance with the directions printed thereon.

In no case can a General Inspector deputize another person to gauge casks or prove spirits for him, nor can he be appointed keeper of a general bonded warehouse.

DISTILLERS TO KEEP BOOKS, &C.

Every distiller (section 31) is required to make true and exact entry daily, in a book to be kept for that purpose, in the form and manner set forth in Form 13, which form is hereby prescribed, of all the matters therein contained; and to render an account in duplicate, on Form 14, taken from such book, on the first, eleventh, and twenty-first days of each month, or within five days thereafter, to the Assessor or Assistant Assessor. No materials of a kind for which a special column is provided should be entered under the head of "other materials."

Such account must be verified under oath or affirmation by the owner, agent, or superintendent of the distillery. The oath of a clerk on Form 14 is not sufficient. The entries in the distiller's books must be verified upon the days when the returns are made, by the person who made the entries, and the Assistant Assessor, or other proper officer by whom the oath is administered, will append thereto his certificate of such oath. When the entries are made in the distiller's book by some other person than the owner, agent, or superintendent of the distillery, such owner, agent, or superintendent must certify on oath that these entries, to the best of his knowledge and belief are true, and that he has taken all means to make them so.

The acceptance of returns on Form 14 imposes upon the officer who receives them, the duty of using all due vigilance in ascertaining their correctness. No Assistant Assessor should receive a distiller's return at his own office, or at any other place than the distillery. He should then satisfy himself, by conference with the Inspector in charge of the distillery, and others, if necessary, and by personal examination of the premises, of the accuracy of the entries made.

He should make careful comparison of the various statements in the account, to see that they are consistent with each other, and when by any means it is made apparent that the statements are incorrect, the facts should be immediately reported to the Collector, that he may take the necessary steps for enforcing the penalties or forfeitures which have been incurred; and an assessment should be made for the deficiency of the tax.

The distiller is required (section 37) to furnish all assistance, lights, ladders, tools, staging and other things necessary for inspecting the premises; and to open all doors, boxes, casks, or other vessels not under the control of the Inspector, for his examination, whenever required to do so by any duly authorized officer.

DISTILLERS OF BRANDY FROM APPLES, PEACHES, OR GRAPES, EXCLUSIVELY.

Under the authority conferred by the 44th section of the act of July 13, 1866, and with the approval of the Secretary of the Treasury, distillers of brandy from apples, peaches, or grapes, exclusively, are hereby exempted from the following provisions of that act relating to distilled spirits, viz:

Section 27, requiring the owner of any distillery to provide a bonded warehouse; and section 29, requiring the appointment of an Inspector for each distillery; section 34, requiring the erection of receiving cisterns in each distillery; section 31, so far as it requires returns to made on the first, eleventh, and twenty-first days of each month; and section 45, forbidding the removal of spirits from the place where they are distilled otherwise than into a bonded warehouse; but such spirits must be inspected, gauged, and proved, before they are sold or removed for sale or use from the place where they are distilled.

Collectors will take particular notice that the benefit of these exemptions does not extend to distillers of apples, peaches, or grapes, who distil any spirits whatever from other substances.

Distillers of apples, peaches, and grapes, must keep the book required by section 31, and make the entries therein as directed, and make return on Form 15 to the Assistant Assessor, on or before the tenth day of each month; and the tax must be paid before the last day of the same month. Inspections for such distillers must be made at least once a month, before the spirits are used or removed from the distillery, and the Inspector must have the casks marked with the name of the distiller, the date of the inspection, the kind of spirits, the collection district, and the name of the Inspector. The proof and quantity must be marked as heretofore required.

The forfeitures provided in section 48, of the act of June 30, 1865, as amended, and section 14, of the act of July 13, 1866, may be applied to such spirits.

RECTIFIED SPIRITS.

Any person (section 43, paragragh 142,) who changes the character of any spirits, either by rectification, mixing, or otherwise, after they have been duly inspected and marked as required by law, and places the same in other packages for consumption or sale, must *first* stamp or brand upon such packages the word "Rectified." The stamping or branding may be done with a hot iron, or the word may be put on with paint or ink, and must be put on the head of the cask or package.

All spirits, after being removed from the original package in which they were inspected and gauged into other packages, for purpose of rectification, redistillation, or change of proof, must again be inspected and gauged and properly branded. This must be done by the proper General Inspector of the district, upon notice from the rectifier, and the Inspector must mark upon each cask or package his name and district, and the date of inspection, and must cut or scratch upon the bung stave, in figures, the actual number of wine gallons contained, and the proof or strength of the liquor.

Every rectifier (section 26, paragraph 140) must mark with a stencil plate on each package of five gallons or more of distilled or rectified spirits sold by him, his name and place of business. This may be done in such style as the rectifier may select, provided it is done accurately and plainly.

Failure to have the foregoing brands and marks put on the packages by the rectifier and inspector will cause the forfeiture of the spirits. The fees of the Inspectors are to be paid by the rectifier, for inspections made of spirits in his possession.

It is the duty of each Inspector to keep a record of all rectified spirits inspected by him, and report the same to the Collector and Assessor of his district, monthly, on Form 59.

RECTIFIERS' AND WHOLESALE DEALERS' ACCOUNTS.

Rectifiers and wholesale dealers in distilled spirits are, by section 26, (paragraph 140,) required to keep a book or books in which are to be entered, daily, the number of proof gallons of spirits purchased and received, of whom purchased and received, and the number of proof gallons sold and delivered. These items should be kept in one continuous account.

The term "wholesale dealers in distilled spirits," as here used, is not synonymous with the term "wholesale dealers in liquors" used in section 79 of the Act of June 30, 1864. On the other hand, it is used in a popular sense, and includes all who sell at wholesale. As the record is to be made of gallons, sales of smaller quantities may be disregarded. Neglect or refusal to keep such record is punishable by fine, forfeiture, and imprisonment.

SPIRITS ON HAND SEPTEMBER 1, 1866.

Every person (section 43) owning more than fifty gallons of spirits manufactured before September 1, 1866, whether of foreign or domestic manufacture, and intended for sale—except such as is in bonded warehouse—must send a written notice to the Collector of the district in which such spirits are stored, prior to November 1, 1866, to gauge and prove such spirits, who will, if satisfied that such spirits were so manufactured, cause the Inspector to gauge and prove the same, and to mark the casks or packages as follows:

Manufactured prior to September 1, 1866.
———— ————, *Inspector*,
———— *District*, ——.
Inspected ————, 186—.

Filling the blank with the spirits, the name of the Inspector, the number of the district, the State, and the date of inspection, respectively. Such spirits must not be gauged, proved, or marked in a cistern or stationary vessel, but in barrels, casks, or other similar packages.

The Inspector will estimate the quantity of such spirits held in leach tubs, and gauge and mark the same when drawn off into packages; and he will make one return of such inspections, in duplicate, to the Collector who will promptly forward one copy of the return to the Commissioner of Internal Revenue, and will file the other in his own office.

SPIRITS NOT MARKED TO BE FORFEITED.

The several provisions of law in relation to distilled spirits found elsewhere than in a bonded warehouse, lead to the following results, viz: In order that such spirits should not become liable to forfeiture, the packages containing the same must be marked—

1st. As provided in section 40, either "for transportation" or "tax paid."

2d. As provided in section 41, "for export," or

3d. As provided in section 43, "Manufactured prior to September 1, 1866," or "Rectified."

MANUFACTURER OF STILLS TO GIVE NOTICE.

Any person (section 25) who manufacturers stills, boilers or other vessels to be used in distilling, must give notice to the Collector of the district where such still is to be set up, before any such still, boiler, &c., is removed from the place of manufacture, stating—

First. The place where such still, boiler, or vessel is to be used: or, if he does not know, where it is to be sent.

Second. The name of the person by whom it is ordered, to whom it is sent, and by whom it is to be used.

Third. The capacity of the vessel, still, or boiler.

Fourth. The time when it is to be sent to the place of manufacture or set up.

Every manufacturer of stills should inform himself on these points before commencing the manufacture of a still, or he may make himself liable to a penalty.

No still, boiler, or other vessel used for distilling, can be set up without a written permit for that purpose from the collector of the district in which it is to be so set up, of which permits the Collector should keep a record.

SPIRITS NOT IN BONDED WAREHOUSE TO BE SEIZED.

Under section 45, which forbids, under penalty of fine and imprisonment, the removal of any distilled spirits from the place where they are distilled to any other place than into a bonded warehouse, all spirits so removed, and all spirits found elsewhere than in a bonded warehouse, not having been removed therefrom according to law, and the tax imposed by law on the same not having been paid, are liable to forfeiture. Or they may immediately upon discovery be seized, and, after assessment of the tax thereon, may be sold for the tax and expenses of seizure and sale. In reference to either mode of procedure, the burden of proof is upon the claimant of the spirits, to show that the requirements of law in regard to the same have been complied with.

As only in case of a false marking can distilled spirits come into the hands of one honestly ignorant of the fact that the tax on the same had not been paid, revenue officers are in general, and except where special reasons urge the other course, instructed to proceed under this section by process for forfeiture, rather than by assessment and sale for tax.

When compelled to proceed by distraint, the Collector will immediately report the fact of seizure, its place, date, the quantity of spirits as near as may be, and description of vessels or packages, and the claimant, if any is known, to his Assessor; and will call upon a General Inspector of spirits for his district to inspect the same. Such Inspector having inspected, gauged, and proved such spirits, will report his doings to his Assessor, who thereupon certify to the Collector an assessment of the tax required by law to be paid on such distilled spirits. Thereupon the Collector will proceed as in other cases of distraint of personal property.

NO DISTILLERY TO BE ALLOWED TO RUN WITHOUT COMPLYING WITH REGULATIONS.

Under no circumstances must a distillery be allowed to run until the requirements of law and the foregoing Regulations have been complied with, and any distillery found running without such compliance, must be immediately stopped by the Collector.

REVENUE OFFICERS NOT TO BE INTERESTED IN DISTILLING.

The attention of Internal Revenue officers is called to section 59, which prohibits, under penalty of a fine of not less than five hundred dollars, their becoming interested directly or indirectly in the production of spirits. Any such officer now interested in the same must divest himself of such interest within sixty days after August 1, 1866, if he would avoid the prescribed penalty. Such unlawful interest will also be deemed cause for prompt removal from office.

E. A. ROLLINS, *Commissioner*.

ARTICLES EXEMPT FROM TAX—WOODEN WARE.

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE, WASHINGTON, Sept. 3, 1866.

SIR:—In reply to your letter of the 20th ult., I have to say that by a ru[illegible] this office the term "wooden ware" as used in section 10 of the Act of July 13, 1866, is held to include only such articles of kitchen or household use, as are made exclusively of wood and technically known as wooden ware: *to wit*, tubs, pails, chopping boards, and trays, wooden plates, bowls, dishes, spoons, knives, ladles, rollers, pins, moulds, prints, pats, mortar pestles, dippers, ironing boards, pastry and meat boards, wash boards, clothes sticks, clothes horses, &c. &c.

Other articles made of wood, such as churns, boxes, kegs, firkins, fish-kits, measures, saw-frames, ladders, pumps, &c. &c., are liable to an ad valorem tax of five per centum.

Yours respectfully,
THOMAS HARLAND.
Deputy Commissioner.

U. C. KITTREDGE, Esq.,
Fair Haven, Vt.

Customs Department.

OFFICIAL.

TREASURY DEPARTMENT, WASHINGTON, August 31, 1866.

In accordance with the authority given by the third section of the Act "to prevent smuggling," approved June 27, 1864, and the third section of the Act "further to prevent smuggling," approved July 18, 1866, and also of the fifth section of the Act "to protect the revenue, and for other purposes," approved July 28, 1866, the following Regulations are prescribed:

EXAMINATION OF PASSENGERS AND THEIR BAGGAGE.

1. With a view to prevent the smuggling of dutiable goods into the United States by means of concealment about the persons or in the baggage of persons arriving from a foreign contiguous country, all such persons and their baggage shall be examined on arrival in the United States by a proper officer or officers of customs.

At Buffalo, Detroit, Port Huron, Ogdensburgh, and all other ports in the United States, where connections are made between American and Provincial railways by means of ferryboats, passengers and their baggage, arriving from a foreign contiguous territory, shall be inspected and examined upon the boat; and passengers shall not be permitted to land, nor their baggage to be landed, until such inspection or examination shall have been concluded to the satisfaction of the officer making the same.

2. At such ports as Suspension Bridge, Rouse's Point, St. Albans, and Island Pond, where railway connections are made by land, cars containing baggage shall be kept closed, and no passengers shall be permitted to leave the passenger cars, nor any baggage to be taken out of any car, until a full and satisfactory examination of said persons and their baggage shall have been made.

WOMEN TO BE EMPLOYED AS INSPECTORS.

3. Women shall be employed at all ports where a necessity for their employment shall exist, whose duty it shall be, under the direction of the Collector or other proper officer of the customs, to make all proper examinations, to prevent females arriving from foreign countries from smuggling dutiable goods or merchandise into the United States.

BAGGAGE IN TRANSIT THROUGH CANADA.

4. All baggage of passengers in transit through Canada shall be placed in a car or cars, by itself, at the port of departure in the United States; and such car or cars shall be locked or sealed by an officer of customs prior to its leaving, and unlocked and unsealed by a similar officer at the port of arrival.

5 All steamboats or propellers plying between and touching at intermediate American and foreign ports,

shall set apart a room in which shall be placed, under United States customs locks and seals, all baggage of passengers taken on board at one American port destined for another; and all baggage not so secured, arriving at an American port, shall, before delivery, be inspected and examined as if arriving from a foreign port.

6. Baggage taken on board a steamer plying from the British Provinces to Eastport, and thence along the coast to Portland, Boston, and other ports in the United States, shall be placed in a room by itself, under a United States customs lock and seal, either by a United States Consul at the port of departure, or by a United States customs officer at the first port of arrival, to be examined on delivery by the proper officer at the port of its destination.

GOODS, WARES, AND MERCHANDISE IN TRANSIT.

7. All goods, wares, and merchandise in transit from one American port to another upon a railway running through a foreign territory, shall be placed in cars and locked and sealed by an officer of customs of the United States at the port of departure, in the United States, and shall be unladen at the first port of arrival in the United States. And in case of the arrival at any port in the United States of cars not so laden, locked, and sealed, containing goods, wares, and merchandise, such goods, wares, and merchandise shall be deemed to have arrived from a foreign port, and treated accordingly.

MANIFESTS.

8. Manifests of goods, wares, and merchandise, designed for transportation from one American port to another through foreign contiguous territory, shall be prepared by the shippers at the port of departure in the United States; one manifest for each car; giving the name of the shipper, the number of the car, consignee, destination, and a sufficiently particular description of the packages and their contents to insure their identification; which manifests shall be made in triplicate, subscribed by the shipper, and certified to, under seal, by the Collector at the port of departure—one to be placed on file by him, one to accompany the cars, or otherwise, to be delivered to the Collector at the port of arrival within the United States, and one to be transmitted by the Collector at the port of departure, by mail, to the Collector at the port of destination. And such goods, wares and merchandise shall be unladen only in the presence of a United States customs officer; and, on being duly compared by him with the manifests and found to agree in all respects therewith, shall, if not bonded, be delivered to the owner, importer, or consignee. And if any goods, wares, &c., shall be found not mentioned in the manifest, they shall be detained by the officer, and be subject to such penalties and forfeitures as the law may impose. Officers of customs superintending such unlading are enjoined to carefully examine such goods, wares, and merchandise, to see that they are the same mentioned in the manifest.

9. Canadian and other provincial lines carrying goods, wares, and merchandise from one American port to another shall, as soon as warehouses can be provided, be required to lade and unlade all such goods, wares, and merchandise, and baggage, within the United States; and, at such ports, to provide suitable buildings for the safe-keeping, under United States customs locks, of any unclaimed goods, wares, or merchandise and baggage, and suitable rooms for the occupancy and use of the United States customs officer or officers required to be employed upon their premises.

LOCKS AND SEALS.

10. Locks and seals shall be furnished to Collectors by the United States at the expense of the railway companies, for whose benefit they are to be used.

WHEN CARS NEED NOT BE UNLADEN.

11. Cars arriving in the United States from a foreign contiguous country, having but a single tier of barrels, kegs, hogsheads, or pipes thereon, with no superincumbent lading, or being otherwise so laden that nothing can be concealed, and the whole as well inspected on the car as it could be if removed, need not be unladen to be inspected.

Open cars laden with timber or bar iron, in such a manner that the same can be as easily inspected on the cars as if unladen, need not be unladen to be inspected.

Cars laden with cattle, horses, or other live stock, need not be unladen for inspection; but in all cases where the lumber, bar iron, or other articles are to be entered and duties paid or secured at any port, the same shall be there unladen, and an accurate ascertainment of the quantity and value made.

IN REGARD TO THE 20TH SECTION OF THE SMUGGLING ACT OF JULY 18, 1866.

12. Before commencing any proceedings under provisions of the 20th section of the "Act further to prevent smuggling," approved July 18, 1866, Collectors of Customs, or other seizing officers, shall submit the facts and circumstances in each case to the Department for consideration and decision.

H. McCULLOCH,
Secretary of the Treasury.

TREASURY DEPARTMENT,
WASHINGTON, Sept. 10, 1866.

"To the Hon. David W. Wells, United States Commissioner of Revenue:

"SIR: In view of the fact that the revision of the tariff is certain to engage the attention of Congress at its next session, I consider it especially desirable that the Treasury Department should be prepared to furnish as much information pertinent to the subject as can be obtained and collected within the limited time available for the necessary investigations. You are, therefore, hereby instructed to give the subject of the revision of the tariff especial attention, and to report a bill which, if approved by Congress, will be a substitute for all acts imposing customs duties, and which will render the administration of this branch of the revenue system more simple, economical and effective. In the discharge of this duty you will consider the necessity of providing for a large, certain and permanent revenue, keeping in view the fact that the existing tariff has proved most effective in this direction.

"You will therefore endeavor, first, to secure to the government a revenue commensurate with its necessities; and, secondly to propose such modifications of the tariff laws now in force as will better adjust and equalize the duties upon foreign imports with the internal taxes upon home productions. If this last result can be obtained without detriment to the revenue by reducing taxation upon raw materials and the machinery of home production, rather than by increasing the rates of imports, it would, in my opinion, by decreasing the cost of production and increasing the producing power of wages, greatly promote the interests of the whole country. In the prosecution of this work you are authorized to call upon any officer of the revenue for such information as you may require and he may be able to furnish. I am, with great respect, very truly yours,

H. McCULLOCH,
Secretary of the Treasury.

It is understood that the office of the Commissioner of the Revenue will be at the New York Custom House during the month of October.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 13. NEW YORK, SEPTEMBER 29, 1866. WHOLE NUMBER 91.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

MANY questions have arisen under section 10 of the recent Amendatory Act, as to the exemption of articles and products from taxation, and the decisions arrived at by the Department upon these questions, some of which have been already published in the RECORD, have been revised and embodied in a series of instructions to Revenue officers, and are published complete.

Among the most important are decisions relating to iron drain and sewer pipes, the provision exempting which is held not to exempt water mains or pipes.

Sarsaparilla, pop, root and like beer, are held to be taxable at the rate of 5 per cent. ad valorem.

Thread and twine are taxable, but cordage, ropes and cables made of vegetable fibre are exempt. The Department considers cords and lines taxable when not used as part of the rigging or tackle of vessels.

Colored photographs are taxable on the full sales value, including the cost of coloring.

Printing paper is exempt, but all other kinds, writing, wrapping, drawing, blotting, and filtering paper, paper hangings, and the like, are taxable. Paper made for tarring, if sold dry, is also liable to tax.

Mouldings for looking glass and picture frames are exempt, but no other mouldings; the frames made from such mouldings are taxable.

The exemption from tax of repairs of articles of all kinds does not to extend to taxable manufactures made or used in making repairs.

The exemption of car wheels, thimble skeins, and pipe boxes, and springs, tire, and axles, made of of steel, used exclusively for vehicles, cars or locomotives, is restricted (1) in the material from which made, and (2) uses to which applied. They must be made of steel and used exclusively for vehicles, cars and locomotives.

All barrels and casks made water tight, and used for packing beef, pork, lard, pickled fish, wet paints, &c., are held to be taxable, though not used for or intended to hold fluids alone.

The clause exempting from tax packing boxes made of wood, does not apply to boxes used for putting up goods before sale, and without which the goods could not be offered for sale, and which are sold as part and parcel of the goods, and are not technically known as packing boxes. Boxes for putting up cigars, spices, starch, salt, shoes, &c., are therefore taxable. Packing boxes made of paper, or other material than wood, except those made for friction matches, cigar lights, and wax tapers, are also taxable.

Fire places, mantel pieces, window caps, window sills, made of stone, are held to be taxable, not being included within the provision exempting building stone from tax.

Other rulings are made to which the attention of officers and taxpayers is directed.

The Secretary of the Treasury in a circular to officers of the Customs, enjoins compliance with certain requirements of the General Regulations, which are reported to have been neglected.

The notice of Internal Revenue and Customs disbursing officers is called to the provisions of section 30 of the Smuggling Act, in regard to the payment of salaries.

EQUALIZATION OF BOUNTY CLAIMS.

Under instructions from the Paymaster General, no power of attorney will be recognized by paymasters in the collection of claims for bounty under the act of July 28, 1866. The form of application prescribed by the War Department must be *strictly* and *literally* complied with. Communication will be held with the claimants only.

The Paymaster General makes an exception where claims are filed by duly authorized agents of the several States. In all such cases, communication will be held with the State agent, and when claims are allowed, drafts drawn and made payable to the claimant will be enclosed to said agents. This exception is made for the reason that the State agents charge the soldier no fee, and the State is responsible to the soldier for all moneys collected for him.

WE shall publish next week a copy of the written opinion of Judge Ballard, U. S. District Judge for Kentucky, in the case of the U. S. vs. Fifty-six barrels of whiskey, &c. This opinion touches upon some important points respecting the liabilities of distillers and dealers in spirits, and the extent to which innocent purchasers of illicit spirits are affected by the provisions of the law relating to forfeitures in such cases.

No limitation should be prescribed of the number of banking associations in the country for the issue of secured currency, restricting them to particular localities or centers of trade or otherwise, so as to preclude them from any town or place where the inhabitants desired and capitalists were disposed to establish them. It is just as equitable as matter of legislation, and as compatible with the interests and convenience of the people, to limit the number of grist-mills, the number of manufacturing companies, the number of commercial partnerships, and the like, as to confine them to large towns however remote from each other, as to predetermine and restrict the number of banks established on the plan proposed. If the banking system is right itself, if it is founded on sound principles, i

safe to the people and essential to their interests and welfare, why make it a monopoly of privilege and an engine of power over the people,—power in the hands of soulless corporations, or of individuals of insatiable avarice?

In several instances assessors have, under some misapprehension, neglected to take from the post office the copies of the RECORD sent to their address by order of the Government for distribution to their assistants.

It is only necessary to call the attention of such officers to the omission in order to have it corrected, and to state that the Department expects them to receive and to promptly mail or deliver to their assistants the copies intended for them. Assessors in our judgment have authority to frank the same when sent through the mail.

DIRECTORY—7TH DISTRICT NEW YORK.

Assessor, MERWIN R. BREWER, 23 Bible House.
Collector, MARSHALL B. BLAKE, 23 Bible House.

The 7th District, New York, comprises the 11th and 17th Wards of New York City. Boundaries: East 14th St., East River, Rivington St., Bowery to East 14th St. again. Sub-divided into 11 Divisions.

ASSISTANT ASSESSORS.

1st Division, FARMAN WHITING, Bible House, Boundaries: 4th Avenue to 14th St., to 1st Avenue to 11th St. to 3d Avenue to 4th Avenue.

2d Division, HENRY S. WALLACE, Bible House, Boundaries: Bowery to 3d Avenue, to 11th St. to 2d Avenue, to Christie St. to Rivington St. to Bowery.

3d Division, FRANCIS HEUEL, Bible House, Boundaries: 2d Avenue to 11th St. to 1st Avenue, to Houston St. to 2d Avenue.

4th Division, BERNARD SCHWARTZ, Bible House, Boundaries: 1st Avenue to 14th St. to Avenue A, to 3d St. to Avenue B to Houston St. to 1st Avenue.

5th Division, CHARLES J. GUNTHER, Bible House, Boundaries: Avenue A to 14th St., to Avenue B to 10th St., to Avenue C to 6th St., to Avenue B to 3d St. to Avenue A.

6th Division, SAMUEL R. SMITH, Bible House. Boundaries: Eldridge St. to Houston St. to Suffolk St., to Rivington St. to Eldridge again.

7th Division, GEORGE P. STUTZMAN, Bible House. Boundaries: Suffolk St. to Houston St. to Avenue B, to 2d St. to Columbia St. to Rivington St. to Suffolk St.

8th Division, JOHN LEWIS,, Bible House. Boundaries: Columbia St. to Avenue D, to 8th St. to East River, to Rivington St. to Columbia St.

9th Division, ALFRED EERE, Bible House. Boundaries: Avenue B to 6th St. to Avenue C, to 8th St. to Avenue D, to 2d St. to Avenue B.

10th Division, JAMES W. DARLINGTON, Bible House. Boundaries: Avenue B to 14th St. to East River, to 8th St. to Avenue C, to 10th St. to Avenue B.

11th Division, JACOB THEISS, Bible House. Boundaries: Christie St. to Houston St. to Eldridge St. to Rivington St. to Christie St.

NOTE.—As may be seen from the above, the offices of all the Assistant Assessors are id the Bible House, Astor Place, and their hours of attendance are from 8 o'clock, A. M., to 5 o'clock, P. M.

WASHINGTON VAN WYCK, Assistant Assessor, on special duty; office, Bible House.

Gazette.

Thomas Thornburg, Barboursville, West Va., Assessor 3d District, West Virginia.

James A. Wallace, Hopkinsville, Ky., Collector 2d District, Kentucky, vice Robert M. Hathaway.

Wm. M. Spencer, Lebanon, Ky., Assessor 4th District, Kentucky.

John R. Beckley, Shelbyville, Ky, Collector 4th District, Kentucky.

Edgar Needham, Louisville, Ky., Assessor 5th District, Kentucky.

Philip Speed, Louisville, Ky., Collector 5th District, Kentucky.

J. Crockett Sayers, Covington, Ky., Assessor 6th District, Kentucky, vice Wm. L. Rankin.

Benjamin Gratz, Lexington, Ky., Assessor 7th District, Kentucky, vice D. S. Goodloe.

Robert M. Kelly, Paris, Ky., Collector 7th District Kentucky, vice Willard Davis.

Samuel L. Blaine, Maysville, Ky., Assessor 9th District, Kentucky.

John Jay Anderson, Mt. Sterling, Ky., Collector 9th District, Kentucky.

Barton Able, St. Louis, Mo., Collector 1st District, Missouri, vice Wm. Taussig.

James A. Greason, Ironton, Mo., Assessor 2d District, Missouri, vice Daniel Q. Gale.

Wm. M. Hamilton, Cape Girardeau, Mo., Collector 2d District, Missouri, vice J. B. Maupin.

Alexander H. Martin, Troy, Mo., Assessor 4th District, Missouri.

Garland R. Brodhead,————, Assessor 5th District, Missouri, vice Geo. B. Smith.

Thomas T. Crittenden, Warrensburg, Mo., Collector 5th District, Missouri.

Bassett Langdon, Cincinnati, Ohio, Assessor 1st District, Ohio, vice Charles R. Fosdick.

Samuel F. Casey, Cincinnati, Ohio, Collector 2d District, Ohio, vice R. M. W. Taylor.

Ferdinand Van Derveer, Hamilton, O., Collector 3d District, Ohio, vice John L. Martin.

John E. Cummins, Sidney, O., Assessor 4th District, Ohio, vice D. M. Fleming.

Theo. E. Cunningham, Lima, O., Assessor, 5th District, Ohio, vice Geo. W. Beery.

Julius A. Penn, ————, Collector 6th District, Ohio, vice David Sanders.

Wm. C. Scofield, Marion, Ohio, Assessor 8th District, Ohio, vice C. S. Hamilton.

John H. Anderson, Marion, O., Collector 8th District, Ohio, vice Isaac Bonney.

John A. Turley, Portsmouth, O., Assessor 11th District, Ohio, vice Daniel McFarland.

John A. Hunter, Lancaster, O., Collector 12th District, Ohio, vice Nathan Denny.

Geo. B. Arnold, Mt. Vernon, O., Assessor 13th District, Ohio, vice Benjamin Grant.

Basil C. Brown, Millersburgh, Holmes Co., O., Assessor 14th District, Ohio., vice Aaron Pardee.

Henry E Mussey, Elyria, Lorain Co., O., Collector 14th District, Ohio [illegible] Gates.

Henry N. Johnson, Cleveland, O., Collector 18th District, Ohio, vice Richard C. Parsons.

Joseph B. Bennet, Detroit, Mich., Assessor 1st District, Michigan, vice Orlando B. Wilcox.

Cyrus O. Loomis, Coldwater, Mich., Assessor 2d District, Michigan, vice Elisha J. House.

Geo. S. Cooper, Ionia, Ionia Co., Mich., Assessor 4th District, Michigan, vice Alonzo Sessions.

Robert P. Sinclair, Grand Rapids, Kent Co., Michigan, Collector 4th District, Michigan, vice Aaron B. Turner.

Benj. F. Partridge, Bay City, Mich., Assessor 6th District, vice Townsend North.

Wm. B. McCreery, Flint, Genessee Co., Mich., Collector 6th District, Michigan, vice Samuel N. Warren.

A. Hyatt Smith, Janesville Wis., Assessor 2d District, Wisconsin, vice David Atwood.

J. Peter Bonesteel, Fond du Lac, Wis., Assessor 4th District, Wisconsin, vice Orrin Hatch.

Geo. C. Ginty, Green Bay, Wis., Collector 5th District, Wisconsin, vice Horace Meriam.

J. Cary Geer, Boise City, Collector Idaho Territory.

Wm. E. Bond, Edenton, N. C., Collector 1st District, North Carolina.

Samuel Mayrant, Sumterville, S. C., Collector 1st District, South Carolina, vice Montgomery Moses.

Wm. Van Wyck, ————, Assessor 3d District, South Carolina, vice Chas. J. Elford.

Alexander S. Wallace, Columbia, S. C., Collector 3d District, South Carolina, vice James G. Gibbs, Columbia.

Thomas S. White, Brandon, Miss., Assessor 2d District, vice Alonzo S. Mayers.

Robert M. Tindale, Okolona, Miss., Assessor 3d District, Mississippi.

James Johnson, Galveston, Texas, Assessor 1st District, Texas, vice Benj. F. McDonough.

R. H. Lane, ————, Collector 2d District, Texas, vice Robert B. Kingsbury.

Richard N. Lane, Austin, Texas, Collector 3d District, Texas.

THE receipts from internal revenue continue undiminished, and will probably not fall off until the collection upon the annual lists shall have stopped, which will be very soon. We apprehend that no other country can show a similar income for the past three months, all received from the people with no disarrangement of monied affairs, and with markets abundantly supplied at low rates, in all the States except those lately in insurrection. If it were not for the greenbacks and secured currency, it is to be seriously doubted whether so much money could be taken in without creating stringency and apprehension.

THE Government now holds over eighty millions in gold coin, sixty-five millions of which belong to it, and the balance is held on gold certificates. The disbursements to be made November 1st, for interest on Five-Twenty bonds, will amount to twenty-four millions. While the Government keeps possession of so much coin, it controls the gold market. It is in the position of a gold "bear," and speculating "bulls" will fear to operate for a material rise while a bear of such power is against them.

WAR DEPARTMENT.

RULES AND REGULATIONS FOR THE PAYMENT OF BOUNTIES UNDER THE ACT TO EQUALIZE BOUNTIES, APPROVED JULY 28, 1866.

WAR DEPARTMENT,
ADJUTANT GENERAL'S OFFICE,
Washington, Sept. 16, 1866.

1. All applications shall be filed within a period of six months, from the 1st day of October, 1866, and before any payments are made, shall be classified by regiments, battalions, or other separate organizations, and no application filed after that period shall be settled until the former shall have been paid.

2. No application shall be entertained unless accompanied by the original discharge of the soldier, and the affidavit required by the 14th section of the act, and the further affidavit that he has not received, nor is he entitled to receive from the United States, under any laws or regulations prior to the act of July 28, 1866, more than $100 bounty for any and all military service rendered by him during the late rebellion, over and above the amount therein claimed.

3. All applications for the additional bounty authorized by this act from surviving soldiers shall be in the form hereinafter prescribed, and the evidence of identity shall be the same as is now required, and applications from the heirs of deceased soldiers shall be in the form now required by the Treasury Department.

4. As soon as the examination of the claims of any regiment, or other independent organization, shall have been properly acted upon, the Paymaster General shall take the necessary steps for their prompt payment.

5. A register shall be kept in the Paymaster General's Office, and also in the office of the Second Auditor, of all claims presented under the laws, in which the claimants will be classified by regiments, &c. If the claims be allowed, the amount of bounty paid to each will be noted, and if rejected, the cause of rejection will be distinctly stated.

6. In the applications for bounty, as required by the 3d of these rules, the affidavit shall state each and every period of service rendered by the claimant, and also that he never served otherwise that as therein stated.

7. Organizations irregularly in the service of the United States, or called out for special purposes, as State militia, home guards, &c., and not included in the general bounty laws, are not included within the meaning of the act.

8. Soldiers enlisted for "three years or during the war," who were discharged by reason of the expiration of the war, shall be considered as having served out the period of their enlistment, and are entitled to bounty under this act.

9. The minority of heirs, claimants for bounty under this act, must be proven to have existed at the date of its passage. Parents shall receive *jointly* the bounty to which they may be entitled as heirs, unless the father has abandoned the support of his family, in which case it shall be paid to the mother. Non-residence in the United States shall not be a bar to the claims of heirs who would otherwise legally inherit.

The provisions of the act exclude from its benefits the following classes:

1. Those who, after serving the full period of their enlistment, were dishonorably discharged at its expiration.

2. Those discharged during enlistment by way of favor or punishment.

3. Those discharged on account of disability contracted in the service, but not ocasioned by wounds received "in the line of duty," who shall not have previously served two or three years respectively at the time of discharge.

4. Those discharged on account of disability existing at the time of their enlistment.

5. The heirs of those who have died since their discharge of wounds or disease not contracted in the service, and in the line of duty.

6. The surviving soldiers and heirs of deceased soldiers, who, under previous laws, have received or are entitled to receive a bounty of more than $100 from the United States.

7. The surviving soldiers, as well as the heirs of deceased soldiers, when such soldiers have bartered, sold, assigned, loaned, transferred, exchanged, or given away their final discharge papers, or any interest in the bounty provided by this or any other act of Congress.

8. The act of the 28th of July, 1866, creates no right of inheritance beyond those vested by the law under which these heirs received or were entitled to receive the original bounty, and debars certain classes, brothers and sisters of heirs that were entitled to receive the original bounty, from any claim for the additional bounty provided by this act.

Respectfully referred to the Attorney General for his opinion on the point whether the rules and regulations as within amended are in conformity with law.

EDWIN M. STANTON,
Secretary of War.

September 14, 1866.

I have examined these amended regulations, and am of opinion they are in conformity with law.

HENRY STANBERY.
Attorney General.

September 15, 1866.

The foregoing rules and regulation are published for the information and guidance of all concerned.

By order of the Secretary of War:

E. D. TOWNSEND,
Assistant Adjutant General.

DEPARTMENT OF THE INTERIOR.

OPINION AS TO THE RIGHTS OF STATES TO TAX IMPROVEMENTS ON HOMESTEADS BEFORE THE FEE HAS PASSED FROM THE UNITED STATES TO THE SETTLER.

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
WASHINGTON, Sept. 18, 1866.

Gallilon Brown, Esq., Auditor, Martin County, Fairmount, Minn.:

SIR: I have received your letter of the 6th instant, inquiring as to the right to tax improvements, such as *buildings, fences, wells*, on tracts entered under the homestead law of 20th May, 1862. By that act Congress made a contract with the class of persons named therein, which, in substance, is just this: If a qualified settler goes on the land, resides there, and cultivates the tract for the full term of five years, the Government stipulates that he shall, on paying a small fee, get a complete title. The consideration is mainly a *labor consideration*, stipulated, not only for the interest of the claimant, but for the benefit of the State.

Now, have the State authorities the right to tax such improvements, to disable a party from fulfilling the conditions, by encumbering his claim to his house, his improvements, and, in case of failure to pay the assessments, to sell and make title to that kind of property? We think not. The right of Congress, under the authority delegated by the Constitution, to pass this act is beyond question. Hence, the statute, in virtue of the sixth article of that instrument, is a "part of the supreme law of the land." It cannot, therefore, be properly rendered inoperative or abridged by such an exercise of the taxing power as would defeat the privileges conferred upon the settler.

The spirit and purpose of Congress, in this respect, is clearly manifested in the fourth section of said act of 20th May, 1862, which declares "that no lands acquired under the provisions of this act shall in any event become liable to the satisfaction of any debt or debts contracted prior to the issuing of the patent thereof." It is the generous purpose, then, of the United States, through the National Legislature, to protect settlers in their homes under the law until their titles reach maturity.

It is, of course, not the province of this office to determine questions of this character, because their solution can in no way affect the action of the Department in the premises; yet such is its opinion, given because you have called for the same, and from the conviction not only of its correctness, but that the interest of all concerned—settlers, the community, and the State—will be best subserved by its observance.

Very respectfully, your obedient servant,
JOS. S. WILSON, *Commissioner.*

CUSTOMS DEPARTMENT.

APPRAISEMENT OF MERCHANDISE IMPORTED FROM COUNTRIES OTHER THAN THOSE OF PRODUCTION.

TREASURY DEPARTMENT,
September 17, 1866.

SIR: Messrs. Heinemann & Payson have addressed a communication to this Department, asking for a construction of the 9th section of the act of July 28, 1866, (Record, vol. IV, p. 50,) in regard to the including of charges in determining the dutiable value of importations, under the following circumstances:

They state: "We buy, for instance, a lot of Russian wool in Liverpool at the current market value at that place; in making up the value for entry, we add to this cost all the expenses for putting the goods on board the vessel, besides brokerage, commission, and all other charges incurred in making the purchase and shipment. Now, we would like to be informed whether, on the top of all cost and charges, we are required to add the expense of shipping the goods from Russia to Liverpool, which we have never paid, inasmuch as it is already included in the market price at the last port of shipment, and which would be almost impossible to estimate, as the goods might have been transported either by steamer or sailing vessel, the former being far more expensive than the latter. Furthermore, it would, in most cases, be difficult to determine in what part of Russia certain lots of wool were grown, as the same kinds are produced at remote points."

The dutiable value of Russian wool, shipped from England to the United States, should be determined by ascertaining the market value thereof in the principal markets of England at the period of exportation, to which should be added the commission at the usual rate, (in no case less than 2½ per centum,) and all other actual charges and expenses incurred in England, including transportation, shipment, and transhipment in said country, to the vessel in which shipment is made to the United States.

Neither the cost of transportation to the markets of England, nor any charges which have accrued on the merchandise prior to such transportation, are dutiable as *costs and charges*, but being embraced in the market value in England, they become subject to duty in that form. Such I understand to be the rule prescribed in the ninth section of the tariff act, approved July 28, 1866, for the government of officers of the customs in the assessment of duty on imports.

I am, very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

H. A. SMYTHE, Esq., *Collector, New York.*

THE regulations of the Treasury Department governing the allowance of drawback on imported salt in bond, being crowded out of this issue, will be published next week.

Treasury Dept., Decisions, &c.

OFFICIAL.

(Series 2. No. 8.)

INSTRUCTIONS TO UNITED STATES ASSESSORS, CONCERNING THE EXEMPTION OF ARTICLES AND PRODUCTS FROM TAXATION UNDER THE 10TH SECTION OF ACT OF JULY 13, 1866.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 8, 1866.

The following constructions having been adopted by this office with regard to the exemptions authorized by section eleven [ten] are printed as a guide to officers of internal revenue to aid them in determining questions which may arise in the application of the law to the various manufactures involved therein.

E. A. ROLLINS,
Commissioner.

BARRELS AND CASKS OTHER THAN THOSE USED FOR THE RECEPTION OF FLUIDS.

Under this head all dry barrels are exempt from taxation, such as flour barrels, and barrels and casks for packing lime, plaster, cement, nails, dry paints, rice, tobacco, sugar, &c.

But all barrels and casks made water-tight, and used for packing beef, pork, lard, pickled fish, wet paints, &c., are taxable, though not used for or intended to hold fluids alone.

PACKING BOXES MADE OF WOODS.

The term "packing boxes" is to be understood and taken in its technical and mercantile signification.

That signification implies boxes used by the manufacturer, merchant, or jobber, to enclose goods after they have been sold in order to secure safe and easy transportation. Boxes used for putting up goods before the sale, and without which the goods could not be offered for sale, and which are sold as part and parcel of the goods, are not technically known as packing boxes. Thus, boxes for putting up cigars, spices, starch, salt, shoes, &c., are not packing boxes.

Packing boxes made of paper or other material than wood, except those made for friction matches, cigar lights, and wax tapers, are taxable.

BUILDING STONE.

This exemption applies only to the ordinary stone, and not to articles manufactured from stone, marble, or slate. It does not exempt fire places, mantle pieces, window caps, window sills, or other manufactures which are recognized as articles of traffic and manufactured for sale or upon special order as circumstances may require.

All manufactures of stone, marble, or slate not especially exempt, are liable to an ad valorem tax of five per cent.

FLAX AND THE MANUFACTURES THEREOF.

By the 96th section of the act of June 30, 1864, flax prepared for textile or felting purposes, until actually woven, is exempt from tax. And by the 10th section of the act of July 13, 1866, flax, and the manufactures thereof, are exempt from tax.

This exemption of flax and the manufactures thereof includes and covers all the exemptions of flax prepared for textile or felting purposes, &c. The question has been raised whether articles or fabrics made in part of other materials are exempt from taxation, and how far the words "manufactures thereof" extend. The primary manufacture of flax consists in separating the fine fibres or skins of the plant by hackling and combing. The article thus obtained is the flax of commerce, and this the law exempts. The manufactures from flax are thread, and cloth or fabrics, and these also are exempt.

If a manufacturer takes the raw material flax, and by a continuous process, or by a succession of processes, weaves, knits, or felts a cloth, a fabric, or an article, his product is exempt from tax; it is a manufacture of flax.

But a manufacturer who makes articles of dress for the wear of men, women, or children, from cloth or fabrics purchased in the market, or purchased from the manufacturer thereof, is not entitled to exemption from tax.

He does not manufacture from flax, but his products are all the result of a secondary manufacture, and are all made from materials which render them liable to taxation under other express provisions of law.

Again, a manufacturer who makes cloths, fabrics, or articles partly of flax and partly of other materials, is not to be regarded as a manufacturer of flax, nor are such mixed products exempt from taxation.

Exemptions are to be construed literally; such is declared to be the intent of the law, as appears from the proviso at the end of the 10th section, in these words: "*Provided*, That the exemptions aforesaid shall, in all cases, be confined exclusively to said articles in the state or condition specified in the foregoing enumeration, and shall not extend to articles in any other form, nor to manufactures from said articles." This proviso is restrictive, and confines the exemptions to the precise articles named, and the articles must be in the state and condition specified.

In the case under consideration, the exempted articles are (1) flax, and (2) the manufactures of flax, or the articles made of flax, and not any subsequent manufactures from said articles.

Crash, diaper, sheetings, &c., the warps of which are cotton or other material, and the filling flax yarn, are liable to a tax of 5 per cent. ad valorem.

Cloths or fabrics made as above, when dyed, colored, printed, or bleached, if previously assessed and the tax paid thereon, are liable to a tax of 5 per cent. on the increased value only. In no case is a proportionate part of the increased value to be assessed. If liable at all, the entire amount of increased value is taxable.

HULLS OF SHIPS AND OTHER VESSELS.

The act of June 30, 1865, imposed a tax of 2 per cent. on the hulls of all ships, barks, brigs, schooners, sloops, sailboats, steamboats, canal boats, and all other vessels or water craft.

The exemption in the new law specifies only the hulls of ships and other vessels. Boats propelled by oars cannot be regarded as vessels. They are not therefore exempted from tax under this provision, but are liable to a tax of five per cent. under the general provision of the 94th section as manufactures not otherwise provided for.

IRON DRAIN AND SEWER PIPES.

This provision does not exempt gas or water mains or pipes.

MEDICINAL AND MINERAL WATERS.

This provision will exempt soda water however sold, but does not exempt sarsaparilla, pop, root, and like beer.

These are taxable under the general provision of the 94th section at the rate of 5 per cent. ad valorem.

CORDAGE, ROPES, AND CABLES, MADE OF VEGETABLE FIBRE.

The terms "cordage" and "cables" exempt from taxation all ropes and lines, made and used for rigging and tackle of vessels or water craft.

Rope differs from twine or line mainly in size. It is difficult to define the precise distinction and show where the line or twine becomes a rope.

The law expressly provides for taxing thread and twine, and cords and lines are regarded as taxable when not used as a part of the rigging or tackle of vessels.

Common usage, and the language employed ordinarily to characterize the article, must be the assessor's guide in settling the question of liability in each case where exemption is claimed under the language of the statute.

MOULDINGS FOR LOOKING-GLASSES AND PICTURE FRAMES.

This exemption applies only to mouldings used for the purposes enumerated. It does not exempt other mouldings, neither does it exempt looking-glass or other picture frames made from mouldings. These are subject to a tax of 5 per cent. ad valorem, however made.

PRINTING PAPER OF ALL DESCRIPTIONS, AND TARRED PAPER FOR ROOFING AND OTHER PURPOSES.

The exemptions under this head are to be confined strictly to the descriptions of paper named.

Paper technically known as printing paper is exempt. All other kinds, whether writing paper, wrapping paper, drawing paper, blotting paper, filtering paper, paper hangings, and the like are taxable. And paper made for tarring, if sold dry, is liable to tax.

BOOKS.

Photograph albums are not to be regarded as books within the meaning of the excise law. They are liable to an ad valorem tax of 5 per cent.

PHOTOGRAPHS AND OTHER SUN PICTURES.

Copies of engravings or works of art, when the same are sold by the producer at wholesale at a price not exceeding fifteen cents each, or are used for the illustration of books, are exempt. All other photographs and sun pictures are subject to an ad valorem tax of 5 per cent. upon the price at which the photographer sells his pictures. The law recognizes no other basis of taxation where the tax does not accrue till after sale.

A photographer who colors a picture or otherwise ornaments it, thereby increasing its value or increasing the price received for it, will not satisfy the law by returning the price which he would have received for the picture without such coloring or ornamentation. Nothing short of the actual price received by the photographer or artist satisfies the requirements of the law.

PICKLES.

Pickles, when put up in glass jars or cans, are liable to a stamp duty under Schedule C.

REPAIRS OF ARTICLES OF ALL KINDS.

This exemption does not extend to the materials used in making repairs when such materials are, in themselves, taxable manufactures. Neither does it exempt constituent parts of machines or instruments when such parts are, in themselves, separate and distinct manufactures, and are made to supply the place of some corresponding part which has been broken or worn out. Castings of iron or other metals unless specially exempt are equally liable to tax when used for repairs as when used in a new article or machine.

RESIDUUMS.

Under this head, resin drawn from the still after distillation of crude turpentine is exempt from duty. But pitch, a compound of resin and tar is taxable.

CAR WHEELS, THIMBLE SKEINS, AND PIPE BOXES, AND SPRINGS, TIRE, AND AXLES, MADE OF STEEL, USED EXCLUSIVELY FOR VEHICLES, CARS, OR LOCOMOTIVES.

The exemption of the articles enumerated in this clause is restricted (1) in the material from which they are made, and (2) in the uses to which they are applied. They must be made of steel, and used exclusively for vehicles, cars, or locomotives.

It is objected to this limitation of the exemption that car wheels, thimble skeins, and pipe boxes are never made of steel; but from the grouping of the articles, and from the limiting clauses above referred to,

no different construction can be put upon this provision.

As the bill was originally reported, this clause referred exclusively to steel and articles which were manufactures of steel. Afterwards other articles were introduced into the clause at different stages of its passage through the two Houses—as rails made and fitted for railroads; but these were undoubtedly steel rails, for iron rails had been expressly named for exemption. Then car wheels were introduced; but car wheels had been provided for, and the tax paid thereon allowed to be deducted from the tax assessed upon the finished car.

Had it been the intention of Congress to exempt *iron wheels*, they would not have made provision for deducting the tax on an article not liable to any tax. The manufacture of steel in all its branches, in this country, is comparatively in its infancy; and this was urged as a reason why no tax, in addition to the tax imposed upon the iron from which it is made, should be imposed upon the production of steel, or on articles made directly from domestic steel. If thimble skeins and pipe boxes are never made except from iron, then they are castings of iron, and should have been placed under the head of castings, had there been any intention to exempt them from taxation. Whether they are ever made of steel or not is immaterial to the decision of this question. The law provides for exempting them when made of steel. The language employed is hardly susceptible of any other construction. It is in these words; "car wheels, thimble skeins, and pipe boxes, and springs, tire, and axles made of steel," &c. The words "made of steel" cannot be made to qualify alone the words "tire and axles" immediately preceding; they must qualify the word "springs" as well; and if they qualify the latter word, they must be carried still further back and qualify equally the words "thimble skeins and pipe boxes" used for vehicles, while the other articles enumerated are used for vehicles, cars, or locomotives.

These considerations led to the classification found in the schedule prepared by this office of exempted articles, viz: "thimble skeins and pipe boxes made of steel." In like manner the tire, to be exempt, must be made of steel, and the springs such as are used exclusively for vehicles, cars, or locomotives.

TIN CANS USED FOR PRESERVED MEATS, FISH, ETC.

It has been suggested that a great many cans, about the size of a quarter-pound spice can, are used for packing essence of coffee, baking powders, and many other purposes besides packing spices in them, and therefore that all cans under a half-pound should be ruled to be spice cans.

This would be an easy mode of avoiding a difficulty, but would hardly satisfy the requirements of the law.

The law exempts tin cans used for preserved meats, fish, shell-fish, fruits, vegetables, jams, jellies, paints, oils, and spices, and in the same section provides that the exemptions enumerated shall, in all cases, be confined exclusively to said articles in the state and condition specified in the enumeration, and shall not extend to articles in any other form. Meats, fish, shell-fish, fruits, &c., are made liable to a stamp duty under Schedule C, and the stamp is intended to cover the package as well as its contents. After the first draft of the exempted list, there were added to the list cans for paints, oils, and spices, though paints, oils, and spices put up and sold in cans are not liable to stamp duty.

If it is true that there is no difference between a spice can and a can used for packing essence of coffee or baking powder, or for any other purpose, then all cans made for such uses must be returned by the manufacturer; and when it is shown to the satisfaction of the revenue officers that any cans returned for taxation have been used for purposes which render them exempt, the tax will be remitted.

UMBRELLAS AND PARASOLS, AND STICKS AND FRAMES FOR THE SAME.

By the Act of June 30, 1864, section 96, umbrella stretchers were exempt from duty. The other parts of an umbrella or parasol, such as the frame, the handle, the stock, or the stick, were taxable when made as separate and distinct manufactures, and sold in the market as commercial articles.

The new law exempts the finished umbrella and parasol, and also the sticks and frames made for the same, and the question is raised whether the handle, which is a part of the stick, and which is generally manufactured as a separate and distinct article, is also exempt from taxation under the new law.

To this inquiry it may be said that, while the law enumerates sticks, frames, and stretchers as part of the umbrella or parasol, the most important part, and the one on which the greatest amount of skill and labor is expended is left out, and it must be presumed intentionally so by Congress, viz: the handle; and that no door might be left open for exempting any article by construction, the proviso before quoted was placed at the end of the section. It follows, therefore, that umbrella and parasol handles not being found in the list of exempted articles, and being in themselves a well known article of manufacture and traffic, they are taxable, whether made and sold, *or used* by the manufacturer in the production of sticks, umbrellas, or parasols.

BULLION.

Under section 10 of the Act of July 13, 1866, the "value of bullion used in the manufacture of wares, watches, and watch-cases, and bullion prepared for the use of platers and watchmakers," is exempt from internal tax.

All bullion which is used by manufacturers is not therefore exempt from tax, but only such as is used and prepared under the provisions of the above-named section.

Bullion used in the manufacture of jewelry is not exempt. Gold and silver rings, bracelets, pins, chains, &c., are regarded as jewelry; but gold pens, thimbles, spectacle-frames, &c., are regarded as wares.

YARN AND WARP.

Yarn and warps are exempt from taxation when made and sold or used as material out of which are fabricated cloths or articles of wearing apparel, household or other uses, which cloths or articles are liable to taxation under any of the provisions of section 94.

Manufacturers having on hand yarns or warp on which a tax has been paid are entitled to pay tax only on increased value when the same are made into cloth or fabrics or articles.

WIRE.

The tax on wire, whether made of iron, steel, brass, or copper, is 5 per cent. ad valorem as a manufacture not otherwise provided for. There is, however, in the 10th section of the law, a provision exempting wire made from wire less than No. 20 wire gauge upon which a tax has been assessed and paid as wire, and also a provision that no manufactured wire shall pay a greater tax than that imposed on No. 20 wire gauge.

When wire less than No. 20, on which a tax of 5 per cent. ad valorem has been paid, is afterwards drawn to a greater degree of fineness, no additional tax is to be assessed thereon.

Wire, however, on which no tax has been previously paid as wire, is liable to a tax of 5 per cent. upon the price at which it is sold, whether that price is sixty cents, one dollar, or two dollars per pound.

The law imposes a tax of 5 per cent. ad valorem. The assessment of the tax must be at that rate. The amount to tax depends upon the value of the wire. This is a variable quantity, subject to the fluctuations of the market, supply and demand.

The rate is fixed; being imposed by the law at five per cent. ad valorem, it cannot be changed except by a change of the law. The law is not satisfied with the same amount only of tax on wire sold at one dollar per pound as on wire sold at sixty cents per pound. The tax on the former is five cents and on the latter three cents, unless in the one case the wire has been redrawn from wire less than No. 20 gauge on which a tax has been previously paid as wire.

CASTINGS.

Castings of iron of all descriptions not otherwise provided for are subject to a tax of $3 per ton. The castings otherwise provided for are—

(1.) Malleable iron castings, unfinished.

(2.) Castings made specially for locks, safes, looms, spinning machines, steam engines, hot-air and hot water furnaces, and sewing machines; and

(3.) Castings for iron bridges.

These castings, when not sold or used for any other purpose, and when a tax is assessed and paid on the article of which the casting is a part, are exempt from taxation.

Castings of all descriptions, made for articles, machines, or instruments, other than those specially enumerated, are liable to tax.

The words "castings of all descriptions" include castings of brass and other metals or combinations of metals, as well as castings of iron.

WOODEN WARE.

The question has been raised with regard to the term "wooden ware," as used in the act of July 13, 1866, and to the extent to which articles made wholly or in part of wood are exempt from taxation under this provision.

The use of the singular number "ware" instead of wares, shows an intention to limit the term to articles of a particular kind or class, and to such as are technically known as "wooden ware," and not to include all articles of wood however different in kind. There are various other provisions of the same law which go to show that the term "wooden ware" is to be limited strictly to its technical signification, and cannot be applied to manufactures of wood in general.

Section 94 provides for taxing furniture and other articles of wood, not otherwise provided for, 5 per cent. ad valorem.

Section 10 exempts barrels and casks when not used for fluids; packing boxes made of wood; baskets made of splints; crutches and artificial limbs; various agricultural implements made of wood; constituent parts of wheels and carriages or wagons made of wood; wooden handles for agricultural, household, and mechanical tools and implements; pail and tub-ears and handles, and wooden tanks and cisterns for crude mineral oil. These articles were not thought to be covered by the term wooden ware, otherwise there would have been no necessity to have enumerated them and to have declared them specially exempt.

The conclusion is therefore inevitable that wooden ware, as used in the section of the law referred to, can only be construed to exempt such articles or implements of kitchen or household use as are made exclusively of wood and technically known as wooden ware, to wit: tubs, pails, chopping boards and trays, wooden plates, bowls, dishes, spoons, knives, ladles, rollers, pins, moulds, prints, pats, mortars, pestles, dippers, ironing boards, pastry and meat boards, wash-boards, clothes sticks, clothes horses, &c., &c.

Other articles made of wood, such as churns, boxes, kegs, firkins, fish-kits, measures, saw-frames, ladders, pumps, &c., &c., are liable to an ad valorem tax of 5 per cent.

EXEMPTIONS UNDER THE LAST CLAUSE OF THE 96TH SECTION OF THE ACT OF JUNE 30, 1864.

The proviso under the above section is held to cover cases where the change from material to product was by so slight and unexpensive a process that the cost of such change of manufacture, added to the profit to be derived from the sale of the completed article, was not more than 5 per cent of the value of the material.

The manufacture of shot, sheet lead, and lead pipe, from lead in ingots, pigs, or bars, may be taken as an illustration of the principle or rule.

If lead which cost 10 cents per pound can be made into pipe and the pipe sold for 10½ cents per pound, and is so sold, the pipe is not liable to any excise tax. But if the pipe is sold for more than 10½ cents, then it is liable to a tax of five per cent. ad valorem.

If a manufacturer holds lead which cost him more than its present market value, or more than he could sell sheet lead, or shot, or lead pipe for, were he to manufacture such lead into these articles, still he would be liable to pay tax on his products if the cost of converting his material (lead) into products, with his profits added, exceeded by more than 5 per cent. the manufacture of the raw material at the time of manufacture.

The manufacturer of sheet lead, shot, or lead pipe, in determining his liability under the limitation clause of the 96th section, must take *the average* market value of the raw material, or pig lead, and the average market value of the manufactures therefrom during any month, and if the difference between the two is more than 5 per cent. of the value of the former, the manufactured articles are taxable, and must be returned.

The assessor, in all cases, is to be the judge of the liability, after a careful examination of all the facts, in every case where exemption is claimed under the provision of the 96th section referred to. No party claiming exemption can be allowed to be the judge in his own case.

The rule here applied to the manufacture of lead is applicable in the case of all other manufactures where exemption from taxation is claimed under this provision.

(Circular No. 53.)

CONCERNING THE TAX UPON THE DEPOSITS OF SAVINGS BANKS HAVING NO CAPITAL STOCK.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 17, 1866.

As the Amendatory Act of July 13, 1866, takes effect on the first day of August, 1866, all Savings' Banks will be required to make the return of tax on their deposits for the month of July, 1866, in manner and form as heretofore. The return for said month shall be made to the proper Assistant Assessor, and the tax paid to the Collector in accordance with Circular No. 48, July 20, 1866.

The returns of the above named institutions, from the first day of August, 1866, will be made on the first day of January, 1867, and semi-annually thereafter, in the manner set forth in Form No. 106.

The benefit of the exemptions in the proviso to section 110, Act of June 30, 1864, as amended July 13, 1866, is confined to Provident Institutions, Savings' Banks, Savings' Funds, or Savings' Institutions having no capital stock, and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the Company.

In ascertaining the taxable amount of deposits, all sums of five hundred ($500) dollars and upwards, in the name of any one person, are to be included.

In determining the "average amount of deposits" subject to taxation for the period covered by the return, these institutions will be allowed, in order to facilitate the making of such return, to take the amount on deposit on the first days of January and July of each year, prior to the time of making their returns, as the correct average deposit, or to take such period between those dates as may be satisfactory to the Assessor of the District where such institution is located. The total amount of deposits at the date fixed upon should always be stated in the return.

The term "United States securities" includes all interest-bearing obligations of the United States, owned and held by the Bank as an investment.

The proviso to section 120, Act of June 30, 1864, as amended July 13, 1866, so far as it relates to the interest paid to depositors in Savings' Banks or Savings' Institutions, is construed to apply only to such Savings' Institutions as are described in the proviso to section 110, Act of June 30, 1864, as amended July 13, 1866.

All others are liable to the five per cent. tax imposed by section 120 aforesaid, on the dividends or interest declared or paid by them to depositors and stockholders.

E. A. ROLLINS, *Commissioner.*

MELODEON AND ORGAN BOARDS, REEDS AND ACTIONS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 8, 1866.

SIR: I have received a statement of A. H. Hammond, under date of August 31st, with an endorsement made by you, relative to melodeon and organ boards and reeds fitted to and enclosed in the boards, &c. This board Mr. Hammond claims to be exempt from taxation, since containing the reed seats and reed sills, valve seats and valve slots, sounding chambers, &c., it is the foundation and principal part of a melodeon action, and being made and sold to melodeon manufacturers, exclusively for that purpose, who supply the parts wanting, and complete the action, it pays tax on the finished instrument. In answer I have to say that upon the statement submitted by Mr. Hammond, and certified to by yourself, I am of opinion that the melodeon actions as manufactured by Mr. Hammond, are entitled to exemption under the Act of July 13, 1866.

Yours respectfully,
E. A. ROLLINS, *Commissioner.*

IVERS PHILLIPS, Esq.,
U. S. Assessor, Worcester, Mass.

ARTICLES AND FABRICS MADE FROM FLAX.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 11, 1866.

SIR: In reply to the inquiries in your letter dated 10th inst., I have to say that by the act of June 30th, 1864, the 96th section provides that flax prepared for textile or felting purposes until actually woven is exempt from tax, and by the 10th section of the act of July 13th, 1866, flax and the manufactures thereof are exemp from tax.

The question has been raised whether articles or fabrics made in part of flax and in part of other materials are exempt from tax, and how far the words "manufactures thereof" extend.

A manufacturer who makes articles of dress for the wear of men, women, and children, from cloth or fabrics purchased in the market, or produced from the manufacturer thereof, is not entitled to exemption from tax. He does not manufacture from flax, but his products are the results of a secondary manufacturer and are all made from materials which render them liable to taxation under other express provisions of law.

Again, a manufacturer who makes cloths, fabrics, or articles, partly of flax and partly of other materials, is not to be regarded as a manufacturer of flax, nor are such mixed products exempt from taxation. Exemptions are to be construed strictly; such is declared to be the intent of the law, as appears from the proviso at the end of the 10th section in these words: "*Provided*, That the exemption aforesaid shall in all cases be confined exclusively to said articles in the state and conditions specified in the foregoing enumeration, and shall not extend to articles in any other form nor to manufactures from said articles."

Crash, diapers, sheetings, &c., the warps of which are cotton or other materials and the filling flax yarn, are liable to a tax of five per cent ad valorem. Cloths or fabrics made as above, when dyed or colored, printed or bleached, if previously assessed and a tax paid thereon, are liable to a tax of five per cent on the increased value only.

In no case is a proportionate part of the increased value to be assessed. If liable at all, the entire amount of increased value is taxable.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

IVERS PHILLIPS, Esq., *U. S. Assessor, Worcester, Mass.*

TAXATION OF STEAM AND MARINE ENGINES, LOCOMOTIVES AND PARTS.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 19, 1866.

SIR:

* * * * * * *

I would say in regard to the mode of taxing boilers, locomotives, marine engines and cars, that the tax on all these articles is to be assessed under the new law at the rate of 5 per cent. ad valorem.

I need not add that by the term "ad valorem" in such cases, is to be understood the value or price for which the boiler, engine, locomotive or car is sold.

I know of no deductions which the law authorizes boiler manufacturer to make, for any taxes paid upon boiler iron, tubes, rivets, or any other materials which enter into the structure of a boiler, although all may have previously been assessed and a tax paid thereon.

From a finished engine the builder is allowed to deduct from the taxes assessed thereon, as above, the taxes previously paid on the boiler, tubes, wheels, tire, axles, bell shafts, cranks, wrists, or head lights—that is to say—the taxes paid on these articles as separate and distinct manufactures in themselves, and not the tax paid upon the materials out of which these articles are manufactured.

No casting used in the construction of a boiler, engine, locomotive or cars, is in any case to be deducted.

No wheels, springs, tire, or axles, made of steel, are to be deducted.

Your particular attention is called to this matter, and a careful examination on the part of your Assistant Assessors is enjoined, that no deductions unauthorized by law are attempted to be made; and in all cases where parties refuse to make their returns in strict compliance with these instructions, you are authorized and instructed to have the assessment made in accordance with the provisions of the law made and provided for refusal or neglect to make returns.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

H. A. WEAVER, Esq.,
Assistant Assessor, Pittsburg, Pa.

IT is understood to be required under the Act of July 25, 1866, "to provide for the safety of the lives of passengers on board vessels," that all steam or sail vessels, which carry passengers, shall have detaching apparatus for each of their boats, as provided by the Act. A failure to provide such apparatus is understood to entail a refusal of clearance papers at the Custom House.

Customs Department.

OFFICIAL.

CIRCULAR TO COLLECTORS, NAVAL OFFICERS, AND SURVEYORS OF CUSTOMS.

TREASURY DEPARTMENT,
WASHINGTON, Sept. 10, 1866.

The attention of Collectors, Naval Officers, and Surveyors of Customs is specially directed to the requirements of the Articles of the General Regulations of the Treasury Department of 1857, which are given below, and also to the 30th and 42d sections of the Act entitled "An Act further to prevent smuggling, and for other purposes," approved July 18, 1866.

There has been great remissness on the part of some of the officers of the Customs in not making the monthly reports required by Articles 573 and 574, and as those Regulations are *imperative*, all officers whose duty it is to make out and transmit such reports will be held to a strict compliance with the provisions of the Articles specified.

Your attention is also called to the provisions of Article 636, and all officers of the Customs are particularly instructed to enforce it in all cases whatever.

Very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

TREASURY REGULATIONS, 1857.

ART. 572.—*Regulations as to office hours.*

The hours for transaction of business with merchants and others shall be, at the ports of Boston, New York, Charleston, Philadelphia, Baltimore, New Orleans, and San Francisco, from 9 o'clock A. M. to 3 o'clock P. M.; and for the functionaries at said port, the office hours will be from 9 o'clock A. M. to 4 o'clock P. M., and until the business of the day shall be accomplished, according to the requirements of the Collector of the port. * * *

The foregoing regulations extends to all departments of the Customs, as well to the offices of the Naval Officer, Surveyor, and Appraisers, as the Collector's office proper.

ART. 573.—*Collectors to report monthly.*

Collectors will, at the close of each month, make a report in writing to the Secretary of the Treasury of the condition of the business under their official supervision. It is intended that these reports shall present to the Department information, as far as practicable, of the amount of business transacted in the several departments of the custom-house during the month: as, for instance, the number of vessels entered and cleared; the number of registers or other marine papers issued; the number of entries of merchandise made, whether for consumption, warehousing, withdrawal from warehouse, or rewarehousing, and the number of entries liquidated; what business, if any, remains unfinished, and for what reason.

ART. 574.—*Inattention or neglect of duty.*

All inattention or neglect of duty by subordinate officers, with the names of the officers so in fault, and the duty or service neglected or insufficiently attended to, will also be reported by Collectors, and all absences from duty on leave, as follows: (*Form No.* 201, *page* 320 *General Regulations.*)

The Collectors' reports, thus required, will embrace, also, reports from the Naval Officer, Surveyor, and Appraisers, of the several particulars above specified; and those officers will, at the close of each month, furnish their reports to the Collector, to be forwarded with his own.

ART. 591.—*Weighers' pay rolls.*

The several weighers, gaugers, and measurers will keep faithful and exact accounts of the labor employed by them in the performance of their official duties, in form similar to those already prescribed to be kept by officers in charge of public bonded warehouses. (*Form No.* 202, *page* 324 *General Regulations.*) This roll shall be made up weekly or monthly, according to the custom of the port, and signed by the several persons against the amounts carried out against their respective names; and a duplicate will be delivered to the Collector as a guide in the payments to be made.

At the same time that the rolls are signed by the persons employed, the officer employing them will furnish to each a certificate or pay-ticket according to the annexed form: (*Form No.* 203, *page* 325, *General Regulations.*)

Certificates or pay tickets, in like form, will be issued by the gaugers and measurers to the persons employed by them. These tickets will be presented to the Collector or auditor of accounts for comparison with the pay rolls, and being approved by him, will be paid by the cashier directly to the person named therein.

ART. 632.—*Weighers' and Gaugers' Returns.*

The weighers, gaugers, and measurers shall be furnished by the Collector or Surveyor of the port with proper blank books, in which the weigher, gauger, or measurer shall daily make a true and correct entry of goods weighed, gauged, or measured, with all the particulars, description, and specification required by law, and, at the close of each day's work, certify the same, with day and date, under his hand, and return said books of original entry to the Collector or Surveyor, the same day. These books of original entry shall be filed and kept, as required by the 72d section of the General Collection Act of March 2, 1799, as records of the office from which the returns shall be made by the weighers, gaugers, measurers, or clerks, to whom the duty may be confided by the Collector or Surveyor, if, in his opinion, the dispatch of business requires it.

The returns will be in the following forms, to wit: (*Forms Nos.* 212, 213, *and* 214, *pages* 348 *and* 349 *General Regulations.*)

ART. 636.—*Absence from duty, &c.*

No inspector, clerk, or other permanent employé of the customs, will be allowed leave of absence for more than fourteen days in the year, except in cases of sickness or other casualty, unless by special authority of the Department; and whenever any such employé shall be absent for a longer period than that stated, a *pro rata* deduction will be made from his compensation for the excess.

Inspectors, permanent and temporary, will report daily to the Surveyor when on duty, and such officers will be reported as absent when their names do not appear on the register required to be kept in the Surveyor's office. The accounting officers of the Treasury are directed to reject all payments made in contravention of these instructions.

No person not connected with the custom-house or the Treasury Department is to be allowed access to, or permission to inspect, examine, take copies, or have copies furnished, or be advised of the information contained in any record, document, paper, letter, or account belonging to the custom-house, except upon the following terms and conditions, viz:

Upon application, in writing to the Collector by any individual having a personal interest, setting forth the nature and object of the application, and his interest therein, and specifying the particular information or data requested. Upon receipt of such application, the Collector will direct some suitable and competent person attached to the custom-house to make the requisite examination of the record, paper, letter, or account, as the case may be, and prepare a statement, in writing, of the information called for, to be submitted to the Collector, who may, should he deem it consistent with the public interest and necessary to the rights of individuals, furnish the same to the applicant; but if he entertains any doubt as to the propriety of furnishing it, he will report the matter for the direction of the Department.

All persons attached to the custom-house are expressly forbidden from communicating, either orally or otherwise, any information contained in the records or files of the custom-house, to any person not attached to the customs or revenue, except such as may be necessary to aid merchants and others in the regular daily routine of business passing through the custom-house. And any clerk, or other subordinate officer, employed in the custom-house, who may furnish information to private individuals, or shall accept or receive any fee, reward, or compensation, other than that allowed by law, or shall accept any gratuity whatsoever for any services he may perform for any person which are not devolved upon him by law or regulations, any such clerk, subordinate officer, or other person so offending, will become subject to removal from office or employment, and must be suspended from employment forthwith; and the Collector, Naval Officer, Appraiser, or Surveyor, as the case may be, is enjoined to report to the Department the name of any person so offending, for its directions.

[PUBLIC No. 112.]

An Act further to prevent Smuggling, and for other purposes.—Approved July 18, 1866.

SEC. 30. *And be it further enacted*, That no officer or clerk whose duty it shall be to make payments on account of the salary or wages of any officer or person employed in connection with the customs or the internal revenue service, shall make any payment to any officer or person so employed on account of services rendered, or of salary, unless such officer or person so to be paid shall have made and subscribed an oath that, during the period for which he or she is to receive pay for salary or services rendered, neither he nor she, nor any member of his or her family, has received, either personally or by the intervention of another party, any money or compensation of any description whatever, nor any promises for the same, either directly or indirectly, for services rendered or to be rendered, or acts performed or to be performed, in connexion with the customs or internal revenue, nor purchased, for like services or acts, from any importer, (if affiant is connected with the customs, or manufacturer, if affiant is connected with the internal revenue service,) consignee, agent, or custom house broker, or other person whomsoever, any goods, wares, or merchandise, at less than regular retail market prices therefor. And any person who shall wilfully and falsely take and subscribe said oath, and being duly convicted thereof, shall be subjected to the penalties and disabilities by law prescribed for the punishment of wilful and cu[o]rrupt perjury.

SEC. 42. *And be it further enacted*, That if any Collector of the Customs, Supervising or Local Inspector of Steamboats, or other officer, shall *neglect* or refuse to make any of the returns or reports which he is required to make at stated times by any Act of Congress or Regulation of the Treasury Department, other than his accounts, within the time prescribed by such Act or Regulation, he shall, upon conviction thereof before the District Court of his District, forfeit and pay, for the use of the United States, any sum not less than one hundred dollars nor more than one thousand dollars.

☞ The back numbers of volume IV, from No. 1 to No. 9, inclusive, have been mailed to collectors and assessors. Those for assistant assessors were mailed under cover to each assessor, to be distributed by him to his assistants.

The Internal Revenue Record
AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 14. NEW YORK, OCTOBER 6, 1866. WHOLE NUMBER 92.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

ATTENTION of officers of the Customs is called to the regulations of the Treasury Department in regard to the drawback of the import duty on salt used in the fisheries. The last Congress abolished the fishing bounties that had been granted to fishermen from the adoption of the Constitution and remained in force to this period, under the expectation that they would prove to be the defenders on water of the integrity and hope of free men; but the world has moved forward—and it is now seen that the proper way of rewarding energy and intelligence, is not by way of a gift for duty performed, but by giving what is earned by unquestionable acts. Show that you deserve, then you shall have. No human power can keep one out of the possession of the earthly reward that is due to integrity of purpose.

The decisions which are published are brought to the attention of officers and taxpayers. They possess interest to all concerned. Will men allow us? Do they reflect on what is to their interest? Why do they throw aside what will bring truth home to their minds, and give them strength to conquer? Let men move forward to what they consider true and proper to be accomplished, regardless of what may spring up in their paths; and they will see the light, the beacon which will illumine their paths home! Home, where comfort and peace, or good deeds done come to rest.

It is not necessary for us to call attention to all the decisions that are published this week. Officers who hold the good of the republic above private interest will scan them carefully, and neglect nothing that they call for from their hands. Feel as a soldier feels, when cohorts and columns assail him! He will carry the right or perish! On you, gentlemen of the revenue—on you—and no one else do these times bear personally. Relinquish not your part, stand to your colors. No man should lift his head who cannot reach the highest standard.

We know that men are ever prone to do that which they ought not to do, and to neglect that which they ought to do. We know of no occupation that calls from men generally the performance of the duty to keep them up, than this of their duty to the State. Let us give our philosophy! We hold that the pursuit of individual interest, works the good of the many. Why? Because the interest of the individual is dependent on the well being of the multitude.

IT is reported that the Attorney General has rendered an opinion adverse to the power of the Executive to divide the Southern States into special Revenue districts for the collection of tax on cotton. Application had been made for the modification of the regulations on the subject, which led to the submission of the question for the views of the Attorney General.

Additional regulations concerning the weighing and marking of cotton have just been promulgated, but too late for insertion in this issue. They will be published next week. They are in addition to and may be considered as forming part of Series 2, No. 5. (IV. RECORD, p. 52.)

The Department will provide a metallic tag in place of the "tax-paid" tag heretofore used, but the old ones should be used until exhausted. Weighers of cotton will be appointed at the designated places, in case the Assistant Assessors shall prove unable to perform the required work promptly.

Assessors are requested to send to the Commissioner without delay, estimates of the probable number of tags that will be required in their respective districts, in order that arrangements may be made for their supply.

THE Washington *Chronicle* states, that the new Homestead law of June 2, 1866, providing for the disposal of the public lands in the Southern States for homestead settlements, is now being printed, with instructions, and will in a few days be ready for transmission to the district officers in those States. The first section of the act provides for the disposal of the public lands in the States of Alabama, Mississippi, Louisiana, Arkansas, and Florida, for homestead settlements only, according to the provisions of the original homestead act of May 20, 1862, and the amendatory act of March 21, 1864, but restricts each entry to eighty acres, held at $1 25 per acre, or half that quantity of double minimum land. This restriction as to quantity continues until the expiration of two years from the date of the act, and entries after that will be allowed, as provided for in the original laws and the act amendatory thereof, unless otherwise ordered by Congress. In lieu of the ten dollars fee required by the act of 1862 to be paid at the time of entry, five dollars must be paid when the patent issues. The benefits of the act are extended to all citizens of the United States without distinction as to race or color. The above provisions have special application to the States mentioned, whilst the second section of the act is of general application to all the States and Territories, and provides that until the 1st of January, 1867, the applicant shall make affidavit that he has not borne arms against the United States or given aid or comfort to its enemies. The law is of further general application in this, that the fee is reduced to five dollars when the entry shall not embrace more than eighty acres at $1 25 per acre. The provisions of the acts of 1862 and 1864, except as modified by the act of June 21, 1866, are made a part of the last-mentioned act.

U. S. DISTRICT COURT FOR KENTUCKY.

BEFORE JUDGE BALLARD.

United States vs. *Fifty-six Barrels of Whisky, &c.*

The forfeiture of whisky under Section 68 of the Excise Act of June 30, 1864, takes place at the time of the commission of the offence whereby the forfeiture was incurred.

BALLARD J.—When I rendered judgment in this case, a few days ago, I announced my intention to write an opinion, setting forth the reasons on which the judgment was founded. I now proceed to redeem the pledge.

This is a proceeding for the condemnation of fifty-six barrels of whisky and certain stills and other vessels, as forfeited to the United States.

The information is founded on the 68th section of the Internal Revenue act of 1864, and contains two counts.

The first count alleges, in substance, that one Wm. E. Reed was the owner of said stills and other vessels, and used the same in the distillation of spirits continuously from September, 1865, until the seizure herein, and that he had used said stills and vessels in the distillation of the fifty-six barrels of whisky seized, but he did not, from day to day, make or cause to be made, in a book kept for that purpose, a true and exact entry of the number of gallons so distilled, or of the number sold or removed for consumption or sale.

The second count alleges, that said Reed, owner of said stills and vessels used by him in the distillation of spirits, did not render to the assessor or to the assistant assessor, on the 1st, 11th and 21st days of each and every month, or within five days thereafter, or on the first day of each month, an account in duplicate, taken from his books, of the number of gallons of spirits distilled, or the number sold or removed for consumption or sale.

Twenty-two of the barrels seized are claimed by Wm. H. Walker & Co., three are claimed by Gheens & Co., and the remaining thirty-one, together with the stills and other vessels, not having been claimed by any one, have been condemned by default.

The claimants filed separate answers, but the defense of each is substantially the same. Both deny every substantial allegation contained in the information, and both alleged that they purchased the whisky claimed by them respectively before the seizure *bonâ fide*, and that they paid for the same a full and fair consideration, without any knowledge or suspicion of the alleged forfeiture or cause of forfeiture. They also both allege, substantially, that the whisky was, at the time of the purchase, regularly and legally branded by plaintiff's inspector.

The claimants also rely on other defenses, which, as they were unsupported by the evidence, I do not deem it necessary to notice further.

The case was, by agreement of parties, submitted to the court upon the law and facts, a jury being waived.

I shall neither state nor discuss the facts proven. My conclusion in respect to these is, that every substantial allegation of the information is true and that no part of the matter set up in the answers, in support of the claims, is sustained by the evidence except: 1st. That the barrels of whisky purchased by the claimants had been regularly branded by the United States Inspector prior to the purchase. 2d. That the claimants are *bona fide* purchasers, without any notice of, or cause to suspect, the alleged forfeiture.

These facts present the following questions for my decision, to wit: First. Does the information set forth a good cause of forfeiture? Second. Have the claimants supported their claims? that is, do the facts alleged and proven by them constitute any reason why the forfeiture should not be enforced?

The 57th and 68th sections of the Internal Revenue act furnish a complete answer to the first question.

The 57th section makes it the duty of "every person who shall be the owner of any still, boiler or other vessel used * * * * for the purpose of distilling spirituous liquors * * * * and of every person who shall use any still, boiler or other vessel as aforesaid, either as owner, agent, or otherwise, from day to day, to make a true and exact entry, or cause to be entered in a book kept for that purpose, the number of gallons of spirits distilled * * * * and also the number sold or removed for consumption or sale."

The first count, as we have seen, alleges a neglect of duty here enjoined.

This section also provides, that every such person, if he distill one hundred and fifty barrels of spirits per year, or more, shall render the assessor or assistant assessor, on the first, eleventh, and twenty-first days of each and every month in each year, or within five days thereafter, an account in duplicate, taken from his books, of the number of gallons of spirits distilled, and also the number of gallons sold or removed for consumption or sale, and that he shall pay the taxes on such spirits at the time of rendering the duplicate account thereof. If he distill less than one hundred and fifty barrels per year, he may make his returns and pay duties on the first day of every month.

The second count of the information avers a neglect of this duty.

The 68th section provides "That the owner, agent or superintendent of any * * * * * still, boiler, or other vessels used in the distillation of spirits, on which a duty is payable, who shall neglect or refuse to make true and exact entry of the same, or to do, or to cause to be done, any of the things by law required to be done as aforesaid, shall forfeit, for every such neglect or refusal, all the * * * spirits made by or for him * * * and the stills, boilers, and other vessels used in distillation, together with the sum of five hundred dollars, * * * * * which said spirits, with the vessels containing the same, with all the vessels used in making the same, may be seized by any collector or deputy collector of internal duties, and held by him until a decision shall be had thereon, according to law. * * * And the proceeding to enforce said forfeitures of said property shall be in the nature of a proceeding in rem."

It is manifest that the information does, in apt form and in apt language, set forth neglects of duty for which a forfeiture is denounced by the express terms of this section. This is conceded by the learned counsel of the claimants. They admit that the property seized must be condemned as forfeited if the facts established by the claimants are not sufficient to show that, as to the property claimed by them, there never was any forfeiture.

In respect to the first fact established by the claimants, that is, that the barrels were regularly branded by the United States Inspector before they purchased, it is clear that it furnishes no answer to anything alleged in the information. Besides the duties which are enjoined by the 57th section, the neglect of which is alleged in the information, the 59th section requires, "That all spirits distilled as aforesaid by any person licensed as aforesaid shall, before the same are used or removed for any purpose, be inspected, gauged and proved by some inspector appointed for the performance of such duties." If the information had alleged a removal of the spirits distilled before inspection, the fact that the barrels were branded before removal would have been material. It, however, not only furnishes no answer to the charges set out in the information, that no entry was made from day to day, in a book kept for that purpose, of the number of gallons of spirits distilled, or the number removed for consumption or sale, and that no return was made to the Assessor, such as is required by law, but it has not the slightest relation to either of them. This is conceded by the counsel of the claimants. They do not rely on this fact as precluding a condemnation. They treat it simply as one of the facts which show that the claimants acted in good faith and are *bona fide* purchasers, and, as I have already announced, that I am satisfied, upon the whole case, that the claimants are such purchasers, it is wholly immaterial for me to state what influence I have given to this simple fact in arriving at the more general conclusion of the good faith of the claimants. If the barrels had not been branded by an Inspector this would have been a most material fact, if an effort had been made to show bad faith, but no such effort has been made. That the claimants were innocent purchasers is established, and is not, in fact, contested by the United States, and, therefore, the fact of the barrels being branded is entitled to no consideration whatever.

This brings me to the consideration of the main question in the case. Does the fact that the claimants purchased the whiskey claimed by them *bona fide*, and without any knowledge or suspicion of the alleged cause of forfeiture, preclude a judgment of condemnation? This is a very important question, whether it be considered in reference to the citizen or of the Government. It has been argued before me with great ability and I have bestowed upon it much reflection.

The general law of property is, that the true owner may recover it of any one who has it in his possession, no matter whether be a *bona fide* purchaser or not. The law which protects *bona fide* holders of bills of exchange and other negotiable paper has no relation to property generally. Every purchaser of merchandise or other property risks, in a certain sense, the title of his vendor, and, if it turns out that his vendor has no title and the property be recovered of him, he has no remedy except on the warranty of the vendor. It follows that, if when Walker & Co. and Gheens & Co. purchased the whiskey claimed by them, their vendor had no title—that is, if it had already been forfeited to the United States, the fact that they are *bona fide* purchasers cannot avail them. Their good faith cannot oust the claim of the true owner. They are exactly in the condition of every *bona fide* purchaser of property whose title fails and who is therefore obliged to surrender it to the owner. They must look to the warranty of the vendor.

Indeed, I have difficulty in perceiving that the *bona fides* of the purchase is at all material, or that it has any relation to the grounds of forfeiture alleged in the information. If the forfeiture took place prior to their purchase, it is undisputed and indisputable that the right of property was immediately transferred to the United States, and that the right of the latter must prevail over that of the purchaser, notwithstanding the purchase was made in good faith.

The right of the United States in such case depends not at all on the conduct of the purchaser, but upon their own superior title, resulting from a forfeiture which took place prior to any inception of right in the purchaser.

If there was no forfeiture prior to the acquisition of right by the claimants, whether the right was acquired by purchase for a valuable consideration or by gift, I am at a loss to conceive how there was any forfeiture at all. I cannot see how property, whether acquired by gift or purchase, can be condemned as forfeited for the offense of its former owner, which was not already forfeited at the time of the gift or purchase. If the acquisition be by pretended gift or pretended purchase, in such sense that the title is not changed, but really remains in the first owner, then, of course, his offense committed after the pretended gift or sale, may work a forfeiture. But neither the internal revenue act nor any other act of Congress forfeits property for the crime of a person which does not belong to him, or is not managed by him at the *time* of the *forfeiture*. Property is sometimes forfeited in consequence of the act of some person who manages or controls it other

than the owner, but the forfeiture does not extend to property previously managed or controlled, and which, before being contaminated with the offense, is sold or otherwise parted with in good faith.

The question then comes to this: When does the forfeiture denounced by the 68th section take place? Does it take place at the time the offense is committed, or at some subsequent time?

The decisions are uniform both in England and the United States, that when a *statute* denounces a forfeiture of property as the penalty for the commission of crime, if the denunciation is in direct terms, and not in the alternative, the forfeiture takes place at the time the offense is committed, and operates as a statutory transfer of the right of property to the Government. Roberts vs. Witherhead, 12 Modern Rep., 92; Salkeld, 223; Wilkins vs. Despard, 5 T. R., 112; U. S. vs. 1,960 bags of coffee, 8 Cranch, 398; The Mars, 8 Cranch, 417; Gelsten vs. Hoyt, 3 Wheaton, 311; Wood vs. U. S., 16 Peters, 362; Caldwell vs. United States, 8 Howard, 381.

The case of the United States vs. 1,960 bags of coffee arose under the 5th section of the non-intervention act of March, 1809, 2d Statutes at Large, p. 529, which provides "That whenever any article * * * the importation of which is prohibited by this act, shall, after the 20th of May be imported into the United States * * * or be put on board of any ship or vessel, boat, raft or carriage, with intention of importing the same into the United States * * * all such articles, as well as all other articles on board of the same ship or vessel, boat, raft or carriage belonging to owner of such prohibited articles, shall be forfeited, and the owner shall, moreover, forfeit and pay treble the value of such articles."

The claimants made precisely the same plea which Walker & Co. and Gheens & Co. made in this case; that is, they alleged that they were bona fide purchasers for a valuable consideration. The case was most ably and elaborately argued, but the Supreme Court overruled the plea and held that, as by the terms of the statute the forfeiture took place upon the commission of the offense, the purchaser was not protected. It will be perceived that the statute does not fix the time at which the forfeiture is to take place in more explicit terms than does the statute under which the present case arises. The one declares that *whenever* any article shall be imported it shall be forfeited, *and that the owner shall forfeit other property*, and the other declares that the owner, agent or superintendent of, &c., * * * who shall neglect to make true and exact entry and report, or to do any of the things required by law, shall forfeit, &c. If the forfeiture under the act of 1809 takes place at the time of the commission of the offense so as to override the title of all subsequent purchasers, and this, as we have seen, the Supreme Court have expressly decided, I can conceive of no argument which would not refer the forfeiture under the act of 1864 to the same time, or which would not invest the forfeiture with the same consequences.

The case of Gelsten vs. Hoyt (3d Wheaton, 311) involved a construction of the neutrality act of 1794, (1 Stat. at Large, 383), the third section of which declares a forfeiture of vessels fitted out and armed to be employed in the service of a foreign State in committing hostilities against the citizens, subjects, or property of another foreign State with whom the United States are at peace. The Court says "the forfeiture must be deemed to attach *at the moment of the commission of the offense*, and consequently from that moment the title of the plaintiff would be completely divested so that he could maintain no action for the subsequent seizure. This is the doctrine of the English Courts, and it has been recognized and enforced in this court upon very solemn argument.

The case of Caldwell vs. the United States involved, in part, the construction of the 68th and 66th sections of the Collection Act of 1799 (1 Stat. at Large, 677), the latter of which declares a forfeiture in the alternative, that is, of the goods *or* their value, and the former declares it without any alternative.

The inferior court had instructed the jury "that if the goods were fraudulently entered, it is no matter in whose possession they were when seized, or whether the United States had made an election between the penalties, and that the forfeiture took place when the fraud, if any, was committed, and the seller of the goods could convey no title of the goods to the purchaser." The Supreme Court says: "This instruction is partly right and partly wrong; right in respect to the 68th section, as the penalty is a forfeiture of the goods without an alternative of their value; wrong as the instruction applies to the 66th section, the forfeiture under it being 'either the goods or their value.'

"*In the first the forfeiture is the statutory transfer of right to the goods at the time the offense is committed.* If this was not so, the transgressor against whom, of course, the penalty is directed would often escape punishment and triumph in the cleverness of his contrivance by which he has violated the law. The title of the United States to the goods forfeited is not consummated until after judicial condemnation, but the right to them relates backwards to the time the offense was committed, so as to avoid all intermediate sales of them between the commission of the offense and the condemnation.

"So this court said in the case of United States vs. 1,960 bags of coffee (8 Cranch, 398). It was said again in the case of the United States vs. Brigantine Mars (8 Cranch, 417). Declared again, four years afterward, in Gelsten vs. Hoyt (3 Wheat., 311), in these words: 'The forfeiture must be deemed to attach at the moment the offense is committed, so as to avoid all sales afterwards.'"

There is, we have seen, no *alternative* in the 68th section of the Internal Revenue act of 1864. The forfeiture of the spirits, stills, boilers and other vessels used in distillation is by it directly declared. Its construction, is, therefore, fixed by the decisions to which I have referred almost as certainly and conclusively as if its provisions had been the direct subject of adjudication. The conclusion, to my mind, then, is irresistible, that the forfeiture denounced by this section, to use the language of the Supreme Court, "takes place at the time of the commission of the offense, so as to avoid all sales afterward."

It is just to the learned counsel of the claimants to say, that they concede this would be the correct construction of the section if it had, in so many words, declared that the spirits, &c., should be forfeited. They say that the statute does not declare that the spirits, &c., shall be forfeited, but that the *owner*, *agent*, or *superintendent* shall forfeit them, and that this difference of language requires a difference of construction.

Their argument is extremely refined, and is difficult to state. If I understand them, they contend, that there is a difference between the construction of a statute which denounces a forfeiture of specific property as the penalty of an offense and one which declares that the offender shall forfeit it. In the first case they concede that the forfeiture takes place at the time of the commission of the offense, whilst in the latter they insist it does not take place until seizure, conviction, or judgment. No adjudged case or other authority has been cited in support of this distinction, and I am unable to conceive any good reason for upholding it. What ground is there for referring the forfeiture to the time of seizure? There must have been a previous forfeiture to authorize a seizure. The seizure is the *consequence* of the forfeiture, not the *cause*. Nor do I see any reason for referring the forfeiture to the time of conviction or judgment. The conviction and judgment are simply the consummation of the proceeding that the law requires to be instituted to ascertain the fact or forfeiture of which the seizure is the beginning.

If the statute made the forfeiture the consequence of the *personal* conviction of the offender, in which case there is no seizure, or if it even required a personal trial and conviction to precede judgment of forfeiture, there might be some force in the argument of the learned counsel founded on forfeitures at common law in cases of treason and felony. I admit that, at common law, there was no forfeiture of the goods and chattels of a felon until he was convicted; but, under that law, no penalty whatever could be inflicted for the crime of felony except in cases of suicide, flight, and perhaps a few other analogous cases, until after the personal conviction of the offender, and in the excepted cases the forfeiture related to the time of the offense. When the felon was convicted death was the penalty and judgment of death followed. A forfeiture of goods and chattels was a *consequence* of the conviction, and a forfeiture of real estate a consequence of the judgment; but forfeiture was no part of the judgment. Here, however, we are not trying the offender at all, or if at all, only incidentally. He is not personally before the court and cannot in this proceeding be convicted. The statutes under which we are proceeding do not make the forfeiture the consequence of his *conviction*, but of his offense, which offense it authorizes to be inquired into by a seizure of, and proceeding against, the property itself. Having ascertained that offenses were committed, I cannot in this proceeding render any judgment against the offender; I can only render a judgment of condemnation of property, which judgment is merely the judicial ascertainment of the fact that the property was previously forfeited.

When a statute declares that an offender shall forfeit property as the penalty of his offence, and authorizes a preceding *in rem* to ascertain the forfeiture, I am satisfied, that the forfeiture takes place at the time of the commission of the offense just as certainly as it does when the statute directs, not that the offender shall forfeit, but that the property itself shall be forfeited. There is a distinction between common law and statutory forfeitures. Common law forfeitures, except in cases of deodand, suicide, flight, and, perhaps, a few others, were the *consequence* of the connection or of judgment against the felon, and followed his personal trial; but statutory forfeitures are usually enforced by proceeding against the thing and relate to the time of the commission of the offense. This distinction is recognized by the Supreme Court in the case of the United States vs. Grundy et al., 3 Cranch, 337, and other cases. They say "when the forfeiture is given by statute the rules of the common law may be dispensed with, and the thing forfeited may either vest immediately or on the performance of some particular act, as shall be the will of the Legislature." When there is no alternative in the statute when it directly declares a forfeiture, and no time subsequent to the committing of the crime is named at which the forfeiture is to take effect, the settled rule, we have seen, is that it relates to the time of the commission of the offense.

Whether the statute declares a forfeiture of property as the consequence of crime, or that the person who commits the crime shall forfeit it, the effect is the same. In either case the immediate loss falls on the owner. Whether the forfeiture is in consequence of his own unlawful act, or of the unlawful act of some other person, respecting the thing forfeited, the loss is still his, and his only. It is he who in fact forfeits or loses—no matter in what language the forfeiture is declared. By the terms of the statute we are now considering, the *agent* or *superintendent* who uses stills, boilers or other vessels in the distillation of spirits, and who neglects to

do the things enjoined by law, forfeits as well as the *owner*. But the agent is not owner, and literally he cannot forfeit what he does not own. He may cause its forfeiture by his unlawful acts, but he cannot lose what is not his. Therefore, when the statute declares that the agent or superintendent shall forfeit the stills, boilers and other vessels, it must be understood to mean that these articles shall be forfeited in consequence of his neglect of duty. And, if this be its meaning, even the learned counsel of the claimants would concede, that the consequence and effect of the forfeiture are that the title to the thing forfeited passes instantly upon the commission of the offense.

I observe that the learned Judge of the Eastern District of Missouri treats this 68th section as if it read, that the owner of the *spirits* shall forfeit them. And on this reading he seems to have founded his conclusion that the owner does not forfeit what he sells before seizure. He says "that as the 'owner,' &c., shall forfeit, and not the purchaser, the owner can forfeit only what belongs to him." It may be conceded that the owner can forfeit only what belongs to him, but I do not see that this helps the argument; for, if the forfeiture takes place, as I have shown it does, at the time the offense is committed, it is not necessary to claim that he forfeits more than what then belongs to him. If he forfeits *that*, the title of the United States immediately takes effect and prevails over that of all purchasers.

An attentive examination of the section, however, will show that, by its terms, it is not the owner of the *spirits*, but the owner, agent or superintendent of the *stills, boilers or other vessels* used in the distillation of spirits, who forfeits. It is the neglect to perform a prescribed duty by any one who uses stills, boilers or other vessels in the distillation of spirits, whether as owner, or simply as agent or superintendent, which produces the forfeiture, and what is forfeited are the stills, boilers and other vessels, and the spirits made by or for him. If the agent forfeits only what "belongs to him." he forfeits nothing, for the stills, boilers and other vessels and spirits do not belong to him. They belong to the principal. But the statute says the agent who neglects, &c., shall forfeit these things, and there are no means of escaping a provision so express. The statute, then, must mean that these things shall be forfeited for the agent's neglect, or, as to him, it is inoperative, and has no meaning at all. And, if they are forfeited for his neglect, surely the forfeiture takes effect the moment of neglect. There is no other period to which it can possibly be referred.

I have great respect for the opinions of the learned Judge who decided the case of the United States vs. 396 barrels, above referred to. I have not ventured to differ from him until after the fullest consideration and the clearest conviction. I cannot but think his decision is based on a misreading of the statute, as well as on a misconception of adjudged cases. The conclusion to which I have arrived is, I think, sustained by a recent opinion of the learned Judge of the Southern District of Ohio in the case of the United States vs. sixteen hogsheads tobacco, and by the uniform decisions of the Supreme Court of the United States; and I have not a shadow of doubt of its correctness.

I need not say that I have arrived at my conclusion reluctantly. I have examined every provision of the statute; I have attentively considered the 180th section, and every section which declares a forfeiture, and I think that the provisions of each and all of them confirm the construction of the 68th section, which is here adopted. It would be a much more pleasing task for me to order a restoration of the property seized to the innocent claimants than to adjudge its condemnation, if I could do so consistently with my sense of duty. I have been literally forced to a decision in spite of my personal inclination by a current of authorities which is irresistible.

Judgment of condemnation must be entered.

The counsel of Walker & Co., however, ask that the judgment be limited to nineteen of the barrels claimed by them, and that the other three seized in their possession be restored. The motion is based on the following state of facts:

The twenty-two barrels of spirits claimed by Walker & Co. are part of a lot of thirty-seven barrels purchased at the same time. Only thirty-two of the barrels were distilled by Wm. E. Reed, mentioned in the information. Five were distilled by some one else, and as to them there is neither proof nor allegation that there was any violation of law. If these five barrels remained and could be identified as among those seized, they would be restored, of course. But Walker & Co. mixed the whole thirty-seven barrels together in the process of rectifying, and, after rebarreling and selling a portion of the compound, the twenty-two barrels seized remain, so that it is now impossible to *identify* any of the spirits which were not distilled by Wm. E. Reed. It is possible, and perhaps probable, that five thirty-seven parts of the twenty-two barrels, or about three barrels in quantity, were not distilled by him. But it cannot be alleged with absolute certainty that any part of the five barrels remain. All that can be said is that it is probable. And if any part of them remains it is, of course, impossible to separate that part from the rest.

If, then, I restore to Walker & Co. three barrels, those barrels will contain some whisky which has been forfeited, and, therefore, belongs to the United States. I have no right thus to dispose of the property of the United States. I have no right to make an equitable division between them and the claimants. I am obliged to give to the United States all the spirits which are shown to be theirs. If the claimants, by mixing their own whisky with that of the United States, have rendered it impossible to identify theirs, they must suffer the consequence of their own act. They made the mixture, it is true, in perfectly good faith, in the regular exercise of their trade and business, and believing that the whole of the whisky belonged to them; still, by their act they have put it out of their power to give to the United States only what belongs to them. They are obliged, by force of a well-known rule of law, to surrender to the plaintiffs *all* that belongs to them; although, in so doing, they may be obliged to give up some that belongs to themselves.

If one intermixes his goods with those of another, without his knowledge or consent, so that they cannot be identified, the law does not allow him any remedy, but gives the entire property, without any account to him whose original dominion or property is invaded (2d Blackstone's Com., 405).

The order of condemnation must therefore include the whole of the thirty-two barrels. Nor does this decision work in this case any real hardship. The United States are actually entitled to thirty-two barrels of the whisky purchased by Walker & Co. They claim in this suit only twenty-two, leaving with Walker & Co. ten or the proceeds of ten, which are not claimed and may never be claimed.

In concluding this opinion, I adopt what the Supreme Court of the United States said in announcing their decision in a similar case:

"It is true that cases of hardship and even absurdity may be supposed to grow out of this decision, but, on the other hand, if, by a sale, it is put in the power of an offender to purge a forfeiture, a state of things not less absurd will certainly result from it. When hardships shall arise provision is made by law for affording relief under authority much more competent to decide on such cases than this Court ever can be.

"In the eternal struggle that exists between the avarice, enterprize and combination of individuals on the one hand and the power charged with the administration of the laws on the other, severe laws are rendered necessary to enable the executive to carry into effect the measures of policy adopted by the Legislature."

DIRECTORY—6TH DISTRICT, NEW YORK.

JOHN F. CLEVELAND, Assessor, office 181 W. 14th St.

MAUNSELL B. FIELD, Collector, office, 181 W. 14th St.

The 6th District, New York, comprises the 9th, 15th and 16th Wards, New York City.

Boundaries: W. 26th St., Sixth Avenue, W. 14th St., E. 14th St., Bowery, East Houston St., West Houston St. to Hudson River, up the river to foot of W. 26th St.

It is sub-divided into 14 Divisions.

ASSISTANT ASSESSORS.

1st Division, HENRY C. CARGILL, office, 608 Greenwich st. Boundaries: Christopher st. to Bleecker st., to Hancock st., to Hammersley st., to Hudson River, to Christopher st. again.

2d Division, JAMES G. BYERS, 67 Perry St. Boundaries: Bank st. to Greenwich avenue, to 11th st., to Sixth avenue, to Carmine st., to Bleecker st., to Christopher st., to Greenwich st., to Bank st.

3d Division, CHARLES R. COLE, 141 West 14th st. Boundaries: 26th st. to Sixth avenue, to 23d st., to Eighth avenue, to 24th st., to Eleventh avenue, to 26th st.

4th Division, GEORGE W. JACQUES, 141 West 14th st. Boundaries: West 14th st. to Greenwich st., to Christopher st., to Hudson river, to West 14th st.

5th Division, SAMUEL T. LAPPIN, 141 West 14th st. Boundaries: West 21st st. to Sixth avenue, to West 14th st., to Eighth avenue, to West 21st st.

6th Division, BENJAMIN R. SHOPP, 181 West 14th st. Boundaries: Astor Place to Bowery, to Houston st., to Broadway, to Astor Place.

7th Division, GEORGE A. BLAKELY, 141 West 14th st. Boundaries: West 20th st. to Eighth avenue, to West 14th st., to Hudson river, to West 20th st.

8th Division, ————, 141 West 14th st. Boundaries: West 24th st. to Eighth avenue, to 23d st., to Sixth avenue, to 21st st., to Eighth avenue, to 20th st., to Hudson river, to West 24th st.

9th Division, CHARLES J. LIVINGSTON, 110 West 11th st. Boundaries: 11th st. to Bowery, to Randall Place, to Sixth avenue, to 11th st.

10th Division, HIRAM M. STEVENS, 181 West 14th st. Boundaries: Randall Place to Bowery, to Astor Place, to Broadway, to Waverly Place, to Sixth avenue, to Randall st.

11th Division, HOLDRIDGE DEWEY, 181 West 14th st. Boundaries: Waverly Place to Wooster st., to Houston st., to Hancock st., to Bleecker st., to Carmine st., to Sixth avenue, to Waverly Place.

12th Division, CHARLES W. COLBURN, 181 West 14th st. Boundaries: Waverly Place to Broadway, to Houston st., to Wooster st., to Waverly Place.

13th Division, GEORGE TIMPSON, 181 West 14th st. Boundaries: 14th st. to Bowery, to 11th st., to Sixth avenue, to 14th st.

14th Division, GEORGE A. COLBURN, 181 West 14th st. Boundaries: West 14th st. to Sixth avenue, to 11th st., to Greenwich avenue, to Bank st., to Greenwich st., to West 14th st.

Sept., Decisions, &c.

OFFICIAL.

CIRCULAR RELATIVE TO INFORMERS' SHARES UNDER THE INTERNAL REVENUE LAW.

TREASURY DEPARTMENT,
Washington, Sept. 26, 1866.

Doubts having been expressed as to whether the Schedule of Informers' Shares, prescribed in the Circular Instructions issued by this Department on August 14, 1866, (IV. RECORD, p. 2), is to be applied to proceeds resulting from forfeitures, as well as to penalties, said Schedule is hereby declared to be, and to have been from its issue, applicable to all informers' shares of fines, penalties, forfeitures, and proceeds of forfeitures, accruing under the provision of Internal Revenue Law cited in the above-mentioned Circular.

H. MCCULLOCH,
Secretary of the Treasury.

CORD AND CORDAGE MADE FROM FLAX THREAD OR YARN.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, Sept. 22, 1866.

SIR: Your letter of Sept. 17th, in relation to cotton and linen cord, and enclosing samples of the same, has been received. You state that parties in your District purchase flax thread or yarn in banks, and manufacture it into cord, which they claim is exempt from tax, either as a "cordage" or as "manufacturers of hemp." You decline to exempt their product on either ground, and wish to know if your decision is correct.

In answer, I have to say, that the sample received cannot be regarded as cordage within the meaning of the law, and, therefore cannot be exempted from tax as such.

By the act of July 13, 1866, flax and the manufactures thereof are exempt from tax. Thread, therefore, or other articles manufactured by a continuous process from flax, are exempt from tax; but secondary manufactures from flax (as in the case of the cord in question made from purchased thread), are taxable. Your decision, therefore, in regard to the cord in question, is approved.

Very Respectfully,
E. A. ROLLINS,
Commissioner.

H. W. EASTMAN, Esq.,
Assessor 1st Dist., Roslyn, Queens Co., N. Y.

[The cord referred to in the above decision is such as is used by drum makers, carriage trimmers, hatters, for "lining," &c., &c., and is known in the market as "cordage."—ED.]

RE-ASSESSMENT OF WHOLESALE LIQUOR DEALERS UNDER THE ACT OF JULY 13, 1866.

FIFTH DISTRICT, NEW YORK,
New York, September 4th, 1866.

HON. E. A. ROLLIN, *Commissioner.*

SIR: The instructions contained in Special No. 40, are not clearly understood by my assistants, and some exception is taken by some of them to my interpretation of the same, which is, that reassessments are to be made in all cases where the rate of tax is increased by the act of July 13, 1866. Without regard to the amount of the old assessment except to credit the same; for instance, "A," a wholesale dealer in liquor, was, on the 1st of May assessed on the basis of last year's sales, $800, the rate being $1 per 1000; in making the reassessment we debit him to ¼ of the old assessment, ¼ of the annual liability at the new rate, to wit, $100, on the first 50,000, one dollar on each additional 1000 over the 50,000, the whole amounting to $837 50, and we credit by the amount of the old assessment, $800 leaving a balance of $37 50 to be paid.

It is contended that only in cases where the old assessments did not exceed $50, the reassessment is to be made for the increase of $37 50, and that in the case of "A." above cited, no reassessment is to be made. But when the sales are ascertained to have reached 800,000, less the sum of 37,500, he is to be assessed at the rate of $1 per 1000 monthly.

Please instruct me as to the foregoing and oblige

Very Respectfully,
DAVID MILLER,
Assessor.

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
Washington, Sept. 13, 1865.

SIR: Your letter of Sept. 4th, relative to reassessment of wholesale dealers in liquors, is received. I reply: that reassessments should be made only in cases where the license tax already paid is less than $100. Any amounts due within the year beyond that sum will be assessed monthly. Where the sales exceed $50,000 the total amount of tax for the year should never be more that $50 in excess of 1-10th per cent of the sales.

See last clause, page 1, Special No, 40, and also the fourth clause.

Very Respectfully,
E. A. ROLLINS,
Commissioner.

D. MILLER, Esq.,
Assessor, 563 Broadway.

RIGHT OF SHERIFF TO SEIZE OIL IN BONDED WAREHOUSE —LIEN OF THE UNTED STATES.

OFFICE OF INTERNAL REVENUE,
Washington, September 29th, 1866.

SIR: Your telegram of yesterday has been received, and is as follows:

"Has our Sheriff power to seize and hold bonded oil in bonded warehouses here?"

I reply that the claim of the United States is prior and paramount to that of creditors: that the Sheriff cannot seize the oil and take it out of the custody of the officer in charge of it.

The only claim which the Government has upon it is one for unpaid taxes, and these will be received from any person who sees fit to pay them. Upon payment of the taxes, or upon the execution of a transportation or an exportation bond, the officer in charge will notify the owner or occupant of the warehouse that he no longer claims to exercise any control over the property. Whether the Sheriff can then seize it, and hold it in the warehouse, is a question which may arise under the State laws; but is one in which this office is in no way interested.

Very Respectfully,
(Signed) E. A. ROLLINS,
Commissioner.

FREDERICK CHASE, Esq.,
No. 127 Walnut St., Philadelphia.

MANUFACTURES OF ARTICLES OF DRESS FROM FLAX FABRICS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 12, 1866.

SIR:

In reply to your inquiries in letter dated 11th inst., I have to say that a manufacturer who makes articles of dress for the wear of men, women or children from cloth or fabrics purchased from the manufacturer of flax cloth, is not entitled to exemption from tax. He does not manufacture from flax, but his products are all the results of a secondary manufacture, and are all made from materials which render them liable to taxation under other express provisions of the law.

So, also, the manufacture of bags, cases, nets, seines, and similar articles cannot claim to manufacture from flax, but from secondary materials, and their productions are liable to a tax.

When twines and yarns are made of mixed materials, as hemp, jute and cotton, they are subject to ad valorem tax, as the proviso annexed to the 10th section of the Act of July 13, 1866, expressly provides that the exemptions "shall in all cases be confined exclusively to said articles in the state and condition specified in the foregoing enumeration, and shall not extend to articles in any other form, nor to manufactures from said articles."

They would therefore be subject to an ad valorem tax of 5 per cent under the general provisions applicable to all manufactures not otherwise provided for.

Very respectfully,
E. A. ROLLINS,
Commissioner.

P. H. NEHER, Esq.,
Assessor, Troy, N. Y.

EXEMPTIONS UNDER SECTION 93, OF MANUFACTURERS PERSONALLY ENGAGED.

FIFTEENTH DISTRICT, NEW YORK,
TROY, RENSSELAER CO., Sept. 4, 1866.

Hon. E. A. ROLLINS, Commissioner,

Dear Sir:—How are we to regard the term "his or their family," in section 93?

Are all manufacturers who contribute personal labor to the production of the manufactured article entitled to the provisions of said section—in other words shall a manufacturer's employees working with, and for him, be regarded as his family—or should we confine them to kith or kin, boarders and lodgers?

Very respectfully,
P. H. NEHER,
Assessor.

[ANSWER.]

OFFICE OF THE COMMISSIONER
OF INTERNAL REVENUE,
WASHINGTON, Sept. 10, 1866.

SIR:

In reply to your letter of the 4th inst., I have to say, that this office has ruled that a manufacturer who personally engages in his business, is not debarred from the exemption to which he would otherwise be liable, from the fact that he employs apprentices or journeymen to assist him.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

P. H. NEHER, Esq.,
Assessor, Troy, N. Y.

TAXATION OF HOLLAND SHADES.

NEW YORK, Sept. 17th, 1866.

SIR: The question of Holland Shades presents a peculiarity under the law of July 13th, 1866.

In the law of June 30th, 1864, it was provided that when the material from which sails, tents, shades, awnings and bags were made, was imported, and had been subject to, and had paid a duty, and the same was made by sewing, a duty should be assessed on the increased value. There is no such provision in the present law, and all the above articles, except shades, are exempt by the latter law.

Holland shades are made of stuff (the Holland) made for the purpose of Holland shades, and not known to be used for any other purpose, although not adapted, nor originally so intended, some other use might probably be made of it, "if one saw fit." It is imported in large peices, and cut in various lengths by the manufacturers to suit the various sized windows. The ends are always turned down by the manufacturers a sufficient width to have the roller and stick run through, and sewed, (called hemming). The edges are also sometimes thus hemmed different widths to

sult different windows; sometimes nothing at all is done to the edges. The rollers, sticks, etc., are furnished by the manufacturers along with the shades; sometimes the manufacturers put up the shades thus furnished to the windows; sometimes the purchasers put them up.

The Holland pays an import duty.

When the old law and the present are considered together, is not the true construction of the present law, that section 96 thereof should cover the case of shades.

Very Respectfully,
P. C. VAN WYCK, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[REPLY.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 20, 1866.

SIR:—

Your letter of Sept. 17th, in relation to Holland shades, has been received.

In answer I have to say that shades not being specially provided for in the present excise law, are taxable at the rate of 5 per cent on their full value under the general provisions of section 94, unless they are sold at a price not exceeding 5 per cent. above the cost of materials used in their manufacture, in which case they are exempt from tax under section (Par.) 92 of the compiled edition of the excise law as compiled by the office of Internal Revenue.

Very Respectfully,
E. A. ROLLINS, *Commissioner.*

PIERRE C. VAN WYCK,
Assessor, 4th Dist., New York City.

GROSS RECEIPTS OF EXPRESS COMPANIES AND CARRIERS ARE LIABLE TO TAX OF THREE PER CENT.

INTERNAL REVENUE,
FIFTH COLLECTION DISTRICT, STATE OF N. Y.
NEW YORK, Sept. 18th, 1866.

Hon. E. A. ROLLINS, *Commissioner.*

SIR: It has become a subject of complaint among express carriers in this district, that we continue to assess the tax on gross receipts, while in other districts the assessors have discontinued the assessments thereon *with the approval of your office.*

Please inform me if you have issued instructions to the effect mentioned, or if you desire that I shall suspend the assessment of taxes on the gross receipts of the class named.

Respectfully, &c.
DAVID MILLER, *Assessor.*

[ANSWER.]

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 20, 1866.

SIR: Your letter of Sept. 18th, relative to the tax on gross receipts of persons doing an express business, is received.

I reply, That section 104, of the act of June 30, 1864, which imposes such tax, was not repealed or amended by the act of July 13, 1866. Assessors should therefore continue to assess the tax as heretofore.

The tax of *two and one-half* per cent. imposed by *section* 103 upon gross receipts for transportation of passengers, freight, &c., is no longer assessable upon receipts for transporting *property.*

Very respectfully,
E. A. ROLLINS, *Commissioner.*

D. MILLER, Esq.,
Assessor, 563 Broadway.

ALLOWANCE FOR LOSS IN REDISTILLATION OF SPIRITS IN BOND.

OFFICE OF INTERNAL REVENUE,
Washington, Sept. 27th, 1866.

SIR: Yours of the 24th inst., requesting instructions should be sent to Collectors as to the proper construction of the law relative to allowance for loss in redistillation &c., was duly received.

In reply, I have to say, that in my opinion no necessity exists for any general regulation upon this subject, as it is hardly to be presumed that any Collector will assume that the language of Section 135, of the present law, will warrant him in making the allowance of three per cent. on absolute allowance in all cases, unsupported by any proof beyond the deficiency in the quality returned.

In all cases you will require parties claiming this allowance, to furnish proof that the merchandize returned is identical with that withdrawn, and that it has actually been submitted to the process entitling them to the allowance claimed.

When this allowance has been made, the parties must afterwards export the goods upon which it has been allowed; or, failing in this, they must be required to pay the tax upon the allowance, and also, upon the quantity withdrawn, whether for consumption, or transportation; the allowance having once been claimed and obtained, deprives the merchandize from afterwards being transported in bond.

Very Respectfully,
(Signed,) E. A. ROLLINS,
Commissioner.

CALVIN E. PRATT, Esq.,
Coll. 3d District, Brooklyn, N. Y.

Customs Department.

OFFICIAL.

TREASURY DEPARTMENT,
WASHINGTON, September 17, 1866.

The following Regulations are prescribed under the provisions of the fourth section of the Act of Congress entitled "An Act to protect the Revenue, and for other purposes," approved July 28, 1866.

H. MCCULLOCH,
Secretary of the Treasury.

"SEC. 4. *And be it further enacted*, That all laws allowing fishing bounties to vessels hereafter licensed to engage in the fisheries be, and the same are hereby repealed: *Provided*, That, from and after the date of the passage of his [this] act, vessels licensed to engage in the fisheries may take on board imported salt in bond to be used in curing fish, under such regulations as the Secretary of the Treasury shall prescribe, and upon proof that said salt has been used in curing fish the duties on the same shall be remitted."

REGULATIONS GOVERNING THE ALLOWANCE OF DRAWBACK ON IMPORTED SALT IN BOND.

PAR. 1.—Each vessel licensed to engage in the fisheries from and after July 28, 1866, may take on board imported salt in bond, to be used in curing fish, provided the importer or owner of the salt executes and files with the Collector of the Customs the following entry, oath, and bond:

FORM OF ENTRY.

Drawback entry for salt to be used in curing fish.

ENTRY OF SALT intended to be withdrawn from warehouse for the benefit of drawback, under provisions of section 4, Act of July 28, 1866, by ——— ———, and to be shipped by him in the ———, ——— ———, master, licensed to engage in the fisheries, which was imported into this District by ——— ———, in the ———, ——— ———, master, from ———, on the —— day of ———, 186—.

Marks and Numbers.	Description.	Weight or Quantity.

——— ———.

The same examination and proceedings having been had as in case of entry for exportation, and the following oath or affirmation taken, the Collector will require the importer or owner of the salt intended to be withdrawn and shipped, to enter into bond, with sufficient sureties, in a sum equal to the full value of the salt, in the form annexed:

FORM OF OATH.

I do solemnly, sincerely, and truly swear that the salt described in the within Entry, now delivered by me to the Collector of the Customs for the Port of ———, is truly intended to be used in curing fish taken on board said ———, during the fishing season from the 1st of March to the 30th of November, inclusive, and is not intended to be relanded within the United States without proper entry. I further swear that, to the best of my knowledge and belief, the said salt is the same in quality, quantity, and value, wastage and drainage excepted: So help me God.

——— ———.

Sworn to this —— day of ——, 186—, before me,
——— ———, *Collector.*

FORM OF BOND.

Know all men by these presents, that we, ——— ——— and ——— ———, as principal—, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, administrators, and assigns, jointly and severally, firmly by these presents: as witness our hands and seals this —— day of ———, eighteen hundred and sixty——.

The condition of this obligation is such, that whereas the above-bounden ——— ———, the principal— in the bond, —— laden on board the ———, ——— ———, master, for use in curing fish on said vessel, the following described salt: ———, weighing ——— net pounds, as appears by the certificate of the Inspector of Customs at the Port of ———, and lodged in the office of the Collector of Customs for the District of ———.

If, therefore, the said salt shall be actually used in curing fish in the said vessel during the fishing season, viz: between the 1st of March and 30th of November, each day inclusive, and shall not be relanded in the United States without proper entry and payment of duty at the original port of withdrawal, then this obligation to be void and of no effect; otherwise to remain in full force.

——— ———.
——— ———.
——— ———.
——— ———.

PAR. 2.—In order to cancel the above-mentioned bond for salt withdrawn from warehouse, for the benefit of drawback, the following proof must be presented to the Collector of the Customs on or before the 31st of December next succeeding the date when the bond was executed, viz: the oath of the Captain or other officer in command, and at least one other person who shall have been employed in the vessel during the fishing voyage on which it may be claimed that the salt was used, stating the quantity of fish caught and cured, and the quantity of salt used in curing them. If this evidence prove satisfactory to the Collector, he will compute the quantity of salt used, and deduct it from the quantity shipped, and on payment of the duty on the balance of the salt, if any, he will cancel the bond, by entering upon it the facts as ascertained—thus:

Shipped..... 2,000 lbs.
Used in curing..... 1,500 "

Balance on which duty is paid.... 500 lbs...$——.

PAR. 3.—In case of failure on the part of the owner or importer of the salt to present satisfactory proof to the Collector of the Customs for the cancellation of the bond on or before the expiration of the month of December next succeeding the date when the bond was executed, it will be handed to the District Attorney for collection.

CIRCULAR INSTRUCTIONS TO COLLECTORS AND OTHER OFFICERS OF THE CUSTOMS.

TREASURY DEPARTMENT,
WASHINGTON, October 1, 1866.

To carry into effect the provisions of the 17th section of the Act entitled "An Act further to prevent Smuggling, and for other purposes," approved July 18, 1866. the following instructions will be observed by Collectors and other chief officers of customs:

SECTION 17, ACT OF JULY 18, 1866.

"*And be it further enacted*, That whenever the proper officer of the customs shall be duly notified of the existence of a lien upon imported goods, wares, or merchandise in his custody, he shall, before delivering such goods, wares, or merchandise to the importer, owner, or consignee thereof, give reasonable notice to the party or parties claiming the lien; and the possession by the officers of customs shall not affect [effect] the discharge of such lien: *Provided*, That the rights of the Government shall not be prejudiced thereby. And the Secretary of the Treasury may prescribe all needful regulations to carry this provision into effect: *And provided*, That neither the United States nor its officers shall be in any manner liable for losses incurred in consequence of the omission by accident and without their fault, of officers of the customs to give the notice aforesaid."

Persons claiming a lien, for any cause, upon imported goods, in the possession of a Collector or other chief officer of customs, may serve a written or printed notice upon him, which notice shall designate the goods, packages, numbers, marks, and brands as particularly as possible; the names of the owners, importers or consignees; the vessel or vessels by which imported; the amount, date, and also the nature, origin, or object of the lien claimed; and giving an address to which notice may be sent of a proposed delivery of such goods, and directing how it shall be sent—whether through the post office or otherwise—which address shall be at some place within one mile of the office of the Collector or other chief officer of customs upon whom the notice is served.

A record book or docket will be provided, in which shall be immediately entered an abstract or minute of every such notice received. This book may have an alphabetical index, in which to enter the names of the owners, consignees, or importers, and also the names of the vessels. The notices themselves will be carefully preserved. It will be well to number each notice and enter a corresponding number in the record book.

No permit should be issued for the delivery of goods upon which a lien is thus claimed until after the proper notice has been given to such claimant. All possible precautions should be adopted to prevent a mistake in this particular. The officer will be personally responsible for any loss or damage caused by it to the lienholder. The notice should be written or printed, and should notify the party that at a future day, to be specified, a permit will be granted for the delivery of the goods (describing them, and giving the names of the owners, importers, or consignee) upon which such party had claimed a lien. The notice must be served a "seasonable" time before granting the permit. In ordinary cases, twenty-four hours would be sufficient. But this period should be reckoned from the time when the notice was actually delivered to the party or his agent. If deposited in the post office, forty-eight hours from the time of depositing should be allowed; if sent by messenger, he should deliver it at least twenty-four hours before the time fixed for the issue of a permit. The notice should be in duplicate—one copy to be delivered or deposited, the other to be returned at once to the office, endorsed by the messenger with his certificate as to the exact time, place, and manner of service; and no permit should be issued in any case until that return is duly made, compared with the original notice of lien, and found correct. These returns should be carefully preserved, and filed with the notice of lien, and noted upon the docket.

Officers will not undertake to decide as to the validity of any claims to lien. Every mere claim is to be assumed to be valid.

On the other hand, they are not to favor the lien claimant by returning at his instance goods, or their proceeds, if sold. The act was not intended to create or continue, still less to enforce, any lien.

H. MCCULLOCH,
Secretary of the Treasury.

WAR DEPARTMENT.

PAYMENT OF BOUNTIES.

WAR DEPARTMENT,
ADJUTANT GENERAL'S OFFICE,
Washington, Sept. 29, 1866.

In order to correct misrepresentations in respect to the payment of bounties authorized at the last session of Congress, the Secretary of War directs the following statement to be published:

The payment of bounties to soldiers under the Act of Congress has not been delayed by any action or interference of the President. Soon after the adjournment of Congress a Board, with General Canby as President, was organized to prepare rules and regulations for the payment of the authorized bounties. This duty involved a consideration of numerous acts of Congress and the regulations and practice of several bureaus, and upon it depends the proper disbursement of over $50,000,000 among more than a million claimants. The Board devoted themselves diligently to their work, and when it was completed made a report to the Secretary of War. That officer revised the regulations, and having doubts in respect to some legal points determined by the Board, referred their report to the Attorney General, who, after mature consideration, advised certain changes. The matter was again referred to the Board, with instructions to revise and amend the regulations. This was done, and the amended regulations being approved by the Attorney General, were promptly published, and orders issued to carry them into effect.

In the whole procedure there was no interference by the President or the Secretary of the Treasury. The report was not suppressed nor seen by either of them. The regulations were prepared under the directions of the Secretary of War with as much diligence as the difficulties of the subject and the magnitude of the disbursements would admit.

In respect to the order temporarily suspending payment of bounties to colored troops, Congress had manifested an anxious desire, by amendments of the act, to secure these bounties to the colored soldiers, and to protect them against fraudulent agents and assignees. The amount of these bounties is estimated at nearly twenty millions of dollars. The Secretary of War felt it his duty to have the regulations of the Pay Department carefully revised, so as to provide any additional checks that might secure the bounty to colored soldiers, and protect the Treasury against fraud. The subject was therefore referred to General Canby's board, and upon their report being made, payment of these bounties was ordered. For the temporary suspension of payment, neither the President nor the Secretary of the Treasury is responsible; all the time taken up was required by justice to the colored soldiers and the public treasury, and to carry out the manifest purpose of Congress, so as to protect the soldier, as far as might be done by carefully prepared regulations, against being cheated out of his bounty.

By order of the Secretary of War:

E. D. TOWNSEND,
Assistant Adjutant General.

CLAIM OF WIDOW AND MINOR CHILDREN TO THE ADDITIONAL BOUNTY UNDER ACT JULY 28, 1866.

A widow who obtained $100 bounty under the laws of July 22, 1861, and July 11, 1862, for the services of her deceased husband, and who re-married before July 28, 2866, is not entitled to bounty under the act of that date, but the minor children of the soldier are entitled to it.

If there be no minor children of the soldier his parents inherit the additional bounty under the act of July 28, 1866, in preference to his widow if she had re-married at the date of the act, but if the re-marriage took place after the passage of the act the widow is entitled to it.

Gazette.

Wm. P. Wells, Detroit, Mich., Assessor 1st District, Michigan, vice Orlando B. Wilcox.

Judson S. Farrar, Mt. Clemens, Mich., Assessor 5th District, Michigan, vice Charles Draper.

Richard E. Vaughan, Lexington, Mo., Assessor 6th District, Missouri, vice Joshua Thorne.

Alex. McConnell, Warren, Ohio, Assessor 19th District, Ohio, vice Horace Y. Beebe.

Chas. W. Dewey, Xenia, Ohio, Assessor 7th District, Ohio, vice Isaac M. Barrett.

J. Woodrow Warner, Clarksville, Ohio, Assessor 6th District, Ohio, vice Daniel H. Murphy.

James G. McCreary, Rushville, Ill., Assessor 9th District, Illinois, vice Amos C. Babcock.

John Bigler, Sacramento, Cal., Assessor 4th District, California, vice J. M. Avery.

Wm. M. Fitzhugh, Alexandria, Va., Assessor 7th District, Virginia, vice Joseph Millard.

Franklin B. Lancks, Reading, Pa., Assessor 8th District, Pennsylvania, vice Alexander P. Tutton.

Frank Baker, Tiffin, Ohio, Assessor 9th District, Ohio, vice Luther A. Hall.

Andrew S. Holladay, Brownsville, Nebraska, Assessor for Nebraska, vice Frederick Renner.

A. H. Coffroth, Somerset, Pa., Assessor 16th District, Pennsylvania, vice Robert G. Harper.

Jesse S. Ely, Norwich, Conn., Assessor 3d District, Connecticut, vice Joseph G. Lamb.

Jno. E. Smith, Great Salt Lake City, Assessor for Utah, vice Jesse C. Little.

Michael A. Frank, Clearfield, Pa., Assessor 19th District, Pennsylvania, vice Daniel Livingston.

Wm. Qual, Canonsburgh, Pa., Assessor 24th District, Pennsylvania, vice Samuel Davenport.

Joseph H. Lenhart, Meadville, Pa., Assessor 20th District, Pennsylvania, vice John B. Hays.

Wm. W. Warren, Brighton, Mass., Assessor 7th District, Massachusetts, vice C. C. Esty.

J. Pitcher, Mt. Vernon, Ind., Assessor 1st District, Indiana, vice Joseph G. Bowman.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

.. IV.—No. 15. NEW YORK, OCTOBER 13, 1866. WHOLE NUMBER 93.

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TICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

he copies of this paper furnished to assessors, lectors and assistant assessors by order of the vernment, are delivered weekly to Mr. James Keen, Revenue Stamp Agent, at No. 53 Prince New York city. The copies for collectors are iled directly to them. Those for assessors and istant assessors in each district are mailed in a dle addressed to the assessor, who retains one y for his office, and delivers or mails one copy to h of his assistants. These papers belong to the vernment; are its property; and are to be carey preserved by Revenue officers, for reference, l handed over, with their other official records l assessment books, to those who succeed them in ce. For this, each and every one will be held sonally responsible

he RECORD is furnished pursuant to authority of of Congress, with the view of securing greater formity in assessments, and to aid in preventing uds upon the Revenue, by communicating from Department to its many subordinate officers ularly every week, official decisions, regulations, l information for their guidance in the discharge their important duties.

f any assistant assessor should, therefore, fail to eive his copy for any week, he ought forthwith apprize his assessor of the fact. Assessors will ase at once notify Mr. McKeen, 53 Prince st., w York city, or this office, of their failure at any e to receive the requisite number of copies for ir districts.

We invite notes and queries by and from Revee officers relating to practice, assessments, collions and kindred subjects, for publication, and to ter an interchange between them of thought and inions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE ruling relative to the tax on roasted and ground coffee is important, inasmuch as a contrary practice has prevailed—only one tax of a cent a pound has in most instances been paid thereon.

The ruling is that a party who roasts or substitutes and sells the same *before* grinding, is liable to a tax of one cent per pound. If another party purchases this coffee and grinds it, or compounds or mixes it with any articles intended for use as substitutes for or adulterations of coffee, he becomes liable to the tax of one cent per pound as *ground* coffee.

The tax on coffee roasted and ground before being sold is two cents per pound.

It will be difficult to evade the tax on coffee and substitutes under this decision, though it is not to be doubted that efforts will be made, principally by small storekeepers, to avoid the tax of one cent per pound on the grinding of coffee purchased by them already roasted. In our judgment all such grocers who thus grind coffee for sale, are unquestionably liable to the special tax of a $100 per annum, as well as the specific tax on the coffee.

The Commissioner decides that a party who in manufacturing vinegar distills spirits from imported duty-paid wines, is subject to all the liabilities of a distiller, and is liable to the tax of $2 per gallon of spirits so produced.

A butcher has no right to sell fish, &c., under his butcher's license or special tax receipt. If he does so, going from place to place, he is liable as a peddler of fish.

Wire cloth is liable to tax as such, and manufacturers of sieves or other articles who make their own wire cloth, are held liable, first, to the ad valorem tax of five per centum on the market value of cloth made and used by them, and second, to the 5 per cent. tax on the full sales value of the completed article.

With respect to smoking tobacco it is held that if the leaf is stemmed or butted, or if any portion of the stem is removed before manufacture, or during the process of manufacture, or subsequent thereto, by cutting off the butt end, or by stripping out the stem, or any portion thereof, or by bolting, sifting screening, or other process, the tobacco becomes liable to a tax of 40 cents a pound. Smoking tobacco not sweetened, or stemmed, or butted, &c., is liable to the tax of 15 cents per pound.

Printed envelopes are not exempt from tax as printed matter, but are liable to tax on their full sales value. If the envelopes are printed after they are made and sold, they become liable to tax on the increased value.

All canned goods, either in the hand of the manufacturer or purchaser or dealer, sold or offered for sale after 1st of October, 1866, are subject to stamp duty. Where the goods are already packed in cases for wholesale dealers, it will do for the manufacturers on making sale thereof to pass to the purchaser a sufficient number of cancelled stamps to be affixed when the cases are opened.

The decision relative to artificial flowers, or parts thereof, possesses interest to the trade, inasmuch as there has been a great diversity of practice in making assessments on this production.

We are indebted to Edgar Needham, Esq., the worthy assessor of the Louisville District, for the favor of furnishing us the copy of Judge Ballard's interesting decision in the case of the U. S. vs. 56 barrels whiskey, published last week.

We would in this connection urge upon other assessors and collectors the great benefit they might do the revenue by forwarding for publication in the RECORD, copies of decisions of courts in revenue cases. Any expense incurred in so doing would cheerfully be defrayed upon notice to this office, not to mention the thanks that would be given on our own behalf and that of the service generally.

THE PUBLIC DEBT.

The following is the official statement of the public debt of the United States on the 1st of October, 1866:

DEBT BEARING COIN INTEREST.

5 per cent bonds.....	$196,691,250 00	
6 per cent bonds of 1867 and 1868.....	18,323,591 80	
6 per cent bonds, 1881..	283,738,750 00	
6 per cent 5-20 bonds..	798,182,250 00	
Navy Pension Fund....	11,750,000 00	
		$1,310,085,941 80

DEBT BEARING CURRENCY INTEREST.

6 per cent bonds.....	$8,922,000 00	
Temporary loan.....	22,500,000 00	
3-year compound interest notes.....	158,512,140 00	
3-year 7-30 notes.....	743,996,050 00	
		930,930,190 00
Matured debt not presented for payment.....		23,302,572 14

DEBT BEARING NO INTEREST.

U. S. notes.....	$399,165,292 00	
Fractional currency....	27,029,273 33	
Gold certificate of deposit.....	11,057,640 00	
		437,252,205 33
Total debt.....		2,701,560,709 27
Amount in Treasury, coin	$84,259,909 35	
Amount in Treasury, currency.....	41,953,858 24	
		128,213,767 59
Amount of debt, less cash in Treasury.		2,573,346,941 68

The foregoing is a correct statement of the public debt, as appears from the books and Treasurer's returns in the Department on 1st of October, 1866.

H. MCCULLOCH,
Secretary of the Treasury.

THE EXECUTIVE POWER OF TEMPORARY APPOINTMENTS TO OFFICE.—OPINION OF ATTORNEY GENERAL STANBERY.

ATTORNEY GENERAL'S OFFICE, August 30, 1866.

Hon. A. W. Randall, Postmaster General.

SIR: I have considered the question which you have submitted for my opinion—that is to say, whether, in cases where appointments have been made of postmasters in the recess prior to the last session of the Senate, and there was a failure during the session to make a permanent appointment, either by the refusal of the Senate to confirm the nominee, a failure to act upon the nomination, or other cause, the President can make another temporary appointment in the present recess.

The clause of the Constitution under which this question arises is as follows:

The President shall have power to fill up all vacancies that may happen during the recess of the Senate, by granting commissions, which shall expire at the end of their next session.

Upon the facts stated it does not appear that there was a vacancy until after the session was over. In the sequel I shall again refer to this position, but as some claim that the vacancy does happen, within the meaning of the Constitution, before the recess, I propose to consider the general question, whether the President can fill up a vacancy in the recess which existed in the prior session.

I am not aware of any decision of the Supreme Court that has any direct bearing upon this question. It has, however, frequently been passed upon by my predecessors.

Mr. Wirt in 1823, Mr. Taney in 1832, and Mr. Legaré in 1841, concur in opinion that vacancies first occurring during the session of the Senate may be filled by the President in the recess.

Mr. Mason, in a short opinion given in 1845, held that vacancies *known to exist* during the session could not be filled in the recess, but in a more elaborate opinion written in 1846, he expresses general concurrence with his three predecessors.

All these concurring opinions give a construction to the meaning of the words "vacancies that may happen during the recess of the Senate," and as I understand them, they agree that these words are not to be confined to vacancies which first occur during the recess, but may apply to vacancies which first occur during the session and continue in the recess.

It may be well at this point to bring in view some of the contingencies which may attend a vacancy in the recess which first occurred during the session.

First. It may not become known until the recess, a contingency which often occurs by the death of incumbents at distant points.

Second. It may have occurred by the failure of the Senate to act upon a nomination.

Third. Or, upon a nomination and confirmation, where the party so nominated and confirmed refuses in the recess to accept the office.

Fourth. Or by the rejection of the nominee of the President in the last hour of the session.

Fifth. Or by the failure of the President to make a nomination during the session, or after a rejection of his nominee.

You will observe that I have not put in this category the case stated in your letter—that is to say, where after an appointment by the President in the recess and a nomination at the next session, there is a failure of the Senate to confirm the nomination for want of time or any other cause.

It is not clear that the vacancy which exists after the adjournment of the Senate can be said to have occurred during the session. The appointment fills the office, and the language of the Constitution is, that "it shall expire at the end of their next session." It was upon this state of facts that Mr. Taney gave his opinion in 1832, and held on this point that "the vacancy did take place in the recess," and that "the former appointment continued during the session, and there was no vacancy until after they adjourned."

As this construction has been much questioned I do not propose to stop upon it, but prefer to place my opinion on other ground independent of the question whether the vacancy first occurred during the session or during the recess.

Those who argue for the construction, that the vacancy to be filled by the President must first occur in the recess, claim that such a construction arises inevitably by force of the words, "all vacancies that may happen during the recess of the Senate."

They claim that a vacancy which does not first occur in the recess cannot be said to happen in the recess. It is the point of time when the vacancy begins that, they say, is to be considered. This is one reading of this section, and, so far as the mere letter is concerned, it is perhaps the most obvious. But even if we confine ourselves to this section alone, and to its literal interpretation, there is reason for grave doubt.

The subject matter is a *vacancy*.

It implies duration, a condition or state of things which may exist for a period of time. Can it be said that the word *happen*, when applied to such a subject, is only properly applicable to its beginning?

If this word is used in reference to an action or event that takes place at a punctual point of time, it must necessarily be confined to that special hour; but a vacancy is not such an event.

It has a beginning, it is true, but it necessarily implies continuance, and it is precisely the same thing from the beginning to the end during the period of its duration.

If we mark the time of a single action, we say it happened at that time, for it could not be said to happen at any other. But when we speak of such a subject as a vacancy, we must use some other term to mark its beginning, for it may well be said to happen at every point of time that it exists.

I incline to think, upon the mere words, that we might construe them as if the phrase were, "if it happens that there is a vacancy in the recess," or, "if a vacancy happens to exist in the recess." This, upon the words alone, was the construction first put upon this section by Mr. Wirt, and since followed by all his successors in this office who have expressed an opinion on this question.

But the rules of construction do not confine us to the words of the section, and do not compel us to adopt a construction according to the mere letter.

When we look to other sections of this article, and to the reason and policy of the enactment, all nice criticism must give way to more enlightened construction.

It is in the arrangement of executive power that we encounter this question.

First of all, it is the President who is made the recipient of this power. The grant is in these words: "The executive power shall be vested in a President of the United States." By another section it is provided that, "he shall take care that the laws be faithfully executed."

Now, it is of the very essence of executive power that it should always be capable of exercise. The legislative power and the judicial power came into play at intervals.

There are or may be periods when there is no legislature in session to pass laws, and no court in session to administer laws, and this without public detriment; but always and everywhere the power to execute the laws is, or ought to be, in full exercise. The President must take care at all times that the laws be faithfully executed. There is no [illegible] of time in which the power to enforce or ex[illegible]ay not be reqvired, and there should not be any point of time or interval in which that power is dormant or incapable of acting.

It is in view of this necessity that another clause of this article makes careful provision against a vacancy in the office of President, by providing that upon the death, resignation, or removal of the President from office, the powers and duties shall at once devolve upon Vice President, and by enjoining on Congress to make further provision in case of the death of the Vice President as to what other officer shall then act as President until another President shall be elected.

If any one purpose is manifest in the Constitution, if any one policy is clearly apparent, it is, that in so far as the chief fountain of executive power is concerned, there shall be no cessation, no interval of time when there may be an incapacity of action.

But the President, although the source of executive power, cannot exercise it all himself. It is comparatively but an infinitessimal part of all that is to be done or executed that he can perform.

He must act by the agency of others. Accordingly we find ample provision made for this purpose.

The executive power vested in the President by the Constitution has, in many respects, an unlimited range, extending over a time of war as well as a time of peace.

He is made commander-in-chief of the army and navy, and of the State militia whilst in the actual service of the United States.

All our foreign relations are conducted by men of his nomination. So, too, all our military and naval officers, and finally, all our civil officers everywhere, whether judicial or strictly executive, are, with the exception of some interior officers, to be nominated by him.

No other branch or department of the Government shares with the President this power to nominate.

It is true that the President does not create the officers. *That*, in general, is part of the legislative power.

But the mere legislative creation of an office, and the provision by law for the duties to be performed by the officer, do not put the officer in place or the law in execution.

No matter what may be the necessity, the power to fill the office is not vested in the legislative department. So, too, it is equally true that the President could not execute the duties of the officer himself. He cannot sit as a judge or perform the duties of a marshal. These, like most executive powers, can only be exercised by one agent—that is, by the designated officer—and this officer can only be put in place upon the nomination of the President.

When, then, we see that the Constitution vests the executive power in the President, and vests in him alone the power to appoint officers to exercise the power, and requires of him alone (not of Congress, or the Senate,) that he take care that the laws be faithfully executed, we could hardly expect to find his hands tied by a section which would prostrate all these provisions. And yet this is the necessary result of the verbal construction which I have mentioned; for that construction prevents the President from filling any vacancy in any office during the recess of the Senate unless it be a vacancy which first occurs in the recess.

Now, when the Constitution guards with so much care against a vacancy in the office of President, how does it happen, that, as to the only agency through which the President can act, there is found a provision exactly contrariwise, that a vacancy in such an agency shall continue, and that, for a time longer or shorter here is no power to fill it, no matter what may be the emergency, or how much the public interests may suffer?

In other words, to go according to this verbal rea

here may be times when the executive power is
ant—times when the President cannot act himself,
annot appoint any officer to act, and during
the execution of the laws is so far suspended.
e for an example the case of a foreign minister
istant court, charged with the most important
pressing for attention at a critical juncture,
office becomes vacant by his death during the
n of the Senate, but the vacancy is not known
President until after the adjournment.
e is an instance of a vacancy which first occurs
g the session, and which, upon this construction,
t be filled in the recess.
e another example, the death of a head of de-
ent just on the eve of the adjournment of the
e, without time for a new nomination, or the re-
n of the nominees followed by an adjournment.
President to be left during all the recess to carry
e Government without the very aid contemplated
e Constitution?
ight multiply cases to show the consequences to
the verbal construction leads, but I prefer to rest
estion upon higher grounds.
e true theory of the Constitution in this particular
to me to be this, that, as to the executive power
lways to be in action, or in capacity for action,
at to meet this necessity there is a provision
st a vacancy in the Chief Executive office, and
st vacancies in all the subordinate offices, and
at all times there is a power to fill such vacan-

s the President whose duty it is to see that the
cy is filled. If the Senate is in session they must
t to his nomination. If the Senate is not in ses-
he President fills the vacancy alone.
that is to be looked to is, that there is a vacancy
fter when it first occurred, and there must be a
r to fill it. If it should have been filled whilst
the recess began, but was not then filled, that
n is no reason for longer delay, for the public
which requires the officer may be as cogent
during the recess then during the
I repeat it, whenever there is a vacancy there
wer to fill it.
power in the President, with the assent of the
body is in session, and in the Pres-
when the Senate is not in session.
upon which the power to fill a va-
by the state of things when it is
take the case of a vacancy which
during the recess, but it is not filled
begins.
construction is sound, such a vacancy
President without the consent of
the Senate is in session; but no one
session.
whenever there is a vacancy existing
whether it first occurred in the re-
session began, the power to fill requires
action of the President and Senate.
corollary to this, that where the
in the recess, whether it first occurred
or in the preceding session, the power to
in the President alone.
during the recess, the power is not in the Presi-
it is nowhere; and there is a time, when for a
, the President is required to see that the laws
executed, and yet denied the very means provided
eir execution.
s argued by those who deny this power to the
that, to allow it, would disappoint the clear
to give the Senate's participation in appoint-
to office. It is said that if the President can, by
wn act, fill a vacancy which occurred during the
on, he may, if so disposed, wholly omit to nomin-
ate an officer during the session, and leave all such vacancies open and then fill them in the recess.

Undoubtedly the President may do all that, and may intentionally abuse his power. The answer to this objection is obvious. In the first place, it may be said, that arguments against the existence of a power founded on its possible abuse are not satisfactory.

If they were, then an objection against any control by the Senate over the President's appointments would be equally cogent, for we may imagine that the Senate might refuse to consent to any appointment made by the President, or to any appropriation to pay the salaries of officers, and thus leave the Executive without power to execute the laws.

In the second place, if this argument, founded on the possible abuse of a power, is sound, then it may equally well be urged against the power of the President to make removals, for it may be imagined that, after the adjournment of the Senate, the President in the recess may remove every officer, civil and military, whose tenure of office is not during good behavior, and thus create vacancies in *the recess*, all to be filled by his own appointment.

As these appointments are to continue until the end of the next session of the Senate, the President might omit to make any nominations to the Senate, and then in the ensuing recess reappoint the same or other officers, and thus, throughout his term of office, defeat entirely any participation on the part of the Senate.

I take it for granted that this unlimited power of removal belongs to the President, though I am quite well aware that some are still found to deny it, and to reiterate arguments used without avail nearly eighty years ago, and to keep open a question settled by usage from the beginning of the Government.

This very power of removal comes with signal force in aid of the power of appointment. If the President can make a vacancy at all times, he must have the correlative power to fill the vacancy at all times. To avoid the mischief of a bad officer he has at all times the power to create a vacancy; but it may be as great, perhaps a greater mischief, to have a vacant office, or no office at all, than to have a bad or inefficient officer.

Why, then, allow him at all times the power to correct the mischief of a bad officer, by a removal, and deny him the power at all times to correct the mischief of a vacancy by an appointment?

The argument against the power of the President to fill a vacancy in the recess which began in the session, founded on a supposed intent to guard from usurpation by the President the proper authority of the Senate, amounts to nothing when we consider how thoroughly this may done under the power of removal; for what is the difference between a vacancy which began in the session, or was caused in the recess by the act of the President? And if, by the power of removal, all the appointments may be usurped by the President, why look for guards in only one particular, and such a guard as creates, perhaps, a greater mischief than it prevents; for it seems to be a greater evil to be without officers altogether than to have officers who hold only by the temporary appointment of the President? I say by the *temporary* appointment of the President, for, in strict language, the President cannot invest any officer with a full title to to the office without the concurrence of the Senate.

Whether the President appoints in the session or in the recess, he cannot and does not *fill the office* without the concurrence of the Senate.

He may *fill the vacancy* in the recess, but only by an appointment which lasts until the end of the next session.

For instance, in filling a vacancy in the office of judge who tenure is in effect for life, his appointee can only hold for a fraction of time; so too of a marshal, whose regular time is four years, the officer appointed to fill the vacancy can scarcely hold for an entire year. Here, then, is the safe and only guard which protects the rights of the Senate, the express provision that an appointment made in the recess shall only extend until the end of the next session of the Senate.

This protection applies equally to all appointments in the recess, whether to fill the vacancies then first occurring or that first occurred during the session.

It is an ample provision to secure the Senate from everything, except an abuse by the President of his own constitutional power of removal, and of filling vacancies by so exercising them as intentionally to frustrate the intention of the Senate.

We must not forget that the power of appointment to office is essentially an executive function. It belongs essentially to the executive department, rather than to the legislative or judicial.

If no provision on the subject had been made by the Constitution, it would have been held appurtenant to the President, as the head of the executive department, specially charged with the execution of the laws.

Hence his power at all times to vacate offices and to fill vacancies. He can by his own act do everything but give full title to his appointees, and invest them with the right to hold during the official term.

That he cannot do without the consent of the Senate, but such is his power over officers, that, after the Senate has consented to his nomination, or in common parlance has confirmed it, the nominee is not yet fully appointed or even entitled to the office, for it still remains with the President to give him a commission or to refuse it, as he may deem best, and without the commission there is no appointment.

This was held by the Supreme Court in Marbury vs. Madison, and when to that decision we add the doctrine recognized by the same court in *ex parte Henner*, we see how fully the appointment and removal of officers is held to be a necessary incident of executive power.

Finally, when I consider that the construction which denies the President the power to fill a vacancy in the recess which first occurs in the session entitles to all such vacancies without exception, as well to those not known until the recess as to those known before, to those occasioned altogether by the neglect or failure of the Senate to assent to a nomination or to act upon a nomination—to those where the fault is with the Senate as well as to those where the fault is with the President, I cannot escape the conviction that such a construction is unsound.

I am accordingly of opinion that the President has full and independent power to fill vacancies in the recess of the Senate without any limitation as to the time when they first occurred.

I am, sir, very respectfully, yours,

HENRY STANBERY, *Attorney General.*

THE Second Comptroller of the Treasury has decided that hernia, or the breaking of a limb, are wounds within the meaning of the act of July 28, 1866, when incurred in consequence of the performance of military duty, if they are of sufficient gravity to cause the soldier's discharge; but concussion of the brain cannot be considered a wound.

WE call attention to the advertisement of the Great Art Association in another column, which was projected on a plan similar to the Crosby Opera House Association. The Association promises to each subscriber a fine engraving, and a chance in the final distribution of pictures.

Treasury Dept., Decisions, &c.

OFFICIAL.

ADDITIONAL REGULATIONS CONCERNING THE WEIGHING AND MARKING OF COTTON.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 25, 1866.

Since the publication of Series 2, No. 5, containing regulations concerning the weighing and marking of cotton, &c., it has been determined to provide a metallic tag, to be used by the assessor, or under his oversight, at the time cotton is first weighed, in place of the "tax paid" tag heretofore used. It has also been decided to appoint weighers of cotton in certain localities. Consequently the aforesaid regulations have been modified in several important particulars, and the attention of assessors and collectors is therefore directed to the following additional regulations which may be attached to Series 2, No. 5, and used.

WEIGHERS OF COTTON.

Under the authority conferred by section 3 of the act of July 13, 1866, the Secretary of the Treasury will appoint suitable persons to weigh and mark cotton, at those designated places for weighing where the quantity of cotton and amount of labor may be so great that the assistant assessors located at such places cannot readily and promptly perform the work required. The application for such appointments, together with the recommendations of suitable persons as weighers, should come from the Assessors of the respective districts, and be addressed to the Commissioner of Internal Revenue.

Each weigher, upon being notified of his appointment, and before entering upon the discharge of his duties, must take the oath of office prescribed by the act of July 2, 1862. This oath being duly subscribed and attested, must be forwarded by the Assessor to the Commissioner of Internal Revenue.

DUTIES OF THE WEIGHERS.

The duty of the weigher will be, as prescribed in Series 2, No. 5, to act under the instructions and direction of the assessor, to weigh each bale and mark its *tare* weight thereon with marking ink or paint. This duty, together with the duty of affixing or inserting the metallic tag hereinafter described, must be done under the direction of the assessor or assistant assessor located at the designated place of weighing. Weighers must furnish at their own expense all marking materials, except the metallic tag, which will be furnished to Assessors by the Department. An accurate account of all bales so weighed and marked must be kept by the Assessor or Assistant Assessor, as heretofore directed in Series 2, No. 5.

In designated places of weighing, where several weighers may be located, it will be the duty of each weigher, whose weighing is not done under the immediate eyesight of the assessor or assistant assessor, to keep an accurate account of the number of bales, the weight of each, and the marks thereon, and the owner's or holder's name of every lot of cotton weighed and marked by him, and make a certified statement of the same to the assessor or assistant assessor located at the place. This statement must be made and returned promptly, and when practicable on the day of weighing.

FEE FOR WEIGHING AND MARKING.

The fee for weighing and marking cotton, including the labor of inserting the metallic tag, will be fifteen cents per bale, until otherwise ordered. In special cases the Commissioner may prescribe a different fee; but in no case will a greater fee be allowed, unless the circumstances urgently require it. The fixed, will cover all expenses of handling cotton; and in no case, where a duly appointed weigher is employed, will the owner, holder, or producer of the cotton be required to pay more than the established fee. But where a regularly appointed weigher is not employed, the owner must—as directed in Series 2, No. 5, page 3—provide for the performance of the manual labor connected with the weighing and marking, under the immediate oversight of the assessor or assistant assessor, who can receive no fee and make no charge except for necessary travelling expenses to places not designated.

CONCERNING THE USE OF METALLIC TAGS.

As soon as the new metallic tags, ordered by the Department, are supplied, they will be forwarded to assessors instead of to collectors as heretofore, and an account of the same will be kept in this office with each assessor, instead of with collectors, as stated in Series 2, No. 5, page 8. On each tag will be stamped a letter, a number in figures, and "U. S. Internal Revenue." These tags will be put up in packages of fifty, numbered in consecutive order, and assessors must be very particular to use them in regular order, as from 1 to 50, 50 to 100, &c., as the case may be, on each lot of cotton weighed and marked. By the use of the stiletto, which will be furnished for the purpose, the tag must be securely inserted into the bale, so that it will firmly inhere, and accompany the bale to its destination.

As soon as assessors receive their supplies, they must see that the tags are used and inserted at the time of weighing and marking. The letter and number on each tag must be accurately entered in the record kept by the assessor, and in the account kept by him with each owner, holder, or producer of cotton, and permits, whether issued by the assessor or collector for the removal of cotton, must clearly specify the letter and number for each bale, so that there may be no trouble in identification. When the numbers are consecutive it will suffice to enter, both on record and permit, the first and last number. Thus, for a lot of fifty bales, the entry may be, "Letter A, Nos. 101 to 150."

Collectors will be furnished with an instrument by the use of which the word "paid" is to be impressed on the tag, whenever the tax is paid on cotton previously weighed, marked, and tagged; but until the new tag is furnished they may continue to use the old "tax-paid" tag, if they have any on hand.

Assessors are specially requested to send to the Commissioner, without delay, estimates of the probable number of tags that will be required in their respective districts, so that the necessary arrangements may be made for their supply.

E. A. ROLLINS, *Commissioner.*

Approved:
H. MCCULLOCH, *Secretary of the Treasury.*

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, October 2d, 1866.

SIR: Your letter of Sept. 21st, in relation to deductions, has been received.

In answer, I have to say that section 86 of the act of June 30, 1864, under which manufacturers were allowed to deduct from the gross sales of their products, freight, commission, and other expenses of sale *bona fide* paid, is stricken out by the amendatory act of July 13, 1866.

Under the present law, therefore, no deductions are allowed. A manufacturer, however, who sells his goods on time without interest, in making his returns, may be allowed to reduce such sales to their cash value at the time they are made.

Yarn and warp for weaving, &c., on which the tax did not accrue prior to July 13, 1866, are exempt from tax. Cloth, therefore, manufactured since that date is liable to tax on its entire value, unless evidence, satisfactory to the assessor, is produced, showing tax or duty had actually been paid on the yarn o used in its manufacture, in which case the value of the yarn or warp so used may be deduct

Very respectfully,
[Signed] THOMAS HARLAND,
Deputy Commissi

W. C. KITTREDGE, Esq.,
Assessor 1st District, Fair Haven, Vt.

TAX ON WIRE CLOTH MADE AND USED BY SIEVE FACTURERS.

ASSESSOR'S OFFICE,
EIGHTH DISTRICT OF MASSACHUSET
WORCESTER, Sept. 24th, 1866.

SIR: Wire cloth for making sieve bottoms, bottoms, bolts in flour mills, for use in cott woolen mills, and for other purposes, is a well commercial article. It is made in large quantiti sold in the market as "wire cloth," or "woven Sieve makers usually make wire cloth for their ow but sometimes they buy it. There are sieve ma this district who make all the wire cloth used by Others buy a part or all they use. I tax all th made in the district, whether it is sold as wire cl used in the production of sieves or other article our sieve makers complain, and say that sieve m all over the country out of this district mak cloth for their own use, and are taxed only o finished sieves, and from the inquiries I have m think it is so.

Messrs. Morse & White and Benj. Foxwell of B Messrs. Howard & Morse, 62 Fulton street, New are large manufacturers of sieves—all say they have been asked to pay tax on wire cloth; and said that there are many manufacturers in New and Philadelphia, and I suppose in many other pl in the same condition. In fact, I cannot learn any body out of this district has been required to pa on wire cloth for their own use. As this is a mat considerable importance, allow me to suggest wh it would not be well to issue a circular, instru assessors upon the matter.

Very Respectfully,
IVERS PHILLIPS,
Assessor 8th District, Ma

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 28, 1866.

SIR: Your letter of Sept. 24th, in relation to cloth has been received.

In answer I have to say that when a party manu tures cloth from yarn and warps, and makes cloth into garments, he is liable to tax, first cloth manufactured, and then upon the garment from it. The same principle applies to wire cl articles manufatured from it. A party who mak cloth, and use it in the manufacture of sieves, taxable first on the wire cloth, and then on the in the manufacture of which he uses it.

I have this day instructed the U. S. Asses Boston, New York and Philadelphia in re assessing wire cloth.

Very Respectfully,
E. A. ROLLINS, *Commissi*

IVERS PHILLIPS, Esq.,
Assessor 8th District Worcester Mass.

TAX ON SMOKING TOBACCO.

OFFICE OF INTERNAL REVENU
Washington, Sept. 27, 1865.

SIR: Your letter dated July 30th has been re

In answer I have to say that the law provides t Smoking Tobacco of all kinds, not sweetened

stemmed, nor butted, &c., there shall be paid a tax of 15 cents per pound.

In my opinion the terms "stemmed" and "butted," as used in the law, refer as well to the final product as to the process. Smoking tobacco manufactured or cut in such a manner as to include the entire stem, and without being sweetened, is to be taxed 15 cents per pound; but if any portion of the stem is removed, then the tobacco is liable to 40 cents tax. If the leaf is stemmed or butted, or if any portion of the stem is removed before manufacture, or during the process of manufacture, or subsequent thereto, by cutting off the butt end, or stripping out the stem, or any portion thereof, or by bolting, sifting or screening, or other process, the tobacco becomes liable to a tax of 40 cents a pound.

Very respectfully,
E. A. ROLLINS,
Commissioner.

HIRAM PAYE, Esq., *Albany, N. Y.*

TAX ON MANUFACTURERS WHOSE PRODUCTS DO NOT EXCEED $3,000 PER ANNUM.

OFFICE OF INTERNAL REVENUE,
Washington, September 21st, 1866.

SIR:—In reply to your letter of the 15th inst. I have to say, that under the decision of this office, manufacturers whose products exceed the rate of $1,000 per per annum and do not exceed the rate of $3,000 per annum, will be required to pay a tax only on the excess above the former rate, though they employ an apprentice or journeyman to assist them in their business, provided *they personally engage therein.*

Very Respectfully,
E. A. ROLLINS,
Commissioner.

BOLIVAR LOVELL, Esq. *U. S. Assessor,*
Alstead, N. H.

TAX ON COFFEE, ROASTED OR GROUND, MIXED OR ADULTERATED.

ASSESSOR'S OFFICE,
FOURTH DISTRICT OF NEW YORK,
New York, Sept. 14, 1866.

SIR: Under the provisions of the act of July 13, 1866, coffee, roasted or ground, is liable to a tax of one cent per pound.

There are, in this District, sundry parties who roast coffee solely, and sell the coffee thus roasted to others, who grind it. Do these parties pay one cent on the roasted and one cent on the ground? Other parties both roast and grind. Do they pay two cents per pound, viz: one cent on roasted coffee and one cent on ground, or do they pay only one cent per pound on coffee that is both roasted and ground? There is a great diversity of opinion as to the proper construction of the law on this subject. and I would be pleased to have your instructions.

Very respectfully,
PIERRE C. VAN WYCK,
Assessor.

Hon. E. A. ROLLINS,
Commissioner Internal Revenue,
Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 5, 1866.

SIR: In reply to your letter of the 14th inst. I have to say, that the 94th section of the act of June 30th, 1764, as amended by the act of July 13, 1866, imposes on coffee, roasted or ground, and upon all articles intended for use as substitutes for, or as adulterations of, coffee, and upon all compounds and mixtures prepared for sale, or intended for use and sale as coffee, or as substitutes therefor, a tax of one cent a pound.

It will be seen that this applies equally to coffee, roasted and sold, before grinding, as to that roasted and ground, as the tax is on coffee "roasted *or* ground."

Under this provision, where a party roasts coffee, or any substitutes to be used for coffee, and sells it before grinding, he is liable to the tax of one cent per pound on the same, as roasted coffee.

If another party purchases this coffee and grinds it, or compounds or mixes it with any articles intended for use as substitutes for or adulterations of coffee, he becomes liable to a tax on the same when sold or consumed as ground coffee.

But when coffee is roasted and ground before being sold, the tax on the same is two cents per pound.

Yours respectfully,
THOMAS HARLAND,
Dep. Commissioner.

PIERRE C. VAN WYCK, Esq.,
U. S. Assessor, New York City.

PRINTED ENVELOPES ARE NOT EXEMPT AS PRINTED MATTER, BUT ARE LIABLE.

ASSESSOR'S OFFICE,
EIGHTH DISTRICT OF MASSACHUSETTS,
WORCESTER, Sept. 10, 1866.

SIR: There are several manufacturers of envelopes in this district. A large portion of the envelopes have something printed on the outside, such as the name of a firm or business, and it is claimed by the manufacturers that the cost of printing is exempt from tax as printed matter.

The envelope manufacturers receive orders for the envelopes, including the printing. I tax them on the full value of the envelopes as sold, on the ground that the printing on envelopes cannot be regarded as printed matter. I have also decided that if the envelopes are sold plain, and afterwards printed, the printer must be taxable on increased value, under the 96th section of the law. It seems to me that if the claim that the printing is exempt, under the head of printed matter is allowed, it would extend to the envelopes themselves, and the whole manufacture would be exempt. Shall I tax envelopes upon which something is printed, on their full value, or shall I allow the cost of printing to be deducted?

Very respectfully,
IVERS PHILLIPS,
Assessor 8th Mass. District.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 27, 1866.

SIR: Your letter of the 10th inst., relative to the mode of taxing printed envelopes, has been received.

In reply I have to say that printed envelopes are not held by this office to be exempt as printed matter, but are liable for a tax on their entire value.

If they are printed after they are made and sold, they would become liable to an additional tax on increased value.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

IVERS PHILLIPS, Esq.,
U. S. Assessor 8th Dist., Worcester, Mass.

STAMPING OF CANNED MEATS, &C.—EXPOSURE FOR SALE.

ASSESSOR'S OFFICE,
FOURTH DISTRICT NEW YORK,
New York, Oct. 2, 1866.

SIR: Are canned meats, &c., as enumerated in Schedule C, liable to stamp duty when removed or sold at wholesale, after October 1, 1866, by the owner who was not the manufacturer.

Judging from the context, I have thought the exposure for sale, and sale spoken of in the 210th paragraph of the Department edition of the Internal Revenue act, rendering the seller liable as a manufacturer, to be the exposure and sale of the retailer, not subjecting the goods sold at wholesale to stamp tax.

Wholesale dealers, willing to pay the additional stamp duty on goods that they have purchased already having paid an ad valorem tax, nevertheless complain that the law should require them to destroy their packages (as it would do) in order to stamp them, the retailers having the opportunity to attach the stamps to the cans, &c., without detriment. Other wholesale dealers have also asked me, if it is required that they shall pay the additional stamp duty, that they may be allowed to put the amount due in stamps in the cases, ready to be attached to the cans when sold.

Large shipments of goods await your decision on these questions.

Respectfully,
PIERRE C. VAN WYCK,
Assessor.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 8, 1866.

SIR: In answer to your enquiries in your letter dated 2d instant, I have to say that, all canned goods, either in the hands of the manufacturer or purchaser, sold or offered for sale on or after the 1st inst., are required to be stamped as specified in Schedule C, of the act of July 13, 1866.

When canned goods have been packed in cases, and it would be difficult and expensive to unpack them and affix the requisite stamps, the parties will have complied substantially with the law, if, when sold, the manufacturer encloses in an envelope to the purchaser a sufficient number of cancelled stamps to be affixed when goods are unpacked.

Yours respectfully,
THOMAS HARLAND,
Deputy Commissioner.

PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

TAXATION ON ARTIFICIAL FLOWERS, PARTS OF FLOWERS, SPRAYS, BRANCHES, AND WREATHS.

September 22d, 1866.

SIR:—In section 94, page 57 of the Internal Revenue law of July 13th, 1866, it is provided that the branching into sprays, branches or wreaths of artificial flowers "on which an impost or internal tax has already been paid, shall not be considered a manufacture within the meaning of this act." When the manufacturer manufactures or produces himself all the flowers, leaves, buds, fruits, or other articles termed artificial flowers, and branches them into sprays, branches or wreaths, the course seems plain under the law, viz.: to tax on the sales of the sprays, branches or wreathes, the same as if this proviso did not exist. The law is equally clear when every one of said articles have previously paid the tax. The difficulty in applying it arises where the manufacturer makes part of said articles himself and imports or purchases other parts already taxed, and mingles them in the branching into sprays, branches, or wreathes, in such a manner that the sprays or branches or wreaths will be composed of, or contain both classes of articles. Is it not the intention of the law in this case also to exempt the act of branching all such flowers of the spray, branch, or wreath, as have previously paid the tax, and to give effect to the law in the latter case, is it not the proper practice, or even necessary to return the sales of the sprays, branches, or wreathes, less the value of said articles previously taxed? This is not strictly correct, as it includes the branching of the flowers previously taxed, which ever, I see no practical way of avoiding.

This last class of cases is by far the most important, and it is important that the practice be regulated in the outset by a decision.

If my views are incorrect in reference to the former cases, please correct me.

Respectfully,
E. C. VAN WYCK, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, September 27, 1866.

SIR:—Your letter of September 22d, in relation to artificial flowers, has been received.

In answer, I have to say, that sprays, branches, or wreaths, made from buds and flowers, on which no tax or duty has been paid, are taxable at the rate of five per cent. on their full value, when sold or used.

Sprays, branches, and wreaths, made from buds, leaves, and flowers, on which an excise tax or impost duty has been previously paid, are not liable to any tax.

A provision of section 94, of the act of June 30th, 1864, as amended by the act of July 13th, 1866, reads as follows:

"*Provided*, That the branching into sprays, branches, or wreaths of artificial flowers, on which an impost or internal tax has already been paid, shall not be considered a manufacture within the meaning of this act."

This provision is not regarded as being applicable to sprays, branches, or wreaths of artificial flowers, made in part from buds, leaves, and flowers, on which an impost or internal tax has been paid, and in part from buds, leaves, and flowers that had paid no tax or duty. Sprays, branches, and wreaths of artificial flowers, made in part only from buds, leaves and flowers, on which an impost or excise tax had been paid, and in part from buds, leaves and flowers that had paid no tax or duty, are therefore liable to tax on their entire value when sold or used.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

P. C. VAN WYCK, Esq.,
Assessor 4th District.

DISTILLATION OF SPIRITS FROM IMPORTED WINES—RECTIFICATION.

ASSESSOR'S OFFICE, FIRST DISTRICT, NEW YORK,
Roslyn, Queens County, Sept. 26, 1866.

Hon. E. A. ROLLINS,
Commisioner Internal Revenue,

SIR:—V. M., of ———, in this District, purchases sour wines and dregs that have been imported and have paid impost duties, and distills the same for the ostensible purpose of producing vinegar. He admits that the mere production of vinegar is not a paying business, but he claims that by a process peculiar to himself, he can produce in the course of distillation about three gallons of spirits (of about 52 above proof), from each sixty gallons of sour wine. These spirits he then treats or rectifies, and sells as "Cognac Brandy."

He claims, first, that he is only a Rectifier, and not a Distiller, and second, that these spirits so produced are not liable to the $2 tax per gallon.

I have required him to take license, or rather to pay special tax as a Distiller ($100), and to return his spirits and pay the tax thereon of $2 per gallon, and in all other respects to comply with the requirements of the act of July 13, 1866, so far as the same affects distillers of spirits.

Please state whether or not this action meets with your approval.

Respectfully yours,
H. W. EASTMAN,
Assessor 1st District, N. Y.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, Sept. 29, 1866.

SIR:—Your letter of Sept. 26, in relation to the case of V. M., is received.

I reply, that your action in requiring him to comply with all the requirements of the Act imposed upon Distillers, is approved.

It would appear further that Mr. M. is a Rectifier, and should pay the taxes imposed upon Rectifiers. But no rectifying can be permitted upon any premises where distilling is carried on. See Sec. 25.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

H. W. EASTMAN, Esq., *Assessor.*

RIGHTS OF BUTCHERS WHO HAVE PAID $5 ANNUAL SPECIAL TAX—FISH PEDDLERS.

OFFICE OF INTERNAL REVENUE,
Washington, Sept. 20th, 1866.

SIR:—I reply to so much of yours of the 15th inst. as relates to special tax upon the business of butchers, as follows:

The last proviso of paragraph 32, section 64, of the act in force imposes a special tax of $5 upon persons who shall sell shell or other fish, &c., &c., and there is no provision enabling butchers, whatever amount of special tax they pay, as such, to sell fish by reason of paying said special tax. Butchers, therefore, selling fish as above, are liable as peddlers.

Secondly, the butcher who pays a special tax of but $5 is clearly as much a butcher within the meaning of section 65 as the butcher who pays a special tax of $10, and is therefore entitled to the immunities of that section.

Very Respectfully,
E. A. ROLLINS,
Commissioner.

BOLIVAR LOVELL, Esq., *Assessor, &c.,*
Alstead, N. H.

COLLECTION OF TAX ON COTTON.

Below is given the opinion of the Attorney General adverted to last week, in relation to the memorial of many Southern cotton factors, producers and dealers, to have the Cotton States formed into Revenue Districts, to facilitate the collection of tax on cotton.

ATTORNEY GENERAL'S OFFICE,
September 29, 1866.

Hon. HUGH MCCULLOCH, *Secretary of the Treasury.*

SIR: I am in receipt of your letter of the 27th, requesting my opinion on the following point: Whether the laws imposing a tax on cotton and providing for its collection so restrict the executive authorities as to forbid the arranging of the cotton States into a single cotton district for the purpose of collecting the tax on cotton, having reference to the cotton tax only, and without necessarily involving any change of districts which may be most convenient for the collection of other taxes. I am clearly of the opinion that such a consolidation of the cotton-growing States as is described by the terms of the foregoing inquiry, into a single collection district for the purpose of levying and collecting the duties imposed by the Internal Revenue laws upon cotton, cannot lawfully be effected under the existing provisions of those laws. The authority conferred upon the President by the act of June 30, 1864, Section 7, to alter the respective collection districts as the public interest may require, enables him only to modify from time to time, as may be required, existing arrangements of the several districts designated by him for the levying [illegible] of all the duties and taxes prescribed and imposed by the acts of Congress relating to internal revenue. [illegible] act of July 13, 1866, the President was empowered simply to divide respectively the States and Territories of the United States, and the District of Columbia, into convenient collection districts. Soon after the passage of this act a question arose as to the authority of the President to alter the arrangement of collection districts made and established by him in pursuance of this provision of law. That question was carefully considered by my predecessor, Attorney-General Bates, who gave his opinion that the President when he made the original division of the States into collection districts, exhausted his power in the premises, this was held on the general principle that where an act of Congress establishing a general system confers on the President the authority to do a specific act for the purpose of perfecting the means by which the system shall be carried into effect. The acts of the President, when performed according to the terms of the statute, have all the validity and authority of the statute itself. (U. S. Opin., Bates, A. G., p. 384.)

This view of the law having been adopted by the Treasury Department, Congress was applied to for additional legislation conferring the authority, which was not contained in the original act. The 7th section of the act of June 30, 1864, was accordingly enacted to remedy the particular defect which was found to exist in the statute of 1862. It is too clear to admit of doubt that "collection districts," within the meaning of the act, are those districts respectively in which the internal duties and taxes imposed by law upon all the subjects of taxation are collected in the manner and by the officers designated in the statute. The districts cannot be established or arranged with reference to the duties imposed on particular subjects. That is not the plan upon which the internal revenue laws proceed. Such an arrangement as is proposed in the memorials which you have submitted to me should not be carried into effect with the machinery established by existing law for the collecting of internal duties. The President has no power to appoint a special collector for the tax imposed on the particular article of cotton, nor could he designate any one of the district collectors as the officer who should proceed throughout the entire cotton territory and collect the tax on that article wherever found. The mischiefs of the present system complained of by the Chambers of Commerce of Mobile and New Orleans can only be remedied by Congress.

The act of July 13, 1866, to which reference is made by the memorialist, contains all the exceptional provisions as to the tax on cotton which Congress deemed to be necessary, and those provisions, instead of giving authority to make the additional exception now requested, seem to me wholly inconsistent with it.

I have the honor to be, &c.,
HENRY STANBERY,
Attorney General.

DECISION OF 2D AUDITOR ON ADDITIONAL BOUNTY CLAIMS.

Upon consultation between the accounting officers in relation to certain questions arising under the act of July 28th, 1866, it has been decided that where a soldier served out a two years' enlistment and then re-enlisted, was promoted and died in the service as a commissioned officer, his heirs are not entitled to additional bounty. Nor are the heirs of a soldier entitled who was transferred to the navy and died in the service. Parents of a deceased soldier, under the regulations of the Secretary of War, must join in the application for the additional bounty, and in cases where the father has already applied, the application of the mother (if living) must also be presented. Where the mother is dead the fact should be stated in the father's application.

Parents of a deceased soldier who reside in a foreign country are not entitled to additional bounty. Paragraph eight of the regulations issued by the Secretary of War declares "that the act of July 28, 1866, creates no rights of inheritance beyond those vested by the law under which those heirs received, or were entitled to receive, the original bounty," and as by the act of July 11, 1862, such foreign heirs were excluded from receiving the original bounty, they cannot receive the additional bounty.

Where parents of a soldier have been divorced, or have separated by mutual consent, the same rules govern the settlement of a claim for additional bounty as have been heretofore followed in the settlement of similar cases. When the claim of a widow of a soldier is pending for arrears of pay and bounty, the additional bounty will be allowed in the same application, upon proof that she had not married again prior to the 28th of July, 1866.

In applications now pending by the guardian of the children of a soldier, where their ages have been omitted, evidence must be furnished giving the age of each.

Additional bounty to discharged soldiers cannot be paid through the Second Auditor's office, and no application for it, where the discharge is claimed to have been lost, will be entertained.

Gazette.

Benjamin F. Coates, Portsmouth, Ohio, Collector 11th District, Ohio, vice John Campbell.

William E. Haynes, Fremont, Ohio, Collector 9th District, Ohio, vice John F. Dewey.

Rufus Cheney, Whitewater, Wis., Collector 1st District, Wisconsin, vice Thomas J. Emerson.

Nelson R. Hopkins, Buffalo, N. Y., Collector 30.h District, New York, vice Philip Dorsheimer.

Jesse J. Alexander, Gosport, Ind., Collector 7th District, Indiana, vice R. W. Thompson.

Ephraim Williams, Hadford, Wis., Collector 4th District, Wisconsin, vice Joseph H. Babcock.

Sanford Harned, Sigourney, Iowa, Collector 4th District, Iowa, vice William F. Cowles.

Sylvester S. Mann, Waukegan, Ill., Collector 2d District, Illinois, vice Wait Talcott.

Henry H. Fish, Utica, N. Y., Collector 21st District, New York, vice Thomas R. Walker.

Chas. S. Cary, Olean, N. Y., Collector 31st District, New York, vice Milton Smith.

Henry A. Grant, Hartford, Conn., Collector 1st District, Connecticut, vice J. G. Bolles.

Rufus C. Scoope, Gettysburg, Penn., Collector 16th District, Pennsylvania, vice Edward Scull.

James W. Black, Richmond, Mo., Collector 6th District, Missouri, vice William A. Price.

Andrew DeForest, Ann Arbor, Mich, Collector 3d District, Michigan, vice Samuel S. Lacy.

John R. Finn, Elyria, Ohio, Collector 14th District, Ohio, vice Henry E. Mussey.

Walter S. Beckwith, Cassopolis, Mich., Collector 2d District, Michigan, vice Alexander H. Morrison.

John M. Glover, ———, Mo., Collector 3d District, Missouri, vice William S. Ingham.

Frank Sackett, Freeport, Ill., Collector 3d District, Illinois, vice Henry A. Mix.

John R. Miller, Canton, Ohio, Collector 17th District, Ohio, vice Lyman W. Potter.

W. W. Mosely, Syracuse, N. Y., Collector 23d District, New York, vice Silas F. Smith.

Rolfe S. Saunders, Memphis, Tenn., Collector 8th District, Tennessee, vice Reuel Hough.

Thomas Allen, Philadelphia, Penn., Assessor 3d District, Pennsylvania, vice Peter A. Keyser.

Charles Glantz, Easton, Penn., Assessor 11th District, Pennsylvania, vice James L. Selfridge.

Andrew J. Fulton, Stewartstown, Penn., Assessor 15th District, Pennsylvania, vice Horace Bonham.

Alfred P. Getty, Oswego, N. Y., Assessor 22d District, New York, vice Leonard Ames.

Joseph E. Beebe, Jackson, Mich, Assessor 3d District, Michigan, vice Whitney Jones.

Thomas J. Riley, Vernon, Ind., Assessor 3d District, Indiana, vice William F. Browning.

John B. Smith, Milwaukee, Wis., Assessor 1st District, Wisconsin, vice Charles A. Bronson.

Adolph Sowenson, ———, Wis., Assessor 5th District, Wisconsin, vice Samuel P. Gary.

Quincey C. Whitman, Ottawa, Ill., Assessor 6th District, Illinois, vice Thomas Orton.

Grant Weedman, Lebanon, Penn., Assessor 10th District, Pennsylvania, vice John W. Killinger.

James W. Eldridge, Logansport, Ind., Assessor 9th District, Indiana, vice David Turner.

William S. King, Boston, Mass., Assessor 3d District, Massachusetts, vice James Ritchie.

John T. Hubbard, Norwich, N. Y., Assessor 19th District, New York, vice Hascall Ranstord, Jr.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 16. NEW YORK, OCTOBER 20, 1866. WHOLE NUMBER 94.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

SEVERAL interesting decisions are published which will tend to establish the uniformity in assessments so necessary to justice.

The value of spools upon which tax has been paid, is not allowed to be deducted from sales of cotton thread or sewing cotton. The tax must be assessed on the entire value of the spooled cotton. The act of July 13th allows no deductions for freight, commissions, bottles, boxes, cases, &c. In other words, allows no deductions whatever.

Mining claims are considered as personal estate, and as such are liable to an income tax.

According to the opinion of the Attorney General, authorised attorneys and agents cannot be excluded from collecting bounties due soldiers under the act of July 28, 1866.

Owners of distilled spirits are not relieved from any obligations imposed upon them by State laws by the inspection of the same by United States officers.

Manufacturers who have their fabrics bleached by others should pay a tax on the full value of the goods when sold or used. Those who bleach the fabrics are to be regarded simply as the employees.

The Comptroller of the Currency, anxious that the national currency should be kept whole and clean, has authorized all National Banks to redeem the soiled notes of their corresponding banks. New notes will be furnished by the Department in place of those so redeemed.

Attention is called to the able opinion of the Attorney General in relation to the Cherokee Land Sale. It will well bear perusal.

The Commissioner instructs officers and distillers that in all cases the still or worm must be connected with the receiving cistern by pipes or other apparatus, which must be so constructed as to convey the spirits directly to the cistern. The practice of using two *open* tubs, placed near the outlet of the still, for separating the high and low wines, is in conflict with the law and cannot be allowed. All distillers must be notified by Assessors or other officers that some arrangement must be adopted and put in use by them before the 15th November next, which will comply with the law. It is considered feasible to separate the high from the low wines by the use of a glass vessel, which shall be connected with and made part of the pipes or apparatus connecting the worm with the receiving cistern. Any distillery found after that date using *open* tubs for separating high and low wines, will be closed up and proceeded against.

The necessity for these instructions is obvious inasmuch as the spirits are not under the lock and seal of the inspector in their passage from the worm to the cistern, which the law evidently contemplates shall be the case.

AT a meeting of the gentlemen connected with the office of Internal Revenue in Washington, to take action upon the death, by accidental drowning in the Potomac river, of Wm. G. Parkhurst, Esq., lately employed in said office, Hon. Thomas Harland, Acting Commissioner, was called to the chair, and C. H. Machin, Esq., was appointed secretary.

Upon motion of Colonel A. W. Hart, a committee was appointed, consisting of Hon. Chas. E. Pike and Messrs. Cathcart and Cook, to draft resolutions, by whom the following were reported, and the same were unanimously adopted:

Resolved, That we have heard with great sorrow of the sudden death of Mr. Wm. G. Parkhurst, an associate in the labor of this Bureau.

Resolved, That we remember his long and valuable services and his prompt and faithful discharge of duty, which made him an example to us all, his various accomplishments, which ensured him a welcome to many circles and attached to him many friends, and his kind and courteous demeanor, which will be in our memory a continual joy.

Resolved, That while we can say no sufficient words of consolation to those convulsed with grief by this rude sundering of domestic ties, we offer our fullest sympathy to his family, in this time of their deep distress, and implore the blessing of Him who can alone give them all needed good.

Resolved, That a copy of the proceedings of this meeting, signed by the chairman and secretary, be transmitted to the family of the deceased.

THOS. HARLAND, Chairman.
C. H. MACHIN, Secretary.

THE land and water surface of the United States are equal to 3,250,000 square miles—land 3,010,870, water about 240,000 square miles. The States embrace 1,804,351 square miles of landed surface, and the Territories 1,206,019, as exhibited by the eighth census—1860. The number of inhabitants returned in 1860 was 31,443,321; (States, 31,148,046, and in the Territories, 295,275,) thus showing an average of 17 inhabitants to the square mile in the States, while in the Territories, 4 square miles to each inhabitant, and exclusive of the District of Columbia, the territorial area would represent 5 1-5 square miles to each inhabitant.

In 1860, Massachusetts had 157, Rhode Island 133, New York 82, and Pennsylvania 62 inhabitants to the square mile, which rates, applied to the United States, would give 472, 400, 246, and 189 millions of inhabitants, respectively.

Belgium, England, Wales, and France—1855, had 397, 307, and 176 inhabitants to the square mile, respectively. If the United States was as densely populated as France, then our population would amount to 528 millions; or, England and Wales

924 millions; and according to Belgium's density of population, (397 to the square mile) the United States would contain 1,195 millions, which is 110,086,000 more than the entire population of the world in 1866.

NATIONAL THANKSGIVING.

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION.

Almighty God, our Heavenly Father, has been pleased to vouchsafe to us as a people another year of that national life which is an indispensable condition of peace, security and progress. That year has, moreover, been crowned with many peculiar blessings. The civil war that so recently closed among us has not been anywhere reopened. Foreign intervention has ceased to excite alarm or apprehension; intrusive pestilence has been benignly mitigated; domestic tranquility has improved; sentiments of conciliation have largely prevailed, and affections of loyalty and patriotism have been widely revived; our fields have yielded quite abundantly; our mining industry has been richly rewarded; and we have been allowed to extend our railroad system far into the interior recesses of the country, while our commerce has resumed its customary activity in foreign seas. These great national blessings demand a national acknowledgment.

Now therefore, I, Andrew Johnson, President of the United States, do hereby recommend that Thursday, the 29th day of November, be set apart and be observed everywhere in the several States and Territories of the United States by the people thereof, as a day of thanksgiving and praise to Almighty God, with due remembrance that "in His temple doth every man speak of His honor."

I recommend, also, that on the same solemn occasion they do humbly and honestly implore Him to grant to our National Councils, and to our whole people, that Divine wisdom which alone can lead any nation into the ways of all good.

In offering these national thanksgivings, praises and supplications, we have the Divine assurance that "the Lord remaineth a King forever. Them that are meek shall He guide in judgment, and such as are gentle shall He learn His way. The Lord shall give strength to His people; and the Lord shall give to His people the blessing of peace."

{L. S.} In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this eighth day of October, in the year of Our Lord, 1866, and of the Independence of the United States the ninety-first.

ANDREW JOHNSON.

By the President:

WM. H. SEWARD, Sec'y of State.

CONVERSIONS of the seven-thirty notes falling due August, 1867, into five-twenties continue to be made to the Treasury Department at the rate of something less than $4,000,000 per week. There are now outstanding about $270,000,000 of this issue of seven-thirties. These notes, owing to the immense clerical labor involved in their examination, can be redeemed by the Department at only about the average rate of $5,000,000 per week, if presented as rapidly as they could be disposed of. Parties holding seven-thirty notes of the above issue will therefore do well to forward them to the Treasury Department for conversion into five-twenties as soon as possible, as hereafter, in case of the presentation of large quantities near the period of the full maturity of the notes, much delay will ensue before the bonds in conversion can be furnished by the Department.

WASHINGTON, Thursday, Oct. 11, 1866.

The fiscal year ending on the 30th of June, 1866, was one of great material prosperity to the Treasury Department. The respective balances for the commencement and conclusion of the year were as follows:

Cash on hand June 30, 1865	$858,309 15
Cash on hand June 30, 1866	130,669,815 19
Net gain	$129,811,506 04

If the gold in the national vaults, estimated in the foregoing figures at par, were expressed in currency figures, it would show a balance on hand at the conclusion of the year of over $160,000,000.

The receipts and expenditures of the United States for the fiscal year are as follows:

RECEIPTS.

From customs:		
Quarter ending Sept. 30		$47,009,583 03
" " Dec. 31		39,216,338 39
" " March 31		46,645,597 83
" " June 30		46,175,151 39
Total		$179,046,670 64
From Public Lands:		
First quarter		$132,890 63
Second quarter		175,245 56
Third quarter		180,175 21
Fourth quarter		176,719 63
Total		$665,031 03
From Direct Tax:		
First quarter		$31,111 30
Second quarter		368,843 31
Third quarter		1,086,163 44
Fourth quarter		488,636 07
Total		$1,974,754 12
Internal Revenue:		
First quarter		$96,618,885 65
Second quarter		82,597,156 93
Third quarter		66,153,031 31
Fourth quarter		63,857,738 93
Total		$309,226,812 82
Miscellaneous:		
First quarter		$18,393,729 94
Second quarter		17,515,705 56
Third quarter		10,874,024 30
Fourth quarter		18,342,516 66
Total		$65,125,976 46

EXPENDITURES.

Civil, Foreign, and Miscellaneous:	
First quarter	$10,571,460 99
Second quarter	9,377,132 25
Third quarter	9,248,033 17
Fourth quarter	11,853,339 55
Total	$41,049,965 96
Pensions and Indians:	
First quarter	$6,024,241 86
Second quarter	1,437,629 52
Third quarter	5,808,127 04
Fourth quarter	2,983,302 02
Total	$16,253,300 44
War:	
First quarter	$165,369,237 32
Second quarter	68,122,541 65
Third quarter	38,213,900 16
Fourth quarter	12,744,022 69
Total	$284,449,701 82
Navy:	
First quarter	$16,520,669 81
Second quarter	10,341,555 68
Third quarter	7,438,932 28
Fourth quarter	9,218,474 44
T	$43,519,632 21
Interest:	
First quarter	$36,173,481 50
Second quarter	30,721,527 37
Third quarter	30,024,447 51
Fourth quarter	36,155,280 89
Total	$133,074,737 27

From these figures it appears that the receipts and expenditures of the year 1865–66 were as follows:

RECEIPTS.

From customs	$179,046,670 64
From public lands	665,031 03
From direct tax	1,974,754 12
From internal revenue	309,226,812 81
From miscellaneous	65,125,976 46
Total	$556,039,245 06

EXPENDITURES.

Civil, foreign, and miscellaneous	$41,049,965 96
Pensions and Indians	16,253,300 44
War	284,449,701 82
Navy	43,519,632 21
Interest	133,074,737 27
Total	$518,347,337 70
Total receipts	556,039,245 06
Total expenditures	518,347,337 70
Excess of receipts	$37,691,907 36

But this excess of thirty-seven millions of receipts does not show the capacity of the country to pay off its debts, for it all occurred in the last few months. The war expenses of the first quarter were $165,000,000; during the last quarter they had dwindled to $12,000,000. The expenditures of the War Department during the coming year would be over $240,000,000, less than that of the past year, were it not for the Equalization Bounties Bill.

As compared with the fiscal year ending June 30, 1865, we find in the past year an increase of receipts from Internal Revenue of $100,000,000, and of customs of $95,000,000; while there has been a diminution of expenses for war of over $750,000,000, and for the Navy of $80,000,000. The year ending December 31, 1865, showed a deficiency of $619,000,000; six months after that time, the year ending June 30, 1866, showed an excess of receipts over expenditures of nearly $38,000,000.

Gazette.

Roger E. Cook, Frederick, Md., Assessor 4th District, Maryland, vice Thomas Gorsuch.

George J. Stealey, Parkersburgh, West Virginia, Assessor 1st District, West Virginia, vice Albert G. Leonard.

Anthony Recklen, Red Bank, N. J., Assessor 2d District, New Jersey, vice George W. Cowperthwait.

Austin Savage, Boise City, Idaho, Assessor for Idaho, vice George Woodman.

James Mackin, Fishkill Landing, N. Y., Assessor 12th District, New York, vice B. Platt Carpenter.

Le Roy Copan, Grafton, West Virginia, Collector 2d District, West Virginia, vice James V. Boughner.

Thomas P. Shallcross, Wheeling, West Virginia, Collector 1st District, West Virginia, vice James C. Orr.

George W. Berry, Rockland, Me., Collector 5th District, Maine, vice John West.

THE Court of Appeals decided against the banks of this city on every point taken by them in the causes involving their liability to taxation under the State Statute of 23d April, 1866, authorizing the taxation of stockholders of banks and the surplus funds of savings banks.

BANK TAX CASES.

The following is the form of the orders entered in the cases brought by banks in New York city to test the liability to pay the tax imposed by the Act of April 23, 1866, of the New York Legislature, entitled "An Act authorizing the taxation of stockholders of Banks and the surplus funds of Savings Banks." The principle is now well settled that a State cannot directly or indirectly lay a tax on United States stocks, and this principle is believed to be unaffected by this decision of the Court of Appeals, which, according to the form of the decree, overrules every point taken by the banks.

The People of the State of New York on the relation of ———, Appellants, agt. The Commissioners of Taxes and Assessments for the City and County of New York, Respondents.

The appeal in this cause having been argued by ——— of counsel for the relator, appellant, and by ——— of counsel for the defendants, respondents, and due deliberation being had thereon, it is ordered, that the judgment of the Supreme Court appealed from, be, and the same is hereby in all things affirmed with costs to the defendants, respondents.

And the relator having claimed exemption from the taxation mentioned in the record in this cause, under and by virtue of the eighth section of article one of the Constitution of the United States, and also under and by virtue of the second section of the act of Congress, entitled "An act to authorize the issue of United States notes and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February 25, 1862, and also under and by virtue of an act of Congress, entitled "An act supplementary to an act entitled an Act to provide ways and means for the support of the Government," approved March 3, 1863; and also by virtue of the provisions of an act of Congress, entitled, "An Act to provide a national currency, secured by a pledge of the United States stocks, and to provide for the circulation and redemption thereof," approved February 25, 1863; and also by virtue of the provisions of an act of Congress, entitled "An act to provide a national currency secured by a pledge of United States bonds and to provide for the circulation and redemption thereof," approved June 3, 1864, and the several acts of Congress additional to and amendatory thereof, on the ground that the capital stock of said bank in that respect mentioned in said record, is invested in the public debt of the United States; also on the ground that said tax is prohibited by said section eight, article one of the Constitution of the United States; also on the ground that the said tax is prohibited by the provisions of the several acts of Congress before mentioned; also on the ground that said tax is prohibited by the Constitution and Laws of the United States; and also on the ground that said tax is at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of the State of New York; and on the ground that the assessment in the record complained of was not made in conformity with the Laws of the State of New York, nor with the acts of Congress before mentioned. And the validity of the authority claimed by said respondents under the provisions of an act of the Legislature of the State of New York, entitled "An Act authorizing the taxation of stockholders of Banks and the surplus funds of Savings Banks," passed April 23, 1866, to impose the tax mentioned in said record, being drawn in question, it is certified that the judgment of this Court is against the said relator, the appellant, and is against the exception, right, privilege, or exemption claimed by him under and by virtue of said provisions of the Constitution of the United States and the several acts of Congress before referred to, and in favor of the validity of such statute of New York State, and the construction of the eighth section of article one of the Constitution of the United States and the several acts of Congress before mentioned being drawn in question; it is further certified that the judgment of this Court is against the right, privilege, exception, or exemption specially claimed by said relator, ——— the appellant, under said section of the Constitution of the United States and the several acts of Congress before mentioned.

LOCKS AND SEALS FOR BONDED WAREHOUSES.—An order has been issued from Washington that all locks and seals required by law shall be provided by the Secretary of the Treasury, at the expense of the owner of the distillery or warehouse in which they are used. A certain kind of padlock, with a patent seal attached, has been prescribed for securing cisterns and the doors of bonded warehouses required by law, and such locks are in future only legal when procured from Revenue Agent A. N. Lewis. The circular contains the following clause: "Any distillery or bonded warehouse furnished with this lock, or any other, which has not passed through the hands of said Revenue Agent, and received his approval, will be deemed to be without the proper lock."

The lock is of peculiar construction. Over the face is a small rectangular plate, through which the key is inserted. This plate is fastened at the bottom by a hinge and at the top by a bolt, which takes effect by pressing down the plate upon the face of the lock when it is open, but which cannot be disengaged except on opening the lock with the key. Over this plate is a cover, kept in place by a hinge at the top and a spring at the bottom; it can be raised by a slight pressure. The main bolt of the lock takes effect by a strong pressure upon the shackle or bow, and cannot be moved back without the use of the key. The Inspector, Assistant Inspector or storekeeper must retain the custody of the keys of the locks in use, never suffering them to go out of his possession, except to the Collector or Assessor of his district, or to his successor in office. Distillers are required to fit those doors on which locks are to be placed with the requisite hasps and staples, and internal revenue officers are required to see that the hasps are sufficiently strong and that the staples are securely fastened.

The Commissioner of Pensions has made the following decisions in regard to the legal limitations as to the date of commencing pensions:

First—The sixth section of the act of July 4, 1864, not being inconsistent with the fifth section of the act of July 14, 1862, does not supersede or in any manner modify the provisions of the last named section.

Second—The thirteenth section of the act of June 6, 1866, reserves and keeps in force the provisions of the sixth section of the act of July 4, 1864. All invalid pensions applied for more than a year after the discharge of the officer or soldier, and less than three years after such discharge, must commence from the date of filing the application; this applies only to invalid claims. Invalid and all other pensions applied for more than three years after the death or discharge of the officer or soldier will commence from the date of filing the last testimony by the party prosecuting such claim.

THE receipts from internal revenue since July 1, 1866, the beginning of the current fiscal year, exceed 117 millions, being more than a million a day, This evinces a prompter collection than last year. The efficiency of officers and the growth of manufactures it is believed will more than counterbalance the decrease of revenue expected from the reduction of the rates of taxation made by Congress, and the income from this source for the current fiscal year will fall little below that of last year.

REDEMPTION OF NATIONAL BANK NOTES.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF CURRENCY,
Washington, Oct. 13, 1866.

A question having been raised as to the liability of redemption agencies in the cities of St. Louis, Louisville, Chicago, Detroit, Milwaukie, New Orleans, Cincinnati, Cleveland, Pittsburgh, Baltimore, Philadelphia, Boston, New York, Albany, Leavenworth, San Francisco and Washington, to redeem the circulating notes of national banks which have selected such agencies, when the notes are worn or mutilated, it is proper to state that:

Neither the law nor the circular of the Comptroller of the Currency on this subject limit redemptions, by agencies selected for that purpose, to sound notes. On the contrary, it is desirable that every facility consistent with safety should be afforded for the withdrawal of dirty, worn, or defaced notes from circulation, in order that their place may be supplied by clean and perfect notes.

The Comptroller of the Currency is anxious that the national currency should be kept whole and clean, and invites all national banks to co-operate with him to that end by retiring and returning all soiled and defaced notes, without waiting for them to become so mutilated that they will not circulate. National banking associations in the cities named are requested to redeem *all the notes* of their corresponding banks, and to return the soiled, dirty, or defaced notes to the banks by which they were issued. The last cause of the Comptroller's circular of February 15, 1866, is not in conflict with this suggestion, as it relates exclusively to notes so badly mutilated as to make the propriety of their redemption at all, in whole or in part, a matter of doubt. When such cases arise, they must of necessity be referred to the officers of the bank issuing the notes as the most competent judges. But when there is no doubt as to the value of the note, or of its identity, it should be redeemed by the approved agency.

New and perfect notes will be promptly furnished by this office, in sums not less than five hundred dollars, or multiples of that sum.

H. R. HULBURD,
Deputy and Acting Comptroller.

BOUNTIES OF ENLISTED AND DRAFTED MEN.

Enlisted men promoted to a commission after having served two years, and finally discharged as officers, are not entitled to bounty under the act of July 28, 1866, although they may have received, or are entitled to receive, $100 bounty under the act of July 22, 1861, on the ground of two years' service as enlisted men before promotion. By section 11, act March 3, 1866, drafted men are placed on the same footing as volunteers, including advance pay and bounty, but in subsequent legislation a distinction has been made. Men enlisted for three years during a certain time in the fall and winter of 1863—'64 were entitled to $300 bounty, whereas a man drafted for three years at the same time was entitled to but $100. The law of July 4, 1864, provides bounties of $100, $200 and $300 for men enlisted for one, two and three years, but makes no provision for bounty to drafted men. The act of July 28, 1866, provides only for enlisted men and their heirs. Drafted men and their substitutes are not entitled to bounty under said act.

WHERE the additional bounty provided by the act of July 28, 1866, was claimed by the widow of a soldier, she having remarried, it is held by the proper accounting officer of the Treasury, that if she remarried before the passage of the act she was not entitled to receive it; if remarried after the passage, then the additional bounty would be due her.

Treasury Dept., Decisions, &c.

OFFICIAL.

[Special No. 46.]

CONCERNING THE CONNECTION OF STILLS WITH RECEIVING CISTERNS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 11, 1866.

Information has been received at this office that officers of Internal Revenue in various parts of the country are permitting distillers to continue, under the new law, the old practice of separating the low and high wines, by allowing them to run into separate *open* tubs placed near the outlet of the still or worm. Is is understood that the almost universal custom in grain distilleries has been to place near the outlet of the worm two open tubs, into one of which the high wines are conveyed, and into the other the low wines—the former connected by pipes with the high-wine cistern, and the latter with the still or doubler.

This arrangement is not consistent with the terms of the act of July 13, 1866. Section 34 (par. 125) of that act provides that all the spirits distilled during each day of twenty-four hours, shall be conveyed on that day into one of the receiving cisterns prepared for that purpose, and that such cistern shall be connected with the outlet of the still by suitable pipes or other apparatus, so constructed as always to be exposed to the view of the Inspector.

This language clearly prohibits the use af open tubs for separating low and high wines. The outlet of the still or worm *must* be connected with the cistern by pipes or other apparatus exposed to the view of the Inspector. Open tubs are not "pipes or other apparatus" contemplated by law. The intention of the law, as is well known, is to cut off the opportunities for the commission of fraud heretofore existing. To this end, the design was to keep the spirits, as it were, under close guard, continuously, from the worm to the bonded warehouse, by the use of a pipe connecting the worm with the cistern, by having the cistern in a safe room under the lock and seal of the Inspector, and by having the spirits, under the immediate inspection of that officer, drawn off into casks or packages, which, after being duly gauged, proved and marked, he is to see removed into the bonded warehouse, which, again, is under his lock and key.

Now, to permit the spirits to be run from the worm into *open tubs*, for the ostensible purpose of separating the low from the high wines, would be to frustrate the grand object of the law, and render all other safeguards provided by the law wholly nugatory.

Consequently distillers must in all cases be required to connect the still or worm with the receiving cistern by pipes or other apparatus, which must be so constructed as to convey the spirits directly to the cistern.

As it is necessary for the interest of the distiller to prevent the low wines from running into the high wine cistern, and as the use of the open tubs for this purpose cannot be allowed, it becomes necessary to adopt some arrangement by which this can be done.

It is deemed entirely feasible to separate the low from the high wines by the use of a glass vessel, which shall be connected with and made a part of the pipes or apparatus connecting the outlet of the still with the receiving cistern. The precise form of this apparatus for separating the low and high wines is not now prescribed, but distillers must be immediately notified that some such arrangement must be adopted and put in use by the 15th day of November next. Any distillery which, after that date, shall be found without such apparatus, must be closed up and proceeded against according to law.

THOMAS HARLAND.
Acting Commissioner.

THE VALUE OF SPOOLS ON WHICH TAX HAS BEEN PAID AS SUCH CANNOT BE DEDUCTED FROM SALES OF THREAD ON SPOOLS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 6, 1866.

SIR: In answer to the inquiries in your letter dated 4th inst., I have to say, that spools are well known articles made of wood, and the law declares, Section 94, that on all manufactures of wood not otherwise provided for, there shall be paid a tax of five per cent. ad valorem.

The spooling of cotton thread, or sewing cotton, is a mode of preparing the article for sale, involving convenience in packing, transporting and delivering, and also convenience in use to the purchaser or consumer. The value of the article is also enhanced by spooling, so that the process becomes in fact one that by which increased value is given to the article by being thereby more completely fitted for use or sale. But the tax, if no tax has been assessed on the thread or cotton before spooling, is to be assessed on the entire value of the spooled cotton.

The spool is an element or material used in giving increased value to the substantial article, or otherwise a mere incident or accessory, in either case the spool is not to be deducted.

The 86th section of the act of June 30, 1864, allowed manufacturers selling their goods at places other than the place of manufacture, to deduct freight, commissions, and other expenses of sale bona fide paid.

The recent act of Congress strikes out all these deductions, and intentionally so. No one, I presume, would claim or ask, under the new law, the right to deduct freight or commissions, and still they may do so with as much propriety as they can ask for the deduction of any expense of sale, whether such expense be direct or incidental.

The sale of many kinds of goods involves the expense of packing in barrels, boxes, cases, bottles, packages, wrappers, &c., formerly the law allowed a deduction of these as expenses of sale. Congress knew that the ruling of this office allowed these deductions. And yet, knowing that, they struck from the statute all authority to make these deductions, while at the same time, and as an offset to these deductions, they reduce the rate of taxation from 6 to 5 per cent., besides largely increasing the list of articles exempt from taxation.

Yours respectfully,
THOMAS HARLAND,
Deputy Commissioner.

CHAS. G. DAVIS, Esq.,
U. S. Assessor, 1st Coll. Dist., Plymouth, Mass.

PROFITS FROM SALES OF MINING CLAIMS HELD TO BE INCOME.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, August 9, 1866.

SIR:—Yours of 26th June, relating to income of Messrs. Willis, Hodges & Turner, enclosing brief of C. Dorsey, Esq., their counsel, &c., is received.

It would appear that Willis & Hodges "located" a "certain quartz mine situated on the public mineral lands of the United States," in 1860,—in 1863, took Turner and others into partnership, and the company thus formed, procured an act of incorporation, and became a Stock Company; that in 1865, the corporation sold all their property and right in the mine for $75,000.

This office has sometime since, after careful consideration, decided that mining claims like the above, are personal estate, for all purposes of the Revenue Laws, and in the case presented, there appears to have been a sale by a Stock Company of all its personal property, rights and privileges, for the sum of $75,000.

The difference between the actual cost to each member of the company, of the property and privileges thus disposed of, and the amount received thereof, represents his share of the gains and profits of the company, which share of profits is assessable under the terms of Sec. 117 of the Act of June 30, 1864.

Very respectfully,
THOMAS HARLAND,
Dep. Commissioner.

N. M. ORR, Esq., *Assessor, Stockton, Cal.*

U. S. LAWS AND REGULATIONS CONCERNING THE INSPECTION AND GAUGING DISTILLED SPIRITS HELD NOT TO RELIEVE LIQUOR DEALERS FROM THE OBLIGATIONS OF STATE LAWS.

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 5, 1866.

SIR: Your letter of Oct. 4, inclosing letter of Charles H. T. Collis, Assistant City Solicitor, relative to inspection and gauging of distilled spirits by inspectors appointed under State Laws, is received. I reply that the inspection, gauging and marking of distilled spirits by United States Inspectors is not understood by this office to relieve the owners of such spirits from any obligations imposed upon them by State or municipal laws. The letter of the Assistant Solicitor is herewith returned at your request.

Very respectfully,
(Signed.) THOMAS HARLAND,
Deputy Commissioner.

To HON CHARLES GILPIN, United States Attorney, Philadelphia, Penn.

TAX DOES NOT ACCRUE ON THE BLEACHING OF FABRICS WHERE THE SAME HAVE NOT PREVIOUSLY PAID TAX. —TAX ACCRUES ON THE FULL VALUE OF THE BLEACHED FABRICS WHEN SOLD.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 10, 1866.

SIR: Your letter of Oct. 4, enclosing a statement made by Geo. W. Lyman, Esq., treasurer of the Lyman Mills, has been received.

It appears from this statement that the Lyman Mills manufacture cotton goods, which they forward to a party in the State of Rhode Island to be bleached and returned to them—that the party who bleached the goods has paid a tax on the increased value of the goods bleached, and that the Lyman Mills claim the right to deduct from the tax on their gross sales the amount of tax paid by the bleaching party.

In answer, I have to say that in this case the tax paid by the bleaching party was *erroneously* assessed, no tax having been paid on the goods prior to being bleached. In this case the bleaching party should be regarded simply as the *employee* of the Lyman Mills, and the Lyman Mills should be required to pay tax on the full value of their manufactures when sold or used.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

CHARLES M. EMERSON, Esq.,
Assessor Tenth District, Pittsfield, Mass.

CIRCULAR RELATIVE TO THE TRANSPORTATION OF ALL PUBLIC MONEYS.

TREASURY DEPARTMENT,
WASHINGTON, October 1, 1866.

A contract having been entered into between the Treasury Department and the Adams Express Company for the transportation over all the lines of the said Adams Express Company, and through them of the American, United States, Harnden's, Howard's, Hope, Cheney's, Eastern and Southern Express Companies, of all moneys under the control of the Treasury Department, you are hereby directed to employ said Companies for the necessary transportation of all moneys of the Treasury Department; said transportation to be made for the purposes of depositing the money trans-

ported with the Treasurer, an Assistant Treasurer, or authorised depositary of the United States for transmitting the moneys collected on account of internal revenue from Deputy Collectors of Internal Revenue, to Collectors or United States Depositaries, and for special purposes; and, under special circumstances, in accordance with instructions from the Department, all moneys transmitted should consist of the sum of $1,000, or its multiples, as near as possible, and should be sent by the shortest practicable routes. The expenses of transportation will be paid by the Department. The officers sending or receiving moneys will certify, in such form of vouchers as may be approved, to bills for the services rendered, stating the sum transported, between what points and to what office the moneys were sent, the date, and that the services charged for, were actually performed. All officers or agents are cautioned to carefully count and pack their moneys to be transported, securing them in strong packages, sealed with their own private seal in at least four places, and with the amount, their own name and title, and the name and title of the consignee plainly marked on the wrapper, taking receipts from the express companies for all sums transmitted.

H. McCULLOCH,
Secretary of the Treasury.

BOXES, BOTTLES, CASES, SPOOLS, &c., USED IN PUTTING UP GOODS FOR SALE CANNOT BE DEDUCTED FROM SALE VALUE.

ALBANY, October 9th, 1866.

Hon. E. A. ROLLINS,
Commissioner Internal Revenue,

SIR: Are manufacturers authorized to deduct from their gross sales as heretofore allowed, bottles, boxes, cases, spools, &c., used in putting up goods for sale, under the act of July 13th, 1866.

Very respectfully,
JNO. G. TREADWELL,
Assessor 14th Dist. N. Y.

[ANSWER.]

OFFICE OF INTENAL REVENUE,
WASHINGTON, Oct. 10, 1866.

SIR: In reply to your letter of Oct. 9th, in relation to deductions, I have to say that manufacturers are not allowed to deduct from their gross sales the cost of bottles, boxes, cases, spools, &c., which they use for packing their goods and putting them in a condition to be sold in the market; that part of section 86, under which those deductions were formerly allowed, having been repealed by the act of July 13, 1866.

Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

J. G. TREADWELL, Esq.,
Assessor 14th Dist., Albany, N. Y.

THE CHEROKEE LAND SALE.

OPINION OF THE ATTORNEY GENERAL.

Attorney General Stanbery has given the following opinion in regard to to the recent sale made by Secretary Harlan of reserve lands of the Cherokee Indians to the Connecticut Emigration Society:

ATTORNEY GENERAL'S OFFICE, Oct. 4, 1866.

Hon. O. H. Browning, Secretary of the Interior:

SIR: I have examined the provisions of the late treaty between the United States and the Cherokee nation of Indians and the contract made between the late Secretary of the Interior and the American Emigrant Company—a corporation of the State of Connecticut—for the sale of certain lands purporting to be made under the provisions of said treaty, and I proceed to answer the questions you propound upon this contract, which are as follows:

First, Can a sale of the lands, either in separate parcels or in a body, be properly made under the treaty in advance of a survey of the lands provided for by the treaty?

Second, Can the whole of said lands be sold in a body upon a credit, or is it, under the provisions of the treaty, necessary to the consummation and validity of the sale that the whole of the purchase money shall be paid in hand?

Third, Is the contract in harmony with and sanctioned by the provisions of the treaty, and can it lawfully be carried into effect with due regard to the rights of the Indians under the treaty?

To avoid repetition, instead of answering these questions in detail and in the order in which they are presented, I propose in a general answer to cover all the ground. You direct my attention especially to the seventeenth article of the treaty and the proviso thereto as amended by the Senate. I find this seventeenth article has so direct a bearing upon the questions under consideration that I feel it proper to set it forth in full.

The Cherokee Nation hereby cedes in trust to the United States, the tract of land in the State of Kansas which was sold to the Cherokees by the United States, under the provisions of the second article of the treaty of 1835, and also that strip of the land ceded to the nation by the fourth article of said treaty, which is included in the State of Kansas, and the Cherokees consent that said lands may be included in the limits and jurisdiction of the said State. The lands herein ceded shall be surveyed as the public lands of the United States are surveyed, under the direction of the Commissioner of the General Land Office, and shall be apprised by two disinterested persons, one to be designated by the Cherokee National Council and one by the Secretary of the Interior, and in case of disagreement, by a third person, to be mutually selected by the aforesaid appraisers; the appraisement to be not less than an average of one dollar and a quarter per acre, exclusive of improvements. And the Secretary of the Interior shall from time to time, as such surveys and appraisements are approved by him, after due advertisement for sealed bids, sell such lands to the highest bidders for cash in parcels not exceeding one hundred and sixty acres, and at not less than the appraised value; provided, that whenever there are improvements of the value of $50 made on the lands not being mineral and owned and personally occupied by any person for agricultural purposes at the date of the signing hereof, such person so owning, and in person residing on such improvements, shall after due proof, made under such regulations as the Secretary of the Interior may prescribe, be entitled to buy, at the appraised value, the smallest quantity of land in legal subdivisions which will include his improvements, not exceeding in the aggregate one hundred and sixty acres, the expenses of survey and appraisement to be paid by the Secretary out of the proceeds of sale of said land. Provided, that nothing in this article shall prevent the Secretary of the Interior from selling the whole of said neutral lands in a body to a responsible party, for cash, for a sum not less than $800,000.

When the treaty was before the Senate, on the 27th of July, 1866, an amendment was made, in these words:

Strike out the last proviso in article seventeen and insert in lieu thereof the following: "Provided, that nothing in this article shall prevent the Secretary of the Interior from selling the whole of said lands not occupied by actual settlers at the date of the ratification of the treaty, not exceeding one hundred and sixty acres to each person entitled to pre-emption under the pre-emption laws of the United States, in a body, to any responsible party, for cash, for a sum not less than $1 per acre."

As so amended, the treaty was finally ratified on the 31st day of July, 1866. On the 30th of August, 1866, an agreement in writing and under seal was made between James Harlan, Secretary of the Interior, on behalf of the United States, of the one part, and "The American Emigrant Company," a corporation chartered and existing under the laws of the State of Connecticut, on the other part, it is witnessed:

That the said Harlan agrees to sell, and hereby doth sell, to the said company all that tract of land known as the Cherokee neutral land, in the State of Kansas, containing eight hundred thousand acres, more or less, with the limitations and restrictions set forth in the seventeenth article of a treaty between the United States and the said Cherokee Indians, ratified on the 11th of August, 1866, as amended by the United States Senate, with all beneficial interest therein, at the rate of one dollar per acre in lawful money of the United States, to be paid to the Secretary of the Interior in trust for said Indians, as hereinafter set forth, viz: $25,000 on the execution thereof; $25,000 on the approval of the surveys of said lands by the Commissioner of the General Land Office, and $25,000 on the 30th of August, 1867; $75,000 on the 30th of August, 1868; $75,000 on the 30th of August, 1869, and $75,000 on the 30th of August, 1870; $100,000 per annum thence afterward, until the whole shall be paid. Each of said several sums to draw interest at the rate of five per cent. per annum from the date of the approval of the surveys as aforesaid.

Next follow stipulations of the respective parties.

1st. That the emigrant company are to make payment of these respective sums to the Secretary at Washington, in lawful money of the United States, as the same shall become due, and that the interest on the deferred payments shall be paid annually on the 1st of July; 2d, That the United States agree to cause said lands to be surveyed as public lands are usually surveyed, in one year from the date hereof, and the payment of $50,000 to set apart for said company a quantity of said land in one body, in as compact form as practicable, extending directly across said tract of land from east to west, and containing a number of acres equal to the number of dollars then paid, and from time to time to convey the same by patent to said company or its assigns, whenever afterward requested so to do, in such quantities by legal subdivisions as said company shall indicate; and on the payment of each additional instalment, with interest as herein stipulated, to set apart for said company an additional tract of land, in compact form, where said company may request, but extending directly across the neutral lands from east to west, containing a number of acres equal to the dollars of principal thus paid, and to convey the same to said company or its assigns as hereinbefore described, and so on from time to time until the whole shall be paid; and no conveyance of any part of said land shall be made until the same shall be paid for, as provided in the agreement, but said company may make payments at earlier periods than those indicated, or pay the whole principal and interest, and receive titles of tracts of lands accordingly, if they shall so elect.

I am of opinion that this agreement cannot be sustained as a valid execution of the power of sale. First—and especially as to the terms of payment—the power given to the Secretary to sell these neutral lands in a body provides for a sale for cash. The original proviso in this particular was identical with the amended proviso. Both authorized a sale for cash. The sale, as made, except as to the sum of $25,000, is a sale upon credit, unusually extended as to time by instalments, running through a period of about nine years. Ordinarily, a power to sell without further explanation implies a sale without credit, unless there is an established usage applicable to the subject matter to the contrary. So, too, and more significantly, if the power to sell is a fixed price. In this case it is expressly to sell for cash, and a minimum price is fixed. The only clause of this power that gives any color to a sale upon credit is the direction that the sale is to be to any responsible party for cash, &c. It may

argued that these words have no force if there is to be no credit, as cash in hand does not require a responsible party. I have weighed this consideration, but cannot think it available. The sale, or the contract of sale, of so large a quantity of land was not a matter to be completed in haste. It necessarily required time and communication between the parties. It was not to be a sale by auction, but upon proposals to be made, considered, modified, accepted, or rejected. To enter upon so grave a business with a party of doubtful ability to comply with the terms when settled, would be a useless waste of time. That alone would be sufficient reason for requiring a responsible party. But there is a special and more satisfactory reason for requiring a responsible party. It will be observed that the sale, according to the amended proviso, is to be a sum not less than $1 per acre. The number of acres in these neutral lands is nowhere stated in the treaty, and as the price depends upon the acreage, a survey to ascertain the true quantity was necessary to fix the amount of the purchase money, I can see no objection to a contract for sale prior to a survey, which would fix the price per acre upon a quantity to be ascertained by survey, and for the payment of the total amount so ascertained at that date. Such a sale would be in conformity with the power to sell for cash; for, wherever sales are made of articles which require some fact to be ascertained, as weight or number, and to be paid for at the stipulated price when the number or weight is ascertained, such sales are to be considered as cash sales, and not upon credit. In this view the provision for a responsible party is not at all inconsistent with the provision for a sale for cash. It is not at all an unusual precaution in sales where no credit is contemplated to require a responsible bidder where cash is not payable at the moment of sale.

Second. The next objection to this contract is, that the sale is not, in fact, at the rate per acre required by the power. $1 per acre, payable in instalments extended through a number of years, with interest at the rate of five per cent., is in no sense, as to value, a sale of $1 per acre in cash. The value of money, as fixed by the United States, is at the rate of six per cent. per annum. That is the rate established upon judgments and debts falling due to the United States, and for credits given by the United States on the sale of the public lands. I do not know that, anywhere in the United States, the legal or established rate of interest is below six per cent.; everywhere that seems to be taken as the value of money, $1 per acre, payable in long instalments, with interest at five per cent., is neither cash nor equal in value to $1 per acre. The objection is more apparent if we put the case of a sale on long credit without any interest; but it is just as applicable to a sale at a rate of interest less than that established as the value of the use of money.

Third. This contract is subject to grave objections in the matter of the consideration or price to be paid for these lands. The treaty, as I have said, is silent as to the number of acres. In the first proviso the power was to sell the whole for a sum not less than eight hundred thousand dollars, without reference to quantity or price per acre; but by the amended proviso the sale is to be for a sum not less than one dollar per acre. By the contract, which was made before any survey or any ascertainment of the number of acres there is sold to the company, all that tract of land known as the Cherokee neutral land in the State of Kansas, containing eight hundred thousand acres, more or less, at the rate of $1 per acre, and then follow up the various instalments which foot up exactly the sum of $800,000. I incline to the opinion that the construction to be put upon this contract is that it is a sale at a fixed sum of $800,000, not to be increased or abated. In reference to the actual quantity, when ascertained by survey, I can see no reason for the statement of the quantity of acres with the addition of the terms, more or less. And the precise calculation of the instalments upon a basis of eight hundred thousand acres, at $1 per acre, unless it was the intention of the parties to fix that sum as the actual consideration.

Fourth. There is no reservation in this contract of so much of these neutral lands as were occupied by actual settlers. The original proviso authorized the sale of the whole without any reservation, but by the amended proviso the power is to sell the whole of said lands not occupied by actual settlers. The sale as made is, "all of that tract of land known as the Cherokee neutral land," and no exception or reservation is anywhere stated, but instead there are these superadded words, "with all beneficial interest therein." It seems to me this is not a proper execution of the power. It is true there is a reference to the limitations and restrictions set forth in the treaty. The objection is that the terms of the sale, as expressed, are inconsistent with those limitations, and cannot be brought into conformity with them. I have, therefore, to advise you that this contract is not in conformity with the power of sale vested in the Secretary of the Interior by the terms of the treaty, and that you should give immediate notice to the Emigrant Company that you decline to carry it into execution.

I have the honor to be, very respectfully,

HENRY STANBERY,
Attorney General.

THE SOLDIERS' EXTRA BOUNTY—ATTORNEYS AND CLAIM AGENTS.

DECISION OF THE ATTORNEY GENERAL.

The following opinion of the Attorney General was received by the Secretary of War on Wednesday:

ATTORNEY GENERAL'S OFFICE,
WASHINGTON, D. C., Oct. 8, 1866.

Secretary of War:

SIR: I have considered the question which you have referred to me, on the point whether the Secretary of War has any legal authority to exclude authorized attorneys and agents from collecting bounties, and whether the presentation of claims and payments are to be made by and to the claimants in person. I understand these questions to arise upon the late act of Congress, approved July 28, 1866, granting additional bounties, and upon the rules and regulations presented by the Secretary of War, under the fifteenth section of that act.

Upon a careful examination of all the sections of the act which provides for the additional bounty, I find no provision which requires the claimant to present his claim in person, or that requires the payment to be made to the claimant in person. Certainly there are no express provisions to that effect, and there is nothing from which it can be implied. It is true that the language is that the soldier, or in certain cases his widow, minor children or parents "shall be paid the additional bounty, and that when application is made by any soldier for such bounty, &c."

I do not infer an intention, from the use of this language, to require the soldier to make his application in person, or to receive the bounty in person, nor can I find any policy of the Government which, in these or similar cases, forbids the usual and convenient right of substituting an agent or attorney. The same language which would require the soldier to make the application and collect the bounty in person, is applied to his minor children, and if we hold it to be a matter requiring the personal attention and action of the soldier, we must inevitably apply the same rule to the infant children. But these can only act by the agency of others, such as guardians, executors and administrators, and are incompetent to act for themselves.

To construct this language, so as to require the personal intervention, would defeat the bounty intended for them until they should become *sine jure*. Whenever the right to be asserted or recovered does not from its very nature require the personal intervention of the claimant, the right of substitution necessarily prevails. This right is often valuable and absolutely necessary, and it seems to me that its denial in the matter of claims for bounties would in many cases defeat the claimant, and in nearly all cases lead to great expense and delay.

The bounty given by this act is not given to each soldier by name, in the way of an absolute gift, where nothing is to be done but only claim and receive it. But the persons who claim must prove their claim, and must exactly conform to the various forms and regulations before they can touch the money. The pursuit of a right to bounty is well called a claim, and might as well be called a suit. It is a right that is not acknowledged, as of course it must be established by proof made according to certain forms, and finally adjudicated and allowed or rejected.

It is very analogous to a claim made in a court of law, especially to that class of suits which are *ex parte*, and in general may just as much require the intervention of an attorney. It is certain that if this act should be construed so as to require every soldier and every child of a soldier to make the claim in person, and collect the money in person, comparatively few could avail themselves of the bounty of the Government. Before I could consent to put such a construction upon this act I should require the clearest evidence that it was the intention of Congress. I find no evidence of this intention in this act, either expressed or so much as implied, nor is there any public policy from which such an intention can be inferred.

The statutes of the United States recognize such a class of persons as claim agents, who prosecute claims against the Government, and pay a license under the Revenue act. Their fees are in some cases regulated by statute. They are required to take an oath of loyalty to the Government, and are punishable for frauds committed in the prosecution of claims.

Furthermore, as to all claims against the United States, whether allowed by special acts of Congress or arising under general laws and treaties, express provision is made for the payment of the claim to an attorney, and direction given as to the manner in which the warrant of attorney is to be executed. Under the general act passed in 1846, and since amended and now in force, every claim against the Government may be prosecuted and collected by an attorney or claim agent, and any one who pays the license as such claim agent, except only officers of the Government, persons employed in the Executive Departments, and members of Congress.

I find, also, that by a joint resolution passed on the 20th of July, 1866, in relation to bounties and pensions to colored soldiers, the intervention of claim agents who apply for and collect these claims is specially regulated, and the agent is required to make affidavit that he has no interest in the bounty beyond the fees for the collection of the same. So far, therefore, as the public policy is concerned, it seems clear that by regulating the business and deriving a revenue from its existence as well as by express recognition, the intervention of claim agents is deemed lawful and expedient.

I am, therefore, of opinion that you have no legal authority to exclude authorized attorneys and agents from collecting bounties, and that in the presentation and payment of claims the claimant may act by attorney. I see nothing in the rules and regulations prescribed for the payment of these bounties which excludes the intervention of attorneys. They are silent on the subject. The form of affidavit prescribed to be made by the soldier, and referred to in the rules, con-

tains the clause, and he desires all communications concerning the claim to be sent to him.

This is no part of the oath, but only a request for the convenience of the soldier in the matter of correspondence, and is subject to change by another subsequent request, even as to correspondence, and is not at all inconsistent with a special delegation to an attorney of power to present and collect the claim.

I have the honor to be, very respectfully, your obedient servant,

HENRY STANBERY, *Attorney General.*

FRENCH LAW AS TO THE RIGHTS OF HEIRS OF AUTHORS, COMPOSERS, AND ARTISTS.

[Translation.]

LEGATION OF FRANCE TO THE UNITED STATES.
WASHINGTON, 3d October, 1866.

I have the honor to address herewith to your Excellency the text of a new law adopted the 14th July last by the French Legislative Body, about the rights of heirs and of those having claim on authors, composers, or artists.

As your Excellency will observe, this new legislation, which extends to fifty years after the decease of the author the rights of his heirs, admits to the benefit of its provisions foreign writers and artists, to the extent determined by treaties about literary and artistic property.

Accept, sir, the assurance of my very high consideration. MONTHOLON.

Hon. WM. H. SEWARD, &c., &c.

[Translation.]

No. 14,407. The rights of heirs and those having claim on authors.

14 JULY, 1866.

NAPOLEON, by the grace of God and the will of the nation, Emperor of the French, to all present and to come—Greeting: We have sanctioned and do sanction, promulgated, and do promulgate, as follows:

LAW.

[*Extract from the Minutes of the Legislative Body.*]

The Legislative Body has accepted the draught of law of the tenor following:

Article 1. The duration of the rights granted by anterior laws to the heirs, irregular successors, grantees, or legatees of authors, composers, or artists is extended to fifty years, dating from the decease of the author.

During this period of fifty years the surviving husband or wife, whatever may be the matrimonial arrangement, and independently of rights which may result in favor of this survivor from the regulations of the community, has all enjoyment of the rights which the deceased either has not disposed of by contract between parties in being or by will.

However, if the author leave heirs in reserve, that enjoyment is limited for the benefit of such heirs, according to the proportions and distinctions established by articles 913 and 915 of the Code Napoleon.

This enjoyment does not take place when there exists, at the moment of death, a separation of persons pronounced against this surviving party; it ceases in the case where the survivor contracts a new marriage.

The rights of heirs in remainder, (reserve) or of other heirs or successors during this period of fifty years, remains, moreover regulated in conformity with the prescriptions of the Code Napoleon.

1. When the succession devolves to the State the exclusive right is extinguished, without prejudice to the rights of creditors, and the execution of agreements of cession which may have been consented to by the author or his representatives.

2. All the provisions of anterior laws contrary to those of the new law are and remain abrogated.

Passed upon in open session, at Paris, 27th. June, 1866.

The President: WALEWSKI.
Secretaries: SEVERIN ABBATUCCI,
Count W. DE LA VALETTE.
ALFRED DARIMON.

[*Extract from the Minutes of the Senate.*]

The Senate does not oppose the promulgation of the law relative to the rights of heirs, irregular successors, grantees, or legatees of authors, composers, or artists.

Passed upon and voted in session, at the Palace of the Senate, 6th July, 1866.

The President: TROPLONG.
The Secretaries: FERDINAND BARROT,
Count BOULAY, (DE LA MEURTHE,)
General BARON CHARON.

Examined and sealed with the Seal of the Senate.
The Senator and Secretary:

FERDINAND BARROT.

We command and order that these presents, clothed with the Seal of State, and inserted in the Bulletin of the Laws, be addressed to the courts, the tribunals, and administrative authorities, that they be inscribed in their records, and observed and caused to be observed. And our Minister of State for the Department of Justice and Religion is charged to supervise the publication thereof.

Done at the Palace of the Tulleries, the 14th July, 1866. NAPOLEON.

By the Emperor.
Secretary of State: E. ROUHER.

Sealed with the Great Seal-Keeper of the Seals, Minister of State for the Department of Justice and Religion. S. BAROCHE.

"I PITY the poor Printer," said my Uncle Toby. "He's a poor creature," rejoined Trim. "How so?" said my Uncle. "Because, in the first place," continued the Corporal, looking full upon my Uncle, "because he must endeavor to please everybody. In the negligence of a moment, perhaps, a small paragraph pops upon him; he hastily throws it to the compositor, it is inserted, and he is ruined to all intents and purposes." "Too much the case, Trim," said my Uncle with a deep sigh, "too much the case." "And please your honor," continued Trim, elevating his voice and striking into an imploring attitude, "this is not the whole." "Go on, Trim," said my Uncle, feelingly. "The printer sometimes hits upon a piece that pleases him mightily, and he thinks it cannot but go down with his subscribers. But, alas, sir, who can calculate the human mind? He inserts it, and it is all over with him. They forgive others, but they cannot forgive a printer. He has a host to print for, and every one sets up for a critic. The pretty Miss exclaims, 'Why don't he give us more poetry and marriages, and *bon mots*? away with these stale pieces.' The politician claps his specs on his nose, and reads it over in search of a violent invective. He finds none, takes his specs off, folds them and sticks them in his pocket, declaring the paper good for nothing but to burn; so it goes. Every one thinks it ought to be printed expressly for himself, as he is a subscriber; and yet, after all this complaining, would you believe it, sir," said the Corporal, clapping his hands beseechingly, "would you believe it, sir, there are some subscribers who do not hesitate to cheat the printer out of his pay? Our army swore terribly in Flanders, but they never did anything so bad as that." "Never," said my Uncle Toby, emphatically, "*Never!*"

BOUNTIES.—In the regulations promulgated from the War Department regarding the payment of bounties under the act of July 28, 1866, it is prescribed that soldiers enlisted for "three years or during the war," who were discharged by reason of the termination of the war, shall be considered as having served out the period of their enlistment, and are entitled to bounty under the act. The subject having been under the consideration of the accounting officer and the Paymaster General, the Second Comptroller of the Treasury is of the opinion that the 20th of August, 1866, (the date of the President's proclamation declaring the insurrection to be at an end,) should be taken as the date of the termination of the war, within the meaning of the rule referred to. As enlistments under the act of July 22, 1861, ceased on the 18th of July, 1864, no soldier enlisted under that act could have been discharged on account of the termination of the war before serving two years.

THE whole number of national banks now in operation is stated to be 1658, to which secured notes have been issued by the Comptroller of the Currency to the amount of $294,072,059. No new banks are being authorized with the right to issue currency, inasmuch as the limit of three hundred millions has long since been reached.

Over half a million of notes were forwarded from the Currency Bureau last week, to banks hitherto authorised, and who were entitled by priority of organization to receive it upon depositing the requisite gold bearing bonds as security.

The U. S. Treasurer now holds as such security, bonds amounting to 333 millions, and, in addition, nearly 40 millions in bonds as security for deposits of public moneys in banks designated as depositories. The total amount of bonds so held by the Treasurer, and belonging to national banking associations, exceeds 373 millions. The market value of which is over 400 millions.

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The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 17. NEW YORK, OCTOBER 27, 1866. WHOLE NUMBER 95.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

THE RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

AN incorrect report of a decision went the rounds of the newspapers several days since, which has mislead many in respect to deductions from monthly returns of manufacturers for expenses of sale, cost of packing, freight, &c. The provisions of the 86th Section of the Act of June 30, 1864, authorising certain deductions, were repealed by the recent Amendatory Act, and no deductions whatsoever can now properly be made. Goods are taxable on the value as determined by the price paid for them by the purchaser, and if the cost of packing, freight, &c., is included in the bill paid by him—the manufacturer cannot be permitted to separate these items, and withhold or deduct them from his return for taxation. If the manufacturer should sell on time, without interest, such sales may be returned at their cash value. This should be ascertained, we opine, by allowing the usual discount of the trade on such time sales. This allowance should in no respect be confounded with deductions.

India rubber boots and shoes are held to be taxable at the rate of five per centum, ad valorem, as "articles of wearing apparel made from India rubber." It was claimed by the manufacturers thereof that the same should be classified generally as boots and shoes, and as such subjected to a tax of two instead of five per cent., but this view could not be maintained.

Attention is directed to the important regulations for distillers and refiners of coal and mineral oils. New bonds are required to be taken by the Collector from such distillers or refiners in lieu of any heretofore taken under former laws, which old bonds are now declared to be insufficient. A form for the book which each distiller or refiner must keep is prescribed, and also a new form on which return is to be made monthly instead of tri-monthly, as formerly. Paraffine oil and lubricating oil of less than 86 degrees specific gravity, though exempt from tax must notwithstanding be gauged and inspected.

It will be observed by the decision defining what articles may be included under the term "wooden-ware," that tubs and pails with iron hoops, ears, and handles are to be classified as wooden-ware, and exempted from tax, as also wooden handles for household tools and implements, but zinc wash boards and mop handles with metallic heads, are subject to tax. Well, or draw buckets cannot be regarded as wooden-ware, but are held to be taxable.

Cigars, on which tax has been paid, often grow mouldy, or the boxes in which they are put up are damaged, and it becomes necessary to repack them, in order for sale. The owners then apply to have the same re-stamped. As no tax accrues on the re-packing, the Assessor's account for stamps used does not balance with the amount of tax collected. The Department holds that it is proper to allow such cigars to be re-packed, re-inspected and re-stamped, provided satisfactory evidence be adduced to the Assessor that the same have previously paid tax and been inspected according to law.

Collectors are not authorized to withhold salary tax on the compensation paid to Inspectors of distilleries, nor should assessments made on the distiller for their services be entered on the monthly list. Assessors and Collectors should take note of this, to avoid any complication in their lists and accounts.

Cologne is regarded as perfumery, and where put up and sold in bottles, phials, &c., as provided in schedule C, is liable to stamp tax; but if sold by the gallon, it is liable to be taxed five per cent ad valorem, under the general provisions of section 94 of the act.

WE publish report and charge to the jury of Judge Smalley, of the case of Gladstone vs. Chamberlain, involving the payment in the United States of moneys which had accrued under a charter party executed in a foreign port. The rule laid down by Judge Smalley is open to very serious doubt, and in view of its conflict with the rule which governed Judge Betts in the case of the *Northern Light*, and of the Superior Court in the case of Wilson vs. Morgan, can hardly be expected to become established as the law.

THE following items are from quarterly reports of national banks:

Oct. 1, 1866. Total loans and discounts, $601,-238,806; United States bonds and securities, $94,954,150; specie on hand, $8,170,885; legal-tenders, $205,770,641; capital stock, $415,278,969; surplus fund, $58,359,277; national circulation, $280,129,558; individual deposits, $568,510,570; United States deposits, $30,420,819.

THE Commissioner of the General Land Office has received from the land office at Tallahassee, Florida, returns showing great activity in the disposal of public lands in the State for actual settlement. In the months of August and September, 11,564 acres, in eighty and forty acre tracts, were taken up by settlers under the Homestead act of June 21, 1866, which law applies exclusively to the disposal of public lands in the Southern States.

ON and after the first day of November the Atlantic cable tariff of charges to all parts of Europe will be reduced one-half. The same reduction will also be made on the other side of the Atlantic upon all dispatches to this country.

UNITED STATES CIRCUIT—SOUTHERN DISTRICT, NEW YORK.

Before Judge Smalley and a jury.

Lawrence Gladstone et al vs. *William Chamberlain et al.*

Payment of Moneys falling due in the United States under a charter executed in a foreign country must be made in specie.

This was an action brought to recover an amount alleged to be due upon a charter. The plaintiffs were the owners of the ship *John O'Gaunt*, which the defendants, in November, 1862, chartered at Ceylon to bring a cargo to this port for the lump sum of $29,000, which by the terms of the charter was to be paid "in cash upon due delivery of the cargo." On the arrival of the ship gold was at premium and the present controversy arose—the plantiffs claiming to be paid in gold and the defendants offering payment in legal-tender notes. By an agreement between the parties, the $29,000 in legal tender was paid, and the action was brought to recover the difference.

Testimony was given as to what was said between the parties at the time the charter was made, one testifying that it was agreed at the time that "in cash" meant gold or silver, and the other averring that nothing whatever was said about it.

Judge SMALLEY then charged the jury as follows:

This is an action brought upon a charter party executed in November, 1862, at the Island of Ceylon. It stipulates that the plantiffs' ship shall receive a cargo of goods to be delivered in the City of New York, for the round sum of $29,000 in cash, to be paid upon delivery. It seems that the goods were received on board of the ship; that they were delivered in the City of New York. When they arrived here, a controversy arose between the consignee of the goods, or rather between one of the parties to this charter, and the plantiffs as to what this $29,000 should be paid in. Our government had passed a law, which the Courts have upheld, making it binding and obligatory in this country, that certain paper familiarly called "greenbacks" should be received in discharge of all contracts, and the defendants claimed that they had a right to extinguish their obligation under the charter party by paying these notes, while the plantiffs claimed that they were entitled to receive this $29,000 in the great standard of value, gold or silver, which is acknowledged as a standard value throughout the commerical world. The $29,000 greenbacks was paid under an agreement that the reception of it should not affect the rights of either side; that if under their contract the defendants were bound to pay in what is regarded as the great standard of value, gold or silver, the plantiffs should still have their claim upon them for the balance, which was stipulated to be fourteen thousand and odd dollars; if on the contrary, the plantiffs were obliged to receive this $29,000 legal-tender notes, then the obligation was extinguished. You, gentlemen, are to determine what did these parties mean, in the island of Ceylon, at the time they made this charter party—how did they understand this payment was to be made?

As I have already intimated, if it was a legal question—one party being a foreigner, and it being made at a foreign port, where gold and silver was the standard of value—I should hold that the presumption of law would be that this must be paid in gold or silver, although it might be made between citizens of the United States, and while in relation to their own matters at home it has been held to the contrary; but for the purposes of this trial the Court would charge that between citizens of this country in a foreign country, if they make a contract with reference to greenbacks, with the understanding that it may be paid in that, the law is constitutional and the debt should be so discharged.

The plaintiffs in this case are owners of a British vessel; the standard of value in Great Britain and throughout Europe is gold and silver; the contract was made in the port of Ceylon, where the standard of value is gold and silver.

Our Government may pass laws which, in regard to our local matters, may make something else the standard of value, but they would not control the commercial world. When you consider that this contract was made in a foreign port, and the goods to be delivered here, the question to be answered by you is, from looking at the contract itself, and from all the evidence in the case, what do you understand the parties meant by the word "cash." If the word "cash" had been used in New York six years ago there would be no doubt about what was meant; you would all say gold and silver; although bills were convertible, yet if they were refused, they were not legal. But after Congress made legal-tender notes, it was different. The question, therefore, is how did these parties in a foreign port understand it? Did they mean it should be gold or silver, or in the legal currency of the United States? Did they intend to confine it to the standard currency of the world or to the legal currency of the country? If it was the understanding that it was to be gold or silver, it is the duty of these parties to live up to it and they ought not to be absolved from it, nor will the Court permit them to protect themselves under legal currency of our own. But if, on the other hand, the word "cash" was merely inserted as discriminating between cash and credit, and that they intended it might be performed by the payment of anything that was legal tender here, our currency will be sufficient.

It is very ingeniously argued by counsel for the defendants that the word "cash" is used merely in contradistinction to credit. If it had been said, "$29,000 payable on delivery," it would have expressed everything without that word. Why that word "cash" was used it is for you to consider and come to a conclusion upon this part of the case.

Then there is some evidence. You have the evidence of Capt. Stanton, who was an agent on the part of the plaintiffs, and who acted as a broker or go-between, and he testified that he understood gold and silver was meant. The defendant read the testimony of Capt. Howe, who acted on their part; and whatever he said at that time binds the defendants. If he understood at that time that it was to be gold or silver, the defendants understood it in the eye of the law; he acted for them. It is argued on the part of the defence that this statement of Howe contradicts the statement of Stanton, while on the other hand, the plaintiff argues that the testimony of Howe is set entirely aside by the testimony of Gladstone, Stanton and others. There is also an affidavit read, taken in Liverpool, to the effects that Howe stated differently from what he states here, and that gold was understood. Now that is not evidence in chief. If they had not made Mr. Howe a witness the Court would have excluded it. But the defendants have put him upon the stand; they rely upon his testimony; therefore these declarations of his made upon other occasions, contrary to what he stated in Court, are to be received in evidence; not as evidence in chief, but to be considered by you in weighing his evidence.

The case is very simple. Considering the position of the parties, the place where the contract was made, the condition of the country at the time, the testimony of the witnesses and the conversation of the parties, what do you think the parties understood by using this word "cash?" If there had been no local laws of the United States, such as I have referred to, every one would have understood that it [illegible]oney; but it is claimed that inasmuch as th[illegible]ime, or very soon after, a legal-ten[illegible] was not gold or silver here, it w[illegible]hat. If you believe that Capt. Stanton so understood it when he made the contract on the part of the plaintiffs, and that Capt. Howe so understood it when he made the contract on the part of the defendants, you will give a verdict for the defendants. If, on the other hand, at the time the contract was made it was understood between the parties that it was to be gold or silver, you will return a verdict for the plaintiffs for $14,500 with interest from the 18th of April, 1863.

The Jury found a verdict in favor of the plaintiffs.

For plaintiffs, Mr. Lord; for defendants, Mr. Scudder.—*New York Times.*

SUSPENSION OF EXPORT DUTIES IN CUBA.

The following is the official translation of the royal order suspending for the term of six months the payment of duties upon exports from the Island of Cuba:

SUPERIOR CIVIL GOVERNMENT OF THE EVER FAITHFUL, Island of Cuba, Secretary's Office.—His Excellency, the Colonial Minister, in a royal order, dated 22d of August last, communicates to the Most Excellent Superior Civil Governor of this Island, as follows:

Most Excellent Sir:—The Queen (whom God preserve) has been pleased to issue the following royal decree:

In view of the reasons shown me by the Colonia Minister, and in accord with the council of my ministers, I hereby order the following:

Article 1. The payment of export duties on articles in the actual tariff will be suspended for the term of six months, commencing from the publication of the present decree in the *Gaceta de la Habana*, in all the custom houses of the Island of Cuba.

Article 2. The exemption allowed by the preceding article will be free, without any distinction of flag. Exportations which may be made in the period indicated from all payment of the established duties, and neither now nor at any time can be exacted of the exporters, owners or consignees the payment of the duties which would have been due during the six months counted from the publication of this measure in Havana, by reason of the tariff duty, the collection of which is hereby suspended.

Article 3. As a consequence of the determination of the two preceding articles, whilst the aforesaid suspension of export duties exist, no guarantee whatever will be exacted by the custom houses of the Island of Cuba that vessels, loaded with goods otherwise subject to export duties, will land their cargoes solely and exclusively in Spanish ports.

Article 4. The custom house administrators and marine authorities, without at all hindering the liberty of traffic and exploration, will furnish to the central dependencies of the Treasury charged with the collection of revenue the necessary statistical data to determine the quantity of articles exported and the amount of duties of which they are exempted.

Article 5. The Colonial Minister will order the necessary instructions for the execution of the present decree.

Given at Zaraux, the 20th day of August, 1866, signed by the Queen.

ALEXANDRO CASTRO,
Colonial Minister.

Which royal order I communicate to your Excellency for your knowledge and the corresponding effect, and his Excellency having fulfilled the order, it is published for general intelligence.

MIGUEL VERDEGUER MESTRE,
The Acting Secretary.

Havana, Sept 24, 1866.

Gazette.

George W. Thorne, Jersey City, Collector 5th District, N. J., vice Alexander H. Wallis.

William Tithian, Danville, Ill., Collector 7th District, Illinois, vice W. T. Cunningham.

William Douglass, Newton, N. J., Assessor 4th District, New Jersey, vice Nathaniel Lane.

John S. Williams, La Fayette, Ind., Collector 8th District, Indiana, vice John L. Smith.

Elijah Smerly, Elizabethtown, Tenn., Collector 1st District, Tennessee,

Joseph H. Travis, Paris, Henry Co., Tenn., Assessor 7th District, Tennessee.

H. T. Blanton, Paris, Henry Co., Tenn., Collector 7th District, Tennessee.

John L. Cunningham, Warrensburg, N. Y., Collector 16th District, New York, vice Walter A. Faxon.

John W. Dickerson, Salem, N. J., Assessor 1st District, New Jersey, vice David P. Elmer.

Seymour Brownell, Utica, Mich., Collector 5th District, Michigan, vice Alonzo M. Keeler.

Abner A. Steele, Louisburg, Marshall Co., Tenn., Assessor 4th District, Tennessee.

Joseph Ramsey, Shelbyville, Tenn., Collector 4th District, Tennessee.

G. C. Breed, Clarksville, Tenn., Assessor 6th District, Tennessee.

Thomas W. Keesee, Columbia, Tenn., Collector 6th District, Tennessee.

Wm. D. H. Hunter, St. Louis, Mo., Assessor 4th District, Missouri, vice Philander Draper.

APPOINTMENTS AND PROMOTIONS in the Treasury Department from the 1st to the 15th of October, 1866:

Secretary's Office: S. H. Cutts, from third to fourth class; T. B. Sanders, from second to third class; James West, C. W. Foulke, Benjamin Swallow, and A. G. Wills, from first to second class.

Loan branch: George W. Maher, J. M. Coburn, and George T. Noyes, from second to third class.

Second Comptroller's Office: J. W. Smith, from second class to chief clerk; Rufus N. Tilton, N. Lemon, and Thomas Raffey, from first to second class.

Office of Commissioner of Customs: Charles W. Bradbury, from third to fourth class; Dan Weed, from second to third class; and A. L. Munson, from first to second class.

Sixth Auditor's Office: J. N. Burritt, from first to second class.

Register's Office: Charles Neale, from fourth to a $2000 clerkship; C. C. Graham, from third to fourth class,

Treasurer's Office: F. Kroell, J. H. Arnold, and C. L. Caron, from third to fourth class; C. E. Edwins, Wm. Behrens, J. C. Poynton, Geo. Preuder, J. G. Gibson, C. Z. Eddy, M. Richardson, R. Courtney, E. McLeod, M. C. Battey, W. H. Gibson, S. S. Gregory, and Joseph P. Meline, Jr., from second to third class; J. R. Morbons, Jno. R. Croggan, E. E. Forsyth, W. T. Parker, J. R. Hurtford, John Hull, John T. Barnes, J. M. Hudant, Lewis Falk, Parley Eaton, Geo. Folts, James Joyes, J. H. Ely, A. B. Butts, D. W. Harrington, F. W. Alexander, A. L. Moore, F. Weiler, A. R. Jacobs, and H. D. Smith, from first to second class.

Office of Comptroller of Currency: Gordon Perkins, transferred and promoted to third class clerkship.

DIRECTORY—9TH DISTRICT, NEW YORK CITY.

HOMER FRANKLIN, Assessor, 69 W. 44th St.

THOMAS W. EGAN, Collector, 547 Lexington Ave.

Boundaries: East and West 40th street, Hudson river, Spuyten Duyvil creek, Harlem river, and East river, to East 40th street. It includes Randall's, Ward's and Blackwell's Islands, and takes in all of New York City above 40th street.

It is sub-divided into 15 Divisions.

ASSISTANT ASSESSORS.

1st Division, CHAS. W. ELLIOTT, Washington Heights. Boundaries: 144th st., Harlem river and Hudson river.

2d Division, JOHN H. PORTER, Washington Hall Harlem. Boundaries: Harlem river to 122d st., to Sixth avenue, to Harlem river again.

3d Division, WM. E. WARING, Ninth avenue and 99th st. Boundaries: 144th st. to Sixth avenue, to 86th st., to Hudson river, to 144th st.

4th Division, JAMES RIKER, 127th st., Second and Third avenues. Boundaries: 95th st. to Sixth avenue, to 122d st., to East river, to 95th st.

5th Division, JOHN A. DOUGLAS, Third avenue near 84th st. Boundaries: 95th st. to East river, to 75th st., to Sixth avenue, to 95th st.

6th Division, B. H. HOWELL, 795 Third avenue. Boundaries: 59th st. to East river, to 49th st., to Sixth avenue, to 59th st. again.

7th Division, S. A. UTHEY, 651 Third avenue near 44th st. Boundaries: 48th st. to East river, to 40th st., to Fourth avenue, to 48th st.

8th Division, JAMES MARRINER, 1439 Broadway. Boundaries: 45th st. to Ninth avenue, to 40th st., to Hudson river, to 45th st.

9th Division, S. N. SIMONSON, 602 Ninth avenue, Boundaries: 49th st. to Seventh avenue, to 45th st., to Hudson river, to 49th st.

10th Division, P. O'Dea, 59th st. to Sixth avenue, to 49th st., to Hudson river, to 59th st. again.

11th Division, C. W. WILLMOT, S. W. corner 70th st. and 10th av. Boundaries, 86th st. to 6th av. to 59th st. to Hudson River, to 86th st.

12th Division, HENRY WATERMAN, 69 West 44th st. Boundaries, 49th st. to 6th av., to 48th st. to 4th av., to 40th st. to 7th av., to 49th st.

13th Division, JOHN D. COUGHLIN, 722 3d av. Boundaries, One part by 49th st. to East River, to 48th st. to 6th av. to 49th st. again. The remainder of this Division consists of Blackwell's Island, Ward's Island and Randall's Island, all in the East River.

14th Division, WM. V. LEGGETT, 1439 Broadway. Boundaries, 9th av. to 45th st., to 7th av. to 40th st., to 9th av. again.

15th Division, CYRUS FROST, 950 3d av. Boundaries. 75th st to East River, to 59th st. to 6th av. to 75th st.

IN Part 2 of the trial term of the Superior Court, before Judge Jones, the case of Tweddle vs. Hoffman was tried. The dispute was about $1,000 deposited by plaintiff with defendant for the purchase of shares in the Rosario and Valencia silver mines in Chihuahua, Mexico. The money not having been applied as required, a demand for the return of the money was made and refused, and a suit was therefore commenced. On the part of the defence it was claimed that the money could not be returned yet, as it was received in trust and the object had not yet been carried out. Verdict rendered in favor of defendant.

DISTILLERS IN 4TH DISTRICT.

The 4th district is composed of the 3rd, 5th, 6th, and 8th Wards of the city. Its boundaries are as follows: Broadway, Park Row, Chatham, Bowery, Canal, Broadway, West Houston, Hudson River, and West Liberty, to No. 149 Broadway.

The following distillers have been licensed under the new law:

Henry Diffenbach, No 12 Pell St., capacity of still 250 gallons; sureties, Wm. H. Gildersleave, No. 849 6th Ave., and Charles Shove, No. 347 East 24th Street. Bond $3000.

Henry Wendeborn, No. 202 Chambers St., capacity of still 225 gallons; sureties, Henry Schmale, No. 94 Horatio St., and Wm. S. Broking, No. 73 Courtland St. Bond $3500.

Edward Rubovits, No. 44 Mulberry St., capacity of still 225 galls.; sureties, Geo. W. Palmer, No. 71 Henry St., and Edward Hustnle, No. 10 Henry St. Bond $6000.

ALL soldiers who served two years or more during the rebellion, or were discharged by reason of wounds before the expiration of two years, and the widows and heirs of those who served, are now entitled to Bounties of $150, or more, according to the time and length of their enlistment or service.

By an Act passed July 28, 1866, all soldiers who served two years or more on one enlistment, or were discharged by reason of wounds before the expiration of two years, are entitled to additional bounty of $50 or $100 each, according to the terms of enlistment, and the same increased bounty is allowed widows, children or parents of soldiers who died in the service, or of wounds received or disease contracted in service.

Under this Act, all soldiers, or widows, children or parents of deceased soldiers, who received any bounty prior to July 28, 1866, are entitled to $50 or $100 increased bounty.

THE Commissioner of Pensions has made the following decisions in regard to the legal limitations as to the date of commencing pensions:

First—The sixth section of the act of July 4, 1864, not being inconsistent with the fifth section of the act of July 14, 1862, does not supercede or in any manner modify the provisions of said last named section.

Second—The thirteenth section of the act of June 6, 1866, reserves and keeps in force the provisions of the sixth section of the act of June 4, 1864. All invalid pensions applied for more than a year after the discharge of the officer or soldier, and less than three years after such discharge, must commence from the date of filing the application. This applies only to invalid claims. Invalid and all other pensions applied for more than three years after the death or discharge of the officer or soldier, will commence from the date of filing the last testimony by the party prosecuting such claim.

The widow of an officer who died before the passage of the act of March 3, 1865, is not entitled to the extra three months pay proper that would have accrued to him under that act had he been living at the date of its passage. The right of inheritance does not survive, inasmuch as the law makes no provision for the descent of this extra pay to the heirs of an officer in the event of his death.

Treasury Dept., Decisions, &c.

OFFICIAL.

(Circular No. 58.)

REGULATIONS FOR DISTILLERS AND REFINERS OF COAL OR MINERAL OILS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, October 17, 1866.

By the act of June 30, 1864, as amended by the act of July 13, 1866, a tax is imposed upon illuminating, lubricating, or other mineral oils; and it is further provided "that distillers of illuminating, lubricating, or other mineral oils, naptha, benzine, bensole, or gasoline, shall be subject to all the provisions of law applicable to distillers of spirits, with regard to special taxes, bonds, returns, assessments, removing to and withdrawing from warehouses, liens, penalties, forfeitures, drawbacks, and all other provisions designed for the purpose of ascertaining the quantity distilled and securing the payment of taxes, so far as the same may, in the judgment of the Commissioner of Internal Revenue, and under regulations prescribed by him, be deemed necessary for that purpose."

Under this authority, the Commissioner of Internal Revenue hereby prescribes that every person who refines, distils, or re-distils petroleum or other bituminous substances, or refines crude oil, produced by a single distillation of coal, shale, asphaltum, peat, or other bituminous substances, shall give a bond. (Form 28). This bond must be taken by the collector, who will bear in mind that bonds already given under the provisions of former laws will not suffice.

Each distiller or refiner must keep a book, in form and manner set forth in Form 25, which form is hereby prescribed, showing the quantity and description of the oil produced, the quantity placed in bond, and the quantity not placed in bond, and consequently subject to tax, and the quantity and description of oil sold by him, with the name and place of business or residence of the person to whom sold. If desired by the distiller, the account of sales may be kept in a separate book.

A return will be made on Form 26, on or before the tenth day of each month, instead of tri-monthly as heretofore, showing the product of the preceding month, the quantity bonded, and the quantity subject to tax; and the tax is to be paid, like other monthly taxes, on or before the last day of the month in which the return is made.

By the act of July 13, 1866, section 10, paraffine oil, and lubricating oil made from petroleum, coal, or shale, not exceeding in specific gravity 36 deg., is exempt from tax, but such oil is made subject to the same inspections as illuminating oil: it, therefore, follows that the entire product of the distillery or refinery must be inspected and gauged by an inspector appointed under the provision of section 58, act of June 30, 1864.

The establishment of bonded warehouses, for the storage of mineral oil, and the withdrawal of the same therefrom, will be governed by the regulations of March 1, 1865, issued by the Secretary of the Treasury, until otherwise directed.

Distillers and refiners of mineral oil are, by these regulations, released from the restrictions placed upon distillers of spirits by the present law, so far as relates to establishing bonded warehouses for the storage of their products, employing inspectors for each distillery at a *per diem* compensation, providing receiving cisterns, &c. They can also remove the oil produced by them directly from the distillery or refinery to a general bonded warehouse, Class A, as in the case of removal of distilled spirits.

E. A. ROLLINS, *Commissioner.*

TRANSFER OF LICENSE AND RECEIPTS FOR SPECIAL TAX.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 21, 1866.

SIR: In reply to yours of 18th inst., that the terms of amended section 75 of the Act, are restrictive as compared with the terms of the same section before amendment, and provide for no transfer of the evidence that a special tax has been paid for doing a certain business.

In case of *A's death* his legal representatives, &c., may carry on the same business upon the same premises without additional tax:—And in case of *A's removal* from his premises to *other premises*, he may carry on the same business at such other premises without further tax,—*provided* that a registry be made &c., &c. But there being no provision that any business of an assignor who has paid a special tax, may be carried on by his assignee without further tax; the possession of an assignor's tax receipt would be of no value to any assignee, and would afford him no protection whatever.

There seems to be no method by which this Office can remedy the hardships of which you write.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

E. S. BEALS, ESQ., *Assessor, &c.,*
North Weymouth, Mass.

DEFINITION OF WOODEN-WARE EXEMPTED FROM TAX—PAILS, WASHBOARDS, FAUCETS, ETC.

ASSESSOR'S OFFICE,
NINTH DISTRICT OF MASSACHUSETTS,
FITCHBURG, Oct. 12, 1866.

SIR: Under instructions, "Series 2, No. 8," are pails and tubs, iron hooped, excluded from the exemption under the title of "wooden-ware"?

I infer that they are held taxable, as the language of the instruction referred to seems to exempt only such articles as are made *exclusively* of wood.

Under the same principle are mops with iron heads, and washboards with metallic covering, to be held taxable?

2d. Are wooden faucets and buckets made exclusively of wood to be included under the term "wooden ware"?

An early answer is respectfully solicited.

Very respectfully,
A. NORCROSS.
Assessor 9th District, Mass.

Hon. E. A. ROLLINS,
Commissioner Internal Revenue, Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 16th, 1866.

SIR: In reply to your letter of Oct. 12th, in relation to tubs, pails, &c., I have to say that under the present law, tubs and pails are exempt from tax as "wooden ware." The fact that they have iron hoops, ears, and handles does not deprive them of this exemption.

Zinc or metallic washboards are taxable.

Wooden handles for household tools and implements are exempt from tax, but mop-handles with iron or metallic heads are taxable under the general provisions of section 94.

Wooden faucets are not regarded as "wooden ware."

Well or draw-buckets, as they are sometimes called, and which are often permanently attached to the drawing apparatus of the well in which they are used, are not regarded as "wooden ware."

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

A. NORCROSS, Esq.,
Assessor 9th District, Fitchburg, Mass.

RE-PACKING AND STAMPING OF TAX PAID CIGARS.

ASSESSOR'S OFFICE,
FOURTH DISTRICT OF NEW YORK,
New York, Sept. 29, 1866.

SIR: It has been the practice in this District to allow its Cigar Inspectors to re-stamp cigars that manufacturers have re-packed, in consequence of the same being mouldy or damaged.

The permits for re-stamping are granted by the Assessor on sworn application of the owner and manufacturer, that the cigars have once paid tax. The applications are filed in this office as vouchers for the return of stamps used on re-inspected cigars made by the Inspector. As there is no allusion to such privilege in circular 49, I wish to know if the practice is proper.

Respectfully,
P. C. VAN WYCK, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue,
Washington, D. C.

ANSWER.

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 10, 1866.

SIR: In reply to your letter of Sept. 29th, in relation to re-stamping cigars, I have to say that, on satisfactory evidence being presented that cigars have been properly inspected, and have paid the tax imposed upon them by law, you may allow the same to be re-packed, re-inspected, and re-stamped, the owner or manufacturer paying the expense or fees.

Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

P. C. VAN WYCK, ESQR.,
Assessor 4th District, New York.

NO TAX ON COMPENSATION OF INSPECTORS OF DISTILLERIES TO BE WITHHELD.

ASSESSOR'S OFFICE,
FOURTH DISTRICT NEW YORK,
NEW YORK, Oct. 8, 1866.

SIR: A copy of blank form No. 105, has been received at this office. A bill for services as Inspector in advance of directions was rendered to this office, Government tax withheld, and receipted for by the Collector. As the blank is not drawn up with reference to Government tax, I take it for granted that the law is not construed to warrant the withholding of the same from the salaries of Inspectors of Distilleries. Will you please inform me if the Department expects the amount assessed for services shall be entered on the monthly list and receipted for by the Collector.

PIERRE C. VAN WYCK,
Assessor.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue,
Washington, D. C.

ANSWER.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 18, 1866.

SIR: In reply to yours of the 8th inst., I have to say that the tax should not be withheld from the salaries of Inspectors of distilleries, nor should assessments made on the the distiller for their services be entered upon the monthly list: collection should be made from form 105, and the money paid over directly to the Inspector.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

P. C. VAN WYCK, ESQ.,
Assessor 4th District, New York.

TAX ON COLOGNE SOLD IN BOTTLES AND BY THE GALLON.

ASSESSOR'S OFFICE, 8TH DISTRICT, ILLINOIS,
SPRINGFIELD, Oct. 9th, 1866.

HON. E. A. ROLLINS,
Commissioner of Internal Revenue.

SIR: Is cologne, manufactured by druggists by a formula published in the United States Dispensatory, and sold by the manufacturer at retail, said manufacturer claiming no secret or art whatever in making the cologne, subject to a stamp duty?

Very respectfully,
D. WICKERSHAM, *Assessor.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 15, 1866.

SIR: In reply to your letter of Oct. 9th, in relation to cologne water, I have to say that cologne water is regarded as perfumery, and when manufactured and put up in bottles, phials, &c., as provided in Schedule C, it should be properly stamped before being sold or offered for sale; but when it is not so put up but is manufactured and sold by the gallon, &c., it is liable to an ad valorem tax of 5 per cent. under the general provisions of section 94.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

D. WICKERSHAM, Esq.,
Assessor 8th Dist., Springfield, Illinois.

INDIA RUBBER BOOTS AND SHOES SUBJECT TO TAX OF FIVE PER CENTUM.

ASSESSOR'S OFFICE, 2D DISTRICT, CONNECTICUT,
CLINTON, October 10, 1866.

HON. E. A. ROLLINS,
Commissioner Internal Revenue,

SIR: Will you please instruct me whether India-rubber boots and shoes are taxable at five per cent. as "articles of wearing apparel manufactured from India-rubber," under the third paragraph on page 57, of the compilation of Internal Revenue laws, or at two per cent. only as "boots (and) shoes," under the paragraph immediately following.

Yours very truly,
JOHN B. WIGHT,
Assessor 2d District, Conn.

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 15, 1866.

SIR: In reply to your letter of Oct. 10th, in relation to India-rubber boots and shoes, I have to say that India-rubber boots and shoes are taxable at the rate of five per cent. ad valorem, as "articles of wearing apparel manufactured from India-rubber."

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

JOHN B. WIGHT, Esq.,
Assessor 2d District, Clinton, Conn.

DEDUCTIONS DISALLOWED ON ACCOUNT OF FREIGHT, COMMISSIONS, PACKAGES, AND OTHER EXPENSES OF SALE—TIME SALES.

ASSESSORS OFFICE,
FIRST DISTRICT, NEW YORK,
Roslyn, Queens Co., Oct 9, 1866.

HON. E. A. ROLLINS, *Commissioner Int. Rev.:*

SIR: I do not understand that the act of July 13, 1866, authorizes any deductions whatever to be made from the sales of manufacturers of articles named in section 94 (new compilation), and subject to payment of monthly tax. But I notice by a newspaper statement that the Internal Revenue Office has authorized the deduction of the expense of barrels, boxes, wrappers, &c., for packing goods. Please therefore inform me whether either, and if any, which, of the three following classes of deductions heretofore allowed under the old law, may now be allowed to manufacturers, viz:

1. Freight and Commissions.
2. Barrels, boxes, cases, bottles, packages, or wrappers. (See Circular No. 34.)
3. Discount, or interest, where goods are sold on time, or on credit.

Very Respectfully,
H. W. EASTMAN,
Assessor 1st Dist. New York.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 17, 1866.

SIR: Your letter of the 9th inst. relative to deductions on the sales of manufacturers, has been received.

In answer I have to say, that the deductions which were allowed under section 86 of the act of June 30, 1864, have all been stricken out by the amendatory act of July 13, 1866, and returns must now be made and the tax paid, either upon the basis of the *actual sales* made to the purchaser, or upon the *estimated value* of like goods at the time when they became liable to tax.

Sales, however, which are made on time and without interest, may be reduced to their cash value, and so returned for taxation.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

H. W. EASTMAN, Esq.,
Assessor, Roslyn, N. Y.

NO DEDUCTIONS ALLOWED FOR FREIGHT, EXPENSES OF SALE, BOXES, &C., FROM MANUFACTURERS RETURNS —TAX ON MANUFACTURES ON THE CASH SALES VALUE.

ASSESSOR'S OFFICE, 4TH DISTRICT,
NEW YORK, Oct. 16th, 1866.

SIR: Manufacturers, when returning their sales for taxation, claim the following deductions: Expenses for packing, including cost of boxes, freight bills, insurance, &c., on the grounds that these items need not be included in the price obtained for the goods, but may be added to the bottom of their bills and made thereby separate items of charges. It has been the custom in this district to disallow such claims when presented in either way as above mentioned, and tax payers have been instructed that the price obtained for the goods, in the condition in which they are delivered to the purchaser, including all charges made in performance of the contract of sale form the true basis of taxation returnable by the manufacturer. Is this correct?

It is thought by some that a discount for cash previous to the assessment of tax on sales of manufactures is not allowable by the terms of the present law; others, that the discount actually taken off from the bill for cash is proper to deduct from the price charged, or rather, that the cash received is the actual price which should be returned for taxation. An allowance on all time sales is claimed as proper, by virtue of decision No. 144, and this amount is generally 5 per cent. on six months' sales.

Manufacturers say they add to the cash price of their goods 5 per cent. on their six months' sales to compensate them for the loss of interest in case they have to wait for their money, until their notes mature and they will take off discount from the bill to the amount that it will cost them to get the note discounted by a bank. Banks, in this and other mercantile communities, are in the habit of discounting notes for their depositors to an amount of double their line of deposits. The depositor, therefore, has to pay for his cash 7 per cent. interest on the face of the notes offered for discount, and has to lose one-half as much on his non interest drawing deposits; this makes cash cost some 5½ per cent. on six months' time notes. The allowance of 5 per cent., therefore, asked from the face of the six months' bill, as the amount charged to the purchaser through the customs of trade, is never received by the manufacturer; but the actual amount received is the face of the bill, less 5 per cent. on six months' sales and others in proportion. Will you please give me the ruling of the department on these points?

Very respectfully,
PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

HON. E. A. ROLLINS,
Commissioner Int. Rev., Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 18th, 1866.

SIR: In reply to your letter of Oct. 16th, in relation to deductions, I have to say that that part of section 86, under which deduction of freight, commission, expenses of packing, including cost of boxes, &c., was formerly allowed, having been repealed by the act of July 13th, 1866, no such deductions can now be made.

Goods must now be returned for taxation at the *price paid for them by the purchaser*, no deductions being allowed for freight, expense of packing, &c., as formerly. Sales, however, made on time without interest, may be returned at their cash value.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

SUPREME COURT—CIRCUIT—PART III.—OCT. 22.

Before Justice Davis and a Jury.

Thomas J. Pope vs. *Oscar F. Burns and The Bank of Albion.*

A draft post-dated and stamped with a two cent stamp, held not to be properly stamped.—Plaintiff non-suited.

This action was brought to recover the sum of $3,000, the amount of a draft drawn by the defendant Burns, dated March 1, 1866, and addressed to the Bank of Albion, in this State. It was made payable to the order of the drawer. From the evidence given at the trial it appears the draft was post-dated, more than sixty days, having been drawn and put into circulation in this city, sometime in January previous. The plaintiff in the action received it for a valuable consideration at about the time it bears date, the Bank having accepted it, it was afterward presented for payment, and payment thereof refused. The counsel for the plaintiff, Mr. E. F. Brown, in opening the case to the Jury, said that so far as he could ascertain, there were two defences on the part of the Bank: First, That the drawer had no funds in the Bank, and secondly, that the draft when presented for acceptance, was accepted by an assistant cashier, who had no authority to certify checks or accept drafts. But before the close of the plaintiff's case, it became evident there were other objections which defendants had heretofore declined to make known to their opponent or his counsel. One of the defences brought out before the Court was that the draft had not a sufficient stamp upon it. It had a two-cent stamp, but it was claimed that this is not a proper one to put on a draft of this nature, which was said to be an inland bill of exchange within the meaning of the Internal Revenue Act. This act declares that a five-cent stamp, for every $100, or fractional part thereof, represented by an inland bill of exchange, draft or order for the payment of any sum of money other than those drawn at sight or on demand, shall be paid by

way of stamp duty. This having a two-cent stamp only was not regular. It was not a draft or bill of exchange payable at sight or on demand. The draft was drawn and put into circulation long before the day of its date. Counsel for the defence also read sections of the same act, for the purpose of showing that a draft of this kind, with a two-cent stamp, could not be offered in evidence. The bill, or note, or whatever it was, is void. Moreover, the bank, or any person negotiating, or attempting to negotiate such an instrument, was liable to a heavy fine.

In answer to this, the counsel for the plaintiff contended that as a matter of law, as well as for all commercial purposes, the draft in question was a sight draft, or one payable on demand. He also contended the Court had the power, and should, in its discretion, in order to further the ends of justice, direct that a proper stamp be placed upon the draft. This could be done then and there. There was no doubt, in fact there was no dispute but what the plaintiff was an innocent *bona fide* holder for a valuable consideration. It was in evidence that he had paid the full amount of its face, less the difference of exchange between New York and Albion. A man named Galladet was the holder. He had transferred it to the plaintiff in the usual course of business on the day, or the day after it bears date. The plaintiff could not possibly have known from anything that appears on the face of the draft that it had been post-dated. Counsel asked the Court if it did not seem as though the defendants were attempting to defraud an innocent holder out of that to which he is justly entitled by means of a very technical objection.

The presiding Justice said he did not know yet whether the defendants had any defence on the merits. He thought, however, that the questions presented by the defendant's counsel were grave ones. He did not think it was a question of intent in any view that could be taken of it. There was the Internal Revenue Act. He was not there to pronounce upon the necessity or the wisdom of it in all its details. But it was the law of the land, and Courts of Justice were bound to sustain it. The act says an instrument of this character shall not be admitted in evidence, unless properly stamped, and it describes what denomination of stamps shall be put upon certain kinds of commercial paper. He could not agree with the counsel that this is a sight-draft or one payable on demand. It had been post-dated more than sixty days. It had circulated around New York as commercial paper prior to the day of its date, which is the 1st of March.

Mr. Brown for plaintiff, was, he said, very confident that the Court could direct the suspension of its business for an hour, so that they could send to the Collector of Internal Revenue and have the appropriate stamp affixed. They could do that in an hour, and it would save the rights of his client, and avoid the necessity of commencing the suit *de novo*.

Mr. Burrows for the defendants, contended that that even would not extricate the p aintiff from the difficulty in which he was placed. They would insist most strenuously on their part that even if the Court or the Collector of the Revenue should now authorise the affixing of the proper stamp, this action cannot be maintained. The Bank of Albion, which is the substantial defendant, has never been presented with, and hence has never accepted, the draft in question when properly stamped. By the Internal Revenue Act they would be liable to a heavy penalty for accepting, certifying or paying a check or draft not stamped in pursuance of the provisions of the law.

The Judge took this view of it, and determined that the only thing he could do, under all the circumstances, was to nonsuit the plaintiff. Thirty days were granted to plaintiff in which to make a case on appeal, with a view of testing the important questions of law in a higher court.

For plaintiff, Messrs. Brown & Estes; for defendants, Mr. Roswell L. Burrows.—*N. Y. Times.*

WAGES OF CREW ARE NOT A LIEN UPON A VESSEL SEIZED AND CONDEMNED AS PRIZE.

The United States vs. *The Bark Sally Magee.*

UNITED STATES DISTRICT COURT—SOUTHERN DISTRICT, NEW YORK, OCT. 6, 1866.

Before Judge Betts.

Betts J.—The above vessel was seized on the high seas in July, 1866, by a ship of war of the United States, at a time of public war between the United States and the rebel States or Confederate States; and in the Term of August following, the said vessel and her cargo were proceeded against in this Court, by public prosecution, and a decree of condemnation and forfeiture of the vessel and her cargo, as prize of war, was rendered by the Court therein, on the first day of the said term of August.

On the 10th day of August, 1863, the claimants appealed the said cause to the Supreme Court of the United States, and that Court in December Term, last past, affirmed the decree of this Court in the original cause in all respects.

On the 6th of October last the officers and crew of the aforesaid prize vessel filed their joint position in this Court, alleging they were "loyal officers of the United States at the time they were employed on board of and in the service of said bark, and so continued to the time of her capture in this cause: that they were not knowingly and willingly employed on board the said vessel in hostility to the United States, and that they are advised, and believe, they have an interest in, and lien upon, said bark, her tackle, apparel, furniture and cargo, or the proceeds of the sale thereof, as a security for the wages due to them, respectively, as aforesaid, and the said liens are prior to the claims of the libelants."

No lien for, or priority of right of payment of wages to the crew of the bark in this case, for their services upon the vessel, was imparted to them by the contract of hiring, or accrued by implication therefor. (The *Sally Magee*, 3 Wallace Reps. 451—13 Statutes at large, 306 sec. 10).

The ship and cargo were both enemy's property, and the legal title and interest therein was vested exclusively in the United States, on their seizure as prize in this action, and then passed, absolutely, by force of the prize act, above cited, to the captors.

The owners of the ship, after she became enemy's property, could authorize no lien or disposal of the vessel or cargo in derogation of the higher and older title of the captors of her as prize of war, and the crew of her, equally with all outside creditors, must resort to and rely alone upon the individual responsibility of their particular debtors. (Upton, Maritime Law, second edition, 153 and 158, and Blatchford's Prize Reports.) The petitioners accordingly have no right, of course, against the property or the recovery of their wages, seized at sea and condemned as lawful prize of war, and in no way legally exonerated from liability to such seizure.

The act of Congress of March 3, 1863 (12 Statutes at Large, 769) protecting certain liens upon vessels during the war, does not extend to cases of the class embraced in the present cause. (The *Sally Magee*, 3 Wallace Reps. 451.) Accordingly there is no statutory law authorising the lien claimed by the petitioners. Petition denied.

New Publications.

"FREDERICK THE GREAT AND HIS COURT.

Translated from the German of Mühlbach by Mrs. Chapman Coleman and daughters. New York: D. Appleton & Co. 1866, pp. 434.

The author has very justly called the above An Historical *Romance!* Charmingly and entertainingly written though it be, and admirable as a story, yet viewed by the light of *History* it may well merit the title of *Romance.* Even Mr. Carlyle's prejudiced view of Frederick II. does not present him as totally free, from fault, whereas the equally great essayist Macaulay has shown him to be anything but a moral hero. Mr. Mühlbach, however, paints him like another prince of the good old fairy tales of our childhood.

Not only does he make no mistakes himself, but he has a talisman, by which he discovers and rewards only the truly great, and punishes only the unworthy. His Frederick is a little *too* perfect, a little too fascinating to be "historic." True, only his earlier life is given, first the happy days at Rheinsberg, and then the earlier and quieter days of his stormy career. The novelist leaves him just at the opening of the seven years war, and verily the gloss of Romance is truly thrown around that infamous breach of trust; and the underhand betrayal of confidence, against which Macaulay is so justly indignant, and which Frederick's defender, Mr. Carlyle, in vain endeavors to palliate, is made by Mühlbach to appear in any but the light which history and an impartial judgment would give it.

Of course, as there are always two sides to every question, so different motives will always be attributed to the same act, and Mr. Mühlbach no doubt will find many to support him in his theories as to the right and wrong of this, even yet, vexed question. But however much the motives may be questioned the results remain the same, and the author has interwoven these, with care and sentiment, in so charming a manner, as to produce a vivid picture of the court of the greatest of then reigning monarchs, such as will leave an impression inseparable from the historic facts. We feel, on laying down this charming little book, as if we had really known Elizabeth Christine and been a witness of her noble self-abnegation; had laughed with Pöllnitz, and loved, suffered, and triumphed with Laura Von Pannewitz. And when we read in history how at the death of the Queen-mother, King Frederick wept bitter tears, and thought for a time he could not live in a world she had left, the fiction seems not unnatural. Forgetting it is only a romance we go back in memory to his first meeting with the Queen his mother after his father's death, and how he *then* loved her.

Inconsistent as is the picture drawn of Frederick, with the view *history* takes of his life, there are many fine scenes in this romance, and so ably rendered in English, that we are seldom reminded of its being a translation. Instance the description of the court ball during the old King Frederick William's life, and the abrupt termination one of his whims gave to all the gayety of the scene.

While the queen and his children are dancing at this festival, which Frederick had himself encouraged, in fact suggested, lest his subjects should imagine how death was slowly but surely claiming him as her own. Exasperated by his loneliness, and the sound of the distant music, and the arrival of two marble coffins, which he had ordered from Italy for himself and consort, having just been announced to him, the king conceived a plan by which to humble his queen and display at the same time his own piety and courage in facing death. He appears in the ball-room before his frightened and cowering family, who having left him unable to leave his bed, little expected their untimely visitor; and commanding the queen and court to follow him to

"White Saloon," which by his orders had been iantly lighted, and in which, surrounded by marble rues of his ancestors, stood side by side the o coffins. "Two coffins!" murmured the queen th horror; her timid glance resting first upon the lemn coffins, then wandering anxiously to the lofty d imposing marble statues of the prime electors, ho, in solemn rest in this chamber of the dead, emed to hold a watch over the coffins of the living. Yes, two coffins," said the king; "our coffins, phia; and I resolved in this hour to show them to u and the assembled court, that this solemn warning ight arouse you all from your sinful and unholy lusts. eath must strike at your heart to awaken it from luptuous sleep and cause you to look within. In ese coffins we will soon rest, and all earthly vanity nd glory will be at an end. None will fear my glance r my crutch; no one will compliment the beautiful illet of the queen, or admire her diamonds; dust will turn to dust, and the king and queen be nothing ore than food for worms!" "Not so," said Sophia, hose noble and proud heart felt humbled by this roveling of her husband, "Not so; we will be more han dust and food for worms. The dust of common ortals will be scattered in every direction by the and of time, and over their graves will History walk rith destroying feet; but she will remain with us and vill gather our dust, and build therewith a monument o our memory. When our bodies of flesh and blood re placed in the vault of our ancestors, our forms will rise again with limbs of marble and bosoms without earts." The queen was herself again; she had con- uered her womanish fears; she felt herself not only he wife of Frederick, but the sister of the king of England, the mother of the future king.

This independent bearing angered the king, and stronger than ever in his resolve, he requires her to "do o-day in sport what she must hereafter do in solemn earnest—see if she can take her place with dignity and worthily in her coffin." The queen and courtiers re- monstrate with the wicked old man against his cruel est, but "seeing the symptoms of a rising storm, So- phia knew that all restraints would be removed if she existed longer. She called with a commanding tone o one of her maids of honor, and said proudly, 'Reach ne your hand, Duchess; I am weary and will for awhile rest upon this bed of a new and uncommon form.' With the appearance and nobility of a truly royal soul, she raised her robe a little, lifted her foot over the edge of the coffin and placed it firmly on the bottom. She stood in the coffin, proudly erect, com- manding, and majestic to behold; then with inimitable grace she stooped and lay down slowly. The coffin creaked and groaned, and amongst the crowd of courtiers a murmur of horror and disgust was heard. The king stood near the coffin, and Sophia Dorethea looked at him so steadily, so piercingly, that he had not the courage to meet her glance, and fixed his eyes upon the ground. The queen stood up quietly. The Countess Hacke held out her hand to assist her, but she waved her proudly back. 'No,' she said, 'kings and queens leave their coffins by their own strength and greatness, and sustained by the hand of History alone.' Sophia then stepped over the edge of the coffin, and bowing profoundly to the king, she said, 'Your Majesty, it is now *your* turn!'"

This has perhaps more power than any scene in the book—is more graphic—but there are many equally well written, and few facts given that cannot be his- torically proved to be true. The love episode of the unfortunate Dorris Ritter is not sufficiently explained to make her introduction of any moment, and here and in two other instances the author has, we think, made a great mistake. One does not take up either a history or a romance expecting to require a text book to explain as we read. The book in question purports to be a combination of the two, yet the historically uninformed reader would sometimes be at a loss. It is only lately that any detailed account of the great Frederick's life has been given to the world outside of his own dominions, and those that have not yet mas- tered Mr. Carlyle's lengthy history, would be much puzzled by several references. For young readers this would be very well, as it might excite a desire to know more of characters as historically important as interesting, but not supposing this to be the aim of M. Mühlbach, we do not hesitate to say that his otherwise charming little historiette may be pronounced lacking in finish. It is, however, unquestionably an addition to our scanty knowledge of a court which in our own day is exerting such an influence over European dynas- ties as to make everything relative to its part, whether of fact or fiction, doubly interesting. As such it deser- ves to rank with the production of Miss Pardoe, or our own Abbott, in the libraries of young and old.

A letter received in this city from the northern part of New York State, brings the information that smug- gling has increased very rapidly along the frontier of a number of the districts in that State, and all efforts to suppress it has proved unavailing. The reason assign- ed for this sudden outbreak of smuggling is the changes recently made in some of the customs officers in those districts, who have not yet become thoroughly ac- quainted with the duties of their positions, or who have little knowledge of the parties who engage in this un- lawful traffic. The enormous profits accruing to those who are successful in evading the vigilance of the customs officers prove to be so great a temptation that the utmost circumspection and the greatest experience is necessary to prevent those frauds upon the government. Active measures are now being adopted by the proper officials to bring these offenders to justice, and it is hoped that a number of arrests may be expected at no distant day.

The Secretary of the Treasury received from J. R. Aiken, of New York, a continental note of the denom- ination of thirty dollars, which was forwarded for re- demption. This will not be done, as the government several years since ceased to redeem this currency, the time given by Congress in which it could be redeemed having expired.

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The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprise his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 Liberty st., New York City.

REVIEW.

THE instructions relative to the stamp duty on canned meats, sauces, jellies, &c., place a different construction on the statute from that which has been generally entertained as correct, and it is unfortunate that the decision leaves dealers with the power to have stocks of these articles of domestic production on hand which are not required to be stamped, namely, such as passed out of the hands of the producer prior to the first day of October. Satisfactory evidence thereof may be required of any dealer who exposes for sale or sells such domestic articles without stamp, and it would be a protection to the revenue and honest dealer for officers to require evidence applicable to and descriptive of the entire stock of such preparations held by dealers at that date. This will prevent the subsequent incorporation into the stock of any additional unstamped packages, which otherwise may be done by the unscrupulous with little risk of detection. It should be borne in mind that the Department holds that all such preparations of *foreign* production require to be stamped if sold otherwise than in the manufacturer's original packages, but does not insist on the penalty if sold in such packages without stamp. This rule simply excuses importers and jobbers of such preparations from unpacking and stamping the same before sale in the original packages; but when such packages are opened and the bottles or cans are taken out and exposed for sale by wholesale or retail dealers proper stamps must be affixed, notwithstanding the previous payment thereon of import duty.

The Commissioner invites proposals for supplying stationery to Assessors and Collectors which are published for the information of those concerned. No stationery is to be furnished any Assessor or Collector except on the order of the Commissioner.

The additional regulations respecting the transportation and payment of tax on cotton will tend to facilitate the collection of the tax, and lessen the difficulties and annoyances which have seriously incommoded owners and producers in the interior sections of country.

THE time for holders of spirituous liquors to lodge notice with Collectors, and to have their stock inspected, gauged and marked, expired on the 1st inst., and all liquors or distilled spirits, no matter when made or whether tax has been paid thereon or not, now found without having been inspected and marked are liable to seizure. Owners of liquors have been faithfully warned and instructed by the RECORD, and now all blame for delinquency must attach to themselves where they have failed to comply with the laws.

ANSWERS TO CORRESPONDENTS.

Assistant Assessor.—Manufacturers of articles exempted from tax by section 10 of the act of July 13, 1866, (paragraph 91 of official compilation,) are liable to pay special tax of $10 per annum as manufacturers.

HYDRAULIC RAILWAYS.

M. Girard, a French engineer, has constructed an experimental railway at the village of La Fouchere, between Paris and St. Germain, in order to to make a practical test of the use of water as a motive of power instead of steam. This invention is a curious application of the principle that water lessens the friction between two metal surfaces. In his system, the wheels of railway carriages are replaced by iron skates, which differ only in shape and size from those used by skaters, and the mode of propulsion is thus described:—Each carriage, instead of having four wheels, has four skates. The skates have a ledge on either side so as to fit on the rail, but not too closely. The upper part of the skate next the rail, is hollowed at its centre by a small groove; the groove is pierced with holes communicating with tubes leading to a reservoir in the carriage, in which a mass of water is subjected by means of compressed air to a pressure of from seven to eight atmospheres. The turning of a faucet establishes the communication between the reservoir and the skates; the water then rushes as from a hydraulic press through the holes in the grooves of the skates, and a layer of water is interposed between them and the rails, on which they are thus enabled to move as on the smoothest ice. The friction being thus reduced to a minimum, the tractive or propelling force can be greatly reduced.

The method of supplying the carriage reservoirs is as follows:—"Between the rails is a longitudinal tube, receiving water at a high pressure from a reservoir, established at a high level; the tube is provided at every fifty yards with a kind of stop-cock, which enables a powerful jet of water to be directed horizontally in the direction the train moves in. The first carriage is provided with a sort of needle which opens the stop-cocks, the water rushes forth against small paddles, placed under each carriage, and communicates to the train such an impetus as to enable it to ascend very steep gradients without any diminution of speed. By an ingenious contrivance a portion of this water is conveyed by a turn of the paddles into the reservoir of the motive carriage, and is utilized to neutralize the friction between the skates and the rails."

M. Gerard's model railway consists of two lines—one, horizontal, is forty metres in length; the second, fifty metres long, has an incline of five centimetres per metre. The trains ascend the gradient

with a rapidity fully equal to that of ordinary trains propelled by steam. Nothing, it is said, can exceed the ease of the motion; and the facility which the train can be brought up, by the mere cutting off of the water supply, is urged as a powerful argument for the adoption of these skates instead of wheels on ordinary railways.

THE Second Comptroller has decided that the widow of a deceased soldier having remarried before the Act of July 28, 1866, and there being no minor children, the mother and father of the deceased soldier, provided there has been no abandonment on either side, are jointly entitled to receive payment of the bounty.

And where the heirs of a deceased soldier claimed the bounty provided by the Act of July 28, 1866, it is decided that if the soldier died before the passage of the act from causes other than *wounds* or *disease contracted in service*, or if he died after the passage of the law, from any cause, the heirs would not be entitled to the bounty, but if he died prior to its passage from wounds or disease contracted in the service, the bounty descends to the heirs in the order and on the conditions named in the law. This law is precisely parallel to that of a soldier to whom bounty is granted by the law of March 3, 1863, for less than two years' service, when discharged for wounds received in battle, &c., no provision was made for the descent of the bounty of the soldier who died without securing it, and it was held to be personal to the beneficiary, and that it did not descend. Congress sanctioned this construction, and passed an elaborate section (on March 3, 1865) providing for the descent in a prescribed order of heirships, they, by implication, asserting that it could not descend without express provision of law.

Gazette.

Stephen J. McGwaxty, Cincinnati, Ohio, Collector, 2d District Ohio, vice Samuel F. Cary.

William Boardman, New York, Collector, 7th District New York, vice Marshall B. Blake.

F. M. Kister, Greensburg, Pa., Assessor, 21st District Pennsylvania, vice D. W. Shryock.

George W. Alexander, Reading, Pa., Assessor 8th District Pennsylvania, vice Franklin B. Lancks.

Henry W. Harrington, Madison, Ind., Collector, 2d District Indiana, vice B. F. Scribner.

Owen D. Downey, Piedmont, W. Va., Assessor, 2d District West Virginia, vice Thomas R. Carskadon.

John B. Hays, Meadville, Pa., Assessor, 20th District, Pennsylvania, vice Joseph H. Lenhart.

Caleb B. Bowers, Claremont, N. H., Collector, 3d District New Hampshire, vice Daniel P. Wheeler.

Joseph S. Dunham, Van Buren, Ark., Collector, 3d District Arkansas.

Henry A. Bigelow, Prescott, Arizona Ter., Assessor for Arizona Territory.

THE United States Treasurer has recently decided that coupons are negotiable, at all times, as a bank note, and that he shall pay them when in the hands of a *bona fide* holder, even when it is known that they have been stolen.

MR. CHARLES E. PIKE, of Massachusetts, has resigned his position as solicitor in the Bureau of Internal Revenue. The post is one of great importance, and Mr. Pike filled it with marked ability.

New Publications.

"GRIFFITH GAUNT, or JEALOUSY;" by Chas. Reade. Ticknor & Fields, Boston, 1866. Pp. 214.

In the delineation of the passion of Jealousy and its evil results, Mr. Reade may be said to have achieved a decided success, and to have taken a rapid stride in style and diction, since writing "Very Hard Cash;" but if the object of all composition be, as we are so often told, to give to the world some new truth, to disclose some abuse, or to encourage in well doing some toiler by the way, Mr. Reade may be said again to have signally failed. Wonderful as is his analysis of the "livid passion of Jealousy," complete and rounded though his conception of the heroine be, we doubt, if one human being can put down *Griffith Gaunt* and feel that he has gained anything real, anything beyond a mere intellectual enjoyment of the moment.

Unquestionably this is Mr. Reade's greatest work. It evinces more study and consequently an avoidance of many defects too painfully apparent in some of his earlier works, and as a narrative, flows smoothly on, from beginning to end, if aught so intense and passionate, will admit of so paradoxical a description. Unlike most novelists of the day, Mr. Reade can be sensational without being unnatural. In the whole plot, replete as it is with strange and unusual incident, there is naught that we cannot admit with ease, no position that we have not anticipated as the necessary consequence of such and such an act, though the act itself may have been quite unlooked for. In other words, though the plot is exciting and we are, in the latter part of the volume, kept in a state of suspense and uncertainty as to the finale, yet the emotions, *incidental* conduct, and as it were the background of the piece, are never exaggerated. There are no villains of the brigand type, "bearing the unmistakeable mark of the nature within!" but as in every day life, the smiling faces and the usual routine of an ordinary household, unsuspecting and unsuspected, give birth to the crime, almost tragedy, that forms the plot of the tale.

Griffith Gaunt is the story of an English country gentleman of a hundred years ago, and what would have been a most ordinary existence, had it not been for the one deforming vice, which Mr. Reade has so ably depicted. We are introduced to him in his youth—a very ordinary young man, not clever; nor are we told that he was what in those days supplied that want, at all athletic. In his natural state good tempered, brave, and in every sense a gentleman, he was, unless aroused by some imaginary preference for another in those he loved, what the French call *un jeune homme Debonnair*. "This Griffith Gaunt was by no means deficient in physical courage; but he was instinctively disposed to run away from mental pain the moment he lost hope of driving it away from him. . . . . The mind as well as the body has its self-protecting instincts. This of Griffith was, after all, an instinct of that class, and, under certain circumstances, is true wisdom. But Griffith, I think, carried the instinct to excess; and this is why I call it his foible, &c." Therefore in the very beginning, our hero is shown to us as one whom the force of circumstances, acting upon what otherwise might have been only a weakness has *created* a hero, but who naturally possessed none of the elements of celebrity.

He is even indebted more to circumstances for his wife than to any innate attraction. Kate Peyton, the gay, bright, self-sufficient and high-spirited young heroine, fights hard with what she cannot but see is an infatuation for Griffith, but yields, conquered, not by him, but by circumstances in his favor. She is about to deprive him of his inheritance, and pity quickens the embryo love. This Kate Peyton is a fine conception; complete, rounded as a dream. *She* might be called the Hero of the book.

From the beginning she commands your respect and admiration, then your sympathy, and finally, before you part, you yield her your affection. There is the true ring about even her faults. She is so high-toned, a little wee bit insincere once in a while; but it is in wishing to be always the lady. The author says of her: "She was always polite; and to be always polite you *must* be some times insincere." She was a woman of fine mind, and tastes far beyond her good loving husband, and she *could* not but feel her superiority. "She was amiable enough and wise enough though, to try and shut her eyes to it, and often succeeded, but not always. Upon the whole, they were a contented couple; though the lady's dreamy eye seemed still to be exploring earth and sky in search of something they had not yet found, even in wedded life." . . . . .

That "*something*" comes to Mrs. Gaunt eventually in the only element that was wanting to complete her "soul-life," for she truly loved her husband, and the one thing needful, was intellectual enjoyment and comprehension. The faith of this married pair diverged wide as the poles, and more so in England at *that* period than now. Her creed was that of Rome—her "the church of England and of his Fathers." But upon this point, even, there had been no dispute until the hitherto slumbering fires of jealousy were aroused in Griffith's breast. A young Italian priest, described with a power that brings him before you at once, becomes, in place of her venerable confessor, Mrs. Gaunt's spiritual director and counsellor; young, enthusiastic, eloquent, supplying all she had needed in intellectual food and companionship, from her confessor he became her friend, from her friend her lover. Unencouraging, for a long time unsuspecting. Mrs. Gaunt at length becomes aware of the passion she has inspired in him, and reverence and affection alone prevent the horror and aversion the knowledge would otherwise have inspired in so pure a bosom. Her object and aim is to save the wretched man from himself, and in endeavoring to aid his departure from the neighborhood, and the parting moment having arrived, she is surprised and misunderstood by a husband whose worst passion has been for some time aroused and fed by an intriguing and designing maid, already too well versed in the workings of the human heart.

A tool in the hands of this woman, the miserable husband is hurried on, until his suspicions verified, jealousy and indignant rage consuming him, he flies from his home, literally upon the verge of madness. It does not accord with our purpose to enter here into a free analysis of the different details of the story; how illness overtakes him, gratitude to his kind and loving nurse, combined with the workings of his master passion, called forth by the attentions of even a peasant lover, overpower him, and he marries during his self-imposed exile the lovely "dove-eyed Puritan maiden" Mercy. From the author's pen alone can *Mercy Vint* be known. Description in form, there is none. Little words and actions make impressions from which our conception is gradually and almost unconsciously formed as we read. We come now to the only incomplete character strikingly exemplified in the only unnatural portion of the book. The union of Mercy with George Neville, after she has discovered the illegality of her marriage with Griffith, and her consequent desertion. This George Neville is an episode, introduced at various epochs, a sort of shading to throw out the more important characters of the book, and as such, necessary. He first appears as a rival in the love passages of Griffith's youth,—on his rejection by Kate, writes a very manly, and withal clever letter, disappears for a time to reappear, and is altogether irreproachable in conduct.

But for the name of the book, he might have been taken, in the opening pages, for the hero, and throughout, he is Griffith's foil. It is in conclusion that Mr. Reade

evinces the weakness which characterized two of his earlier works—an insatiate desire to leave no character in the to him apparently—outer darkness of single blessedness! Few English noblemen of those days but what would have hesitated, and thought long, before allying himself to an Inn Keeper's daughter, however great her virtue, or beauty; and *none* that would, without a severe struggle, if *at all*, have handed down to his children such a "blot on the 'scutcheon" as Mercy's history entailed upon hers. Rightfully or wrongfully, his alliance with *her*, involved the bar sinister and though love, respect, and independence *might* have conquered, still there would have been a conflict, the possibility of which Mr. Reade entirely ignores. But, allowing the possibility of the case, would it not have given, and without any sentimentality, a more appropriate close to Mercy's life, to have left her caring for the unfortunate as *one* of them,—going among them, seeking them in homes and places, my Lady Neville could never know, and *bearing* her burden, not ignoring it?

Like all "Serial" stories, the book is brought too abruptly to a termination. In spinning out a tale month after month, a difficulty in ending it properly always seems to arise. Here the child conveniently disappears from a world in which Mr. Reade did not quite know what to do with him; Mr. and Mrs. Gaunt are reconciled; and Mercy married, and made a wife of nine years' standing, in as few pages as in the earlier part of the book it took to describe a love scene. But, viewed as a novel, no impartial reader will deny *Griffith Gaunt* to be a most wonderfully written and absorbing romance. Received simply as a literary effort, it commands admiration, though for any real good that is to be gained by the reading, any benefit to society or individuals, it is lamentably deficient. It has no ostensible moral. The old adage that "Virtue is its own reward," is defied and the reverse equally disproved. Griffith suffers, it is true, for his enormities; but, eventually, he is re-instated in all his privileges as husband and gentleman, and at the worst his mental suffering is of short duration. He generally finds consolation for his woes, and a devoted wife, (or two devoted wives?) insures his freedom from the legal punishment due him. Still, allowing that it is wanting in tone, we can see no plausible reason for characterizing it as "An indecent publication," nor could any but the invariably hypercritical, and in this instance, unjust journal to which we refer, discover the "insidious allusions and "nameless, social crimes," of which it speaks, and at which Mr. Reade is very naturally so incensed and defiant in the rather undignified letter, in which he appealed to the American public. The editor of the *Round Table* has indeed "endeavored to direct attention to the immoral character of the novel in question," but, on due examination, (and rather we opine to the disappointment of a certain class of readers,) we fail to find the immorality, though *Griffith Gaunt* may be considered a publication which gives little beyond a keen analysis of passions already rife, and too often experienced in the world for either its happiness or benefit. To attempt to impart any just idea of Mr. Reade's last novel by detached passages would be impossible. It is too complete, and each part is too connected and dependent upon the whole. Perhaps Mrs. Gaunt's defence, had we space for its insertion, would be about the only page. Mr. Reade's tales are always more a series of incidents, excitingly and graphically told, than any description of sentiment. There is scarcely one that could not be dramatized,—and *Griffith Gaunt*, being no exception, must be read to be appreciated. No description can depict its peculiar style and merit.

ATTENTION is called to the advertisement of a new paper entitled the "Household Messenger."

CIGAR MANUFACTURERS.

HOW THEY ARE AFFECTED BY THE PRESENT INTERNAL REVENUE LAW.

EDITOR TOBACCO LEAF:—The effect of the existing law is to divorce the manufacturer from the dealer; in other words, to resolve the trade into two distinct departments, manufacturing by one party, selling by another. I will try to illustrate its operation. Excluding illicit manufacturers, there are three classes of legitimate cigar manufacturers, namely, 1st., those who buy cheap material, hire cheap workmen, and sell at low rates, wholesale and retail, in a small way; 2d., those who buy material at market rates, pay good wages, and manufacture to order; 3d., those who buy material at market rates, pay good wages, and sell, wholesale and retail, in large and small quantities. The first are seen dotting every street and avenue of our cities, occupying basements or small first floors, paying low rents, employing apprentices or family connections, with some member ever on the alert to pick up odd lots of tobacco, and find purchasers when the goods are ready for sale; they can always sell from $5 to $10 per thousand less than either of the others. The second, located in lofts in out-of-the-way places at moderate rents, at no expense for clerk hire, having capitalists for their sponsors, factors, employers, having everything furnished to hand, with nothing to do but to supervise the workmen and have the goods ready at the time stipulated, can and do sell the year round at a trifling advance over actual cost, depending for their gains on the number of their orders. The proprietors of stores and manufactories combined; the men who manufacture and sell, wholesale and retail, their own goods in their own establishments; who pay heavy rents, heavy gas bills, heavy insurances; who employ numerous operatives, workmen, salesmen, bookkeepers, clerks, porters, etc. etc.; who buy the best material and pay the best prices; the men who bring experience, skill, tact, energy, capital, to the business; who pay the bulk of the taxes, who are thrifty, enterprising, and industrious, and who give life, tone and dignity to the trade, constitute the third class. From time immemorial these have been the subdivisions of the trade, and whatever may be the character of the revenue laws, from the very nature of the case, such must be the subdivisions hereafter. The natural antagonism resulting from these circumstances, without any intermediate provocative, is at once apparent. With an *ad valorem* or graduated tax, it will be seen that the advantages possessed by the former two classes must inevitably prove fatal to the latter.

An example will make this clear. Running lots of Connecticut wrappers, such as are used by the class here first in order, cost, on an average, about forty cents a pound, thus:

12 lbs. wrappers per M., at 40c	$4 80
13 lbs., fillers per M., at 10c	1 30
Labor	6 00
Stripping	1 00
Boxes and packing	3 00
Total	$16 10

Now assume that the manufacturer desires to realize a profit of 25 per cent.; then, cost, $16 10; 25 per cent., $4 02; specific tax, $4; *ad valorem* tax $6 03; seling price, $30 15.

Connecticut wrappers used by the class third in order here cost on the average about fifty cents a pound; thus:

12 lbs. wrappers at 50c	$6 00
13 lbs. fillers at 10c	1 30
Labor	12 00
Stripping	1 50
Boxes and packing	4 00
Total	$24 80
Twenty-five per cent	6 20
Special tax	$ 4 00
Ad valorem tax	8 75
Selling price	$43 75

Here, be it observed, is a grade of sugars, a very important one, amounting in the aggregate to nearly or quite 250,000,000 annually, being constantly thrown into the market, for which one set of holders demand $43 75 per thousand, and another set only $30 15. One party by selling for $43 75 make $6 20; the other by selling for $30 15, make $4 02; and if they sell for $43 75, as the others do, they will make $14 90. This illustration is an illustration only, but it truly represents the conditions of things nevertheless. As with the grade cited, so with all others. An inequality such as this seems useless to contend against. The fact that the materials cost more in the one case than in the other does not alter the condition in the slightest degree. To the mass of consumers Connecticut tobacco is only Connecticut tobacco whether it costs forty cents or $1 a pound; while some workmen make as fine work for $5 as others do for $10 or $12. No comparison need be made of the second class, because their percentage of profit is at all times necessarily lower than the others, as they are nothing more nor less than commission manufacturers. This inequality could be partially obviated—obviated to the extent of the tax—by evading the tax, or by divorcing the *manufacture* from the *sale;* the majority of the trade have chosen the latter. They have been forced to do this not only by the considerations mentioned, but by another equally vital.

The law demands from the manufacturer a specific tax of $4, and twenty per cent. *ad valorem* on every dollar received for a thousand cigars, but from a dealer nothing; cigars, therefore, which the former would job out, say for $50 per thousand, paying $14 tax, and retail out for $100, paying $24 tax, a dealer can take at the jobbing price, open a store next door to the manufacturer, and sell for any price he please, without additional tax. Bonding is the remedy prescribed by the revenue department for this dilemma—as if cigars were not dear enough already without that expense; to say nothing of the trouble, annoyance, delay, and utter impossibility of the thing.

The solution reached by the trade, enables it, much to its regret, to do pretty much as it sees fit. Scarcely any two are paying the same amount of tax on the same goods; and scarce any two assessors or inspectors appraise alike, and this because there is no standard whereby they may.

The *market rate* is fixed by law as the standard of appraisement; and there is no market rate, and never was any; and if there were, it still would not constitute a standard, for the law also says the selling price is the basis for tax. Therefore, if the goods sell for more than they were appraised for, the conclusion is they sold for more than its market rate, or that they were appraised too low; and if they sell for less than the appraisement, the inference is that the inspector did not know the market rate, was dishonest, or that there is no market rate—which last is the truth. All this should be changed, and changed at once. Every hour's delay is pregnant with danger and disaster.

What is the remedy? First, last, and always, a tax solely on the raw material. Next, a specific tax; such a one, for instance, as was suggested by "Dealer" in his excellent article a week or two ago; a uniform tax of $5 per thousand on all cigars of domestic production; those containing foreign tobacco being further taxed through the custom duties; or else the one recommended by myself to the Committee of Ways and Means, and approved by some of its members, last winter, which, though not so good, would be more likely to be adopted by Congress, as it would be more satisfactory to Western members, and which is as follows: On all cigars made wholly of domestic tobacco, a tax of $5 per thousand; on all cigars made partly of domestic and partly of foreign, or wholly of foreign tobacco, a tax of $10 per thousand. Pennsylvania and the West will be satisfied with nothing less than a discrimination of from $10 to $20—and even $40 as some declare—a thousand in favor of their cheaper productions. The graduated scale of General Schenck and the existing law are evidence in point. If we must have more than one rate, two are better, than five as we had in 1864, or than the present composite arrangement. "Dealer's" plan, however, is more desirable in every way.

IN the United States District Court for Kentucky, Thomas Smock, of Marion county, was convicted of violation of the revenue laws, by selling whiskey bearing counterfeit inspection marks, and was fined $11,618.

Treasury Dept., Decisions, &c.

OFFICIAL.

(No. 171.)

DECISION RELATIVE TO THE TAXES UPON CANNED MEATS, VEGETABLES, &C.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 27, 1866.

By the amendatory act of July 13, 1866, a stamp duty is imposed upon "every can, bottle, or other single package containing meats, fish, shell fish, fruits, vegetables, sauces, sirups, prepared mustard, jams, or jellies contained therein, and packed or sealed, made, prepared, and sold, or offered for sale, or removed for consumption, in the United States, on or after the 1st day of October, 1866."

While it is believed that it was the purpose and intent of Congress to impose a stamp tax upon the above named articles, if sold or offered for sale or removed for consumption in the United States, on or after October 1, 1866, regardless of the time of their manufacture or production, that intent is so imperfectly expressed as to render it doubtful whether, under a proper construction of the language of the statute, such a tax can be collected.

Internal revenue officers are therefore instructed not to interfere with the possession or sale of such articles of domestic manufacture or production, when satisfactory evidence is furnished that they were prepared and passed out of the possession of the producer prior to the first day of October.

Oysters and other shell fish are often removed from the shell, and without undergoing any process for their preservation, are placed, in a raw state, in tin or other vessel for the sole purpose of transportation in ice. When put up in this manner, and for this purpose only they are not regarded as *canned* within the meaning and intent of the law, and no stamps will be required upon them.

Articles named in schedule C, when imported or of foreign manufacture, are liable to the stamp tax *in addition* to the import duties thereon. When, however, such imported articles, except playing cards, lucifer or friction matches, cigar lights and wax tapers, are sold in the original and unbroken packages in which the bottles or other enclosures were packed by the manufacturer, the person so selling them is not subject to any penalty on account of the want of a proper stamp; but when such packages are opened, the articles should not under any circumstances, be offered or exposed for sale until they have been appropriately stamped.

E. A. ROLLINS,
Commissioner.

PROPOSALS FOR FURNISHING STATIONERY FOR INTERNAL REVENUE DEPARTMENT THROUGHOUT THE UNITED STATES.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 22, 1866.

SIR: The Commissioner of Internal Revenue has advertised for proposals for furnishing Stationery by contract, announcing that persons interested can obtain Schedules and blank Proposals of any Assessor or Collector.

These copies are sent to you for delivery to such persons as may desire them.

E. A. ROLLINS, *Commissioner.*

[Copies of proposals may be obtained upon application either in person or by writing to any Assessor or Collector.]

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE.

Bidders under the Proposals for Stationery, issued by the Commissioner of Internal Revenue, will be required to use the Form furnished with these specifications, and a refusal so to do will cause the rejection of any bid.

The following named articles, embraced in said Proposals for Stationery, will be required to be furnished genuine, of the manufacture and description hereinafter given, to wit:

Paper—To be either plain or ruled.

Best quality Copying Ink—Arnold's, Boss'.

Best quality Black Ink—Dovell's, David's, and Maynard & Noyes'.

Best quality Blue Ink.

Best quality Writing Fluid—Arnold's and Carter's.

Best quality Carmine Ink—David's and Guyot's.

Steel Pens—Gillott's, Perry's, Lawrence's, and others of similar quality.

Best Erasers—Rodgers & Sons', Crook's, Shaver's, and Woestenheim's.

Sealing Wax—Dovell and Basey's.

Elastic Rings—Goodyear's and Faber's.

The headings required to be printed on letter and note paper will be in the following form, substituting in each case the proper title, number of district, State, and residence of the officer for whom the same are ordered, viz:

[ASSESSOR'S] OFFICE,
UNITED STATES INTERNAL REVENUE,
[FIRST] DISTRICT OF [MAINE,]
[Portland,] ——, 186-.

The heading of envelopes should be similar to the above, printed on the right-hand upper corner, substituting for the last line the following,

"————— ——, [*Assessor,*"]

for the use of the officer signing his name.

The endorsement of letter and note paper should be printed in the middle of the outside page when folded for enclosure in a long (No. 9) envelope, as follows:

No. ——.

Assessor First District of Maine,

Portland, ——, 186-.

Relative to _____

_____

_____

_____

No. of enclosures _____

Collectors and Assessors will make quarterly requisitions for the Stationery included in the schedule actually required for official use, upon the Commissioner, who will in turn make requisition for such articles as may be allowed upon the contractor for the particular geographical department in which the Assessor or Collector resides, at the same time informing the officer of his allowance under his estimate. The contractor will, upon requisition of the Commissioner, forward the goods specified, transmitting with them an invoice, at the bottom of which are printed two receipts; the first is to be signed by the Assessor or Collector to whom the goods are sent, and by him to be returned to the contractor, who will in turn fill up the second receipt, for money received, then transmit it to the Commissioner with his regular monthly account, when it will be examined, and, if found correct, it will be approved and transmitted to the accounting officers for examination and settlement.

From the above it will be seen that Stationery should be furnished to no Assessor or Collector except on the order of the Commissioner of Internal Revenue.

Collectors and Assessors will include in the amou of their requisitions the necessary supplies for such their subordinates as by existing laws are now furni ed with Stationery by the United States.

Bonds will be taken from contractors for the faith performance of their contracts with the Departme in the sum of ten thousand dollars ($10,000) ea which bonds will be approved by the Secretary of t Treasury and the First Comptroller, and filed in t office of the First Comptroller of the Treasury Depa ment.

The contractors will deliver to each Assessor a Collector, in each geographical department they ha contracted to supply, such Stationery as the Comm sioner of Internal Revenue may direct, at the residen or office of each such officer. The Stationery will packed in boxes or packages, suitable for transport tion, at the cost of the contractor. They will be fo warded by proper express or transportation companie and will be at the risk of the contractors until deliver to and receipted for by the officers for whose use th are ordered. The contractors will pay the transport tion bills, taking receipts therefor; and will enter the transportation charges as separate items in their bil against the department, sustaining them by said r ceipts as vouchers.

Requisitions for Stationery will, as a rule, be mad quarterly upon the contractors, for those articles men tioned in the schedule only; and the contractors wi furnish them in full and transmit them to the plac directed without delay.

Accounts will be rendered by contractors monthly sustained by receipts from the officers to whom Statio ery has been sent by order of the Commissioner, certi ficates as to the proper quality of the goods furnished and as above mentioned, by the receipts of express o transportation companies for transportation.

DEPARTMENTS.

There are in the United States two hundred and forty collection districts, in each of which is an Assessor and Collector. These districts have been divided into geographical departments. Contractors are at liberty to propose to furnish Stationery to the officers of one o more of the departments.

The following is a list of the States and Territories and Districts in each, constituting the several department:

First Department.—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York.—Number of districts, 59.

Second Department.—Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, District of Columbia.—Number of districts, 54.

Third Department.—South Carolina, Georgia, Alabama, Florida, Mississippi, Louisiana, Texas, Tennessee, Arkansas.—Number of districts, 32.

Fourth Department.—Kentucky, Ohio, Indiana, Illinois, Michigan, Wisconsin, Missouri, Iowa, Minnesota, Kansas, Nebraska, New Mexico, Colorado, Dakota.—Number of districts, 83.

Fifth Department.—California, Oregon, Washington Territory, Arizona, Utah, Nevada, Idaho, Montana.—Number of districts, 12.

————, 186-.

SIR: In compliance with the terms of the advertisement of the Commissioner of Internal Revenue for PROPOSALS FOR STATIONERY for the use of Internal Revenue Officers, dated ————, —— propose to furnish, subject to the conditions provided in said advertisement and the regulations of the Department upon this subject, the following articles, at the rate set against each item, to the Assessors and Collectors in the —— —— Geographical Department of the United States, viz:

White Cap Paper, 14 lbs.....per ream

Blue Cap Paper, 14 lbs.....per ream
White Legal Cap Paper, 14 lbs.....per ream
Blue Legal Cap Paper, 14 lbs.....per ream
White Quarto Post Paper, 12 lbs.....per ream
White Quarto Post Paper, 12 lbs., headed, endorsed, half sheets.....per ream
White Quarto Post Paper, 12 lbs., headed, endorsed, whole sheets.....per ream
Blue Quarto Post Paper, 12 lbs.....per ream
Blue Quarto Post Paper, 12 lbs., headed, endorsed, half sheets.....per ream
Blue Quarto Post Paper, 12 lbs., headed, endorsed, whole sheets.....per ream
White Commercial Note Paper, 6 lbs.....per ream
White Commercial Note Paper, 6 lbs., headed, half sheets.....per ream
White Commercial Note Paper, 6 lbs., headed, whole sheets.....per ream
Envelope Paper, all colors, 24 lbs.....per ream
White Card Blotter, 80 lbs.....per ream
Official Envelopes, XX, 12 by 6½, headed.....per M
Official Envelopes, XX, 12 by 6½, addressed to Commissioner of Internal Revenue.....per M
Official Envelopes, XX, No. 11, headed.....per M
Official Envelopes, XX, No. 11, addressed to Commissioner of Internal Revenue.....per M
Official Envelopes, XX, No. 11, addressed to Secretary of the Treasury.....per M
Official Envelopes, XX, No. 10, headed.....per M
Official Envelopes, XX, No. 10, addressed to Commissioner of Internal Revenue.....per M
Official Envelopes, XX, No. 10, addressed to Secretary of the Treasury.....per M
Official Envelopes, XX, No. 9, headed.....per M
Official Envelopes, XX, No. 9, addressed to Commissioner of Internal Revenue.....per M
Official Envelopes, XX, No. 9, addressed to Secretary of the Treasury.....per M
Official Envelopes, XX, No. 8½, headed.....per M
Official Envelopes, XX, No. 6, headed.....per M
Buff Envelopes, X, No. 6, headed.....per M
Wrapping Paper, 24 by 36, 56 lbs.....per ream
Best quality Blue Ink, quarts.....per dozen
Best quality Blue Ink, pints.....per dozen
Best quality Blue Ink, half pints.....per dozen
Best quality of Copying Ink, quarts.....per dozen
Best quality of Copying Ink, pints.....per dozen
Best quality Black Ink, quarts.....per dozen
Best quality Black Ink, pints.....per dozen
Best quality of Writing Fluid, quarts.....per dozen
Best quality of Writing Fluid, pints.....per dozen
Best quality Carmine, No. 2, ground-glass stoppers.....per dozen
Faber's best Black Lead Pencils, round, Nos. 1, 2, 3, and 4.....per gross
Faber's best Red and Blue Pencils, 9-inch...per gross
Steel Pens.....per gross
Steel Barrel Pens.....per dozen
Steel Penholders.....per gross
Best Quills.....per M
Best Cut Quills, in boxes of twenty-five each..per box
Best Erasers, with ivory or cocoa handles, 6½-inch.....per dozen
Shears for office use, 11-inch.....per dozen
Glass Inkstands, common, with metallic tops.....per dozen
Glass Inkstands, No. 306, glass stoppers, 1½-inch.....per dozen
Glass Inkstands, No. 306, glass stoppers, 2-inch.....per dozen
Glass Inkstands, No. 308, glass stoppers, 2½-inch.....per dozen
Glass Inkstands, No. 308, glass stoppers, 3½-inch.....per dozen
Glass Inkstands, No. 308, glass stoppers, 4-inch.....per dozen
Glass Inkstands, barometer and pneumatic, (with rack).....per dozen
Pen Racks, common, single.....per dozen
Pen Racks, common, double.....per dozen
Gutta-percha Rulers, 12-inch.....per dozen
Gutta-percha Rulers, 14-inch.....per dozen
Gutta-percha Rulers, 16-inch.....per dozen
Gutta-percha Rulers, 18-inch.....per dozen
Ivory Folders, heavy, 10-inch.....per dozen
Tin Folders, Japanned.....per dozen
Letter Clips, board.....per dozen
Best quality Sealing Wax, made entirely from shellac.....per pound
Mucilage, in quarts.....per dozen
Mucilage, in pints.....per dozen
Mucilage, in 3-oz. bottles, with brushes....per dozen
Brushes for mucilage.....per dozen
Press-copying Brushes, Camel's hair, 4-inch.per dozen
Red Tape, all numbers.....per dozen
Twine, bleached, assorted sizes.....per pound
Twine, unbleached, assorted sizes.....per pound
Twine, white linen, assorted sizes.....per pound
Best Solid-headed Pins.....per pound
Swartwout's Paper Fasteners and Implements.....per gross
Hamilton's Paper Fasteners.....per gross
Philp & Solomon's Paper Fasteners and Implements.....per gross
Elastic Bands or Rings, from No. 30 upwards.per gross
Stationers' Rubber, all sizes.....per pound
Bill Files.....per dozen
Letter Copying Presses, wrought-iron planed bed.....each
Oiled Paper, letter and cap size.....per dozen
Letter Copying Books, Mann's, 10 by 12, 500 pp., full cloth.....per dozen
Wafers.....per pound
Sponge Cups, glass or gutta percha.....per dozen
Sponge, finest, for cups.....per pound

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 22, 1866.

It having been represented that much hardship and inconvenience is entailed upon the smaller planters and farmers in the interior counties of the cotton producing districts, in consequence of the enforcement of recent regulations concerning the removal of cotton in bond, and that bonds for securing payment of the tax upon delivery of the cotton at the point of destination to be taken by the collector of the receiving district, instead of the collector of the district whence the cotton is shipped, as provided by regulations, Series 2, No. 5, issued from this office, under date of July 31, 1866, (IV. RECORD, p. 52), the following additional regulations upon the subject have been adopted for securing the payment of the tax, and as affording the measure of relief sought for by parties desirous of bringing cotton to seaports or other places for shipment from other districts, will be allowed to do upon executing and delivering to the Collector of the District, where such seaport or place is situated, a bond with two or more sufficient sureties approved by the Collector receiving it, conditioned for the payment of the tax upon all cotton for which the permits may be granted by the Assessor of the district in which such cotton may be grown.

This bond must be executed in a penal sum equal to double the amount of the tax on the quantity of cotton intended to be removed and *in transitu* at any one time during its continuance, and assessors will be careful not to grant further permits upon any bond when the tax upon the quantity already permitted amounts to one-half the sum named therein, until certificates of payment of the tax on the whole or a portion of the cotton transported under former permits are received from the receiving collector, when the additional permits may be granted.

But in no case must the tax on the quantity under the permit and unaccounted for exceed one-half of the penal sum of the bond. Thus if the bond is given in a sum securing the tax upon five hundred bales of four hundred pounds each, when the limit is reached no other permit should be granted except upon the receipt of the certificate of delivery and payment as hereinafter provided.

Immediately upon the execution of this bond, the collector to whom it is delivered will transmit it, retaining a copy thereof in his office, to the assessor of the district whence it is intended to remove the cotton, who will thereupon be authorized to grant permits for the removal of the cotton upon application being made by the principle or his agent.

Upon receiving this application the assessor will grant permits in triplicate, one of which he will deliver to the applicant, one will be delivered to the collector of the receiving district, and one transmitted to the Commissioner of Internal Revenue.

The assessor must in all cases carefully insert in the permit the marks upon the bales, and the numbers upon the metallic tags, which he will either affix himself in the proper manner, or, in case this is impracticable from any cause, he will deliver them to the owner or his agent, by whom they will be inserted in the bale, as a measure of protection against possible seizure and detention, as well as for a means of identification of the cotton upon delivery with that named in the permit.

If in such case the cotton removed in this manner has not been weighed before removal by a duly appointed weigher, the amount of tax named in the permit will be based upon the weight as certified by the owner or the proprietor of the gin house, and in such cases as it may vary, from the actual amount to be paid upon delivery by the parties removing the cotton. In order to arrive at the true amount of tax to be paid on the cotton removed under these conditions, it must be weighed upon its arrival in the receiving district by the officer appointed for that purpose, to whom a fee of twenty-five cents per bale will be paid for this service, and upon whose certificate of the weight the tax shall be collected.

Upon receipt of this certificate of weigh', and payment of the tax, the collector will issue his certificate in duplicate. One copy of this certificate will be delivered to the party paying the tax, who will present the same to the assessor, or an assistant assessor, of the district in which it was issued, for his indorsement; and no certificate for the tax upon any cotton removed under bond, in pursuance of the foregoing regulations, shall be received by the assessor holding the bond, unless bearing the indorsement of the assessor of the receiving district, and is accompanied by the certificate of the weigher. (IV. Record p. 116.)

The parties to the bond, in order to obtain cancellation thereof, upon receiving from the Collector to whom payment of tax is made, his certificate thereof, and obtaining the indorsement of the assessor as required, must transmit the same, with the certificate of the weigher, to the assessor granting the permit, who will thereupon credit the party with the evidence so furnished on the bond held by him, and when the evidence shall be produced of payment of the tax on all cotton for the removal of which permits have been granted, the assessor will cancel said bond, transmit the same with all the evidence upon which such cancellation was based, for the approval of the Commissioner of Internal Revenue.

Where the evidence of payment of the tax required for the cancellation of the bond is not furnished within ninety days from the expiration of the time for which the bond was given to continue, the Assessor will transmit the same to this office, with all the papers connected therewith, for such action as shall be deemed necessary, unless an extension of the time for furnishing the required evidence, shall be granted upon application made to and approved by the Commissioner of Internal Revenue.

All Assessors receiving the order given under the foregoing regulations will keep an accurate record thereof, and also of all permits granted by them under the same, and will transmit to this office monthly a schedule of all bonds received and cancelled by them, in company with their monthly statements of the bonded account of their dis rict, in form 94.

The Collectors of receiving districts taking bonds under the foregoing regulations, must transmit to the Assessor of the district a schedule of all such bonds, giving date, names of principals, and the disposition made thereof, showing the district to which they were transmitted, and must also enter upon form 93, each month the amount of the tax received upon cotton removed under permits granted thereon, in the same manner as other collections upon bonded goods.

that the amount as collected can be entered and receipted for in the next succeeding monthly list.

These regulations are to be considered additional to, and as not superceding those contained in Series 2, No. 5, or the additional regulations published under date of Sept. 25, 1866.

(Signed) E. A. ROLLINS,
Commissioner.

(Approved) H. MCCULLOCH,
Secretary of the Treasury.

STAMPS DUTY ON RE-CONVEYANCES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 19, 1866.

SIR: In your letter of the 16th instant you state a case, in substance as follows:

"A conveyed certain real estate to B by a deed, which were recorded in March, 1866. The consideration for the deed was $2,900, and stamps were affixed to it to the amount of three dollars. B fails to pay for the land, and upon the payment of one hundred dollars by A, and the cancelation of the debt, reconveys it. You inquire how the conveyance should be stamped."

I reply that the consideration for the reconveyance is three thousand dollars; if interest has accrued upon the $2,900 it is more. The second deed should bear stamps appropriate to the consideration, which is not less that $3,000, and may be more; the stamp duty is three dollars, and MAY be three dollars and fifty cents.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

To A. H. BROWN, Esq., *Collector, Indianpolis.*

STAMPING OF POWERS OF ATTORNEY.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 24, 1866.

SIR: I reply to your letter of the 18th inst.: That a power of Attorney to sell and convey real estate, contained in a mortgage is subject to a stamp duty of one dollar, in addition to the mortgage stamp, the same as if it were made and issued as a separate instrument.

If an instrument is not properly stamped at the time it is issued, it should be presented to the Collector to have the appropriate stamps affixed. After being stamped by him, it will be valid and legal except as against rights acquired in good faith before it is so stamped, and recorded if a record is necessary.

E. A. ROLLINS, *Commissioner.*

MR. LUTHER WEBSTER, *Fredonia, N. Y.*

CIRCULAR OF TREASURER SPINNER—COMMISSION AND SIGNATURE OF ASST. TREASURER LE ROY TUTTLE.

TREASURY DEPARTMENT,
WASHINGTON, Nov. 1, 1866.

Le Roy Tuttle, Esq., having been appointed and commissioned Assistant Treasurer of the United States by the President of the United States, I have, with the consent in writing of the Secretary of the Treasury, authorized the said assistant to act in my place and stead, and at any and at all times to discharge any or all of the duties required by law of me as Treasurer of the United States. His signature, hereto countersigned, will be regarded, when affixed to any official paper emanating from this office, as having the same force and effect as if signed by me.

F. E. SPINNER,
Treasurer U. S.

TAX ON CORDAGE, ROPES AND CABLES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 34, 1866.

SIR: Your letter of October 22d, enclosing a letter from Messrs. ———, in relation to cordage, has been received.

In answer I have to say that by the excise act of July 13, 1866, cordage, ropes, and cables made of vegetable fibre are exempted from tax. Under the present law, therefore, all *ropes* and cables, for whatever purpose used, made of vegetable fibre, are exempt from tax. The term "cordage" is more comprehensive than the term "ropes," including not only the ropes, but rope-yarn, spun-yarn, and marline used in the rigging of ships and vessels.

Ropes, rope-yarn, spun-yarn, and marline, made of vegetable fibre, and which are commonly used in the rigging of vessels, are exempt from tax. But thread and twine are liable to tax, and certain cords and lines, such as cod lines, mackerel lines, mason lines, chalk lines, &c., which are too small to be classed as ropes, and which are not used in the rigging of vessels, and cannot, therefore, be called cordage, are regarded as being liable to tax, though made in a rope-walk.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

J. G. TREADWELL, Esq.,,
Assessor 14th Dist., Albany, N. Y.

TREASURY DEPARTMENT, March 16, 1843.

All official letters, reports, and communications to this Department, or to the head of any office thereof, will be folded and enclosed in a wrapper; and on the middle fold will be endorsed the name of the person making the same, with his official title, the place from which sent, the date, and brief analysis of its contents, in the manner indicated by the annexed form. If more than one paper is sent, the analysis should contain the substance of all such papers, or the subject of them, and the number of papers enclosed should be stated. On the outside wrapper should be endorsed the name of the office from which the communication is sent, when transmitted by any officer of the Government.

An observance of this regulation will much promote the convenience of all the officers and clerks of the Department, and will insure a more prompt attention to the communications thus endorsed.

The heads of the different offices of the Department are particularly requested to conform to this rule, and to enforce it on all who address communications to them.

J. C. SPENCER,
Secretary of the Treasury.

TREASURY DEPARTMENT December 11, 1865.

The above is still in force, and a strict compliance with its terms is required.

HUGH MCCULLOCH,
Secretary of the Treasury.

☞ Every paper of every description must be endorsed.

When there is more than one paper enclosed, each paper must be separately endorsed as to its nature, viz: "Return of Specie;" "Monthly return of moneys received and disbursed;" "Weekly return of moneys received and disbursed," &c.

☞ Neglect to endorse will be reported.

ENDORSEMENT.

[E. CURTIS,] *Collector,*
New York, March 17, 1843.

[Account of Receipts and Expenditures for week ending 11th instant.]

[Also transmits, application to A B to make entry under act of 1st March, 1823, with three papers enclosed.]

Customs Department.

OFFICIAL.

CIRCULAR.

TREASURY DEPARTMENT,
October 24, 1866.

The Spanish Government having decreed a suspension, for six months, of the export duties hitherto exacted at the Islands of Cuba and Porto Rico, upon merchandise exported thence in vessels other than Spanish bottoms, to take effect upon the publication of the said decree in the Gazette of Havana; the corresponding discriminating tonnage duty laid by the first section of the Act of June 30, 1834, will not be exacted of Spanish vessels arriving in ports of the United States; provided, that on each such arrival, there be filed with the Collector of the port, a certificate of a Consul of the United States at the said Islands, showing that the Spanish decree aforesaid has taken effect and remains in full force at the time of the departure of the vessel.

H. MCCULLOCH,
Secretary of the Treasury.

To Collectors of Customs.

INSTRUCTIONS TO TREASURY DISBURSING AGENTS.

Disbursing agents will not regard processes of attachment against money in their hands, and in making payment upon the certificate of the superintendent the disbursing officer is responsible for the proper form of vouchers, for the correctness of the computing, and that the amounts are actually paid to the party receipting. No accounts so certified for services should be paid at greater rates or otherwise inconsistently with the law or regulations, nor for supplies under contract at higher prices than it provides, nor again for supplies purchased in open market. In case any fact comes to the knowledge of the disbursing agent going to show that the services or supplies have not been actually ordered or delivered, or are not at fair and proper prices, or that they were, in his opinion, unnecessary, extravagant or unauthorized by the instructions to the officer in charge of the work, it will be his duty, notwithstanding the vouchers therefor may bear the certificate of the superintendent, to withhold payment and report the fact to the department for instructions.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

WHEREAS a convention between the United States of America and the Empire of Japan, for the reduction of import duties, was concluded and signed by their respective plenipotentiaries, at Yedo, on the twenty-eighth day of January, eighteen hundred and sixty-four, which convention, being in the English, Japanese, and Dutch languages, is word for word as follows:

CONVENTION.

For the purpose of encouraging and facilitating the commerce of the citizens of the United States in Japan; and after due deliberation, his excellency Robert H. Pruyn, minister resident of the United States in Japan, and his excellency Sibata Sadataro, governor for foreign affairs, both having full powers from their respective governments, have agreed on the following articles, viz:

ARTICLE I.

The following articles, used in the preparation and packing of teas, shall be free of duty:

Sheet lead, solder, matting, ratan, oil for painting, indigo, gypsum, firing pans, and baskets.

ARTICLE II.

The following articles shall be admitted at the reduced duty of five per cent.:

Machines and machinery; drugs and medicines. (Note.—The prohibition of the importation of opium according to the existing treaty remains in full force.) Iron, in pigs or bars; sheet iron and iron wire; tin plates; white sugar, in loaves or crushed; glass and glassware; clocks, watches, and watch chains; wines, malted and spirituous liquors.

ARTICLE III.

The citizens of the United States importing or exporting goods shall always pay the duty fixed thereon, whether such goods are intended for their own use or not.

ARTICLE IV.

This convention having been agreed upon a year ago, and its signature delayed through unavoidable circumstances, it is hereby agreed that the same shall go into effect at Kanagawa on the 8th of February next, corresponding to the first day of the first month of the fourth Japanese year of Bunkin Ne, and at Nagasaki and Hakodate on the 9th day of March next, corresponding to the first day of the second month of the fourth Japanese year of Bunkin Ne.

Done in quadruplicate, each copy being written in the English, Japanese, and Dutch languages, all the versions having the same meaning, but the Dutch version shall be considered as the original.

In witness whereof, the above mentioned plenipotentiaries have hereunto set their hands and seals, at the city of Yedo, the twenty-eighth day of January of the year of our Lord one thousand eight hundred and sixty-four, and of the Independence of the United States the eighty-eighth, corresponding to the twentieth day of the twelfth month of the third year of Bunkin Ye of the Japanese era.

[SEAL.] ROBERT H. PRUYN.

And whereas the said Convention has been duly ratified on both parts:

Now, therefore, be it known that I, ANDREW JOHNSON, President of the United States of America, have caused the said convention to be made public, to the end that the same and every clause and article thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this ninth day of April, in the year of our Lord one thou-
[L. S.] sand eight hundred and sixty six, and of the Independence of the United States of America the ninetieth.

ANDREW JOHNSON.

By the President:

WILLIAM H. SEWARD, *Secretary of State.*

GREEN BAY SHIP CANAL.—The authorities of the State of Wisconsin having filed in the General Land Office a list of lands inuring to the State under the act of Congress, approved April 10, 1866, to aid in constructing a ship canal to connect the waters of Green Bay with Lake Michigan, the Secretary of the Interior has directed that the lands be prepared for approval to the State for that purpose. The Committee is now engaged in examining and adjusting the list of selections, which embrace 200,000 acres.

THE Court of Appeals of Kentucky has made a decision fully recognizing the constitutionality of the acts of Congress of March 3, 1866, and May 11, 1866, under which any military officer of the United States is justified for all military acts done during the existence of the rebellion.

COLLECTOR Henry Bausher of the 2d District, Louisiana, located at Baton Rouge, has been compelled by the frequent shipment to that port of cotton which had not paid tax or been removed according to law, to notify all parties concerned to the following effect:

"Heretofore I have avoided making distraint and sale of property for the tax upon cotton which had been shipped to New Orleans; but as the practice has become so prevalent, it is necessary that the instructions as contained in the above letters be rigidly enforced.

I would caution all persons engaged in the removal of products or other taxable articles from this District, to obtain permits for the removal of said products or other articles, either from this office, or that of my deputies, before removing the same, if they would save themselves trouble and expense."

GENERAL ORDERS No. 63, issued by Brevet Major General E. R. S. Canby, commanding the Department of Washington, announces that, by direction of the President, General Orders No. 9, issued by General Augur, March 5, 1866, is revoked. The revoked order referred to, announced that "to allay uneasiness and prevent litigation concerning titles to lands and other property confiscated and sold by authority of the United States Government during the recent rebellion, it is directed that no person within the limits of this Department, (the Department of Washington,) who has duly acquired title to property by such sales, shall be disturbed in the possession or control of the same by the action of any *State* or *municipal* courts. The action of the Federal courts in relation to such property will alone be regarded. Commanding officers and the provost judge at Alexandria will report to headquarters immediately any attempted violation of this order."

THE INTERNAL REVENUE RECORD

Presents advantages for advertising unequalled by any weekly paper in the Union. Being the only paper devoted to the subject of taxation, it is taken by every Internal Revenue officer, Collector, Assessor and Assistant Assessor, numbering nearly 4,000, located in almost every county, city and town in the States and Territories, from Maine to Texas, from California to Minnesota; to the great seaboards of the Atlantic, the Gulf, and the Pacific, the RECORD speeds every week, not merely to be glanced at and destroyed, but to be preserved as public property on the files of their offices for daily reference. Apart from its official circulation, it is [illegible] patronized by taxpayers of all kinds, who know money's worth in keeping up with the changes in the tax laws. The New York dailies, and *some* weeklies, have a larger, but not one a *wider* circulation, or is a better advertising medium than the RECORD.

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52	"	(1 year)	35 00

Where more squares than one are advertised at once a discount of 10 per cent. on the foregoing rates will be allowed.

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Clubs of 3, to one address, for one year $12.00
" 6 $20.00

Back volumes supplied.

A neat patent file (price $1,) for preserving the RECORD, will be sent free to every assistant assessor who will forward one annual subscription, or a club of three.

P. VR. VAN WYCK, *Publisher,*
Office 95 Liberty st., New York

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 19. NEW YORK, NOVEMBER 10, 1866. WHOLE NUMBER 97.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE additional regulations concerning the transportation of cotton in bond, are reprinted in full, with forms of bonds and permits. Under the former regulations it was made requisite, before removal out of the district, for the tax to be paid, or transportation bond be given for each lot of cotton, which was required to be weighed, assessed and marked. The shipper executing bond to the Collector, and that officer certifying same to the Assessor who issued the permits for removal. Great inconvenience resulted, and much expense and delay in getting cotton to market was the consequence.

The new regulations will correct this. The factor at the seaport may give a running bond, and his patrons may, after obtaining a permit from the Assessor, ship cotton to such factor at their leisure. Cotton may be shipped in bond under the old regulations if desired—as the new regulations are in addition to, but do not supercede the old. They are issued under a liberal construction of the statute, and their benefit to the cotton producing sections and marts will be inestimable.

The Commissioner rules that keys, though cast, are not exempt from tax as castings made specially for locks. When manufactured and sold they are liable to an ad valorem tax of five per cent.

Practice under the ruling in relation to the painting of photographs in oil, would seem to turn on the question of fact whether the finished production is absolutely a work of art. If it is so in the judgment of the Assessor, and the photograph taken as an outline or basis of the work is completely destroyed, then no tax thereon is held to accrue.

Cheese boxes are not held to be exempt from tax as packing boxes—which is drawing a very fine distinction—yet a necessary one in order to establish uniformity.

Milliners and dressmakers cannot be held for tax on articles of dress made or trimmed by them for the wear of women and children, notwithstanding their products may annually exceed $1,000 in value.

The attention of distillers and inspectors of spirits is directed to the regulations requiring the use of a certain kind of padlock, and the procurement of them through Revenue Agent Lewis, No. 83 Cedar Street, New York City. Neglect in the premises may lead to annoyance and difficulties.

The opinion of Judge Miller, of the United States District Court of Wisconsin, bears upon a point of much importance. He holds that the real estate of a distillery cannot be included in a decree of forfeiture for a violation of the Revenue law, but the statute creates a lien thereon for any taxes due, and the Collector may distrain for the same.

"VAGARIES ABOUT OUR FINANCIAL CONDITION AND A REVULSION."

It is with no ordinary feelings of satisfaction that we lay before our readers the article from that representative American journal, the *New York Herald*, with the above heading, expressing the views of that penetrating and astute observer of public opinion on the great national questions of currency and finance. We find in it opinions strongly confirmatory of the soundness of the theories advocated by this paper ever since it was first established. The RECORD was the first journal boldly to announce and inculcate the truth respecting the fallacious currency theories hitherto dominant in this country, and now holds that a uniform secured paper currency may be maintained without the promise to pay specie or any thing else on demand. Paper money, like gold and silver money, is a creature of statute law, and can be rendered by law as unfluctuating, as a representative of value, as the foot rule is of measure.

"SOME of the newspapers seem to delight in showing their crude and absurd theories about the financial condition of the country and in predicting a revulsion and all sorts of evils. Like Dr. Sangrado, they have one remedy for all ills, not knowing whether it will kill or cure. In fact, in their ignorance and insane desire to be doctoring, they create imaginary diseases where there is perfect health. Immediate resumption of specie payments is their panacea. They see the country in the full tide of prosperity, legitimate enterprise and business active and progressing, labor universally employed and well rewarded, the productions of the country greatly increasing, the revenue of the government immense and yet no one distressed by the burden of taxation, the reserve of gold enormous and the national debt being greatly and rapidly reduced; they see all this, and still say we are in a ruinous condition, and that a fearful revulsion is coming. They assert that this is all artificial, and that we are in a very unhealthy state, like a person in a high fever. Are the railroads that we build, the mines that are worked, the manufacturies that are set going, the lands that are opened to cultivation, and the general productive enterprise of the country artificial? Are not all these substantial improvements and an increase of the national wealth? And what has produced this result but the abundance of money? But in order to make us more prosperous, these crazy theorists would take away the very means of our prosperity. They would shut up the manufactories, stop the construction of railroads, arrest the plough and close up the mines by taking away the money which sets them all going. They would reduce our present circulating medium to a degree that would paralyze all business and bring about that revulsion which they have been long predicting for the purpose of forcing specie payments.

As to a general revulsion under the present state of things, with an abundant paper money currency, that cannot take place. Overtrading or excessive specu-

tions may cause some failures and breaking up of companies and individuals. These occur in specie paying times as well as when specie is not the circulating medium; but a general revolution cannot occur, because there will be no drain of the currency from the country nor hoarding of it. This is the lifeblood of home trade, and while it flows in sufficient volume people will have means, and business in general must be active. The want of money creates revulsions, not the abundance of it. True, there is a healthy limit beyond which it is not safe to go, and the volume of circulation should be kept steady, increasing only in proportion with the progress of business and national wealth. The question with me is simply what is the limit, and how is the circulation to be regulated according to that. If the business of the country be conducted upon a circulation of eight or nine hundred millions, and we reduce that to four, five or six hundred millions, in order to force specie payments, what would be the consequence? Would it not reduce the means of all except the very rich bondholders? Would it not necessarily paralyze industry? Would it not create a fearful revulsion? We are not without examples in history to show that this would be the case; besides, it is so plain a matter that any man with ordinary common sense can understand it. We are doing well enough, and there is no fear of revulsion. We ought to be careful not to throw away this valuable experience for the absurd and dangerous theories of ignorant writers and bullion speculators.

But, strange to say, these same advocates of forcing specie payments call upon the government to part with its gold, which tends to inspire confidence in our ability to pay in specie. Open your vaults, they say, and let out this reserve for the benefit of commerce and to reduce the premium on gold. That is to say, in reality, for the benefit of the gold speculators, the Bank of England and the foreign bullion traders. We do not say that there should not be some limit to the amount government should hold; but it is wise and healthful to keep a large reserve. We have had some experience in the government parting with its gold and we know what effect would be produced again. Temporarily gold might decline, but the premium would soon go up again. A large stream would flow to Europe, and we should be left as poor in the precious metal as ever. The great mistake made is in regarding gold as anything else than an article of trade. It is not our money, and it is not necessary for our welfare or prosperity that it should be. The Bank of England and the great foreign capitalists could draw away the gold, and if that were our only money they could bring on a revulsion at any time; but they will not draw away the currency. They cannot make this money scarce and hold us at their mercy. Let us keep the volume of our present circulation steady, then we shall grow up to the specie standard, and our trade, home business and the value of our property will not be at the mercy of speculators and capitalists here or abroad.—*N. Y. Herald.*

CORRESPONDENCE.

LOUISVILLE, Nov. 3, 1866.

ED. RECORD: Judge Ballard has given no written opinion at the term of the court just closed; but I think he is writing one or two of considerable public importance. If any are written and published I will promptly forward you a copy. He had a large number of cases at the present term, in which distilled spirits are mainly involved. In February, there are some half a dozen cases involving fraudulent income returns, which will be pushed to judgment.

Enclosed please find a report of the number of cases in which judgment was given, together with the aggregate amount of property condemned "*In Rem.*"

Judge Ballard gave no written opinion in the case of Thomas Smock.

Below is a recapitulation of the cases in which fines were imposed, property condemned, &c., by the United States Courts of Kentucky during the term which closed on Saturday last.

CIRCUIT COURT.

U. S. vs Columbus Bean	$500 00	and costs.
U. S. vs Dixon & Co	800 00	"
U. S. vs J. W. Tombs &c	85 33	"
U. S. vs J. Murphy Martin	100 00	"
U. S. vs S. F. Hildreth	100 00	"
U. S. vs S. F. Hildreth, 2d case	100 00	"
U. S. vs Wm. O. Lawless	641 29	"
U. S. vs W. W. Scott	100 00	"
Total	$2,426 52	

PRIVATE SUITS.

R. M. Pomeroy vs Samuels, Arnold & Co., judgment for plaintiff	$800 25
Mack & Brother vs D. F. Bash; judgment for plaintiff	507 00
Jonathan Smith vs J. W. Read; judgment for plaintiff	10 00
Total	$1,326 25

DISTRICT COURT.

U. S. vs James Boone	$500	and costs.
U. S. vs Wm. Boone	500	"
U. S. vs Jos. Howard	500	"
U. S. vs Geo. W. Swearingen	1,000	"
U. S. vs F. Wallace	500	"
U. S. vs M. & J. Ray	500	"
U. S. vs M. D. Daniel	500	"
U. S. vs W. C. Tatum	500	"
U. S. vs Thos. Smock	11,618	"
U. S. vs Thos. Smock, 2d case	100	"
U. S. vs Ben. F. Bethel	1 cent	"
Total	$16,219	
Total amount of fines assessed during the term in both courts		$18,645 52

PROPERTY FORFEITED.

Whiskey	143 barrels.
Cigars	415 boxes.
Tobacco	7 caddies.
Cotton	21 bales.

DISTRICT ATTORNEY COGSWELL will please accept our sincere thanks for transmitting for publication a copy of Judge Miller's opinion, in the case of *U. S. vs. one barrel of whiskey, &c.*

THE Paymaster General has completed his annual report for the fiscal year ending June 30, 1866, and has submitted it to the Secretary of War. The following are the receipts and disbursements of the Pay Department during the last fiscal year, and the balance remaining on hand at its close.

RECEIPTS.

Balance in the hands of paymasters, including unissued requisitions in the Treasury	$120,120,090
Amount of requisitions issued during the fiscal year	162,162,909
Received from draft rendezvous, refunded money, sale of effects of deceased soldiers	1,326,028
Total receipts	283,609,027

PAYMENTS.

Paid to the regular army during the fiscal year ending June 30, 1866	$10,259,829
Paid to volunteers	248,943,314
Paid on account of the United States Military Academy	171,174
Total disbursements	[illegible]
Balance remaining [illegible] masters, including [illegible] in the Treasury	[illegible]

U. S. DISTRICT COURT FOR WISCONSIN.

BEFORE JUDGE MILLER.

United States vs. One barrel of whiskey, two casks of whiskey, &c.

1.—Section 68 of the Excise Act of June 30, 1864, confers no authority for the seizure of distillery and lot on which situate or for subjecting such real estate to decree of forfeiture.

MILLER, Judge.—This information is brought under the act to provide ways and means for the support of the Government, approved June 30, 1864, chapter 172—15 Statutes at large 218. The alleged causes of seizure by the Collector are for neglect of the owner and superintendent of the distillery to keep books, and make daily entries therein, and to make returns, and pay the duties as required by section 57 of the act.

The information is against the whiskey distilled, and the distilling apparatus, and also against the distillery, and the lot of ground whereon it is situated. By section 68, the owner, agent, or superintendent of any still, boiler, or other vessel used in the distillation of spirits on which duty is payable, who shall neglect or refuse to make true and exact entry and report of the same, or to do or cause to be done any of the things by law required to be done as aforesaid shall forfeit for every such neglect or refusal all the liquors and spirits made by or for him and all the stills, boilers and other vessels used in distillation, together with the sum of five hundred dollars, to be recovered with costs of suit, which said liquors or spirits with the vessels containing the same, with all the vessels used in making the same, may be seized by any collector or deputy collector of internal duties, and held by him until a decision shall be had thereon according to law.

It will be observed that the stills and boilers are expressly subjected to forfeiture with other vessels used in distillation; but there is no express authority for the seizure by the collector of the stills and boilers. The articles made subject to seizure being loose and easily carried away, the collector is required to hold them until a decision shall be had.

The stills and boilers, usually of a more permanent nature, from being built into or composing part of the distillery, it may be that the authority to seize and hold them were not considered necessary. But of this I give no opinion. At all events, the stills and boilers are subject to forfeiture.

There is no authority in that section for the seizure of the distillery and lot by the collector, or for subjecting such real estate to a decree of forfeiture.

It is contended by the District Attorney, that for the non-payment of duties with ten per cent added in pursuance of section 69, a lien is created on the distillery and lot, and thereby a decree of forfeiture and sale is the appropriate remedy. The section provides that until such duties with such addition shall be paid, they shall be and remain a lien upon the distillery where such liquors have been distilled, and upon the stills, boilers, vats, and all other implements thereto belonging, and upon the lot or tract of land whereon the distillery is situated, until the same shall have been paid. And in case of refusal or neglect to pay said duties with the addition, within ten days after the same shall have become payable, the amount thereof may be recovered by distraint and sale of the goods, chattels and effects of the delinquent. There is clearly no express authority given by this section, for this proceeding against the distillery and lot. The section provides that the duties with the addition of ten per cent. shall remain a lien upon the distillery until paid. And the remedy is given for non payment for the recovery of the amount thereof by distraint and sale of the goods, chattels, and effects of the delinquent. The distraint is not confined to the distillery, apparatus or utensils, but may be generally of the goods, chattels, and effects of the delinquent. The rule is that when a statute creates a duty, and prescribes a remedy, the proceeding directed must be followed. The distillery and lot will not be [illegible] in the decree.

New Publications.

"FELIX HOLT, THE RADICAL," by George Eliot. Harper & Bros., New York, 1866. Pp. 529.

Perhaps the best idea of the tone of "Felix Holt" may be given in a quotation from the book itself: "Quick souls have their intensest life in the first anticipatory sketch of what may or what will be, and the pursuit of their wish is the pursuit of that paradisial vision which only impelled them, and is left farther and farther behind, vanishing forever, even out of hope, in the moment which is called success." Such a "quick soul" is Felix Holt, and his "pursuit of his wish" is what we are lead to expect, but we do not witness either the "pursuit" or the "moment of success." As in the earlier works of Chas. Kingsley, the forerunner of all novels of this class, the object is evidently to direct attention to the social evils which are agitating the political world of England; but in both instances, questions are mooted which are not answered. Arguments brought to bear from either point of view—and the subject abandoned, no result reached, no principle vindicated, no truth *proven*. Instance, the nomination day, when Felix takes the stand to give his views against universal suffrage. What do we gather from them? That he has been arguing more against the manner of effecting the result than the result itself. Felix is justly termed by Harold Transome "a moral and political enthusiast, who if he sought to coerce others would seek to coerce them into difficult and perhaps impracticable scrupulosity." His impulses are noble, but his whole tone, manner and appearance are exaggerated. Throughout the book he is "living an intense life in the first anticipatory sketch of what may or will be." In the only active course he takes throughout the narrative he brings trouble upon himself and effects no good of any kind. Though the Radicalism of the book may be said to be a failure, yet in many other respects this is a work worthy of an author who has already enriched our literature with two novels of striking individuality. And though Felix Holt will bear comparison neither with Adam Bede nor Romola, yet it abounds in passages of rare beauty, and sketches of character equalled by few novels of the day.

Hitherto George Eliot's novels have been principally sketches of the second class of life, and even in this instance, it is true, the principal characters are a coach-maker, and a dissenting minister and his daughter, but Mrs. Transome and the Debarrys are equally well drawn, and the inference that we had otherwise gathered from his other works, of his inability to portray a better class, is thereby disproved.

It is impossible to conceive a better description of a superficial belle than the brief summing up of Mrs. Transome's youth.

"When she was young she had been thought wonderfully clever and accomplished, and had been rather ambitious of intellectual superiority—had secretly picked out for private reading the lighter parts of dangerous French authors—and in company had been able to talk of Mr. Burke's style, or of Chateaubriand's eloquence—had laughed at the Lyrical Ballads and admired Mr. Southey's Thalaba. She always thought that the dangerous French writers were wicked, and that her reading of them was a sin; but many sinful things were highly agreeable to her, and many things which she did not doubt to be good and true were dull and meaningless. She found ridicule of Bible characters very amusing, and she was interested in stories of illicit passion; but she believed all the while that truth and safety lay in due attendance on prayers and sermons, in the admirable doctrines and ritual of the church of England, equally remote from Puritanism and Popery; in fact, in such a view of this world and the next as would preserve the existing arrangements of English society quite unshaken, keeping down the obstrusiveness of the vulgar and the discontent of the poor. * * * * *

"Miss Lingow had had a superior governess who held that a woman should be able to write a good letter, and to express herself with propriety on general subjects. And it is astonishing how effective this education appeared in a handsome girl, who sat supremely well on horseback, sang and played a little, painted small figures in water-colors, had a naughty sparkle in her eyes when she made a daring quotation, and an air of serious dignity when she recited something from her stock of correct opinions.

* * * * * *

"No one ever said anything like the full truth about her, or divined what was hidden under that outward life—a woman's keen sensibility and dread, which lay screened behind all her petty habits and narrow notions, as some quivering thing with eyes and throbbing heart, may lay crouching behind withered rubbish."

George Eliot's heroines are always perfect—not perfect women—heaven forbid!—but perfectly natural, lovable, fascinating humanity. Whether it be the poor, vain, simple-hearted Hetty Sorel, or the lovely, religious enthusiast, Dinah Morris, of his greatest novel, or the clearer, high-spirited, sarcastic Esther, of the work before us, we are equally captivated. What could be more piquant, more saucy than Esther on our first introduction to her? Felix is reproaching her for reading Byron, and asking her how she "Justifies her admiration for such a writer? She answers—can you not *see* the little toss of the head?

"I should not attempt it with you, Mr. Holt. You have such strong words at command that they make the smallest argument seem formidable. If I had ever met the giant Cormoran, I should have made it a point to agree with him in his literary opinions!"

The workings of Felix's influence over her, the struggles not to yield to the love which she felt was gaining on her, even though to herself she still denied it,—her desire to be all he thought her capable of, her sorrow at his seeming indifference to aught but a *mental* attachment between them—if one may so express it. Are they not beautifully portrayed, and all in so few words?

In one particular, George Eliot's works command our respect: his reverence for those "that wait on the Altar." Even with the prejudices of a Church-of-England education, he can depict an earnest, old, dissenting clergyman with a vigor and truth that commands admiration. No difference of faith excites ridicule in him, and whether it be a Romish priest, an Episcopal clergyman, or a dissenting minister, all, as "ministers and stewards of the mysteries," are sacred. Mr. Lyon never appears in Felix Holt without leaving behind him some doctrine, some admonition, some idea, by which we are helped and encouraged. His whole character and life is so free from guile, so single-minded, that he alone is a beautiful feature of the book.

Mr. Lyon's reproof to Felix is very fine, and is a very good criticism upon the youth as he first appears to us, before time has given him experience and tempered his dictatorial manner. Thus:

"The temptations that most beset those who have great natural gifts and are wise after the flesh, are pride and scorn, more particularly toward those weak things which are mighty. The scornful nostril and the high head gather not the odors that lie upon the track of truth. The mind that is too ready at contempt and reprobation is, I may say, as a clenched fist that can give blows, but it is shut up from receiving and holding aught that is precious—though it were heaven-sent manna."

We might multiply quotations from this book, abounding in rich ideas. There are little touches of sarcasm throughout, very amusing sometimes. One, in reference to phrenology. Felix says:

"A phrenologist at Glasgow told me I had 'large veneration;' another man there, who knew me, laughed out and said I was the most blasphemous iconoclast living. 'That,' says my phrenologist, 'is because of his large Ideality, which prevents him from finding any thing perfect enough to be venerated.' Of course I put my ears down and wagged my tail at that stroking."

There is much pith in an idea such as the following: "Speech is often barren; but science does not necessarily brood over a full nest. Your still fowl, blinking at you without remark, may all the time be sitting on one addled nest-egg; and when it takes to cackling, will have nothing to announce but that addled delusion."

We have quoted extracts enough to give some idea of the style of Felix Holt. Viewed as an exposition of Radicalism, it fails in its aim, we think; but as a whole, we know no better description of it than in the words of Ruskin: "A common book will often give you much amusement, but 'tis only a noble book that will give you *dear friends*."

VERAX.

DIRECTORY—5TH DISTRICT, NEW YORK CITY.

Assessor—DAVID MILLER, Office 563 Broadway.

Collector—JOSEPH HOXIE, Office 561 Broadway.

The 5th Collection District comprises the 7th, 10th, 13th, and 14th Wards of New York City.

Boundaries: Broadway, Houston, Bowery, Rivington, East River, Catharine, Bowery, Canal to Broadway the place of beginning.

ASSISTANT ASSESSORS.

1st Division, Messrs. HAWS & STOUTENBERG, 233 Grand. Boundaries: Canal, Broadway, Grand, Bowery.

2nd Division, W. V. ALEXANDER, 148 Bowery. Boundaries: Grand, Broadway, Spring, Bowery.

3d Division, G. A. H. ENGLEHART, 563 Broadway. Boundaries: Spring, Broadway, Houston, Bowery.

4th Division, D. W. KNEVELS, 6 Eldridge. Boundaries: Catharine, Division, Rutgers, South.

5th Division, GEO. DONALDSON, 6 Eldridge. Boundaries: Division, Hester, Bowery, Division.

6th Division, CHAS. WILLIAMSON, 338 Broome. Boundaries: Hester, Bowery, Broome, Norfolk.

7th Division, J. T. REEVES, Jr., 338 Broome. Boundaries; Broome, Bowery, Rivington, Norfolk.

8th Division, J. A. HEALY, 1 Sheriff. Boundaries: Grand, Willett, Rivington, East River.

9th Division, A. M. C. SMITH, Jr., 1 Sheriff. Boundaries: Montgomery, Grand, East River, South.

10th Division, G. G. GRATACAP, 281 Cherry. Boundaries: Division, Rutger, South, Montgomery.

11th Division, H. A. SMITH, 170 Clinton. Boundaries: Division, Norfolk, Rivington, Willett.

NEW COUNTERFEIT.—The operatives of the Secret Service Division of the Treasury have discovered that counterfeits of $100 notes of the First National Bank of Boston, the $100 notes of the First National Bank of Cincinnati, and the $100 notes of the National Central Bank of New York City are in circulation. The counterfeits of the latter-named notes are pronounced excellent, the engraving being first class, and the general appearance good. The only difference known to exist is in the letter "T," in the word "maintain," near the female figure on the right hand side of the face of the note, that letter being imperfect in the counterfeit issue.

Treasury Dept., Decisions, &c.

OFFICIAL.

ADDITIONAL REGULATIONS CONCERNING THE TRANSPORTATION OF COTTON IN BOND.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 22, 1866.

It having been represented that much hardship and inconvenience are entailed upon the smaller planters and farmers, in the interior counties of the cotton-producing districts, in consequence of the enforcement of recent regulations concerning the removal of cotton in bond, and that additional and much-needed facilities would be afforded by allowing bonds for securing payment of the tax upon delivery of the cotton at the point of destination, to be taken by the Collector of the receiving district, instead of the Collector of the district whence the cotton is shipped, as provided by Regulations, Series 2, No. 5, (IV. RECORD, p. 52) issued from this office under date of July 31, 1866, the following additional regulations upon the subject have been adopted for securing the payment of the tax, and as affording the measure of relief sought for.

BOND FOR REMOVAL.

Parties desirous of bringing cotton to seaports or other places for shipment, from other districts, will be allowed to do so upon executing and delivering to the Collector of the district where such seaport or place is situated, a bond, with two or more sufficient sureties, approved by the Collector receiving it, conditioned for the payment of the tax upon all cotton for which permits may be granted by the Assessor of the district in which such cotton may be grown.

FORM 107.

BOND FOR TRANSPORTATION OF COTTON.

KNOW ALL MEN BY THESE PRESENTS, That we, ——— ———, as principal, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of ——— dollars; for the payment of which sum we do bind ourselves and our legal representatives, jointly and severally, firmly by these presents. Sealed with our seals, and dated at ———, this ——— day of ———, A. D. 186—.

The condition of this obligation is such, that, if the above bonden ——— ———, principal shall, within four months from the date hereof, transport, or cause to be transported, any cotton from the —— collection district of the State of ———, under permits granted by the Assessor thereof, directly to ——— in the —— collection district of ———, and shall deliver or cause the same to be delivered, to the Collector of Internal Revenue for the said —— district of the State of ———, immediately upon its arrival, and shall, within ninety days from the date of such permit, pay or cause to be paid to the said Collector of the —— district of the State of ———, the taxes on all cotton removed on the permits granted by the Assessor of the —— district of ——— under this bond, and all necessary and legal charges for custody and weighing thereof, then this obligation to be void; otherwise to remain in full force and virtue.

[Signed] ——— ———, [L. S.]
——— ———, [L. S.]
——— ———, [L. S.]

Sealed and delivered in presence of
———,
———, [25 cent stamp.]

This bond must be executed in a penal sum equal to double the amount of the tax on the quantity of cotton intended to be removed and in transitu at any one time during its continuance, and Assessors will be careful not to grant further permits upon any bond when the tax upon the quantity already permitted amounts to one-half the sum named therein, until certificates of payment of the tax on the whole or a portion of the cotton transported under former permits are received from the receiving Collector, when additional permits may be granted; but in no case must the [illegible] upon the quantity under permit and unaccounted for exceed one-half the penal sum of the bond.

Thus if the bond is given in a sum securing the tax upon 500 bales of 400 pounds each, when this limit is reached, no further permit should be granted except upon the receipt of the certificate of delivery and payment as hereinafter provided.

Immediately upon the execution of this bond, the Collector to whom it is delivered will transmit it (retaining a copy thereof in his office), to the Assessor of the district whence it is intended to remove the cotton, who will thereupon be authorized to grant permits for the removal of the cotton upon application being made by the principal or his agent in the following form, viz:

FORM 108.

APPLICATION FOR PERMIT.

A permit is requested to remove from —— to ——, in the —— collection district of the State of ——, the following described cotton, consigned to —— ——, viz:

Marks and name of consignee.	No. of bales.	Numbers.	Gross weight.	Net weight.	Rate.	Amount of tax.
					3 cts.	

Under the bond executed by the said —— —— to the Collector of the —— district of the State of ——, a certified copy of which is now on file in your office.

(Signed) —— ——.

To —— ——,
Assessor of —— District, ——.

Upon receiving this application the Assessor will grant permits in triplicate in the following form, one of which he will deliver to the applicant, one will be transmitted to the Collector of the receiving district, and one transmitted to the Commissioner of Internal Revenue:

FORM 109.

ASSESSOR'S PERMIT FOR THE REMOVAL OF COTTON.

ASSESSOR'S OFFICE,
—— District, State of ——,
—— ——, 186–.

Permission is hereby given to —— —— to remove from ——, in this district, to ——, in the —— district of the State of ——, there to be delivered to the Collecter of Internal Revenue for last-named district, without pre-payment of tax, the following described cotton, consigned to —— ——, viz:

[Statement same as in Form 108.]

The said —— —— having filed in my office a duly certified copy of the bond executed and delivered by the aforesaid —— —— to the Collector of the —— district of the State of ——, for the removal of the same.

—— ——, Assessor.

The Assessor must in all cases carefully insert in the permit the marks upon the bales, and the numbers upon the metallic tags, which he will either affix himself in the proper manner, or, in case this is impracticable from any cause, he will deliver them to the owner or his agent, by whom they will be inserted in the bale, as a measure of protection against the possible seizure and detention, as well as for a means of identification of the cotton upon delivery with that named in the permit.

If, in such case, the cotton removed in this manner has not been weighed before removal by a duly appointed weigher, the amount of tax named in the permit will be based upon the weight as certified by the owner or the proprietor of the gin house, and in such case it may vary from [illegible] upon

[illegible]

must be weighed upon its arrival in the receiving district by the officer appointed for that purpose, to whom a fee of 25 cents per bale will be paid for this service, and upon whose certificate of the weight, issued in the following form, the tax shall be collected:

FORM 110.

WEIGHER'S CERTIFICATE.

——, ——, 186–.

I hereby certify that I have weighed the following described Cotton, transported in bond by —— ——, from ——, in the —— collection district of the State of ——, and ascertained the weight to be as follows, viz.:

Marks.	No. of bales.	Numbers.	Gross weight.	Net weight.	Rate.	Amount of tax.
					3 cts.	

—— ——, Weigher
—— District of ——.

Upon receipt of this certificate of weight and payment of the tax, the collector will issue his certificate, in duplicate, in the following form, viz.:

FORM 111.

COLLECTOR'S CERTIFICATE OF PAYMENT OF TAX.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— DISTRICT, STATE OF ——,
——, ——, 186–.

This is to certify that the following described cotton, transported under bond by ——— ———, from ———, in the ——— collection district of the State of ———, under permit granted by the Assessor of the said district, dated ———, 186–, has been received by me, and the taxes, as ascertained by inspection and weighing in this district, amounting to ——— dollars and ——— cents, ($———,) were paid to me on the —— day of ——, 186–:

[Statement same as in Form 110.]

—— ——, Collector.

[Collector's seal.]

One copy of this certificate will be delivered to the party paying the tax, who will present the same to the Assessor or an Assistant Assessor of the district in which it was issued, for his indorsement, which must be in the following form, viz.:

ASSESSOR'S OFFICE,
——— District, State of ———,
———; ———, 186–.

I hereby certify that the foregoing certificate has been presented to me, and the amount thereof entered in the bonded account of this district.

—— ——,
—— Assessor.

And no certificate for the receipt of tax upon any cotton removed under bond in pursuance of the foregoing regulations shall be received by an Assessor holding the bond, unless bearing the above indorsement of the Assessor of the receiving district, and is accompanied by the certificate of the weigher, Form—.

The parties to the bond, in order to obtain cancellation thereof, upon receiving from the Collector, to whom payment of tax is made, his certificate thereof, and obtaining the indorsement of the Assessor, as required, must transmit the same, with the certificate of the weigher, to the Assessor granting the permit, who will thereupon credit the party with the evidence so furnished, on the bond held by him, and when the evidence shall be produced of payment of the tax on all cotton, for the removal of which permits have been granted, the Assessor will cancel said bond, and transmit the same, with all the evidence upon which such

cancellation was based, for the approval of the Commissioner of Internal Revenue.

Where the evidence of payment of the tax required for the cancellation of the bond is not furnished within 90 days from the expiration of the time for which the bond was given to continue, the Assessor will transmit the same to this office, with all the papers connected therewith, for such action as shall be deemed necessary, unless an extension of the time for furnishing the required evidence shall be granted upon application made to and approved by the Commissioner of Internal Revenue.

All Assessors receiving bonds, given under the foregoing regulations, will keep an accurate record thereof, and also of all permits granted by them under the same, and will transmit to this office, monthly, a schedule of all bonds received and cancelled by them, in company with their monthly statement of the bonded account of their district, on Form No 94.

Collectors of receiving districts taking bonds under the foregoing regulations, must transmit to the Assessor of their district a schedule of all such bonds, giving date, names of principals, and the disposition made thereof, showing the district to which they were transmitted, and must also enter upon Form No 93, each month, the amount of the tax received upon cotton removed under permits granted thereon in the same manner as other collections upon bonded goods, so that the amount thus collected can be entered in and receipted for in the next succeeding monthly list.

These regulations are to be considered additional to, and as not superseding, those contained in Series 2, No 5, or the additional regulations published under date of Sept. 25, 1866.

E. A. ROLLINS, *Commissioner*

(Approved) H. MCCULLOCH,
Secretary of the Treasury.

[Special No. 45.]

CONCERNING LOCKS AND SEALS FOR DISTILLERIES.

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 6, 1866.

It is provided by Sec. 34, Act of July 13, 1866, that all locks and seals required by law, shall be provided by the Secretary of the Treasury, at the expense of the owner of the distillery or warehouse in which they are used.

The Secretary has accordingly prescribed a padlock, with Thomson's Patent Seal attached, to be used whenever and wherever locks are required, upon the doors of those rooms in which cisterns required by law are placed, and upon the doors of the bonded warehouses to which spirits are removed when taken from the cisterns.

These locks may be ordered by Collectors for distillers and warehousemen from Revenue Agent A. N. Lewis, at No. 83 Cedar street, New York city, in such quantities as may be desired. Orders should be made for as many as possible at one time. The locks will be furnished at $3 50 each. Post office orders or drafts, payable to Revenue Agent Lewis should accompany each order for locks. Collectors, in sending orders, should give the name and residence of the distiller or warehouseman for whose use each lock is intended. The cost of transportation, as well as the price of the lock, will be repaid to the Collector by the distiller or warehouseman for whom it is used.

Locks will be sent to no one except through the Revenue Agent. Any distillery or bonded warehouse furnished with this lock, or any other, which has not passed through the hands of said Revenue Agent, and received his approval, will be deemed to be without the proper lock.

The seal to be placed in the lock is a slip of paper, upon which the Inspector will write his name, together with some private mark, (which should be frequently changed,) and the date when the seal is placed in the lock.

Over the face of the lock is a small rectangular plate, through which the key is inserted into the lock. This plate is fastened at the bottom by a hinge, and at the top by a bolt, which takes effect by simply pressing down the plate upon the face of the lock, and only when the lock is open, but which cannot be disengaged except on opening the lock with the key. Over this plate is a cover kept in place by a hinge at the top and a spring at the bottom; it can easily be raised by a slight pressure.

The main bolt of the lock takes effect by a strong pressure upon the shackle or bow, and cannot be moved back without the use of the key. To prevent bits of paper from the seal being thrust into the lock, on inserting the key, let the seal be first cut through over the key-hole. If, however, with this precaution, some small bits of the paper seal should be forced into the lock, they can readily be removed when the lock is open.

The Inspector, Assistant Inspector, or Storekeeper must retain the custody of the keys of the locks in use, never suffering them to go out of his possession, except to the Collector or Assessor of his district, or to his successor in office.

Distillers are required to fit these doors on which locks are to be placed with the requisite hasps and staples; and Internal Revenue officers are required to see that the hasps are sufficiently strong, and that the staples are securely fastened.

E. A. ROLLINS, *Commissioner.*

WHAT ARE CONSIDERED PACKING BOXES AND EXEMPT FROM TAX AS SUCH.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 1st, 1866.

SIR: Your letter of the 16th ult., with enclosures, has been received. In answer I have to say that the law exempts packing boxes made of wood from taxation. The question, What are packing boxes, is not one of construction of law, but a question of fact, to be determined by usage and the acceptation commonly given to the term by those engaged in trade. From representations made to this office since the issue of Series 2 No. 8, it appears that this term as thus used embraces a larger variety of boxes than was then relieved, and I am disposed to so far modify that ruling as to include in the list of exemptions all that class of boxes in which goods, before or after sale, are commonly transported or shipped, and which are not for transportation enclosed in other packages.

You will, therefore, hereafter omit assessing such boxes as are above described.

Yours respectfully,
E. A. ROLLINS, *Commissioner*

E. S. BEALS, Esq.,
Assessor, &c., North Weymouth, Mass.

LIABILITIES OF STEAMBOATS, BARGES, AND CANAL BOATS FOR CARRYING PASSENGERS AND FREIGHT, IN THE MATTER OF TAX ON GROSS RECEIPTS.

ASSESSOR'S OFFICE,
FOURTEENTH DISTRICT NEW YORK,
ALBANY, Oct. 25, 1866.

SIR: Paragraph 74, page 42, of the act of July 13, 1866, provides, that steamboats, ships, barges, canal boats or other vessels, &c., engaged or employed in the business of transporting passengers for hire, shall be subject to and pay a tax of 2½ per cent, of the gross receipts from passengers.

Paragraph 75, page 43, same copy, being the amendatory tariff act, March 3d, 1865, sec. 4, exempts such vessels, that pay a tonnage duty, from the tax of 2½ per cent, of the gross receipts.

Paragraph 238 of the said act, viz.: July 13, 1866, states when the act shall take effect, and also states "and all provisions of any former act inconsistent with the provisions of this act are hereby repealed."

Does not this, therefore, repeal paragraph 75, as appears on page 43, and require us to assess steamboats and other vessels 2½ per cent of their gross receipts for passengers?

Very Respectfully,
JNO. G. TREADWELL,
Assessor 14th District, N. Y.

Hon. E. A. ROLLINS,
Commissioner.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 29, 1866.

SIR: I reply to yours of the 25th inst., that while aware that section 103 of the act of June 30, 1864, no longer exists, as it stood upon the passage of the tariff act of March 3, 1865, yet in view of the probable intention of Congress not to interfere with the exemption from tax or gross receipts of vessels paying tonnage dues, the office is not now inclined to adopt the construction which has naturally occurred to you.

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

JNO. G. TREADWELL, Esq.,
Assessor, Albany, New York.

LIABILITY OF LOCK-KEYS TO TAX.

ASSESSOR'S OFFICE,
SECOND DISTRICT OF CONNECTICUT,
CLINTON, Oct. 26, 1866.

SIR: By request of Messrs. ——— and ———, I forward samples of keys, both blank and finished, and request your decision relative to their liability to taxation. Messrs. ——— and ——— are commencing the business of manufacturing keys to the order of manufacturers of locks. They make the brass blanks both to the order of manufacturers of locks and for general sale to locksmiths. *They are cast*, and it is claimed that they are exempt under the clause of the late act exempting "spindles and castings of all descriptions made specially for locks," &c.

Are they taxable as a manufacture? If so, can the manufacturer of locks who purchases them and sells them again in connection with his locks, deduct their cost from the amount of sales so made? If not, should the manufacturer who makes both locks and keys return the keys and pay a tax on them as manufactures consumed in the production of other manufactures and also pay a tax on the full value of the locks including the keys?

Yours very truly,
JOHN B. WRIGHT.
Assessor 2d Dist., Connecticut.

Hon. E. A. ROLLINS,
Commissioner.

[ANSWER.]

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 30, 1866.

SIR: Your letter of Oct. 26th, inclosing a letter from Messrs. ——— and ——— in relation to keys for locks has been received.

You state that Messrs. ——— and ——— are commencing the business of manufacturing keys for locks to order and blank keys both to order and for general sale, and that they wish to know whether their products are exempt from tax under the provision of the act of July 13, 1866, relating to spindles and castings made specially for locks, &c.

In answer I have to say that by the act of July 13, 1866, spindles and castings of all descriptions made specially for locks are exempt from tax.

Keys, though essential to the proper use of locks, and generally sold with them, are not regarded as a part of them, and, therefore, though cast, are not regarded as castings made specially for locks within the meaning of the law. Keys for locks therefore, when manufactured and sold are liable to an ad valorem tax of 5 per cent. A party, who buys keys on which the tax had been paid, and sells them with locks of his own manufacture is not required to return them for taxation as a part of such locks. If he buys taxed blank keys and more completely finishes them, he is liable to tax on their increased value only. A party who manufactures locks and keys, and sells the keys with, and as a part of the locks of his own manufacture, need not be required to return the keys so made and sold, as an independent manufacture. But all keys which he makes and sells otherwise than as a part of locks of his own manufacture on which the tax had not been paid, should be returned as such by him for taxation.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

JOHN B. WRIGHT, ESQ.,
Assessor 2nd Dist., Clinton, Conn.

TAX ON PHOTOGRAPHS, SUN PICTURES, AND OIL PICTURES PAINTED ON PHOTOGRAPHS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 1st, 1866.

SIR: In reply to your verbal statements in relation to Photographs and works of Art, I have to say that under the present excise law photographs and other sun pictures not specially exempted are subject to an ad valorem tax of 5 per cent., sun pictures on which the tax has been paid, when more completely finished by painting, &c., are liable to a tax of 5 per cent. on their increased value only.

When an artist takes a photograph or other sun picture simply as the basis or outline of a picture he designs to paint, paints and finishes it, completely destroying the photograph or other sun picture taken as the basis of his painting, and producing really and absolutely a work of art, the picture or work of art so produced is not liable to any tax.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

A. POWELSON, ESQ.,
Washington, D. C.

CHEESE BOXES LIABLE TO TAX.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 12, 1866.

SIR: In reply to your letter of Oct. 2d, in relation to cheese boxes, I have to say that cheese boxes being necessary to put cheese in a proper condition for the market, cannot be as regarded as packing boxes within the meaning of the law and are not therefore exempt from tax.

Very respectfully,
THOMAS HARLAND,
Acting Commissioner.

WILSON ROGERS, ESQ.,
Asst. Assessor 30th Dist., Collins, N. Y.

ARTICLES OF DRESS FOR WOMEN AND CHILDREN MADE BY MILLINERS AND DRESSMAKERS EXEMPT FROM TAX.

ASST. ASSESSOR'S OFFICE,
EIGHTEENTH DISTRICT, OHIO,
CLEVELAND, Oct. 12th, 1866.

SIR: What construction should be put upon that paragraph in Sec. 94 of the law of July, 1866, in relation to "articles of dress made or trimmed by milliners or dressmakers for the wear of women and children?"

If the product of their business exceed annually one thousand dollars, are they not liable to a 2 per cent. tax?

There is a conflict of views on the subject here between the tax payer and the Revenue officers. Will you please give me your construction of the law?

Your Obt. Servant,
AARON CLARK,
Asst. Assessor.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue,

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 17, 1866.

SIR: In reply to your letter of Oct. 12th, in relation to articles of dress made or trimmed by milliners or dressmakers, I have to say that all articles of dress for the wear of women and children, made or trimmed by dressmakers or milliners are exempt from the 2 per cent. tax, though the products of such milliners or dressmakers may exceed in value the sum of $1000 per annum.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

AARON CLARK, ESQ.,
Asst. Assessor.

TAX ON GRINDERS OF COFFEE AND SPICES, AND ON ROASTED AND GROUND COFFEE AND SUBSTITUTES.

FOURTEENTH DISTRICT, NEW YORK,
ALBANY, October 11th, 1866.

SIR: Are grinders of coffee or spices allowed, as manufacturers, an annual exemption of one thousand dollars, the same as other manufacturers, sub-division 31.

I have so regarded the matter, and have allowed the small grocers, &c., whose annual sales of these articles do not exceed the sum of one thousand dollars, to pass for the present. Yet I apprehend, after reflection, that according to the terms of subdivision 31, they are *otherwise provided for* in subdivision 51, and that they should pay the special tax of one hundred dollars, without regard to the amount of their sales.

Before proceding further in this matter I desire the decision of the Commissioner. Most, if not all, the retail grocers, have their coffee roasted by the large manufacturers of ground coffee and spices, who pay the tax on the coffee when roasted for these parties, and the same delivered to them, and it seems rather a hardship for these small grade of coffee grinders to pay a special tax of one hundred dollars, when their entire sales will only amount to a few hundred dollars during the year. I am of the opinion that the result will be to force these small dealers to abandon the grinding of coffee, and the same must then be done by the parties who roast the coffee, and thereby deprive their customers of fresh ground coffee, or else families will do the work themselves to quite an extent, or the law will be secretly violated by a large portion of the class of dealers alluded to.

Very respectfully,
JNO. G. TREADWELL,
Assessor, 14th District, N. Y.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 23, 1866.

SIR: Your letter of the 11th inst., in relation to the grinding of coffee and spices, is received.

I reply, that by the provisions of section 79, paragraph 51, of the act in force, persons who prepare for use and sale by grinding or other process, coffee, spices, or mustard, or their adulterates or substitutes, and those who roast coffee for use and sale, are liable to the special tax of $100 without regard to the amount of their products.

The ownership of the material used does not affect the liability of the manufacturer. Persons therefore who receive coffee, spices or mustard from dealers or others, and prepare the same by roasting, grinding, or other process, for use and sale, at a given price for their labor, are liable to the tax equally with those who own and sell the material they prepare.

The term "other process," as used in paragraph 52, is considered as having no reference to the business of *roasting* coffee, since in the proviso to the same paragraph it is specially provided that those who *roast* coffee for use and sale shall be required to pay the tax imposed upon the grinders of coffee and spices.

Those who roast coffee and those who prepare by grinding or other process, coffee, spices or mustard, or their substitutes or adulterates, for *use and sale*, are therefore liable to the special tax of $100 upon each of these branches of business, although conducted by the same person or firm.

No tax is imposed, however, upon the preparation of these articles when not intended for use *and sale*.

Persons who retail coffee and spices or mustard, may after the sale is effected, grind the same in small quantities for their customers, without *charge or receiving payment for so doing*, and incur thereby no liability to the tax imposed upon the grinders of coffee and spices.

In further reply I have to say, that it is not within the province of this office to alter or amend the provisions of the law, nor is the office in any wise responsible for the consequences of its impartial enforcement.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

J. G. TREADWELL, ESQ.,
Assessor, &c., Albany, N. Y.

SPECIAL TAX RECEIPTS ARE NOT TRANSFERABLE TO ASSIGNEES.

ASSESSOR'S OFFICE, 14th DIST., NEW YORK,
ALBANY, October 25th, 1866.

Hon. E. A. ROLLINS, *Commissioner.*

SIR: Upon consultation with the collector of this district, Theodore Townsend, Esq., I beg leave to make the following inquiry, viz.:

Is it lawful, under paragraph 60, page 29, of the act of July 13th, 1866, for a collector, on proper application to the assessor, to transfer a receipt given to any person or persons for a special tax, when such person or persons dispose of their property and the good will of the establishment to other parties, without payment of any additional tax.

Very respectfully,
JOHN G. TREADWELL,
Assessor, &c., N. Y.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 30, 1866.

SIR: I reply to your letter of the 25th instant that under the new law, special tax receipts can not be transferred from one party to another as licenses were, not even when (as you suggest) one party sells out to another, both the property and good will of the establishment.

It is only in case of death that the special tax receipt is transferred from one person to another; and then to none but the legal representatives of the deceased.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

J. G. TREADWELL, ESQ.,
Assessor, &c., Albany, N. Y.

BRASS AND COMPOSITION CASTINGS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 31st, 1866.

SIR: In reply to your letter of October 30th, in relation to brass castings, I have to say that brass and composition castings, not specially exempted, are liable to an ad valorem tax of 5 per cent. under the general provisions of section 94 of the present excise law.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

JESSE S. ELY, Esq.,
Assessor, &c., Norwich, Conn.

Customs Department.

OFFICIAL.

BOAT DETACHING APPARATUS ON BOARD SEA GOING VESSELS.

Circular to Collectors of Customs.

TREASURY DEPARTMENT,
WASHINGTON, November 3, 1866.

Congress at its last session having passed a act further to provide for the safety of the lives of passengers on board of vessels, approved July 25, 1866, the tenth section of which is as follows:

That all seagoing vessels carrying passengers and those navigating any of the Northern and Northwestern lakes, shall have the lifeboats required by law, provided with suitable berths and disengaging apparatus, so arranged as to allow such boats to be safely launched with their complements of passengers while such vessels are under speed or otherwise, and so as to allow such disengaging apparatus to be operated by one person disengaging both ends of the boat simultaneously from the tackles by which it may be lowered into the water.

Your attention is called to the same, with the request that you will bring it to the notice of ship owners and others interested and impress upon them the importance of complying with its provisions.

HUGH MCCULLOCH,
Secretary of the Treaury.

ORGANIZATION OF A NEW NATIONAL BANK.—The Bank of the State of Missouri, at St. Louis, has been converted to the national banking system, under the title of "The National Bank of the State of Missouri, in St. Louis," with a capital of $3,410,300, but without circulation until it can be furnished by future legislation of Congress.

If the national banking system were not a close corporation monopoly, each and every portion of our common country could be furnished at its option with the requisite banking facilities and the necessary circulating medium. As the general government is vested by the Constitution with exclusive authority to provide a circulating medium, it is incumbent upon it to remove the limitation upon national banks, and place all men and capitalists upon an equal footing.

Circular No. 46, issued by the Paymaster General, contains important instructions to paymasters in regard to the manner of preparing accounts of bounty payments, and also prescribes the forms to be used in such cases. Soldiers paid upon final statements will receive all bounties accruing to them under the different acts of Congress; others will receive their bounties upon the settlement of their pay accounts at the Paymaster General's office.

A RECENT circular from the Pension office states that applications for increase of pensions, under the acts of June 6 and July 25, 1866, form a part of the unadjudicated or pending claim, and their receipt is not acknowledged by this office. The condition of all adjudicated claims is reported from time to time by circular or by letter, and will not be reported by any agent unless he shall have been recognized by this office as the attorney in the case, nor unless the application shall have been on file at least three months, special cases excepted. Only a duly executed power of attorney confers upon an agent the right to appear in a case, and no unadjudicated claim will be taken from the files for examination unless material evidence shall have been offered to establish its validity.

PROPOSALS FOR STATIONERY.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 19, 1866.

Sealed proposals will be received at this office until the 15th day of November, 1866, at 12 o'clock M., for supplying the Assessors and Collectors of Internal Revenue throughout that portion of the United States lying east of the Rocky Mountains with stationery for the fiscal year ending June 30, 1867, and until the 1st day of January, 1867, for supplying the Assessors and Collectors west of the Rocky Mountains.

Bidders may obtain a schedule of articles to be furnished, with conditions under which such articles are to be delivered, upon application to any Assessor or Collector, or to the Commissioner of Internal Revenue.

No proposals will be entertained from parties who are not regular manufacturers or dealers in the articles bid for, nor will proposals be considered unless accompanied by satisfactory guarantees that the contract will, if awarded, be faithfully executed.

Bids which contain prices less than the fair cost of the articles, will be considered fraudulent and rejected.

The two hundred and forty Collection Districts are distributed into five Departments, as shown by the schedule furnished, and each proposal must name the Department it is proposed to supply.

The Commissioner reserves the right to reject any bids which the interest of the Government may require.

The bids should be addressed to the Commissioner of Internal Revenue, indorsed, "Proposals for supplying Stationery to Internal Revenue Officers."

E. A. ROLLINS, Commissioner.

THE INTERNAL REVENUE RECORD

Presents advantages for advertising unequalled by any weekly paper in the Union. Being the only paper devoted to the subject of taxation, it is taken by every Internal Revenue officer, Collector, Assessor and Assistant Assessor, numbering nearly 4,000, located in almost every county, city and town in the States and Territories, from Maine to Texas, from California to Minnesota; to the great seaboards of the Atlantic, the Gulf, and the Pacific, the RECORD speeds every week, not merely to be glanced at and destroyed, but to be preserved as public property on the files of their offices for daily reference. Apart from its official circulation, it is widely patronized by taxpayers of all kinds, who know money's worth in keeping up with the changes in the tax laws. The New York dailies, and *some* weeklies, have a larger, but not one a *wider* circulation, or is a better advertising medium than the RECORD.

RATES FOR ADVERTISING.

15 cents per line for the outside pages.

One square, 8 lines, one insertion			$1 10
6 insertions			6 00
13	"	(3 months)	11 00
26	"	(6 months)	20 00
52	"	(1 year)	35 00

Where more squares than one are advertised at once a discount of 10 per cent. on the foregoing rates will be allowed.

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Job work, cards, circulars, bill heads, etc., neatly and promptly executed at reasonable prices.

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Are received only to begin with July or January of each year. Price per annum $5.00; six months, $2.50—in advance.

Clubs of 3, to one address, for one year	$12.00
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Back volumes supplied.

A neat patent file (price $1,) for preserving the RECORD, will be sent free to every assistant assessor who will forward one annual subscription, or a club of three.

P. VR. VAN WYCK, *Publisher*,
Office 95 Liberty st., New York

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 20. NEW YORK, NOVEMBER 17, 1866. WHOLE NUMBER 98

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

SEVERAL important decisions are published in this week's issue.

The surplus earnings of an incorporated bank are no part of its capital within the meaning and intent of the Act of June 30, 1864, which relates to license taxes. The license tax of an incorporated bank should be assessed upon its chartered capital.

Grocers and dealers who grind coffee are liable to the special tax of $100, under Section 51. They, however, are not liable if the sale is effected before they grind the same in small quantities, without receiving payment for so doing.

Syrups put up in cans, bottles or other similar packages are liable to a stamp tax of one cent if not exceeding two pounds in weight. When exceeding two pounds, a stamp tax of one cent for each additional pound or fraction thereof. When syrups are not put up in cans or similar packages they are liable to an ad valorem tax of 5 per cent.

Cigars before they are removed for consumption, must be inspected and stamped. If sold in bulk, they must be packed by the purchaser, then stamped and inspected, and the tax paid within fifteen days after purchase. The Assessor is the proper person to appraise the cigars where the tax is to be assessed on the appraised value.

Attention is called to the circular from the Register's office relating to the transfer of stock, and also to the Paymaster General's order in relation to the payment of checks in settlement of bounties.

STATISTICAL CIRCULAR.

The Bureau of Statistics addressed a circular last October to assessors for the purpose of obtaining information from each assistant assessor in answer to the following enquiries: (1) What is the whole number of persons on the income tax list of your division for 1866? (2) To the best of your judgment, what is the present total population of your division (irrespective of age, sex or color, and without regard to the census returns)?

It was doubted by many assistants whether the number of persons who were assessed for income, merely, were to be reported, or whether the whole number of persons assessed on the annual list for 1866. To remove this doubt, and obtain the precise information wanted, we publish the following letter to which the attention of assessors and assistants is particularly directed:

TREASURY DEPARTMENT,
BUREAU OF STATISTICS,
October 31st, 1866.

SIR: Your letter of the 30th, calling for a construction of the first question contained in the circular lately issued from this Bureau to Internal Revenue Assessors, is received. The question, "What is the whole number of persons on the income tax list for 1866 of each division of your district," should be construed to mean "the whole number of different persons on the annual list." If convenient, the Assistant Assessors, may at the same time state what portion of this number paid income tax only.

Very respectfully,
ALEX. DELMAR, *Director.*

PHILIP H. NEHER, Esq.,
Assessor, 15th District, Troy, N. Y.

It is presumed, of course, that the term "persons" includes firms and corporations assessed for licenses.

In language that will be readily comprehended, the answer to the first question should be the number of persons on the said annual list for which the assistant charged three cents per name. Where two or more assessments shall have been made against a person or firm, the name should be counted but once.

STATEMENT OF THE PUBLIC DEBT OF THE UNITED STATES ON THE 1st OF NOV., 1866.

DEBT BEARING COIN INTEREST.

5 per cent Bonds....	$198,091,350 00	
6 per cent bonds of 1867 and 1868	16,033,741 80	
6 per cent bonds 1881	283,739,750 00	
6 per cent 5-20 bonds	823,944,000 00	
Navy Pension Fund	11,750,000 00	
		$1,333,558,841 80

DEBT BEARING CURRENCY INTEREST.

6 per cent bonds....	9,882,000 00	
3-year compound interest notes.....	148,512,140 00	
3-year 7-30 notes...	724,014,300 00	
		882,408,440 00
Matured debt not presented for payment.....		86,988,209 21

DEBT BEARING NO INTEREST.

U. S. notes.....	390,195,785 00	
Fractional currency..	27,588,010 33	
Gold certificates of deposits.....	10,896,980 00	
		428,680,775 33
Total debt.....		2,681,636,966 34
Amount in Treasury, coin.....	99,413,018 55	
do. currency....	30,913,942 07	
		130,326,960 62
Am't of debt less cash in Treasury		2,551,310,005 72

The foregoing is a correct statement of the public debt, as appears from the books and Treasurer's returns in the Department, on the 1st of November, 1866.

H. McCULLOCH,
Secretary of the Treasury.

The above statement exhibits that the public debt has decreased $22,626,935 96 since the first of October last.

Treasury Dept., Decisions, &c.

OFFICIAL.

TREASURY DEPARTMENT,
WASHINGTON, Nov. 10, 1866.

The following paragraph, contained in Treasury Department circular of May 27, 1857, to the treasurer and assistant treasurers of the United States, and other depositaries of public money, is hereby rescinded:

"Whenever any disbursing officer or disbursing agent shall die, resign, be superseded, or removed, you will at once stop further payments of his drafts or checks upon you."

Hereafter, checks previously drawn by disbursing officers or disbursing agents who may die, resign, be superseded, or removed, will be paid from funds on hand to their credit, unless the same have been drawn more than four months before their presentation, or there are reasons for suspecting fraud, or circumstances which would lead a judicious officer to decline to pay the same.

Referring also to the directions in said circular, and in the circular of the same date to disbursing officers and agents, that public depositaries will not be *required* to pay drafts of disbursing officers when payable *to any person or his order*, the construction which has been placed upon the instructions, *forbidding* the payment of such drafts payable to order, is hereby modified; and hereafter the treasurer, assistant treasurers, public depositaries are authorized, in their discretion, (when satisfied of the correctness of the endorsements,) to pay drafts payable to order in cases where serious inconvenience, delay, or injury would result by refusing to pay the same.

H. McCULLOCH,
Secretary of the Treasury.

REGULATIONS CONCERNING UNITED STATES STOCK.

TREASURY DEPARTMENT,
REGISTER'S OFFICE, October 1, 1866.

TRANSFERS OF STOCK.

1. All transfers of Registered Stock must be made on the books of the Treasury, in the Register's Office, and none can be made within thirty days before the payment of interest on said stock.

2. The Certificate to be transferred, or of which any part is to be transferred, must be produced at the Office of the Register of the Treasury, in order that the same may be cancelled, and that such new Certificates may be issued as the case may require.

3. The FORM of transfer, on each bond, will be followed. Where it is intended to transfer a *portion*, only, of any Certificate, the assignment will vary accordingly, by saying "One thousand dollars, (or whatever may be the portion assigned,) part of a certificate of stock," &c., and authorizing the Register of the Treasury to transfer "one thousand dollars of the said stock," &c.

When a certificate is to be divided among several persons, the assignment will name them, and the respective portions to be transferred to each.

When a portion of a Certificate is left without being assigned, a new one will be issued, for the part so reserved, to the owner thereof. It is desirable that the assignment should in all cases *be upon the Certificate. The blanks must be filled up.*

It is to be signed by the person whose name is in the certificate as the payee; if it be the name of a firm, then by one of such firm, in its name; and if there be several persons, then by all of them, except in cases of Trustees, Executors, &c., where, by law, any one of them has the authority to dispose of such property.

4. The execution of an assignment, when not made at this Department, must be witnessed by a United States Judge, District Attorney, or Clerk, or a Collector of the Customs, United States Treasurer or Assistant, an American Minister abroad, United States Consul, or a Notary Public. If witnessed by either of the two latter his official seal must be attached. In all cases the witness must add his official designation and residence. If assigned by a corporation, it must be described as the assignor. When it has not been previously done, evidence of the official character of the person signing must be furnished, as that he is President or Cashier of a Bank, and also *proof of his authority to make the assignment.* Executors, Administrators, and Trustees, where the stock stands in the name of the person they represent, must furnish legal evidence of their official character, to be filed.

5. The party entitled to assign a Certificate may constitute an Attorney for that purpose, by a power of attorney, which must be executed before some officer or person before whom the assignment might be executed, (see preceding regulation,) and who must in like manner certify to the identity of the party executing such power. The assignment may then be executed by such Attorney, in the same manner as above provided in respect to the constituent, and a like certificate of the identity of the Attorney must be given.

An assignment may be executed by a resident of a foreign country before a Notary Public of such country, and a power of attorney to make such assignment may be executed before any officer of that description, before whom, also, the Attorney may execute the assignment.

When not contrary to the laws of the country, assignments and powers executed before any public Minister or Consul of the United States, and certified by him in the manner provided, will be sufficient. In special cases of bodily infirmity, causing an inability to attend in person before the proper officer, duly established by affidavits proving such bodily infirmity, and the identity of the assignor, under oath, by two witnesses certified to be credible by the officer before whom they are sworn, proof will be received, and if entirely satisfactory, the assignment will be allowed. A correct translation must accompany all documents transmitted to this office in a foreign language.

6. When the assignment is executed in any other place than the Treasury, it must be transmitted to the Register for the purpose of having the transfer completed on the books. The new certificates will be returned to the person who forwarded the assignments.

7. The assignee will in all cases designate on the Certificate to be assigned, or in a separate communication, the Depository of the Treasury at which he desires the interest to be paid.

8. In case of the decease of a stockholder, a transfer of his stock may be made either by his executor or administrator, or by the person to whom such stock has been devised; or who, by the laws of the country in which the stockholder resided at the time of his death, has succeeded to the ownership thereof, or who under such laws has the right to take possession of such stock.

9. In case the stockholder, at the the time of his death, was a resident of the United States, his executor or administrator must produce an exemplified copy of the letters of administration, or a certificate of the fact of such letters having been issued, by the officer from whose office the same were granted under his hand and seal.

If the applicant claims the stock as a devisee, or as having succeeded to the rights of the holder, he must produce the decision of some competent tribunal to that effect, duly exemplified under its seal, that the decree or judgment was rendered by the proper tribunal.

10. In case the stockholder, at the time of his death, was the resident of any foreign country, the person claiming the right to direct the transfer of such stock must produce the evidence of such right, as follows:

If he claims as executor or administrator, or as having been appointed to take charge of the personal estate of such deceased stockholder, he must produce a copy of the instrument giving him such authority, duly exemplified, or having a probate act or certificate of the proper officer endorsed thereon, setting forth that such instrument had been duly proved, specifying the court in which, and the day when such proof was made, and duly exemplified under the hand and seal of the officers from whose office the original was issued, accompanied by a certificate of the American Minister or a Consular Agent of the United States in such country, or, if there be none, of a Notary Public, to the effect that the officer granting such authority had jurisdiction of the subject by the laws of such country, and that the exemplified copy is by the proper officer and in due form.

If the claim be on the ground that the stock has been devised to the applicant, or that he has succeeded as a relative to the rights of any decedent in any certificate of stock, a decision of the competent tribunal of the country, establising the right of such claimant, must be produced, duly exemplified or authenticated under its seal and by the signatures of its officers, and accompanied by the certificate of some officer enumerated in the preceding paragraph, to the effect that such decision was pronounced by a tribunal which, at the time, by the laws of the country, had jurisdiction of the subject and authority to make such decision, and that the copy of the decree or judgment of such tribunal is duly authenticated by the proper officers.

11. No charge is made for effecting the transfer of stock. The only expenses are those incurred in authenticating the necessary papers previous to their presentation.

12. The new Certificate issued upon a transfer of stock will bear interest from the first day of the half year in which such transfer is made, and interest will be paid to the assignee for the whole of that half year. If any interest has accrued prior to the first day of such half year it will be paid only to the person who was the holder of the stock at the time such interest accrued.

13. In all cases where authority is granted by corporations to their officers, or others, to assign United States stock held by such corporations, evidence must be furnished to the Register of the Treasury by a copy of the instrument granting authority, certified by the Secretary and attested by the corporate seal, also giving the *full name* as well as the *official designation*, of the person so empowered. Such authority can only be delegated by the charter, constitution, or by-laws, or by resolution of the board of directors, (or analogous body.) When assigned by officers, *empowered by virtue of their office*, a certificate of their election, certified and attested as above directed, must be furnished to the Register.

NOTE.—Such papers are placed permanently on file, in the office of the Register of the Treasury, for reference in subsequent transactions.

PAYMENT OF INTEREST.

14. Interest will be paid upon registered stock at either of the following named places:

By the Treasurer United States, Washington, D. C.; Assistant Treasurers United States at New York, Philadelphia, Boston, New Orleans, and St. Louis, and the United States Depositaries at Baltimore, Cincinnati, and Chicago.

15. The place of payment will be changed, upon notice in writing from the holder of stock to the Register of the Treasury: *Provided*, such notice be given at least thirty days previous to the date of payment.

16. Interest will be paid to the person entitled to re-

ceive it on his signing a receipt therefor, or upon his letter of attorney, acknowledged or proved in the *same* manner, and before one of the *same* officers authorized to certify to the execution of an assignment of stock, specified in Regulation No. 4. Pay agents, when doubting the identity of parties applying for interest, may require the *certificate* of stock to be exhibited.

STATEMENT OF THE FUNDED DEBT OCTOBER 1, 1866.

Date of authorizing acts.	Rate of interest.	Am't of loan.	Date redeemable or payable.	Interest payable.	Transfer books closed.
1847, January 28	6 per ct.	$9,390,250 00	Payable after December 31, 1867	January and July.	Dec. 2 to 31, and June 1 to 30.
1848, March 31	6 per ct.	6,868,341 80	Payable 20 years from July 1, 1848	" "	" "
1858, June 14	5 per ct.	20,000,000 00	Payable 15 years from January 1, 1859	" "	" "
1860, June 22	5 per ct.	7,022,000 00	Payable 10 years from January 1, 1861	" "	" "
1861, February 8	6 per ct.	18,415,000 00	Payable December 31, 1880	" "	" "
1861, July 17 and August 5	6 per ct.	189,307,750 00	Payable at the pleasure of Government after 20 years from June 30, 1861	" "	" "
1861, March 2	6 per ct.	1,016,000 00	Redeemable 20 years from July 1, 1861	" "	" "
1862, February 25	6 per ct.	514,780,500 00	Redeemable after 5 and payable 20 years from May 1, 1862	May and Nov'r.	April 1 to 30, and October 2 to 31.
1862, July 1; and 1864, July 2	6 per ct.	8,922,000 00	Redeemable 30 years from 1st January of the year in which the original bonds are issued	January and July.	Dec. 2 to 31, and June 1 to 30.
1863, March 3	6 per ct.	75,000,000 00	Payable after June 30, 1881	" "	" "
1864, March 3	5 per ct.	171,069,350 00	Redeemable at the pleasure of the Government after 10 and payable 40 years from March 1, 1864	March and Sept.	Jan. 30 to Feb. 28, and Aug. 2 to 31.
1864, March 3	6 per ct.	3,882,500 00	Redeemable at the pleasure of the Government after October 31, 1880, and payable November 1, 1884	May and Nov'r.	April 1 to 30, and October 2 to 31.
1864, June 30	6 per ct.	100,000,000 00	Redeemable after 5 and payable 20 years from November 1, 1864	" "	" "
1865, March 3	6 per ct.	179,499,250 00	Redeemable after 5 and payable 20 years from November 1, 1865	" "	" "
1866, March 3—Consolidated debt	6 per ct.	.....	Redeemable after 5 and payable 20 years from July 1, 1866	January and July.	Dec. 2 to 31, and June 1 to 30.

LETTERS AND COMMUNICATIONS.

17. Letters relating to *redemption* of public securities, the conversion of 7 3-10 Treasury Notes, or the *exchange* of Coupon Bonds for Registered Certificates, should be addressed to the Secretary of the Treasury.

18. Letters relating to the transfer of Registered Stock, or payment of interest on the same, should be addressed to the Register of the Treasury.

19. The transfer books are closed for thirty days previous to the day for payment of dividends, (see Statement of the Funded Debt,) and stockholders desiring the place of payment changed must give notice to the Register one month, at least, before the day of payment.

20. When Bonds are sent for transfer, state where interest is to be made payable, and always inclose stock of different loans in separate letters.

21. When specifying the different loans, or referring to the interest, name the amount of stock, and *describe the loan* by the *date of the act of Congress* authorizing it. (See Statement of Funded Debt.)

22. Powers of attorney for the assignment of United States stock, and assignments, must be properly filled before transmission to the Register, as no blanks can be filled in his office.

23. Powers of attorney to draw *interest* should be addressed to the First Auditor of the Treasury.

The *Forms* annexed should be substantially followed:

Power of Attorney.

KNOW ALL MEN BY THESE PRESENTS, That I, A. B., do hereby appoint C. D. my attorney to sell and assign all U. S. stock now standing, or which may hereafter stand, in my name on the books of the Treasury Department, granting to said attorney power ——— ——— to appoint one or more substitutes for the purposes herein expressed; hereby ratifying and confirming all that may be lawfully done by virtue hereof.

Witness my hand and seal this ——— day of ——— 186–.

A. B. [SEAL.]

Executed in the presence of —— ——, of the ———, in the State of ———.

——— ——— [SEAL.]

NOTE.—To be acknowledged by the constituent before a U. S. Judge, District Attorney or Clerk, or a Collector of the Customs, U. S, Treasurer or Assistant, an American Minister abroad, U. S. Consul, or a Notary Public. If before either of the two latter his official seal must be attached. In all cases the witness must add his official designation and residence.

Certificate of Authority under By-Laws.

At the annual meeting of the stockholders of the ——— held at ———, on the ——— day of ———, 186–, A. B. was elected President, and C. D. Treasurer, and, as such, are empowered by the by-laws (a certified copy of which is hereunto annexed) to sell and assign any and all United States stock now standing, or which may hereafter stand, in the name of this Company.

Attest:

[L. S.] E. F., *Secretary.*

Authority to assign by Vote of Directors.

At a meeting of the Board of Directors of the ——— National Bank of ———, held ———, 186–, it was, on motion.

Resolved, That A. B., President, and C. D., Cashier, or either of them, be, and they are hereby authorized and empowered to assign any and all United States registered stock now standing, or which may hereafter stand, in the name of this Bank.

I certify that the above is a true copy from the minutes.

[L. S.] C. D.,

Cashier and Secretary Board of Directors.

A careful compliance with the foregoing Regulations and Forms will ensure despatch and security in transacting business in this office.

S. B. COLBY,
Register of the Treasury.

The foregoing regulations are approved.

H. MCCULLOCH,
Secretary of the Treasury.

SPECIAL TAX OF $100 ON GROCERS AND DEALERS WHO GRIND COFFEE.

ASSESSOR'S OFFICE,
8TH DISTRICT OF NEW YORK,
NEW YORK Oct. 23, 1866.

SIR: I have the honor to call your attention to what is regarded by small grocers as a great hardship, to wit: a requirement that those of them who grind coffee for use and sale shall pay $100 each for license as a coffee grinder under section 51. Coffee grinding by such persons is represented to be a part of their business of long establishment. If they buy their coffee ground they cannot well guard against its adulteration, and besides, customers require the coffee to be fresh ground, even while they wait for it, so that it may retain the aroma. Yet the profits of large numbers of such dealers in this city, on the article of coffee, would not amount to the sum required for the license.

The law operating in this manner is claimed to be oppressive—tends to discommode the citizens in respect to the supply of a daily want, and to concentrate business that would naturally flow through many channels into the hands of a few.

Under these circumstances, I am requested to suggest the propriety of permitting those persons who deal in roasted coffee to grind it for their customers without becoming liable to the $100 tax; provided they add nothing in price for their grinding. The customer would have of course to pay the tax of one cent per pound for the grinding, and the grinder to make return of it.

Very respectfully,
A. J. BLEECKER, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, November 2d, 1866.

SIR: I reply to your letter of the 23d ult., That the retailers of coffee, spices or mustard may, *after the sale is effected*, *grind* the same in small quantities without charge or receiving payment for so doing, and incur thereby no liability to the *special* tax imposed upon the grinders of coffee and spices.

Apart from this, the grinders of coffee and spices have no immunity under the requirements of the law.

A tax of one cent per pound is imposed upon the roasting of coffee for use and sale, and a similar tax is imposed upon all coffee, spices, or mustard when *ground* by the manufacturer or dealer, whether before or after the sale is effected. The tax upon coffee, when both roasted and ground is therefore two cents per pound.

Your statement of the hardships imposed by the act in force upon the grinders of small quantities of coffee and spices may be correct; but it is not within the province of this office to alter or amend the provisions of the law, nor is the office in any wise responsible for the consequences of its impartial enforcement.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

To A. J. BLEECKER,
Assessor, New York, N. Y.

ASSESSMENT, INSPECTION AND TAX OF CIGARS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 25th, 1866.

SIR: In answer to your letters of 21st and 22d inst., I have to say:

1. That all cigars, before they are removed for consumption, must be inspected and stamped. In order to do this, they are to be packed in the ordinary boxes or packages used by the trade for packing cigars.

2. If sold in bulk, they are to be packed by the purchaser, then inspected and stamped, and the tax paid within fifteen days after the same are purchased.

3. The tax is to be assessed on the market value, as determined by actual sale, except as hereinafter named.

4. When the tax accrues before a sale has been made, the tax is to be assessed on an appraised value.

5. The assessor is the proper person to appraise cigars where the tax is to be assessed on an appraised value. He may, and should, however, avail himself of the knowledge and experience of an inspector in determining values.

6. Under the following conditions the value of cigars, before they are sold, is to be determined for the purpose of taxation, and, therefore, the assessor must make an appraisal, namely: (1.) When cigars are remo[illegible]

bond, (2.) When removed from the place of manufacture or sent to agents, or consigned for sale.

7. When the cigars have been purchased in bulk and packed by the purchaser—in this last case the manufacturer is not to be required to pay the tax—the purchaser assumes all the liability for the payment of the tax, which tax is to be assessed upon the appraised market value and not upon the price paid for the cigars in bulk.

8. Cigars which have been placed in bond may afterwards be withdrawn by the payment of the tax as conditioned in the bond. Then the owner may use, consume, or sell at his pleasure. The demands of the Government have been satisfied, and the owner is not further liable, whatever disposition he may make of his goods.

9. I know of no case where the tax could legally be assessed upon the increased value of cigars.

10. The two small lots of cigars packed in bulk and inspected in accordance with general instructions issued by you prior to receiving specific instructions from this office, under the circumstances, may be reinspected, but must not be regarded as a precedent.

Yours Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

BASSETT LANGDON, ESQ., *Assessor, Cincinnati, Ohio.*

STAMP TAX ON SYRUPS IN BOTTLES, AND AD VALOREM TAX ON SYRUPS SOLD IN BULK.

NEW YORK, September 29, 1866.

DEAR SIR: We are engaged in the manufacture of fruit syrups such as are used for soda water, &c. The syrup is prepared from the juice of the fruit and sugar. We put up our goods in bottles, kegs, demijohns, barrels and jugs, and have been subjected to a tax of six (6) per cent. heretofore.

We are now advised by our assistant assessor that our goods are subject to *stamps*. If this is correct, we beg to be advised in what manner we shall stamp demijohns, barrels, kegs, &c., our goods mostly being in such packages.

Very respectfully, S.

HON. E. A. ROLLINS,
Commissioner of Internal Revenue.

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 11, 1866.

GENTLEMEN: Your letter of the 29th ult., enquiring relative to the liability of stamp duty on syrups which you manufacture has been received.

In answer, I have to say that *syrups*, when put up in cans, bottles, or other similar packages, are liable to a stamp tax of one cent, when such cans, bottles, or other similar packages, with their contents, do not exceed two pounds in weight, respectively.

When they exceed two pounds in weight, they are liable to a stamp tax of one cent for every additional pound or fractional part thereof.

When syrups are not put up in cans, bottle, or other similar packages, they are liable to an ad valorem tax of 5 per cent.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

NO CONSTRUCTIVE BONDING OF CIGARS ALLOWABLE.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 5, 1866.

SIR: I have received your letter of the 30th ult., inclosing a letter from G. Gumpert, Esq., in relation to the bonding of cigars.

In answer, I have to say that the bonding of cigars is a privilege which the law gives to every manufacturer. He can exercise the privilege or not, as he sees fit. Before cigars are bonded, their value is to be ascertained by an appraisement, made by the Assessor of the district. Before cigars are withdrawn from bond, the law requires that the tax should be paid, and after such payment the owner may sell them where and when, and at such prices as he pleases.

The Assessor is not warranted by law, and this office will not sanction any system of constructive bonding.

Where the tax does not accrue on cigars until after a sale has been effected, the actual price received, whether the cigars are disposed of at wholesale or retail, must be returned for taxation.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

JOHN W. FRAZIER,
United States Assessor, Philadelphia, Penn.

STONE WINDOW-CAPS AND SILLS HELD TO BE TAXABLE.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 25, 1866.

SIR: In reply to your letter of Oct. 12, in relation to ornamented stone caps and sills for windows, doors, &c., I have to say that by the Act of July 13, 1866, building stone of all kinds are exempted from tax, but door and window-caps and sills are regarded as manufactures of stone liable to tax when sold or used.

Caps and bases for pillars and cornice, though ornamented, are regarded as building stones, and consequently exempt from tax.

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

EXEMPTION OF MANUFACTURERS OF BOOTS, SHOES, CLOTHING, ETC.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 3, 1866.

SIR:—In reply to your letter of November 1, in relation to the title of manufacturers of boots, shoes, clothing, &c., to exemption under section 98, who may not be entitled to the $1,000 exemption under section 94, I have to say, that manufacturers of boots, shoes, clothing, &c., who are not entitled to the exemption of $1,000 provided in section 94, are entitled to the exemption of $83.33 per month under section 93, provided their products are produced by their own labor or that of their family, and do not exceed in value the rate of 3,000 per annum.

Very Respectfully,
THOMAS HARLAND,
Deputy Comissioner.

J. B. HAYS, Esq.,
Assessor, Meadville, Penn.

[Special No. 47.]

RESPECTING BANKERS' LICENSE TAXES.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 12, 1866.

Under the provisions of the Act of June 30, 1864, the the license taxes of bankers were based upon the amount of capital used or employed. The Solicitor of the Treasury has given it as his opinion, that the surplus earnings of an incorporated bank are no part of its capital within the meaning and intent of that part of said Act which relates to license taxes, and that the license tax of such bank should not be assessed upon a sum greater than its chartered capital.

Wherever, therefore, a sum greater than the chartered capital has been made the measure of such a tax for the current year, the excess will be abated upon an application made in proper form to this office.

...LINS, *Commissioner.*

PAYMENTS OF TAXES BY BANKS, RAILROADS, INSURANCE COMPANIES, &C., MUST BE MADE TO COLLECTORS, AND NOT TO COMMISSONER AT WASHINGTON.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct., 1866.

SIR: Your attention is called to the fact that, under the amendatory act of July 13, 1866, the taxes due from all corporations mentioned in all sections 110, 120 and 122, of the act of June 30, 1864, are made payable to the collector of the proper district, the same as other taxes. Notwithstanding this, many banks, (particularly National Banks in returning dividend tax,) railroads and other corporations continue to make returns direct to this office, depositing the amount of tax to the credit of the United States Treasurer.

As this practice is contrary to law, and leads to great trouble and confusion, you will use all endeavors to have all concerned properly instructed in the matter.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

MARTIN IGOE,
Assessor Sixth District, Indianapolis, Ind.

SPECIAL TAX ON INSURANCE AGENTS.

ASSESSOR'S OFFICE,
EIGHTH DISTRICT, ILLINOIS,
SPRINGFIELD, Oct. 26, 1866.

SIR: In the proviso of article 28, Sec. 79 of the Internal Revenue law as amended July 13, 1866, do the words, "if the annual receipts of any person as such agent shall not exceed one hundred dollars," refer to the premiums, &c., received by him for the company or companies for which he is acting as agent? Or do they refer to the commissions, &c., received by him personally; his annual income derived from the business of insurance agent?

Very respectfully,
D. WICKERSHAM, *Assessor.*

Hon. E. A. ROLLINS, *Commissioner.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Nov. 5, 1866.

SIR: I reply to your letter of the 26th ult., respecting insurance agents, that the words, "if the annual receipts of any person as such agent shall not exceed one hundred dollars," in the first proviso to article 28, Sec. 79, as amended by the new act, are understood by this office as speaking of the individual receipts of such agent as *distinct* from those of the company—in other words, the compensation received by him for his services as insurance agent.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

D. WICKERSHAM, Esq.,
Assessor 8th District, Springfield, Ill.

CONVERSION OF SEVEN-THIRTIES INTO SIX PER CENT GOLD BONDS.

TREASURER'S OFFICE,
WASHINGTON, Nov. 10, 1866.

Payments for interest arising in settlement of seven-thirty notes sent to the Secretary of the Treasury for conversion into United States six per cent. bonds, act of March 3, 1865, should be made in currency or by national bank draft, drawn on any other national bank in this or any of the four principal Atlantic cities, which, when collected, will be received in payment of said interest. When the remittance for such interest is sent in the same enclosure with the notes forwarded for conversion, the amount should be specified in the

letter advising transmission of the notes, and the currency or draft enclosed in an envelope addressed to the Treasurer of the United States, with the contents marked on the outside.

Drafts in payment of interest should in all cases be made payable to the Treasurer of the United States. Remittances for such interest, when not sent with the notes, should be forwarded directly to the Treasurer of the United States. Parties sending seven-thirty notes for conversion should state the denomination of bonds required, and whether they wish registered or coupon bonds. If registered stock is requested, the parties should be particular and state at which of the following places they desire the interest payable: Washington, D. C.; New York, Philadelphia, Boston, New Orleans, St. Louis, Baltimore, Cincinnati or Chicago. Seven-thirty notes sent to this department for conversion should be forwarded to the Secretary of the Treasury, to whom all letters in regard to the conversion of said notes should be addressed

F. E. SPINNER,
Treasurer United States.

OVER DRAFTS BY NATIONAL BANKS.

OFFICE OF COMPTROLLER OF CURRENCY,
WASHINGTON, Nov. 3, 1866.

DEAR SIR: The Examiner, in his statement of the condition of your bank 21st ultimo., reports an item of overdraft. I would recommend that you abandon the practice of overdraft entirely. It is dangerous and unprofitable. It should be a rule of National Banks to require personal security for every dollar of money they loan, and such a rule is requisite to an absolute control of their business. If you have no hold upon your customers beyond their mere check, you are entirely at their mercy. You may appeal to their honor or their honesty, but you cannot compel prompt payment. Probably you know this already, but it is hoped you will regulate your business accordingly in the future.

Very respectfully,
W. R. HUBBARD,
Deputy and Acting Comptroller.

THE PAYMENT OF CHECKS IN SETTLEMENT OF BOUNTY.

PAYMASTER GENERAL'S OFFICE,
WASHINGTON, November 5, 1866.

All restrictions heretofore directed by this office as to the payment of checks or drafts drawn by paymasters in settlement of bounty and other dues of discharged military claimants are hereby revoked.

Payors, in the future, will consider such checks as subject to no special conditions not prescribed by law.

"*After* powers of attorney," giving authority to agents to endorse and collect checks described therein, need not as a preliminary to payment be submitted to the Paymaster General for his order in the case. This office will no longer take cognizance of checks after their delivery to the authorized parties. The payor alone must be responsible for their payment, under such conditions as the laws, the regulations of the Treasury Department, and business usages impose.

B. W. BRICE, Paymaster General.

CIGAR STAMPS.—The new stamps to be used by importers of cigars have been printed by order of the Treasury Department, and will be distributed to special agents of the Treasury Department in a few days. They somewhat resemble the internal revenue stamp, with the exception that the Treasury stamp is about four inches in length, printed in red ink, with a neat border encircling the vignette of Washington.

Customs Department.

OFFICIAL.

ADDITIONAL REGULATIONS IN REGARD TO THE COMMERCE AND INTERCOURSE WITH FOREIGN CONTIGUOUS TERRITORY.

Circular Instructions to Collectors and other Officers of the Customs.

TREASURY DEPARTMENT,
WASHINGTON, October 18, 1866.

In accordance with the authority given by the third section of the act "to prevent smuggling," approved June 27, 1864, and the third section of the act "further to prevent smuggling," approved July 18, 1866, and also of the fifth section of the act "to protect the revenue, and for other purposes," approved July 28, 1866, the following regulations are prescribed:

1. All Consuls, Vice-Consuls, and Commercial Agents of the United States are authorized to act under, and discharge the several duties enjoined upon officers of the United States by the second section of the act of June 27, 1864; and when application is made to either of them by the proper person, to close and seal any vessel, car, or other vehicle, he shall require of the applicant a triplicate manifest of the cargo, lading, or contents of such vessel, car, or other vehicle, setting forth, by their appropriate names, all envelopes, including all boxes, casks, barrels, bales, bags, bundles, trunks, and packages; and by number, weight, or measure, all articles not enclosed in such envelopes or packages constituting such cargo, lading, or contents, and including the baggage and effects of passengers, and the place of destination of each, respectively; upon which manifest shall be the following declaration, oath, or affirmation, to be made or taken before any magistrate or other officer duly authorized to administer oaths:

I, A B, (owner, agent, master, conductor, or whatever he may be,) of the (vessel, steamer, boat, car, &c.,) called or numbered ——, now about to depart and bound to ——, in the United States, do solemnly (declare, swear, or affirm) that this manifest contains a full and complete list of all the bales, bags, barrels, boxes, bundles, casks, hogsheads, packages, and articles of every kind whatsoever, which constitute the cargo or lading of said (vessel, steamer, car, &c.) And I further solemnly (declare, swear, or affirm) that there is not any article which is subject to duty by the laws of the United States on board or in said (vessel, steamer, &c.,) which is not herein included, to the best of my knowledge and belief.

Sworn (or declared or affirmed) to and subscribed before me this —— day, &c.

DUTY OF CONSUL, OR SEALING OFFICER.

2. On receiving such manifest and copies, the officer applied to shall close and seal every opening to the said cargo, lading, or contents, so far as it is in his power so to do; and shall seal every envelope, package, and other article embraced in such cargo or lading, and not already placed where access cannot be had without breaking a lock, fastening, or seal, and shall endorse and attach his official seal to the manifest and return it to the applicant; which shall be the passport of such vessel, car, or other vehicle to the place of its destination. And further, he shall retain on file in his office, as a part of its records, one of said copies of the manifest, and shall immediately forward the other copy to the Collector or other officer of the customs at the place of destination of such vessel, car, or other vehicle. And when such cargo, lading, or contents are destined for different points or places, the proper officer of the customs, on receiving any part thereof, shall certify the same on the manifest.

3. In closing and sealing trunks, boxes, bales, barrels, or other envelopes or packages of any kind, the proper officers, in order to guard against false bottoms, movable hinges, and other fraudulent contrivances, will take care that the same are so secured by cords or wires, and additional seals, that they cannot be opened, nor any part of the contents taken from them, without removing, breaking, or cutting such cords, wires, or seals.

4. Each officer shall keep a minute or record of the number of seals he shall affix to any vessel, car, or vehicle, whose manifest he may certify, and also of the number of seals placed upon any trunk, box, bale, barrel, or other envelope, package, or other article embraced in the cargo, lading, or contents thereof, and note the same upon the manifest and copies thereof. And each customs officer, on removing any seals from such vessels, cars, or other vehicle, and on receiving on any part of the contents thereof, shall check the seals thereon by his proper initials on the manifest; and the officer at the port of final destination of such vessel, car, or other vehicle, shall, in addition to checking on the manifest the seals received by him, also transcribe from the said manifest all the checks thereon upon the copy of the manifest in his hands and carefully preserve the latter.

WHEN IT IS IMPOSSIBLE OR VERY INCONVENIENT TO UNLOAD, WHAT IS TO BE DONE.

5. It may possibly happen that a vessel may come to at a place where there are no conveniences for unloading; in such cases the proper officer of the customs is authorized to place an Inspector on board and in charge of such vessel to accompany it, at the proper cost and charge of the owner, or owners, or master thereof, to such port or place as it may be most convenient for unlading and inspecting the cargo; and such Inspector shall remain on board in charge of such vessel until it shall be delivered over to the proper officer of the customs of the port to which it is bound, or until the cargo can be unladen and inspected.

FURNISHING LOCKS, WIRES, SEALS, ETC.

6. The owner or owners, agent, master, or person having charge of any vessel, car, or other vehicle which is thus to be closed and sealed, must have such vessel, car, other vehicle provided with sufficient cordage, locks, staples, and hasps, wire of the proper kind, and leads for seals according to samples furnished by the Secretary of the Treasury, and they must have them ready for the Consul or other proper officer to stamp whenever called upon to seal an such vessel, car, or other vehicle.

FEES.

7. A tariff of fees will be furnished to Consuls and other officers of the United States; and all fees must be paid, in coin, at the time the service is rendered, and before the manifest is delivered by the United States officer.

DUTIES OF OFFICERS OF CUSTOMS.

8. All vessels, cars, and other vehicles must proceed as soon as sealed, without unreasonable delay, to the place of destination mentioned in the manifest of the cargo or lading, and there report to the Collector or other proper officer of customs, whose duty it will then be to take possession of such vessels, cars, or other vehicles and contents, and cause the seals to be removed, (keeping an account of their number, as heretofore mentioned,) and the same to be unladen in presence of an Inspector, and the contents or lading to be thoroughly inspected. That this may be effectually done, boxes, bales, bags, barrels, bundles, casks, trunks, and other envelopes, may be opened and their contents ascertained.

TRAVELLING BAGGAGE.

9. Trunks, travelling bags, boxes, and everything containing articles of wearing apparel or other personal effects, or purporting to do so, must be opened and their contents thoroughly inspected by the proper officer of the customs, who shall remove the seals from the car containing such baggage; no trunk, travelling bag,

valise, or other envelope to be delivered or taken away until thus inspected, and all baggage among which may be found secreted any articles liable to duty upon which duties have not been paid must be seized and retained.

VESSELS AND STEAMERS BOUND UP LAKE HURON.

10. Steam or other vessels from any port or place in Canada, destined for any port or place on Lake Michigan, shall report at the port of Mackinaw, and if the cargo of any such steamer or other vessel shall not have been sealed by a Consul or other United States officer, as required by the second section of the act of 27th June, 1864, a manifest of the cargo must be presented to the principal officer of the customs at the port of Mackinaw, setting forth clearly and distinctly a description of all the goods, wares, or merchandise on board, from what port or place shipped, and at what ports destined to be landed, and that he has no other goods on board than those mentioned in said manifest; to all of which facts the master of the vessel must make oath, before the Collector or Deputy Collector at the port of Mackinaw, the said oath to be inscribed on the manifest to be retained by the master of the vessel and on the manifest delivered to the Collector, and signed by the captain in presence of the Collector or Deputy Collector of the port of Mackinaw, who, if satisfied with the correctness of the proceedings, will certify the same on both the manifests, and issue a permit to the vessel to proceed to the port of destination. Collectors at ports on Lake Michigan are instructed to regard any manifest of vessels coming from Canadian ports as irregular, unless the oath of the master is inscribed on it, and signed as required in the presence of the Collector or Deputy Collector of Customs at the port of Mackinaw, and subject to the penalties prescribed by the acts of June 27, 1864, and of July 18, 1866.

SMALL PACKAGES.

11. To avoid the trouble of sealing a large number of small packages, such packages may be enclosed in a large box, or boxes, or in crates, such as are used upon railroads, which may then be fastened and sealed.

SEALS TO BE KEPT UNDER LOCK.

12. Every officer of the United States to whom is intrusted a seal or die to be used for sealing vessels, steamers, boats, cars, and other vehicles, bales, bags, barrels, boxes, trunks, and other things, is enjoined to keep it, when not in use, in some secure place under lock; nor is he to allow it to go into the possession of, or be used by any one but a sworn officer of the United States, and for a legitimate purpose.

EXAMINATION OF PASSENGERS AND THEIR BAGGAGE.

13. With a view to prevent the smuggling of dutiable goods into the United States by means of concealment about the persons or in the baggage of persons arriving from a foreign contiguous country, all such persons and their baggage shall be examined on their arrival in the United States by a proper officer or officers of customs.

At Buffalo, Detroit, Port Huron, Ogdensburg, and other ports in the United States, where connections are made between American and Provincial railways by means of ferry-boats, passengers and their baggage, arriving from a foreign contiguous territory, shall be inspected and examined upon the boat; and passengers shall not be permitted to land, nor their baggage to be landed, until such inspection or examination shall have been concluded to the satisfaction of the officer making the same.

Cars crossing the Suspension Bridge into the United States will remain on the Bridge, or in an enclosure, until the examination of passengers and their baggage shall have been concluded to the satisfaction of the officer making the same.

Passengers in cars coming to Rouse's Point, St. Albans, and Island Pond, must be examined while on the way between the boundary line and their first stopping place, an Inspector or Inspectors going aboard of them for that purpose at the line.

Passengers' baggage on these cars must be inspected before or after arriving at the first stopping place after entering the United States.

WOMEN TO BE EMPLOYED AS INSPECTORS.

14. Women shall be employed at all ports where a necessity for their employment shall exist, whose duty it shall be, under the direction of the Collector or other proper officer of the customs, to make all proper examinations, to prevent females arriving from foreign countries from smuggling dutiable goods or merchandise into the United States.

BAGGAGE IN TRANSIT THROUGH CANADA.

15. All baggage of passengers in transit through Canada shall be placed in a car or cars, by itself, at the port of departure in the United States; and such car or cars shall be locked or sealed by an officer of customs prior to its leaving, and unlocked and unsealed by a similar officer at the port of arrival.

16. All steamboats or propellors plying between and touching at intermediate American and foreign ports, shall set apart a room in which shall be placed, under United States customs' locks and seals, all baggage of passengers taken on board at one American port destined for another; and all baggage not so secured, arriving at an American port, shall, before delivery, be inspected and examined as if arriving from a foreign port.

17. Baggage taken on board of a steamer plying from the British Provinces to Eastport, and thence along the coast to Portland, Boston, and other ports in the United States, shall be placed in a room by itself, under a United States customs' lock and seal, either by a United States Consul at the port of departure, or by a United States customs officer at the first port of arrival, to be examined on delivery by the proper officer at the port of its destination.

GOODS, WARES, AND MERCHANDISE IN TRANSIT.

18. All goods, wares, and merchandise in transit from one American port to another upon a railway running through a foreign territory shall be placed in cars and locked and sealed by an officer of customs of the United States, at the port of departure, in the United States, and shall be unladen at the first port of arrival in the United States. And in case of the arrival at any port in the United States of cars not so laden, locked, and sealed, containing goods, wares, and merchandise, such goods, wares and merchandise shall be deemed to have arrived from a foreign port, and treated accordingly.

But in case it becomes necessary, in consequence of a difference in the gauge of roads over which such goods or baggage have to be transported, to transfer them from one set of cars to another, in Canada, such goods and baggage may be thus transferred; but must in all cases be done in the presence and under the inspection of an officer of the United States customs, and the cars, in which such goods or baggage shall be placed, shall be locked and sealed by such officer of the customs: *Provided*, That the Provincial Government shall consent that officers of the United States customs may be stationed at such points of transfer, and such railway companies shall pay monthly to the Collector of Customs by whom such officers are nominated, such sum or sums as shall be equal to the monthly compensation of such officers.

MANIFESTS.

19. Manifests of goods, wares, and merchandise, designed for transportation from one American port to another through foreign contiguous territory, shall be prepared by the shippers at the port of departure in the United States—one manifest for each car, giving the name of the shipper, the number of the car, consignee, destination, and a sufficiently particular description of the packages and their contents to insure their identification; which manifests shall be made in triplicate, subscribed by the shipper and certified to, under seal, by the Collector at the port of departure; one to be placed on file by him, one to accompany the cars, or otherwise, to be delivered to the Collector at the port of arrival within the United States, and one to be transmitted by the Collector at the port of departure, by mail, to the Collector at the port of destination. And such goods, wares, and merchandise shall be unladen only in the presence of a United States customs' officer; and on being duly compared by him with the manifests, and found to agree in all respects therewith, shall, if not bonded, be delivered to the owner, importer, or consignee. And if any goods, wares, &c., shall be found not mentioned in the manifest, they shall be detained by the officer, and be subject to such penalties and forfeitures as the law may impose. Officers of customs superintending such unlading are enjoined to carefully examine such goods, wares, and merchandise, and to see that they are the same mentioned in the manifest. But when goods are placed upon cars which are to be changed in Canada, in consequence of a difference of guage of the roads over which they are to pass, instead of the manifests being sent to the Collector at the place of final destination of such goods, they shall be sent to the United States customs' officer at the place where such transfer is to be made. Upon receiving the goods mentioned in any manifest, and finding them all right, he shall certify on the back of such manifest that he has superintended the unloading of the goods therein mentioned, and found them to agree with the manifest, and that they have been transferred to another car, or other cars, giving the number or numbers thereof. He shall then transmit such manifest or manifests to the Collector at the port or place of destination of such goods. But if the goods, boxes, bales, &c., do not agree with the manifest, he shall certify on the manifest wherein they do not agree.

20. Canadian and other provincial lines carrying goods, wares and merchandise from one American port to another, shall, as soon as warehouses can be provided, be required to lade and unlade all such goods, wares, and merchandise, and baggage within the United States; and, at such ports, to provide suitable buildings for the safe-keeping, under United States customs' locks, of any unclaimed goods, wares, or merchandise, and baggage, and suitable rooms for the occupancy and use of the United States customs' officer or officers required to be employed upon their premises.

LOCKS AND SEALS.

21. Locks and seals shall be furnished to Collectors by the United States at the expense of the railway companies, for whose benefit they are to be used.

WHEN CARS NEED NOT BE UNLADEN.

22. Cars arriving in the United States from a foreign contiguous country, having but a single tier of barrels, kegs, hogsheads, or pipes thereon, with no superincumbent lading, or being otherwise so laden that nothing can be concealed, and the whole as well inspected on the car as it could be if removed, need not be unladen to be inspected.

Open cars laden with timber or bar iron, in such manner that the same can be as easily inspected on the car as if unladen, need not to be unladen to be inspected.

Cars laden with cattle, horses, or other live stock, need not be unladen for inspection; but in all cases where the lumber, bar iron, or other articles are to be

entered and duties paid or secured at any port, the same shall be there unladen, and an accurate ascertainment of the quantity and value made.

Platform cars laden with scrap or bar iron, or lumber, in such a manner that no goods or merchandise can be concealed therein, need not be sealed to avoid being unladen; otherwise, they must be. When laden with bags, tanner's bark, wood, or other materials, these must be so confined and sealed in the foreign contiguous country, that goods or baggage which may be concealed therein cannot be taken out without breaking the seals, wire, or cord, by which the load is secured; otherwise, they must be unladen and inspected on arriving within the United States.

VESSELS WHICH CANNOT BE SEALED—HOW TO BE TREATED.

23. Upon vessels and boats entering Lake Champlain from Canada, so laden as not to be susceptible of being so sealed as to prevent goods concealed in the cargo being taken out without disturbing the fastenings or breaking the seals, an Inspector or Inspectors must be placed and remain on board until such vessel or boat and cargo shall arrive at the port of its destination, and be taken possession of by a proper officer of customs of the port, to be unladen and inspected. The expense of such Inspector or Inspectors to be paid in advance by the owner or master of such vessel or boat.

IN REGARD TO THE 20TH SECTION OF THE SMUGGLING ACT OF JULY 18, 1866.

24. Before commencing any proceedings under provisions of the 20th section of the "act further to prevent smuggling," approved July 18, 1866, Collectors of Customs, or other seizing officers, shall submit the facts and circumstances in each case to the Secretary of the Treasury for his consideration and decision.

The Commissioner of Customs is hereby instructed to carry the foregoing resolutions into effect.

H. McCULLOCH,
Secretary of the Treasury.

Gazette.

William H. Merritt, Des Moines, Iowa, Collector, 5th District Iowa, vice Sanford Haines.

Jasper B. Stark, Wilkesbarre, Penn., Collector, 12th District Pennsylvania, vice Joseph A. Scranton.

Joseph A. Henderson, Austin, Texas, Assessor, 2d District Texas, vice William J. Phillips.

Elisha L. Cockrill, Paris, Ky., Collector, 8th District Kentucky, vice William C. Gillis.

Samuel F. Cooper, Van Buren, Ark., Collector, 3d District Arkansas, vice Joseph S. Dunham.

James R. Slack, Huntington, Ind., Collector, 11th District Indiana, vice Dewitt C. Chipman.

Oliver H. P. Scott, Burlington, Iowa, Assessor, 1st District Iowa, vice R. M. Pickel.

Thomas H. Benton, Marshalltown, Iowa, Assessor, 6th District Iowa, vice Cyrus H. Mackey.

Daniel H. Nieman, Easton, Penn., Assessor, 11th District Pennsylvania, vice Charles Grantz.

W. C. Stanbery, Mason City, Iowa, Collector, 6th District Iowa, vice S. B. Hewitt.

Post Office address of Archer N. Martin, Assessor, 7th District Pennsylvania is Ebensburg.

Post Office address of R. H. Lane, Collector, 2d District Texas, is Brownsville.

The Collector of the 2d District, Ohio, is Stephen J. McGroarty, instead of Stephen J. McGwaxty, as stated in No. 98.

LOSS OF DISCHARGE PAPERS.—Application having been made for the additional bounty by a soldier who had lost his discharge, the proper accounting officer has decided that the law forbids the payment of the claim, and that in such cases, however hard it may operate, no authority is vested in any officer of the Government to dispense with a condition which the law has imposed.

The fourteenth section of the act of July 28, 1866, referred to, says: "That no claim for such bounty shall be entertained by the Paymaster-General or other accounting or disbursing officer, except upon the receipt of the claimant's discharge papers."

THE Secretary of the Interior has rendered a decision in an appeal from the action of the Pension Office, in regard to claims for the increase of invalid pensions under the act of June 6, 1866. He says:

"Three grades of disability are described in the act, but it is not to be presumed that Congress supposed that all invalid pensioners who receive the maximum amount under former laws would be therefore entitled to its liberal provisions. The applicant for increased allowance must affirmatively prove that his disability is one of the specific character mentioned in the act, or is equivalent thereto, unless the fact be sufficiently established by the proofs accompanying his original application.

"I am of the opinion that the proofs do not bring a case within the act in question unless they show that the disability is permanent, and incapacitates the applicant from performing manual labor to the same extent as if he had lost a hand and foot."

NEW COUNTERFEITS.

NATIONAL CURRENCY.

20s, on the First National Bank of Indianapolis, Ind. The general appearance of the bill is bad, particularly on the reverse side, the Baptism of Pocohontas being very poorly done. It is, however, a close imitation of the genuine, and calculated to deceive. The plate is liable to be altered to any of the National Currency Banks.

COMPOUND-INTEREST NOTES.

50s, U. S. Compound-Interest Notes, issue of July 15, 1864. On the right end, 50, male portrait—on the left end, full length figure of a female with right hand resting on a book, FIFTY.

50s, U. S. Compound-Interest Notes, issue of Dec. 15, 1864. The female figure on left end is imperfect, particularly the mouth, forehead and hair.

These notes may readily be detected by the scratchy appearance of the drapery on the female at the left end, and also by the imperfect appearance of the male portrait on the right end.

GREENBACKS.

1s, on the U. S. Legal Tender Notes—Can be readily detected by the inferior style of the engraving, particularly the head of Chase. The mouth is crooked, the eyes imperfect, and the hair on the top of the head resembles side hair brushed over to cover baldness.

The back is of a lighter green than the genuine.

This bill, upon a hasty observation is well calculated to deceive.

Counterfeit $5 are in circulation. For execution of work they bear no comparison with the genuine. The portrait on the right end, and the figure of Liberty on the left end, are exceedingly coarse. They are unmistakeable.

Thompson's Reporter.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 21. NEW YORK, NOVEMBER 24, 1866. WHOLE NUMBER 99.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprise his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE complete regulations concerning the use and cancellation of Internal Revenue stamps, and the purchase and distribution thereof, are published in this issue, and they will be found to embody the latest decisions and instructions in the important branch of revenue to which they relate. Especially interesting to Collectors and others in the Southern States is that portion concerning the stamping of instruments by Collectors and parties interested, after the same have been issued. The law imposing stamp duties has been repeatedly amended and modified, and Collectors are particularly enjoined as to the requirement to stamp all instruments presented therefor, which may have been uttered without stamp, or with insufficient, or improper stamps, according to the laws in force at the time of issue.

These regulations have the widest application of any that have been issued under the new law. There is not a wholesale or retail grocer, a dealer in liquors, apothecary or druggist in the country who do not sell and deal in articles liable to stamp, and each and every one is amenable in all the penalties and fines imposed upon the original manufacturer, if they dispose of such articles without stamp. Imported articles are held liable to the stamp tax, in addition to the impost duty.

Assistant Assessors are expected to make themselves thoroughly conversant with the law and regulations respecting stamp duties, and to instruct and inform tax-payers of their obligations and duties; but it should be borne in mind by all dealers in articles requiring stamps, that no plea of ignorance will exempt them from the infliction of the severe penalties provided for such as neglect to affix to such articles the proper stamps.

The letter to the Collector of Customs at New Orleans, contains general instructions respecting tonnage duty on domestic vessels after August 1, 1866, the exemption of the gross receipts of certain vessels from tax, and the status of ferry boats, vessels under five tons burthen; flats, barges, &c., under the recent act of July 13, 1866. It is quite as necessary for officers of Internal Revenue to inform themselves of the law relating to such vessels, as it is for officers of the Customs. In the imposition of tonnage duty and the tax on gross receipts, the two systems of excise and customs are brought directly in contact, and are so complicated as to render it impossible for an officer of either service to discharge his duty efficiently without a full knowledge of both branches.

Some misunderstanding has arisen under the new law respecting the assignment and transfer of licenses and special tax receipts. With respect to *licenses* proper, granted under the laws in force prior to the passage of the act of July 13, 1866, they may be transferred from one locality to another, or may be assigned by the licensees to third parties. Respecting special tax receipts, the new law prohibits their assignment, but it is understood to permit the original holder, or if deceased, his legal representative, to have the same transferred from one premises to another.

THE transportation and per diem attendance upon a court martial were claimed from a place other than that to which the summons had been sent. The Second Comptroller decides the general question of payment affirmatively, otherwise a judge advocate would have it in his power to diminish or increase indefinitely the allowance of the witness by sending the summons to a place nearer to or more remote from the court than he knew the witness to be at the time, and the witness would be made liable for the blunders of the judge advocate, and for his ignorance of the whereabouts of the witness.

In the case presented, the witness was on a temporary visit to Montreal, and would soon have incurred the expense of the return trip, had the notice of the summons never been sent. Payment will, therefore, be made only for the time lost and the extra expense which he necessarily incurred by reason of his attendance upon the court.

TO ENTITLE the heirs of soldiers who have died since discharge to bounty under the act of July 28, 1866, the soldier must have been discharged by reason of wounds received in battle, or on account of disease contracted in the line of duty, and his death must have been caused by such wounds or disease. The evidence on this point must in all cases be clear and satisfactory.

IT is stated that many letters of inquiry are addressed to the Government accounting officers, probably induced by the representations of claim agents, who advertise that the widows of three and nine months' men, killed in the service, are entitled to one hundred dollars bounty under existing laws. They are *not* so entitled, and such applications are consequently useless.

THERE is now but one revolutionary soldier inscribed on the rolls of the pension office—Samuel Downing, who enlisted from Carroll County, New Hampshire, but who now resides at Edinburg, in Saratoga county, New York. In 1861 there were 63 officers and soldiers of the Revolution on the pension rolls, of whom 14 resided in the Southern States and have not since been heard from. In 1862 there were but 30 survivors of the 49 residing in the Northern States. In 1863 there were but 18; in 1864 there were but 5; and in 1865 but 3. Since then Wm. Hutchins of Maine, and Lemuel Cook of New York have died, leaving but one survivor of that patriotic host which Washington commanded.

Treasury Dept., Decisions, &c.

OFFICIAL.

(Series 2, No 10.)

UNITED STATES INTERNAL REVENUE.—STAMP DUTIES, SCHEDULES B AND C.—LAW AND REGULATIONS CONCERNING THE PURCHASE AND USE OF INTERNAL REVENUE STAMPS.—OCTOBER 24, 1866.

Schedule of stamp duties on and after August 1, 1866:

Stamp Duty.

Accidental Injuries to persons, tickets or contracts for insurance against..... exempt.
Affidavits in suits or legal proceedings..... exempt.
Agreement or Contract, other than domestic or inland bills of lading: For every sheet or piece of paper upon which either of the same shall be written..... 5 cts.
Agreement, renewal of, same stamp as original instrument.
Appraisement of value or damage, or for any other purpose: For each sheet of paper on which it is written..... 5 cts.
Assignment of a Lease, same stamp as original, and additional stamp upon the value or consideration of transfer, according to the rates of stamps on deeds. (See *Conveyance.*)
Assignment of Policy of Insurance, same stamp as original instrument. (See *Insurance.*)
Assignment of Mortgage, same stamp as that required upon a mortgage for the amount remaining unpaid. (See *Mortgage.*)
Bank Check, draft, or order for any sum of money drawn upon any bank, banker, or trust company, at sight or on demand..... 2 cts.
When drawn upon any other person or persons, companies or corporations, for any sum exceeding $10, at sight or on demand... 2 cts.
Bill of Exchange, (Inland,) draft, or order for the payment of any sum of money not exceeding $100, otherwise than at sight or on demand, or any promissory note, or any memorandum, check, receipt, or other written or printed evidence of an amount of money to be paid on demand or at a time designated: For a sum not exceeding $100. 5 cts.
And for every additional $100, or fractional part thereof in excess of $100..... 5 cts.
Bill of Exchange, (Foreign,) or letter of credit, drawn in, but payable out of, the United States: If drawn singly, same rates of duty as inland bills of exchange or promissory notes.
If drawn in sets of three or more, for every bill of each set, where the sum made payable shall not exceed $100, or the equivalent thereof in any foreign currency..... 2 cts.
And for every additional $100, or fractional part thereof in excess of $100..... 2 cts.
Bill of Lading or receipt (other than charter party) for any goods, merchandise, or effects to be exported from a port or place in the United States to any foreign port or place. 10 cts.
Bill of Lading, to any port in British North America..... exempt.
Bill of Lading, domestic or inland..... exempt.
Bill of Sale by which any ship or vessel, or any part thereof, shall be conveyed to or vested in any other person or persons: When the consideration shall not exceed $500..... 50 cts.
Exceeding $500, and not exceeding $1, 000.. $1 00
Exceeding $1,000, for every additional amount of $500, or fractional part thereof..... 50 cts.
Bond for indemnifying any person for the payment of any sum of money: When the money ultimately recoverable thereupon is $1,000 or less..... 50 cts.
When in excess of $1,000, for each $1,000 or fraction..... 50 cts.
Bond for due execution or performance of duties of office..... $1 00
Bond, personal, for security for the payment of money. (See *Mortgage.*)
Bond of any description, other than such as may be required in legal proceedings, or used in connection with mortgage deeds, and not otherwise charged in this Schedule..... 25 cts.

Stamp Duty.

Broker's Notes. (See *Contract.*)
Certificates of Measurement or weight of animals, wood, coal, or hay..... exempt.
Certificates of Measurement of other articles... 5 cts.
Certificates of Stock in any incorporated company..... 25 cts.
Certificates of Profits, or any certificate or memorandum showing an interest in the property or accumulations of any incorporated company: If for a sum not less than $10 and not exceeding $50..... 10 cts.
Exceeding $50 and not exceeding $1,000... 25 cts.
Exceeding $1,000, for every additional $1,000, or fractional part thereof..... 25 cts.
Certificate. Any certificate of damage or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such..... 25 cts.
Certificate of Deposit of any sum of money in any bank or trust company, or with any banker or person acting as such: If for a sum not exceeding $100..... 2 cts.
For a sum exceeding $100..... 5 cts.
Certificate of any other description than those specified..... 5 cts.
Charter, renewal of, same stamp as on original instrument.
Charter Party for the charter of any ship or vessel, or steamer, or any letter, memorandum, or other writing relating to the charter, or any renewal or transfer thereof: If the registered tonnage of such ship, or vessel, or steamer, does not exceed 150 tons..... $1 00
Exceeding 150 tons, and not exceeding 300 tons..... $3 00
Exceeding 300 tons, and not exceeding 600 tons..... $5 00
Exceeding 600 tons..... $10 00
Check. Bank check..... 2 cts.
Contract. Broker's note, or memorandum of sale of any goods or merchandise, exchange, real estate, or property of any kind or description issued by brokers or persons acting as such: For each note or memorandum of sale..... 10 cts.
Bill or memorandum of the sale or contract for the sale of stocks, bonds, gold or silver bullion, coin, promissory notes, or other securities made by brokers, banks, or bankers, either for the benefit of others or on their own account: For each hundred dollars, or fractional part thereof, of the amount of such sale or contract..... 1 ct.
Bill or memorandum of the sale or contract for the sale of stocks, bonds, gold or silver bullion, coin, promissory notes, or other securities, not his or their own property, made by any person, firm, or company not paying a special tax as broker, bank, or banker: For each hundred doliars, or fractional part thereof, of the amount of such sale or contract..... 5 cts.
Contract. (See *Agreement.*)
Contract, renewal of, same stamp as original instrument.
Conveyance, deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value does not exceed $500..... 50 cts.
When the consideration exceeds $500, and does not exceed $1,000..... $1 00
And for every additional $500, or fractional part thereof, in excess of $1,000..... 50 cts.
Conveyance. The acknowledgment of a deed, or proof by a witness..... exempt.
Conveyance. Certificate of record of a deed. exempt.
Credit, Letter of. Same as Foreign Bill of Exchange.
Custom-house Entry. (See *Entry.*)
Custom-house Withdrawals. (See *Entry.*)
Deed. (See *Conveyance—Trust Deed.*)
Draft. Same as Inland Bill of Exchange.
Endorsement of any negotiable instrument... exempt.
Entry of any goods, wares, or merchandise at any custom-house, either for consumption or warehousing: Not exceeding $100 in value..... 25 cts.

Stamp D

Exceeding $100, and not exceeding $500 in value..... 5
Exceeding $500 in value..... $
Entry for the withdrawal of any goods or merchandise from bonded warehouse..... 5
Gauger's Returns..... exe
Indorsements upon a stamped obligation in acknowledgment of its fulfillment..... exe
Insurance (Life) policy: When the amount insured shall not exceed $1,000..... 25
Exceeding $1,000, and not exceeding $5,000. 50
Exceeding $5,000..... $1
Insurance (Marine, Inland, and Fire) policies, or renewals of the same: If the premium does not exceed $10..... 10
Exceeding $10, and not exceeding $50..... 25
Exceeding $50..... 50
Insurance contracts or tickets against accidental injuries to persons..... exe
Lease, agreement, memorandum, or contract for the hire, use, or rent of any land, tenement, or portion thereof: Where the rent or rental value is $300 per annum or less... 50
Where the rent or rental value exceeds the sum of $300 per annum, for each additional $200, or fractional part thereof, in excess of $300..... 50 cts
Legal Documents:
Writ, or other original process by which any suit is commenced in any court of record, either of law or equity..... 50 cts.
Where the amount claimed in a writ, issued by a court not of record, is $100 or over.. 50 cts.
Upon every confession of judgment, or cognovit, for $100 or over (except in those cases where the tax for the writ of a commencement of suit has been paid)..... 50 cts.
Writs or other process on appeals from justice courts or other courts of inferior jurisdiction to a court of record..... 50 cts.
Warrant of distress, when the amount of rent claimed does not exceed $100..... 25 cts.
When the amount claimed exceeds $100.. 50 cts.
Letters of Administration. (See *Probate of Will.*)
Letter of Credit. Same as Bill of Exchange, (Foreign.)
Manifest for custom-house entry or clearance of the cargo of any ship, vessel, or steamer, for a foreign port:
If the registered tonnage of such ship, vessel, or steamer does not exceed 300 tons..... $1 00
Exceeding 300 tons, and not exceeding 600 tons..... $3 00
Exceeding 600 tons..... $5 00
[These provisions do not apply to vessels or steamboats plying between ports of the United States and British North America.]
Measurer's Returns..... exempt.
Memorandum of Sale, or Broker's Note. (See *Contract.*)
Mortgage of Lands, estate, or property, real or personal, heritable, or moveable whatsoever, a trust deed in the nature of a mortgage, or any personal bond given as security for the payment of any definite or certain sum of money: Exceeding $100, and not exceeding $500..... 50 cts.
Exceeding $500, and not exceeding $1,000.. $1 00
And for every additional $500, or fractional part thereof in excess of $1,000..... 50 cts.
Order for payment of money, if the amount is $10 or over..... 2 cts.
Passage Ticket on any vessel from a port in the United States to a foreign port, not exceeding $35 ..... 50 cts.
Exceeding $35, and not exceeding $50..... $1 00
And for every additional $50, or fractional part thereof in excess of $50. ..... $1 00
Passage tickets to ports in British North America ..... exempt.
Pawner's Checks..... 5 cts.
Power of Attorney, for the sale or transfer of any stock, bonds, or scrip, or for the collection of any dividends or interest thereon.. 25 cts.
Power of Attorney or proxy for voting at any election for officers of any incorporated company or society, except religious, charitable, or literary societies, or public cemeteries..... 10 cts.
Power of Attorney to receive and collect rent.. 25 cts.
Power of Attorney to sell and convey real estate, or to rent or lease the same..... $1 00

	Stamp Duty.
Power of Attorney for any other purpose	50 cts.
Probate of Will, or letters of administration: Where the estate and effects for or in respect of which such probate or letters of administration applied for shall be sworn or declared not to exceed the value of $2,000	$1 00
Exceeding $2,000, for every additional $1,000, or fractional part thereof, in excess of $2,000	50 cts.
Promissory Note. (See *Bill of Exchange*, Inland.)	
Deposit note to mutual Insurance companies, when policy is subject to duty	exempt.
Renewal of a note, subject to same duty as an original note.	
Protest of note, bill of exchange, acceptance, check, or draft, or any marine protest	25 cts.
Quit Claim Deed to be stamped as a conveyance, except when given as a release of a mortgage by the mortgagee to the mortgagor, in which case it is exempt; but if it contains covenants *may* be subject as an agreement or contract.	
Receipt for satisfaction of any mortgage or judgment or decree of any court	exempt.
Receipts for any sum of money or debt due, or for a draft or other instrument given for the payment of money: Exceeding $20, not being for satisfaction of any mortgage or judgment or decree of court	2 cts.
(See *Indorsement.*)	
Receipts for the delivery of property	exempt.
Renewal of Agreement, contract or charter, by letter or otherwise, same stamp as original instrument.	
Sheriff's Return on writ, or other process	exempt.
Trust Deed made to secure a debt, to be stamped as a mortgage.	
Warehouse Receipts	exempt.
Warrant of Attorney accompanying a bond or note, if the bond or note is stamped	exempt.
Weigher's Returns	exempt.
Writs and other process in any criminal or other suits commenced by the United States or any State	exempt.
Official documents, instruments, and papers issued by officers of the United States Government	exempt.
Official instruments, documents, and papers issued by the officers of any State, county, town, or other municipal corporation, in the exercise of functions strictly belonging to them in their ordinary governmental or municipal capacity	exempt.

CANCELLATION.

In all cases where an *adhesive* stamp is used for denoting the stamp duty upon an instrument, the person using or affixing the same must write or imprint thereupon *in ink* the initials of his name, and the date on which the same is attached or used. When stamps are printed upon checks, &c., so that in filling up the instrument, the face of the stamp is and must necessarily be written across, no other cancellation will be required.

All cancellation must be distinct and legible, and except in the case of proprietary stamps from private dies, no method of cancellation which differs from that above described will be recognized by this office as legal and sufficient.

STAMPING OF INSTRUMENTS BY COLLECTORS PRIOR TO THE ISSUING OF THE SAME, AND BY COLLECTORS AND PARTIES INTERESTED AFTER THEY HAVE BEEN ISSUED.

Any person having an instrument about to be issued, may present it to the collector, who, under the authority conferred upon him by section 162, will so stamp it as to place the sufficiency of that particular instrument beyond all question so far as stamp duties are concerned. The provisions of the section can in no case be applied to an instrument *after* it has been issued or used. The collector should decline to stamp or impress an instrument, under this section, until the stamp duty with which *he* thinks it chargeable has been paid. In cases of reasonable doubt he is recommended to obtain the opinion of this office before affixing his stamp, unless immediate action is essential to the interests of the parties concerned.

Any person who has made, signed, or issued an instrument subject to stamp duty unstamped or insufficiently stamped, or any person having an interest therein, may present it to the collector of the revenue of the proper district, who, upon payment of the price of the proper stamp required by law, a penalty of fifty dollars, and, where the whole amount of the tax denoted by the stamp required exceeds fifty dollars, on payment also of interest at the rate of six per centum from the day on which such stamp ought have been affixed, is required by law to affix the stamp and to note upon the margin of the instrument the date of his so doing, and the fact that such penalty has been paid. This duty is obligatory upon the collector and he has no legal right to refuse to perform it.

When there is a difference of opinion respecting the stamp proper to be affixed, the collector should affix such a one as the applicant prefers: the applicant takes the risk of the validity of his instrument. In such cases, however, it is advisable to refer the question to this office.

When an instrument is presented to a collector to be stamped, under the provisions of section 158, he is authorized to remit the penalty if it shall be proven to his satisfaction that such instrument was issued without the necessary stamp by reason of accident, mistake, inadvertence, or urgent necessity, and without any willful design to defraud the United States of the duty, or to evade or delay the payment thereof; *provided* such instrument is presented to him for that purpose, and the stamp tax chargeable thereon is paid, within twelve calendar months after the first day of August, 1866, or within twelve calendar months after the making or issuing thereof.

An instrument stamped by the collector in conformity with the foregoing instructions is as valid to all intents and purposes (except as against rights acquired in good faith before such stamping and the recording of the instrument, if a record be required) as if properly stamped when made and issued.

An instrument issued unstamped at a time when, and in a place where, no collection district was established, may be stamped by the party who issued it, or by any party having an interest therein, at any time *prior to January 1st*, 1867, and the legal effect of the stamp thus affixed will be the same as though affixed by the collector.

When the originals are lost, the necessary stamps may be affixed to copies in all cases which fall under section 158 or 162.

The following table is designed to show the date of the first establishment of collection districts in those portions of the country where the foregoing provision is principally applicable:

WEST VIRGINIA—October 10, 1862—Counties of Brooke, Hancock, Ohio, Marshall, Witzell, Lewis, Pleasants, Tyler, Doddridge, Harrison, Ritchie, Wirt, Gilmer, Calhoun, Roane, Wood, Monongalia, Preston, Taylor, Tucker, Barbour, Marion, Upshur, Randolph, Webster, Jackson, Mason, Putnam, Braxton, Clay, Kanawha, Cabell.

October 16, 1862—Counties of Hampshire, Hardy, Morgan, Berkeley, Jefferson.

April 27, 1865—Counties of Pocahontas, Pendleton, Nicholas, Greenbrier, Monroe, Mercer, McDowell, Wyoming, Raleigh, Fayette, Boone, Wayne, Logan.

VIRGINIA—October 16, 1862—Counties of Frederick, Shenandoah, Clark, Warren, Loudon, Fauquier, Fairfax, Prince William, Alexandria, Westmoreland, Richmond, Northumberland, Lancaster, Middlesex, Essex, Matthews, King and Queen, Gloucester, New Kent, York, James City, Warwick, Elizabeth City, Accomac, Northampton, Norfolk, Princess Anne, Nansemond, and Isle of Wight, and the cities of Norfolk and Williamsburg.

May 3 1865—Remainder of the State.

NORTH CAROLINA—May 10, 1865.

SOUTH CAROLINA—May 30, 1865.

GEORGIA—May 30, 1865.

FLORIDA—May 4, 1865.

ALABAMA—May 16, 1865.

MISSISSIPPI—June 2, 1865.

LOUISIANA—February 16, 1863.

TENNESSEE—February 7, 1863.

ARKANSAS—March 1, 1865.

TEXAS—June 5, 1865.

Each collector will keep a record of all instruments stamped or impressed by him under the provisions of sections 158 and 162, in which must be given the names of the parties to each instrument, the date of its execution, and a sufficient description of its nature to show the reasons for impressing or affixing the particular stamp. A certified copy of this record will be transmitted to this office at the close of each month during which any entry is made. If, however, during any month the only intruments stamped or impressed have first been submitted to this office for instructions, the transmission of such copy may be deferred until a subsequent month.

The following is a suitable form for such record, and for the sake of uniformity should be adopted by all collectors:

No.	Names of parties.	Date of instrument.	Description of instrument.	When stamped.	How stamped.	Penalty remitted or amount collected.

The whole amount of penalties paid to collectors for validating unstamped instruments should be returned on Form 58, with other unassessed penalties, and the money should be deposited to the credit of the Treasury of the United States with other collections.

That part of the act of July 1, 1862, which relates to stamp duties upon certain instruments therein specified, took effect October 1, 1862. The stamp laws have been amended and changed from time to time since that date, viz: by the amendatory act of March 3, 1863, which took effect upon its passage; by the act of June 30, 1864, which, so far as pertains to stamp duties upon instruments, took effect October 1, 1864; by the amendatory act of March 3, 1865, which took effect upon its passage, and by the amendatory act of July 13, 1866, which, so far as regards such duties, took effect August 1, 1866. Instruments should be stamped according to requirements of the law in force at the time they were made, signed, or issued, and collectors and others, when affixing stamps to instruments which were issued unstamped, should bear this fact strictly in mind.

A person who holds an unstamped conveyance founded upon a "confederate currency" consideration will be allowed to affix such stamps thereto as he may think sufficient, and no prosecution will be instituted by the direction of this office for the recovery of a penalty for failure to stamp it according to the nominal *amount* of such consideration. If the parties interested elect to stamp it according to the actual *value* of the consideration in United States currency at the date of its delivery, they will be allowed to do so, taking their own risk of the sufficiency of the stamp.

The validity of a deed is a question for the courts. It is one of importance to the parties, but not to

office, any farther than the insufficiency of the stamp may affect the revenue.

The foregoing is applicable to other instruments as well as to deeds.

PENALTIES.

A penalty of fifty dollars is imposed upon every person who makes, signs, or issues, or who causes to be made, signed, or issued, any paper of any kind or description whatever, or who accepts, negotiates, or pays, or causes to be accepted, negotiated, or paid, any bill of exchange, draft, or order, or promissory note, for the payment of money, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargable thereon, cancelled in the manner required by law, with intent to evade the provisions of the revenue act.

A penalty of two hundred dollars is imposed upon every person who pays, negotiates, or offers in payment, or receives or takes in payment, any bill of exchange or order for the payment of any sum of money, drawn or purporting to be drawn in a foreign country, but payable in the United States, until the proper stamp has been affixed thereto.

A penalty of fifty dollars is imposed upon every person who fraudulently makes use of an adhesive stamp to denote the duty required by the revenue act, without effectually cancelling and obliterating the same in the manner required by law.

It is not lawful to record any instrument, document, or paper required by law to be stamped, or any copy thereof, unless a stamp or stamps of the proper amount have been affixed and cancelled in the manner required by law; and such instrument or copy and the record thereof are utterly null and void, and cannot be used or admitted as evidence in any court until the defect has been cured as provided in section 158.

All willful violations of the law should be reported to the United States district attorney within and for the district where they are committed.

GENERAL REMARKS.

Revenue stamps may be used indiscriminately upon any of the matters or things enumerated in Schedule B, except proprietary and playing card stamps, for which a special use has been provided.

Postage stamps cannot be used in payment of the duty chargeable on instruments.

It is the duty of the maker of an instrument to affix the stamp thereto and to cancel the same in the manner required by law. Proper cancellation is essential.

Suits are commenced in many States by other process than writ, viz: summons, warrant, publication, petition, &c., in which cases these, as the original processes, severally require stamps.

The jurat of an affidavit, taken before a justice of the peace, notary public, or other officer duly authorized to take affidavits, is held to be a certificate, and subject to a stamp duty of five cents, except when taken in suits or legal proceedings.

Certificates of Loan in which there shall appear any written or printed evidence of an amount of money to be paid on demand, or at a time designated, are subject to stamp duty as "Promissory Notes."

When two or more persons join in the execution of an instrument, the stamp to which the instrument is liable under the law may be affixed and cancelled by either of them; and "when more than one signature is affixed to the same paper, one or more stamps may be affixed thereto, representing the whole amount of the stamp required for such signatures."

No stamp is required on any warrant of attorney accompanying a bond or note, when such bond or note has affixed thereto the stamp or stamps denoting the duty required; and, whenever any bond or note is secured by mortgage, but one stamp duty is required on such papers—such stamp duty being the highest rate required for such instruments, or either of them. In such case a note or memorandum of the value or denomination of the stamp affixed should be made upon the margin or in the acknowledgement of the instrument which is not stamped.

Particular attention is called to the change in section 154, by striking out the words "or used;" the exemption thereunder is thus restricted to documents, &c., *issued* by the officers therein named. Also to the changes in sections 152 and 158, by inserting the words "and cancelled in the manner required by law."

The acceptor or acceptors of any bill of exchange, or order for the payment of any sum of money drawn or purporting to be drawn in any foreign country but payable in the United States, must, before paying or accepting the same, place thereupon a stamp indicating the duty.

It is only upon conveyances of realty *sold* that conveyance stamps are necessary. A deed of real estate made without valuable consideration need not be stamped as a conveyance, but if it contains covenants, such, for instance, as a covenant to warrant and defend the title, it should be stamped as an agreement or contract.

When a deed purporting to be a conveyance of realty sold, and stamped accordingly, is inoperative, a deed of confirmation, made simply to cure the defect, requires no stamp. In such case, the second deed should contain a recital of the facts, and should show the reasons for its execution.

A conveyance of realty sold subject to a mortgage should be stamped according to the consideration, or the value of the property *unencumbered*. The consideration in such case is to be found by adding the amount paid for the equity of redemption to the mortgage debt. The fact that one part of the consideration is paid to the mortgagor and the other part to the mortgagee does not change the liability of the conveyance.

A receipt for a sum of money exceeding twenty dollars and not being for satisfaction of any mortgage, or judgment or decree of court, is subject to a stamp duty of two cents; but no stamp is necessary upon a receipt for a *package* of money as distinguished from a receipt for a specified sum. If, however, the amount contained in the package is named in the receipt and exceeds the sum of twenty dollars, a stamp should be used.

A mere *copy* of an instrument is not subject to stamp duty unless it is a certified one, in which case a five-cent stamp should be affixed to the certificate of the person attesting it; but when an instrument is executed and issued in duplicate, triplicate, &c., as in the case of a lease of two or more parts, each part has the same legal effect as the other, and each should be stamped as an original.

Written or printed assignments of agreements, bonds, notes not negotiable, and of all other instruments the assignments of which are not particularly specified in the foregoing schedule, should be stamped as agreements.

When, as is generally the case, the caption to a deposition contains other certificates in additon to the jurat to the affidavit of the deponent, such as a certificate that the parties were or were not notified, that they did or did not appear, that they did or did not object, &c., it is subject to a stamp duty of five cents.

When an attested copy of a writ or other process is used by a sheriff or other person in making personal service, or in attaching property, a five-cent stamp should be affixed to the certificate of attestation.

The stamp duty upon the probate of a will, or upon letters of administration, [illegible] upon the sworn or declared value of all [illegible] effects, real, personal, and mixed, [illegible] the debts of the estate for or in respect of which such probate or letters are applied for.

When the property belonging to the estate of a person deceased lies under different jurisdictions and it becomes necessary to take out letters in two or more places, the letters should be stamped according to the value of all the property, real, personal, and mixed, for or in respect of which the particular letters in each case are issued.

SCHEDULE OF STAMP DUTIES UPON ARTICLES IN SCHEDULE C, AND IN THE AMENDMENTS THERETO.

	Stamp Duty.
Proprietary Medicines and Preparations.—For and upon every packet, box, bottle, pot, phial, or other enclosure, containing any pills, powders, tinctures, troches, lozenges, sirups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences, spirits, oils, or other medicinal preparations or compositions whatsoever, sold, offered for sale, or removed for consumption and sale, by any person or persons whatever, where such packet, box, &c., with its contents, does not exceed, at retail price or value, the sum of twenty-five cents	1 cent.
Exceeding twenty-five and not exceeding fifty cents	2 cts.
Exceeding fifty and not exceeding seventy-five cents	3 cts.
Exceeding seventy-five cents and not exceeding one dollar	4 cts.
Exceeding one dollar, for every additional fifty cents, or fractional part thereof in excess of one dollar	2 cts.
Officinal preparations, and medicines mixed or compounded specially for any person according to the written recipe or prescription of any physician or surgeon	exempt.
Perfumery and Cosmetics.—For and upon every packet, box, bottle, pot, phial, or other enclosure, containing any essence, extract, toilet water, cosmetic, hair oil, pomade, hair dressing, hair restorative, hair dye, tooth-wash, dentifrice, tooth-paste, aromatic cachous, or any similar articles, by whatsoever name the same heretofore have been, now are, or may hereafter be called, known, or distinguished, used or applied, or to be used or applied as perfumes or applications to the hair, mouth, or skin, sold, offered for sale, or removed for consumption and sale, the same rates per package, &c., as for medicines and preparations.	
Friction Matches.—For and upon every parcel or package of 100 or less	1 cent.
More than 100 and not more than 200	2 cts.
For every additional 100, or fractional part thereof	1 cent.
Wax Tapers, double the rates for friction matches.	
Cigar Lights, made in part of wood, wax, glass, paper or other materials, in parcels or packages containing twenty-five lights or less in each parcel or package	1 cent.
When in parcels or packages containing more than twenty five and not more than fifty lights	2 cts.
For every additional twenty-five lights or fractional part of that number, one cent additional.	
Playing Cards.—For and upon every pack not exceeding fifty-two cards in number, irrespective of price or value	5 cts.
Canned Meats, &c.—For and upon every can, bottle, or other single package containing meats, fish, shell-fish, fruits, vegetables, sauces, sirups, prepared mustard, jams, or jellies, contained therein and packed or sealed, made, prepared, and sold, or offered for sale, or removed for consumption in the United States, on or after the first day of October, 1866, when such can, bottle, or other single package with its contents shall not exceed two pounds in weight	1 cent.
For every additional pound or fractional part thereof	1 cent.

Cigar lights and playing cards in the hands of manufacturers and dealers should be stamped according to

the rates fixed by the law now in force. The fact that they were manufactured prior to August 1, 1866, and are stamped in accordance with the law in force at the time of manufacture, does not relieve them from payment of the increased rates by affixing additional stamps.

No stamp tax is imposed upon any uncompounded medicinal drug or chemical, nor upon any medicine compounded according to the United States or other national Pharmacopœia, or of which the full and proper formula is published in any of the dispensatories now or hitherto in common use among physicians or apothecaries, or in any pharmaceutical journal now issued by any incorporated college of pharmacy, *unless* sold or offered for sale or advertised under some other name, form, or guise than that under which they are severally denominated and laid down in such pharmacopœias, dispensatories, or journals.

No stamp tax is imposed upon medicines sold to or for the use of any person, which may be mixed and compounded for said person according to the written recipe or prescription of a physician or surgeon. But all medicinal articles whether simple or compounded by any rule, authority, or formula, published or unpublished, which are put up in a style or manner similar to that of patent or proprietary medicines in general, or advertised in newspapers or by public hand-bills, for popular sale and use, as having any special proprietary claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect, whether such claim be real or pretended, are liable to the tax.

Stamps appropriated to denote the duty charged upon articles named in Schedule C, and in the amendments thereto, cannot be used for any other purpose; nor can stamps appropriated to denote the duty upon instruments be used in payment of the duties upon articles enumerated in this Schedule.

When proprietary stamps from a private die are used, if they are so affixed to the boxes, bottles, or packages, that, in opening the same, or in using the contents thereof, they shall and must be unavoidably and effectually destroyed, no cancellation is necessary; but if they cannot be so affixed, they should be cancelled in the ordinary manner by writing or imprinting thereon the initials and date. When general proprietary stamps are used, they must be cancelled by writing or imprinting thereon the date and the initials of the party using or affixing them.

When proprietary medicines and preparations, perfumery, and cosmetics are stamped according to their retail price or value in the immediate vicinity of the place of manufacture, no additional stamps are necessary upon them, whatever may be the price at which they are offered.

Any person who offers or exposes for sale any of the articles named in Schedule C, or in any of the amendments thereto, whether they are imported or of foreign or domestic manufacture, is to be deemed the manufacturer thereof, and subject to all the duties, liabilities, and penalties imposed by law in regard to the sale of domestic articles without the use of the proper stamp or stamps for denoting the tax paid thereon. The stamp tax upon such articles imported or of foreign manufacture, is in addition to the import duties, but when such imported articles, except playing cards, lucifer or friction matches, cigar lights, and wax tapers, are sold in the original or unbroken packages in which the bottles or enclosures were packed by the manufacturer, no penalty is incurred for want of the proper stamp. When the packages are opened stamps should be affixed.

REGULATIONS FOR THE PURCHASE OF STAMPS.

Revenue stamps may be ordered from this office in amounts of not less than fifty dollars. Purchasers desiring smaller amounts should make application to a collector of internal revenue, or deputy collector, assessor, assistant treasurer of the United States, postmaster, or other dealer in stamps. Payments to this office should be made in the form of a *duplicate* certificate of a United States assistant treasurer or designated depositary of a deposit made on account of stamps. Revenue stamps may likewise be obtained of any national bank which is a designated depositary at the rates of commission at which they are furnished from this office. They will also be deposited with the assistant treasurers and designated depositaries other than national banks.

GENERAL STAMPS.

The following commission, *payable in stamps*, will be allowed in purchases of general stamps, Schedule B:

On purchases of		$50 or more,	2	per centum.	
"	"	$100	"	3	"
"	"	$500	"	4	"
"	"	$1,000	"	5	"

By the 153d section of the excise law, all stamps denoting duties under Schedule B may be used indiscriminately.

If any revenue stamps for which the owner may have no use are returned to this office in good order and free of expense, others will be given in exchange, at a discount of one per cent. Stamps that have been improperly or unnecessarily used and cancelled, when returned to this office for exchange must be attached to the instruments on which they were used, and accompanied by an affidavit setting forth the facts, when other stamps will be given for them, at a discount of one per cent. The papers to which the stamps are affixed will be retained by the office. Stamps spoiled in transportation, or rendered useless by any modifications of the law, will be exchanged free of charge. When the affidavit is made before a person who has no official seal, his authority to administer oaths generally should be certified to by the clerk of a court of record under the seal of the court.

Where the facilities for procuring and distributing stamps are deemed insufficient in the Southern States, the Commissioner of Internal Revenue will, on application, furnish to a collector or assessor, assistant treasurer, designated depositary, or postmaster of the United States, a suitable quantity for the supply of the proper district, and will allow the highest rate of commissions allowed by law to any purchaser of common stamps for cash. Such stamps will be furnished under section 170 of the excise law; and the officer applying to be furnished with such stamps will give bond with three sufficient sureties, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment, monthly or otherwise, according to instructions, for all quantities and amounts sold or not reported as remaining on hand. No bond will be accepted for a less sum than five hundred dollars; and no more agencies will be established in the northern States.

Persons to whom stamps shall be furnished under this section will be expected to conform to the following rules:

Agents for the sale of stamps will make return under oath to this office on Form 55, on the first day of each month, of the amount of stamps sold during the preceding month, and of the amount actually on hand and unsold.

Each collector shall supply his deputies with adhesive stamps, and sell them to other parties within his district who may make application therefor, allowing the same commission as specified above. The collector may require such security from his deputies as he sees fit for the stamps placed in their hands, as he alone is responsible, and is to make returns and payment for them to this office.

Orders may be made from time to time for such stamps as are desired, in no case to exceed three-fourths of the penal sum designated in the bond.

Every agent will be charged upon the books of this office with the stamps furnished him, and credited with the amount of each remittance for the sale of stamps, and five per cent. commission on the same.

STAMPED PAPER.

An arrangement has been made with the American Phototype Company, of New York, to print Internal Revenue stamps upon bank checks and other instruments which may be furnished them by various parties for that purpose. Persons ordering will send to this office, as heretofore, the duplicate certificate of deposit in some designated depositary, stating what kind of stamps they desire; an order then will be sent to the phototype company for the amount, adding the same commission as upon general stamps. The price which the company shall charge to the public for printing such stamps is to be such as may be agreed upon between themselves and the parties ordering the same; but is not to exceed one cent for each impression containing not more than six stamps, excepting clearing house receipts and other documents which ordinarily contain more than six stamps.

A contract has also been made with Messrs. Butler & Carpenter, of Philadelphia, to furnish similar stamps, to be printed on bank checks and other instruments, from steel plates. The extra expense in the latter case is to be arranged between Butler & Carpenter and the purchasers, subject to the decision of the Commissioner of Internal Revenue in case of dissatisfaction with the rates charged. The documents to be stamped should be furnished in *sheets*, as the stamps could not be conveniently printed in a bound book.

All stamps will hereafter be forwarded by express, unless ordered by mail, at the expense of the person ordering the same, under a contract with the Adams Express Company, at the following rates, viz.: Between any two points in the territory of the Adams Express Company, and reached by it, twenty-five (25) cents per one thousand dollars; between any two points in the territory of the Southern Express Company, except to points within the States of Arkansas and Texas accessible as aforesaid, thirty-five (35) cents per one thousand dollars, (it being understood that the territory of the Southern Express Company includes the States of North and South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas, Arkansas, Tennessee, and that part of the State of Virginia lying south of Richmond and west of Lynchburg;) between any two points in the State of Texas or in the State of Arkansas, or between any two points severally in those two States respectively, reached by the lines of the Southern Express Company in manner aforesaid, fifty (50) cents per one thousand dollars; between any two points in the territory of another Express company than the Adams and the Southern Express Companies, reached as aforesaid, thirty-five (35) cents per one thousand dollars; between any two points, one of which is in the territory of one express company and the other within the territory of another express company, reached as aforesaid, excluding herefrom the States of Texas and Arkansas, sixty (60) cents per one thousand dollars; between any two points, one of which is in the State of Texas or Arkansas and the other in any of the other States, eighty-five (85) cents per one thousand dollars. The above amounts in all cases to be computed on the *face value* of the stamps; and any fractional part of one thousand dollars shall be paid for as one thousand dollars.

PROPRIETARY STAMPS—SCHEDULE C.

Any proprietor of an article named in Schedule C may furnish a design for a stamp, which, if approved, will be engraved by the government engravers at the cost of the proprietor.

In such case, the proprietor will be entitled to the commission specified in the 161st section of the excise law, viz: On amounts purchased at one time of not less than fifty nor more than five hundred dollars, five per centum; on amounts over five hundred dollars, ten per centum.

If the designs do not exceed in superficial area 13-16 of an inch for the denomination of one and two-cent stamps, or 63-64 of an inch for the denomination of three and four-cent stamps, these being the sizes established by the office for the above specified denominations, there will be no additional charge to purchasers. If, however, proprietors desire to increase the size of the stamps for the denominations above mentioned, then an additional charge will be made for the additional cost of paper and printing. This additional charge will be ten cents per thousand for stamps of 3 1-8 inches superficial area, and in the same proportion for other sizes.

All dies and plates will be retained by, and be under the exclusive control of the government.

The general stamp must be cancelled by writing, stamping, or printing thereon the initials of the proprietor of the stamped article, and the date of cancelling; *while the private stamp must be so affixed on the package that in opening the same the stamp shall be effectually destroyed.*

Where printing in more than one color is desired, the additional expense must be borne by the proprietor.

Each stamp must bear the words, or a proper abbreviation of them "United States Internal Revenue;" also, in words and figures, the denomination of the stamp.

Manufacturers of friction or other matches, cigar lights, or wax tapers, who desire to avail themselves of the provisions of the 161st section of the law, and receive stamps on a credit of not exceeding sixty days, will be furnished, on application to this office, with a blank bond in proper form, to be filled up and executed by them.

The manufacturers of proprietary articles will be required to use the general proprietary stamps until stamps are furnished from their own designs. The same commission will be allowed on the general proprietary stamps as on stamps under Schedule B.

All stamps denoting duties under Schedule C, excepting those from private designs, may be used indiscriminately.

Every correspondent is requested to give the State, as well as town and county, of his residence.

E. A. ROLLINS, *Commissioner.*

LICENSES GRANTED PRIOR TO ACT OF JULY 13, 1866, MAY BE ASSIGNED AND TRANSFERRED.

ASSESSOR'S OFFICE,
NINTH DISTRICT MASSACHUSETTS,
FITCHBURG, Nov. 7, 1866.

SIR: By provisions of Sect. 9, Act of July 13, 1866, it is enacted, "That when any person, before the passage of this Act, has been assessed for a license, the amount thus assessed being equal to the tax herein imposed for the business covered by such license, no special tax shall be assessed until the expiration of the period for which such license was assessed."

From this provision may not the inference be fairly made that it was the intention of Congress to protect the holders of licenses in all the rights supposed to be acquired prior to August 1st? * * *

Already a large number of licensees have applied for permits to assign their licenses for the purpose of authorizing their vendees to carry on the same business at the place named therein.

I am aware that it is held that relief of this nature may not be granted to persons registering under the new act, but it has seemed to me that a different rule should apply to holders of licenses, who acquired their rights under a former act, and that such licenses should be held to carry with them of their own force the power of assignment.

A decision upon this point is requested.

Very Respectfully,
A. NORCROSS,
Assessor 9th District, Mass.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Nov. 12, 1866.

SIR: I reply to yours of the 7th inst., That by the ruling of the office, *licenses* may still be transferred as usual.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

A. NORCROSS, ESQ.,
Assessor, &c., Fitchburg, Mass.

SALES BY MANUFACTURERS OF THEIR OWN AND OTHER PRODUCTS, AS DEALERS AT THEIR FACTORIES AND PRINCIPAL OFFICES.

FOURTEENTH DISTRICT, NEW YORK,
ALBANY, Oct. 24, 1866.

SIR:—Paragraph 59 of the act of July 13, 1866, page 28, provides against carrying on business in any other place than described in receipt: "but nothing herein contained shall require a special tax * * * * nor for the sale by manufacturers or producers of their own goods, wares or merchandise, at the place of production or manufacture, and at their principal office or place of business, *provided no goods, wares or merchandise shall be kept except as samples, at said office or place of business.*" I beg to request the Department's construction of the last proviso quoted above, that is, provided manufacturers keep articles of goods, wares, or merchandise for *sale and delivery*, other than their own manufacture, at their principal office or place of business. Must they, in making up their monthly sales, report, and include with other sales, as such monthly sales, and pay the special tax thereon, the portion thereof of their own manufacture or production.

Very Respectfully,
JNO. G. TREADWELL,
Assessor 14th Dist. N. Y.

HON. E. A. ROLLINS,
Commissioner Int. Rev., Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 26th, 1866.

SIR:—I reply to yours of the 24th inst., that wherever manufacturers keep their own products at their principal office, *except as samples*, their entire sales at such office, whether by sample or otherwise, are excluded from the benefits of the proviso referred to. The terms "*provides no goods, &c.,*" are understood to refer to the manufacturer's own goods only. If the manufacturer's own goods are kept at the principal office, as samples, only—he is entitled to the full benefits of the proviso in respect to sales of his said goods, by sample, even though he sell other merchandise *not his own product*, in the manner of a dealer at said office. But in respect of such sales of other merchandise as a dealer, he must pay special tax as such if his sales exceed $1000 per annum.

Generally Stated.—The manufacturer can sell his own products at the place of manufacture, in the manner of a dealer, but nowhere else in the manner of a dealer without additional tax:—and the sale of any of his products at the principal office in the manner of a dealer, takes away his privilege of selling said products even by sample at said office, without additional tax. It follows that if the manufacturer sell his own products at his principal office, (not the place of manufacture), as a dealer—all such sales must be included with his sales as a dealer of other merchandise at said office.

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

JOHN G. TREADWELL, ESQ.,
Assessor, &c., Albany, N. Y.

Customs Department.

OFFICIAL.

TONNAGE DUTY, &C., ON DOMESTIC VESSELS AFTER AUGUST 1, 1866—VESSELS CARRYING MAILS AND PASSENGERS—FERRY BOATS—VESSELS UNDER FIVE TONS BURTHEN—FLATS, BARGES, &C., UNDER ACT OF JULY 13, 1866.

TREASURY DEPARTMENT,
WASHINGTON, October 24, 1866.

Collector of Customs, New Orleans.

SIR: Your letter letter of the 26th ult., relative to canal boats and barges has been received, wherein you ask for information, whether square flats or barges, towed down the Mississippi River laden with coal, are liable to tonnage duty; and whether similar vessels of about 25 tons burthen, engaged on Harvey's Canal—which leads from the Mississippi River to Bayou Barataria, which connects with Barataria Bay—in transporting lumber from mills situate on Bayou Barataria, and shells from Barataria Bay to points on the Canal, and supplies to plantations, are liable to tonnage duty, and should be required to take out enrolment and license.

I have to reply by giving you the following general instructions respecting these and other vessels affected by the recent acts of Congress:

The Act of July 18 does not repeal or conflict with the Act of July 13, 1866, as has been supposed. It imposes no new tonnage duty, but declares certain vessels exempt from the payment of such duty more than once a year, and regulates the *time* and *manner* of collecting this duty on enrolled and licensed vessels already subject thereto.

It also requires certain vessels to pay the fees incident to enrollment and license, which were before exempted by the Act of July 20, 1846, and neither of these acts exempts any vessel from the payment of tonnage dues except those enumerated in the 5th proviso of Section 103, of the Internal Revenue Act of 1864, as amended by the Act of July 13, 1866.

And all vessels, including canal boats, barges, rafts, and flats not enumerated in the 5th proviso of that Act, which are of "five tons burthen and upwards, not plying exclusively on inland waters wholly within the limits of a State, and having no outlet into a navigable river or lake on which commerce with foreign nations, or among the States, or with the Indian tribes can be carried on," must be enrolled and licensed as the case may be, and pay the fees incident thereto, and pay the tonnage dues.

The said 103d section, as amended in the Act of July 13, does not impose any new tonnage duty, but in the 5th proviso makes certain vessels pay an annual special tax in lieu of tonnage dues which may have been previously exacted.

This section taxes, not ships or vessels *as such*, but the owners (persons, companies or corporations), on certain of their "gross receipts" only, when they exceed $1000 per annum—from carrying *passengers* and mails on contracts made *prior to the 1st of August*, 1866, *while* engaged or employed in the business of transporting them *for hire*, even though they pass through foreign territory (without landing or receiving either) in so doing.

It is this *special income* which is so conditionally taxed and not the vehicle or vessel.

This ownership of such vessels of which the receipts are thus taxed, *does not include* that of vessels carrying passengers or mails to or from foreign ports.

Nor of vessels carrying only mails on contracts made *subsequent* to August 1st, 1866.

It has no reference to the tonnage or capacity of the vessels so owned and employed.

Nor does the payment of *tonnage dues* exempt the receipts of such vessels which are so derived from accounting for this tax.

Nor does it exempt these receipts because such vessels may not be exclusively or continuously so employed.

Nor are the receipts of vessels taxed by this section to be regarded as being taxed in that general sense contemplated in the 4th section of the Act of March 3d, 1865, exempting from taxation the receipts of vessels paying tonnage dues.

But two classes of exceptional vessels are made the instruments to secure taxes from the following sources, viz.: Passengers on certain home vessels; contractors for carrying certain mails; passengers and freight paying "toll" on certain ferries.

This revenue, mostly derived from a floating population, does not diminish the profits, but rather increases the income of the owners of such vessels. It in fact, virtually, only collects this tax through them as agents of the Government, for the 3d proviso empowers them to add to the "tolls" and charges "legally made" by them, and to collect it on their contractors, or the people, their customers, as therein directed; and to exempt these vessels, therefore, from tonnage dues, would be to release them from *all* taxation whatever—a boon not contemplated by the law.

Owners and managers of ferry boats, in the same manner, yield from their "tolls" of "every description," 3 per cent. to the office of the Internal Revenue, under like investiture of power to collect, and such ferry boats are not thereby exempt from paying tonnage dues.

All vessels under five tons burthen are not to be enrolled or licensed, and are wholly exempt from Customs dues and from the Internal Revenue tax as vessels, except ferry boats and vessels carrying mails or passengers for hire, whose receipts may be taxed as before stated. But all are liable as vessels for any infraction of the Revenue laws.

The vessels to which the said 5th proviso of section 103 applies, are "all boats, barges and flats, not used for carrying passengers, nor propelled by steam or sails, which are floated or towed by tug boats or horses, and used exclusively for carrying coal, oil, minerals and agricultural products to market."

The vessels so designated and employed are brought under the Internal Revenue tax, and are wholly exempted from Customs charges, even though they enter the waters under admiralty jurisdiction. So long as they retain that exclusive character, and only transport coal, oil, minerals or agricultural products to market, and if under 25 tons burden, are, as vessels, exempt from all taxation.

Any departure, however, from such special occupation, as trading from port to port, or taking on a return cargo, subjects them to enrolment and license, and the payment of tonnage dues and fees notwithstanding they may have previously paid the Internal Revenue tax, which thus becomes cumulative, by the act of the vessel, and cannot be refunded.

All such vessels pay the special tax according to their capacity, *in lieu* of enrolment fees and tonnage dues, which they are not required to pay. Nor are they to be measured, enrolled, or licensed.

This proviso was doubtless intended to embrace chiefly, but not exclusively, a class of boats, many of which have hitherto escaped payment of any tax or dues whatever; and also to relieve a large number of vessels from enrolment and tonnage tax, which could not be justly subjected to a burden so greatly disproportioned to their value and inconsistent with their occupation. Such, for instance, as flat boats and other vessels quite numerous on our Western waters, used for transporting wood, coal and produce to market, many of which are floated down the Mississippi and its tributaries, with but a single load, and are then broken up and sold for lumber. Others are engaged in conveying stone for building purposes, being merely old hulls or lighters and not adapted to the transportation of merchandise or passengers, and which could not be regarded as being engaged in the coasting trade, and which would not, in many cases be worth the fees, dues and taxes for admeasurement and license as required by vessels in that trade.

The articles to be conveyed in these vessels as enumerated in the 5th proviso, are to be of the district or neighborhood from which the vessel shall receive them, and not of the growth or production of a distant State or country.

They embrace, however, all the *natural* products of the earth in such vicinity, above or beneath its surface.

This would of course include, as within said 5th proviso, any vessels of the description made, conveying shells found in the District of Barataria Bay, but would exclude such vessels carrying square or sawed timber or plantation supplies, unless of the growth or production of the surrounding country as above defined.

Very Respectfully,
H. McCULLOCH,
Secretary of the Treasury.

DIRECTORY 8th COLLECTION DISTRICT, NEW YORK.

Assessor, ANTHONY J. BLEECKER, 896 Broadway.

Chief Clerk, JAMES H. WELSH, 896 Broadway.

Collector, GEORGE P. PUTNAM, 923 Broadway.

The 8th District comprises the 18th, 20th, and 21st Wards of New York City. Boundaries:

West 40th St. and E. 40th St., East River, East and West 14th St., 6th Av., West 26th St., Hudson River. Sub-divided into 19 Divisions.

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2d Division, JAMES BLEECKER, 896 Broadway. Boundaries: 5th Avenue to 26 St. to 4th Avenue, to Union Square, to West 14th St. to 5th Avenue.

3d and *4th Divisions* O. G. HILLARD, 896 Broadway. Boundaries: Union Square to 4th Avenue, to 26th St. to Third Avenue, to East 14th St. to Union Square.

5th Division, A. W. KENNEDAY, 896 Broadway. Boundaries: Third Avenue, to 26th St, to Second Av. to East 14th St. to Third Avenue.

6th Division, ALLEN J. DENNIS, 896 Broadway. Boundaries: Second Avenue to 26th St. to First Avenue to East 14th St. to Second Avenue.

7th Division, JACOB B. BACON, 896 Broadway. Boundaries: First Avenue to 26th St. to Avenue A., to East 14th St. to First Avenue.

8th Division, JAMES S. COMBS, 896 Broadway. Boundaries: Avenue A, to East River to Tompkins St. to Avenue D, to East 14th St. to Avenue A.

9th Division, MARSHALL VOUGHT, 410 Fourth Avenue. Boundaries: Second Avenue to 40th St. to East River, to 26th St. to Second Avenue again.

10th Division, Col. JOHN BRATTIE. Boundaries: Third Avenue to 40th St. to Second Avenue, to 26th St. to Third Avenue again.

11th Division, R. P. DUNCAN, 410 4th Avenue. Boundaries: Fourth Avenue to 40th St. to Third Avenue, to 26th St. to Fourth Avenue.

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14th Division, R. H. BLEAKIE, 896 Broadway. Bounadaries: Seventh Avenue to 40th St. to 6th Avenue, to 26th St. to Seventh Avenue again.

15th Division, A. S. DUNCOMB, 896 Broadway. Boundaries: 8th Avenue to 40th St. to 7th Avenue, to 26th St. to 8th Avenue again.

16th Division, A. C. LOOMIS, 1,254 Broadway. Boundaries: 9th Avenue to 40th St. to 8th Avenue, to 26th St. to 9th Avenue again.

17th Division, H. CHILTON, 896 Broadway. Boundaries: 10th Avenue to 40th St. to 9th Avenue, to 26th St. to 10th Avenue again.

18th Division, WM. STARBIT, 511 West 26th St. Boundaries: North River to 40th St. to 10th Avenue, to 33d St. to North River.

19th Division, Capt. CHARLES J. FARLEY, 896 Broadway. Boundaries: North River to 33d St. to 10th Avenue, to 26th St. to North River again.

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The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 21 NEW YORK, DECEMBER 1, 1866. WHOLE NUMBER 100.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE ruling laid down in the communication to Assessor Neher confirms the printed instructions as to the requirement that all distilled spirits and liquors changed from the original package for purposes of rectification and re-distillation, or *change* of proof, shall be re-inspected and marked. The law is very comprehensive, and no reasonable doubts can be entertained that it was the intention of Congress to follow spirits from the tail of the worm until it should enter into final consumption in the arts, manufactures, or as a beverage. In pursuit of this idea, the outlet of the still is required to be connected directly, by sealed and fastened apparatus and pipe, with closed receiving cisterns, immediately under the oversight of an Inspector. Drawn off from these cistern into packages under the eye of the Inspector, and inspected, gauged and proved, and account taken by him, the packages, properly marked, go at once into a private bonded warehouse, there to remain in the same condition until withdrawn—which must be in the same packages.

The contents of these original packages cannot be mixed or changed in any way, in quantity, proof, or character, without necessitating re-inspection and marking. This is evident. The marks on the packages the law contemplates shall always speak the truth as to the contents, and unless the marks do speak the truth, almost irresistible presumption of fraud arises, and action should be taken accordingly.

The attention of officers is directed to other interesting and important rulings.

CIRCULAR RELATING TO TONNAGE DUTY.

THE very comprehensive Treasury Circular recently promulgated in relation to the levying of tonnage duties is published elsewhere in full, and contains thorough instructions as to the character of vessels, domestic and foreign, on which such duty is to be levied, their measurement, the rates of duty, and the payment thereof, and, in short, every thing pertinent to the matter. The imperative duty of both Internal Revenue and Customs officers, more especially those subordinate, to inform themselves on this branch of the revenue laws, to which allusion was made last week, cannot be too persistently urged for the interests of the revenue.

The Circular begins with an explanation of tonnage duty, why and how levied, and on what character of vessels; then directs how it shall be ascertained, and gives the rates, and states when it is to be paid. Vessels subject thereto are then described, including vessels from foreign ports, and documented vessels of the United States; and the vessels indicated under the first proviso of the Act of July 1862, as now amended, as liable to pay only once a year.

The effect of vessels changing their occupations, and trading only partially within the proviso, is next defined, and the duties of masters of vessels pointed out, to file written protest and to appeal forthwith to the Treasury Department in the case of any alleged improper exaction, in order to protect their rights.

Vessels exempted from tonnage duty are then described, and explanation given of tonnage duties paid in the nature of penalties, treating in that connection undocumented American vessels, which appear still to labor under barbarous disabilities, and Canadian and other tugs not of the United States, and their liabilities in towing vessels, domestic and foreign, in American waters.

The general liability of vessels is then adverted to, and the powers of Collectors defined in seizing and detaining vessels for dues accrued prior to August 1, 1866.

The privileges and liabilities of Canal boats next receive attention; the various laws and amendments relating especially thereto are fully explained.

The liabilities of domestic vessels of all kinds, in regard to tonnage duty, &c., after the 1st of August, as affected by the Internal Revenue law, are then considered, and the particular liabilities explained in turn, of vessels carrying mails and passengers, ferry boats, vessels under five tons burthen, and flats, barges, and other boats, not propelled by steam or sails, but which are floated or towed by tug boats or horses, and used exclusively for carrying coal, oil, minerals and agricultural products to market.

The circular merits attentive perusal by all desirous of information on the important subject of which it so ably treats.

ALLEGED BURNING FLUID FRAUDS.

The investigation before Commissioner Newton, in the Eastern District of New York, into the alleged frauds in the production of "burning fluid," has occupied nearly two weeks, and is not yet ended. From the evidence thus far elicited, we must regard it as doubtful whether the Government will be enabled to make out its case. The whole matter seems to have been conducted with the knowledge, if not the direct approval or connivance of revenue officers, and unless their complicity in the alleged fraud should be proved, it would be difficult to establish it against the accused distillers.

THE numerous seizures of distilleries in Brooklyn, and the ventilation which is being given to the enormous frauds in the distillation of spirits in this vicinity, has caused a great flutter among the fraternity, and "fraud whiskey" has risen within two weeks from $1 65 to $2 10 per gallon. Comment is unnecessary!

UNITED STATES CIRCUIT COURT, S. D. OHIO.

October Term, 1866.

BEFORE JUDGE LEAVITT.

Charles W. Roback, vs. R. M. W. Taylor, Collector.

Leavitt, J.—This is a bill in equity, in which the complainant, Charles W. Roback, a citizen of the State of Ohio, avers, in substance, that for ten years prior to the autumn of 1865, he had been largely and successfully engaged in the manufacture and sale of medicines in the city of Cincinnati; that in the prosecution of that business he had devoted much time and attention, and invested some $60,000 of capital; that in the fall of 1865 he retired from it, and sold the good will of the same for $55,000; that after such sale, the Assessor for the District under the Internal Revenue Act of the United States, charged and returned the proceeds of same sale as part of the complainant's income forthe year 1865, amounting to $55,000; and that the defendant, R. M. W. Taylor, Collector of Internal Revenue for the Second Collection District of Ohio, to whom the return of the Assessor was made, threatens, and is about to proceed to collect the same by levy and restraint. The bill then avers that the return and assessment of said sum as income tax, is unjust and contrary to law; and prays that the said Collector and all others may be perpetually enjoined from the collection thereof, and that upon final hearing, the same may be decreed to be illegal and void.

On the 5th of August last, Mr. Justice Swayne granted an injunction, to continue "until further hearing of the next term of the Court." It may be proper to here state, that the learned Judge in making the order for an injunction, intimated a strong doubt as to the jurisdiction of the Court, on the case made in the bill, but thought it due the complainant to restrain further proceedings for enforcing the collection of the alleged illegal tax, until the case could be more fully heard.

A motion is now made by the District Attorney of the United States, in behalf of the present incumbent of the office of Collector for the Second Collection District, to dissolve the injunction, on the ground of a want of jurisdiction in this Court to entertain the case. This motion necessarily precludes all inquiry as to the legality of the tax assessed against the complainant. If the Court has no jurisdiction, whatever may be its conviction upon the question of the legality of the tax, it has no power to grant the relief prayed for in the bill; and the injunction must necessarily be dissolved.

The question thus presented is important in its character, but in my judgment not difficult of solution. It arises under a statute of recent enactment, and upon the points for decision the Court has not the aid of any prior judical action. They must be decided, therefore, in the light of general and well settled principles, and not upon the authority of precedents having a direct application to the case. I shall be very brief in stating the grounds on which I have attained the conclusion, that the Court has no jurisdiction to grant the relief prayed for.

It will readily be conceded that jurisdiction cannot be sustained from the citizenship of the parties. From the averments of the bill it appears that both the complainant and the defendants are citizens of Ohio. It is not, therefore, a case of controversy, in the words of the Constitution, "between citizens of different States." It is insisted, however, that the jurisdiction rests by force of that clause of the second section of the third article of the Constitution, which declares that "the judicial power shall extend to all cases in law or equity arising under this Constitution, *the laws of the United States*, and treaties made or which shall be made under their authority." The argument is, that as this case arises under, and involves, a construction of a law of the United States, the clause just quoted rests jurisdiction in the Courts without reference to the citizenship of the parties.

There is, in my judgment, a conclusive argument against the tenability of this position. No case has been referred to, and it is believed there is no one, in which it has been sustained by the Supreme Court, or any of the Courts of the United States. The clause of the Constitution relied on as conferring jurisdiction in cases arising under the laws of the United States, does not impart a self-executing power. It belongs clearly to that class of powers of which there are many in the Constitution, which are dormant and inoperative until vitality and vigor are imparted to them by the action of the Legislative Department of the Government. I will not stop to designate those provisions of the Constitution to which this principle applies.

Now it may be conceded that, in the case before the Court, the question whether, from the facts set forth in the bill, the income tax assessed and charged against the complainant is legal or illegal, depends upon the construction to be given to a clause in an Internal Revenue statute enacted by Congress, and may be said properly to arise under a law of the United States. But we look in vain for any statutory provision declaring what Court shall have jurisdiction, or how jurisdiction shall be exercised, in a case of an alleged grievance or injury arising from the error or malfeasance of any of the officials charged with the execution of the acts of Congress for the assessment and collection of internal revenue. Until Congress shall designate the Court in which jurisdiction shall vest, and shall declare in what manner it shall be exercised, the constitutional provision cited cannot be operative. There are two courts of the United States inferior to the Supreme Court, namely, the Circuit and District Courts, created by the legislation of Congress, and possessing only such powers and jurisdiction as shall be meted out and defined by law. Now, it may be pertinently asked, which of the two courts named, in the absence of any legislative provision on the subject, shall entertain the jurisdiction invoked in this case, and by what form of proceeding shall the redress sought for be obtained? This uncertainty must be fatal to the exercise of jurisdiction by either of those courts, unless it can be based on some other foundation than that claimed in the argument of counsel.

There can be no question that it is within the constitutional competency of Congress to vest the jurisdiction either in the Circuit or District Court, of hearing and deciding all cases of alleged illegal and wrongful acts arising from the execution of the Internal Revenue Laws. But, for reasons which they doubtless deemed sufficient, they have carefully avoided the investiture of such jurisdiction in either of said courts. From the structure of the laws referred to, the implication is exceedingly strong that their framers did not intend there should be any interference by the judicial department which, in its operation, should obstruct or embarass their prompt execution. This conclusion is irresistible from a reference to these laws. Congress, however, has not left those aggrieved by the wrongs or mistakes of Revenue officials without the means of obtaining redress. But it is the plain policy of the law that the remedy is not to be by a resort to courts, but to other means pointed out by law. I will not stop to point out all the provisions of the statutes which justify this conclusion. By the 113th section of the act of the 30th of June, 1864, in force when the alleged illegal income tax was assessed against the complainant, it is made the duty of the proper Assistant Assessor to assess and make returns of all incomes subject to taxation. Of this assessment public notice is to be given; and it is provided "that every person feeling aggrieved by the decision of the Assistant Assessor in such cases may appeal to the Assessor of the District, and his decision thereon shall be final." The right of appeal thus granted seems, in the opinion of the law-making power, to have been ample for the security of the taxpayer against the errors and wrongs of the Assistant Assessor. But this is not the only provision by which such errors or wrongs may be finally remedied. Although it is expressly declared that the decision of the District Assessor shall be final, an appeal lies to another and higher official. By the 44th section of the act it is provided "that the Commissioner of Internal Revenue, subject to the regulations prescribed by the Secretary of the Treasury, shall be, and he is hereby authorized on appeals to him made, to remit, refund and pay back all duties erroneously or illegally assessed or collected, and all duties that shall appear to be unjustly assessed or extensive in amount, or in any manner wrongfully collected," &c. The power thus vested in the Commissioner of Revenue, is to be exercised under the supervision of the Secretary of the Treasury, to whom, practically, there is an appeal from the Commissioner. And I need hardly add, if the rights of the party aggrieved are not secured by these means, as a final resort, there is an appeal to Congress whose power to afford redress is unquestionable.

The provisions of the statute referred to seem clearly to sustain the proposition that it was intended by Congress that wrongs and grievances occurring under the Internal Revenue acts should be investigated and passed upon, not by the courts, but by the officials immediately charged with their execution. And it is not for this Court to pronounce upon the justice or policy thus sanctioned by the law-making power. The Internal Revenue laws originated in a great national emergency, and were necessarily so framed as to insure their prompt execution. That they are harsh in some of their provisions, and may develop in their execution cases of official malfeasance and oppression, is not doubted. The remedy for such results is with the legislative, and not the judicial department, unless the power is expressly conferred on the latter. The courts of the United States are courts of limited jurisdiction, and can exercise such powers only as are expressly granted by law, or clearly implied from the objects of their creation.

It may, perhaps, be insisted, though it was not urged in the argument, that if the jurisdiction claimed in this case does not exist under the clause of the Constitution quoted, it may be exercised by the Circuit Courts, under the general clemency process vested in them by the Constitution and laws. These Courts undoubtedly possess an extensive jurisdiction under this head. Without considering at length the source and extent of this jurisdiction, it may be affirmed as a clear proposition, that the case made in the complainant's bill is not one that brings it within the scope of the general chancery power of this Court. There is no averment in the bill that the complainant will suffer irreparable injury from the collection of the alleged illegal income tax. Nor is it averred that he was without a remedy by law. As a basis for the proper action of a Court of Chancery, it must appear that he has appealed to the proper District Assessor, under the section of the statute before cited; that such appeal has not resulted in the redress of the wrong complained of; and that he is wholly without a remedy, except by the interposition of a Court of Chancery. I do not say, if the bill had been so framed, a proper case for the action of a Court of Chancery would be presented. But it is clear, that without the averment of irreparable injury, and that all the means of redress secured by law had been unavailingly resorted to, there would be no sufficient ground for the interposition of a Court of Equity.

In any view of the case, I think it clear that the Court has no jurisdiction, and that the injunction must be dissolved.

Caldwell & Coppock for complainant, R. M. Corwine for the defendant.

Treasury Dept., Decisions, &c.

OFFICIAL.

HATS, CLOTHING AND ARTICLES, FOR WEAR OF MEN, WOMEN AND CHILDREN, MADE BY PERSONS NOT THE OWNERS OF THE MATERIALS.—LIABILITIES OF MANUFACTURERS.

ASSESSOR'S OFFICE, 4TH DISTRICT,
NEW YORK, Sept. 15th, 1866.

SIR: G——— & S———, in the 16th division of this district, hatters, weigh out the stuff for the mixtures at their place of business in said division, send it to B—'s forming mill in another division of this district, where it is blown and formed into cones. They then send it to various places out of this district to be felled and finished into hats, when the hats are returned to their place of business in said division to be sold. G——— & S——— are the owners of the material from the beginning. One of these factories where the material is thus finished into hats is situated in Newark, N. J., and belongs to and is conducted by them; the rest (several of which are in Newark also) are owned and conducted by other parties. In Newark, the assessor insists upon their making the returns and paying the tax in that district as well for the hats finished in the various places in that district, owned and carried on by others, as for the hats finished in their own establishment above mentioned. Should not G——— & S——— pay a manufacturer's special tax in this district, and pay all the duties here also? Does the case of their own factory differ from the cases where the factories are conducted by others? And in the latter cases should not the duties be returned and paid in this district beyond a question?

It does seem to me that it is the intention of the law, Sec. 9, page 57, (as amended July 13th, 1866,) to make the owners of the materials, &c., the manufacturers or producers at their place of business for sales, supposing the stuff and general management, and all the other places as merely operatives and auxiliary to the former. Such a construction seems to me the most feasible way of carrying out the law, and certainly the best so far as the interest of the government is concerned. The question is important and requires careful investigation.

There are a number of similar cases in this division, besides many others in the district awaiting decisions. A decision is peculiarly necessary to reconcile the practice in different districts, and should be made as soon as possible.

Respectfully,
PIERRE C. VAN WYCK,
Assessor 4th Dist.

HON. E. A. ROLLINS,
Commissioner Int. Rev., Washington, D. C.

ASSESSOR'S OFFICE, 4TH DISTRICT,
NEW YORK, Sept. 18, 1866.

SIR: L. D——— & Co., manufacturers in this district, own shirt and collar materials, and cut the same, which are sent to Troy, N. Y., to be sewed and laundried. They also own materials which are sent without cutting to the same place to be made up into drawers. These goods are sold from their place of business as aforesaid, licensed as a factory in this district.

I have held them as liable to tax in this district on their sales of manufactured goods on the ground that these goods are not *produced for sale* by the makers, employees of the owners of the materials in Troy, but only to the order of the said owner of the materials, who is the designer of the patterns and who makes the sales.

Is this practice correct? Please give me your decision, as the tax is claimed from these parties and many others similarly situated by the officers at Troy.

Respectfully,
PIERRE C. VAN WYCK, *Assessor.*

HON. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 13th, 1866.

SIR: Your letters of September 15th and 18th and of October 17th have been received.

In answer, I have to say that, by section 94 of the act of June 20, 1864, as amended by the act of July 13, 1866, there is imposed on clothing, gloves, mittens, moccasins, caps, felt hats, and other articles of dress for the wear of men, women and children, not otherwise assessed and taxed, a tax of two per cent. ad valorem, to be paid by every person making, manufacturing or producing *for sale* clothing, gloves, mittens, moccasins, caps, felt hats, and other articles of dress, or furnishing the materials, or any part thereof, and employing others to make, manufacture, or produce them.

Under this provision, it is held that any person, firm company, or corporation, owning or hiring a factory, workshop or other place of production, and managing or controlling the business, either by personal oversight or by an agent, overseer, or foreman, and making *for sale* any of the before mentioned articles, is the manufacturer and liable to make returns of the goods manufactured and sold or used, &c., and pay taxes thereon in the district where the factory, workshop, or place of manufacture or production is located.

But where such person, firm, &c., do not manufacture the above enumerated articles *for sale*, but for other parties who furnish the material in whole or in part, and to whom the articles or goods are returned when so made or finished, upon the payment of a stipulated price for manufacturing, making, or furnishing, he or they are not held liable for the payment of the tax on such articles or goods.

Parties receiving materials to be manufactured for others will make returns to the assessors of their several districts, of the kind and quality of goods made by them, and the names and places of business or residence of the parties furnishing the materials. The assessor receiving these returns will transmit copies of the same to the assessors of the districts where the owners of the goods or parties furnishing the materials reside or have their place of business.

Full instructions on this subject have been prepared, and will be furnished to Revenue officers in a few days.

Yours Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

STAMPS ON MORTGAGES.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 15, 1866.

SIR: In reply to your letter of the 12th inst., that a Power of Sale in a mortgage of the form inclosed, being an essential part of such a mortgage, does not require an additional stamp.

Extraordinary Powers, Special Covenants, &c., sometimes inserted in Deeds of various kinds, but not contained in their common forms, are liable to the same tax as if they were issued separately.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

GEO. W. PARKER, ESQ., *Jamestown, N. Y,*

The "form inclosed" was the following:

"And in case default shall be made in the payment of the principal sum hereby intended to be secured, or in the payment of the interest thereof, or any part of such principal or interest, as above provided, it shall be lawful for the party of the second part ——— Executors, Administrators, or Assigns, at any time thereafter, to sell the premises hereby granted, or any part thereof, in the manner prescribed by law.

ALL SPIRITS OR LIQUORS REMOVED FROM THE ORIGINAL PACKAGES MUST BE REINSPECTED AND MARKED.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 20, 1866.

SIR: In reply to your inquiry whether liquors changed from the original pacakages for the purpose of being mixed are to be re-inspected and branded, I have to say that under Section 43 of the Act of July 13th, 1866. All spirits removed from the original packages for purposes of rectification, re-distillation, or change of proof, are required to be again inspected, and moreover, unless also marked with the word "rectified" are subject to seizure.

It follows, therefore, that spirits changed either by rectification or mixing, and placed in other packages, must both be re-inspected and marked as the law provides.

Very Respectfully,
THOMAS HARLAND,
Dept. Commissioner.

P. H. NEHER, ESQ..
Ass'r. 15 Dist., Troy, New York.

TAX ON INCREASED VALUE OF TAX-PAID THREAD, TWINE, YARN OR WARP, DYED OR OTHERWISE MORE COMPLETELY FINISHED.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 21, 1866.

SIR:—In reply to your letter of November 19th in relation to yarn dyed by ——— Esq., I have to say that yarn and warp exempted from tax by law, are not liable to any tax when dyed or colored. But yarn and warp, and thread and twine, on which a tax or duty has been previously paid, are taxable on increased value when dyed or otherwise more completely finished and fitted for use or sale.

Very Respectfully,
THOMAS HARLAND,
Dep. Commissioner.

H. W. EASTMAN, Esq.,
Assessor, 1st District, N. Y.

SPECIAL TAX ON TRAVELING EXHIBITIONS, AND ON OWNERS OF BUILDINGS USED THEREFOR.

ASSESSOR'S OFFICE,
10TH DISTRICT INDIANA,
GOSHEN, November 13, 1866.

SIR: Messrs. Murray & Blake, proprietors of a traveling theatrical company, are exhibiting in public hall in the principal towns throughout the State, without having paid any other special tax than the one provided for "proprietors of public exhibitions, shows, &c.," in the 39th paragraph of section 64, amended by act of July 13th, 1866. Ought they not, instead thereof, to pay the special tax required of proprietors of circuses in paragraph 38 of said section?

An early reply is respectfully requested.

Very truly yours,
GEO. D. COPELAND, *Assessor.*

HON. E. A. ROLLINS,
Commissioner of Internal Revenue.

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 15, 1866.

SIR: I reply to yours of the 13th inst., That under the terms of the act in force, "Every building, tent space or area, where * * theatrical performances are exhibited, shall be regarded as a circus." The proprietor of a circus is required to pay $100 special (or license) tax, as such.

The proviso to this paragraph, that but one special tax, &c., shall be imposed for exhibitions within any *one State* would indicate liability on the part of the manager of the *company*, rather than on the part of the owner of the building. [The proviso to paragraph 37, however, indicates that the tax imposed by *that* paragraph, is required of the owner of the building, (except in certain cases, when the lessee must pay said tax,) and depending upon the frequency of its use for dramatic and other purposes.] It will appear, therefore, that while the manager of a "circus" may be liable under paragraph 38, the owner of the building, (if the building was used only occasionally for theatrical purposes, &c.,) may not be liable under paragraph 37.

But, as before observed, but one tax is required in respect to all exhibitions in a single State.

The one tax already paid by Messrs. Murray & Blake, viz. $10, should be allowed upon the new assessment.

Very respectfully,
[Signed] THOMAS HARLAND,
Deputy Commissioner.

GEO. D. COPELAND, Esq., *Goshen Ind.*

FLOATING HOUSES NOT TAXABLE.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 26, 1866.

SIR:—Your letter of October 22d in relation to a floating house or building has been received. You represent that ——— Esq., of Southfield, in your District, has built a square box, caulked and made watertight so as to float, and that on it he has erected a building which is used as an oyster stand. You wish to know if it is liable to a five per cent tax.

In answer I have to say that this office is of opinion that the article in question is not a taxable product.

Very respectfully,
THOMAS HARLAND,
Dep. Commissioner.

H. W. EASTMAN, Esq.,
Assessor, 1st District, N. Y.

LIABILITIES OF MANUFACTURERS MAKING OVER $1000, AND NOT OVER $3000 PER ANNUM—PROVISIONS OF SECTION 93.

ASSESSOR'S OFFICE, FOURTH DIST.,
NEW YORK, Oct. 12, 1866.

SIR:—There are some diversity of views in applying section 93 of the Act of July 13, 1866, to practice.

Some insist that where the product is by the manufacturer or firm, or by his or their family, every monthly return under $83 33¼ should be exempt, although the aggregate of the monthly returns by such person or firm shall exceed one thousand or even three thousand, and that every monthly return of such person or firm exceeding $83 33¼ and not exceeding $250, shall be assessed only on the excess over $83 33¼, although the aggregate of the monthly returns by such person or firm should exceed three thousand dollars. Others think that the only fair application of the law can be made at the end of the year, when the whole yearly sales are ascertained, and that in cases where the section is likely to apply the assessment on the returns should be suspended until the end of the year. An early decision will be of great service.

Very respectfully,
PIERRE C. VAN WYCK, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, November 16, 1866.

SIR:—Your letter of the 12th ultimo, relative to the proper application of section 93, of the Act of July 13, 1866, in practice, has been received.

In answer I have to say that section 93 provides for a conditional exception of manufacturers and producers of articles made liable to taxation under section 94 from the taxes therein imposed.

The object of the exception is clearly to relieve small manufacturers whose annual product does not exceed three thousand dollars, from taxation on one thousand dollars worth of their productions when the same is the result of their own personal labor or the labor of their families. The returns of manufacturers being required by law to be made monthly, renders it necessary that a proportionate part of the one thousand dollars shall be deducted from each monthly return, and the assessment of the tax made on the balance.

The law however, does not provide any exemption for manufacturers whose annual product exceeds three thousand dollars, or for those manufacturers whose products are the results of hired labor exclusively. In either of these cases the entire annual product is liable to taxation, though there may be some months where the rate may fall below three thousand or even one thousand dollars.

In those cases, when the monthly returns indicate a rate bordering so closely on an annual product of three thousand dollars that it is not easy to determine until the close of the year whether the product will exceed or fall short of that sum, the Assessor will allow monthly the deduction of $83¼. But when the returns clearly indicate an annual product in excess of three thousand dollars, the entire amount of goods sold, consumed, used or removed for consumption or use, or for delivery to others than agents. Each month should be returned and the tax assessed and paid thereon.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

PIERRE C. VAN WYCK, Esq.,
U. S. Assessor, 4th Collection Dist., N. Y. City.

SUCCESSION TAX ASSESSABLE ON CLEAR VALUE OF THE ESTATE WHICH COMES INTO POSSESSION OF SUCCESSOR.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, 31st July, 1866.

SIR: I reply to yours of the 26th inst., That the succession tax is assessable on the clear value of the estate of which the successor comes into possession. If legitimate expenses of partition practically lessen the value of an estate, the same should be deducted from such value before assessing the tax.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

L. DOOLEY, Esq.,
511 *Fifth street, New York City.*

Customs Department.

OFFICIAL.

CIRCULAR TO COLLECTORS OF CUSTOMS RELATIVE TO TONNAGE DUTY.

TREASURY DEPARTMENT,
WASHINGTON, Nov. 1, 1866.

TONNAGE DUTY—WHY AND HOW LEVIED, AND ON WHAT CHARACTER OF VESSELS.

Tonnage duty is imposed for the purpose of raising revenue, and is levied upon *all* vessels engaged in foreign commerce, without regard to their denomination as to structure, rig, or mode of propulsion.

The same may be said of those in the domestic trade, unless specially excepted, and all are included under the general term *Vessels.*

TONNAGE—HOW ASCERTAINED.

It is to be collected according to *American* admeasurement, as prescribed by law, on all, except French vessels, whose tonnage will be ascertained from the registers.

No part of any ship or vessel shall be admeasured or registered for tonnage that is used *exclusively* for cabins or state-rooms, and constructed entirely above the first deck, which is not a deck to the hull; otherwise, however, if used for cargo purposes.

RATES.

The rates of tonnage duty remain as they stood previous to the acts of July 14, 1862, only as they were increased by that act and the amendment of March 3, 1865. No new or additional tonnage duties have been since imposed, except as a penalty on undocumented tugs, or, as hereinafter shown.

WHEN TO BE PAID.

Tonnage dues must be paid—when on entry—before permit be granted to unlade. United States vessels, however, returning home under "sea letter" are allowed three days after the forty-eight hours within which they must enter—five days.

United States vessels must *hereafter* pay tonnage dues on taking out or renewing marine papers, or on entry, if not previously paid, for the calendar year.

All vessels trading within "the proviso," as hereinafter explained, shall hereafter pay on first clearance from, or entry at, a custom-house in the United States, for the calendar year.

VESSELS SUBJECT TO TONNAGE DUES.

A vessel bound to or from one State is not obliged to enter or clear or pay duties in another; but a vessel voluntarily arriving and *remaining* at any intermediate or other port of the United States more than forty-eight hours—unless compelled by stress of weather or other disability—must, when liable, enter and clear and pay the tonnage dues and and fees, unless previously paid or that year or voyage, as the case may be.

VESSELS FROM FOREIGN PORTS.

Tonnage dues are to be paid by *all* vessels at every entry made at a port of the United States from a *foreign* port, not within the "proviso," unless otherwise specially provided by law, convention, or treaty.

DOCUMENTED VESSELS OF THE UNITED STATES.

United States vessels engaged in the coasting trade, or the bank, whale, or other fisheries, *whilst so employed*, under *register* or enrolment and license, or license, pay once a year.

VESSELS TRADING WITHIN THE PROVISO.

United States or foreign vessels, trading within the first proviso of the act of July 14, 1862, as now amended, pay only once a year, to wit:

To or from the British Provinces of North America.

To or from Mexico;

To or from any port south of Mexico, down to and including Aspinwall and Panama;

To or from any of the West India Islands;

To and from any of the Sandwich or Society Islands.

CHANGING OCCUPATION—LIABLE.

A vessel may, by changing her occupation, pay tonnage dues several times in one year, and yet be partially trading under license or within the "proviso."

A vessel, alien or American, entering from a foreign port or place not embraced within the "proviso," and subject to pay tonnage duty, must pay, whether *in ballast* or in cargo, on every "entry" made within the meaning of the law.

CERTIFICATE AND NOTICE, ON PAYMENT.

The masters of vessels entering ports of the United States, and paying tonnage dues on entry from a for-

voyage, shall receive from Collectors of Customs ceipt therefore, in the following form, viz:

I OF CERTIFICATE ON ENTRY FROM A FOREIGN PORT.

U. S. CUSTOM-HOUSE, ——,
Collector's Office, ——, 186–.

ll whom it may concern:

his will certify, that on the —— [*here date*] the —— [*here give nationality, e, and class of vessel,*] upon entry from —— —— [*here give port and country,*] paid tonnage at this port, on —— [*here give amount of age*] tons measurement under section 15 of the act Congress passed July 14, 1862, as amended March 865, entitled "An act increasing temporarily the es on imports, and for other purposes." Tons ——, anting to —— dollars —— cents. ——.

[Signed] —— ——, *Collector.*

t the foot or on the back of Customs receipt will rinted the following:

FORM OF NOTICE.

OTICE.—By sections 14 and 15 of the act of June 1464, any payment made on the decision of a Col- or [or Surveyor] and against which the party ob- s as in error, cannot be refunded unless a *protest* ntered within *ten* days, setting forth his objections herein required, and any appeal from his decision he Secretary of the Treasury must be made within ty days.

Unless the protest and appeal are regularly made, within the time prescribed by law, or good and icient reasons shown that causes over which the ty had no control rendered it impossible that they ld be so made, the Department will have no power return the duty, nor the party a right to maintain inst the Collector a suit to recover the same, al- ugh it may have been pronounced illegal, had the uisite protest and appeal been made, or sufficient se shown for omission as provided by law.

COLLECTORS WILL CALL ATTENTION TO THIS NOTICE.

Whenever masters of vessels object to the payment tonnage duty, Collectors will be careful to call their ention to this regulation, requiring of them to pay ir protest and appeal to the Department as provi- l by law, in order to secure to them any relief to ich they may be entitled, and the same *notice* will given to masters of vessels in the home trade, or erwise, when paying tonnage duty.

The following form of receipt, with the above notice nexed, will be varied and given to masters of vessels ying tonnage duty, in all cases except on arrival n a foreign port, viz:

FORM OF CERTIFICATE FOR HOME VESSELS, ETC.

U. S. CUSTOM-HOUSE,
District of ——, *Port of* ——,
—— *day of* ——, 186–.

hereby certify that the tonnage duty of —— cents ton, imposed by the 15th section of the act of July 1862, and amendments, was paid on the —— —— [*here give name and class of vessel,*] of ——, re *give her home port, from whence she arrived, or ercise,*] for the year ending December, 31, 186–, as admeasurement, —— tons, amounting to —— llars —— cents.

The above payment was made on [*taking out or re- ing marine papers—naming them—or on entry de under "the proviso"—as the case may be; ting all the facts material to justify the collection.*] ——. [Signed] —— ——, *Collector.*

he same "Notice" to be appended to this certificate.)

YMENT ON ARRIVAL FROM FOREIGN PORT GOOD FOR THAT VOYAGE.

Tonnage duty paid on first arrival or "entry" from foreign port exempts such vessel from further pay- nt for the completion of that voyage, and she may from port to port of the United States merely to deliver her cargo, as per manifest, or in ballast, or make up an outward cargo, when she has no mer- chandise on board taken in one district to be delivered another, without paying any further tonnage dues til she shall have returned from a foreign port.

VESSELS EXEMPT FROM TONNAGE DUTY.

Tonnage duty is not chargeable on vessels arriving in distress, if condemned and sold to be broken up.

Nor upon vessels lost or sunk.

Nor if arriving in distress, on making entry of but a part of her cargo, only sufficient to defray expenses of repairs.

Nor if so damaged as to be incapable of repairs when the cargo is reshipped on another vessel.

Nor on scows.

Nor on lighters not engaged in trade, or transporting merchandise from port to port.

Nor on pleasure yachts, carrying neither cargo nor passengers, *for hire*—but if over twenty tons, they must be enrolled and licensed, and pay the fees incident thereto.

Nor on vessels laid up, or otherwise out of use, for a calendar year.

Nor on whaling vessels during their absence; but tonnage dues on such vessels will be collected, in future, on taking out marine papers, or on renewing them, if not previously paid for that year; or, if on entry, then for the year only in which they enter from that whaling voyage.

It is not chargeable on foreign vessels of war; nor upon prize vessels; nor upon vessels picked up derelict at sea, without men or merchandise on board—in such case, however, the facts should be reported to the Department before the exemption will be allowed.

Nor upon canal boats or other vessels plying only on waters *exclusively* within the limits of a State, and having no outlet in a navigable river or lake on which commerce with foreign nations or with the Indian tribes can be carried on. All vessels of this latter class, from and after the first day of August last, when subject to any tax, come under the jurisdiction of the officers of internal revenue.

It is the *business* of fishing, of trading, or of transporting goods or passengers as a common carrier, for which a vessel must be registered, or enrolled and licensed, or licensed, in these several trades respectively. A vessel unemployed in a trade or occupation is not obliged to be licensed or pay the fees and dues incident thereto.

TONNAGE DUES PAID IN THE NATURE OF PENALTIES.

An American or foreign built vessel *owned* in whole or in part *by foreigners*, is not a vessel of the United States that can be "entitled to privileges" as such, and she cannot be registered, enrolled and licensed, or licensed, and, if not documented as a foreign vessel, must *enter* and *clear* at *every* port, and pay tonnage dues and fees as an *alien vessel;* such vessels cannot engage in the coasting trade, save under penalty of forfeiture.

A vessel wholly owned by citizens of the United States, not registered, nor enrolled and licensed, may carry on the coasting trade—that is, a trade not foreign, but from a port in one State to a port in another—yet her cargo must consist wholly of domestic goods, other than distilled spirits; and she must, also, pay alien tonnage duty and light-money at every entry—she being required to enter and clear at every port at which she may take in or discharge cargo as a consequence of being without marine papers.

UNDOCUMENTED HOME VESSELS.

A foreign-built vessel, *owned* wholly by citizens of the United States, may engage in the coasting trade under disadvantages similar to those of home vessels without marine papers, by virtue of a certified "bill of sale," whereby she will be protected as "American property," and may go to a foreign port, but should she return, in ballast, she must pay *alien tonnage* duty, and if with cargo, she will be *forfeited.* Such vessels will also be excluded from the privileges extended to vessels properly trading within the proviso, and under like penalties.

CANADIAN AND OTHER TUGS NOT OF THE UNITED STATES.

There can be no legal distinction drawn between towing a vessel carrying merchandise and the carrying of the same, or trading within the meaning of the sixth section of the enrolling and licensing act of 1793. That which cannot be done directly, the law will not permit to be accomplished indirectly. And a tug *not of the United States* cannot tug what she may not carry, without being liable as if having such goods on board, if the vessel towed be not documented as a vessel of the United States. If such vessel be a documented *vessel of the United States*, plying from port to port of the United States, towed by a steam-tug not of the United States, the whole or part of the way, such tug shall forfeit and pay fifty cents per ton on the admeasurement of *every such vessel so towed by her*, within the waters of the United States; and may be seized and proceeded against summarily, by libel, to recover such penalty. This provision is applicable alike to undocumented home tugs or any tugs not of the United States, including those of the British and other adjacent Provinces and countries.

Vessels belonging in whole or in part to a subject or subjects of a foreign country found violating the twentieth section of the act of July 18, 1866, will forfeit and pay fifty cents per ton, and the goods so shipped or reshipped will be forfeited.

OF THE LIABILITY OF VESSELS, AND OF THE POWER OF COLLECTORS TO SEIZE AND DETAIN THE SAME FOR DUES ACCRUED PRIOR TO THE 1ST OF AUGUST, 1866.

It is not the purpose of the Department here to raise and determine the various questions of liability of vessels for tonnage dues or fees which may have accrued prior to the first of August, 1866, but to give the law as it now stands, leaving all such exceptional questions to be settled, when presented, as the circumstances of each particular case may require. Yet it may be well to state that Collectors may cause to be sued the owner of a vessel—subject to be licensed—for any past tonnage dues or fees which may have accrued on entries prior to that date, in consequence of neglect or refusal to take out an original license; but they cannot seize and detain such vessel for that neglect—though a vessel once licensed may be so seized, detained, and fined fifty dollars for neglecting or refusing to surrender an old license (which might be improperly used) and take out a new one, as required by section nine of the act of 1793: as in the case of

CANAL-BOATS.

Many of which may be so engaged in the coasting trade—the act of February 18, 1793, section 1, declares that ships or vessels enrolled, or if less than twenty tons, licensed, &c., "and no others," should be deemed vessels of the United States "entitled to the *privileges*," &c. of the coasting trade. Such vessels were permitted to engage in the coasting trade under "privileges" denied to others, on payment of the lowest rates of tonnage dues, and but once a year. Other vessels might engage in that trade, but they were, and are, required to pay alien tonnage dues at every port they enter. To this penalty all vessels not documented as required, must submit. The Navigation Act of March 1, 1817, absolutely forbids all "vessels belonging wholly or in part to a subject of any foreign power" from engaging in the coasting trade under penalty of forfeiture, but undocumented vessels belonging wholly to citizens of the United States were not so forbidden, and might engage in that trade, as before stated, under disabilities. The act of May 31, 1830, abolishing tonnage duties on ships of the United States did not include vessels which were owned but not documented as vessels of the United States.

The act of July 20, 1846, exempting certain canal-boats from payment of fees or compensation for a license or enrolment, &c., does not exempt them from the necessity of taking out a license, nor from paying the tonnage dues. Such vessels were liable to pay a tonnage duty of fifty cents per ton at every port which they should enter, and at every time of entry; and this continued to be the rate down to the act of July 14, 1862, when the additional tonnage duty of 10 cents per ton was added, making sixty cents a ton from that time down to the first of April, 1865, on all such vessels entering after December 31, 1862. The act of March 3, 1865, taking effect on the first of April, 1865, increased these dues to eighty cents per ton, down to the first of August, 1866, when the act of July 13, 1866, was to take effect.

TONNAGE DUTY, &C., ON DOMESTIC VESSELS AFTER AUGUST 1, 1866, AS AFFECTED BY THE INTERNAL REVENUE LAW.

The Act of July 18 does not repeal or conflict with the Act of July 13, 1866, as has been supposed. It imposes no new tonnage duty, but declares certain vessels exempt from the payment of such duty more than *once a year*, and regulates the *time* and *manner* of collecting this duty on enrolled and licensed vessels already subject thereto.

It also requires certain vessels to pay the fees incident to enrollment and license, which were before exempted by the Act of July 20, 1846, and neither of these acts exempts any vessel from the payment of tonnage dues except those enumerated in the 5th proviso of Section 103, of the Internal Revenue Act of 1864, as amended by the Act of July 13, 1866.

And all vessels, including canal boats, barges, rafts, and flats not enumerated in the 5th proviso of that Act, which are of "five tons burthen and upwards, not plying exclusively on inland waters wholly within the limits of a State, and having no outlet into a navigable river or lake on which commerce with foreign nations, or among the States, or with the Indian tribes can be carried on," must be enrolled and licensed as the case may be, and pay the fees incident thereto, and pay the tonnage dues. The said 103d section, as amended in the Act of 13th July last, does not impose any new tonnage duty, but, in the fifth proviso, makes certain vessels pay an annual special tax in lieu of tonnage dues which may have been previously exacted.

VESSELS CARRYING MAILS AND PASSENGERS.

This section taxes, not ships or vessels *as such*, but the owners (persons, companies or corporations), on certain of their "gross receipts" only, when they exceed $1000 per annum—from carrying *passengers* and mails on contracts made *prior to the 1st of August, 1866, while* engaged or employed in the business of transporting them *for hire*, even though they pass through foreign territory (without there landing or receiving either) in so doing.

It is this *special income* which is so conditionally taxed and not the vehicle or vessel.

This ownership of such vessels of which the receipts are thus taxed, *does not include* that of vessels carrying passengers or mails to or from foreign ports; nor of vessels carrying only mails on contracts made *subsequent* to August 1st, 1866. It has no reference to the tonnage or capacity of the vessels so owned and employed. Nor does the payment of *tonnage dues* exempt the receipts of such vessels which are so derived from accounting for this tax; nor does it exempt these receipts because such vessels may not be exclusively or continuously so employed. Nor are the receipts of vessels taxed by this section to be regarded as being taxed in that general sense contemplated in the 4th section of the Act of March 3, 1865, exempting from taxation the receipts of vessels paying tonnage dues.

But *two* classes of *exceptional* vessels are made the instruments to secure taxes from *three* sources, viz:

Passengers on certain home vessels;

Contractors for carrying certain mails;

Passengers and freight paying "toll" on certain ferries.

This revenue, mostly derived from a floating population, does not diminish the profits, but rather increases the income of the owners of such vessels. It in fact, virtually, only collects this tax through them as agents of the Government. For the 3d proviso empowers them to add to the "tolls" and charges "legally made" by them, and to collect it from their contractors, or the people, their customers, as therein directed; and to exempt these vessels, therefore, from tonnage dues, would be to release them from *all* taxation whatever—a boon not contemplated by the law.

FERRY BOATS.

Owners and managers of ferry boats, in the same manner, yield from their "tolls" of "every description," 3 per cent. to the office of the Internal Revenue, under like investiture of power to collect, and such ferry boats are not thereby exempt from paying tonnage dues.

VESSELS UNDER FIVE TONS.

All vessels under five tons burthen are not to be enrolled or licensed, and are wholly exempt from Customs dues and from the Internal Revenue tax as vessels, except ferry boats and vessels carrying mails or passengers for hire, whose receipts may be taxed as before stated. But all are liable as vessels for any infraction of the Revenue laws.

FLATS, BARGES, &C., UNDER THE 5TH PROVISO, SEC. 103, OF JULY 13, 1866.

The vessels to which the said fifth proviso of section 103 applies are "*all boats, barges,* and *flats, not used for carrying passengers, nor propelled by steam or sails, which are floated or towed by tug-boats or horses, and used exclusively for carrying coal, oil, minerals, and agricultural products* to market."

The vessels so designated and employed are brought under the Internal Revenue tax, and are wholly exempted from Customs charges, even though they enter the waters under admiralty jurisdiction, so long as they retain that exclusive character, and only transport coal, oil, minerals or agricultural products *to market;* and if under 25 tons burden, are, as vessels, exempt from all taxation.

Any departure, however, from such special occupation, as trading from port to port, or taking on a return cargo, subjects them to enrolment and license, and the payment of tonnage dues and fees notwithstanding they may have previously paid the Internal Revenue tax, which thus becomes cumulative, by the act of the vessel, and cannot be refunded. All such vessels pay the special tax according to their capacity, *in lieu* of enrolment fees and tonnage dues, which they are not required to pay; nor are they to be measured, enrolled, or licensed.

This proviso was doubtless intended to embrace chiefly, but not exclusively, a class of boats, many of which have hitherto escaped payment of any tax or dues whatever; and also to relieve a large number of vessels from enrolment and tonnage tax, which could not be justly subjected to a burden so greatly disproportioned to their value and inconsistent with their occupation; such, for instance, as flat boats and other vessels quite numerous on our Western waters, used for transporting wood, coal and produce to market, many of which are floated down the Mississippi and its tributaries, with but a single load, and are then broken up and sold for lumber. Others are engaged in conveying stone for building purposes, being merely old hulls or lighters and not adapted to the transportation of merchandise or passengers, and which could not be regarded as being engaged in the coasting trade, and which would not, in many cases be worth the fees, dues and taxes for admeasurement and license as required by vessels in that trade.

The articles to be conveyed in these vessels as enumerated in the fifth proviso, are to be of the growth or production of the district or neighborhood from which the vessel shall receive them, and not of a distant State or country. They embrace, however, all the *natural products* of the earth in such vicinity, above or beneath its surface.

Very Respectfully,
HUGH MCCULLOCH,
Secretary of the Treasury.

NEW Warehousing regulations have been issued and will appear in our next issue. They embody the necessary changes under the act of July 13, 1866, relating to the bonding of distillers' warehouses. Operations under that act have hitherto been conducted as far as practicable by the old regulations of May 1, 1865, (RECORD Vol. II, p. 11.) The Regulations bear date October 20, 1866, but have just been issued.

THE persistent efforts of Mr. Spooner's friends to oust Commissioner Rollins, have signally, and it might be added, ignominiously failed.

INSTITUTE OF REWARD—PRIZE ESSAY ON PHYSIOLOGY AND HYGIENE.—Desirous to secure the solution of the most practical questions of Hygiene, and believing great benefit will result from the diffusion of the knowledge of physiological and hygienic laws, and from the discovery and application of disinfectants and prophylactics, and, at the same time, desirous to increase the means of providing for the orphan representatives of those falling in the defence of our country, a gentleman has deposited with the Institute of Reward for Orphans of Patriots $500, to be paid on the following conditions, for the

BEST ESSAY ON PHYSIOLOGY AND HYGIENE.

FIRST.—The Essays having been read or presented for reading before a State or other Incorporated Medical Society, and so certified to by the President or Secretary of the several Societies respectively, shall be sent to DAVID P. HOLTON, M. D., Editor of the Journal of the Institute, New York City. The Essays to belong to the Institute, and to be printed in its Journal, or otherwise, at the option of the Editor.

SECOND.—When Essays shall have been so received from twenty-five of the United States or Foreign Governments, or when fifty-two essays shall have been so received irrespective of their authors' residences, their comparative merits will be considered and adjudged by a committee of three, to be appointed by the PRESIDENT OF THE AMERICAN MEDICAL ASSOCIATION, and upon the written decision and certificate of the Committee, the said five hundred dollars will be paid to the successful competitor, his or her heirs, or assigns.

THIRD.—But, if in the judgment of said Committee the merits of no one essay may give it decided preeminence, the said five hundred dollars will be awarded to the authors of the five best essays, and in such proportions as, in view of their comparative merits, to the Committee may seem equitable.

HORACE WEBSTER, M. D., *President.*
ARTHUR F. WILLMARTH, *Treasurer.*
49 Bible House, New York, Nov. 19th, 1866.

OFFICE OF THE COMMONWEALTH FIRE INS. CO.,
NEW YORK, Nov. 16, 1866.

AT A MEETING OF THE BOARD OF Directors held this day, JOSEPH HOXIE, Esq., tendered his resignation as President of the Company, which was accepted, and Mr. GEORGE T. HAWS was thereupon elected President for the ensuing year, and Mr. WILLIAM D. CORNELL, appointed Secretary.

The following preamble and resolutions were unanimously adopted:

Whereas,, Joseph Hoxie, Esq., who has been President of this Company for thirteen years last past, has this day resigned; therefore be it

Resolved, That the thanks of this Company are hereby tendered Mr. Joseph Hoxie for the earnest, faithful and efficient manner in which he has performed the duties to him confided.

Resolved, That this Company accept with regret the resignation of Mr. Joseph Hoxie, and trust that the remaining years of his life may be as peaceful and happy as his prime has been honorable and just.

Resolved, That our official connection with Mr. Hoxie being thus severed, we extend to him our earnest wishes for his future welfare, prosperity and happiness.

GEORGE T. HAWS, President.

GENERAL OFFICE OF THE FAIR AND FESTIVAL,
616 BROADWAY, N. Y

REMEMBER THE LITTLE ONES;

THE

DESTITUTE AND ORPHAN CHILDREN

OF OUR

COUNTRY'S DEFENDERS.

GRAND CHARITABLE FAIR AND PRESENTATION FESTIVAL.

IN AID OF THE

HOME AND SCHOOL FOR THE MAINTENANCE AND EDUCATION OF THE DESTITUTE CHILDREN OF OUR SOLDIERS AND SAILORS.

☞ AN APPEAL TO THE AMERICAN PEOPLE.

This HOME AND SCHOOL was chartered in the year 1862, for the objects above set forth. Applicants are received from all the States in the Union. Its sphere of usefulness is constantly increasing, the Children now numbering over 120; and daily are the requests, for the shelter and care of equally deserving ones, *denied*, solely for the want of room to accommodate them. The old and unsuitable building (on 58th street, N. Y.) now occupied, must be removed for the erection of such a Home as necessity demands; and this call is made upon the public with a firm belief that the Patriotism and Generosity of the American People will nobly respond to the wants of Little Ones, and that a suitable edifice will be erected through the means of this Fair and Festival, which shall stand in the cause of humanity as a fitting rebuke to the trite assertion, that "Republics are Ungrateful," and which shall, in affording an asylum for our Country's Children, also be an ornament among her institutions.

NEW YORK, October 1st, 1866.

We, the Officers and Managers of the "Home and School," for the Education and Maintenance of the Destitute Chilren of our Soldiers and Sailors, earnestly solicit the sympathy and co-operation in our *Fair and Grand Presentation Festival*, of all who desire with us to see the "Home and School" enabled to receive and care for *all* needy ones who seek its shelter and protection.

Mrs. General ULYSSES S. GRANT, President.
Mrs. CHAS. P. DALY, Acting "
Mrs. Maj. Gen. J. C. FREMONT, 1st V. "
Mrs. ROBERT FORSTER, 2d V. "
Mrs. JOHN S. VOORHIES, Treasurer.
Mrs. DAVID HOYT, Secretary.
Mrs. WM. S. HILLYER, Cor. Secretary.
Mrs. HERVEY G. LAW, Manager.
Mrs. J. J. VAN DALSEM, "
Mrs. JNO. H. WHITE, "

NEW YORK, Oct. 1st, 1866.

The undersigned, desiring to express our sympathy and unite our efforts with the "Home and School" for the Education and Maintenance of the destitute children of our Soldiers and Sailors, located in the City of New York, do most cheerfully co-operate with the Ladies composing the Officers and Managers of that Institution as a Supervisory Committee in their approaching *Fair and Presentation Festival.*

Major General VAN VLIET,
" " FRANCIS C. BARLOW,
Brig. " JOHN COCHRANE,
" " WILLIAM HALL,
" " RUSH C. HAWKINS,
Bvt. Brig. Gen. JAMES F. HALL,
Judge CHAS. P. DALY,
Chairman of Committee,
JNO. H. WHITE,
G. P. B. HOYT,
J. H. PULESTON.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 6th, 1866.

Whereas Messrs. Thomas & Co., as Managing Directors of a Charitable Enterprise, have made due application to T. W. Egan, Collector of Internal Revenue for the 9th Collection District of the State of New York, for permission to hold a "*Fair and Grand Presentation Festival*," and presented to him satisfactory evidence that the proceeds of such Enterprise will be devoted to charitable uses, permission is hereby granted to the said Messrs. Thomas & Co. to hold said *Fair and Presentation Festival* exempt from alt charges, whether from special tax, or other duty in respect of such *Fair and Festival.*

(Copy) THOMAS HARLAND,
Acting Commissioner.

The following Card will be fully appreciated by the Public, as it receives the thanks of the Institution:

To the Managing Directors of the Festival:

Sympathizing with your object, I take pleasure in tendering you, gratuitously, my professional services on the occasion of your Festival.

THEODORE THOMAS.

The Fair will open on the 10th of December and continue two weeks, at the PUBLIC HALL, corner of Broadway and 23d Street, New York. To be concluded by the

GRAND PRESENTATION FESTIVAL,

To be held at

COOPER INSTITUTE, NEW YORK,

SATURDAY EVENING, December 22.

Under the Musical direction of THEODORE THOMAS, Esq. On which occasion a Committee will be chosen by the audience to award

$100,000 IN PRESENTS,

in such lawful manner as they may determine. For the Festival there will be issued 200,000 *Tickets at One Dollar each*, and 200,000 *Presents, being one to each Ticket holder.*

LIST OF PRESENTS TO BE AWARDED.

1	Present in United States Greenbacks	$10,000
1	Splendid Country Residence in Westchester Co., near N. Y. City	12,000
1	Corner House and Lot, Jamaica Avenue, E. N. Y.	4,000
1	House and Lot, adjoining above	3,000
1	" " in Brooklyn, N. Y.	3,000
1	Carriage, Horses, and Harness, (complete)	2,500
1	Grand Piano, (Steinway's)	1,500
3	Lots in Harlem, city of N. Y., $1,500 each	4,500
1	Set of Diamonds, (Ring, Ear-Rings and Pin)	1,000
1	Paid up Policy, of Life Insurance, for	5,000
1	"Ellis' Patent Hot-Water Apparatus," for Heating Dwellings	1,000
1	Oil Painting of General U. S. Grant	250
15	Gents fine Gold Lever Watches, @ $200	3,000
15	Ladies " " " @ $125	1,875
1	Elegant 1st Premium Empire Sewing Machine	150
20	Silver plated Tea Setts, @ $75	1,500
100	Celebrated Empire Sewing Machines, now on exhibition at their Warerooms, 616 Broadway	7,500
1000	Copies (2 vols. each) being a complete Illustrated History of the War, by Mrs. Ann S. Stephens	7,000
250	Gold Pens, Pencils, and Sleeve Buttons, @ $6	1,500
500	Table and Tea Spoons and Napkin Rings, @ $5	2,500
1000	Call Bells and plated Fruit Knives, @ $3	3,000

The balance to consist of the following articles, viz.: Musical Instruments, Parlor and Office Furniture, Writing Cases, Ladies Work Boxes, Music Boxes, Kid Gloves, Photograph Albums, Breast Pins and Finger Rings, Gents Fob Chains, Ladies Gold Watch Chains, Opera Glasses, Black Walnut Picture Frames, Gentlemen's Fashionable Silk Hats, Ladies newest style Dress Hats, American Emblem Cards for Parlor Amusement, Engravings and Card Photographs of distinguished Personages, Ladies and Gents Riding-Whips, Buffalo Robes, Ladies Mink Furs, Gents Fur Collars and Gloves, &c., &c., amounting to.... 24,225

Making in the aggregate 200,000 Presents, valued at...$100,000

THEODORE THOMAS, Esq.

The talented Musical Director, promises a most delightful treat in the Orchestral and Vocal Exercises for the occasion, no less than 40 performers being already engaged, and nothing will be spared to make this the finest Musical Festival ever given in the United States.

HOW TO OBTAIN TICKETS.

The tickets will be supplied to all Booksellers, Druggists, Music Dealers, Hotel Keepers, &c., where they can be obtained at $1,00 each, or in quantities at the Club Rates. Subscription Lists are now ready for Soldiers and others (male and female) who sympathize with our object, to obtain orders for the Tickets. Circulars, giving full directions, and terms to Agents, will be mailed on receipt of stamp for postage.

Orders may be sent direct to us enc'osing the money, from $1 to $25, in a *registered letter at our risk*, with stamp for return postage. Larger amounts should be sent in drafts by Express, at the following

CLUB RATES.

5	Tickets to one address			$4 50
10	"	"	"	9 00
20	"	"	"	17 50
30	"	"	"	26 25
40	"	"	"	35 00
50	"	"	"	43 50
100	"	"	"	85 00

address all orders and communications to

THOMAS & CO., Managing Directors,

OR TO

N. H. DAVIS, Agent for the Home and School,
616 Broadway, New York.

SPECIAL NOTICES.

We take pleasure in acknowledging, on behalf of the Home and School, the liberal donation of $5 0, made by the Empire Sewing Machine Co., of No. 616 Broadway, New York.

Editors are invited to notice this Charitable Fair and Festival, and to lend such aid as their sympathy and benevolence suggest.

THOMAS & CO.,
Managing Directors.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 23. NEW YORK, DECEMBER 8, 1866. WHOLE NUMBER 101.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE important events of the week relating to the revenue have been the publication of the annual reports of the Secretary of the Treasury and the Commissioner of Internal Revenue. The latter is confined chiefly to a careful analysis of the operation of the Excise laws during the year, before and since the passage of the act of July last, and presents a very satisfactory exhibit.

The percentage of Collection is under that of last year, being less than 2 1-2 per centum, and amounting to $7,689,700 46.

The time of making the annual list is recommended to be changed to the first of March of each year. An increase of pay to Assistant Assessors of about one dollar a day is also recommended. No change in the laws or regulations relating to the collection of the tax on cotton is deemed advisable. The laws and regulations governing the distillation of spirits are stated to be in practical and very general operation, and it is hoped, with authority which is sought from Congress to destroy small illicit stills in certain cases, the receipts from this source will be largely increased.

Important suggestions and recommendations are made in relation to the tax on cigars, management and conduct of suits involving Internal Revenue in the United States Courts, stamps, the reduction of the number of taxable articles, and other modifications of the law, which are entitled to the careful consideration of Congress.

The decisions and rulings published this week do not possess much interest, with the exception of that relating to the tax on roasted and ground coffee. It was recently held that the same should be subjected to a tax of two cents per pound, where roasted and ground by the same person. For good and sufficient reasons, it is now determined to require coffee, roasted and ground by the same person, to pay a tax of one cent per pound only; and where roasted and sold, to require the roaster to pay a tax thereon of one cent per pound; but grinders of coffee which has been roasted by others and purchased by them, are not to be held liable for the tax if it can be shown to the satisfaction of the Revenue officers that a tax of one cent per pound has been paid thereon by the roaster.

REVENUE MATTERS IN CONGRESS.

THE intense interest which centres in the action of Congress during the present session upon matters connected with Internal Revenue and Customs may be easily comprehended from the proceedings of the first day.

Mr. Kelly, of Pennsylvania, introduced a bill to create and organize a department of Internal Revenue, which was read twice and referred to the Judiciary Committee. The leading idea of this bill appears to be the erection into a separate executive department of the Internal Revenue office, the head of which to be selected in a novel manner, charged with the exclusive administration of the Excise laws, including appointments of subordinate officers.

Mr. Stevens introduced a bill to regulate removals from office, which was read twice and ordered to be printed. This bill provides that the power of removal from office shall be exercised in concurrence with the Senate, in all cases where the consent thereof is requisite to appointment to such office; incapacitates a rejected appointee from holding any United States office for three years after such rejection by the Senate, unless two thirds thereof should relieve him from the disability.

Mr. Ancona offered a resolution directing the Committee of Ways and Means to report a bill to provide for the adjustment of the rates of exemption from income tax.

The same Committee was directed, on motion of Mr. Miller, of Pa., to inquire into the expediency of changing the revenue laws so as to dispense with the present mode of appointing inspectors of distilleries; and, on motion of Mr. Kelly, was also directed to inquire into the expediency of repealing the provisions of the Internal Revenue laws whereby a tax of five per cent. is imposed on the productions of the mechanical and manufacturing industry of the country.

A resolution was also adopted, on motion of Mr. Blaine, instructing the Committee of Ways and Means to inquire whether the agricultural, commercial and manufacturing interests of the country would not be promoted by a repeal of the tax on cotton.

A bill to repeal so much of section 51 of the Internal Revenue Act of last session as imposes a license tax of $100 on retail grocers who grind their own coffee or spices, was introduced by Mr. Price, read twice and referred to the same Committee.

The most interesting of all, however, is the resolution offered by Mr. Darling, of this city, reciting that great frauds are alleged to be daily practiced in the payment and collection of Internal Revenue on distilled spirits, tobacco and cigars, and providing for a select Committee of five to investigate the facts, with power to send for persons and papers. This resolution was adopted, and the results of its investigation will be anxiously looked for by the tax paying public.

WHISKEY QUOTATIONS.

NEW YORK MARKET FOR WEEK ENDING THURSDAY, DEC. 6, 1866.

IN BOND—a slight advance during the week, and firm at 42@43c. for Western; State, 40@41c.

"FRAUD WHISKEY"—$1.75@1.90 for regular branded; unbranded, a drug at $1.70.

Treasury Dept., Decisions, &c.

OFFICIAL.

Series 2.—No. 9.

REGULATIONS FOR THE ESTABLISHMENT OF BONDED WAREHOUSES UNDER THE INTERNAL REVENUE ACTS, FOR THE ENTRY, WITHDRAWAL, TRANSPORTATION, AND EXPORTATION OF THE MERCHANDISE DEPOSITED THEREIN, AND FOR THE KEEPING OF PROPER ACCOUNTS THEREOF BY ASSESSORS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 20, 1866.

Warehouses, in which merchandise may be stored in bond under the internal revenue laws, will be known and designated as bonded warehouses Class A, and bonded warehouses Class B.

CLASS A.

A warehouse, Class A, may be a storeroom or building, approved by the Secretary of the Treasury, in the possession of any distiller of spirits, or mineral oil, or any manufacturer of tobacco, snuff, cigars, or friction matches, in which he may store merchandise of his own manufacture. No merchandise will be stored in bonded warehouse, Class A, except such as is manufactured or produced by the owner or occupant of the warehouse.

CLASS B.

A warehouse, Class B, may be any storeroom or building, approved by the Secretary of the Treasury, in the possession of any person who may desire to engage in the business of storing spirits, mineral oil, tobacco, snuff, cigars, or friction matches. Owners or occupants of bonded warehouses of this class, will receive on storage any merchandise that is allowed to be stored in bonded warehouse by internal revenue laws, provided they shall not be allowed to receive friction matches on storage with spirits or oil, and shall also receive any goods which may be seized or distrained by any collector of internal revenue, subject to the limitation hereinafter stated.

Goods seized or distrained shall be received in warehouses of this class on the order of the collector, if of the same character as goods otherwise deposited in such warehouse, and the proprietor or owner of such warehouse shall be liable for the safe-keeping of such merchandise as for other goods; and no charges for labor, storage, or other expenses shall exceed in any case the regular rates for such objects at the place in question.

Mode of establishing bonded warehouses.

Bonded warehouses of either of the above classes will be established as follows: The owner or occupant will make application to the Collector of Internal Revenue for the district, describing the premises, the location, and capacity of the same, and setting forth the purpose for which the warehouse is proposed to be used; whether for storing his own merchandise, or for general storage of merchandise in bond. The application will also state the class of articles for the storage of which the warehouse is to be used. This application should be accompanied by a sketch or diagram showing the relative position of the warehouse to the distillery, refinery, or factory, and other surrounding buildings. In case the warehouse is intended for the storage of petroleum, the collector must be particular to certify as to whether the location is such as to endanger life or property in the immediate vicinity, in case of fire, as required by regulations of the Secretary of the Treasury. The application, to entitle it to consideration, must be accompanied by a certificate, properly stamped, signed by the officers of two or more insurance companies, that the premises offered are suitable, and may be insured at a moderate rate.

The collector shall thereupon examine and inspect the premises, and report in writing the particulars in relation to location, construction and dimensions, the means provided for securing custody of the merchandise which may be deposited in the same, and all other facts having a bearing on the subject, together with a statement of his own views and opinions, which, together with the application and the insurance certificates, he will transmit to the Commissioner of Internal Revenue. If the report be satisfactory, the application will be granted, and the owner or applicant will be required to give bond in one or the other of the forms following:

If a bonded warehouse, Class A, the form will be as follows:

FORM A.

Know all men by these presents, that we, ——— ——— and ——— ———, as principals, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of —— dollars; for the payment of which, well and truly to be made to the United States, we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents; as witness our hands and seals, at ———, this —— day of ———, eighteen hundred and sixty ——.

The condition of this obligation is such, that if the above-bounden principal shall comply in all respects with the provisions and requirements of the warehousing and internal revenue laws, and the regulations of the Treasury Department made in pursuance thereof, and shall not store in the warehouse, store, or premises known as ———, situated in ———, any other goods, wares, or merchandise than those manufactured or produced by him or them, and ordered to be deposited therein by the collector or his officer having custody thereof, and shall pay to said collector, monthly, the salary of the officer in charge of such goods, and shall exonerate and hold the United States and its officers harmless from or on account of any risk, loss, or expense of any kind or description, connected with or arising from the deposit or keeping of any goods, wares, or merchandise in the said warehouse, and shall not remove, or suffer to be removed, from said warehouse, any goods, wares, or merchandise stored therein, without lawful permit, and without the presence of the officer having custody thereof, or, in case of such removal, shall pay to the collector of Internal Revenue, for the district, the value of the merchandise so removed, and five thousand dollars as liquidated damages for such removal; then this obligation is to be void; otherwise to be in full force and virtue.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Sealed and delivered in presence of—

——— ———.
——— ———.
——— ———.

(25-cent stamp.)

The penal sum in the foregoing bond should always be sufficient to cover the tax on the amount of merchandise that will be stored therein at any one time, and the security should always be increased whenever the tax on the quantity stored exceeds the penal sum named in the bond.

If a bonded warehouse, Class B, the form will be as follows:

FORM B.

Know all men by these presents, that we, ——— ——— and ——— ———, as principals, and ——— ——— and ——— ———, as sureties, are held and firmly bound unto the United States of America in the sum of —— dollars; for the payment of which, well and truly to be made to the United States, we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents; as witness our hands and seals, at ———, this —— day, of ———, eighteen hundred and sixty——.

The condition of this obligation is such, that if the above-bounden principals, or either of them, or either of their heirs, executors, administrators, or assigns, shall comply, in all respects, with the provisions and requirements of the warehousing and internal revenue laws, and the regulations of the Treasury Department, made in pursuance thereof, and exonerate and hold the United States and its officers harmless from or on account of any risk, loss, or expense of any kind or description, connected with or arising from the deposit in the warehouse herein described, under the provisions of any law now existing or hereafter enacted, or that may be deposited therein after being seized or distrained under the internal revenue laws, and shall not store in the warehouse known as ———, situated in ———, any other goods, wares, or merchandise than those duly bonded for warehousing and designated to be deposited in such warehouse by the internal revenue laws, and ordered to be deposited therein by the collector or by his officer in charge, or those seized or distrained under the internal revenue laws, and shall pay to the proper officer, monthly, the salary of the officer or officers in charge of said goods, wares, and merchandise, and shall safely keep all goods stored therein, and shall deliver the same to the order of the collector of internal revenue, looking to the owner of said goods for the storage and charges, and shall not remove, or suffer to be removed, from said warehouse, any goods, wares, or merchandise stored therein, without lawful permit, and without the presence of the officer having custody thereof, or in case of such removal, shall pay to the collector of internal revenue for the district the value of the merchandise so removed, and five thousand dollars as liquidated damages for such removal; then this obligation to be void; otherwise, in full force and virtue.

——— ———. [L. S.]
——— ———. [L. S.]
——— ———. [L. S.]

Sealed and delivered in presence of—

——— ———.
——— ———.
——— ———.

[25-cent stamp.]

The bond, in this case, should be for an amount that may be deemed sufficient by the collector of the district. After being duly executed, a certified copy of the bond, whether for class A or class B, must be forwarded to the Commissioner of Internal Revenue, with a statement of the sufficiency of the penalty and of the responsibility of the obligors, for his sanction, and the approval of the Secretary of the Treasury. No goods can be deposited in a warehouse until the proper bond has been executed and approved.

GENERAL REGULATIONS IN REGARD TO WAREHOUSES OF BOTH THE FOREGOING CLASSES.

The building, or portion of a building, used as a bonded warehouse, must be under the lock of the officer of internal revenue, in addition to the lock of the owner, which locks must be of different character. All the means of ingress to or egress from the building must be under the control of the government officer.

Where only a portion of a building is to be used as a bonded warehouse, care is to be taken that the portion so used shall have no communication with or inlet from the remainder of the building.

All labor on the goods deposited in these stores must be performed by the owner or occupant of the warehouse, and the warehouse will be subject to such further rules as the Department may deem necessary, from time to time, for the safe keeping of the goods and protection of the revenue, and may be discontinued as a bonded warehouse by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, when, in his opinion, the public interests may require. All arrangements in regard to the rates of storage and the price of labor on goods deposited in warehouses, Class B, must be made between the depositor and the owner or occupant of the store, and all amounts due for storage and labor must be collected by the latter; the collector of internal revenue looking only to the custody of the merchandise for the security of the revenue.

Warehouses, Class A, established by distillers of spirits, for the storage of their products, will be in charge of the inspector, appointed by the Secretary of the Treasury, in accordance with the provisions of section 27 of the act of July 13, 1866.

Warehouses, Class A, established by refiners or distillers of mineral oil, or manufacturers of tobacco, snuff, cigars, cigar lights, tapers, or lucifer or friction matches; and all warehouses, Class B, will be placed in charge of an officer appointed by the collector of internal revenue, for the district in which the warehouse is situated, and who will receive a compensation, to be fixed by said collector and approved by the Commissioner of Internal Revenue, to be paid monthly, by the owner or occupant of the warehouse, and will be designated as a storekeeper.

Should the amount of business at any one warehouse require, in the judgment of the collector, the services of more than one officer, the owner or occupant will be required to pay monthly such additional sum as will be equivalent to the salary of such officer or officers. One officer may, however, have charge of as many warehouses, not including distillers' warehouses, class A, as, in the judgment of the collector, he can superintend efficiently.

Where a single officer has charge of more than one warehouse, the proportion of his compensation to be paid by each proprietor or occupant will be determined by the collector.

The compensation of a storekeeper will, in no case, exceed four dollars per day, unless by special permission of the Commissioner of Internal Revenue, upon application of the collector of the district.

Great care will, in all cases, be taken by collectors and other officers in inquiring into the safety and suitable character of buildings or premises offered as bonded warehouses, with special reference to the class of goods intended to be deposited therein, and into all other facts material to the subject.

The owner or occupant of a bonded warehouse will in no case have access to it, except in presence of the officer in charge.

After stores or premises have been approved and placed under internal revenue locks, the collector will retain the right of ordering additional fastenings, to be provided by and at the expense of the owners or occupants having charge of the premises.

Should the owner or occupant of any building, room, or premises designated as a bonded warehouse, neglect or refuse to pay to the collector the sum required by these instructions for the salary of an officer or officers, as the case may be, or fail or refuse to comply with any law regulating the storage of merchandise, or any rules or regulations issued by this Department, or by the collector, for the safety of the goods stored, the collector will refuse permission to deposit goods in such store, and report the facts at once to the Commissioner of Internal Revenue for his action.

The proprietors or occupants of warehouses, on ten days' notice from the collector, may be required to renew their bonds; and, if they fail so to do, no more goods will be sent to such warehouses, and those within the same will be withdrawn at their expense.

The owner or occupant of any warehouse will have the right to relinquish the business at any time, with the approval of the collector of the district, and on notice to the owners of the merchandise deposited therein, and paying the expense of its removal to other warehouses, when his bond will be cancelled.

Collectors will report the date and reasons for the discontinuance of a bonded warehouse of either class, to the Commissioner of Internal Revenue, as soon as such discontinuance takes place and the bonds are cancelled.

Mode of depositing goods in a Bonded Warehouse, Class, A.

An entry for the warehousing of merchandise in any warehouse, Class A, established in the foregoing manner, will be in the following form:

FORM C.

Entry of merchandise to be deposited in the bonded warehouse, Class A, at ——, owned by —— ——.

Marks.	Numbers.	No. of bbls. or packages.	Article.	No. of proof gallons or pounds.	Rate of tax.	Amount of tax.

(Signed) —— ——.

Dated at ——, ——, 186—.

This entry must be made in duplicate. The merchandise described therein, having been inspected according to law, the storekeeper will superintend the reception and storing of the same in the warehouse, retaining one entry and transmitting the other, together with his certificate that the goods have been received by him in warehouse, and a certificate of inspection, (Form H, hereinafter provided,) to his collector.

No transportation or other bond is required in this case.

Mode of transporting goods from a refinery, or manufactory, to a bonded warehouse, Class B, or from one bonded warehouse to another.

Mineral oil, tobacco, snuff, cigars, cigar lights, wax tapers, or friction matches, and brandy distilled from apples, peaches, or grapes exclusively, may be transported, under the regulations hereinafter provided, from the distillery, refinery, or manufactory, to any general bonded warehouse, Class B, or from the bonded warehouse in which they are first deposited, to any other bonded warehouse, Class B, established in conformity with these regulations.

Distilled spirits, except those above named, can, in no case, be allowed to be removed from the distillery in bond without first having been placed in the warehouse, Class A, required to be established by all distillers of spirits, in accordance with the terms of section 27 of the act of July 13, 1866.

Cotton removed under bond cannot be placed in bonded warehouse upon its arrival at the point of delivery, but must be delivered to the collector of internal revenue, for the district where received, by whom it will be held in custody, at the expense of the owner, until the tax and all charges incurred for storage have been paid.

Whenever it is desired to transport goods, receivable in bonded warehouses under these regulations, from a distillery, refinery, or manufactory, to a bonded warehouse in another district, or from one bonded warehouse to another, as above provided, application must be made to the collector of internal revenue for the district in which the goods are situated for a permit so to do, the merchandise having been first duly inspected, in cases where such inspection is required by law.

The application will be in the following form:

FORM D.

—— ——, 186—.

A permit is requested for transportation to the bonded warehouse, Class B, owned by —— ——, situated in ——, county of ——, State of ——, from [the distillery, refinery, or manufactory carried on by —— ——, or from the bonded warehouse owned by —— ——,] situated in ——, county of ——, State of ——, being in the —— collection district of said State, of the following described merchandise, viz:

[Statement as in form C.]

(Signed) —— ——.

To —— ——, *Collector.*

Upon the receipt of this application, the collector will exact from the applicant a transportation bond, with good and sufficient sureties in at least double the amount of duties upon said merchandize, in the following form, viz:

FORM E.

Know all men by these presents, that we, —— —— and —— ——, as principals, and —— —— and —— —— as sureties, are held and firmly bound unto the United States of America in the full and just sum of —— dollars; for the payment of which sum we do bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents. Sealed with our seals, and dated at ——, this —— day of ——, A. D. 186—.

The condition of this obligation is such, that if the above bounden —— ——, —— ——, shall transport, or cause to be transported, and within sixty days [if between districts on the Atlantic and Pacific coast, six months] from the date hereof shall complete the transportation of the following described merchandise, viz:

[Statement as in form C.]

from [distillery, refinery, or bonded warehouse, as the case may be] of —— ——, at ——, directly to the bonded warehouse owned by —— ——, at ——, and shall deliver, or cause the same to be delivered, to the collector of internal revenue for the district in which such bonded warehouse is situated, or his officer in charge, and shall, within thirty days thereafter, produce to the collector of internal revenue for the —— district, of ——, the certificate of such collector, showing that the said merchandise has been duly delivered and placed in the warehouse above designated according to law, then this obligation is to be void; otherwise, to abide and remain in full force and virtue.

(Signed) —— ——. [L. S.]
—— ——. [L. S.]
—— ——. [L. S.]

Sealed and delivered in presence of—
—— ——

(25-cent stamp.)

Upon this bond being duly executed, the collector will grant a permit in the following form, viz:

FORM F.

OFFICE OF THE COLLECTOR OF INTERNAL REVENUE,
—— *District, State of* ——, —— 186—.

Permission is hereby given to —— —— to transport to ——, from [the distillery or manufactory carried on by —— ——, or the bonded warehouse owned by —— ——,] situated in ——, county of ——, and State of ——, the following described merchandise, viz:

[Here insert the description of the merchandise as given in the bond.]

said —— —— having executed the required bond to deliver said merchandise to the collector or officer of internal revenue in charge of the bonded warehouse owned by —— ——, in the district of such collector or officer within sixty days [if between districts on the Atlantic and Pacific coasts, six months] from the date thereof.

—— ——,
Collector.

This permit will be executed in duplicate, one of which the collector will give to the applicant, and the other he will forward by mail to the collector of internal revenue for the district to which the goods are designed to be transported, unless the transportation shall be from one portion of a collection district to another portion of the same district, in which case one of the permits shall be sent to the storekeeper in charge of the warehouse for which the goods are destined.

Goods removed under this bond and permit must be deposited in the bonded warehouse to which they were permitted to be removed.

It will be the duty of the owner or consignee, on the arrival of the merchandise, or any part thereof, at the place where the warehouse for which it is destined is situated, immediately to notify the internal revenue collector in charge of said warehouse of its arrival, and to deliver the merchandise to him, and make entry thereof in the following form:

FORM G.

Entry of merchandise to be deposited in the bonded warehouse, Class B, at ——, owned by —— ——,

[Statement as in form C.]

The said merchandise having been removed from [the distillery, refinery, or manufactory carried on by —— ——, or the bonded warehouse owned by —— ——,] situated in ——, county of ——, and State of ——, being in the —— collection district in said State, under transportation bond given by —— ——, and dated the —— day of ——, A. D. 186–.

(Signed) —— ——.

Dated at ——, ——, 186–.

This entry must be made in duplicate, and forwarded to the storekeeper in charge of the warehouse. The merchandise described therein having been duly inspected, the storekeeper will see the goods stored in the warehouse, retaining one entry and transmitting the other, together with his certificate that the goods have been received by him in warehouse, and a certificate by the inspector of his inspection of the same, to his collector.

The certificate of the inspector will be in the following form:

FORM H.

—— COLLECTION DISTRICT, STATE OF ——,
——, 186–.

This is to certify that I have inspected a lot of merchandise now deposited in the bonded warehouse of —— ——, situated at ——, and found the same to be as follows:

[Statement as in form C.]

—— ——,
Inspector.

On the receipt of the entry, and of the certificates of the storekeeper and inspector, the collector will take from the owner or consignee of the merchandise a warehouse bond (Form J) for the same; and thereupon will make out duplicate certificates of the merchandise received, and that the same has been inspected, gauged, weighed, or gauged and proved, as the case may be, and stating the quantity thereof; and that a proper warehousing bond has been taken for the same; which certificate will be in the following form:

FORM I.

OFFICE OF COLLECTOR OF INTERNAL REVENUE,
—— *District, State of* ——, ——, 186–.

I hereby certify that the following merchandise, viz:

[Statement as in form C.]

removed under a permit granted to —— —— by —— ——, collector of the —— district of ——, dated —— 186–, has been received, identified, and inspected, and ascertained to be as follows, viz:

[Statement as in form C.]

and that a proper warehousing bond has been taken for the same.

Witness my hand and official seal at ——, this —— day of ——, 186–. —— ——,
Collector.

This is to certify that the above certificate of the collector has been presented to me and entered in the bonded account of this district.

—— ——, *Assessor.*

To —— —— ——,
Collector —— Dist. ——.

This certificate, in duplicate, will be delivered to the owner or consignee of the merchandise, who will procure it to be countersigned by the assessor of the district in which the warehouse is situated.

If the quantity received should be deficient, that is, less than the quantity described in the permit given for transportation, and the parties allege that the deficiency arose from leakage, they will execute an affidavit to that effect before the collector in charge of the warehouse. This affidavit, with the certificates showing that the goods have been deposited in warehouse, will be forwarded to the collector of the district from which the goods were removed.

Upon the delivery to the collector of internal revenue who received the transportation bond, of the said affidavit, and the certificate issued to the owner of the merchandise, or his consignee, he will cancel said bond, provided the said affidavit and certificate show to the satisfaction of the collector that the whole quantity of goods bonded, after making the allowance for leakage permitted by law and regulation, has been placed in bonded warehouse. If there be any deficiency, the amount of duties thereon must be collected.

Upon a deposit of any goods in a bonded warehouse, Class B, the owner or consignee will be required to execute a bond conditioned to pay the duties on the merchandise so deposited, or to withdraw the same in the manner prescribed by law and regulations. This bond may be executed for one lot of merchandise, or may be continuing for a period not exceeding six months, if executed in an amount sufficient to secure the duties on all the merchandise which may be stored in the warehouse under it; provided, that such continuing bond shall in any case be made to cover but one class of merchandise. The said bond will be in the form following:

FORM J.

Know all men by these presents, that we, —— ——, —— ——, as principals, and —— ——, —— ——, as sureties, are held and firmly bound unto the United States of America, in the sum of —— dollars, to be paid to the United States; for the payment whereof we bind ourselves, our heirs, executors, administrators, and assigns, jointly and severally, firmly by these presents, as witness our hands and seals at ——, this —— day of ——, eighteen hundred and sixty ——.

The condition of this obligation is such, that if the above bounden principals, or either of them, or either of their heirs, executors, administrators, or assigns, shall well and truly pay, or cause to be paid, unto the collector of internal revenue for the —— district of ——, the amount of duties due and owing on goods, wares, and merchandise ——, [here insert description of goods, and, if the bond be continuing, the time,] or shall, in the mode prescribed by law, withdraw the said goods from the bonded warehouse where they may be deposited at ——, then this obligation is to be void; otherwise, to remain in full force and virtue.

—— ——. [L. S.]
—— ——. [L. S.]
—— ——. [L. S.]

Sealed and delivered in presence of—

—— ——.

[25-cent stamp.]

The collector will keep an accurate account of the merchandise warehoused under every such bond, and in no case allow the aggregate amount of duties on goods stored to exceed at any time half the amount stated in the bond. If the bond is given to secure but one lot of merchandise, the blank in the bond will be filled by a description of that lot. If it be a continuing bond, the period for which it is to continue will be stated.

Mode of withdrawing goods from a bonded warehouse.

Goods deposited in a bonded warehouse may be withdrawn therefrom—

1. On payment of the duties.
2. For redistillation, rectification, canning, or change of package.
3. For exportation.
4. For removal to another bonded warehouse.

1. ON PAYMENT OF THE DUTIES.

When goods are to be withdrawn from a bonded warehouse for consumption, the parties will make an entry for withdrawal similar to the entry for withdrawal for exportation, except that the fact of the withdrawal being for consumption instead of exportation will be set forth. The collector having charge of the warehouse will collect the amount of duties due on said merchandise, and will deposit the amount so collected with his general collections, and enter the amount on his monthly abstract; or, if the goods are subject to a stamp duty, he will see that the proper stamps are affixed.

The duties having been fully paid, the collector will issue a permit for their [illegible] which must be presented to the assessor [illegible] t assessor of the district for his certificate that the same has been presented, and that the duties paid thereon have been entered in the bonded account of the district; and no storekeeper will deliver any merchandise from the bonded warehouse wherein it is stored except upon presentation of a permit in the following form:

FORM K.

OFFICE OF THE COLLECTOR OF INTERNAL REVENUE,
—— *District, State of* —— ——, 186–.

Permission is hereby given to —— —— to remove from the bonded warehouse of —— ——, situated in ——, the following described merchandise:

[Statement as in form C.]

the full amount of duties due and owing thereon having been paid.

—— ——,
Collector.

To —— ——,
Storekeeper.

I hereby certify that the foregoing permit has been presented to me, and that the amount of duties certified therein to have been received has been entered in the bonded account of this district.

—— ——,
—— *Assessor.*

The duties having been fully paid, the collector will cause the barrels, or other packages, to be marked with the words "U. S. bonded warehouse, tax paid;" and if desired, he will issue a certificate, under his seal of office, describing the several packages by their marks or brands, and showing that the duties thereon have been fully paid.

2. REMOVAL FOR REDISTILLATION, RECTIFICATION, OR CHANGE OF PACKAGE.

Distilled spirits and mineral oil may, after proper inspection, be removed from a warehouse for the purpose of being redistilled, rectified, or put into other packages; and must, in such cases, be returned to the warehouse and be again inspected; and the duty must be paid to the collector on any deficiency or reduction, beyond three per cent. in the case of distilled spirits, and five per cent. in the case of mineral oil, in the number of proof gallons received at the warehouse, as aforesaid. Collectors will observe that the same lot of spirits or oil can be withdrawn but once for either of the purposes named above, and that the tax upon the allowance made, together with the tax upon the quantity withdrawn, must be paid in case of its withdrawal, after return to the warehouse, for consumption, or for transportation without being exported.

Spirits or oil withdrawn from warehouse for the purpose of being placed in cans or other packages must in all cases be reinspected after the process is completed; and if placed in cans or packages intended to be hermetically sealed, the sealing of such packages must always take place in the presence of an inspector.

Spirits withdrawn for the purpose of being rectified, redistilled, or otherwise changed in proof, can be returned to warehouse below first proof if desired, and be withdrawn therefrom for consumption without rendering the owner liable to payment of tax on the wine gallons withdrawn.

In case spirits at less than first proof are placed in bonded warehouse, and are afterward withdrawn for redistillation, rectification, or change of packages, the bond given at the time of withdrawal should be for the same number of proof gallons as the wine gallons withdrawn; and the parties should be required to account for any discrepancy on their return to warehouse, beyond the loss to which they are legally entitled in cases of exportation.

The entry in these cases will be as follows:

FORM K.

Entry of merchandise intended to be withdrawn from the warehouse of —— ——, for redistillation, rectification, or change of package, which was placed in said

warehouse by ——— ———, *on the* —— *day of* ———, 186–.

[Statement as in form C.]

(Signed) ———— ————.

Dated at ——, ——, 186–.

[50-cent stamp.]

On receipt of this entry, the collector will permit the withdrawal of the merchandise, after proper inspection, exacting the following bond, in a penalty of at least twice the amount of the tax, with two good and sufficient sureties:

FORM L.

Know all men by these presents, that we, —— —— and —— ——, are held and firmly bound unto the United States of America in the full and just sum of —— dollars; to which payment, well and truly to be made, we bind ourselves, jointly and severally, our joint and several heirs, executors, and administrators, firmly by these presents.

Sealed with our seals, and dated at ——, this —— day of ———, in the year 186–.

The condition of the foregoing obligation is such, that whereas the said —— —— has received a permit to remove, for the purpose of redistillation, (or canning, rectification, or change of package, as the case may be,) the following described merchandise, (here insert description of goods as contained in the entry,) from the bonded warehouse known as ———, situated in the —— of ———, county of ———, State of ———.

Now, therefore, if the said —— —— shall return the said merchandise to the said warehouse to be again inspected, and shall pay the duty to the collector on any deficiency or reduction, beyond the allowance for loss by redistillation, rectification, or change of package, in the number of proof gallons received at the warehouse, within thirty days from the time of execution of this bond, then the above obligation to be void and of no effect; otherwise, to be and remain in full force and virtue. ——— ———. [L. S.]

——— ———. [L. S.]

——— ———. [L. S.]

Signed and delivered in presence of—

——— ———.

[25-cent stamp.]

The owner of distilled spirits or mineral oil, who desires to remove for redistillation, rectification, or change of package, during a given period, may give a bond to cover all such removals during that period, in the form following:

FORM M.

Know all men by these presents, that we, —— —— and —— ——, are held and firmly bound unto the United States of America in the full and just sum of —— dollars; to which payment, well and truly to be made, we bind ourselves, jointly and severally, our joint and several heirs, executors and administrators, firmly by these presents.

Sealed with our seals, and dated at —— ——, this —— day of ——, in the year 186–.

The condition of this obligation is such, that whereas the said —— —— desires to remove during the period of —— months, commencing the —— day of ——, A. D. 186–, (spirits or oil) for the purpose of redistillation, rectification, or change of package, from the bonded warehouse known as ———, situated in the —— of ——, State of ——. Now, therefore, if the said —— —— shall return to the said warehouse all the merchandise which may be removed under this bond, to be again inspected, and shall pay the duty to the collector on any deficiency or reduction, beyond the allowance for loss established by law, or by the Commissioner of Internal Revenue, in the number of proof gallons received at the warehouse, within thirty days from the time each lot of spirits or oil may be removed, then this obligation to be void; otherwise, to be and remain in full force and virtue.

——— ———. [L. S.]

——— ———. [L. S.]

——— ———. [L. S.]

Sealed and delivered in presence of—

——— ———.

[25-cent stamp.]

The storekeeper will keep an accurate account of the number of gallons, as certified by the inspector, removed from and returned to the warehouse under each bond, and promptly certify each removal and return to his collector. When all removed is accounted for, after making the allowance for loss, as established by law, or by the Commissioner of Internal Revenue, the bond will be cancelled.

(To be Continued.)

TAX ON COFFEE AND SUBSTITUTES WHEN ROASTED AND GROUND BY THE SAME PERSON AND BY DIFFERENT PERSONS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 27th, 1866.

SIR: The 94th section of the revenue law, as amended by the act of 1866, contains the following words: "On coffee roasted or ground, on all ground spices and dry mustard, and upon all articles intended for use as substitutes for, or as adulterations of coffee, spices or mustard, and upon all compounds and mixtures prepared for sale, or intended for use and sale, as coffee, spices, or as substitutes therefor, one cent per pound."

When the attention of this office was first called to the interpretation of this provision, the obscurity of the language was found to be such that an effort was made to ascertain the probable intention of the framers of the law. It was known that the Revenue Commission, in their report, recommended the imposition of a tax of two cents per pound, and that the tax bill, as originally reported to the House of Repre entatives by the Committee of Ways and Means, provided unmistakably for a tax of two cents per pound.

In the bill as thus reported, the Committee provided for a tax of one cent per pound, to be paid as are other taxes imposed in section 94, "on coffee roasted and all other articles intended for use as substitutes for coffee, or for the adulteration of coffee, and all compounds and mixtures prepared for sale, or intended for use as coffee, or as a substitute for coffee, when roasted and prepared for sale, but not ground."

In addition to the taxes thus imposed, a stamp tax of one cent per pound was imposed upon ground coffee, or any compound or mixture, ground or prepared for sale, and intended for consumption as coffee, or as a substitute for or adulteration of coffee.

The intention here is so plainly expressed as to leave no room for question.

During the passage of the bill through the House of Representatives, so much as provided for a stamp tax was erased, and the clause in the 94th section was amended by inserting the words "or ground" after the word "roasted," and by striking out the words "when roasted and prepared for sale, but not ground."

Partly because the proposition for a stamp tax contemplated the use of a stamp of the value of half a cent, the Committee were urged by this office to so far change their bill as to collect the whole tax which it was designed to impose, in a uniform manner.

Coffee, and all substitutes therefor or adulterations thereof, are universally roasted before being ground; and if it had been the intention to impose a tax of but one cent, in any case it was difficult to see why the language originally inserted in section 94 needed amendment, and as the change of phraseology referred to above, was made at the same time that the stamp tax was stricken from the bill, it seemed fair to presume that the purpose was to effect the same result in a different mode.

While the question was held under consideration, communications were received from several persons interested in the trade in various parts of the country, representing that under the former law much coffee had escaped taxation, when the operation of roasting was carried on by one person, and that of grinding by another; and it was urged that the only way in which the interests of the honest manufacturer could be protected was by imposing a tax upon the person who should grind roasted coffee, and also upon the person who should roast coffee and sell it without grinding.

If such construction were given to the law as would impose separate taxes upon the separate processes of roasting and grinding, it was difficult to avoid, in view of the proviso to the ninety-third section, the conclusion that when both processes were carried on by the same person, the taxes would be the same as if the processes were carried on separately. The proviso is in these words: "That whenever a producer or manufacturer shall use or consume, or shall remove for consumption or use any articles, goods, wares or merchandise, which, if removed for sale, would be liable to taxation, he shall be assessed for the tax upon the articles, goods, wares or merchandise so used, or so removed for consumption or use."

Being desirous of rendering full justice to all persons interested, I postponed the decision until opportunity was presented for consultation with some of those most familiar with the circumstances attending the passage of the bill through Congress, and received assurances that it was distinctly understood and intended that there should be a tax of one cent per pound upon the roasting, and a further tax of one cent per pound upon the grinding, whether the processes were carried on in connection or separately, and a decision was rendered in accordance with this view.

Since that decision was rendered, and especially during the last few weeks, numerous appeals have been received for a reconsideration of the question.

Persons interested in the manufacture have assured me that they waited upon the Committee of Ways and Means, while the bill was under consideration, and represented the inability of the trade to bear a tax of two cents per pound, and that the result of their conversation with the Committee and with the Special Commissioner was a general understanding that the tax should be fixed at one cent per pound upon the coffee when completely prepared for sale.

I am also advised by prominent members of the Committee of Ways and Means, and of Finance, as well as by other gentlemen who were intimately connected with the framing of the bill, including those to whom I had before resorted for information, that it was not intended to impose a tax of more than one cent a pound upon the completed article. As my only desire is to carry out the intention of the law-making power, I have felt bound to reconsider my former decision in the light of the statements above referred to, and I shall, therefore, instruct revenue officers hereafter to require payment of but one cent per pound from those who both roast and grind. The same tax will be imposed upon those who roast and sell in that condition, while those who purchase coffee which has been roasted and grind the same, will not be required to pay any tax when they are able to satisfy the proper Assessor that the tax has already been paid upon the same coffee by the roaster.

If you have returned to the Collector any assessments based upon my letter of the 5th ultimo, (RECORD, vol. iv, p. 117,) and in excess of the sums which would be due under the rule above laid down, you will render the parties all necessary assistance for the preparation of claims for the abatement and remindment of amounts erroneously assessed.

Very respectfully,

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

NO INSPECTOR CAN ACT IN THE CAPACITY OF DEPUTY COLLECTOR.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 26, 1866.

SIR: Your letter of Nov. 23, inquiring "whether a Revenue Inspector can act in the double capacity of Revenue Inspector and Deputy Collector, and whether

a Revenue Inspector can make seizures and place watchmen in charge of such seizures," has been received.

In reply I have to say that no authority has been given by this office to any Inspector to make seizures or to accept the appointment of Deputy Collector in Philadelphia.

Yours Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

J. W. FRAZER, ESQ.,
Assessor First District Philadelphia, Penn.

STAMPING OF PROMISSORY NOTES, NEW NOTES, AND NOTES GIVEN IN LIEU OF THOSE ACCIDENTALLY DESTROYED.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 28, 1866.

SIR: I reply to your letter of the 21st inst., that new promissory notes substituted for others that had been destroyed after having been properly stamped and which are evidence of the same debt, and not renewals of the notes payable at a different date, do not require to be stamped. But a memorandum of the circumstances should be made on the new notes.

If, however, notes are taken up, and new notes given in lieu thereof payable at a different date or otherwise changed, the new notes are subject to stamp duty.

Very Respectfully,
THOMAS HARLAND,
Dept. Commissioner.

LEWIS HALL ESQ.
Assessor Int. Rev., Jamestown, N. Y.

SUCCESSION TAX WHERE SUCCESSORS PURCHASE WIDOW'S INTEREST.

ASSESSOR'S OFFICE,
1ST DISTRICT MASSACHUSETTS,
PLYMOUTH, Nov. 22d, 1866.

SIR: A dies, leaving real estate, a widow and heirs. The heirs buy out the widow's life estate, and take possession of the whole. They are not willing to commute their succession tax on the reversion of the life estate, even if they can legally do so; and the question arises whether they should not pay the full rate upon the whole estate, without commutation. In other words, by buying out the life interests, are they not as much and as fully liable to pay succession tax as if it had terminated by lapse of time, by its own limitation on the death of the widow?

If we are obliged to wait in such cases, practically it will be difficult to keep the run of the estate, and tax the reversionary interest after the widow's death.

The last clause of section 181 and section 189 bear upon this question; but it is claimed that those sections provide for a "surrender or extinction of prior interests," and a "determination of a charge, estate or interest" made by act of law on the voluntary release of a third party, and not to a purchase made by the successor.

I have another case which carries the question a little further. A made a will devising and bequeathing his real and personal estate to his heirs on condition that they should support *him* and his wife during their lives, and that of each of them, making such support a charge upon the estate, but not defining the amount of the annual charge. The heirs entered into possession under this provision contained in the will during his life, and at his death bought out the widow.

The amount of the charge out of this estate may exceed the annual profits or income. The idea was to support the wife, even if it impaired the principal, in consideration that the heirs must have the balance or residue hereafter. If the heirs had not bought out the widow and wished to commute, I should be at a loss how to estimate the value of the remainder to-day. If they are liable to the full tax upon the whole estate, this case is similar to the other, and there is no trouble. But, they say, why should you make us pay a succession tax for property which we purchased, and which was not a gift, grant, claim, or "disposition" to us, except so far as the reversion is concerned. The rest we bought. Therefore, we should either commute for the remainder now, or else you should not tax us for the remainder until the widow dies. *Quere*, whether the statute itself does not answer these questions without regard to these equitable considerations.

Your obedient servant,
CHAS. G. DAVIS, *Assessor.*

HON. E. A. ROLLINS,
Commissioner Int. Rev., Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 23, 1866.

SIR:—I reply to yours of 22d inst., that in the first case stated by you, the successors appear to be entitled in possession to two-thirds of the realty of decedent, and entitled in expectancy to another third viz.: that upon which the widow's dower estate subsists. If the said successors in expectancy desired to *sell* their succession in expectancy, a case might arise for commutation; *or, in any other case, while they remained successors in expectancy*, they could have the tax commuted, if the Commissioner saw fit to commute, &c., &c. But having purchased the dower estate, they have extinguished that interest by the act, and are liable to tax as successors *entitled in possession*, consequently, no case can arise under section 144 (compilation 187,) of the act. But a case has arisen under section 135, (compilation 181,) and the duty is therefore payable immediately.

As to the second case:—By terms of section 130, (compilation 173,) "where any disposition of real estate shall be accompanied by the reservation of any benefit to grantor, or any other person for any term of life, &c., such disposition shall be deemed to confer at the time appointed for the determination of such benefit, an increase of beneficial interest in such real estate as a succession, &c., on the person in whose favor such disposition shall be made."

In a case arising under this section, the devisee would be immediately liable as a successor in possession of the entire estate, less the estate of the person entitled to the benefit reserved, and would stand with relation to said last mentioned estate as a successor in expectancy. And this was the situation of the parties concerned in the case presented,—*at the death of testator.* But the parties entitled to the said succession in expectancy, by purchase of the benefit so reserved, have become immediately liable on the value of that benefit, as successors in possession, the prior interest being extinguished as by the terms of section 135 (compilation 181.)

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

CHAS. G. DAVIS, ESQ,
Assessor, &c., Plymouth, Mass.

ASSISTANT ASSESSORS ARE NOT REQUIRED TO SPECIFY HOURS EMPLOYED, IN THEIR BILLS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Nov. 15, 1866.

SIR: I reply to your favor of the 8th inst., that the law as amended July 13, 1866, does not require assistant assessors, to specify the number of hours served each day, in accounts on form 57 nor are they required by regulations of this office.

Very Respectfully,
THOMAS HARLAND,
Dep. Commissioner.

M. S. DEMMETT, ESQ.
Asst. Assr. 9th Division 6th Dist., Ohio.

DISTILLERIES IN THE 6TH DISTRICT.

The information detailed below respecting distilleries in the 9th, 15th, and 16th wards of New York City is derived from official sources, and is published with the view of apprising every body of the facts in relation to distilleries lawfully engaged, in order that wherever persons may be defrauding the revenue by illicit distillations, they may be known and brought to punishment.

It is the desire of the Treasury Department that the widest publicity shall be given to this information and we request that it may be republished in all our exchanges, and in the daily and Sunday newspapers of the Metropolis. There were no distilleries in operation in this district August 31st, 1866.

JAMES BARKER, residence No. 106 10th Avenue; distillery No. 332 West 17th Street; capacity of still 100 gallons. Sureties, James McCann, residing at No. 425 West 44th Street, and Peter Finley, residing at No. 363 West 25th Street. Amount of bond $5000.

NIEBUHR & WESTPHAL. W. H. Niebuhr, residing at No. 377 Second Avenue, and Fdk. Westphal at No. 152 West 13th Street; capacity of still 200 gallons. Sureties, Henry Schmale, No. 94 Horatio Street, and Philip Freytag, No. 132 Franklin Street. Amount of bond $6,000. Distillery, No. 251 West 13th Street.

E. S. BAMBERGER, residing at No. 190 First Avenue; distillery located, No. 319 West 18th Street, City of New York; capacity of still 750 gallons. Sureties, Charles Radliff, residing in the City of Albany, N. Y., and T. H. Purves, 687 Third Avenue, New York City. Amount of bond $50,000.

JOSEPH H. STINER, residing at No. 125 West 10th Street; distillery, No. 124 West 17th Street. Sureties, George Shaver, residing at No. 108 Bond Street, Brooklyn, and H. F. Van Wert, residing at No. 100 York Street, Brooklyn; capacity of still about 600 gallons. Amount of bond $40,000.

ROBERT D. FORREST, residing at No. 535 Greenwich Street, N. Y.; distillery, No. 163 Crosby Street, N. Y.; capacity of still 140 gallons. Sureties, Louis J. Levy, residing at No. 216 West 40th Street, N. Y., and Robert Griffith, residing at Newtown, L. I. Amount of bond $6,000.

MESSRS. WATSON & CRARY, at the corner of Christopher and West Streets, are not in operation at present, but may be in a short time.

Gazette.

Luther Stephenson, Jr., Boston, Mass., Assessor, 2d District Massachusetts, vice Elias S. Beals.

Andrew J. Gerritson, Montrose, Penn., Assessor, 12th District Pennsylvania, vice William H. Jessup.

John M. Duke. Maysville, Ky., Collector, 9th District Kentucky, vice Jonn J. Anderson.

George B. Dickson, Wilmington, Del., Assessor for Delaware, vice John P. McLear.

John S. McFarland, Hopkinsville, Ky., Assessor, 2d District Kentucky, vice John R. Grissom.

Edwin O. Perrin, Jamaica, N.Y., Assessor, 1st District New York, vice Henry W. Eastman.

James Glavin, Aurora, Ind., Collector, 4th District Indiana, vice John Ferris.

George H. Woods, Mineapolis, Minn., Assessor, 2d District Minnesota, vice W. L. Wilson.

WE have received the first Monthly Report of the Bureau of Statistics of the Treasury Department, of which Hon. Alexander Delmar is Director. It contains statistics of imports and exports and valuable information on commercial affairs from United States Consuls.

THE Report of the Commissioner is crowded out by the new Warehouse Regulations, but will appear in our next issue.

INSTITUTE OF REWARD—PRIZE ESSAY ON PHYSIOLOGY AND HYGIENE.—Desirous to secure the solution of the most practical questions of Hygiene, and believing great benefit will result from the diffusion of the knowledge of physilogical and hygienic laws, and from the discovery and application of disinfectants and prophylactics, and, at the same time, desirous to increase the means of providing for the orphan representatives of those falling in the defence of our country, a gentleman has deposited with the Institute of Reward for Orphans of Patriots $500, to be paid on the following conditions, for the

BEST ESSAY ON PHYSIOLOGY AND HYGIENE.

FIRST.—The Essays having been read or presented for reading before a State or other Incorporated Medical Society, and so certified to by the President or Secretary of the several Societies respectively, shall be sent to DAVID P. HOLTON, M. D., Editor of the Journal of the Institute, New York City. The Essays to belong to the Institute, and to be printed in its Journal, or otherwise, at the option of the Editor.

SECOND.—When Essays shall have been so received from twenty-five of the United States or Foreign Governments, or when fifty-two essays shall have been so received irrespective of their authors' residences, their comparative merits will be considered and adjudged by a committee of three, to be appointed by the PRESIDENT OF THE AMERICAN MEDICAL ASSOCIATION, and upon the written decision and certificate of the Committee, the said five hundred dollars will be paid to the successful competitor, his or her heirs, or assigns.

THIRD.—But, if in the judgment of said Committee the merits of no one essay may give it decided preeminence, the said five hundred dollars will be awarded to the authors of the five best essays, and in such proportions as, in view of their comparative merits, to the Committee may seem equitable.

HORACE WEBSTER, M. D., *President.*
ARTHUR F. WILLMARTH, *Treasurer.*
49 Bible House, New York, Nov. 19th, 1866.

OFFICE OF THE COMMONWEALTH FIRE INS. CO.,
NEW YORK, Nov. 16, 1866.

AT A MEETING OF THE BOARD OF Directors held this day, JOSEPH HOXIE, Esq., tendered his resignation as President of the Company, which was accepted, and Mr. GEORGE T. HAWS was thereupon elected President for the ensuing year, and Mr. WILLIAM D. CORNELL, appointed Secretary.

The following preamble and resolutions were unanimously adopted:

Whereas,, Joseph Hoxie, Esq., who has been President of this Company for thirteen years last past, has this day resigned; therefore be it

Resolved, That the thanks of this Company are hereby tendered Mr. Joseph Hoxie for the earnest, faithful and efficient manner in which he has performed the duties to him confided.

Resolved, That this Company accept with regret the resignation of Mr. Joseph Hoxie, and trust that the remaining years of his life may be as peaceful and happy as his prime has been honorable and just.

Resolved, That our official connection with Mr. Hoxie being thus severed, we extend to him our earnest wishes for his future welfare, prosperity and happiness.

GEORGE T. HAWS, President.

GENERAL OFFICE OF THE FAIR AND FESTIVAL,
616 BROADWAY, N. Y

REMEMBER THE LITTLE ONES;

THE

DESTITUTE AND ORPHAN CHILDREN

OF OUR

COUNTRY'S DEFENDERS.

GRAND CHARITABLE FAIR AND PRESENTATION FESTIVAL.

IN AID OF THE

HOME AND SCHOOL FOR THE MAINTENANCE AND EDUCATION OF THE DESTITUTE CHILDREN OF OUR SOLDIERS AND SAILORS.

☞AN APPEAL TO THE AMERICAN PEOPLE.

This HOME AND SCHOOL was chartered in the year 1862, for the objects above set forth. Applicants are received from all the States in the Union. Its sphere of usefulness is constantly increasing, the Children now numbering over 120; and daily are the requests, for the shelter and care of equally deserving ones, *denied*, solely for the want of room to accommodate them. The old and unsuitable building (on 58th street, N. Y.) now occupied, must be removed for the erection of such a Home as necessity demands; and this call is made upon the public with a firm belief that the Patriotism and Generosity of the American People will nobly respond to the wants of Little Ones, and that a suitable edifice will be erected through the means of this Fair and Festival, which shall stand in the cause of humanity as a fitting rebuke to the trite assertion, that "Republics are Ungrateful," and which shall, in affording an asylum for our Country's Children, also be an ornament among her institutions.

NEW YORK, October 1st, 1866.

We, the Officers and Managers of the "Home and School," for the Education and Maintenance of the Destitute Chilren of our Soldiers and Sailors, earnestly solicit the sympathy and co-operation in our *Fair and Grand Presentation Festival*, of all who desire with us to see the "Home and School" enabled to receive and care for *all* needy ones who seek its shelter and protection.

Mrs. General ULYSSES S. GRANT, President.
Mrs. CHAS. P. DALY, Acting "
Mrs. Maj. Gen. J. C. FREMONT, 1st V. "
Mrs. ROBERT FORSTER, 2d V. "
Mrs. JOHN S. VOORHIES, Treasurer.
Mrs. DAVID HOYT, Secretary.
Mrs. WM. S. HILLYER, Cor. Secretary.
Mrs. HERVEY G. LAW, Manager.
Mrs. J. J. VAN DALSEM, "
Mrs. JNO. H. WHITE, "

NEW YORK, Oct. 1st, 1866.

The undersigned, desiring to express our sympathy and unite our efforts with the "Home and School" for the Education and Maintenance of the destitute children of our Soldiers and Sailors, located in the City of New York, do most cheerfully co-operate with the Ladies composing the Officers and Managers of that Institution as a Supervisory Committee in their approaching *Fair and Presentation Festival.*

Major General VAN VLIET,
" " FRANCIS C. BARLOW,
Brig. " JOHN COCHRANE,
" " WILLIAM HALL,
" " RUSH C. HAWKINS,
Bvt. Brig. Gen. JAMES F. HALL,
Judge CHAS. P. DALY,
Chairman of Committee,
JNO. H. WHITE,
G. P. B. HOYT,
J. H. PULESTON.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 6th, 1866.

Whereas Messrs. Thomas & Co., as Managing Directors of a Charitable Enterprise, have made due application to T. W. Egan, Collector of Internal Revenue for the 9th Collection District of the State of New York, for permission to hold a "*Fair and Grand Presentation Festival*," and presented to him satisfactory evidence that the proceeds of such Enterprise will be devoted to charitable uses, permission is hereby granted to the said Messrs. Thomas & Co. to hold said *Fair and Presentation Festival* exempt from alt charges, whether from special tax, or other duty in respect of such *Fair and Festival.*

(Copy) THOMAS HARLAND,
Acting Commissioner.

The following Card will be fully appreciated by the Public, as it receives the thanks of the Institution:

To the Managing Directors of the Festival:

Sympathizing with your object, I take pleasure in tendering you, gratuitously, my professional services on the occasion of your Festival.

THEODORE THOMAS.

The Fair will open on the 10th of December and continue two weeks, at the PUBLIC HALL, corner of Broadway and 23d Street, New York. To be concluded by the

GRAND PRESENTATION FESTIVAL,

To be held at

COOPER INSTITUTE, NEW YORK,

SATURDAY EVENING, December 22.

Under the Musical direction of THEODORE THOMAS, Esq. On which occasion a Committee will be chosen by the audience to award

$100,000 IN PRESENTS,

in such lawful manner as they may determine. For the Festival there will be issued 200,000 *Tickets at One Dollar each*, and 200,000 *Presents, being one to each Ticket holder.*

LIST OF PRESENTS TO BE AWARDED.

1	Present in United States Greenbacks	$10,000
1	Splendid Country Residence in Westchester Co., near N. Y. City	12,000
1	Corner House and Lot, Jamaica Avenue, E. N. Y.	4,000
1	House and Lot, adjoining above	3,000
1	" " in Brooklyn, N. Y.	3,000
1	Carriage, Horses, and Harness, (complete)	2,500
1	Grand Piano, (Steinway's)	1,500
3	Lots in Harlem, city of N. Y., $1,500 each	4,500
1	Set of Diamonds, (Ring, Ear-Rings and Pin)	1,000
1	Paid up Policy, of Life Insurance, for	5,000
1	"Ellis' Patent Hot-Water Apparatus," for Heating Dwellings	1,000
1	Oil Painting of General U. S. Grant	250
15	Gents fine Gold Lever Watches, @ $200	3,000
15	Ladies " " " " @ $125	1,875
1	Elegant 1st Premium Empire Sewing Machine	150
20	Silver plated Tea Setts, @ $75	1,500
100	Celebrated Empire Sewing Machines, now on exhibition at their Warerooms, 616 Broadway	7,500
1000	Copies (2 vols. each) being a complete Illustrated History of the War, by Mrs. Ann S. Stephens	7,000
250	Gold Pens, Pencils, and Sleeve Buttons, @ $6	1,500
500	Table and Tea Spoons and Napkin Rings, @ $5	2,500
1000	Gold Bells and plated Fruit Knives, @ $3	3,000

The balance to consist of the following articles, viz.: Musical Instruments, Parlor and Office Furniture, Writing Cases, Ladies Work Boxes, Music Boxes, Kid Gloves, Photograph Albums, Breast Pins and Finger Rings, Gents Fob Chains, Ladies Gold Watch Chains, Opera Glasses, Black Walnut Picture Frames, Gentlemen's Fashionable Silk Hats, Ladies newest style Dress Hats, American Emblem Cards for Parlor Amusement, Engravings and Card Photographs of distinguished Personages, Ladies and Gents Riding-Whips, Buffalo Robes, Ladies Mink Furs, Gents Fur Collars and Gloves, &c., &c., amounting to.... 24,225

Making in the aggregate 200,000 Presents, valued at...$100,000

THEODORE THOMAS, Esq.

The talented Musical Director, promises a most delightful treat in the Orchestral and Vocal Exercises for the occasion, no less than 40 performers being already engaged, and nothing will be spared to make this the finest Musical Festival ever given in the United States.

HOW TO OBTAIN TICKETS.

The tickets will be supplied to all Booksellers, Druggists, Music Dealers, Hotel Keepers, &c., where they can be obtained at $1,00 each, or in quantities at the Club Rates. Subscription Lists are now ready for Soldiers and others (male and female) who sympathize with our object, to obtain orders for the Tickets. Circulars, giving full directions, and terms to Agents, will be mailed on receipt of stamp for postage.

Orders may be sent direct to us enclosing the money, from $1 to $25, in a *registered letter at our risk*, with stamp for return postage. Larger amounts should be sent in drafts by Express, at the following

CLUB RATES.

5	Tickets to one address	$4 50
10	" " "	9 00
20	" " "	17 50
30	" " "	26 25
40	" " "	35 00
50	" " "	43 50
100	" " "	85 00

address all orders and communications to

THOMAS & CO., Managing Directors,
OR TO
N. H. DAVIS, Agent for the Home and School,
616 Broadway, New York.

SPECIAL NOTICES.

We take pleasure in acknowledging, on behalf of the Home and School, the liberal donation of $500, made by the Empire Sewing Machine Co., of No. 616 Broadway, New York.

Editors are invited to notice this Charitable Fair and Festival, and to lend such aid as their sympathy and benevolence suggest.

THOMAS & CO.,
Managing Directors.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 24. NEW YORK, DECEMBER 15, 1866. WHOLE NUMBER 102.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprise his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE new Warehouse Regulations are concluded in this issue. The most important changes chiefly relate to the establishment of Distsller's warehouses under the amended law, and the transportation of distilled spirits, oil and tobacco from one warehouse to another.

A thorough acquaintance of every officer with these regulations would greatly aid in the determined effort now being put forth by the authorities to prevent as far as possible such stupendous frauds in that branch of the revenue as have recently startled the public. The care of bonded goods under the Internal Revenue Laws have, until the recent amendments, been almost exclusively under the control of Collectors. Assessors are now associated with them in this responsibility, and full and explicit instructions are embodied in the regulations as to the new duties imposed upon them.

The copious extracts published from the Annual Report of the Commissioner possess more interest than ordinarily attaches to such State papers, and clearly show, on the part of the chief revenue officer, a thoroughness of comprehension of the complicated details of the subject, and a belief in and a devotion to some of the true principles of taxation, uniformity, certainty and facility of collection, the diminution of the number of taxable articles, the lessening of the rates, the prompt and unerring punishment for violations, which augur well for the future.

The codification of the Customs laws which will soon be reported by Secretary McCulloch in the form of a Bill, much resembling the British Merchants' Shipping Act, has been nearly, if not quite, completed. The services of Mr. R. S. S. Andrews of Boston, on this work, have been, from his abilities and long experience, of inestimable value. The bill abolishes "Custom House oaths," substituting therefor written declarations. The ship and merchandise are taken from their first entrance within the jurisdiction of the United States, and followed in detail through the Custom House—entry, general order, warehouse, transportatian, withdrawal, &c., until the merchandise is finally merged into the common stock of the country, or exported.

REVENUE MATTERS IN CONGRESS,

THE Committee of Commerce has been directed by the House, on motion of Mr. Brandegee of Conn., to enquire into the circumstances of foreign bottoms engaging in the coasting trade contrary to law.

The Committee on Ways and Means was instructed, on motion of Mr. Broomall of Pa., to consider the expediency of abolishing the 5 per cent. tax on manufactures.

Mr. Welker of Ohio moved, and the same committee was instructed to enquire into the propriety of reducing the tax on harness, saddles, tinware, leather, wagons and carriages from five to two per centum ad valorem. The Committee was also directed, on motion of Mr. Welker, to enquire into the expediency of requiring inspectors in small distilleries to be paid by the United States instead of the distiller.

The Committee was also instructed, on motion of Mr. McKee of Kentucky, to consider the expediency of relieving small distillers, not producing over twenty barrels a year, from, in effect, all the safeguards provided by the laws in force.

Two resolutions, one offered by Mr. Ross of Ill., the other by Mr. Harding of Ill., hostile in tone to the present status of the National Banking System, were tabled by very decided votes—87 to 58 and 94 to 60.

The Revenue Fraud Investigating Committee is composed of Messrs. Wm. A. Darling of New York, Fernando C. Beaman of Michigan, Benjamin Eggleston of Ohio, Leonard Myers of Penn., and L. S. Trimble of Ky. The Committee is expected to be in New York this week.

The House refused to consider the bill requiring the sale of the Treasury gold at stated periods, whenever it exceeds 50 millions.

STATEMENT OF THE PUBLIC DEBT OF THE UNITED STATES ON THE 1st OF DEC., 1866,

DEBT BEARING COIN INTEREST.

5 per cent. bonds...	$198,091,350 00	
6 per cent bonds of 1867 and 1868.....	15,837,941 80	
6 per cent. bonds, 1881	283,740,000 00	
6 per cent, 5-20 bonds	861,649,300 00	
Navy Pension Fund..	11,750,000 00	
		$1,371,068,591 80

DEBT BEARING CURRENCY INTEREST.

6 per cent. bonds,...,	10,302,000 00	
3-year compound interest notes.....	147,387,140 00	
3-year 7.30 notes....	699,933,750 00	
		857,622,890 00
Matured debt not presented for payment.....		22,605,794 71

DEBT BEARING NO INTEREST.

U. S. notes.....	385,441,849 00	
Fractional Currency..	28,620,249 93	
Gold Certificates of Deposit	19,636,500 00	
		433,698,698 93
Total Debt.....		2,684,995,875 44
Amount in Treasury, coin.....	95,168,816 15	
do. currency.....	40,195,821 07	
		135,364,637 22
Amt. of Debt, less cash in Treasury		2,549,631,238 22

The foregoing is a correct statement of the Public Debt, as appears from the books and Treasurer's returns in the Department, on 1st of December, 1866.

HUGH MCCULLOCH,
Secretary of the Treasury.

REPORT OF COMMISSIONER ROLLINS.

The following excerpts from this interesting document will well repay attentive perusal. Our limited space precludes the insertion of any but the most important portions, in which well considered and judicious recommendations and suggestions respecting the law are made by the Commissioner:

CONCERNING CHANGES OF THE LAWS.

Too much care cannot be exercised in the modifications and changes of revenue laws. They should be made only when required by a proper regard for the public welfare. A tax upon an article of production cannot be imposed, reduced, or removed without affecting values, and prejudicing largely the rights of holders or consumers. The smallest change will for a time work inequalities. Alterations even in the machinery of the law are always attended with embarrassments, and new obligations should never be laid upon tax-payers unless positively demanded for the necessary protection of themselves and the revenue from fraud.

Months are required by revenue officers, especially those remote from the central office, for learning the new requirements of a statute, and it cannot be expected that those whose attention is not devoted to its study and administration should earlier ascertain all that may be required of them. That ignorance is no defence for violation has become a maxim, yet it is believed it would be unjust, as it certainly would be impracticable, to administer the internal revenue laws, changed as they have been in some way at every session of Congress since their first enactment, without recognizing a difference in the obligations of the ignorant and of those educated in their requirements. It is for this reason that permanence in the letter as well as in the spirit of the statutes is desirable, so that fewer obstacles may interfere between its infringement and its penalty.

When longer experience, and a settled condition of the business of the country, shall have perfected the revenue laws so that they will require little or no modification, ignorance will not be urged even in extenuation, justice will be more fully satisfied, and the treasury receive more nearly its dues by holding the delinquent and the guilty to the fines, penalties, forfeitures and imprisonments of the statutes almost as invariably as to the payment of their taxes. Until then the guilty will sometimes escape, the ignorant not unfrequently suffer, and a majority of tax-payers bear more than what should be their distributive share of the public burden. Many of the suggestions I shall make, therefore, with reference to changes in the existing law, will look mainly to relief from those provisions whose advantage to the revenue I do not believe commensurate with their inconvenience and annoyance to the public.

CHANGE OF TIME FOR THE RETURN OF THE ANNUAL LIST.

The annual list includes the tax upon income, articles named in schedule A (carriages, gold watches, billiard tables, and gold and silver plate), and the special tax upon persons engaged in trade or business. Returns for this list are required from the tax-payer on or before the first Monday of May in each year, and the taxes are payable on the 30th day of June following. For various reasons it seems desirable that the returns should be made at an earlier date. The amount of one's income, except in cases where regular books of account are kept, can ordinarily be more accurately determined nearer the close of the year during which it accrued. Many tax-payers, including a large majority of those engaged in agricultural pursuits, have more leisure at that time for the preparation of their returns; while many residents of cities, and indeed of the warmer portion of the country generally, desire to leave their districts for purposes of business or pleasure before the annual lists under the present law can pass to the collector from the hands of the assessor. In such cases no little annoyance and complaint have arisen, which the utmost vigilance of the revenue officers could not fully avoid.

The special tax is payable on the 1st of May, on or before which time the party subject to it is required to register his name, calling, &c., with the assistant assessor of his assessment district. The assistant assessor has afterwards to make his certificate to the assessor and collector, and the collector usually awaits the annual list from the assessor before commencing his collections. Yet the law provides that any one who shall carry on any business, or do any act mentioned in the statute for the doing of which a special tax is imposed, without payment therefor, or without producing his receipt for such payment when called upon by any internal revenue officer, shall for every such offence, besides being liable to the payment of the tax, be subject to imprisonment or fine. Peddlers, too, engaged in business without payment of this tax and producing such receipt, are liable to the forfeiture of all the property which they use or employ. It is not known that hardship has arisen by the too rigorous enforcement of the law; but wrong is liable to result, or the revenue be defrauded, by the exercise of clemency to those inclined to attempt to violate it altogether, because its precise requirements cannot be regarded. The law should not make its constant violation a necessity. I recommend, therefore, that returns for the annual list, including the registry for the special tax, be required on the first Monday of March in each year, and the tax be made payable on the thirtieth day of April following.

TEN PER CENTUM PENALTIES.

The addition of ten per centum as a penalty for the non-payment of the tax on or before a certain day is sometimes a severe hardship, from which there is no relief even in cases of sickness or accident. In some instances large manufacturers, punctual usually in their payments, from the failure of a man or the unexpected absence of a clerk, have been subjected to the payment of several thousands of dollars.

Embarrassment would often arise to collectors if they were clothed with power to add or omit the penalty at discretion, and I believe that a penalty of five per cent. for neglect or refusal, and interest at the rate of twelve per centum per annum from the time the tax is payable will be amply sufficient, while from its greater equity it will occasion less complaint.

SPECIAL TAX.

The special tax of the act of July 13, 1866, is a substitute for the license tax of the earlier laws. For evading its payment when due the law provides imprisonment not exceeding two years and a fine of not more than five hundred dollars, or both. Where the imprisonment is never visited, and the fine is made the nominal sum of one dollar only, as it is represented to this office it is in some judicial districts, regardless of circumstances, that which seems to have been considered by Congress as an offence worthy of special punishment does not bring upon the delinquent even the amount of the penalty imposed for failure to make a monthly return of manufactures.

I recommend that the imprisonment, except for violation by distillers, rectifiers, and manufacturers of tobacco, snuff, and cigars, and dealers in liquors, be abolished, and that the minimum fine for failure or evasion of payment be fixed at ten dollars. With this change, relief by positive enactment should be given certain classes of persons against whom it has never been deemed necessary or just to enforce the penal provisions of the statute.

Peddlers.—To those articles which persons are authorized to peddle without payment of special tax. I recommend the addition of fruits, vegetables, pies, cakes, and confectionary when sold by persons on foot, thus protecting many poor women and children striving to earn a livelihood, and who, in numerous instances, have been subjected to anxiety and cost.

Wholesale and retail dealers in liquor.—The law of 1862 discriminated between wholesale and retail dealers in liquors by the quantity of single sales. A sale of three gallons or more at one time constituted a person a wholesale dealer. The present statute provides an additional test, and any person whose annual sales, including sales of other merchandise, exceeds $25,000 is a wholesale liquor dealer.

The tax upon a retail dealer in liquor is twenty-five dollars; that of a wholesale dealer one hundred dollars, or more. Many dealers whose aggregate sales are small may occasionally sell in quantities of more than three gallons. One such sale imposes an addition of seventy-five dollars. It is difficult for revenue officers to ascertain in such cases when such liability has occurred. It is burdensome for the dealer to pay the amount. The law often fails of its legitimate purpose, and I recommend its modification by striking out the limit in quantity, leaving only that of value or receipt.

Butchers.—Butchers are required to pay a special tax of ten dollars, and are not regarded as dealers. The repeal of the tax upon animals slaughtered has removed the reason for the measurable relief of butchers from special tax, and I respectfully recommend that when their annual sales exceed the sum of $25,000 their tax should be increased precisely as that of dealers is increased.

Plumbers and Gas-fitters.—These persons now pay ten dollars only, the same amount which is paid by retail dealers. I see no reason why they should not be taxed upon their sales as dealers are taxed, and as wholesale dealers when their annual sales exceed $25,000. Equality of taxation is greatly desired in revenue laws.

ASSISTANT ASSESSORS.

The proper and equal compensation of assistant assessors has always been attended with difficulties which are still perhaps insuperable. None of their expenses, except for stationery, blank books, and postage, prior to the act of July last, were paid out of the public treasury. The necessity for frequent absence from home on the part of the assistants in the country districts, and the increase of rentals in cities, induced Congress at its last session to authorize the addition of one dollar per day to their usual compensation when out of the town of their residence, and such sum as the commissioner shall approve, not exceeding three hundred dollars per annum, for office rent. Now, as several States of the Union, including most of those in the South, are not subdivided into towns or townships, one provision of the law cannot have universal application, and the allowance for rent, under whatever regulation prescribed, produces complaint, and is liable to many abuses. As a general rule, whatever may be fixed by statute should not be left to the discretion of an officer. The rent, as well as the one dollar per diem, in certain cases, was intended really for an increase of compensation. The uniform experience of assessors and of this office warrants me in recommending that the desired purpose be accomplished by a sufficent and uniform increase of every day, service, without any reimbursement for rent. Seventy-five cents, or even one dollar per diem, would add but little to the expenses of assessments, while it would avoid complaints, and perhaps ensure as equal compensation as under the present law.

DISTILLED SPIRITS.

The provisions of law bearing upon the distillation of spirits were essentially defective prior to the act of July. They were insufficient even in the hands of the most experienced and vigilant officers, to prevent frauds either in large or small distilleries.

Great numbers of small stills, for the illicit manufacture of rum from molasses were secreted in the garrets and cellars of the most populous cities, while many of the recognized and licensed distillers were run by night, their proprietors keeping fraudulent accounts of their consumption of grain and other vegetable substances and their production of spirits and the sale or removal thereof to bonded warehouses.

In every distillery the daily production of which was one hundred gallons or more, assessors were instructed to place an assistant, whose duty it should be to record the removals of all articles to and from the premises and generally to see that all the requirements of the law were fully complied with. Collectors were urged to unusual watchfulness for the minor and unlicensed distilleries; and everything was done which was believed to be valuable, and which the law would authorize to check the frauds, but without the desired success. The new law has more productive power than the old one. Its punitive provisions are more numerous and stringent, and the withdrawal of the spirits from the actual and exclusive possession of their owner, immediately upon their distillation, I have no doubt, will be of advantage to the government.

If in times of political excitement it were practicable to appoint men to the office of inspector for their incorruptibility and general fitness, men who love honor more than money, rather than those who are pressed for place as a reward or an inducement for political efforts, the appointment of an inspector to every distillery might be profitable to the government. It requires a man of tried integrity to resist the flattering temptations of a corrupt distiller. Ten thousand dollars adroitly and wickedly expended may hide the manufacture of a thousand barrels of wines, which should yield a hundred thousand dollars for the public revenues. If an inspector has forgotten his duty in a single instance, he is in the power of his purchaser for all subsequent transactions, becoming his constant protector, and his ready witness against the government.

Until some sort of metre is found which, while the still itself is under the locks of the government, should infallibly register the distillation for the inspection of two or more officers, each to be a check upon the other, trust must, more or less, be imposed in a single man. I recommend, however, such modification of the law as will authorize the collectors to interchange the inspectors of the several distilleries within their districts at pleasure, so that several persons may from time to time, and at irregular intervals, have charge of each distillery, thus to some extent testing the faithfulness of each other, while together they may prevent the consummation of frauds by the manufacturer.

The Secretary of the Treasury will not understand from what I have written that I mean to depreciate the usefulness or the reputation of those who are now employed in this important branch of the service. I only

speak of the liability of their position to abuse; and because of the occasional discovery of corruption, and the painful rumors constantly received at the department, advise how their services may be made more profitable, and the credit of the honest be saved from sacrifice or suspicion. The government owes protection to its just distillers, and unless they are saved from constant loss by the low price of illicit whiskey their business will pass entirely into the hands of those striving to accumulate fortunes by robbing the national treasury.

The amended law imposed so many new obligations upon distillers that it was not deemed judicious to rigidly enforce all its provisions upon the 1st day of September, when the same took effect, nor immediately thereafter. Warehouses and cisterns of peculiar character were to be constructed; locks and inspectors to be furnished and appointed by the department. Some further time was found, indeed, to be necessary, both for the manufacturers and the government. The law is now, however, in practical and very general operation, and disregard of its provisions, whether fraud can be proven or not, will be rigorously dealt with. As was anticipated, its exactions seem for a time to multiply the number of illicit stills, seldom brought to light except upon discovery by detectives; but the renewed watchfulness of the local officers, and an amendment of the present law, which will authorize the destruction of small stills in certain cases, will, it is hoped, measurably prevent their use, while the receipts from distilled spirits, now much larger than in years past, will be constantly increasing.

COTTON.

During the continuance of the rebellion it was of course impracticable to assess the tax upon cotton in the districts of its production. Its assessment, wherever found, was anomalous, but was necessary. At the last session of Congress no inconsiderable amount of time was spent by the committees having the subject in charge in devising a method of taxation which should be somewhat analogous, at least, to existing provisions for other taxable articles, and which should be safe for the government while it preserved the rights of producers and shippers. The plan adopted allows the unobstructed movement of cotton in any collection district of its production; but permits its removal from such district only upon payment of the tax, or under the permit of the assessor upon the execution of such transportation bonds or other security, and in accordance with such regulations as shall be prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury. It has not been deemed practicable to prescribe other security than transportation bonds, and no other has been proposed to the office.

The regulations of the department issued at the time the law took effect, provided, as do those covering the shipment of distilled spirits, tobacco, and cigars, that the transportation bond should be given to the collector of the district in which the permit is to be issued and where the cotton is to be produced. The experience of revenue officers and collectors alike had proved this practice to be ordinarily the most convenient and desirable.

It soon became apparent, however, that the lines of the collection districts, established without regard to the channels of trade, were shutting out whole counties from their natural markets for cotton, and imposing burdens upon small planters unwarranted by the advantage to the revenue, and so largely impeding shipments, too, as to be a source of annoyance to growers, transportation companies, and factors. Indeed, a large section of country was interested in the subject; for when the whole business and trade of a community is mainly based upon a single product, it cannot be otherwise than that its growth, movement, and sale should induce competition and rivalry between different localities.

To remedy the existing evils, it was at first proposed to request the President to exercise the authority with which he is clothed by law to change the lines of the collection districts. Such change, however, could furnish only partial relief, as each collection district must be confined to a single State, and an alteration of the lines so as to include less than all the cotton-growing States in a single district would only create new sources of complaint, or make the operations of the law apparently more arbitrary and unequal.

It was for this reason and the disposition prevailing among all the officers of the department to remove, so far as consistent with the law and the protection of the treasury, all obstacles to the ordinary and natural transfer of cotton, that in October last supplementary regulations were issued. These, it is believed, were fully authorized under the plan recommended by the committees and approved by Congress, giving discretionary power to the Secretary of the Treasury and the Commissioner of Internal Revenue upon all matters to which they relate. These regulations, in addition to the former and without their repeal, allow a continuing bond to be given in the receiving instead of the shipping district, and the removal of cotton under that bond upon the simple permit of the assessor. Security may now be given by the holder or the factor, and the cotton weighed and marked by the government officer in either district, at the choice of the party in interest.

From information received from various sources and different points in the South, I am happy to report that the proper and convenient assessment of tax upon cotton seems now to require few if any changes either of law or regulations.

DISTILLERS IN 9TH DISTRICT.

The boundaries of the 9th District are East and West 40th Streets, Hudson River, Spuyten Duyvil Creek, Harlem River, and East River to East 40th Street. It also takes in Randall's, Ward's and Blackwell's Islands —all of New York city above 40th street.

The Collector is Col. Thomas W. Egan, No. 547 Lexington Ave., and the Assessor is Homer Franklin, Esq., No. 69 West 44th street.

The following are the distilleries now in operation under the recent law:

Allen, James B., 159 East 40th st., still S. S. 41st st, near Lexington avenue, capacity 40 gallons, bond $2,500, sureties, James Mahon, 38 Willett street, Richard Dalton, 290 1st ave., qualified amount, each $9,500; Inspector, William H. McCarty.

Bogatcki, Jacob, 166 West 49th st., still, 175 & 177 E. 48th st., capacity, 500 gals., bond, $30,000; sureties, Morris Bogatcki, 166 West 49th street, Kaufman Bacharach, 61st st., 2d & 3d avenues, qualified amount, each $30,000; Inspector, James W. Britt.

Berth, George, 313 West 45th st., still, 313 West 45th st., capacity, 15 gals., bond, $1,000, sureties, Jno. May, 313 West 45th st., Peter Engelhardt, 423 West 54th st., qualified amount, each $1,000; Inspector, Charles McCarty.

Brendemour & Co., 432 & 436 West 42d st., still, 432 West 42d st., capacity, 40 gals., bond, $2,500, sureties, Fred. Weinberg, 355 7th ave., Jno. T. Rottman, 557 West 44th st., qualified amount, each $2,500, Inspector, W. R. W. Chambers.

Blayer, Leopold, 55th st., 10th & 11th aves., still, 10th & 11th aves. 54th & 55th sts., capacity, 400 gals., bond, $24,000, sureties, James Coddington, 277 Fulton ave., Brooklyn, Wm. B. Conkling, 52 Henry st., N. Y., qualified amount, each $34,000; Inspector, H. J. Selden.

Conley, John, 53 Sheriff st., still, 167 East 40th st., capacity, 35 gals., bond, $2,000, sureties, James Searle, 221 Delancey street, John Molyneaux, 31 Remsen street, Brooklyn, qualified amount, each $2,000; Inspector, Rufus Dodge.

Carolan, Philip, N. E. corner 65th street and 10th ave., still, N. E. corner 65th street and 10th avenue, capacity, 15 gallons, bond, $1,000, sureties, Thos. O'Callaghan, 60th street and Broadway, Jeremiah Crowley, 43d street, 8th & 9th avenues, qualified amount, each $7,000; Inspector, Washington A. Lathrop.

Derick, Benjamin, 563 West 47th street, still, 563 West 47th street, capacity, 15 gallons, bond, $1,000, sureties, Edwin T. Hyde, 129th street, N. Y., James W. Lewis, Westchester, N. Y., qualified amount, each $7,000; Inspector, Henry S. Decker.

Dirk, Rudolph, 449 West 54th street, still, 449 West 55th street, capacity, 15 gallons, bond, $1,000, sureties, Geo. Karr, Fordham, Westchester county, N. Y., Martin Fenning, 454 West 54th street, qualified amount, each $1,000; apple distiller.

Hemmer, John, 319 West 46th street, still, 319 West 46th street, capacity, 15 gallons, bond, $1,000, sureties, Adam Roediger, 621 11th avenue, Geo. Esselborn, 572 West 47th street, qualified amount, each $7,000; Inspector, Frederick Anderson.

Hullihan, Michael, 680 9th avenue, still, 53d street, 8th and 9th avenues, capacity, 20 gallons, bond, $1,200, sureties, James E. Coulton, 266 West 49th street, Patrick Call, 119 West 53d street, qualified amount, each $7,200; Inspector, Joseph Bailey.

Heller, Albert, 1318 3d avenue, still, 70th street and avenue A, capacity, 85 gallons, bond. $5,000, sureties, Ignatiz Stein, 317 East 10th street, Bernard Schwartz, 155 Ave. B, qualified amount, each, $11000; Inspector, John M. Watson.

Kugelman, Joseph, 40th street, near 1st avenue, still, 40th street, 1st & 2d avenues, capacity, 85 gallons, bond, $5,000, sureties, James Healy, 44 & 46 Oliver street, James Martin, 25 Oliver street, qualified amount, each $11,000; Inspector, George E. Shelby.

Lynch, Edward, 59 Willett st., still, 61st bet. 3d and Lexington aves., capacity, 20 gals., bond $1,200, sureties, James Clark, 88 Cannon st., Bernard Gormley, 130 East 29th street, qualified amount, each, $1,200; Inspector, Thomas Miller.

Noll, William, 136 W. 41st st., still, 136 W. 41st st., capacity, 15 gals., bond, $1,000, sureties, A. De Leyer, Morrissania, N. Y., R. Boehm, 136 West 41st st., qualified amount, each, $1,000; Inspector, John Osborn.

Neurmann, Daniel, 43d st. and 9th av.. still, 43d st, and 9th av., capacity, 50 gals., bond $3,000, sureties, Ed. Hamman, 45 & 47 Bowery, Jno. T. Kelly, 346 8th ave., qualified amount, each, $3,000; Inspector, George Bird.

Nelson, Peter, residence, 45th st., 10th and 11th avs., still, 45th st., bet. 10th and 11th avs., capacity, 15 gals., bond, $1,000, sureties, James W. Lewis, Westchester, N. Y., Edwin T. Hyde, 129th st., N. Y., qualified amount, each, $7,000; Inspector, Wm. E. Blake.

Peipenbring, Wm., 163 W. 49th st., still, 59th st., 10th and 11th avs., capacity, 200 gals., bond $12,000, sureties, Ed. Hamman, 45 and 47 Bowery, Philip Mauer, 49 Bowery. qualified amount, each, $20,000; Inspector, B. B. Purdy.

Parpard, Edward, 221 E. 46th st., still, 45th st., and E. River, capacity, 35 gals., bond, $2,000, sureties, John Homberg, 70 Ludlow st., John Back, 10th av. and 98th st., qualified amount, each, $8,000; Inspector, Peter Carroll.

Rogers, James B., 544 W. 52d st., still, 544 W. 52d st., capacity, 115 gals., bond, $7,000. sureties, James Rooney, 548 W. 52d st., John Cassidy, 408 W. 52d st., qualified amount, each, $7,000; Inspector, George Bishop.

Seadin, Gustavus, 343 W. 43d st., still, 343 W. 43d st., rear, capacity, 115 gals., bond, $7,000. sureties, Geo. Laner, 158 W. 41st st., Henry J. Yoerg, 726 8th av., qualified amount, each $7,000; Inspector Frank Webb.

Seals & Co., 266 W. 45th st., still, 266 W. 45th st., capacity, 15 gals., bond $1,000, sureties, James W. Lewis, Westchester, N. Y., Edwin T. Hyde, 129th st., qualified amount, each, $7,000; Inspector, T. J. Burke.

Sullivan, Patrick, 167 E. 40th st., still, 167 E. 40th st., capacity, 15 gals., bond, $1,000, sureties, Peter McKnight, 242 Stanton st., James Clark, 88 Cannon st., qualified amount, each, $7,000; Inspector, F. McDermott.

Schlessinger Bernhard, 8 E. Broadway, still, cor. 56th st., and 6th av., capacity, 50 gals., bond $3,000, sureties, Edward Hamman, 45 & 47 Bowery, qualified amount, $3,000, John T. Kelly, 346 8th av., qualified amount, $7,000; Inspector, Henry P. Vochlinger.

Taylor, Richard, 258 W. 54th st., still, 50th st., 10th and 11th av., capacity, 10 gals., bond $500, sureties, John Clark, 638 11th av., Wm. Hanley, 200 Elizabeth st., qualified amount, each, $500; apple distiller.

Tapf, Michael, 309 W. 47th st., still, 309 W. 47th st., capacity, 20 gals., bond, $1,200, sureties, John Wegies, 98 Wooster st., qualified amount, $7,200, Philip Wagner, 246 E. 51st st., qualified amount, $15,000; Inspector, Lewis H. Bleakley.

Weber Albert, 522 9th av., still, 260 W. 49th st.. capacity, 15 gals,, bond, $1,000, sureties, Anthony De Seyer, Morrisania, N, Y., Herman Tzilg, 311 W. 42d st., qualified amount, each, $7,000; Inspector, Mark Maguire.

Treasury Dept., Decisions, &c.

OFFICIAL.

Series 2.—No. 9.

REGULATIONS FOR THE ESTABLISHMENT OF BONDED WAREHOUSES UNDER THE INTERNAL REVENUE ACTS, FOR THE ENTRY, WITHDRAWAL, TRANSPORTATION, AND EXPORTATION OF THE MERCHANDISE DEPOSITED THEREIN, AND FOR THE KEEPING OF PROPER ACCOUNTS THEREOF BY ASSESSORS.

(*Continued from page* 181.)

3. Removal for Exportation.

Distilled spirits, mineral oil, tobacco, snuff and cigars, and friction matches, may be removed from a bonded warehouse of either class, for the purpose of immediate exportation, in the following manner:

Any person having merchandise stored in a bonded warehouse, situated at a port of entry, and desiring to withdraw the same for exportation, will notify the collector of customs, by making the following entry:

Form N.

Withdrawal and exportation entry.

Entry of merchandise intended to be withdrawn from warehouse of ——— ———, by ——— ———, for immediate exportation to ———, on board the ———, [name of vessel or vehicle,] whereof ——— ——— is master, and which was placed in said warehouse by ——— ———, on the —— day of (or in the month) of ———, 186–.

Dated at ——— ———, 186–.

[50-cent stamp.]

[Here insert a description of the goods.]

(Signed) ——— ———.

When merchandise is withdrawn for exportation, the owner or his authorized agent, other than a custom-house broker, transacting his business and cognizant of the facts, must take the following oath or affirmation before the collector of customs:

Form O.

I, ——— ———, do solemnly swear (or affirm) that the goods, wares and merchandise described in the within entry, are truly intended to be immediately exported from the port of ———, without the limits of the United States, and are not intended to be relanded within the limits of the United States. I further swear (or affirm) that, to the best of my knowledge and belief, said goods, wares, and merchandise are the same in quality, quantity, and value, wastage and damage excepted, as at the time of storage, and that the description and value as stated in said entry are correct: So help me God.

——— ———.

Sworn (or affirmed) and subscribed this —— day of ———, 186–, before me.

———,
Collector.

The export entry must be made in the name of the real owner or party in interest.

The entry having been duly made and the oath taken, the owner or exporter must enter into a bond, with two sufficient sureties, in a penal sum equal to double the amount of the estimated duties, to produce the required proof of the exportation of the goods, which bond to export will be in form following:

Form P.

Know all men by these presents, that we, ——— ———, ——— ———, as principals, and ——— ———, ——— ———, as sureties, are held and firmly bound unto the United States of America, in the sum of ——— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, administrators, and assigns, jointly and severally, firmly by these presents; as witness our hands and seals at ———, this —— day of ———, eighteen hundred and sixty —.

The condition of this obligation is such, that if the merchandise, consisting of ———, entered this day by ——— ———, to be exported in the ship ———, ——— master, for ———, or any part thereof, be not relanded at any port or place within the limits of the United States, and if certificates and other proofs required by the regulations of the Secretary of the Treasury in pursuance of law, in cases where goods have been exported from warehouse to foreign countries, of the delivery of the same at the port of ———, or at any other port or place without the limits of the United States, or of their delivery for consumption beyond said limits, shall be produced to the collector of customs for the port of ———, for the time being, within ——— from the date hereof, then this obligation to be void; otherwise, to remain in full force and virtue.

And the obligors, for themselves, their heirs, executors, administrators, and assigns, do further covenant and agree with the United States, in case said evidence is not produced, or in case said merchandise, or any part thereof, is relanded in the United States by them, or either of them, or by their procurement or connivance, well and truly to pay, or cause to be paid, to the collector of customs for the said port, the value of said merchandise of which no evidence is produced of having been exported, in pursuance of this bond, or which shall be relanded in the United States contrary to law, and five thousand dollars as liquidated damages for each relanding.

——— ———. [L. s.]
——— ———. [L. s.]

Sealed and delivered in presence of—

——— ———.

[25-cent stamp.]

The time mentioned in the bond must be *six months* if the exportation is to Canada; if to any other place not beyond the Cape of Good Hope, *one year;* and if beyond the Cape of Good Hope, *two years.*

Upon the execution of this bond, the collector of customs will deliver to the parties a permit in the following form:

Form Q.

District of ———,
Port of ———,
———, 186—.

Permission is hereby requested to remove from the bonded warehouse of ——— ———, situated at ———, State of ———, the following described merchandise, for exportation on board the——— for ———:

[Here insert a description of the merchandise.]

The said ——— ——— having executed the required bond, with good and sufficient sureties, that the said merchandise will be exported.

——— ———,
Collector.

To ——— ———,
Superintendent of Exports.

If the goods thus to be removed are in a bonded warehouse, the collector of internal revenue will cancel the warehouse bond upon the production of a certificate shipment and clearance of the merchandise from the collector of customs.

The superintendent of exports will issue the following order:

Form R.

Office of the Superintendent of Exports.

——— ———, 186—.

You are directed to deliver to the proper officer of the customs, for exportation on board the ———, for ———, the following described merchandise:

[Here describe the merchandise.]

deposited in the warehouse known as ———, by ——— ———, under warehouse bond No. —, given by ——— ———, and dated ———, 186—.

To the Storekeeper.

Upon the receipt of this order, the storekeeper will deliver the goods to the proper officer of the customs, and they will be dealt with thereafter in all respects as are imported goods withdrawn from bonded warehouse for exportation.

If the goods thus to be removed are in a bonded warehouse at a place other than the port from which are to be exported, a duly authorized application must be made to the collector of internal revenue, for the district in which the goods are situated, for a permit so to do, the merchandise having been first duly inspected in cases where such inspection is required by law.

The application will be made in the following form:

Form S.

——— ———, 186—.

A permit is requested for transportation to the port of ———, for export from the bonded warehouse owned by ——— ———, situated in ———, county of ———, State of ———, being in the —— collection district of said State, of the following described merchandise, viz:

[Statement as in form C.]

(Signed) ——— ———.

To ——— ———, *Collector.*

Upon the receipt of this application, the collector will exact from the applicant a transportation bond for export, for the purpose of exportation, with good and sufficient sureties in at least double the amount of duties upon said merchandise, in the following form viz:

Form T.

Know all Men by these Presents, That we, ——— ———, ——— ———, as principals, and ——— ———, ——— ———, as sureties, are held and firmly bound unto the United States of America in the full and just sum of ——— dollars; for the payment of which sum we do bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated at ———, this —— day of ———, A. D. 186–.

The condition of this obligation is such, that if the above-bounden ——— ———, ——— ———, shall transport, or cause to be transported, and within sixty days from the date hereof shall complete the transportation of the following described merchandise, viz:

[Statement as in form C.]

from the bonded warehouse owned by ——— ——— at ———, to the port of, ——— and shall export the said merchandise in accordance with law and the regulations of the Treasury Department, and shall, within thirty days thereafter, produce to the collector of internal revenue for the —— district, of the State of ———, the certificate of the collector of customs at the said port, showing that the said merchandise has been duly exported, then this obligation is to be void; otherwise, to be and remain in full force and virtue.

(Signed) ——— ———. [L. s.]
——— ———. [L. s.]
——— ———. [L. s.]

Sealed and delivered in presence of—

——— ———

(25-cent stamp.)

Upon this bond being duly executed, the collector will grant a permit in the following form, viz:

Form U.

Office of the Collector of Internal Revenue,
——— *District, State of* ———, ———, 186–.

Permission is hereby given to ——— ——— to transport to the port of ———, from the bonded warehouse owned by ——— ———, situated in ———, county of ———, and State of ———, the following described merchandise, viz:

[Here insert the description of the merchandise as given in the bond.]

said —— ——— having executed the required bond to export said merchandise within sixty days from the date thereof.

——— ———,
Collector.

This permit must be executed in duplicate, one given to the applicant, and the other must be sent by mail to the collector of internal revenue having charge of exportations at the port from which the goods are designed to be exported.

Immediately on the arrival of the merchandise at the port, the owner or consignee must give notice thereof to the collector of internal revenue having charge of exportation, who will take charge of said merchandise and deliver the same to the proper officer of the customs.

The exporter must make an entry for exportation at the custom-house, whereupon the collector of customs

will direct the proper officer to receive the merchandise; and the same will be dealt with thereafter in all respects as are imported goods withdrawn from bonded warehouse for exportation. In case such merchandise cannot be immediately exported, the collector of internal revenue will direct the same to be placed in a bonded warehouse, and the same may be withdrawn therefrom in the same manner as other merchandise for exportation. The merchandise will be removed from the conveyance by which it arrives to the warehouse under the supervision of an officer detailed by the collector of internal revenue. All expenses and fees consequent upon such removal and storage must be paid by the owner.

The order for such removal will be in the following form:

FORM V.

OFFICE OF THE COLLECTOR OF INTERNAL REVENUE,
—— *District, State of* ——, ——, 186–.

You will take possession of the following described merchandise, which has been transported from bonded warehouse owned by ——, ——, situated in ——, county of ——, and State of ——, viz:

[Here insert description of the merchandise.]

and which is now reported to be at ——; and you are directed to deliver the same to the storekeeper of bonded warehouse owned by —— ——, in —— district, without delay, and make return to this office.

——— ———,
Collector.

To ——— ———.

On the receipt of the merchandise the storekeeper will enter a description of the same, the name of the owner, and place whence transported, in a book to be kept by him for that purpose.

The export entry having been made and the usual bond not to reland the merchandise within the United States having been executed, the collector of customs will issue a certificate in the form following:

FORM W.

CUSTOM HOUSE, PORT OF ——, ——, 186–.

This is to certify that there was cleared from this port, by ——, of ——, on board the ——, whereof —— —— is master, on the —— day of ——, A. D. 186–, the following described merchandise, viz:

[Statement as in form C.]

that said merchandise was laden on board under the supervision of a proper officer; and that a bond not to reland the same within the United States has been duly executed.

Witness my hand and seal the day and year above said.

——— ———,
Collector.

This certificate, in duplicate, shall be delivered to the owner or consignee of the merchandise.

If the quantity exported should be deficient—that is, less than the quantity described in the permit given for transportation—and the parties allege that the deficiency arose from leakage, they will execute an affidavit to that effect before the collector of customs. This affidavit, with the certificates showing that the goods have been exported, will be forwarded to the collector of the district from which the goods were removed.

Upon the delivery to the collector of internal revenue who received the transportation bond of the said affidavit and the certificates issued to the owner of the merchandise, or his consignee, he will cancel said bond, provided the said oath and certificates show to his satisfaction that the whole quantity of goods bonded, after making the allowance for leakage permitted by law and regulation, has been exported. If there be any deficiency, the amount of duties thereon must be collected.

4. REMOVAL FROM ONE BONDED WAREHOUSE TO ANOTHER.

Goods may be withdrawn from one bonded warehouse for removal to another bonded warehouse, or to a bonded warehouse, Class 2, established under section 168 of the act of June 30, 1864; or for removal from warehouse, Class 2, situated in the Atlantic States, to the Pacific coast, for export only, in the manner and under the transportation bonds hereinbefore required.

Inspection.

The law requires that all distilled spirits and mineral oil shall be inspected, gauged, proved, and marked before removal from the distillery to a warehouse, and that all such merchandise shall be again inspected, &c., after its arrival at another bonded warehouse, and leakage shall be allowed in accordance with the regulations prescribed by the Commissioner of Internal Revenue. In like manner, all manufactured tobacco, cigars, and snuff must be inspected and marked before removal from the manufactory to a bonded warehouse, and must be again inspected after arrival at another warehouse. The collector of internal revenue for the district will be held responsible for the discharge of these duties by the proper officer.

RETURN OF BONDED GOODS BY ASSESSORS AND COLLECTORS.

In order to insure uniformity of returns from collectors and assessors of districts where goods are produced and placed in bond, or received in bond from other districts, the following regulations will be observed:

The returns on Forms 60 and 61 are restricted to merchandise *placed in bond;* and if, for any month, the collector has nothing to report on Form 61, he will, nevertheless, transmit it in blank to the assessor. The previous instructions upon this subject having been misunderstood in some instances, collectors are again reminded that they should report on Forms 60 and 61, only those articles which are *produced* in their respective districts, and that bonded goods received from other districts should not be returned on those forms.

ASSESSOR'S ACCOUNT OF BONDED GOODS.

Each assessor in whose district goods are placed in bond, whether produced in the district or received in bond from other districts, will keep an account of such goods with the collector. This account will be kept so as to show the duties to which the merchandise described in the various entries is liable.

The assessor will charge the collector with the duties on all goods received from other districts, and with the duties on all goods produced in the district and placed in bond. To insure accuracy in this account, the collector should notify the assessor when goods produced in his district are placed in bond; and the assessor will compare the amount so reported with the returns of the manufacturers and producers made to him. In case of any discrepancy the assessor will make such investigation as may be necessary to ascertain the facts, but the bonded account will be made up to correspond with the notification received from the collector.

Whenever a collector cancels a bond, he will deliver to the assessor of his district all the evidence upon which such cancellation took place. Such evidence will consist of certificates of other collectors, (*Form I,*) certificates and affidavits of leakage, or certificates of clearance received from collectors of customs, or orders from superintendents of exports for the delivery of goods for exportation.

The assessor will credit the collector in his bonded account with the several amounts to which the evidence submitted shows him to be entitled. No credits will be given except on presentation of the evidence required in proper form. He will also credit him in the bonded account with the duties received on all goods when withdrawn from bond by payment of tax, which must be reported monthly, on Form 93, as follows, to wit:

On or before the 10th day of each month, the collector will transmit to the assessor of his district a monthly statement on Form 93, showing the amount of duties collected by him on account of bonded goods during the preceding month, giving in detail the number of gallons or pounds, and the rate and amount of tax for each case in which collections were made.

Upon the receipt of this statement, the amount will be included in the aggregate of the monthly list for the month in which such collections were made. If from any cause said statement is not received until such list has been delivered to and receipted for by the collector, the aforesaid aggregate amount of collections will be entered on the next succeeding monthly list, and be receipted for on Form 23½.

The bonded account will be balanced monthly by being credited with the duties on the goods reported by the collector monthly as remaining in bonded warehouse, and under bond for transportation, exportation, redistillation, or change of package and unaccounted for at the end of the month; and the amount so credited will be carried forward and placed to the debit of the account for the month next succeeding.

From the bonded account kept by the assessor he will prepare and transmit to the Commissioner, before the 15th day of each month, an aggregate statement, on Form 94, of the bonded account for the preceding month.

This statement is in the form of an account current, and will show—

1. The amount of merchandise in warehouse, brought forward from the preceding monthly statement, and entered therein under No. 10.

2. The amount of merchandise that has been removed in bond and is yet unaccounted for, brought forward from the preceding statement, being entered there under No. 9.

3. Amount reported on Form 61, accompanied by that Form.

4. Amount received from other districts, with a statement in detail, showing the date and amount of each receipt, and the district whence it came.

5. Amount received by other collectors. This entry must be accompanied by the receipts of said collectors, properly scheduled and numbered.

6. Amount exported. This entry should be accompanied by the orders of superintendents of exports, and certificates of collectors of customs, properly scheduled and numbered.

7. Amount allowed for leakage or loss by redistillation. To be accompanied by the certificates of inspectors, and affidavits of owners or consignees, properly scheduled and numbered.

8. Amount withdrawn from bond on payment of duties, accompanied by the collector's statement on Form 93.

9. Amount removed on transportation bonds and not accounted for at the end of the month. To be accompanied by the collector's inventory in detail.

10. Amount remaining in warehouse at the end of the month, with the collector's inventory in detail.

ALLOWANCE FOR LEAKAGE.

The amount allowed for actual leakage on distilled spirits transported in bond will not exceed one per centum for any distance not exceeding one hundred miles; one and one-half per centum for any distance exceeding one hundred and not exceeding two hundred miles; two per centum for any distance exceeding two hundred and not exceeding three hundred miles; two and one-half per centum for any distance exceeding three hundred and not exceeding four hundred miles; three per centum for any distance exceeding four hundred and not exceeding five hundred miles; and three and one half per centum for any distance exceeding five hundred miles; and the amount allowed for leakage will in no case exceed three and one-half per centum; except when spirits are transported to California, via Cape Horn, in which case proven leakage, to the extent of seven per centum on spirits, and

ten per centum on alcohol, eighty per cent. over proof, will be allowed; but in no case will leakage be allowed, except upon spirits actually bonded for warehousing or transportation.

Leakage will be allowed on mineral oil, transported in bond, according to the following schedule:

When transported one hundred and not exceeding two hundred miles, one per centum; over two hundred and not exceeding three hundred miles, two per centum; over three hundred and not exceeding four hundred miles, three per centum; over four hundred and not exceeding five hundred miles, four per centum; over five hundred miles, five per centum; but no more than five per centum will be allowed in any case, whatever may be the distance transported, except when oil is transported to California via Cape Horn, when proven leakage to the extent of ten per centum will be allowed.

Actual loss, not to exceed three per centum on spirits, and five per centum on mineral oil, will be allowed on withdrawals for redistillation, rectification, or change of packages. This loss must be proved by the certificates of inspectors who inspect or gauge the articles, before they are removed from the warehouse, as well as after their return thereto; and also by the affidavit of the owner that the loss occurred by redistillation or change of packages, and not otherwise; and that no part of the deficiency was taken, withdrawn, or withheld illegally.

When spirits or other merchandise, except cotton, are removed in bond, to districts where no bonded warehouse has been established, the collector of such district should not receive payment of the tax on such merchandise, or issue his certificate of receipt of such goods, or recognize, in any manner, their receipt in his district. In such cases, transportation bonds, securing the tax upon merchandise removed, can be cancelled only by payment of the tax on the full quantity removed, to the collector holding the bond; no allowance for loss by leakage being made, unless the goods are deposited in the warehouse, in accordance with the conditions of the bond.

Section 24 of the act of June 30, 1864, as amended by section 9 of the act of July 13, 1866, (Par. 18 of the compilation,) provides that when taxes are collected on cotton and distilled spirits, which have been removed in bond, commissions upon one-half the amount collected shall be allowed to the officers of the district where collected, and upon one-half to the officers of that whence removed.

As it would be exceedingly difficult, and frequently impracticable, to trace distilled spirits to the time of collections being made thereon, in calculating commissions under this provision the amount collected in any district upon spirits withdrawn from warehouses, Class B, will be apportioned among the several districts, from which spirits have been received, in proportion to the number of gallons received from such districts, respectively, and the amount thus assigned to a particular district will be assumed to be the amount collected upon spirits received from that district. Thus, if 10,000 gallons produced in the receiving districts, and 5,000 gallons each received in bond from each of two other districts, are placed in warehouses, Class B, and the quarterly collections show that the tax has been paid on 10,000 gallons, amounting to $20,000, the officers of the receiving district will be entitled to the full commissions upon one-half of this sum, and one-half of the commissions upon the other half of this amount, while the officers of the shipping districts will be entitled to commissions upon one-half of the amount of $5,000 each.

These commissions will be adjusted quarterly, from the collectors' monthly reports, on Form 93, and the assessors' monthly statements, on Form 94.

In the case of cotton, as the tax is supposed, in all cases, to be paid in the district to which it is removed, the officers of each district will be allowed commissions on one-half the tax on the quantity for which cancelled bonds for the removal of this article are transmitted to this office.

Collectors will be careful to observe that goods withdrawn from bonded warehouse for transportation, exportation, or consumption, must be branded "U. S. bonded warehouse, for transportation to —— district," for "export," or "tax-paid," as provided by law, and in accordance with the facts in each case.

All actual loss of spirits or coal oil from leakage or evaporation while in bonded warehouse will be allowed upon the proper certificate of the inspector. Loss from destruction by fire, or other unavoidable accident, while in warehouse or in transit, will be allowed only upon presentation of satisfactory proof of such loss to the Commissioner; and no credit for such loss should be taken on the bonded account until the collector is notified of the allowance by the Commissioner.

All claims for loss by leakage must be accompanied by the certificate of the inspector, stating the difference between the amount delivered and the amount bonded; and also by the affidavit of the owner or consignee, showing the distance the goods have been transported, and that no part of the same has been taken, withdrawn, or withheld illegally, and that the discrepancy is caused solely by leakage while in transit; and no claim for loss by leakage will be considered or allowed by collectors in cancelling bonds unless supported by the evidence herein required.

No loss will be allowed for shrinkage in weight of tobacco during transit, or while stored in bond; but where packages are delivered to the storekeeper in good condition, corresponding in numbers, marks, and marked weights with the permit, showing no signs of having been opened or tampered with, the collector will issue his certificate of receipt, and take the warehousing bond for the full number of pounds named in the permit; and when these conditions are complied with, no further inspection at the time of receipt will be required.

In case the tobacco so received is afterwards exported in the original packages, they will be assumed to contain the quantity named in the permit. If withdrawn for consumption, the tax must be paid on the quantity as originally bonded.

As collectors have, in many instances, held bonds uncancelled long after maturity, they are reminded that such a practice is at variance with the rules of this office, and that in future they are expected to require parties to comply with the conditions of the bond, and produce the evidence for its cancellation within the time allowed, and that no extension of time can be granted except upon the approval of the Commissioner.

These regulations will take effect and be in force on and after the 1st day of December, 1866.

E. A. ROLLINS,
Commissioner.

Approved: H. MCCULLOCH,
Secretary of the Treasury.

SPECIAL TAX ON BUTCHERS.

ASSESSOR'S OFFICE, 15th DIST., NEW YORK,
TROY, December 3d, 1866.

DEAR SIR: Internal Revenue Law section 79, paragraph 36, as amended by act of July 13, 1866, defines a butcher to be a person who sells *butchers' meat at retail.*

The latter proviso, same paragraph, allows butchers to butcher meat exclusively, travelling from place to place, for a special tax of $5.

There are a large class of of persons who slaughter calves, sheep, &c., who bring them to the market in wagons, and sell them by the carcass or quarter to butchers keeping a stall or stand, to be by them retailed to the customer.

Under the act of June 30, 1864, the Department held this class of persons as wholesale dealers, vide series 2, number 5, page 13, paragraph 36. Are they still so held under the act as amended?

Very Respectfully,
P. H. NEHER, *Assessor.*

HON. E. A. ROLLINS,
Commissioner of Internal Revenue.

(ANSWER.)

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 5th, 1866.

SIR: I reply to yours of the 3d inst., that under the present rules of the office, a person conveying slaughtered calves and sheep to market in wagons, to sell by the carcass or quarter, to butchers keeping a stall or stand, would be liable as a peddler, unless he were a farmer, selling meat from animals raised upon his farm, in which case he would be exempt.

Very Respectfully,
THOMAS HARLAND,
Dep. Commissioner.

P. H. NEHER, Esq., *Assessor, Troy, N. Y.*

DEDUCTIONS AND INCREASED VALUE ON CHAIRS, PIANO LEGS AND LYRES, FRINGES, CORDS AND TASSELS.

FIFTH COLLECTION DIST., NEW YORK,
NEW YORK, Nov. 14, 1866.

SIR: A difference of opinion exists among the Assistant Assessors of this District, relative to the following deductions being allowed from the manufactured articles stated below, viz.;

Chairs—The caned seats and turned work (which it is claimed has paid a tax as a separate manufacture).

Pianos—The legs and lyres, for the same reason.

Cords, tassels and fringes—The silk, worsted and jute (which has paid an excise duty).

In view of the fact that the tax on those manufactures were reduced from 6 to 5 per cent., and the monthly returns of manufacturers have had the column for deductions stricken out, it has been thought that no deductions were allowable. I should like to have your decision in the matter.

Respectfully,
DAVID MILLER, *Assessor.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Oct. 16th, 1866.

SIR: In reply to your letter of Nov. 14th, in relation to deductions, I have to say, that chairs manufactured from taxed chair-stuff, are taxable on the increased value only. It should be borne in mind, however, that chair-stuff is not taxable unless finished, and bored, or mortised, ready to put together. The cost of taxed legs and cases of pianos, may be deducted from the value of pianos of which they form a part; but no deduction has been allowed for the cost of taxed lyres. Cords, tassels, and fringes, made wholly of taxed thread, yarn, or warp, are taxable on increased value only, but if they are made in part of article other than thread, yarn, or warp, they are taxable on entire value when sold or used.

Yours Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

DAVID MILLER, Esq.,
Assessor 5th Dist., New York City.

TAX ON FOUNDRY FACINGS.

ASSESSOR'S OFFICE, 15th DIST., NEW YORK,
TROY, Nov. 30, 1866.

DEAR SIR: Under the amendatory act of July 13th, charcoal, animal charcoal or carbon, is exempt from tax. Parties manufacturing charcoal or "foundry

facings," (which is in fact pulverized or ground charcoal), claim that said facings are simply carbon, and therefore exempt.

I have held that all foundry facings, whether made from soap stone, anthracite coal or charcoal, are liable ty a duty of 5 per cent. ad valorem. Am I right?

Very respectfully,

P. H. NEHER, *Assessor.*

HON. E. A. ROLLINS,
Commissioner Int. Rev., Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 3, 1866.

SIR: In reply to your letter of Nov. 30th, in relation to foundry facings, I have to say that under the present excise law charcoal and mineral coal are exempt from tax; but foundry facings are regarded as a manufacture from charcoal, and taxable at the rate of 5 per cent. ad valorem. under the general provision of section 94.

Very Respectfully,

THOMAS HARLAND,
Deputy Commissioner.

P. H. NEHER, Esq.,
Assessor 15th Dist. Troy, N. Y.

INSTITUTE OF REWARD—PRIZE ESSAY ON PHYSIOLOGY AND HYGIENE.—Desirous to secure the solution of the most practical questions of Hygiene, and believing great benefit will result from the diffusion of the knowledge of physiological and hygienic laws, and from the discovery and application of disinfectants and prophylactics, and, at the same time, desirous to increase the means of providing for the orphan representatives of those falling in the defence of our country, a gentleman has deposited with the Institute of Reward for Orphans of Patriots $500, to be paid on the following conditions, for the

BEST ESSAY ON PHYSIOLOGY AND HYGIENE.

FIRST.—The Essays having been read or presented for reading before a State or other Incorporated Medical Society, and so certified to by the President or Secretary of the several Societies respectively, shall be sent to DAVID P. HOLTON, M. D., Editor of the Journal of the Institute, New York City. The Essays to belong to the Institute, and to be printed in its Journal, or otherwise, at the option of the Editor.

SECOND.—When Essays shall have been so received from twenty-five of the United States or Foreign Governments, or when fifty-two essays shall have been so received irrespective of their authors' residences, their comparative merits will be considered and adjudged by a committee of three, to be appointed by the PRESIDENT OF THE AMERICAN MEDICAL ASSOCIATION, and upon the written decision and certificate of the Committee, the said five hundred dollars will be paid to the successful competitor, his or her heirs, or assigns.

THIRD.—But, if in the judgment of said Committee the merits of no one essay may give it decided preeminence, the said five hundred dollars will be awarded to the authors of the five best essays, and in such proportions as, in view of their comparative merits, to the Committee may seem equitable.

HORACE WEBSTER, M. D., *President.*
ARTHUR F. WILLMARTH, *Treasurer.*
49 Bible House, New York, Nov. 19th, 1866.

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Job work, cards, circulars, bill heads, etc., neatly and promptly executed at reasonable prices.

P. VR. VAN WYCK, *Publisher,*

Office 95 Liberty st., New York

GENERAL OFFICE OF THE FAIR AND FESTIVAL,
616 BROADWAY, N. Y

REMEMBER THE LITTLE ONES;

THE

DESTITUTE AND ORPHAN CHILDREN

OF OUR

COUNTRY'S DEFENDERS.

GRAND CHARITABLE FAIR AND PRESENTATION FESTIVAL.

IN AID OF THE

HOME AND SCHOOL FOR THE MAINTENANCE AND EDUCATION OF THE DESTITUTE CHILDREN OF OUR SOLDIERS AND SAILORS.

AN APPEAL TO THE AMERICAN PEOPLE.

This HOME AND SCHOOL was chartered in the year 1862, for the objects above set forth. Applicants are received from all the States in the Union. Its sphere of usefulness is constantly increasing, the Children now numbering over 120; and daily are the requests, for the shelter and care of equally deserving ones, *denied*, solely for the want of room to accommodate them. The old and unsuitable building (on 58th street, N. Y.) now occupied, must be removed for the erection of such a Home as necessity demands; and this call is made upon the public with a firm belief that the Patriotism and Generosity of the American People will nobly respond to the wants of Little Ones, and that a suitable edifice will be erected through the means of this Fair and Festival, which shall stand in the cause of humanity as a fitting rebuke to the trite assertion, that "Republics are Ungrateful," and which shall, in affording an asylum for our Country's Children, also be an ornament among her institutions.

NEW YORK, October 1st, 1866.

We, the Officers and Managers of the "Home and School," for the Education and Maintenance of the Destitute Chilren of our Soldiers and Sailors, earnestly solicit the sympathy and co-operation in our *Fair and Grand Presentation Festival*, of all who desire with us to see the "Home and School" enabled to receive and care for *all* needy ones who seek its shelter and protection.

Mrs. General ULYSSES S. GRANT, President.
Mrs. CHAS. P. DALY, Acting "
Mrs. Maj. Gen. J. C. FREMONT, 1st V. "
Mrs. ROBERT FORSTER, 2d V. "
Mrs. JOHN S. VOORHIES, Treasurer.
Mrs. DAVID HOYT, Secretary.
Mrs. WM. S. HILLYER, Cor. Secretary.
Mrs. HERVEY G. LAW, Manager.
Mrs. J. J. VAN DALSEM, "
Mrs. JNO. H. WHITE, "

NEW YORK, Oct. 1st, 1866.

The undersigned, desiring to express our sympathy and unite our efforts with the "Home and School" for the Education and Maintenance of the destitute children of our Soldiers and Sailors, located in the City of New York, do most cheerfully co-operate with the Ladies composing the Officers and Managers of that Institution as a Supervisory Committee in their approaching *Fair and Presentation Festival.*

Major General VAN VLIET,
" " FRANCIS C. BARLOW,
Brig. " JOHN COCHRANE,
" " WILLIAM HALL,
" " RUSH C. HAWKINS,
Bvt. Brig. Gen. JAMES F. HALL,
Judge CHAS. P. DALY,
Chairman of Committee,
JNO. H. WHITE,
G. P. B. HOYT,
J. H. PULESTON.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 6th, 1866.

Whereas Messrs. Thomas & Co., as Managing Directors of a Charitable Enterprise, have made due application to T. W. Egan, Collector of Internal Revenue for the 9th Collection District of the State of New York, for permission to hold a "*Fair and Grand Presentation Festival*," and presented to him satisfactory evidence that the proceeds of such Enterprise will be devoted to charitable uses, permission is hereby granted to the said Messrs. Thomas & Co. to hold said *Fair and Presentation Festival* exempt from all charges, whether from special tax, or other duty in respect of such *Fair and Festival.*

(Copy) THOMAS HARLAND,
Acting Commissioner.

The following Card will be fully appreciated by the Public, as it receives the thanks of the Institution:

To the Managing Directors of the Festival:

Sympathizing with your object, I take pleasure in tendering you, gratuitously, my professional services on the occasion of your Festival.

THEODORE THOMAS.

The Fair will open on the 10th of December and continue two weeks, at the PUBLIC HALL, corner of Broadway and 23d Street, New York. To be concluded by the

GRAND PRESENTATION FESTIVAL,

To be held at

COOPER INSTITUTE, NEW YORK,

SATURDAY EVENING, December 22.

Under the Musical direction of THEODORE THOMAS, Esq. On which occasion a Committee will be chosen by the audience to award

$100,000 IN PRESENTS,

in such lawful manner as they may determine. For the Festival there will be issued 200,000 *Tickets at One Dollar each*, and 200,000 *Presents, being one to each Ticket holder.*

LIST OF PRESENTS TO BE AWARDED.

1	Present in United States Greenbacks	$10,000
1	Splendid Country Residence in Westchester Co., near N. Y. City	12,000
1	Corner House and Lot, Jamaica Avenue, E. N. Y.	4,000
1	House and Lot, adjoining above	3,000
1	" " in Brooklyn, N. Y.	3,000
1	Carriage, Horses, and Harness, (complete)	2,500
1	Grand Piano, (Steinway's)	1,500
3	Lots in Harlem, city of N. Y., $1,500 each	4,500
1	Set of Diamonds, (Ring, Ear-Rings and Pin)	1,000
1	Paid up Policy, of Life Insurance, for	5,000
1	"Ellis' Patent Hot-Water Apparatus," for Heating Dwellings	1,000
1	Oil Painting of General U. S. Grant	250
15	Gents fine Gold Lever Watches, @ $200	3,000
15	Ladies " " " " @ $125	1,875
1	Elegant 1st Premium Empire Sewing Machine	150
20	Silver plated Tea Setts, @ $75	1,500
100	Celebrated Empire Sewing Machines, now on exhibition at their Warerooms, 616 Broadway	7,500
1000	Copies (2 vols. each) being a complete Illustrated History of the War, by Mrs. Ann S. Stephens	7,000
250	Gold Pens, Pencils, and Sleeve Buttons, @ $6	1,500
500	Table and Tea Spoons and Napkin Rings, @ $5	2,500
1000	Call Bells and plated Fruit Knives, @ $3	3,000
	The balance to consist of the following articles, viz.: Musical Instruments, Parlor and Office Furniture, Writing Cases, Ladies Work Boxes, Music Boxes, Kid Gloves, Photograph Albums, Breast Pins and Finger Rings, Gents Fob Chains, Ladies Gold Watch Chains, Opera Glasses, Black Walnut Picture Frames, Gentlemen's Fashionable Silk Hats, Ladies newest style Dress Hats, American Emblem Cards for Parlor Amusement, Engravings and Card Photographs of distinguished Personages, Ladies and Gents Riding-Whips, Buffalo Robes, Ladies Mink Furs, Gents Fur Collars and Gloves, &c., &c., amounting to	34,225

Making in the aggregate 200,000 Presents, valued at...$100,000

THEODORE THOMAS, Esq.

The talented Musical Director, promises a most delightful treat in the Orchestral and Vocal Exercises for the occasion, no less than 40 performers being already engaged, and nothing will be spared to make this the finest Musical Festival ever given in the United States.

HOW TO OBTAIN TICKETS.

The tickets will be supplied to all Booksellers, Druggists, Music Dealers, Hotel Keepers, &c., where they can be obtained at $1,00 each, or in quantities at the Club Rates. Subscription Lists are now ready for Soldiers and others (male and female) who sympathize with our object, to obtain orders for the Tickets. Circulars, giving full directions, and terms to Agents, will be mailed on receipt of stamp for postage.

Orders may be sent direct to us enclosing the money, from $1 to $25, in a *registered letter at our risk*, with stamp for return postage. Larger amounts should be sent in drafts by Express, at the following

CLUB RATES.

5	Tickets to one address	$4 50
10	" " "	9 00
20	" " "	17 50
30	" " "	26 25
40	" " "	35 00
50	" " "	43 50
100	" " "	85 00

address all orders and communications to

THOMAS & CO., Managing Directors,
OR TO
N. H. DAVIS, Agent for the Home and School,
616 Broadway, New York.

SPECIAL NOTICES.

We take pleasure in acknowledging, on behalf of the Home and School, the liberal donation of $5 0, made by the Empire Sewing Machine Co., of No. 616 Broadway, New York.

Editors are invited to notice this Charitable Fair and Festival, and to lend such aid as their sympathy and benevolence suggest.

THOMAS & CO.,
Managing Directors.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 25. NEW YORK, DECEMBER 22, 1866. WHOLE NUMBER 103.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE Special Committee of the House of Representatives, of which Representative Darling is Chairman, has been at the Astor House all of the week, and has taken a great deal of testimony relating to frauds perpetrated in this city in the manufacture of spirits and tobacco, and to cases involving compromises for penalties and fines incurred. The evidence is not yet made public.

The Solicitor of the Treasury has given his opinion that the provisions of Section 10 of the Act of July 25, 1866, (RECORD, vol. IV., p. 151) apply only to steam vessels. This opinion is sustained by the Department, and circular instructions are issued accordingly. This section requires sea going and lake steam vessels to be provided with life boats and improved boat detaching apparatus.

Circulars to Inspectors of steamboats have been issued with a view of securing a stricter compliance in future with the laws providing for the safety of passengers than has been accorded hitherto.

These laws, made necessary by the cupidity of capitalists interested in large monopolies of ferry, river, sea and lake traffic, are violated with impunity, if not utterly disregarded. Many of the monopolies are so rich and powerful that subordinate officers and private individuals have feared to move alone against them, and the action of the Department in holding its officers to a rigid accountability for the full discharge of their duties, and to compel obedience to the laws, must result beneficially for the travelling public.

Several very interesting rulings are published in their appropriate columns. That relative to the liabilities of Savings Banks will put at rest questions raised under the amended law and Circular 53, of Sept. 17, 1866. It will be observed that a certain class of savings institutions—those included within the proviso to section 110 of the Excise Act, as amended, are liable to dividend tax on the amount of earnings added to their surplus fund.

Circular 55, of December 11, 1866, which will arrest the attention of Assistant Assessors, contains instructions in relation to their compensation when employed outside of the town in which they reside, and also to their charges for office rent, and gives specific directions as to the way in which their accounts therefor shall be made out.

A great diversity of practice has prevailed since the passage of the amendatory act in regard to the taxation of saws, which arose from the different constructions placed by officers and taxpayers on the term "hand saws," in the list of articles exempted. The Commissioner decides specifically that the exemption applies exclusively to the common small saws, ordinarily used by joiners and carpenters, and known by the name of "hand saws." Mill saws of all descriptions, pit saws, cross-cut saws, and wood saws with frames are all liable to a tax of five per cent. ad valorem. Saw *frames* are also held liable to tax.

COMMISSIONER ROLLINS, in his recent report, makes the following remarks upon the taxing of cigars:

The tax of ten dollars per thousand upon all domestic cigars imposed by the act of March 3, 1865, was more uniformly paid than the tax under any previous law. Fewer cigars escaped taxation, and there was no opportunity for fraud when their full number was returned to the assessor.

The different qualities of tobacco, and the varying costs of manufacture in different parts of the country, induced a change at the last session of Congress in the mode of taxation, with which I believe neither the manufacturers nor the revenue officers are fully satisfied.

On cigars, the market value of which is not over eight dollars per thousand, the law is now two dollars. When the market value is over eight dollars and not over twelve, the tax is four dollars; and when the market value is over twelve dollars, the tax is four dollars, and in addition thereto twenty per centum *ad valorem* on the market value thereof.

It will be observed in the application of this law that if there were cigars of the market value of fifteen dollars, they would be subject to the specific tax of four dollars, and the advalorem tax of three dollars, making seven dollars; leaving only eight dollars for the manufacturer, or the same he would receive should he sell them at twelve dollars per thousand. No advantage can accrue to any party but the government from sales at over twelve and less than fifteen dollars, and as a consequence there are no such sales. The tax bears very heavily, too, until the market value is very considerably above fifteen dollars, the government getting the major part of the excess until the value is twenty dollars or more. There is very great difficulty, too, in determining the "market value."

Upon other manufactures subject to an *ad valorem* tax, the basis of taxation is by law the "actual sales" made by the manufacturer. It is claimed that cigars are sold for more and sometimes for less than their "market value." On the other hand, it is certainly utterly impracticable for assistant assessors unacquainted with the prices and qualities of cigars, to ascertain what that market value is, and there follow therefore numberless frauds and great inequality of assessment. So much of the tax as is *ad valorem* should be levied upon the excess above twelve dollars, and it should not be upon the market value, but upon the value as estimated by actual sales.

In this connection I would also recommend, if the tax is to continue to be estimated by reference to value, that the privilege of removing cigars in bond be withdrawn. With the single exception of cigars, all articles which are removable in bond under the internal revenue laws are subject to specific taxes, so that the amount of duty can be unerringly ascertained by the use

of the scale, the hydrometer, or the gauging-rod. When cigars are placed in bond, it becomes necessary for a value to be placed upon them, and as the system under which bonded warehouses have been established did not contemplate the employment of competent appraisers, the result is constant dissatisfaction and complaint.

Were cigars of domestic manufacture exported in such quantities as to be an important element in our foreign trade; it would doubtless be well to adapt the bonded system in such wise as to remedy the evil; but since the 30th day of June, 1864, when a drawback ceased to be allowed upon cigars, the whole number of cigars exported has been but a fraction over two hundred and sixty thousand, upon which the tax was but $2,680 50. In view of this small amount of foreign trade, it would be far better to allow cigars to be exported for benefit of drawback, than to make the needed change in the bonded system.

Should the tax be made purely specific, as under the act of March 3, 1865, no difficulty will arise from continuing the practice of bonding.

Communications.

THE ASSESSMENT OF FARMERS' INCOME TAX.

To the Editor of the Record:

DEAR SIR—I wish to state some of the difficulties I find in assessing the incomes of farmers. Previous to the instructions of the Commissioner, series 2, No. 4, dated April 26th, 1866, I assessed farmers, producing their usual products of consumption upon their farms, $40 per year for each person in their families, in addition to their sales and other sources of income. This seemed to be in accordance with the law and equitable, if it is equitable to allow a man without any family the same exemption as one with eight or ten children. But the instructions from the Commissioner directed us not to estimate the products of a farmer consumed in his family (Why not allow the mechanic what he pays for the like articles in addition to his $600, as well?) and, as a sort of offset, not allow him as deduction what he pays for labor employed in producing articles thus consumed. The difficulty in following these instructions is in determining what proportion of the hired labor upon a farm is thus employed, and it is a difficulty through which I cannot see my way clear. During a journey through most of the Northern States last summer, I enquired of many assistant assessors as to their method of assessing farmers in this particular, and I found no uniformity of practice, and no one who thought he could make an equitable assessment under these instructions. I do not know that it has ever occurred to our worthy Commissioner that there are these difficulties in following his instructions in the assessment of farmers; but I believe that if he would make enquiries of assistant assessors he would find this difficulty a very general one, and one from which I hope he will provide some way of escape. Mechanics, laborers and tradespeople complain that this ruling gives to farmers a much larger exemption than to any other class of people, and we assistant assessors cannot well show why the complaint is not a just one.

Yours,

AN ASSISTANT ASSESSOR.

WHY ARE GAMBLERS NOT TAXED?

Editor of the Int. Rev. Record:

DEAR SIR—Allow me to direct your attention to one class of individuals, who, being a nuisance to society on account of their occupation, escape from almost every tax that other persons have to pay, to enable our Government to meet her obligations and to provide for the maintenance of the country. I mean the large number of gamblers, who carry on a profitable business, which they build upon the ruin of others, and which they carry on to the detriment of public morality. Though it is true that nobody needs to go to their gaming-tables, it is just as true that nobody is obliged to ruin himself by drinking too much liquor, from the manufacture of which the Government receives an immense amount of revenue.

If, therefore, it should agree with the spirit of our laws, that an Act be passed by Congress, providing "That any person or persons, who hereafter shall be found guilty, in any Court of the United States, Territories or District of Columbia, of keeping a gaming-house or gaming-table, or of betting at a gaming-table, shall, in addition to any fine provided for in the statutes of such States, Territories or District of Columbia, be fined in the sum of one hundred dollars for the use of the Internal Revenue Department, which sums shall be collected in the same manner as other fines provided for in the statutes of the respective States, Territories or District of Columbia, and shall by the collecting officer be turned over to the U. S. Collector of Internal Revenue for the Collection District in which such fine is imposed"—that class of persons would at least be made to be of some use to the country.

Respectfully, A.

ASSISTANT ASSESSORS' PAY.

MR. EDITOR—How do you construe the paragraph of section 17, Compilation Rev. Laws, relating to assistant assessors' pay, and the clause certifying the time necessary, by the Assessor? Is it the intention of the law to throw assistant assessors, in large cities, out of employment for a portion of at least five months of the year? You are aware that from April 1st, or the time the annual list is begun, to the completion of that work—say about the end of July—assistant assessors are compelled to work from 12 to 16 hours each day (*Sunday not* excepted), without additional compensation. Do you think it justice, after having to *rush* the work through, in a portion of the year, to compel assistant assessors to lose from ten to fifteen days during the winter months, when, of course, the expense of living is very much increased? Now I presume in country districts it does not fall so heavily upon assistant assessors, for they have, usually, other work to do. Of course, there is always something to do in large cities. The pay at present, if full time is made, is barely sufficient to keep a family, and as it is, the financiering abilities of "Stewart" would be requisite to make ends meet.

Very Respectfully,

ASSISTANT ASSESSOR.

The Assessor must use his best judgment in certifying the number of days requisite for assistants to perform their work during the period charged for. This is the law and should be obeyed, notwithstanding it may work hardship. The compensation of assistant assessors generally has always been inadequate, and the Commissioner recommends an increase.

The best mode of compensating assistants would, in our judgment, be according to the mode prescribed for Collectors and Assessors, a small percentage on the amount of revenue collected for each division, in addition to their present pay. Even this would not insure unvarying equality, but it would come nearer than any other mode that we know of, and would operate as a most influential stimulus to zeal and energy.—ED.

Editor Record:

SIR—Will you oblige by giving your views of the following case: Where a "retail dealer's" license has been granted, and sometime thereafter the same person requires a Retail *Liquor* Dealer's license, what course can be followed, upon which to assess the additional tax?

For example, say: B commences business 1st May, 1866, and pays a license of $10 for the year as retail dealer, then on the 1st November combines the sale of spirits with his first business (retail dealer), what amount of tax is due the Government?

The amendments of the Act of July 13, 1866, which abolished *licenses* and substituted a special tax, complicates the case presented. We should say, however, that the party by his own act, in beginning to sell liquors under the amended law, renders himself liable to assessment for special tax as a retail liquor dealer, of $12.50—for 6 months; and is entitled to no credit for the unexpired *license*.—ED.

SANDY HILL, Dec. 10, 1866.

Editor of Record:

SIR—Before the passage of our revenue laws a husband dies and leases to his widow by will or otherwise a portion of his real estate *for life*. At her death, after the passage of section 126, the heirs come into the possession of said real estate "upon the death of any (a) person dying after the passing of this act."

Are said heirs liable to a succession tax? An answer in your valuable paper would help to settle this question, and oblige interested parties.

C * * * * *.

The heirs are liable to succession tax.—ED.

83 CEDAR ST., N. Y., Dec. 15, 1866.

SIR—Will you please answer the following: If a person takes out a Retail License, say for 6 months and pays $5 for it, how much can he sell under that license—$12,500 or $25,000? And oblige,

C.

At the *rate* of $25,000 per annum, *i. e.* $12,500.

ED.

TABLE

Showing the rate of Tax per thousand on Cigars from $8 *to* $100. *Prepared by* W. W. CRANNELL, *Chief Clerk, Assessor's Office, 14th Dist., N. Y.*

Price per M.	Tax per M.	Price per M.	Tax per M.	Price per M.	Tax per M.
$8*	$2 00	$41	$12 20	$71	$18 20
8–12†	4 00	42	12 40	72	18 40
13	6 60	43	12 60	73	18 60
14	6 80	44	12 80	74	18 80
15	7 00	45	13 00	75	19 00
16	7 20	46	13 20	76	19 20
17	7 40	47	13 40	77	19 40
18	7 60	48	13 60	78	19 60
19	7 80	49	13 80	79	19 80
20	8 00	50	14 00	80	20 00
21	8 20	51	14 20	81	20 20
22	8 40	52	14 40	82	20 40
23	8 60	53	14 60	83	20 60
24	8 80	54	14 80	84	20 80
25	9 00	55	15 00	85	21 00
26	9 20	56	15 20	86	21 20
27	9 40	57	15 40	87	21 40
28	9 60	58	15 60	88	21 60
29	9 80	59	15 80	89	21 80
30	10 00	60	16 00	90	22 00
31	10 20	61	16 20	91	22 20
32	10 40	62	16 40	92	22 40
33	10 60	63	16 60	93	22 60
34	10 80	64	16 80	94	22 80
35	11 00	65	17 00	95	23 00
36	11 20	66	17 20	96	23 20
37	11 40	67	17 40	97	23 40
38	11 60	68	17 60	98	23 60
39	11 80	69	17 80	99	23 80
40	12 00	70	18 00	100	24 00

* $8 and less. † $8 and not over $12.

THE House desires to know who have been the happy recipients of the $250,000 and $160,000 appropriations for extra pay to Treasury employees.

THE Treasury clerks want more pay and ought to have it.

DISTILLERS IN 8TH DISTRICT.

The 8th District comprises the 18th, 20th and 21st Wards of New York. Its boundaries are West 40th Street and East 40th Street, East River, East and West 14th Street, 6th Avenue, West 26th Street and Hudson River.

The Collector is M. L. Harris, Esq., No. 923 Broadway, and the Assessor is Anthony J. Bleecker, Esq., No. 896 Broadway.

The following are the distilleries authorized to operate under the recent law, in which are included several that are temporarily suspended. Several have been put under seizure for alleged violations.

Andrews, Dorothea, 32½ Bowery, still, 521 W. 36 st.; capacity, 225 gallons, bond, $5,000; sureties, Charles Sutzel, 145 Essex street, J. Spielman, 258 W. 37th street, qualified amount, each, $5,000. Inspector, Wm. M. Clark. Not commenced.

Bob, J., still, 15 Abattoir Place; capacity, 275 gallons bond, $6,000; sureties, P. Fisher, 114 1st avenue, J. A. Engle, 27 Sheriff street, qualified amount, each $6,000. Inspectors, E. Saul and H. R. Hoffmire. Suspended.

Cleary, M., 40th street and 2d avenue, still, 152 E. 40th; capacity, 100 gallons, bond, $3,000; sureties, J. B. Allen, 159 E. 46th street, M. Gallfoyle, Schenck street, Brooklyn, qualified amount, each, $3,000; Inspector, W. W. Smithson.

Drake, E. C., 237 W. 40th street, still 33 Abattoir Place,; capacity, 100 gallons, bond, $5,000; sureties, J. Pierce, Harlem, A. J. Friedman, 60 Warren street, qualified amount, each, $5,000. Inspector, E. M. Stearns.

Elekhoff, G., 73 Mercer street. still, 426 W. 36th street; capacity, 75 gallons, bond, $3,000; sureties, H. W. Youngblood, 313 Pearl street, Brooklyn, Theo. Bergunyer, 39 Raymond street, Brooklyn, qualified amount, each, $3,000. Inspector, A. S. Brainerd.

Galligan, P., 170 Lewis street, still, 18th street, between avenues B and C; capacity, 75 gallons, bond, $4,000; sureties, C. D. Conkling, 9 Lispenard st., W. H. Gildersleeve, 182 Bleecker street, qualified amount, each, $4,000. Inspectors, P. H. McDonough and S. S. Day.

Hanlon, M., still, 307 and 309 avenue A; capacity, 1000 gallons, bond, $30,000; sureties, James England, 24 Rutgers street, Richard O'Reilly, 2 Gouverneur street, Daniel Murray, 148 E. 21st street, Peter Finlay, 363 W. 35th street, qualified amount, each, $15,000. Inspector, M. M. Moore, Assistant.

Harvey, J., 465 W. 42d street, still, 156 E. 28th street; capacity, 60 gallons, bond $4,000; sureties, G. C. Burst, Van Buren street, J. T. Kelly, 346 8th avenue, Brooklyn, qualified amount, each, $4,000. Inspector, C. H. Brown.

Koehler, D. M., 171 E. 14th street, still, 1st avenue and 30th street; capacity, 750 gallons, bond, $25,000; sureties, M. Keishman, 507 E. 13th street, O. Friend, 61 Reade street, qualified amount, each, $25,000. Inspector, A. Seeley.

Klein, A., 201 E. 25th street, still, 201 E. 25th street; capacity, 400 gals., bond, $3,000; sureties, J. Schmitt, 355 E. 10th, J. Muller, 312 6th avenue, qualified amount, each, $3,000. Inspector, W. H. Bogart.

Kelly, William, 306 W. 29th street, still, 307 W. 29th street; bond, $2,000; sureties, T. McCauley, 823 E. 8th street, F. McKenna, 294 10th avenue, qualified amount, each, $2,000. Inspector, E. Bleecker. Capacity not known—building a new still.

Leonhard, A., 258 W. 37th street, still, 258 W. 37th street; capacity, 200 gallons, bond, $5,000; sureties, E. Herman, 45 Bowery, T. J. Lambert, 149 E. 11th street, qualified amount, each, $5,000. Inspectors, J. H. Demarest and Michael Geohegan. Suspended.

Levy, M., 209 E. 32d street, still, 294 W. 33d; capacity, 275 gallons, bond, $10,000; sureties, E. Herman, 45 Bowery, J. Levy, 100 Duane street, qualified amount, each, $10,000. Inspector, S. B. Jennings.

Magraf, E., 247 W. 39th street, still, 247 W. 39th street; capacity, 300 gallons, bond, $15,000; sureties, James Coddington, 277 Fulton avenue, Brooklyn, Thomas Brown, Tompkins avenue, Brooklyn, qualified amount, each, $15,000. Inspector, J. A. Stansbery.

Pierce, J., 139 Waverly Place, still, 10th avenue and 39th street; capacity, 2,000 gallons, bond, $50,000; sureties, N. J. Brown, 134 W. 34th street, E. C. Hitchcock, 42 W. 34th street, qualified amount, each $15,000, B. Smith, 6 Beach street, W. Sawyer, 112 N. 5th street, Brooklyn, qualified amount, each, $35,000. Inspector, J. T. Hoff, Jr.

Riely, C. O., 269 W. 34th street, still, 441 W. 36th street; capacity, 75 gallons, bond, $6,000; sureties, J. D. O'Reiley, 34 8th avenue, E. Sheils, 474 8th avenue, qualified amount, each, $6,000. Inspector, D. Hinchman.

Reily, P., 74 Greenwich avenue, still, 26 Abattoir Place; capacity, 60 gallons, bond, $2,000; sureties, H. B. Ogden, Middletown, N. Y., J. McGunen, 686 2d avenue, qualified amount, each, $2,000. Inspector, William McConkey.

Stephens, W. P., 491 2d avenue, still, 257 E. 18th St.; capacity, 90 gallons, bond, $5,000; sureties, J. M. Smith, 149 E. 48th street, George Scharer, 108 Bond street, qualified amount, each, $5,000. Inspectors, J. C. Walker and Charles J. Dunbery. Suspended.

Struck, A., 14 State street, still, 357 W. 26th street; capacity, 75 gallons, bond, $2,000; sureties, A. Schreitmuller, 328 Bleecker street, D. Helms, 464 Hudson street, qualified amount, each, $2,000. Inspector, G. B. Gifford.

Silverman, F., 339 W. 39th street, still, 339 W. 39th street; capacity, 250 gallons, bond, $2,000. Not yet qualified.

Weiss, S., 305 W. 19th street, still, 9 Abattoir Place, capacity, 275 gallons, bond, $8,000; sureties, J. Kelly, 116 Washington street, J. Ward, 115 Division street, qualified amount, each, $8,000. Inspectors, T. B. Renton and Philip J. McGuire. Suspended.

Weinberg, S., 68 W. 43d street, still, 24 and 25 Abattoir Place; capacity, 275 gallons, bond, $6,000; s reties, J. Rossell, 145 E. 41st street, J. England, 24 Rutgers street, qualified amount, each, $6,000. Inspector, J. Seibert.

JOHN DEVLIN has been arrested on a warrant issued by Judge Benedict of the United States Circuit Court as a debtor of the United States in the sum of $400,000, fines and penalties incurred for violations of the Internal Revenue law. On motion made by Mr. Devlin's counsel to admit him to bail, Judge Benedict expressed his willingness to take bail in a sufficient sum, fixing $200,000 as adequate security, and in default of bail to this amount Mr Devlin was continued in custody.

THE Report of Commissioner Rollins concludes as follows:

INCOME TAX.

That portion of the law of 1864, which relates to income was but slightly touched by the act passed at the last session of Congress. Various amendments to it were adopted by the House of Representatives materially improving its symmetry and general requirements; but the impossibility of their passage in season for the annual assessment of the current year, and the pressure of more important business, induced the Senate to defer their consideration. They will probably be presented again during the coming winter in a new bill from the House.

Of these amendments the most important was, perhaps, the exemption from tax of one thousand dollars, instead of six hundred as is now provided. It was, of course, the purpose of the law to exempt so much of one's income as was demanded by his actual necessities, six hundred dollars was believed to be the minimum expense of such at the time of the passage of the first law. Since then the internal tax upon commodities, the increase of customs duty, and the depreciation of the currency, have wrought an almost universal advance in prices, and I believe the same reason now exists for the increase of the amount of exemption which at first secured any exemption whatever.

Should this change be made, there should be a corresponding amendment to that portion of the law relating to the tax upon salaries of persons employed in the service of the general government.

In determining the amount of taxable income under the present law, profits and losses from transactions in real estate are considered only when its sale is in the same year with its purchase. This arbitrary rule is not made applicable to personal property, and as there seems to be little reason for its existence at all, I believe it should be amended.

The present income law expires by limitation in 1870.

OTHER MODIFICATIONS OF THE LAW.

Various amendments, in addition to what I have suggested above, seem necessary in order to make clear and positive what is more or less involved and doubtful in several parts of the law, but their propriety can be more fully and satisfactorily presented to the attention of the appropriate committees of Congress when a revenue bill is before them than within the proper limits of this report.

The immense revenue of the last fiscal year was raised with probably less pressure upon the people than of smaller amounts, in previous years. Their enterprise and spirit of accumulation have prevented the depression of business which ordinarily attends heavy taxation. Their means for the ultimate extinction of the national debt are rapidly multiplying from the increase of population and the constant development of new sources of wealth. The reduction of taxes will stimulate production, and in a few years the national debt will cease to be an object of anxiety or even annoyance to a great and united people.

The usual demands upon this office, arising from the revenue system over the South, and the radical changes in some parts of the law from its recent amendments, have for a time largely increased its labors and responsibilities, and I cheerfully acknowledge my indebtedness to the honorable Secretary of the Treasury for his uniform support, and to the officers and clerks associated with me, who have faithfully and diligently discharged their duties.

JOHN C. EVANS, an assistant assessor in South Carolina, petitions for pay for services rendered. So likewise does Samuel W. Maurice, also an assistant.

Treasury Dept., Decisions, &c.

OFFICIAL.

[Circular No. 55.]

COMPENSATION AND OFFICE RENT OF ASSISTANT ASSESSORS.

OFFICE OF INTERNAL REVENUE,
Washington, Dec. 11th, 1866.

The 22d section of the Internal Revenue Act, amended July 13, 1866, (paragraph 17 of Compilation), provides that Assistant Assessors, when "employed outside of the town in which they reside, in addition to the compensation now allowed by law, shall, during such time so employed, receive one dollar per day." The same section also provides that "Assistant Assessors may be allowed in the settlement of their accounts such sum as the Commissioner of Internal Revenue shall approve, not exceeding $300 per annum, for office rent."

In reference to the additional compensation of one dollar per day, while the intention of Congress appears to have been to give additional compensation to such Assistant Assessors as found it necessary to incur expenses in traveling at a distance from their residences or offices, which would not be incurred in their immediate vicinity, there are portions of the country in which no such subdivisions as towns or townships exist, and where, consequently, the provision in the statute can have no application.

Where additional rates of compensation to Assistant Assessors have been fixed by the Secretary of the Treasury, such compensation is to be in lieu of all other pay authorized by law; so that in such cases the provision under consideration does not apply.

In making out their accounts the Assistant Assessors should charge those days, for which they are entitled to the one dollar per day additional compensation, at $5 per day and the remaining days at $4 each.

The bills or accounts for office rent authorized by the law quoted above, must be made out against the Assistant Assessor, in his official capacity, at the end of each quarter, stating the price agreed upon per month or quarter, and duly receipted.

As the same office, in many cases, may be occupied by two or more Assistants, and also by other parties, the bill or voucher must be accompanied by a statement showing the total rental value of the office, the number of parties using the same, and the amount paid by each, together with a description of the office, showing the size of the room, the name of the town, the name and number of the street where located, and whether on the first, second, or third floor of the building. When the rent charged is for the use of a room in the Assistant's own building or dwelling, and is at a rate higher than $30 per annum, a certificate of two disinterested persons of character and standing in the place where the office is located, stating their opinion of its rental value as compared with other similar rents in the same locality, should accompany the account.

The Assistant Assessor should have his office separate from his dwelling, when it is practicable so to do; as the tax-payers will more freely call upon him at his office, if properly located at or near a business centre, than at his residence, and thereby the public service will be best promoted. For this reason a less rent will be approved for the use of a room in the Assistant's dwelling than in other cases.

No payment can, under the law, be made to Assistants for office furniture, or rent of the same, nor for fuel and lights.

When the Assistant owns his office, or the same is in his dwelling, he may render a voucher from himself to himself as Assistant Assessor, or state the fact of such ownership, or use of his dwelling, in his account on Form 84, with a description of the office, as required in other cases.

Where two or more Assistants reside in the same town or city with the Assessor, unless some special local objection exists, it would be advantageous to the revenue service that the several Assistants, or part of them, should occupy the Assessor's office with him. The office might then be always open to tax-payers during business hours, while at the same time, by proper arrangements between the Assistants, they could devote such portion of their time as should be necessary to passing through their divisions in the discharge of their duties. In such cases, the voucher for the whole rent may be rendered to the Assessor, who should state therein the total amount paid, the amount deemed his due proportion of the same, and the sum for each Assistant, giving the number of his Division.

For the same reasons two or more Assistants, residing in the same town and District—not the residence of the Assessor—should occupy the same office; taking into consideration any special local objections which may exist in any case.

In addition to the reasons already given in favor of the above suggestions, and others which will suggest themselves, the reduced expense to the Government is a matter of too much importance to be overlooked.

E. A. ROLLINS, *Commissioner.*

TIN ROOFS NOT LIABLE TO TAX.

———, N Y., Dec. 5, 1866.

DEAR SIR:—Mr. —— ——, Assistant Assessor, and myself desire your opinion on the following case: Mr. —— ——, of this village, is a tinman. He has this summer built himself a store, and put on a tin roof. Must he pay therefor, or thereon, a manufacturer's tax? Can a roof be said to be a manufacture in any sense? Is it any more a manufacture because of tin than of wooden shingles, both of which are put on so as to form a portion of the building? If taxable must he pay on any thing except on the labor, as the tin has once paid?

Truly yours.
N. C. MOAK.

To Commissioner of Int. Rev.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 8th, 1866.

SIR:—In reply to your letter Dec. 5th, in relation to tin roofing, I have to say that the covering of the roofs of buildings with tin is not liable to any tax.

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

N. C. MOAK.

WOVEN AND KNITTED HOODS, NUBIAS, SACKS, FROCKS, &c—TAX ON SUSPENDERS, GARTERS, &c.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 27, 1866.

SIR:—Your letter of the 17th ultimo was duly received.

In answer I have to say that the new law makes no change in the mode of taxing articles of clothing manufactured or produced directly by weaving or knitting, except in the rate of tax. You will therefore continue to assess hoods, nubias, sacks, frocks, &c., made in the manner described the same as heretofore.

Suspenders, garters, &c., are either to be taxed—first as fabrics five per cent., and afterwards as manufactures or articles of clothing two per cent.—or else omitting to tax them as fabrics—assess the tax of five per cent., upon these articles under that clause of the new law which provides for taxing articles of clothing manufactured or produced for sale by weaving, knitting or felting.

I am disposed to give the manufacturers of these articles the benefit of the more liberal construction. If however they insist that the tax on the manufactured article shall be assessed at the rate of two per cent. only. I see not how to avoid the assessment of a primary tax upon the fabrics from which the articles are made.

Yours Respectfully
THOMAS HARLAND,
Deputy Commissioner.

E. S. BEALS, Esq.
North Weymouth, Mass.

LIABILITIES OF SAVINGS INSTITUTIONS—TAX ON THE AVERAGE OF DEPOSITS OVER $500—SURPLUS AND RESERVED EARNINGS.

ASSESSOR'S OFFICE
3D DISTRICT OF MASSACHUSETTS,
BOSTON, Dec. 6, 1866.

SIR: A wide difference of opinion prevails among the managers of Savings Banks in regard to the exact requirements of the present law in the matter of tax. It is contended that the law requiring returns to be made on the first Monday of January and July in each year, subjects such institutions to a tax of one-twenty-fourth of one per cent. semi-annually, on the amount of deposits of $500 and upwards *existing on said first Mondays of January and July*, respectively; and that they are liable to no further or greater tax.

Par 71 per 40 of the present law provides that "there shall be levied, collected, and paid, a tax of one-twenty-fourth of one per cent. *each month*, &c.," and at the close of par. 162 p. 92, it is provided that the annual or semi-annual interest allowed or paid to depositors in Savings Banks or Savings Institutions shall not be considered a dividend."

In regard to the first point I claim the intent of the law to be that such institutions shall on the first Monday of January or July in each year, return the *aggregate amount* of their monthly deposits of $500, and over, as they existed on the last day of each month preceding, and pay the tax thereon at the rate of one-twenty-fourth of one per centum; or return the *average amount* of the six months preceding and pay a tax thereon of ¼ of 1 per cent.

In regard to the second case, I suppose no tax is chargeable upon dividends, as such—as the principal part of such dividends are either paid directly, or credited in account, to depositors.

There is generally a large surplus of gain, on savings of the preceding six months in excess of the dividend, which is credited to no individual account, but carried to account of reserved profits, and may not be divided for many years.

"The Provident Institution for Savings" in Boston, at the July dividend in 1866, credited "Profit and Loss" with more than $110,000 reserved profits.

Are gains in this form by such institutions taxable? and if so at what rate?

Very respectfully,
(Signed) WM. S. KING,
Assessor.

Hon. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 13, 1866.

SIR:—Your letter of 6th inst., relative to Savings Banks, is received.

As regards the manner of making returns of tax on the *deposits* of such Institutions as are enumerated in the proviso to Section 110, Act June 30, 1864, amended July 13, 1866, I refer you to Circular No. 53 of this office, issued Sept. 17, 1866. (RECORD vol. IV, p. 102.)

You will see from this that the Institution is allowed to take the amount of deposits on the first days of January and July of each year, as the *correct average* for the six months preceding—but in case this time is not satisfactory to the Assessor, he can fix some other period between the first days of January and July, as giving an amount which can be taken as the correct average for the six months. This management was made at the solicitation of the New York Savings Banks, to facilitate making the returns, and as it gives the Assessor discretionary power to determine what day the deposits shall be taken as a fair average for the six months, it cannot give the Banks any undue advantage.

Replying to your *second* question I have to say, that, under the proviso to Section 120, Act June 30, 1864, as amended July 13, 1866, the amount of "annual or semi-annual interest allowed, or paid, to the depositors in Savings Banks, or Savings Institutions" is not considered a dividend, and is, therefore, exempt from the tax of five per cent imposed by said section.

The proviso last aforesaid is construed to apply only to such Savings Institutions as are described in the proviso to Section 110, Act June 30, 1866, as amended &c., viz:—"Provident Institutions, Savings Banks, Savings Funds, or Savings Institutions, having no capital stock, and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits without profit or compensation to the Association or Company: All others are liable to the dividend tax of five per cent.

Where this class of Savings Institutions makes an *addition to its surplus fund* of earnings in excess of the amount of interest paid, or allowed, to depositors, as in the case you mention, such profits are clearly subject to the tax under Section 120 aforesaid.

In order to be exempt from tax the interest or earnings must be either paid to the depositors or credited to their individual account.

Very respectfully,
(Signed) THOS. HARLAND,
Deputy Commissioner.

WM. S. KING, Esq.,
Assessor, 3d Dist., Boston, Mass.

ARTICLES EXEMPT UNDER CLASSIFICATION OF HAND-SAWS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 15th, 1866.

SIR: In answer to your verbal inquires made by you at this office, relative to the articles exempt from taxation under the head of "hand-saws," I have to say that this exemption applies to the common small saws ordinarily used by joiners or carpenters, and known by that name, and to no other kind of saws.

Mill saws of all descriptions, pit-saws, cross-cut-saws and wood-saws with frames are all subject to a tax of five per cent. ad valorem, under the general provision of the 96th section.

Saw frames are not regarded as "wooden handles," and cannot properly be considered as exempt from taxation under the clause which exempts wooden handles for plows, and for other agricultural, household and mechanical tools and implements.

Very Respectfully,
THOMAS HARLAND,
Dep. Commissioner.

SPECIAL TAX ON BREWERS SELLING AT PLACES OTHER THAN THE BREWERY.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 1, 1866.

GENTLEMEN: I reply to yours of 30th ult. That if the proviso to paragraph 145 of the "compilation" means anything, it means that brewers may sell their products elsewhere than at the brewery, without incurring liability as wholesale dealers *in liquors*. If, therefore, you are brewers, you should not be required to pay any *special tax* required of liquor dealers, in general, by the amendatory act in respect of sales of your *own products*, wherever made by you, (but any amount due on *license* must be paid).

Yours Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

J. BEVERIDGE & Co., *Brewers,*
121 *Warren Street, New York City.*

RATE OF TAX ON STRAW HATS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 5, 1866.

SIR:—Your letter of October 1st, in relation to straw hats and bonnets, has been received.

You wish to know whether straw hats should be taxed two, or five per cent. In answer I have to say that under the present law bonnets and silk hats are subject an ad valorem tax of five per cent, and felt hats are taxed two per cent. No other kinds of hats are specially provided for. Straw hats are not made by weaving, knitting, or felting, consequently they can not be taxed five per cent, under the provision of section 94, relating to articles of clothing manufactured or produced for sale by weaving, knitting, or felting. "Under another provision of section 94." Clothing, gloves, mittens, mocassins, caps, felt hats, and *other articles of dress for the wear* of men, women, and children, and not otherwise assessed and taxed, are taxed two per cent. Straw hats, therefore, should be taxed under this provision of the law as "articles of dress for the wear of men, women, and children."

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

E. S. BEALS, Esq.,
Assessor, 2d Dist., North Weymouth, Mass.

Customs Department.

OFFICIAL.

REPORTS OF LOCAL INSPECTORS OF STEAMBOATS.

TREASURY DEPARTMENT, Dec. 13, 1866.

SIR: Much irregularity and delay has prevailed among local inspectors in rendering their return to the Supervising Inspectors of their respective districts.

This is a state of things which is believed to be seriously detrimental to the efficient working of the steamboat inspection branch of the Department, as being a violation of law, for which a penalty is prescribed.

A continuation in this dereliction of duty will render them amenable to the 32d section of the act of July 18, 1866.

You will please report to the Department any violation of law or the regulations of the Department on the part of local inspectors, to the end that suitable action thereon may be taken by the Department.

H. MCCULLOCH,
Secretary of the Treasury.

INSPECTION OF STEAMBOATS AND STEAM VESSELS ARRIVING AND CLEARING, AND PLYING IN UNITED STATES WATERS.

TREASURY DEPARTMENT, Dec. 14, 1866.

SIR: It is believed, upon information which has been recently conveyed to the Department, that the provisions of the eleventh clause of section nine of the act of July 30, 1852, have been frequently overlooked or ignored by the local inspectors. Your attention is therefore directed to the same, and you are hereby informed that under it inspectors have authority to inspect a ship at any time they may consider an inspection necessary, and can require the master or owner or owners thereof to make all necessary repairs, and to supply the ship with all the equipments required by law subject, however, to the approval or otherwise of the supervising inspector, should an appeal be made to him by the master or owners of the ship against the action of the local inspector.

HUGH MCCULLOCH,
Secretary of the Treasury.

PROVISIONS OF SECTION 10, ACT OF JULY 25, 1866, RELATIVE TO BOAT-DETACHING APPARATUS, APPLIES TO STEAM VESSELS EXCLUSIVELY.

TREASURY DEPARTMENT, Dec. 14, 1866.

SIR: On the 6th ultimo a letter was addressed to you for your information, and calling your attention to the provisions of section 10, of the act of July 25, 1866, (RECORD, vol. IV., p. 156), therein quoted, and requesting you to bring the same to the notice of ship-owners and others interested, and impress upon them the importance of complying therewith.

The question having been raised whether the provision of the act cited applies to sailing as well as steam ships, the matter was referred to the solicitor of the Treasury, who, after giving the subject proper consideration, has rendered an opinion (which is sustained by the Department) to the effect that it does not apply to vessels other than those propelled wholly or in part by steam.

HUGH MCCULLOCH,
Secretary of the Treasury.

To Collectors of Customs.

EXCERPTS FROM THE REPORT OF COMMISSIONER ROLLINS.

SPIRITS OF TURPENTINE.

The tax upon this article is no inconsiderable portion of its value. A large part of that which is manufactured is for exportation, and the formalities of shipping for the benefit of drawback, and the procurement of evidence that the tax has been paid to collectors of interior districts, are oftentimes annoying and burdensome. The manufacture and exportation should be encouraged instead of retarded. I know of no reason why the same facilities should not be extended to persons engaged in this business as in that of the manufacture of tobacco, or the refining of coal oil, and I recommend that they be made subject to all the provisions of law in relation to bonds, warehouses, and drawbacks to which coal oil distillers are subject.

UNITED STATES DISTRICT ATTORNEYS.

It is the duty of the attorneys of the several judicial districts of the United States to report to the Solicitor of the Treasury from time to time the commencement of any suit by them in which the United States is a party, whether for fine, penalty, or forfeiture, and to keep him advised of proceedings in the same and their final disposition. Most of the statutes relating to this subject were enacted when no internal revenue laws were in force. Under the revenue laws it is made the duty of the collectors of the several districts to prosecute for the recovery of any sum or sums which may be forfeited, and they are generally regarded in the statutes and in practice as the prosecuting officers of the revenue service. They make their reports to this office, but when the suit is placed in the hands of the law officers of the government, their obligations are practically ended.

The Commissioner of Internal Revenue, under such regulations as the Secretary of the Treasury may prescribe, is authorized and empowered to compromise any case arising under the internal revenue laws, whether pending in court or otherwise. He is charged, too, by the law with the preparation of all instructions, regulations, and directions, relating to the assessment and collection of the internal revenue taxes.

It is not my desire that more responsibility should be devolved upon this office, or more authority be given to it than what seems to be demanded by the best interests of the department; but when suits are commenced at the instance of the Commissioner through the collector, and may be by him compromised, it would seem appropriate that the several district attorneys should be required to make to him the same reports which they are now required to make to the Solicitor of the Treasury, and that he be authorized to give instructions to such officers during the progress of the causes.

The evident propriety of this has established its practice on the part of the Solicitor of the Treasury and the attorneys in the most important districts, at least so far as regards the conduct of these suits, but that this office should by law be entitled to have, and should in its possession as much information and authority relative to proceedings in the courts in its interest as it has in the assessment and collection of taxes, I do not suppose can be reasonably questioned. Uniformity and thoroughness cannot possibly otherwise be secured.

Now that a solicitor is authorized and employed in this office, it is no more than appropriate that a docket should be kept in it of all the internal revenue suits in the country, and that it should have upon its files, at all times accessible for reference, copies of all important judicial orders and decisions in reference to internal revenue laws or their administration.

I believe it advisable, also, that the Commissioner should be charged with the custody of all real estate purchased for the United States at sale upon distraint, or process from court in suits under the internal revenue laws; for he alone has official information of all such purchases, at least in cases of distraint, and should be charged too, with the sale of the same under the approval in every instance of the Secretary of the Treasury. I do not regard this as essential by any means, but it naturally follows from the change proposed with reference to the conduct of suits, and knowledge of all the circumstances attending the purchase and of the results of investigation of titles at that time must often prove of advantage in the sale.

STAMP DUTIES.

In my last annual report I referred to the decisions of the courts of several States in relation to the constitutionality of so much of the law as requires the use of stamps upon writs or other process by which suits are commenced in a court of record. As none but a party to such suit can carry the question to the highest appelate court, it is uncertain when a final and authoritive decision will be reached. I cannot believe that the legal objections to the duty are well taken, but admit the propriety of exempting such proceedings, with few exceptions, because of other considerations.

It is ordinarily those who are aggrieved who seek the intervention of judicial tribunals, and application to them for relief from injury to person and estate should be unobstructed.

No stamps are now required upon affidavits in legal proceedings. It is claimed that all proceedings are legal which are not illegal, and it is practically impossible to limit the exemption to affidavits for use in proceedings in courts. The magistrate who subscribes the jurat has usually no interest in its validity, and as certain affidavits not well described are exempt, it follows that there is a general habit of failure to attach stamps to any affidavits. I respectfully recommend that all affidavits be expressly relieved.

Sales of real estate are taxed though the use of stamps upon deeds of conveyance. Mortgages for the security of the payment of any sum exceeding $100 pay duty in the same manner and to the same extent as conveyances.

It is the rule of this office, sustained by well considered English decisions, that where property is sold subject to mortgage, the stamp upon the deed of conveyance should be determined by the value of the premises unincumbered, this value being ascertained by adding the amount paid for the equity of redemption to the amount of the debt secured by the mortgage. I believe the law should be amended so that tax upon such conveyances should be measured by the consideration, or the value of the property above the incumbrance.

Revenue stamps are required upon all deeds or other instruments whereby any land or other reality *sold* is conveyed from one party to another. Under the construction which this office has given the statute, supported, as in the case before referred to, by the English courts in their decisions upon similar language in the English statutes, deeds confirmatory alone of pre-existing titles, either in law or equity, and conveying no additional monetary interest, not being really of property *sold*, have not been subjected to stamp duty.

Stamps in any case, may be attached in the presence of the collector of the proper district to an unstamped instrument upon the payment of a penalty of fifty dollars and the price of the appropriate stamp, together with the interest, in certain cases, from the day when such stamps ought to have been affixed. When the stamp duty is small the penalty seems disproportionately large, and, in many cases, innocent holders are subjected either to loss or to a penalty unreasonably severe. I believe the penalty could be safely graduated by the attachment of stamps representing its amount to the instrument whose defect is cured.

The law prohibiting the sale or exposure for sale of proprietary and other articles named in Schedule C, when unstamped, as in that schedule is required, has been so long in operation, and manufacturers and dealers now so thoroughly understand the obligations it imposes, that a more convenient and ready remedy than is now provided seems not inappropriate to prevent its frequent violation.

If assessors, in certain cases, were authorized to decree forfeiture of property exposed for sale in fraud of the law, and the collectors to sell at auction after such decree, as in the case of peddlers doing business without license of payment of special tax, a more uniform observance of the law would be secured without undue hardship upon tax-payers. Such authority would not certainly be liable to abuse if it could only be exercised for violations, after personal notice of liability.

REDUCING THE NUMBER OF TAXABLE ARTICLES.

Presuming that the necessities of the treasury will allow the gradual reduction of taxes, I would express my belief that in no other way can the same measure of relief be granted, both to the public and to revenue officers, as in the reduction of the number of taxable articles. The *ad valorem* tax of five per centum upon manufactures "not otherwise provided for," added to the tax upon those specially named in various parts of the law, is becoming a source of irritation and oppression. Taxation is the rule, but as early as practicable, should be made the exception. The sources of revenue, which ought to be few, may be counted by hundreds. Production should be encouraged, as it is the foundation of individual and national wealth. Whatever constitutes an element in the manufacture of another and a taxable article should itself be exempt from tax. It is the ultimate product alone which should be assessed, and then only from necessity. It is wiser, too, to levy a large tax upon a few articles than a small tax upon everything. It is less expensive and annoying. Experience is rapidly teaching this lesson which we might have learned from older nations. England and France, alike, derive almost their entire excise tax from four or five specified articles. It may not be practicable for us immediately to secure from so few sources the large amount which we now require through indirect taxation, but additions of such articles as Congress shall determine should be made to the list of those exempted as rapidly as the amount to be derived from such taxation can be safely reduced.

THE DIRECT TAX.

The collection of direct taxes in the States which were lately in insurrection, continued through the last fiscal year and thereafter, until, under the authority of the 14th section of the act of July 28, 1866, it was suspended by order of the Secretary of the Treasury, bearing date from the third day of August following.

No lands have been sold for unpaid taxes, since the suspension of such sales by the order of the Secretary of the Treasury, issued May 17, 1865.

The following is an abstract from the reports of the several commissioners so far as received at this office, of their receipts and expenditures since June 30, 1865:

States.	Tax, interest and penalties received.	Rec'd from other sources including rents and deferred payments on time sales.	Expenditures
Virginia	$424,033 66	$185 51	$36,766 82
N. Carolina..	394,847 63	.....	16,064 53
S. Carolina..	137,207 93	45,172 52	11,565 74
Georgia.....	82,621 54	.....	10,608 42
Florida.....	3,206 08	3,052 33	10,087 65
Louisiana....	213,334 12	.....	28,218 63
Texas.....	120,671 57	.....	*22,622 55
Tennessee...	245,821 57	.....	19,856 54

* Partial.

In addition to the disbursements by the commissioners for South Carolina, as stated above, the have expended $10,606,04 in prosecuting the surveys to lands forfeited to the United States, and $8,813,92 for the support of schools established in accordance with the instructions issued by the President, September 10, 1863, for the education of colored and indigent white children in St. Helena parish, South Carolina.

The death of one of the Texas commissioners, which recently occurred, has made it impracticable to obtain, at this time a complete report of the transactions of the commission in that State.

No collections whatever have been made in Alabama.

The authority conferred upon the Secretary of the Treasury by the act of July last to suspend the further collection of the direct tax has been exercised, but still further legislation may be necessary to effect the full purpose of Congress in this behalf. The States lately in insurrection are not now authorized to assume the amount apportioned to them respectively, nor so much of the same as now remains unpaid. If it were intended that such assumption might follow the postponement of the collection of the tax, authority for it should be granted by amendment of the law. There seems to have been no urgent reason for such postponement, if, at its close, the collection thus interrupted and delayed is to be resumed. It would have been much easier to have completed the collection before suspension, when the officers were in commission and on active duty, and when the entire machinery of the districts, too, was in full opperation than to do the same work after a vacation of nearly eighteen months. Nor can it be supposed that Congress designed that the direct tax commissions, with their full clerical force were to be kept in session during all this period.

Immediately after the order of suspension was issued, therefore, and as a preliminary step to close the commissions, directions were sent to the several boards to prepare full and final accounts of all their proceedings

* The reports of the Arkansas and Mississippi commissioners have not been received, although the commissioners for the former State have advised that their report has been forwarded by mail.

The commissioners for North Carolina were the first to comply with these directions. Their accounts have been rendered to this office, accompanied by their resignations which have been accepted, to take effect on the first of December.

The acoounts of other commissions have since been received, and the services of all the boards in States where no sales of lands for unpaid taxes have been made will be shortly concluded. With the aid of appropriate legislation, the same course can be taken with reference to the commissions in States were sales have been made.

Such duties in the adjustment of rights of redemption and other private rights, as now remain to be performed by the commissioners of direct tax, may be devolved upon some officer or officers of the Treasury Department in the City of Washington, the parties in interest being allowed, under the direction of such officer, to take evidence in the several States. This being done, no necessity will remain for a continuance in office of these several commissioners, with the single exception of that of South Carolina. In that State, lands purchased by the United States at auction sales for taxes have been again sold to purchasers on a credit of several years, and special duties have been imposed upon the board by the act of July 16, 1866, relating specially to the Freedmen's Bureau.

The above suggestions are predicated upon the belief that Congress intends to allow the assumption of the unpaid taxes by the several States. If such privilege is to be denied them, or they prefer not to assume them, or if for any reason the collections are to be resumed, such legislation is unnecessary except to avoid the cost of the commissions until Jan 1, 1868, when in active service that the law may be so amended that the Secretary of the Treasury may refund such sums as he shall find to be due.

The State of Delaware is the only one loyal during the war except West Virginia of which mention will be made hereafter, which did not assume its distributive share of the direct tax of twenty millions of dollars, apportioned to it under the act of August 5, 1861. The amount apportioned to Delaware was $74,683,33, and it was supposed that the same would be allowed when the State adjusted its military accounts with the general government. Upon the refusal of that State, however, during the late fiscal year, to authorize the payment of the tax, the internal revenue officers of the district were instructed to proceed with its assessment and collection under the power conferred upon them by section forty-seven of the act of June 30, 1864. The assessment upon the lands of the State, commenced several months ago, has progressed so far that collections of the tax will shortly be made.

The position of West Virginia with reference to the direct tax law is a peculiar one. The apportionment to Virginia of $937,550.53 was made before West Virginia was created out of a portion of that State; and while the direct tax commissioners have prosecuted their labors in Virginia in conformity with the act of 1861, West Virginia has not been authorized to assume her apportionment nor indeed, has its amount been properly determined. Its officers and representatives in both branches of Congress have expressed their readiness to discharge their obligations whenever they are properly established. The apportionment should be made by act of Congress at its next session.

GENERAL OFFICE OF THE FAIR AND FESTIVAL,
616 BROADWAY, N. Y.

REMEMBER THE LITTLE ONES;

THE

DESTITUTE AND ORPHAN CHILDREN

OF OUR

COUNTRY'S DEFENDERS.

GRAND CHARITABLE FAIR AND PRESENTATION FESTIVAL.

IN AID OF THE

HOME AND SCHOOL FOR THE MAINTENANCE AND EDUCATION OF THE DESTITUTE CHILDREN OF OUR SOLDIERS AND SAILORS.

☞ AN APPEAL TO THE AMERICAN PEOPLE.

This HOME AND SCHOOL was chartered in the year 1862, for the objects above set forth. Applicants are received from all the States in the Union. Its sphere of usefulness is constantly increasing, the Children now numbering over 120; and daily are the requests, for the shelter and care of equally deserving ones, *denied*, solely for the want of room to accommodate them. The old and unsuitable building (on 58th street, N. Y.) now occupied, must be removed for the erection of such a Home as necessity demands; and this call is made upon the public with a firm belief that the Patriotism and Generosity of the American People will nobly respond to the wants of Little Ones, and that a suitable edifice will be erected through the means of this Fair and Festival, which shall stand in the cause of humanity as a fitting rebuke to the trite assertion, that "Republics are Ungrateful," and which shall, in affording an asylum for our Country's Children, also be an ornament among her institutions.

NEW YORK, October 1st, 1866.

We, the Officers and Managers of the "Home and School," for the Education and Maintenance of the Destitute Chilren of our Soldiers and Sailors, earnestly solicit the sympathy and co-operation in our *Fair and Grand Presentation Festival*, of all who desire with us to see the "Home and School" enabled to receive and care for *all* needy ones who seek its shelter and protection.

Mrs. General ULYSSES S. GRANT, President.
Mrs. CHAS. P. DALY, Acting "
Mrs. Maj. Gen. J. C. FREMONT, 1st V. "
Mrs. ROBERT FORSTER, 2d V. "
Mrs. JOHN S. VOORHIES, Treasurer.
Mrs. DAVID HOYT, Secretary.
Mrs. WM. S. HILLYER, Cor. Secretary.
Mrs. HERVEY G. LAW, Manager.
Mrs. J. J. VAN DALSEM, "
Mrs. JNO. H. WHITE, "

NEW YORK, Oct. 1st, 1866.

The undersigned, desiring to express our sympathy and unite our efforts with the "Home and School" for the Education and Maintenance of the destitute children of our Soldiers and Sailors, located in the City of New York, do most cheerfully co-operate with the Ladies composing the Officers and Managers of that Institution as a Supervisory Committee in their approaching *Fair and Presentation Festival.*

Major General VAN VLIET,
" " FRANCIS C. BARLOW,
Brig. " JOHN COCHRANE,
" " WILLIAM HALL,
" " RUSH C. HAWKINS,
Bvt. Brig. Gen. JAMES F. HALL,
Judge CHAS. P. DALY,
Chairman of Committee,
JNO. H. WHITE,
G. P. B. HOYT,
J. H. PULESTON.

TREASURY DEPARTMENT.
OFFICE OF INTERNAL REVENUE,
WASHINGTON, Oct. 6th, 1866.

Whereas Messrs. Thomas & Co., as Managing Directors of a Charitable Enterprise, have made due application to T. W. Egan, Collector of Internal Revenue for the 9th Collection District of the State of New York, for permission to hold a "*Fair and Grand Presentation Festival*," and presented to him satisfactory evidence that the proceeds of such Enterprise will be devoted to charitable uses, permission is hereby granted to the said Messrs. Thomas & Co. to hold said *Fair and Presentation Festival* exempt from all charges, whether from special tax, or other duty in respect of such *Fair and Festival.*

(Copy) THOMAS HARLAND,
Acting Commissioner.

The following Card will be fully appreciated by the Public, as it receives the thanks of the Institution:

To the Managing Directors of the Festival:

Sympathizing with your object, I take pleasure in tendering you, gratuitously, my professional services on the occasion of your Festival.

THEODORE THOMAS.

The Fair will open on the 10th of December and continue two weeks, at the PUBLIC HALL, corner of Broadway and 23d Street, New York. To be concluded by the

GRAND PRESENTATION FESTIVAL,

To be held at

COOPER INSTITUTE, NEW YORK,

SATURDAY EVENING, December 22.

Under the Musical direction of THEODORE THOMAS, Esq. On which occasion a Committee will be chosen by the audience to award

$100,000 IN PRESENTS,

in such lawful manner as they may determine. For the Festival there will be issued 200,000 *Tickets at One Dollar each*, and 200,000 *Presents, being one to each Ticket holder.*

LIST OF PRESENTS TO BE AWARDED.

1	Present in United States Greenbacks	$10,000
1	Splendid Country Residence in Westchester Co., near N. Y. City	12,000
1	Corner House and Lot, Jamaica Avenue, L. N. Y.	4,000
1	House and Lot, adjoining above	3,000
1	" " in Brooklyn, N. Y.	3,000
1	Carriage, Horses, and Harness, (complete)	2,500
1	Grand Piano, (Steinway's)	1,500
3	Lots in Harlem, city of N. Y., $1,500 each	4,500
1	Set of Diamonds, (Ring, Ear-Rings and Pin)	1,000
1	Paid up Policy, of Life Insurance, for	5,000
1	"Ellis' Patent Hot-Water Apparatus," for Heating Dwellings	1,000
1	Oil Painting of General U. S. Grant	250
15	Gents fine Gold Lever Watches, @ $200	3,000
15	Ladies " " " " @ $125	1,875
1	Elegant 1st Premium Empire Sewing Machine	150
20	Silver plated Tea Setts, @ $75	1,500
100	Celebrated Empire Sewing Machines, now on exhibition at their Warerooms, 616 Broadway	7,500
1000	Copies (2 vols. each) being a complete Illustrated History of the War, by Mrs. Ann S. Stephens	7,000
250	Gold Pens, Pencils, and Sleeve Buttons, @ $6	1,500
500	Table and Tea Spoons and Napkin Rings, @ $5	2,500
1000	Call Bells and plated Fruit Knives, @ $3	3,000
	The balance to consist of the following articles, viz.: Musical Instruments, Parlor and Office Furniture, Writing Cases, Ladies Work Boxes, Music Boxes, Kid Gloves, Photograph Albums, Breast Pins and Finger Rings, Gents Fob Chains, Ladies Gold Watch Chains, Opera Glasses, Black Walnut Picture Frames, Gentlemen's Fashionable Silk Hats, Ladies newest style Dress Hats, American Emblem Cards for Parlor Amusement, Engravings and Card Photographs of distinguished Personages, Ladies and Gents Riding-Whips, Buffalo Robes, Ladies Mink Furs, Gents Fur Collars and Gloves, &c., &c., amounting to	24,225
	Making in the aggregate 200,000 Presents, valued at	$100,000

THEODORE THOMAS, Esq.

The talented Musical Director, promises a most delightful treat in the Orchestral and Vocal Exercises for the occasion, no less than 40 performers being already engaged, and nothing will be spared to make this the finest Musical Festival ever given in the United States.

HOW TO OBTAIN TICKETS.

The tickets will be supplied to all Booksellers, Druggists, Music Dealers, Hotel Keepers, &c., where they can be obtained at $1,00 each, or in quantities at the Club Rates. Subscription Lists are now ready for Soldiers and others (male and female) who sympathize with our object, to obtain orders for the Tickets. Circulars, giving full directions, and terms to Agents, will be mailed on receipt of stamp for postage.

Orders may be sent direct to us enclosing the money, from $1 to $25, in a *registered letter at our risk*, with stamp for return postage. Larger amounts should be sent in drafts by Express, at the following

CLUB RATES.

5	Tickets to one address			$4 50
10	"	"	"	9 00
20	"	"	"	17 50
30	"	"	"	26 25
40	"	"	"	35 00
50	"	"	"	43 50
100	"	"	"	85 00

address all orders and communications to

THOMAS & CO., Managing Directors,

OR TO

N. H. DAVIS, Agent for the Home and School,
616 Broadway, New York.

SPECIAL NOTICES.

We take pleasure in acknowledging, on behalf of the Home and School, the liberal donation of $5 0, made by the Empire Sewing Machine Co., of No. 616 Broadway, New York.

Editors are invited to notice this Charitable Fair and Festival, and to lend such aid as their sympathy and benevolence suggest.

THOMAS & CO.,
Managing Directors.

The Internal Revenue Record

AND CUSTOMS JOURNAL.

A REGISTER OF OFFICIAL INFORMATION ON INTERNAL AND CUSTOMS REVENUE.

VOL. IV.—No. 26. NEW YORK, DECEMBER 29, 1866. WHOLE NUMBER 104.

TABLE OF CONTENTS.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 Liberty st., New York City.

REVIEW.

NOTHING has occurred during the week of much interest in revenue circles; no decisions of any importance have been promulgated; the daily receipts from internal revenue have heavily fallen off, and everything seems to drag slowly, as usual in the Holidays.

The very interesting and important opinion of Judge Ballard in the case of Thomas Smock, invites perusal, and will be found to clear away the obscurity, which has, in the minds of many revenue officers, involved the provisions of Section 48, of the Act of 1864.

The ruling in regard to advertisements is important as bringing within the liability to the tax much that has hitherto escaped, under the erroneous idea that the advertising medium must be regularly or periodically issued in order to subject the advertisements inserted in it to tax. All newspapers whose average circulation does not exceed two thousand copies are specially exempted from the advertising tax, and an exemption of six hundred dollars annually, to be made quarterly, is allowed to all publishers of newspapers, periodicals, &c. Returns of gross receipts for advertisements are required to be made quarterly, on the first days of January, April, July, and October, of each year, which returns should show the aggregate actual receipts during the preceding three months, and payment of the tax, should, according to the letter of the statute, be made within ten days thereafter; but it is the general, though irregular, practice to enter the assessment on the next monthly list, provided no reason exists to apprehend loss to the revenue from the delay; otherwise, to insist upon the return being made in duplicate, and payment at once.

An application for permission to cut tax-paid broken plug tobacco into smoking tobacco, without the payment of any additional tax, is refused by the Commissioner, who finds no warrant of law for the practice. Smoking tobacco so produced from tax-paid plug, thus appears, in the opinion of the Department, to be held liable to the same tax as smoking tobacco of the like grade manufactured from the leaf.

THE Congressional Investigating Committee has adjourned until after the Holidays, when it will continue its examinations into Revenue frauds, at their rooms in the Astor House. The testimony reveals much that would illustrate the sometimes strange and peculiar operations in revenue cases in New York.

ALL subscribers who are in arrears are requested to forward their dues without delay, and square accounts for the new year.

BURNING FLUID CASES.

The case of the U. S. *vs.* Jacob Ballinger, known as one of the Burning Fluid Cases—in which a writ of *certiorari* was issued to Commissioner Osborn—was brought before Judge Smalley in the U. S. Circuit Court for Southern District, New York, and Wednesday, the 2d proximo., fixed for hearing the argument. District Attorney Tracy, of the E. D., New York, will argue the case for the Government.

In the burning fluid case recently heard before Commissioner Newton in Brooklyn, opinion was rendered in favor of the Government, sustaining the points made by Mr. Tracy, to the effect that the parties charged did not distil burning fluid within the meaning of the internal revenue law; and that the article in question was actually produced by the mixture of spirits of turpentine with highwines.

Commissioner Osborn, in Ballinger's case, in consideration of the extensive interests involved in the determination of the case, intimated that his opinion, if then rendered, would probably differ from that of Commissioner Newton, and suggested that the case had better be carried before the Circuit Court on a *certiorari*.

All distillation of burning fluid, unless under the provisions governing distillation of spirits, has been stopped. Great credit is due to several of the Revenue officers for the alacrity and skill with which they have followed up these cases in the face of immense difficulties and obstacles thrown in their way by interested parties and conniving officers.

The testimony given below is an important part of that upon which the Government relied in the examination before Commissioner Newton to establish the liability of distillers of an article claimed to be "burning fluid," to the provisions of law regulating the distillation and the tax on distilled spirits, and is published chiefly for the information of officers of the revenue at remote points.

Samuel Engle sworn. Have been engaged in the manufacture of burning fluid about nineteen years; am engaged in the manufacture of oils now, but not of burning fluid; think I ceased to manufacture burning fluid about 1863.

By District Attorney Tracy—To what extent, Mr. Engle, since 1862 or 1863 has there been a demand for burning fluid in the market?

Mr. Hall, counsel for the defendants, desired to interpose an objection to that testimony, as it was irrelevant to the subject, because the law of 1866 struck out from the statute previously existing the word "manufacturing" or "manufacture" and introduced the word "distilling" of burning fluid, and we claim that there is a difference between the manufacture of burning fluid—the commingling of the articles—and distilling burning fluid. That gentleman manufactured burning fluid years ago before the revenue law, and therefor,

the speaker considered that they ought not to be bound by that testimony. Still if the commissioner desired to take the testimony they had no objection, but they wished it understood that they condemned it entirely.

The District Attorney said that he proposed to show that there was now no such thing known to art or science as the distillation of burning fluid, and also that it could only be made by the commingling of two substances—to wit: alcohol and camphene, and that it could not be distilled, but must be manufactured.

After some further argument upon the same points the Commissioner decided to accept the testimony.

A. I can only state to what has come under my own observation; we have not been receiving any orders for two years; the process of manufacturing burning fluid is simply mixing camphene with high-proof alcohol together in a tank or barrel; one part of camphene to four of alcohol, of eighty-eight per cent above proof is the mode that we adopt; so far as my knowledge extends that was the general mode; it was sometimes mixed in the proportion of one to five; camphene is refined spirits of turpentine; that is obtained by the process of distillation; the effect of alcohol of less than eighty-eight above proof would be to make it milky; the alcohol would not cut that amount of turpentine; this can be varied from one to four per cent; it would be a merchantable article, but it would not make a good light at less than that proportion; I am a distiller of turpentine; that is not making camphene, but spirits of turpentine, have been a distiller more than a manufacturer of spirits; we run in the neighborhood of twenty-five to thirty per cent above proof; we could run no charge above thirty or thirty-five per cent; that spirits would not make a good light; should not think it would make a merchantable article of burning fluid.

Cross examined (by Mr. Hall)—Alcohol would burn by itself; the mixture would make a better illuminating flame than pure alcohol; have distilled camphene; it is simply evaporation; the process is the same as making camphene; the words "distillation of burning fluid" have no meaning in my mind, because there are two parts that require to be mixed together to make burning fluid, and they could not be mixed together because alcohol being lighter would not mix; cannot say that there could be such a thing as a distiller of burning fluid; in the process of distillation alcohol would come first, then would follow the turpentine; in a mash tub where they were both mixed; alcohol is more volatile than turpentine; benzine is an article that is produced in the distillation of petroleum oil; gasaline, that is a higher form of benzine; it is the same material; that may be distilled; when I say that there is no demand for burning fluid, as an illuminating flame has gone out of this market, I do not know that the merchants of other cities have not asked for such an article; they have never asked me for any; am partially a practical distiller; understand the process; have run a thousand barrels a day myself.

Redirect examination—I have been a merchant for years, and know what articles are quoted in the market to some extent; have never heard that burning fluid was quoted in the market; do not know how much we manufactured when in the business; we sold the materials separately to be mixed; sold about a hundred barrels a day; that was not all sold as burning fluid; had a general knowledge of the market; suppose I have still; think that to mix turpentine in the beer and then run it from the distillery it would separate in the process of distillation; do not think when it run from the still it would be burning fluid; it would be impregnated with the turpentine, but not sufficient to make burning fluid.

Re-cross examined—I mean the market reports of quotations; public reports quoted on 'Change; am acquainted with the article of vinegar; never heard vinegar quoted.

Re-direct examination—Burning fluid was not a regularly quoted article; camphene was quoted, but after a time ceased to be quoted.

Jeremiah Higgins sworn: I was in the Husted distillery. (The Commissioner here explained that Mr. Husted had had nothing to do with that distillery for the past year, and he was annoyed that it should be called the Husted distillery.) It was on the 16th of this month, the distillery was in operation; could not tell how many cisterns were being run; saw only one charge; the liquor was coming out of only one worm that I saw; I tasted that liquor; it tasted like whiskey, some: could taste turpentine; did not drink any of it; did not see any one there to take a drink with; the turpentine came down more powerfully the second time I tasted of it; there was a man by the name of Krans, another by the name of Brennan, and another by the name of Glover with me; think one of those parties drank the liquor; it was Krans; the turpentine was running very slow when I first went in; do not understand the distilling business; afterwards the turpentine came down with a pretty heavy rush as though there was something upset above, and it came right down; something I don't know anything about; there were probably eight or ten cisterns of beer on that day; I did not count them; I do not know whether there was any effort made to throw in turpentine after I went in; did not see it myself.

Cross-examined—Q. You went there expecting to find sham burning fluid? A. I found what I went for; I went to find whiskey and found it; I went there expecting to find an infraction of the law; the others drank; did not see how much they drank; I am the person who gave the information that led to the libel in this case. I smelt the turpentine as well as tasted it; I have not tasted whiskey in some time.

The District Attorney here said that he would not be able to proceed any further because he expected to have a chemist who could not come then.

Mr. Dittenhoefer wished to make a proposition. There were a number of those barrels in store. I propose that I send some one in connection with a gentleman you will send, to take this stuff out of the barrels and put the seal of both men upon it, and then we will experiment with it in court.

The Commissioner said that was a matter of agreement entirely, over which he had no control.

After some debate as to the time of adjournment Mr. Cunningham was called by the prosecution and testified as follows:

Joseph H. Cunningham sworn: I reside in Brooklyn, the Eastern District; my business is the distillation of alcohol and kerosene oil—petroleum; my business formerly was the manufacture of burning fluid with alcohol and naval stores; manufactured burning fluid to a very large extent, perhaps equal to fifty or one hundred barrels a day; we understood that our manufactory was the first in the United States; our firm introduced the burning fluid business twelve years since; this business died away in '63 I think; most of the houses sold fluid after that, but to a limited extent; it has been gradually selling downwards until now we sell probably some ten or fifteen barrels a day. (The witness here gave the proportion of camphene and alcohol required to make burning fluid.)

Cross-examined—I have read the revenue laws; cannot recollect of that section which spoke of distillers of camphene; I read the law as soon as it was published; never knew that any one could distil burning fluid; do not mean to swear absolutely that burning fluid cannot be distilled; cannot say it would take less turpentine by distillation than by commingling, or whether it would take more; have been in the Collector's office and had burning fluid submitted to me; do not recollect being with Mr. Glass; perhaps it was ten days ago; I can't be positive; it was before that, I think; Mr. Tappen was present; I examined some fluid and was asked by Mr. Tappen what it was; I told him it must be a quality of burning fluid, but of an inferior quality.

Re-direct examination—I considered it burning fluid of an inferior quality, because I did not consider it had the full illuminating quality; did not know such an article as known to commerce as burning fluid; let me explain that anything may be burning fluid which has illuminating power; but in commerce the sale of an article of that kind must be made with a statement of what it is and with a knowledge of it; whiskey would burn, but with no illuminating power; it is nothing but burning fluid, I suppose; if there is any meaning in the words burning fluid as used in commerce, it means the mixture of camphene and alcohol; from fifteen to twenty per cent of camphene; that is an article that would sell in the market regularly; alcohol is used pure for the production of heat, but not for the purpose of illumination; of course to mix camphene and alcohol in any degree will produce a fluid that burns, but to produce an article known to commerce as burning fluid requires a mixture of say from twelve to twenty per cent of camphene to alcohol; not less than ten per cent would be accepted in the market as a burning fluid.

U. S. DISTRICT COURT OF KENTUCKY.

October Term, 1866.

BEFORE JUDGE BALLARD.

United States vs. *Thomas Smock.*

A clear case of fraud was proved against the defendant in this case, and judgment was duly rendered, but it is only recently that a written opinion was filed by the Honorable Judge. Obligation is due to Assessor Needham of Louisville, for transmitting copy for publication after revision by Judge Ballard. Smock is stated to be still in jail, unwilling or unable to pay the fine.

The case involved the construction of the 48th section of the Excise Act of June 30, 1864.

OPINION.

BALLARD, J.—The defendant having been tried and found guilty of the offence denounced by the 48th section of the internal revenue act of 1864, the question arises: what is the proper judgment to be rendered against him?

The provision of the section, under which the conviction has been had, is as follows: "Any person who shall have in his custody or possession, * * * goods, wares, merchandise, articles or objects subject to duty * * * * for the purpose of selling the same with the design of avoiding the payment of the duties thereon, shall be liable to a penalty of five hundred dollars, or not less than double the amount of duties fraudulently attempted to be evaded," &c.

It appeared on the trial, that the goods which the defendant had in his possession for the alleged unlawful purpose, consisted of about two thousand nine hundred and four gallons of spirits on all of which the duty was two dollars per gallon.

On behalf of the convict it is contended that the court may, in its discretion, render judgment for either five hundred dollars or for a sum not less than double the amount of duties fraudulently attempted to be evaded, and that, under the circumstances of this case, the lesser penalty should be inflicted.

The language of the statute is not well chosen. Its meaning is certainly not so obvious that it may not be misapprehended. Doubtless, the construction which suggests itself to many, perhaps to most persons of the first reading, is that adopted by the learned counsel of the convict, but, I am persuaded, that few if any will adhere to this conclusion after having bestowed on the provisions of the section and of the statute an ordinary

amount of study. Having given the statute and the arguments of counsel the fullest consideration, I am satisfied that, although the language of section 48, above quoted apparently confers a discretion on the court to adjudge one penalty or another, it it does not really do so. I think the Court has no discretion whatever, and that it must always impose on the convict, under this section, a penalty at least equal to double the amount of duties fraudulently attempted to be evaded. The penalty, in my opinion, can in no case be less than five hundred dollars; but it may and must exceed this sum when double the amount of duties fraudulently attempted to be evaded exceeds it.

Any other construction of the statute leads to unreasonable if not absurd consequences. If the court has the discretion claimed, then, in this case, judgment may be rendered for five hundred dollars, or for eleven thousand six hundred and sixteen dollars, or for any sum still larger, but not for any sum between five hundred and eleven thousand six hundred and sixteen dollars. Such a discretion is, I think, wholly without a parallel—nay, more, it is unreasonable. It assumes—first, that the court may render judgment for any amount no matter how large provided it be not less then eleven thousand six hundred and sixteen dollars, and it assumes—secondly, that, whilst by one alternative the judgment cannot be for less than eleven thousand six hundred and sixteen dollars, it may, by the other alternative, be actually for a less sum, provided it be for the precise sum of five hundred dollars.

Upon the first assumption a power is confided to the court such as is without precedent in the legislation of Congress, and such as is hardly within constitutional limits. The Constitution declares that excessive fines shall not be imposed. It may be that this injunction is addressed to the judicial as well as to the legislative department of the Government, and it may be, therefore, that no court can impose an excessive fine, even when authorized to do so by the terms of an act of Congress; but surely no court will assume that it was the intention of Congress to confer such a power unless it were expressed in such clear language as not to admit of doubt.

By the second assumption a discretion is confided to the court which is manifestly contradictory, and which, therefore, destroys itself.

Usually, if not invariably, where discretion is given in a matter of this nature, it is to inflict one kind of punishment or another—as death or imprisonment, fine or imprisonment, or to limit the imprisonment between certain periods, or the fine between certain amounts, according to the nature and aggravation of the offense. But the discretion here claimed is not of the nature of any of these. True, it assumes different degrees of guilt in offenders, but it does not allow a gradation of punishment according to the degree of guilt, for it imperatively requires that if one fine be not imposed another shall be, and thus excludes all authority to impose a fine for any intermediate sum. I can conceive of no reason for giving a discretion and limiting it in this manner. If I may impose on the defendant a fine of five hundred dollars, or of eleven thousand six hundred and sixteen dollars, why deny me the right to impose a fine for some intermediate sum? If Congress supposed that some persons, convicted of fraudulently attempting to evade the payment of duties, might not deserve to be fined double the amount of duties so attempted to be evaded, how could they suppose that all such persons alike would deserve to be fined only five hundred dollars?

There is manifest propriety in punishing one who has attempted fraudulently to evade the payment of duties by a fine which, in amount, has due relation to the amount of duties so attempted to be evaded. One who has attempted to cheat the Government out of five dollars deserves punishment, and, indeed, severe punishment, because his offense is grave; but he hardly merits as severe punishment as he whose cheat extends to thousands. Such is the moral turpitude involved in every cheat that he who is guilty of one, no matter how small, well merits a fine of five hundred dollars; and no matter how large, he is not punished excessively if he is fined an amount only double the amount of the fraud. This would be a gradation of punishment with proper respect to the degree of guilt, and, it seems to me, that this is the only gradation contemplated by the statute we have been considering.

That this is the meaning of the statute would be still more obvious, if the disjunctive "but" had been used instead of the disjunctive "or." And, it is quite the practice of the courts to change the phraseology of statutes to a greater extent than this; and even to impart into them words to express more clearly the apparent or assumed intention of the legislature. I confess I do not approve of this practice. If it is ever allowable it is only when the intention is plain without the change, and then resorted to only to express clearly what was before expressed obscurely. Obviously, courts have no authority to alter or add words with the view of expressing an intention which the Legislature has not. If they have, nothing would be easier than to make a statute express anything. But if it is only when the meaning of a statute is already plain that its words can be changed or added to, of what use is any change or addition at all? The longer I sit here the more I feel the importance of seeking the meaning of a statute by a fair interpretation of its words and resting upon that. I think that when a judge is considering a statute, an agreement, or other written instrument with a view to its interpretation, what he is to seek is the thought it expresses. To ascertain this his first resort, in all cases, is to the natural signification of the words employed, taking them in the very order and grammatical arrangement in which the framers of the instrument placed them, nothing adding thereto, nothing diminishing. It is only when the words thus regarded fail to express any idea clearly, or involve an absurdity, or a contradiction to some other part of the same instrument, that there is any room for construction. As the Legislature cannot intend an absurdity, or to require two contradictory things, such construction is not to be adopted as would suppose either the one or the other. And when, taking the words just as they are written, doubt remains respecting their meaning, that meaning must be adopted which the words most obviously express and best comports with the nature of the subject and right reason.

Now let us examine more closely the words of the statute exactly as they are therein written and arranged. "Any person whose * * * * shall be liable to a fine of five hundred dollars, or not less than double the amount of duties fraudulently attempted to be evaded."

I observe first: That no one thought is so clearly expressed as to exclude all supposition that some other thought may have been intended.

Second. That "five hundred dollars" must be either the lowest or the highest penalty which can be inflicted in any case. No other conceivable motive for the introduction of these words seems assignable.

Third. If "five hundred dollars" is the highest penalty, then there is not full scope for the operation of the other penalty plainly denounced, to wit: of "not less than double the amount of duties fraudulently attempted to be evaded;" for undoubtedly, double the amount of duties attempted to be evaded may, and actually does, in this case, exceed five hundred dollars, and if the court may impose a fine of only five hundred dollars, it will adjudge actually less than double the amount of duties. But to assume that the court is required to impose a fine of not less than a given sum, and that it may at the same time, impose a fine less than the given sum, is to assume that the court has an authority or discretion which is, in a certain sense contradictory.

Fourth. The words seem to require that the penalty denounced by them shall contain two elements: 1st, that it be "five hundred dollars;" 2d, that it be "not less than double," &c. It would seem therefore, that the penalty can in no case be less than "five hundred dollars," for it would in that case lack one of the elements required. The only method of satisfying both apparent requisitions is to impose the penalty of "five hundred dollars" when double the amount of duties is less or is just equal to that sum, and when the amount of duties is greater then to adjudge the penalty for such amount of duties, that is, "not less" than that amount, and it will always be for five hundred dollars, that is, not less than that sum.

Fifth. The words "not less" it seems to me, are not used to authorize the court to impose a higher penalty than double the amount of duties, but to prevent any penalty less than this from being inflicted.

I have thus endeavored to set forth my reasons for that construction of the statute which is here adopted. I am conscious that the task has been performed very imperfectly. Possibly the argument might be strengthened by a reference to the sixty-eighth and other sections of the statute, which peremptorily require the infliction of penalties, certainly not less than five hundred dollars for offenses involving far less moral guilt and far less danger of loss to the U. States than the crime denounced by the forty-eighth section. And, possibly a reference to the forty-first section, which gives to the informer one-half of every penalty recovered, would not be unavailing, for it would seem that, if the informer is to get one-half, it is not only proper that the penalty should in all cases equal at least double the amount of duties attempted to be evaded, but that in this way only can the Government escape loss, when the evasion has succeeded. But I do not care to pursue the discussion further. No amount of reasoning, I am conscious, can possibly make that plain which is intrinsically obscure. I do not say that the construction which I have adopted is the true one beyond all question; I only say it is the construction which seems to me to comport best with the language of the statute, and the only one which involves no apparent absurdity or contradiction.

I drop the discussion all the more willingly, because, if it be admitted that I have all the discretion claimed by the counsel of the accused, I see no apology for the exercise of it, in this case, to his advantage. The accusee seems to be a man of at least ordinary intelligence. He certainly well understood the law which he violated. He laid and executed his plans with much deliberation and some cunning. All the barrels which contained the spirits found in his possession were marked with a false and counterfeit brand of a United States inspector, and not an inconsiderable number of them was, for a time, concealed in the forest, remote from any habitation, and from any road or highway. I am satisfied he was engaged in the business of cheating and defrauding the Government by concealing and selling spirits, marked with a counterfeit brand, and on which no duty had been paid; and the evidence leaves hardly room to doubt that he was confederated, in his fraudulent scheme, with distillers residing in his neighborhood whose names have not been disclosed, and that the whiskey, which it was proven on the trial he had in possession, for the alleged fraudulent purpose, is only a portion of what he so had. I repeat, then, that I see nothing in the circumstances of the case which should induce me, had I a discretion, to inflict on the accused a small penality. On the contrary, I see much which impels me to impose the highest penalty the law will allow.

If the highest penalty is not to be inflicted in such a case, it would be impossible to say in what case it should be imposed. Let judgment be rendered against the defendent for eleven thousand six hundred and sixteen dollars and the costs of this prosecution.

Treasury Dept., Decisions, &c.

OFFICIAL.

TAX ON ADVERTISEMENTS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 17th, 1866.

SIR: In answer to your inquiries in your letter of the 13th instant, I have to say that the terms of the law imposing a tax on the gross receipts for advertisements, are very broad and general, and are believed to have been intended to cover and actually do cover, advertisements of all descriptions, however made, when the publisher receives a pecuniary consideration exceeding the amount exempted under the proviso added to the section imposing the tax. (See section eighty-six, compiled edition of Internal Revenue Law.)

The law requires the tax to be paid by any person or persons, &c., publishing any newspaper, magazine, review, or other literary, or scientific or news publication, issued periodically or otherwise, or publishing any guide, catalogue, directory, or any other paper or book, on all matters for the insertion of which pay is required or received.

When railroad tickets, envelopes, signs or placards are made the mediums for public advertisements, for which the publisher receives pay, such advertisements are liable to a tax of three per cent. on the gross receipts. Yours, respectfully,

THOMAS HARLAND, *Deputy Commissioner.*

OWNERS OF WATER, STEAM, GRAIN AND SAW MILLS LIABLE TO SPECIAL TAX AS MANUFACTURERS.

ASSESSOR'S OFFICE,
13TH DISTRICT, OHIO,
MOUNT VERNON, O., Dec. 14, 1866.

I would respectfully inquire whether I am correct in supposing that the owners of mills (water and steam, grain and saw mills) are liable for a special tax as manufacturers?

Respectfully,
G. B. ARNOLD,
Assessor 13th Dist., Ohio.

HON. E. A. ROLLINS,
Commissioner of Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 18, 1866.

SIR: I reply to yours of the 14th inst., inquiring if the owners of mills (water and steam, grain and saw mills,) are liable for a special tax as manufacturers.

Such parties are liable to special tax as manufacturers if their manufactures exceed annually the sum of $1,000. The exemption of breadstuffs, and lumber, &c., from specific and ad valorem duties, does not effect that other and independent provision of the law which defines "manufacturers," and imposes the special tax of $10 on every person and firm coming within that definition, as the parties in question do.

Yours Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

G. B. ARNOLD, ESQ.,
Assessor 13th Dist., Mount Vernon, O.

MANUFACTURE OF TAX PAID PLUG TOBACCO INTO SMOKING TOBACCO DISALLOWED.

ASSESSOR'S OFFICE, 4th DIST., NEW YORK,
NEW YORK, Dec. 13, 1866.

SIR: Enclosed herewith please find copy of a letter from C. H. Lilienthal. I find no warrant for allowing the privilege he requests, as it would involve a question of increased value, the tobacco increasing in weight by being actually prepared for sale. I understand the Department to rule that there is no law taxing cigars on the increased value. The changing of plug tobacco by cutting it into smoking tobacco is, however, not precisely similar to the case of cigars.

Are circulars 44 and 45 still in force under the present amended Internal Revenue Act?

I am, very respectfully,
PIERRE C. VAN WYCK, *Assessor.*

HON. E. A. ROLLINS,
Commissioner Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 19, 1866.

SIR: Your letter of the 13th instant, enclosing copy of communication received by you from C. H. Lilienthal, in which he requests permission to cut a lot of broken plug tobacco, on which a tax has been paid, into smoking tobacco, without the payment of any additional tax, has been reviewed.

In answer I have to say that the manufacture of tobacco in the manner stated, without the payment of the tax to which smoking tobacco of the same grade is liable, has no warrant in law, and where the privilege has been granted heretofore the Commissioner has reason to believe that it has been greatly abused, to the serious detriment of the Revenue. For these reasons the manufacture of tobacco has been prohibited. See Circular No. 45. (RECORD, vol. III., p. 125.)

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

OPINION OF THE SOLICITOR RELATIVE TO THE STATUS OF DEPUTY COLLECTORS OF INTERNAL REVENUE—THEIR DUTIES IN MAKING DEPOSITS OF COLLECTIONS, &C.

TREASURY DEPARTMENT,
SOLICITOR'S OFFICE,
August 25, 1866.

SIR: I have the honor to acknowledge the receipt of the letter of Hon. E. A. Rollins, Commissionar of Internal Revenue, addressed to yourself, dated the 30th ultimo., and referred by you to me on the same day.

The Commissioner calls your attention to Section 3 of the Act of June 14, 1866, entitled "An act to regulate the safekeeping of public money, &c.," and requests that the Solicitor's opinion be taken upon the legal question whether Deputy Collectors of Internal Revenue are embraced within the terms "other agents of the United States" used in that Section. He remarks that it would cause inconvenience to hold them to be so, for that they often reside at a distance from public depositaries and yet it is desirable that public moneys in their hands should be deposited in Bank; they can beside the better transmit their collections through banks.

He also states that the construction therefore given by that bureau to a provision of law similar in terms (Revenue Act of March 3, 1865, Section 3) is that Deputy Collectors are not to be included within the classes designated "officers, collectors or agents" receiving public moneys.

He calls attention to Section 10 of the Revenue Act of June 30, 1864, as showing the relation created by law between the Collector and the Deputy, and also that between each of those officers and the Government. In your reference you request that the Solicitor furnish you his opinion upon the legal question thus presented by the Commissioner.

This question is to be decided by ascertaining what was the intention and purpose of Congress in making the enactment. The language used is not free from ambiguity. The term "agent of the United States" is one which is susceptible of many different definitions as applied to different transactions. The term "Collector of Internal Revenue," as used in the section under consideration, is not in my judgment confined necessarily in meaning to one class of persons, to wit: those holding the particular office designated in the law as that of "Collector." It may have a broader meaning and signify "one who collects" the public taxes.

In order to solve this ambiguity we may, and must, go outside of the particular words used. We may take, as it were, a wide range, in search of evidence tending to prove what was in point of fact the intention of Congress, and the sense or meaning in which they used the words.

It may in the outset be remarked, that the insertion in this section of the words "or Collector of Internal Revenue or other agent of the United States" produced an incongruity with the remainder of the act and emphatically so with its title. They all relate to *disbursing* officers. These words must have been inserted by way of amendment and then in the hurry of legislation the incongruities were overlooked. This fact however does not invalidate the section nor render the provisions as to collectors &c., inoperative, although the title as worded is calculated to mislead.

In the next place it is to be observed that this section contains only a prohibition applied to the banks, &c., and simply forbids *their receiving* moneys. It is entirely evident that Congress would not have forbidden their receiving, unless it had also forbidden the officers named from depositing such moneys. The prohibition against receiving was simply intended to afford more ample security against an act already prohibited, to wit: the depositing; just as the receiver, say of money known to be counterfeit, is punished, in order more effectually to secure against the uttering.

We must then expect to find acts of Congress, previously passed, forbidding the depositing; acts directed, that is to say, against the officers, the other party to the transaction.

So far as respects "disbursing" officers, we find such a provision embraced in a previous section of the very act we are considering. Section 2 provides "that if any disbursing officer * * shall deposit * * in any place * * except as authorized by law" he shall be deemed guilty of felony, &c., But as respects collecting officers no provision is made in this act. We must look for the provision elsewhere—taking it for granted always that there is such a provision, or one which, at least, Congress understood to be such.

The Revenue Act of March 3, 1865, Section 3, (13 Stat. 483) contains the provision which, doubtless Congress had in view. That section requires that all "duties, taxes, and revenue received or collected * * * * shall be paid by the officers, collectors or agents receiving or collecting the same daily into the Treasury of the United States." This is in effect a prohibition against depositing in any bank; it is directed against or addressed to the collecting officers and is therefore the counterpart, or complement of the prohibition against receiving such deposits contained in the act of July 14, 1866. The two acts are therefore to be considered together precisely as if joined in one—the words "Collectors" and "agents" must have the same meaning in each.

The Commissioner informs you that it has been considered in his bureau that Deputy Collectors are not to be included under the term "agents" as used in the act of March 3, 1865, Section 3. I am not expressly requested to give an opinion upon that act, but from what I have said it appears to my mind unavoidable. I shall therefore proceed to do so.

The section requires that all moneys "received or collected" shall be paid daily to the Treasury by the "officers, collectors or agents receiving or collecting the same." I am of opinion that the term "Collectors," as here used, was not intended as an official des-

ignation at all; not as a title of office; but as meaning the individual or person who in point of fact transacted the business of collecting, the "one who collects." The phrase "moneys received or collected" in my judgment signifies moneys received or collected *from the tax payers*; and the Collector, who so receives it, is to pay daily to the Treasury. The Collector *who collects* is to pay daily; the reception of money by the principal Collector from his Deputy is not a "Collection" in any sense known to tax laws. It is not for an instant to be supposed that Congress would require the principal Collector the moment money touched his hands to pay it over, and yet intended to leave the Deputy, from whom the Government has no direct security, wholly free from obligation on this point.

The terms "officer" and "agent" used in this section do also, in my opinion, each include a Deputy Collector. The phrase is "officer * * receiving or collecting." A Deputy Collector is, in my judgment, an officer. He holds and occupies an office, to wit: a position or *status* which is created or provided for by law. As such he may administer oaths (Int. Rev. Act, Section 52) and within his district he has "the like authority in every respect" as the principal. The fact that he is to be appointed by the principal does not, in my judgment, make him any less an officer.

He is also, in my judgment, an agent of the United States though appointed by the Collector. There is a privity between him and the Government for he is directly bound by all regulations, instructions, &c., of the Commissioner. (Rev. Act, Sec. 12.)

In view of these considerations, I am therefore of opinion, that a Deputy Collector is bound by this Section to pay over daily all moneys received by him and he cannot lawfully deposit them in any bank. The same reasoning applies to the Act of June 14, 1866, Section 3, and I am of opinion that the latter act does forbid the reception by any banker of public moneys from a Deputy Collector on deposit.

I am confirmed in my views on this subject by a reference to the former legislation of Congress prior to the introduction of the Internal Revenue system. That legislation indicates a policy which, it is to be presumed the Government intends not to change.

The "Sub Treasury" Act, approved Aug. 6, 1846, Section 6, (9, Stat. 60) requires "all public officers of whatever character to keep safely all public moneys collected by them, without loaning, using or depositing in banks. Section 9 requires all collectors and re- of public money of every character and description "Within certain named localities to pay over to depositaries once a week or oftener if required," and Section 16 directs that all "officers and other persons charged by that or any other act with the safe keeping &c., of the public moneys, shall keep an accurate entry of each sum received, and provides that if they shall convert such money to their own use or shall *deposit them in any bank* it shall be deemed felony.

These provisions indicate the policy to be, that the collecting officers shall keep the moneys in their own custody until it is paid over—that the Government chooses to incur the risk of loss by theft or robbery rather than that of speculation—and that it endeavors to remove all temptation as well as all power to speculate on public moneys and all risk of loss by robbery, by requiring its officers to pay over instantaneously.

This policy is evidently the correct and only safe one, and we must, in the absence of good proof to the contrary, infer that it obtains to this day in the counsels of Government.

As to the inconvenience to which the Commissioner refers, I have no doubt it will exist, but if so it is the least of two evils. But in this day of railroads, and especially of public expresses running in every corner of the land—the inconvenience cannot be very great. The Act of 1855 gives you authority to dispense with daily payments so that in remote localities where expresses or mails run only at longer intervals—the periods may be extended.

I return herewith the letter of the Commissioner, and have the honor to be, Very respectfully,

H. A. RISLEY,
Acting Solicitor of the Treasury.

Hon. H. MCCULLOCH.
Secretary of the Treasury.

NATIONAL BANK RESERVES—REPLY OF COMPTROLLER OF THE CURRENCY TO THE SENATE RESOLUTION OF ENQUIRY.

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY,
Washington, Dec. 14, 1866.

I have the honor to acknowledge the receipt of the following resolution:

Resolved. "That the Secretary of the Treasury be directed to report to the Senate the names of the several national banking associations which have failed to comply with the provisions of the law requiring a reserve of money on hand, and that he report what legislation, if any, is necessary to enforce against such associations the provisions of the law."

To the inquiry contained in this resolution I reply that by the provisions of section 24 of the Currency Act all national banking associations are required to make a report, exhibiting in detail, under appropriate heads, the resources and liabilities of the association on the first Monday of January, April, July and October of each year. In addition to such quarterly reports, each association is required to make a monthly statement of the following items, to wit.: average amount of loans and discounts; specie, and other lawful moneys; deposits and circulation; and other associations in other places than those cities mentioned in the thirty-first section of the act, shall also return the amount due them available for the redemption of their circulation. The monthly statements thus required are of no practical value in determining whether the banks have complied with the law relative to maintaining the reserve of lawful money, because they exhibit averages and do not show the actual state of affairs at any given date. The quarterly statements alone set forth the facts fully upon this point, so as to enable the Comptroller to decide whether banks have complied with the requirements in question. You will observe, therefore, that the details are furnished but four times a year. The latest official information now at hand is derived from quarterly reports received October 1st; at that date some fifty-five banks were more or less deficient in their reserve of lawful money. They were immediately notified in accordance with the second clause of section 31, not to increase their liabilities by making new loans or discounts, otherwise than by discounting, or purchasing bills of exchange, payable at sight, nor make any dividends of their profits, until the required proportion of their circulation, deposits, and their reserve of lawful money, should be restored. Special statements were called for, to be made under oath, once each week for four consecutive weeks, for the purpose of demonstrating their compliance with the law. The returns in every case were prompt and satisfactory. I am of opinion, however, that the detailed statements now made quarterly ought to be made more frequently, and I have recommended in my report that the law should be so amended as to require monthly returns exhibiting the condition of the banks in detail. By this plan the condition of each bank would be brought to the knowledge of the Comptroller once every month and he would be enabled to exercise a much more thorough and vigilant supervision than it is possible to do under the law as it now stands. The recently reported deficiencies in the lawful money reserve in New York City banks has come to my knowledge through the press. Some of the banks so reported have voluntarily made statements showing that their failure to comply with the law was temporary, and has since been amended. It is possible that as clearing houses are recognized in section 31 that the managers of these institutions in Boston, New York and Philadelphia might be required to report weekly to the Comptroller of the Currency all banks that exhibited a deficiency in the reserve of lawful money, and that the effect of such a requirement would be salutary. I have only to say, in conclusion, that the date of my information relative to the subject matter of the resolution is so long past that a list of the banks deficient in their reserve would be of little present importance, particularly as the deficiencies were of short duration and were promptly rectified. If it should be desired however, the list of banks will be furnished.

Very respectfully yours,

(Signed) H. R. HURLBURD,
Acting Comptroller.

To Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

Customs Department.

OFFICIAL.

CIRCULAR TO COLLECTORS OF CUSTOMS AT DISTANT PORTS AND RECEIVERS OF PUBLIC MONEYS AND OTHERS, RELATIVE TO STATEMENTS OF MONEYS RECEIVED, ON HAND AND PAYMENT OF DRAFTS.

TREASURER'S OFFICE,
WASHINGTON, Dec. 17, 1866.

In order to realize with the least possible delay and expense the receipts of revenue derived from customs, sales of public lands, and from other sources, collected at offices not contiguous to an assistant treasurer or designated depository, and to facilitate the necessary disbursements of the Treasury, it is important that the Treasurer be kept duly advised of the amount of money in your hands. To this end you are required to render to this office a statement of receipts and disbursements at the end of each calendar month. This statement must be made out and remitted by the first mail of the succeeding month. Any neglect or want of promptness to this particular will be noticed by the department.

In these statements you will bring forward the balances from the last account, and place thereunder, to the credit of the Treasurer, the amount of all moneys received since the previous return, if any, arranged, when transactions are in more than one kind, under separate columns for coin and currency; to his debit arranged in like manner, the amount of Treasurer's draft made on you or on other officers and paid by you, and the amount of any deposit made by you to the Treasurer's credit with any government depository. The number, amount and date of payment of each draft will be given; also the date, amount, and name of depository with whom credit has been so made. Deposits of coin for customs receipts, under law, cannot be made with any national bank. No debt to the Treasurer's account will be allowed except for drafts or deposits made as above. All drafts or vouchers, properly endorsed and cancelled, or stamped as paid, must be transmitted to the Treasurer, with the account current on which they were entered; such charge will not be allowed until they are remitted. Care should be exercised in having all drafts properly endorsed before payment. General powers of attorney to endorse must be on file, either in this office or with the First Comptroller of the Treasury, and special ones, for a particular transaction, must accompany the drafts. Companies or banks must endorse by one of their legalized officers, or by their attorneys as aforesaid. No guarantee of any endorsement, nor stamped endorsements, will be recognized. As a matter of security against loss of drafts in transmission, you should take from the l.

payee a receipt for the amount of each draft paid, rehearsing number, date, amount and name of original payee.

Should the Treasurer direct you in writing to make payment of any of his drafts on himself or on any assistant treasurer, United States Depositary, or national bank designated as such, you will pay them if you have sufficient funds on hand the same as if made on yourself; and remit the draft, endorsed "for credit of my account," United States at Washington, where the amount will be credited and certificate of deposit or duplicate issued and forwarded—original to the Secretary of the Treasury and duplicate to the payer of the draft.

F. E. SPINNER,
Treasurer United States.

COLLECTORS' RETURNS OF INSPECTION AND LICENSE FEES RECEIVED ON ACCOUNT OF INSPECTING STEAMBOATS AND LICENSING PILOTS AND ENGINEERS.

WASHINGTON, December 11, 1866.

By the terms of circular letter of April 18, 1865, you are required to make and transmit to supervising inspectors of steamboats in whose district your office is located, a statement of the amount received at your office for the inspection of steamers, giving the name of each vessel, the class to which she belongs, whether passenger, steamer, ferry-boat, tug, or towing boat, canal boat or freight boat, with the inspection fee received for each; also the amount received for licenses granted to pilots and engineers, specifying the amount received for each class.

From and after the 1st day of January, 1867, this practice will be discontinued, and you will thereafter render your report direct to this department, addressed to the Secretary of the Treasury.

H. MCCULLOCH,
Secretary of the Treasury.

Collectors of Customs.

CIRCULAR TO COLLECTORS OF CUSTOMS—STATISTICAL REPORTS.

TREASURY DEPARTMENT,
Washington, Dec. 24, 1866.

To enable the Director of the Bureau of Statistics to prepare the annual reports on commerce and navigation, pursuant to the provisions of the thirteenth section of the act of July 28, 1866, collectors of customs are instructed hereafter to forward to him all the returns enumerated in the general regulations of 1857, articles 813 to 849, and pages 431 to 462, which, under the act of February 10, 1820, have been made to the Register of the Treasury.

HUGH MCCULLOCH,
Secretary of the Treasury.

THE ROLAND LAND CLAIM—DECISION OF THE SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR,
Washington, Dec. 13, 1866.

SIR: H. Beard, Esq., has called my attention to your letter of June 16, 1864, transmitting the papers in the private land claim known as "Rancho La Puente," and recommending that, in view of the fact that this rancho had been increased from the original grant of four leagues to eleven, a bill in chancery be filed in the United States District Court of California, to reduce the claim in conformity with the original grant.

It appears from the papers, that on the 9th of March, 1842, Juan B. Alvardo, then Constitutional Governor of the Department of the Californias, granted to John Roland a tract of land in Los Angelos county, specified as containing four leagues. On the 22d of July, 1845, Pio Pico, Governor *ad interim* of the same department, granted John Roland and Julian Workman the land known as La Puente, bounded by certain other ranches and the river San Gabriel, and designated as that shown in the map in the "expedients." This grant specifies no quantity, recalls the title to the previous grant, and directs the whole matter to be referred to the Assembly for approval. On the 3d of October, 1845, the Departmental Assembly approved the grant by Governor Pico, as four leagues. The Board of Land Commissioners, appointed under the act of March 3, 1851, approved, April 14, 1854, the claim of Roland and Workman, as described by the boundaries, but designated no fixed quantity. At the December term, 1856, the District Court of the United States for the Southern District of California confirmed the title to Roland and Workman to eleven square leagues, and in October, 1862, the same court confirmed the survey of the rancho by the Surveyor General.

These are the material facts in the case. You are of opinion that they show fraud, and require action to defeat it on the part of the United States.

On the 29th of September, 1859, in answer to questions submitted to him by the then Secretary of the Interior, Attorney General Black held that "a person who claims land in California, under a title from Mexico, is entitled to have a patent for it issued out of the General Land Office here whenever he shows that his claim has been finally confirmed by the Commissioners, by the district court, or by the Supreme Court, if he at the same time accompanies that proof by a survey certified and approved by the Surveyor General of California." * * * * "These proceedings are conclusive upon you. They put the rights of the claimants to a patent on grounds which you have no authority or power to contest." Judge Field, in pronouncing the opinion of the Supreme Court in the case of the United States vs. Halleck. (1st Wallace, p. 455, 456,) says that the decree of confirmation is a finality, not only on the question of title, but as to the boundaries which it specifies. The act of June 14, 1860, (Stat. at large, vol. 12, p. 34, sec. 5,) declares that no appeal from the decree of the district court shall be allowed unless applied for within six months from the date of the decree.

In view of these opinions of the Attorney General and the Supreme Court relating to such claims, it seems to me that the proceedings are conclusive upon the executive branch of the Government, and I am aware of no form of action by which, from the facts disclosed by the papers, the effect of such proceedings can be avoided. You will therefore issue a patent for the land in question.

The papers are returned.

I am, sir, very respectfully,
Your obedient servant,
O. H. BROWNING, *Secretary.*

Commissioner of the General Land Office.

SECRETARY BROWNING has affirmed the decision of the Commissioner of Pensions in rejecting the application of widows and minors of commissioned officers of the army and navy for the additional allowance of $2 per month provided by the second section of the act of July 25, 1866. The Secretary says: "That section provides for the widows of deceased soldiers and sailors, and does not, in my opinion, apply to the widows of commissioned officers of the army or navy. The distinction between such officers and persons holding a subordinate rank in either branch of the service is constantly recognized by our legislators, and the term 'soldier' or 'sailor' cannot, in the connection in which it is found, be construed to embrace officers without doing violence to the intentions of Congress."

New Publications.

ON LIBERTY. By John Stuart Mill. Ticknor & Fields, Boston, 1866, pp. 223.

To attempt any criticism of Mr. Mill's works while reading them is about as impossible as any running commentary would be on one of Mr. Wendell Phillips' speeches. In both we are so completely at the mercy of a master-mind, that we are irrisistibly borne along by a subtlety of argument, a beauty of rhetoric, and a rhythm too musical for interruption, even of thought.

It is afterwards, the excitement passed of this union of "perfect music" and "noble words," that we find, if at all, the *power* to differ, the heart to criticize. It is therefore the impression, that is left upon us, at which we can cavil,—of itself a telling argument for the book; for how much of the current literature of the day leaves *any* impression? Little that does not partake of that mental "calm," which a great poet has declared to be the only joy. One might say of this work of Mill as Matthew Arnold of poety: "The grand power of it is its interpretive power; by which I mean, not a power of drawing out in black and white an explanation of the mystery of the universe, but the power of so dealing with things as to awaken in us a wonderfully full, new, and intimate sense of them, and of our relation with them."

Mr. Mill treats of liberty under three heads—"Liberty of thought and discussion," "Individuality as one of the elements of well-being," and "Limits to the authority of Society over the individual;" these with an introduction and a chapter devoted to "Application," comprise the book. A few hours reading, and we have mastered his idea. A few months, aye years, before we can learn so to break through the trammels of conventionalism as to reach that standard of toleration and impartiality, which to him comprises all Justice and all Liberty. We think in one instance Mr. Mill carries his impartiality—not of action, but of belief, too far. When he asserts in his endeavor to prove that sectarian prejudices arise from the present reading of the Word of God, that "what is called Christian, but should rather be termed *theological* morality, was not the work of Christ or the Apostles, but is of much later origin." To give his idea in his own words:

"But before pronouncing what Christian morality is, or is not, it would be desirable to decide what is meant by 'Christian morality.' If it means the morality of the New Testament, I wonder that any one who derives his knowledge of this from the book itself, can suppose that it was announced, or intended, as a complete doctrine of morals. The Gospel always refers to a pre-existing morality, and confines its precepts to the particulars in which that morality was to be corrected or superseded by a wider and higher; expressing itself, moreover, in terms more general, often impossible to be interpreted literally, and possessing rather the impressiveness of poetry or eloquence than the precision of legislation. To extract from it a body of ethical doctrine, has never been possible without eking it out from the Old Testament, that is, from a system elaborate indeed, but in many respects barbarous and intended only for a barbarous people. * * * * I am far as any one from pretending that these defects are necessarily inherent in the Christian ethics, in every manner in which in which it can be conceived, or that the many requisites of a complete moral doctrine which it does not contain, do not admit of being reconciled with it. Far less would I insinuate this of the doctrines and precepts of Christ himself. I believe that the sayings of Christ are all, that I can see any evidence of their having been intended to be; that they are irreconcilable with nothing which a comprehensive morality requires, that everything which is excellent in ethics may be brought within them, with no greater violence to their language than has been done to it by all who have attempted to deduce from them any practical system of conduct whatever. But it is quite consistent with this, to believe that they contain only a part of the truth; *that many essential elements of the highest morality are among the things which are not provided for, nor intended to be provided for, in the recorded deliverances of the Founder of Christianity*, and which

have been entirely thrown aside in the system of ethics erected on the basis of those deliverances by the Christian Church. And this being so, I think it a great error to persist in attempting to find in the Christian doctrine that complete rule for our guidance, which its author intended it to sanction and enforce, but only partially to provide."

The truest answer,—because derived from the Fountain of all Truth, the Spirit of God, which, as it were, moves upon the face of these waters of doubt and uncertainty and at His command brings Light,—is in the words of the Apostle to Timothy:

"All Scripture is given by inspiration of God, and is profitable for doctrine, for reproof, for correction, *for instruction in righteousness; that the man of God may be perfect, thoroughly furnished unto all good works.*"

What "essential element of the highest morality" beyond being "thoroughly furnished unto all good works," is desired by finite man, it rests with man to question.

If we are sent here to perfect ourselves, spiritually, intellectually and physically, that we may be fitted for the presence of the Infinite and All-knowing,—if the real object of this life be to obtain the assurance of participation in the next, what higher code of morals, what written law, that could do more for us than "the holy Scriptures, *which are able to make thee wise unto Salvation*, through faith which is in Christ Jesus." Could there be a greater result? Accomplishing this wisdom unto Salvation—could aught do more? Could aught insufficient in one single point, accomplish this?

The author goes on to say, in his argument, and eager desire for tolerance and impartiality:

"The exclusive pretension made by a part of the truth to be the whole, must and ought to be protested against, and if a reactionary impulse should make the protestors unjust in their turn, this one-sideness, like the other, may be lamented but must be tolerated. If Christians would teach infidels to be just to Christians, they should themselves be just to infidelity. It can do truth no service to blink the fact, known to all who have the most ordinary acquaintance with literary history, that a large portion of the noblest and most valuable moral teaching has been the work, not only of men who did not know, but of men who knew and rejected the Christian faith."

True! but do not let us forget in rendering to Cæsar the things which are Cæsar's, to render to God the things which are God's.

Without disputing Mr. Mills' argument of the insufficiency of the Revealed Word for the regulations of social life, beyond the refutation already given of the assertion that "Christ did not *intend* to provide a complete rule for our guidance," we pass on to the claim that He expressed himself in terms "possessing rather the impressiveness of poetry or eloquence than the precision of legislation." And farther on the author says:

"What little recognition the idea of obligation to the public obtains in modern morality is derived from Greek and Roman sources, not from Christian; as even in the morality of private life, whatever exists of magnanimity, high-mindedness, personal dignity, even the sense of honor, is derived from the purely Roman, not the religious part of our education, and never could have grown out of a standard of ethics in which the only worth, professedly recognized as that of obedience."

These are grave charges! Requiring more to substantiate them than is given. We might in answer say with Carlyle in his "Hero Worship": "Mark here the difference between Paganism and Christianism; one great difference—Paganism emblemed chiefly the operations of nature; the destinies, efforts, combinations, vicissitudes of things and men of this world; Christianism emblemed the Law of Human Duty, the Moral Law of Man. One was for the sensuous nature; a rude helpless utterance of the *first* thought of man—the chief recognized virtue, Courage, Superiority to Fear. The other was not for the sensuous nature, but for the moral. What a progress is here if in that respect only!"

But it is not our purpose here, to combat the proposition. This branch of the argument has been too completely discussed in a late and well-known work, viewing Christ as Legislator, Political Economist, and Social Reformer, entirely free from all sectarian prejudices, to need aught from *us*. To add to the truth as declared in Ecce Homo, would need a mind as clear, a soul as great, and a power of language equal to its unknown author and public benefactor.

With the exception, of this, to us, false viewing of a great subject, Mr. Mill's essay, though expressing new, and unfamiliar views of the most familiar, and if we may be permitted the expressive foreign term—*usés* subjects, bears so clearly the impress of conviction and reality, that it commands the attention and admiration of all readers. Some of the arguments may be a little too diffusely insisted on, but who can regret it? Who wearies of a beautiful strain of music how often the refrain?

One question we would ask Mr. Mill: Where does he place the limit to discussion? Where place the boundaries of Theory and Action? If every truth should be subject to argument—where, viewing it for instance, as a political question, should be the point at which argument ceases and action begins, on either side?

Allowing his theory, there must be an ultimatum eventually. Each opponent enters the list armed at all points for defence, we will say ready and anxious to give a reason for the faith that is in him; in the political questions of our country, self-interest, personal aggrandisement, and sectional prejudices made stronger by five years warfare, all steeling him against conviction, despite all the energy of his opponent, in claiming truth for his basis. Where is the discussion to end? It must result in a question of arbitrament. Give each equal powers, and equal means of mental offense and defense, and where is the hope of a mental adjustment of a question which every day's delay places to the respective advantage or disadvantage of the two parties.

And who or what will be the arbiter! Mr. Mill says:

"To shut out discussion entirely is seldom possible, and when it once gets in, beliefs not grounded on conviction are apt to give way before the slightest semblance of an argument. Waiving, however, this possibility—assuming that the true opinion abides in the mind, but abides as a prejudice, a belief independent of, and proof against, argument—this is not the way in which truth ought to be held by a rational being. This is not knowing the truth."

Very good, if we could start afresh with a new world, and men just as they "ought to be," and not as they are.

The struggle for liberty in our national existence is a striking exemplification of the futility of a theory leaving all errors to be expurgated by argument.

Year after year heard the pros and cons of the great national question; impelled on one side by self-interest and on the other by principle; but year after year did interest triumph over principle, until *action* settled the question. And yet, doubtless, Mr. Mill, with many of his English peers, would condemn that action as "coercion," though leading to so great results.

Admitting it to be coercion,—discussion had failed—then the majority took it in hand, and will any "rational mind" question that the truth has been vindicated? Were we to leave the evil festering one half the body while we continued to *discuss* it?

In one particular Mr. Mills is incorrectly informed as to the United States. He says, in speaking of the tendency of the modern world towards a democratic constitution of society:

"It is affirmed that in the country where this tendency is most completely realized—where both society and the government are most democratic—the United States—the feeling of the majority to whom any appearance of a more costly style of living than they can hope to rival is disagreeable, operates as a tolerably effectual sumptuary law, and that in many parts of the Union it is really difficult for a person possessing a very large income to find any mode of spending it, which will not incur popular disapprobation."

Mr. Mill has the grace to qualify so ridiculous an "affirmation" with a doubt that it may be "much exaggerated," though he claims the *possibility* of it in a democratic institution.

No American but will be able from his own experience to affirm in contradistinction, that the growing tendency in our country is, unhappily, too much towards the luxury and magnificence of the old world, and thereby impedes our progress. That the poorer classes may emulate the richer we allow, but not that they *envy* them. There is not one of the, so-called, lower class of society who would not, with a feeling of national pride, point any foreigner to the palaces, which line the streets of our principal city, and with almost an absurd arrogance defy him to show aught superior in his native land.

We cannot conclude our remarks without reference to the noble tribute to woman with which Mr. Mill opens and as it were stamps his book, as possessing one of the greatest features of Liberty. It is not so much the loving dedication of "whatsoever things are good" in it, to the memory of the lost love of his youth and manhood,—touching though that be,—as the acknowledgment of her mental capacity; the nobleness manifested of a soul who would receive help from a woman, and then not deny her power to give it as is so often done; the confession that man *is* sometimes incapable of interpreting the great thoughts and noble feelings which lie not only buried in this woman's grave, but in the breast of many another, denied expression.

Mr. Mill has, in the words of Emerson, "realized all that he knows; in the high refinement of modern life, in arts, in sciences, in books, in men, exacts good faith, reality, and a purpose; and first, last, and without end, *honors every truth by use.*

GARNISHMENT OF MONEYS DUE U. S. CREDITORS.—A contractor with the Quartermaster's department being, as alleged, indebted to a third party, and payment to the same being withheld by the contractor, an injunction was granted by the courts, enjoining the Quartermaster's Department from paying the first party. The question as to whom payment should be made, having been referred to the Treasury Department, the Second Comptroller made the following decision:

"I am clearly of opinion that no trustee process, garnishment, or injunction can be recognized by the officers of the Government in respect of moneys due creditors of the United States. Reasons of high public policy forbid that the agents of the Government should be impeded in the payment for services or supplies by the act of any one who may think or assert that he he has a claim upon the public creditor. To admit such a pretension would be equivalent to placing it in the power of a few individuals, at critical junctures, to thwart the most important undertakings, or, perhaps, to stop the wheels of government. Upon this subject I refer to the opinions of the Attorney General of August 5, 1834, vol. two, page 661, and November 9, 1841, vol. three, page 718, and the decision of the Supreme Court, in Buchanan vs. Alexander, (Howard R., 20,) which fully sustain the view I have expressed."

THE

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AND

CUSTOMS JOURNAL.

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VOL. V.—No. 1. NEW YORK, JANUARY 5, 1867. WHOLE NUMBER 105.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

The copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. James McKeen, Revenue Stamp Agent, at No. 53 Prince st., New York city. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers, for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible

The RECORD is furnished pursuant to authority of act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince st., New York city, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 *Liberty st., New York City.*

REVIEW.

THE issue of to-day begins Volume V., and the third year of the INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, which has now become firmly established as the organ of the public on revenue matters.

The chief object of the RECORD is the prompt and regular dissemination, to officers and tax-payers, of official information, the correctness of which may be relied upon in the settlement of vexed and mooted questions of assessment and taxation, and thereby to aid in rendering uniform and equitable the administration of the revenue law, which, without uniformity of practice, are made odious, oppressive, and not to be endured.

The gratifying assurances received from officers and tax-payers on every side, conclusively show the measure of success which has attended the efforts of the RECORD in its peculiar sphere of duty. Its labors have been directed more particularly to the difficult task of elucidating and making known the law as it stands, than to the discussion of subjects requiring legislative action, though these latter have not been neglected. The importance and value of the RECORD daily increases in view of the modifications and changes made in the law by Congress, and its application by the decisions of Courts, and the rulings of the Commissioner of Internal Revenue.

INTERNAL REVENUE COURTESIES.

Under this head, in one of our early numbers, we recorded, two years ago, the presentation of certain festive offerings by the Assistant Assessors and clerks of the 8th Collection District to their Assessor. On New Year's Eve, (Monday last), the whole body of gentlemen holding those positions, accompanied by several of the Inspectors of the District, waited upon their Principal at his residence, and presented the following address:

MR. BLEECKER:—The Assistant Assessors and Clerks of the 8th District cannot allow the old year to pass away without tendering to you the expression of their affectionate respect and esteem for the uniform kindness and courtesy shown them (as always heretofore), during the annual circle now completed. That they participated with you in the great domestic sorrow which closed the latter part of the year, you may be well assured; and if the sympathy of sincere friendship could do aught to alleviate affliction, you have had that sympathy in all earnestness. It is a source of happiness to us to know that our efforts to discharge faithfully the duties of our office, have been acceptable to you, and profitable to the Government; and it is a source of pride that entire concord has existed, without interruption, between you and all the members of your department. It will be gratifying to us, if you will allow us to offer you before the year closes, a small testimonial of our regard, merely expressive of our desire to add to your comfort, and not as evincing in any *measure* the extent of our good will, or of your deservings. We have ventured to present it in the form and substance of a *garment*, the most *seasonable* for this festive period of the year, and though but *little* as an *investment*, may yet be said to be *great* as a *vesture*, being in truth a GREAT-*coat* and we may add, Hindhaugh's *great*-est effort. That it may afford *great* warmth to (as we know it will cover a *great* heart) is the earnest wish of your *grate*-ful friends.

To which MR. BLEECKER replied:

GENTLEMEN:—I receive with pleased emotions this fresh proof of your kindness. The year has run full circuit, and we are met to participate in those courtesies which your kind attentions have so often tendered, and which have not been ungratefully received. Though in its course I have drank deeply of the cup of affliction, my consolation has been found in submission to the Divine will, in the sympathy of the friends by whom I am surrounded, and in the belief that the chastisement has been intended for my good—may the lesson never be forgotten!

It is a matter of great satisfaction to me to know, as you truly say, that the harmony which ought to exist in all departments of the Government, has never been interrupted in ours, and we can safely point to the cordial agreement of those conducting the business of the 8th district as an example worthy of imitation elsewhere. To your partiality I owe it, that each New Year has been ushered in by an agreeable surprise-offering, until what commenced as a *single* act of grace, may now be said to have been confirmed into a *most becoming, graceful habit.*

In accepting the beautiful and useful token of your approbation and esteem, I can scarcely *clothe* my thoughts in *fitting* expressions. If I come *short* of what is *suit*-able, however, or adopt a "*round-about*" and awkward *mode* of ad-*dress*, I know that the *mantle* of your love, will with its ample *folds, cover* my deficiencies. As "the *web* of our life is of a *mingled yarn*," so regrets will *interweave* their *threads* with our joys in the most *finished fabrics* of the *loom* of Time. While rejoicing in the evidence of your respect and affection, and gratefully accepting the beautiful present given in proof, I cannot but be sensible that you are *over-taxing* the "lean ability" which your illpaid offices afford, and that in "*cutting your coat according to your cloth*" your liberality towards the *outward covering* of your Assessor has affected the "*internal*" *lining* of the pockets of his associates and loving friends; but as you are the best judges of the "*license*" to be given such "*manufactures*," I shall not incur the risk of *raising your choler* by any censure of your kind extravagance; neither have I the *face* to *seem* to up-*braid* you for it, though knowing it is transgressing the rule of old Polonius—

"Costly thy habit as thy purse can buy."

As I am *guard*-ed from the imputation of the extravagance of which *my* purse was *not* guilty, I shall endeavor to follow the advice contained in the residue of the injunction by allowing "the apparel" to "proclaim the man"—knowing that the *canvass* of your respective divisions (lying as they do in the *body* and not on the *skirts* of the city) is so thorough, that neither *manufacturer* nor *dealer* can "pull the wool over your eyes," and trusting that Congress may *mend* your incomes, whether they "*dress* the Commonwealth, and *turn* it, and *set a new nap* upon it," or not; and believing that you never will prove *turn-coats* to truth and loyalty; wishing you all the blessings of life through the New-Year, and many, many, succeeding ones; reverently hoping that when you shall have *finished your work* on earth you may receive "the *garment* of praise for the spirit of heaviness;" and thanking you sincerely for the "gracious terms" in which you have been pleased to speak of me, and flattered to be associated, even by casual illusion, with those whom in our "Pilgrim's Progress" we are led to love and esteem, I am, gentlemen, your assured friend.

At the conclusion of the address and reply, it was unanimously *Resolved*, That the proceedings be published in the INTERNAL REVENUE RECORD.

COMMERCIAL AFFAIRS IN MADEIRA.

We reprint from the November Statistical Report of the Treasury Department, being the first number issued under the direction of the Hon. Alexander Delmar, director and organizer of the Bureau of Statistics, extracts from a report of U. S. Consul Leas, at Funchal, in the Island of Madeira, which contains a variety of useful information in regard to commercial and other affairs.

CURRENCY.—Accounts in Madeira are kept in reis, an imaginary coin, one of which is equal to one-tenth of a cent, 1,000 reis being milreis or one dollar. The only coins that circulate are the British, American and Spanish. The British sovereign is valued at 4,800 reis or $4.80, the pistareen at 200 reis or 20 cents, the old Spanish doubloon at $16, and the Mexican doubloon at $14.50.

EXCHANGE.—The par of exchange on London is $4.80 to the pound sterling, and good bills, at short dates, for small amounts, can generally be disposed of at that price; and in no case should the discount be over one or two per cent. The rate to-day is two per cent. premium. The average for the year has been about par in London.

EXPORT DUTIES.—There are no export duties, except on wines, which are subject to the payment of five dollars per pipe, to be paid by the shipper.

LIGHTERAGE.—The cost of lighterage is about forty cents per ton, and is, with cartage and cooperage, paid by the shipper.

PORT CHARGES.—There are no port charges whatever, except for the visiting officers, on arriving and departing, which, in the aggregate, will amount to about $14 per vessel, including the Bill of Health. During the unloading and loading of vessels, two custom house officers are required to be on board, who receive, at the ship's expense, forty cents each per day.

CUSTOM HOUSE REGULATIONS.—Vessels must be entered at the custom house within twenty-four hours after arrival. No invoice of goods is required, but the manifest must specify in detail the articles constituting the cargo, and must have the certificate of the Portuguese consul residing at the port from which the vessel cleared. The duties are assessed, either by weight or measure; but few articles pay an *ad valorem* duty. In these, however, the authorities have the right, if they suspect under-valuation, to confiscate the goods, and allow the owner ten per cent. over the stated price. The customs charges for entering and clearing a vessel amount to about $9.

WAREHOUSING, BOUNTIES AND DRAWBACKS.—Goods can be warehoused, if so declared on entering, free of charge, and without the payment of duty, except as they are withdrawn, and can so remain for eighteen months, and can be reshipped free of duty; but if duty be once paid no drawback is allowed on their reshipment. No bounties are allowed.

SANITARY REGULATIONS AND HOSPITAL FACILITIES.—The regulations of the port require that a Bill of Health shall, in all cases, be exhibited to the boarding officer, certified by the Portuguese consul of the port last cleared from; otherwise the vessel will be quarantined for three days. There are no hospital dues collected, but a very fine hospital is at the disposal of vessels, the charge being fifty cents per day for each person. If vessels arrive from a suspected or infected port, they are liable to be sent to Lisbon to perform quarantine.

PROHIBITIONS, PRIVILEGES AND RESTRICTIONS.—There are no prohibitions, except in the case of wine from Portugal, which cannot be imported into Madeira. Products cannot be imported into Madeira under any foreign flag, except that of the country in which they were produced, otherwise than by the payment of twenty per cent. addition to the regular duties.

FREIGHTS.—Little or no freights are to be had from Madeira to either the United States or England, but vessels can go to Morocco; for grain or corn to England; to the coast of Africa, for groundnuts; to either America or Europe, or to the Mediterranean, for fruit. Freights from England to Madeira, per steamer, are thirty-seven to forty-five shillings per ton of forty cubic feet, on general merchandise, or twenty-five to thirty shillings per ton weight on rough goods; and by sailing vessels twenty-five to fifty per cent. less. Freights from Madeira to England, per steamer, are twenty-five shillings per pipe, or fifty shillings per ton, and by sailing vessels, one-fourth to one-half less. To the United States, $7 the pipe, or $14 the ton. The average for the year the same.

COMMISSIONS.—The usual commissions charged for purchasing and selling merchandise, and for ships'd disbursements, are five per cent.; for negotiating bills and advancing money on letters of credit, one per cent.

SOUTHERLY GALES.—All vessels visiting Madeira in the winter season should be provided with good strong anchors and chains, otherwise they may receive damage from the southerly gales which occasionally visit this neighborhood in that period.

HOUSE RENTS.—Good comfortable houses, furnished, can always be had for from £50 to £200 per season, or year.

HORSE, HAMMOCK, PALANQUIN AND OX-CAR HIRE.—These are always to be had for thirty cents per hour; or hammock and palanquin bearers for from seven to eight dollars per month.

NEW REVENUE TARIFF IN BUENOS AYRES.

The Tariff and Revenue Law of which the following is a translation, goes into operation January 1, 1867, and remains in force one year:

The Senate and House of Deputies of the Argentine Nation, in Congress assembled, enact:—

CHAPTER I.—ENTRY FROM ABROAD.

ARTICLE 1. Gold and silver, stamped or in bullion; books, printers' paper, plants of every species, fresh fruits, ice, timber and stock for raising are free from all import duty, likewise corn and corn flour brought into the country by land.

ART. 2. The Executive is empowered to grant free entry to seeds for agriculture, as also to such articles as he may judge to be intended for the Divine service exclusively and are needed by pastors in charge of parishes or of superiors of confraternities in charge of said churches; to instruments or utensils for scientific purposes, to machines for amalgamating the metals, and for the establishment of new branches of industry; to the furniture and tools of immigrants as well as to whatever articles they may need exclusively for their settlement in business.

ART. 3. Ten per centum ad valorem shall be paid by all silks, precious stones unset, gold or silver, worked or manufactured in connection with precious stones, or without them; all instruments or utensils mounted or ornamented with the said metals, when the value is thereby increased by one-third.

ART. 4. Eighteen per centum ad valorem shall be levied on all articles not mentioned above.

ART. 5. The wantage to be allowed on wines, spirits, liqueurs, beer in casks, and vinegar shall be reckoned according to the distance of the port where the vessel shall have laden, said wantage to be made up at the first port of this nation entered by said vessel. For this purpose ports north of the line shall entitle to ten per centum; south of the line to six per centum; and from Cabos inland to three per centum. The leakage on wines, liqueurs, beer, vinegar, and oil, in bottles, shall be five per centum.

CHAPTER II.—EXPORT BY SEA AND LAND.

ART. 6. Six per centum ad valorem shall be paid on exporting cow and horse hides of all descriptions, mule and sheep hides, skins in general, hoofs, hung or salt beef, pickled tongues, ostrich feathers, bones, bone ashes, horns, hair and wool, whether cleaned or not; animal oil, tallow and fat, melted or rough; cattle, horses, and also wool-bearing and other stock.

ART. 7. All other products and manufactures not mentioned in the preceding article, as well as gold or silver, stamped or in bullion, are free of all export duty.

CHAPTER III.—HOW THE DUTIES ARE TO BE APPRAISED.

ART. 8. The duties shall be determined by appraisers and must be reckoned on the market value in warehouse in the case of imports; but in the case of exports on the market value at the place and time of shipment, except on such articles as, owing to their nature, require to be classified and appraised previously, and the duties thereon shall be reckoned according to a tariff based on a uniform scale of prices.

ART. 9. The executive shall designate and fix the valuation of the goods and products to be included in the tariff mentioned in the preceding article.

ART. 10. Export duties shall be paid in cash, and shall become due at the first point of shipment; all goods to be forwarded directly abroad, and none allowed to be transported by water from one point to another within the Republic, unless the duties there shall have been paid, or bond have been given therefor in the form and manner to be prescribed by the executive. As to payment in cash, exception is made of such products as are extracted from unkilled animals. For the amount of duties on the latter kind of products stamped paper money satisfactory to the Comptroller of the Revenue will be received at four months' time.

CHAPTER IV.—GENERAL PROVISIONS.

ART. 11. The payment of duties at all the Custom Houses of the Republic may be made in any of the coins allowed by the National law of October 26, 1853; or in the paper money of the province of Buenos Ayres or in Bolivar silver coin, at its market rate as compared with gold; or in certificates of metallic deposit on the bank of this province. The national copper coin shall be receivable only in proportion of two per centum on the amount due, and all bills of credit are declared not receivable in payment of customs dues.

ART. 12. At the Custom house of Corrientes, duties may be paid in paper money of that province, at its gold value, until such times as its liquidation and funding can be provided for.

ART. 13. Merchandise having liquidated its import dues at any of the custom houses of the republic may be transported freely throughout the whole territory of the same; but transit by land is prohibited to all merchandise on which the duties remain unpaid, except only such as arrive in transit for the port of Concordia and the Brazilian ports on the Rio Uruguay, via Federacion and Restauracion; except also goods from Paraguay in transit at Restauracion and Federacion and consigned to Brazil or the Oriental Republic.

ART. 14. This law shall be in force from Jan. 1, to Dec. 31, 1867, &c.

Done in the Session Hall of the Congress, at Buenos Ayres, on the 24th of September, 1866.

VALENTINE ALSINA.

H. H. GOMEZ, Secretary of the Senate,

JOSE E. URIBURU, RUFINO VARELA, } Secretaries of the House.

Officially promulgated by the Treasury on October 3, 1866.

A new weekly publication, to be entitled the *American Society*, will make its first appearance next Saturday. It is announced as a racy quarto of sixteen pages, which will give the latest news and society chit-chat in art, literature and fashionable life in the Metropolis and other cities. It will be published at 599 Broadway, New York.

A large portion of this number is taken up by a report of the case of *Benkard & Hutton* vs. *Augustus Schell*, former Collector of Customs for this port, to recover duty erroneously levied upon costs and charges on importations. The amount involved in this class of cases is very large.

Treasury Dept., Decisions, &c.

OFFICIAL.

TIN OIL CANS OR OILERS.

ASSESSOR'S OFFICE, 4th DIST., NEW YORK,
NEW YORK, Dec. 20, 1866.

SIR: Messrs ——— & ——— in this Dis'rict manufacture tin oil cans with a tube attached, with which to apply the oil used by machinists and others for oiling their machinery, &c., commonly called oilers. These parties have been advised by their counsel that these cans are exempt by the act of July 13, 1866, under section 91 of the compilation as tin cans used for oil, and are not making returns. I do not regard this kind of tin cans as the ones contemplated in the above section. I rather regard them as instruments for distributing or applying oil. ——— & ——— state there are several others manufacturing the same or similar articles who are not paying tax for the same reasons since July 13, 1866. Therefore a decision becomes important.

Respectfully,

PIERRE C. VAN WYCK, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Dec. 27, 1866.

SIR: Your letter of Dec. 20th, in relation to tin oil cans, or "oilers" has been received. You state that Messrs. ——— & ——— in your district, manufacture tin oil cans or "oilers" as they are commonly called, with a tube attached through which the oil they contain is applied to machinery, &c., which they claim are exempt from tax as tin cans used for oils. You wish to know whether their claim can be allowed.

In answer I have to say that tin cans used for oils are exempt from tax, if therefore the articles in question are tin cans used for oil and not the small vessels commonly used for distributing or applying oil to machinery, &c., they are exempt from tax, but if they are the small tin vessels commonly used for applying oil to machinery, &c., they are taxable, not being regarded as oil cans, within the meaning of the law.

Very respectfully,

THOMAS HARLAND,
Dept. Commissioner.

PIERRE C. VAN WYCK,
U. S. Assessor, New York City.

CONVERSION OF SEVEN-THIRTIES.—The following regulations in relation to indorsement of 7.30 notes forwarded to the Treasury Department for conversion should be carefully observed:

Where notes transmitted for settlement were issued payable to order and are held and transmitted by the original owners, they must be indorsed by them, "Pay the Secretary of the Treasury for the redemption," and bonds will be issued in their names. When notes payable to order are held by other parties than the original owners, they must have the indorsement of the original owners in blank, and also be indorsed by the present owners, "Pay the Secretary of the Treasury for redemption." When notes issued in blank are forwarded for conversion they must be indorsed, "Pay the Secretary of the Treasury for redemption," by the party forwarding them. When notes indorsed or transmitted by an attorney, administrator, executor or other agent, they must be accompanied by the original, or a duly certified copy or certificate of the authority under which he acts, and in all cases by a letter stating the kind, "registered or coupon," and the denomination of the bonds wanted in exchange. When registered bonds are ordered, parties should state at which of the following places they wish the interest paid, viz: New York, Philadelphia, Boston, Baltimore, New Orleans, Chicago, St. Louis, Cincinnati or Charleston. Express charges on 7.30 notes forwarded for conversion must in all cases be prepaid. Bonds will be sent by express on return free of expense.

Customs Department.

OFFICIAL.

TONNAGE DUTY ON FRENCH VESSELS.

A Proclamation by the President of the United States of America.

Whereas satisfactory evidence has been received by me from his Imperial Majesty, the Emperor of France, through the Marquis de Montholon, his Envoy Extraordinary and Minister Plenipotentiary, that vessels belonging to citizens of the United States, entering any port of France or its dependencies, on or after the 1st day of January, 1867, will not be subjected to the payment of higher duties or tonnage than are levied on vessels belonging to citizens of France entering the said ports.

Now, therefore, I, ANDREW JOHNSON, President of the United States of America, by virtue of the authority vested in me by an act of Congress, of the 7th day of January, 1824, entitled "An act concerning discretionary duties of tonnage and imposts," and by an act in addition thereto, of the 24th day of May, 1828, do hereby declare and proclaim that on and after the said 1st day of January, 1867, as long as vessels of the United States shall be admitted to French ports on the terms aforesaid, French vessels entering the ports of the United States will be subject to no higher rates of duty or tonnage than are levied upon vessels of United States in the ports thereof.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, this twenty-eighth day of December, in the year of our Lord eighteen
[L. S.] hundred and sixty-six, and of the independence of the United States of America, the ninety-first.

ANDREW JOHNSON.

By the President:
WILLIAM H. SEWARD, Secretary of State.

U. S. DISTRICT COURT, S. D. NEW YORK.

Before JUDGE SHIPMAN.

The N. Y. Mail Steamship Co., vs. The Steamship Baltic.

The following is the substance of Judge Shipman's opinion in this case:

"This is a suit, *in rem*, against the steamship Baltic to enforce a claim for wharfage. The libelants allege that they are lessees of a dock in the city of New York, and that the Baltic occupied a berth thereat, at various times named, in pursuance of an agreement between her owners and her libelants. The particulars of the agreement are not set out, and the Court is not informed whether or not there was a fixed rate of compensation agreed upon between the parties. If the rate of wharfage was specified in the agreement, that would end the case, even if she was a foreign ship, for no lien would attach, and of course no proceeding *in rem* can be maintained. (*Ex parte* Lewis 2, Gall. 483."

Judge Shipman then says that the vessel being owned and registered in this port, wharfage, even granting that it is a lien upon the ship on the same ground as other necessaries, does not apply to this vessel. As to the claim that a lien is given by the local laws of this State, that it is conceded; but that this lien can and ought to be enforced by this Court is denied.

After stating that the old rule, which he quotes, giving power to this Court to enforce such a lien had been abrogated, and a new rule adopted, Judge Shipman says:

"The object of this alteration was to take away the power to enforce liens *in rem*, created by the local law, and resting upon that alone. (The steamer St. Lawrence, 1 Black, R. 522.) The libel should therefore be dismissed with costs. Let a decree be entered accordingly."

J. T. Williams for libelants; Mann and Parsons for respondents.

U. S. CIRCUIT COURT—SOUTHERN DISTRICT OF NEW YORK.

BEFORE JUDGE SMALLEY AND A JURY.

REFUNDING OF DUTIES ILLEGALLY EXACTED, ON COMMISSIONS, CHARGES, ETC.

Benkard & Hutton vs. *Augustus Schell.*—This was an action brought against the defendant to recover back duties collected by him of the plaintiffs as Collector of New York, alleged to be illegally exacted.

Mr. E. Delafield Smith appeared for the plaintiffs, and opening the case to the Jury, stated that the plaintiffs imported goods from various places in Europe, and that on their being entered, the Collector had added to the value of the goods on which the duties were to be paid, certain commissions and charges for inland transportation and for cases, &c., &c., which increased the value, and, of course, the duty, above what was the true value; that he supposed it would be admitted to be the law that the Collector could not add any charge for inland transportation, and that the only commissions which could be added were the usual commissions; that what was the usual commission and charges had been ascertained by Mr. Phillips, one of the Government officers connected with the Custom House, and that for years duties had been refunded by the Government in accordance with this report of Mr. Phillips, by virtue of consents given by the District Attorneys of the United States, but that of late the Government had required the importer to prove the fact before the Court; that the objection would probably be taken for the defence that no appeals had been made to the Secretary of the Treasury, but as to this he should show that when appeals had not been taken, it was in consequence of letters from the Secretary of the Treasury to the effect that they were not necessary, and that another point of defense might be taken on the terms of the protests some of which were intended to apply to all future importations of a similar character, but he supposed it was pretty well settled that such protests were sufficient. Charles G. Clark was sworn and testified that he had been employed in the Auditor's Department since January, 1864, and had charge of protests and refunding; that he had adjusted the amount of overpaid duties in this case, and he produced the statement made up by him; that he had brought up only a part of the entries relating to this case, which would be about 500 in number.

District Attorney Courtney, who appeared for the defendant, said he did not propose to try the case by specimens; that the plaintiffs must prove their payments, for he should not admit that payments had been made. This, he understood, had been the great wrong perpetrated heretofore on the Government.

Mr. Smith said that all parties had agreed that the entries were so numerous that the Court would not investigate them, and that as he understood, Mr. Clark had made up this statement by consent of Mr. Allen, the Assistant District Attorney, who had also examined it, he thought that under that understanding Mr. Clark's evidence should be taken.

The District Attorney said that they might as well understand at once the position that he took, and the instructions which he had received from the Government; that the Court was aware, from report at least, that great fault had been found at the Treasury Department in regard to the manner of adjustment of amounts, and to the payment or refund which had been made to parties claiming the return of duties, illegally exacted, in this class of cases; that fraud had been openly charged in regard to the action and conduct of certain clerks in these matters, and the Government had found it necessary to regulate them by enforcing some strict rules in regard to their trial; that he knew nothing about the payment of duties by plaintiff in this case, though he had no doubt that what Mr. Hut-

ton would say about it would be substantially correct, but he was there to protect the interests of the Government, and had besides received very explicit instructions from the Treasury Department, which he would read. The letter was then read, as follows:

TREASURY DEPARTMENT,
SOLICITOR'S OFFICE, Oct. 24, 1866.

SIR: Herewith I transmit a copy of a letter which I have just received from the Secretary of the Treasury, in relation to the conduct of suits instituted against the Collector of Customs at New York for the return of duties alleged to have been illegally exacted, and you are requested to conform your action to the views therein expressed.

Very respectfully,
EDWARD JORDAN,
Solicitor of the Treasury.

SAML. G. COURTNEY, U. S. Attorney, New York.

TREASURY DEPARTMENT, Oct. 23, 1866.

SIR: I have considered your letter of the 14th of August relative to instructions which should be given in the matter of certain suits instituted against the Collector of Customs at New York for the return of duties alleged to have been illegally exacted.

I am of opinion that the instructions which have heretofore been given to the District Attorney to plead the act of limitation to all claims instituted against the Collectors should be reiterated.

Where prospective protests are relied on, it is my opinion that their legality should be resisted, and the matter left to the decision of the Court.

The District Attorney should be instructed to bring to the notice of the Court the informality which it is represented has for some time existed, of having the statements upon which the judgments are rendered, made up in the Custom House. I fully concur with you in the opinion expressed, "that no verdict should be permitted except for a sum certain after a settlement in an appropriate way of all questions both of law and fact, and that it should be either by a Jury or by some officer of the Court, its clerk, one of its Commissioners, or some other like officer who will be amenable to its order," and whose report would be "subject to the exception by either party as to matter both of law and fact."

The District Attorney should also be instructed to reserve by bill of exception all points of law decided by the Court adversely to the United States.

I am, very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

Hon. EDWARD JORDAN, Solicitor of the Treasury.

After this letter had been read Mr. Courtney continued:

The Court is aware that for the last eighteen months none of those so-called collectors' cases have been tried—this Court refusing to make any order of reference or to take any steps backward or forward in them. I have therefore, under the circumstances, been obliged to bring this class of cases for actual trial before the Court so that the legal principles involved may be decided, and such course as to adjustment of amounts, in accordance with the principles settled, may be adopted as may be satisfactory, to the Government and the parties.

Judge Smalley said: This is a class of cases with which I am very familiar, and the history of them is this. The very same difficulties which the Court found in trying those cases years gone by, seem to present themselves here. Here is an illustration. Here are some five hundred entries. Now the Court and jury cannot undertake to examine these five hundred entries, and yet not to examine them in some way would be a denial of justice. Now I will state my judicial knowledge of the history of these cases. When I first had the honor to come to preside in this Court there were a great many of this class of cases on the calendar. The practice that prevailed at the time in trying them as stated by the District Attorney at the time, Judge Roosevelt, and the Clerk of the Court, and I think by Judge Nelson on some occasion, was to hear the case fully, that all the questions of law that might be raised on either side should be passed upon, the whole case considered, then a verdict rendered, and as far as the assessment of damages was concerned, it was referred to the Custom House authorities. That was the practice in this Court when first I had the honor to preside here—that was the rule in fact. It struck me as very loose practice. In the Custom House there was no one responsible. What officer should make it up? what clerks should be intrusted with the duty of investigating the necessary papers, or who should be held responsible for the report? this, to my mind, was very vague and indefinite. I suggested that difficulty to the District Attorney and to the different counsel, and stated to them that I was willing, with the consent of all the parties, to refer the investigation of the records of the Custom House to the Collector by name, although, indeed, he was defendant, or to the Auditor by name, and that he should be responsible; that some person should be responsible to the Court for the correctness of the report. That rule was adopted that term, and very many cases, by the consent of the District Attorney and counsel were referred in that way. After a time, however—I don't recollect how long, perhaps twelve months, perhaps longer—complaint was made of unreasonable delay in the Custom House on the part of the officers to whom these cases were referred, in adjusting these claims; complaint was made here by counsel in open Court. I then took occasion to state in presence of the District Attorney, that if those complaints were well-founded, the cause must not be permitted to exist, and that if I found that they were well founded, I would revoke every order made to the Custom House, and refer them to an officer of the Court who would see that the reports were properly executed and presented to the Court for action within reasonable time. Some little time after this Mr. Griswold came into Court with affidavits in reference to some cases in which he had been counsel for the plaintiffs, and in which verdicts had been rendered, setting forth that the papers were delayed a long time in the Custom House, notwithstanding that various applications had been made for them and that he could get no adjustments made. I thereupon revoked the rule of reference and had them referred to the Clerk of the Court, stating that I would revoke every case that was on the calendar whenever complaint was made to me officially that those delays were made, after suitable instruction, and that no reports were made. Some two or three weeks afterward Mr. Griswold again came into Court with affidavits in some thirty or forty cases of the same character, in which verdicts had been taken and reference made, and I revoked them all and referred them to the Clerk of the Court. This was in 1862. From that time I had little to do with trials of this class of cases till 1864 and 1865. I was occasionally here, but other business engaged me. I, however, learned from a public report that some committee of Congress, or some one acting for a committee was here and had made animadversions on this mode of practice—the practice of referring those Custom House cases to the adjustment of the Clerk of the Court. I looked at the report and found a very scandalous statement, one perhaps technically true, but really false; and it was evident to me that whoever was the author of that statement had forgotten the rule of morals as well as of law—that the suppression of a truth is the suggestion of a falsehood. In this case it was a very foul suppression of truth. The report stated that Judge Nelson had made the change of reference from the Custom House to the Clerk of this Court for the benefit of the Clerk who was his son-in-law, Mr. White, omitting to state the fact that the precedent had been made by a judge who had no connection with Mr. White, and that Judge Nelson only allowed the practice established by his junior for reasons satisfactory to himself. Judge Nelson naturally felt as a pure judge and an honorable man would, assailed for his action in court in an official report emanating from the legislative branch of the Government, and he revoked the rule and practice established by me, and said he would make no further references. I had no further conversation with Judge Nelson on the subject, but I could well understand what influenced him to revoke these rules of reference. I am disposed to follow the same rule I made then. My own opinion is not changed since I revoked the former rule of reference in those cases, and, so long as I have the honor to sit upon this bench, I shall carry out the dictates of my own judgment, as to the proper manner of trying these cases. I do not believe Judge Nelson revoked my rule on the matter because he thought the reference was improper, but because this committee had presumed to assail in his judicial character one of the most able, upright and conscientious judges that ever presided in a court of justice, simply because he followed a precedent set by a junior who had perhaps given the question more thought than he had, by a statement which suppressed that fact, and by its suppression left a false and foul imputation and was false and calumnious in the highest degree. I am now disposed to go back to my former rule, and let some of these cases be entered upon and all the questions raised, and have reference of the cases made to some officer of the Court to make the adjustments. We cannot sit all the time trying these cases. We see the absurdity of such an attempt for a court and jury to take up the five hundred accounts here; there are not days enough in the year to afford us time for it. You may take up two or three cases or more if you choose, and investigate them, and have every question raised passed upon by the Court and jury, and take a general verdict, as we did before this base and calumnious report I referred to was made and refer the matter to an officer of the Court. I shall be disposed to consult with the District Attorney and counsel for the plaintiff in regard to the proper officer of this Court, but it must be an officer of the Court, responsible to the Court and removable at pleasure.

Mr. Courtney—That, your Honor, is in substance what my instructions from the department call for.

The Court—I have taken occasion to give a history of the practice in these cases because the report of this Committee on Custom House, as shown to me, I repeat it, was false and calumnious. Technically it may be true that some cases were referred, but the important truth was suppressed, that the Judge was merely following the precedent set by me, and I repeat emphatically that in this case the suppression of the truth was a suggestion of falsehood.

Mr. Smith then proposed to prove by Mr. Clark that he made up a report of the facts of these copies.

The Court said that was not evidence unless it was agreed to by the District Attorney, and that under the instructions which had been given, he was not authorized to agree to it; the best way, therefore, was to try the three entries produced if they covered all the questions involved.

The District Attorney said it was very simple to present some of the entries to the Court and have the ruling of the Court, whether the additions were properly made and then the proper officer could make the adjustment for the rest as the Court had suggested.

The Judge said that would be the rule, and the District Attorney should have opportunity to appear on the adjustment. It was impossible for the Court and

Jury to sit and try all the various entries, which embodied 2,000 papers.

It appeared, on further examination, that the entries produced were barred by the statute of limitations, and the Court took a recess to enable others to be produced from the Custom House. Several entries were then produced, and Mr. Clark testified that the excess of duty on the overvaluation of the first was $12.94 on charges; that the charges were those which were put on the entry by the appraisers, over and above the proper amount as stated in Mr. Phillips' report, and that this sum was paid with the duties before the goods were delivered to the plaintiffs. Several other entries were also put in, dated in 1857 and 1858, and the witness states that the overcharge of duty on them was on one $4.32 and another $11.10, and on a third $2.28, and a fourth $11.28, the third being on commissions and the others on charges. All the entries had protests attached except the third.

On cross-examination the witness said he went into the Custom House in June, 1864; that this suit was commenced in 1862; that he knew nothing of the protests except that he found them on file with the papers; that he could not tell from the entries what the charges that were added were for, and only told the amount of overcharge by taking the amount allowed for charges in Mr. Phillips' report and deducting that from the charges which appeared in the entry, but that the entry did not show what the charges were for, and he did not know and had no personal knowledge of the payment of the duties or the delivery of the goods.

Samuel G. Ogden was then called and testified that he was Auditor of the Custom House, and had been since 1842.

Mr. Smith offered to prove by him what had been the practice of the Government in respect to appeals to the Secretary of the Treasury and refunding duties.

The District Attorney objected on the ground that such a practice could not control the law.

The Court allowed the evidence as bearing upon the construction of the law.

The witness said that the act of 1857 had been considered to have no reference to cases like this, but only to cases where the rate of duty was involved, and that letters from the Secretary had taken that view.

He produced several letters, the last of which is as follows, the others having reference not to this, but to analogous cases:

TREASURY DEPARTMENT, June 9, 1862.

SIR: I am in receipt of your report of the 24th ult., on the appeal taken by Messrs. Benkard & Hutton on the assessment of duty by you on certain charges added by the Appraisers to their invoices per *Hansa*, in February, *Bremen* and *Hansa* in March last, the applicants contending that the said charges are included in the invoice price of the goods.

As it appears from the report of the Appraisers that the charges added by them to the invoice were the usual costs and charges to be added to the actual "market value or wholesale price" to fix the dutiable value, I perceive no reason to interfere with your decision in the case.

I would here state for your information that *this class of cases is not deemed as coming under the provisions of the fifth section of the Act of March* 3, 1857, that section having special reference to the liability of goods, wares or merchandise *to duty or exemption therefrom, and not from charges.*

I am, very respectfully,

(Signed) S. P. CHASE,
Secretary of the Treasury.

HIRAM BARNEY, Esq.,
Collector, &c., New York.

He further testified that Mr. Phillips' report had its origin in instructions from the Treasury Department in February, 1856. In adjusting statements made for return of duties on charges, upon instructions then recently issued from the Department, there was a difficulty in ascertaining the amount of charges on which duties should be paid. For this purpose application was made to the appraisers, as being parties most familiar with the subject, to report what charges should be considered as dutiable. In pursuance of that request Mr. Phillips made this report of what charges be considered dutiable. This report was afterwards adopted by the Court in a case which came up, which held that the duty should be retained on the amount which he reported as dutiable, and the excess should be refunded.

Since the report both the Court and the Custom House authorities have adopted it and acted upon it.

On cross-examination, he said: We requested Mr. Phillips to make the report, but had no special instructions from the Treasury Department to have him make it.

Mr. Phillips was also called and gave a similar account of his report, which he said he made from such information as he could get here from merchants and others.

Mr. Ogden recalled, stated that he had recently received drafts from the Treasury Department for the refund of duties in similar cases. The amount of which had been ascertained in conformity with Mr. Phillips' report; the last had come that very morning, but the judgments were rendered perhaps a year ago.

Mr. Hutton, one of the plaintiffs, proved that the plaintiffs had been in the habit of appealing to the Secretary in similar cases, until they were stopped by a letter from the Secretary of the Treasury, which he produced, and that the protest attached to the entries were made by his direction generally when the entry was made, and always within time, and that he himself made the protest in all cases where he swore to the entries, and always presented the protests with the entries.

The Court here ruled that Mr. Phillips' report could not be received as evidence in the case, or as forming any proper standard by which to determine what charges were properly added.

The case was then adjourned to enable the plaintiffs to conform their testimony to this ruling.

When the Court reassembled Mr. Hutton was recalled, and producing several more entries, testified that there were on them certain additions for charges and commission, where no charges or commission at all had been paid by his firm, and that the usage was in many of the principal markets in Europe, which he named, to render their invoices of goods "free on board" at the port of shipment; that the charges were added here on compulsion because the Custom House authorities refused to receive the entries unless they were added, and they accordingly specified them on the entry as added "by compulsion."

On cross-examination he said that he could not say, that he himself made the additions, or that the requirement was made in every case, because the rule having been settled in one case, they would conform to it in subsequent cases.

Henry D. Moore, the plaintiff's Custom House clerk, was called, and testified that he made the entries at the Custom House, and that the additions of commissions and charges on the face of the entries were made by him; that they were added because they were compelled to add them; that he had presented entries where they had not been added, and the entry clerk refused to pass them, and before they could be passed he had been compelled to add them.

On cross-examination he said he did not see the Collector himself about the matter; made up the entries just as they are before he went to the Custom House, but considered that there was compulsion in the case because he knew the entries would not be passed unless the additions were made, from the fact that they had been refused before.

Mr. Schell, the defendant, was called as a witness, and testified that he was Collector from July 1, 1857, till April 8, 1861; that he recollected having considered the subject of requiring importers to make additions to their entries, and his conclusion was that it was not his duty to instruct or to control the merchant in making his entry. The law prescribed the mode in which the entry should be made, and the importer made it on his own responsibility entirely; the Collector had nothing to do with the form of the entry, except to see that it complied with the regulations; I never gave any instructions with reference to the plaintiffs' case; I never gave any instructions to the entry clerks for the addition of commissions; I never directed any person to compel the importers to add to their entries, or instructed any one to request or compel the plaintiffs to add to their entries.

Cross-examined.—The Deputy Collector who had charge of the Entry Department is dead, I believe; the matter would not have been deputed to him; it would have been an assumption on his part to exercise that power which no merchant would submit to and the Department would not permit; charges are usually assessed on the invoices by the appraisers, if the importer does not choose to do it himself; I can give no information as to what took place on the entries in this case; I never saw them till this morning.

Redirect—I considered this question after I took the office; I gave instructions to receive the entries under the law; the advances that were made on invoices came to my knowledge; I had no instructions to give about it; the officers had to discharge their duties; whatever advances the appraisers made they made on their own responsibility; they assessed the duties according to the law and the regulations of the Department; I can't tell about these goods; the practice in the office was that the merchant delivered his invoice and bill of lading; then he made the entry showing the charges, which he presented to the Deputy Collector or the entry clerk; the entry was sworn to, and the duty was then assessed by the entry clerk, and the merchant deposited the duty or gave bond; the invoice was then sent to the appraisers' office, and a permit was given to the merchant before he could receive his goods; if the invoice was returned "correct," the entry was liquidated.

The duty was assessed by the entry clerk under the law, on the value as set forth in the invoice. If the appraiser afterward makes it more, the merchant is called on to pay more than he deposited. If the deposit is in excess of the duties the excess is refunded. The appraiser's return controls the assessment of the duties, but if the merchant is dissatisfied he has the right to appeal. The entry would have been passed though it did not contain the costs, charges and commissions. I recollect three or four cases where it was done. That was the general practice.

The testimony was here closed.

Requests to charge were made by both parties, which we have not room for.

CHARGE.

Before leaving to the Jury the questions of fact, the Court proceeded to dispose of the questions of law involved. After stating for what the action was brought, and referring to the importations, entries and protests of the plaintiffs, he said: The plaintiffs claim that their evidence tends to prove: 1. That in some cases they paid no freight or charges of any kind; that the goods were "free on board." 2. That in other cases they have been compelled to add an arbitrary sum for costs and charges more than the amount paid by them. 3. That they were compelled to pay an extra charge for commissions above the usual rate in the market in which the goods were purchased. 4. That they duly

protested against these exactions, and only submitted to them for the purpose of obtaining possession of their goods.

The defendant resists the recovery because he says that inland freight was properly added to the invoice, under the act of March 3, 1851, and that the other costs and charges were proper and legal under the Treasury instructions and the law.

This raises a question which has been a good deal discussed, and about which there has undoubtedly been some diversity of opinion in the Courts. On Feb. 1, 1856, the then Secretary of the Treasury, Mr. Guthrie, himself an able lawyer, issued Treasury regulations in a pamphlet form, in which he says: "Freight and transportation from the port of shipment to the port of importation is not a dutiable charge."

This construction was thus early given to the act by the Treasury Department. If that is a correct construction of the law, such charges are in violation of the law, and cannot be sustained. The question seems to have come before the Circuit Court in a case in California in 1858, (Gibbs vs. Washington, 1 McAllister, 430,) in which the Court came to the same view as the Secretary of the Treasury did in issuing the regulation which I have read.

Again, a Treasury circular was issued, dated May 1, 1863, while the present Chief Justice of the United States was Secretary of the Treasury, reaffirming the principle laid down in the Treasury regulation of 1856, and conforming to the decision of the Circuit Court of California in the case of Gibbs vs. Washington. This decision, certainly of a very respectable Court, does not seem to have been overruled, and has only once been questioned, in the case of Warren vs. Peasley, in an opinion by Judge Curtis.

I think, therefore, on looking at the law itself, and the Treasury circulars of the different administrations, that the charges added for inland freight were illegal. I do not mean by that that they were understood to be illegal at the time they were made. I mean that it was an erroneous construction of the law, and nothing more.

Then as to commissions—in all these protests which have been brought to the notice of the Court, it seems that they were charged 2½ to 3 per cent. commissions. The statute requires the charge of the "usual rate" of commission. This has received a judicial construction.

If it had not, it would seem to be very difficult for lawyers to differ upon the subject. There really seems to be room for but one opinion. It is not what the importer may have paid as commissions. He may have got the goods without paying any commissions, but he would still be liable for a charge for commissions, and must pay the duty upon them. On the other hand he may have paid much more than the usual rate of commissions. But he is not bound to pay on more than the usual rate, because that is the sum fixed by law, and what is the usual rate is a question of fact.

A number of witnesses have been examined upon that subject. The plaintiff himself, Mr. Hutton, an old, experienced and very intelligent merchant, and two or three Custom House officers, Mr. Phillips and Mr. Ogden, I think, testified upon that point. The evidence is uniform. There is no discrepancy that the usual rates of commission in Continental Europe are two per cent., except Paris, where they are three per cent., and that for Great Britain, they are one and a half per cent. All the importations that I have examined in this case came from Continental Europe, and consequently upon this evidence, only two per cent commissions should have been charged, that being the usual rate. If there were any from Paris the commissions should have been three per cent. If, therefore, the commissions upon any of the entries from Continental Europe, except Paris, were increased above two per cent. any commissions demanded above that rate were illegally exacted, and if they are proved upon the part of the plaintiff in this case, they should be refunded; and if from Great Britain, where the usual rate is one and a half per cent., if any greater commissions were exacted, they were illegal and should be refunded.

The costs and exchanges should unquestionably be added to the invoice—that is, what was actually paid. They have no right at the Custom House, any more than the merchant has the right to make an arbitrary estimate for purposes of convenience. It seems that for many years they have adopted what has oftentimes been called in the Court (and I have had it in previous trials before me) Phillips' Report, for the convenience of the parties, the Custom House and the merchant, which may be in the main, and probably is, nearly correct. But that is used only by consent. The Custom House has no more right than the merchant to fix an arbitrary value upon these costs and charges. The merchant is bound to enter the actual costs and charges as they were paid. If there were more paid; if the goods were delivered "free on board," free from all those charges, then it has rightly been held in this Court that the importer was not liable for any, for the reason that it is to be supposed that those charges were paid by the seller and made up a part of the marketable value of the goods. There are many cases as well by Judge Nelson as the other Judges sustaining this point.

The *second* objection of the defendant is that there were no protests sufficient to enable the plaintiffs to recover in these cases. The act of February 1845, required the protest to be made "at or before" the entry. The act of March 3, 1857, under which these entries were made, changes the expression "protest," but uses language very similar, and says it must be done within ten days of the time of the entry of the goods. The language of this act as to what the protest shall contain, is precisely like that of the act of February, 1845, probably being copied from it, and provides that the protest shall set forth distinctly and specially the objection to the payment of the duties so that the Collector may know the reason of the protest.

We have already seen what these protests are. They seem to set forth as clearly and distinctly as the English language will well admit, the objections which the merchant makes to paying these duties. I cannot well conceive making them more clear.

But it is objected that in some of these cases there have been no protests filed at the time, or even within ten days. It is conceded, however, that there had been previous protests filed, which claimed to be prospective and continuous, and which the merchants intended to be so.

The question of prospective protest has undergone a good deal of discussion in the courts, but it seems to be now well settled so far, at least as this Circuit is concerned, and I think, unless the decisions are overruled by the Supreme Court of the United States, the law of the land, is settled. The first time that the question arose whether a protest of this kind was valid as to subsequent importations, was in Maryland, before Chief Justice Taney in the case of Bruce & Son *vs.* Mariotti, which appears to have been tried in April, 1849. The question was discussed before the Chief Justice by a very able lawyer, then, I think, holding an official relation to the Government. Reverdy Johnson, who maintained that the protests were invalid and insufficient, but the Chief Justice decided that they are clearly sufficient, and says that there is nothing in the letter, the reason or the spirit of the law, which requires one of these to be attached to every particular entry that is made. That case went up to the Supreme Court and was decided there in January, 1850. (9. How. 620). The question was again pressed upon the Supreme Court by Mr. Reverdy Johnson, with his usual ability, as the report of the case will show. Justice Woodbury delivered the opinion of the Court, sustaining the opinion of the Chief Justice. So far as appears from the report, this was the unanimous opinion of the Supreme Court.

It came up again before this Court in November, 1855, Judges Nelson and Betts sitting together, in the case of Steadman *vs.* Maxwell. (3 Blake, 369.) They held the same view, and that has been followed in this Circuit in very many instances, among which is the recent case of Fowler *vs.* Redfield, not reported, decided by Judge Nelson in December, 1862.

I am at a loss to conceive how a distinction can be made between this class of prospective protests and the protest that was presented in the case of Bruce *vs.* Mariotti, for clearly this is a guide as distinct and specific, and, I think, a little more so than the protest in that case.

Another suggestion may be made. All these protests were made under the act of February, 1845, the language of which is adopted in the act of 1857. Now it is hardly to be supposed that the eminent lawyers to be found in both branches of Congress, when they adopted the language of the act of 1845 in the act of 1857, did not know what construction the Courts had given it. It cannot be that the Supreme Court decided this question in 1850, and that this legislation took place six years afterward, in ignorance of it. If it had been the design or the desire of Congress to change the construction which the Government and the Court had given it, it is very natural to suppose that they would have used different language in the act of 1857, in order to indicate their design in some manner.

There is but one case that I have ever seen in which the decision in Bruce *vs.* Mariotti has been criticized and that was the case of Warren *vs.* Peasley, (2 Curtis, 231,) where Judge Curtis, in the Massachusetts Circuit Court, ruled that the protest was insufficient, and very ingeniously (for he was a learned and able Judge, possessed of a very acute and logical mind,) attempted to make a distinction between the two cases. But I must confess, from the examination I have given it, it seems to me to be a distinction without a difference. The principle in each appears to be precisely the same.

Again, if there were no judicial decisions upon this subject, we reach the same result in reasoning. What was the object of the legislation providing for this protest? It was that the Collector should be advised distinctly and specifically what the merchant insisted he ought not to pay, and which he protested against as an illegal exaction, and that he intended to hold the Collector responsible under the law for the exaction. Why is it necessary to repeat it? This case furnishes a very fair illustration of it. Here is a merchant making some 500 entries in this port, at least one almost every week in the year, and perhaps more, of precisely the same character. What sound reason is there for compelling him to go through the formula of saying in each one of these cases "I protest," when he has told the Collector in the first case that he protests against that and against all similar exactions. I am at a loss myself to see any good purpose that would be answered by the Court's adopting that construction.

The third objection made to the recovery in this case is that no appeal was taken to the Secretary of Treasury under the fifth section of the act of 1857. In giving a construction to that act it is perhaps well and wise to consider the purpose of the act. That it is a severe act, one that was intended to and does limit and restrict the common law and equitable rights of the merchant, all must agree. It is a well-settled rule of construction in all Courts, that acts of this description shall be construed strictly; that they shall not be extended any further than the language of the law requires. But they must be enforced as far as the language does require.

The language of this act, so far as this question is concerned, saying that the decision of the Collector shall be final and conclusive unless it is appealed from under certain conditions afterward described, says that the decision of the Collector shall be final and conclusive "as to their liability to duty or exemption therefrom." What is meant by liability to duty or exemption therefrom? We have had the difference between the rate of duty and the liability to duty very clearly explained by Mr. Ogden. Now it is very clear that "liability to duty or exemption therefrom" does not in itself, by any fair implication of language, extend to the rate of duty that may be imposed, or to the amount of duty, but simply to the question is it dutiable?

I have had put into my hands the opinion of a very able lawyer, formerly upon the Bench, now at the Bar again, who considered the act to apply not only to exemption from duty entirely, but to the rate of duty. I am inclined to think that his reasoning upon that subject, though not necessary here, is probably sound.

The question here is not whether this language of the act necessarily implies that the decision of the Collector shall be final, when he decides whether a certain article is liable to duty, or if liable, at what rate of duty, 5, 10 or 15 per cent. It is not the question here whether this property was liable to duty. It is conceded that it was. It is not the question what the rate of duty should be—whether any of this property should pay one per cent., or another. It is admitted to be liable to duty, and the rate is conceded. The merchant and Collector agree upon that.

The Collector claims, however, that certain charges should be added. That the merchant denies. Now does it necessarily follow from the reading of the language, that the decisions of the Collector shall be final upon that question, construed as I have already stated it should be? Such would be my construction, without authority; but I am happy to find that I have been anticipated in this by the decision of the Treasury Department itself, having charge of these questions.

It seems to be the decision of Secretary Cobb, Dec. 20, 1859, and, again, April 7, 1860, upon this precise question, in instructions to Custom House officers throughout the country, that in such cases the rule requiring appeal did not apply, and that it was unnecessary to take it. Secretary Chase, on June 9, 1862, took the same view of it, in a very full and masterly letter, that no appeal was required. This was in relation to this particular class of cases—costs and charges.

It also appears from various pieces of evidence that these instructions of Secretary Cobb and Secretary Chase have been acted upon by the Treasury Department. In a great variety of instances hundreds, and perhaps thousands, hundreds of thousands of dollars have been refunded, which would not have been refunded if this act of March 3, 1857, had been understood as applying to this class of cases.

It appears that on March 30, 1865, Mr. Secretary McCulloch repudiated this construction. But even in that case—I do not remember the name of it—it appears that he reconsidered it and ordered to be paid judgments rendered on that ground, so that that can hardly be considered as a revocation of the previous action of the Department, although in this case his instructions to the District Attorney are unquestionably such as to require him to raise that question and a great many others. I hold, therefore, that upon that ground an objection cannot be sustained; that there is no bar to recovery in this class of cases, in this section of the act of 1857.

Again it is claimed, that the additions to these entries were the acts of the plaintiffs, and in consequence, that the payment of the duties thereon are voluntary, and therefore that the plaintiffs should not recover.

That is to a certain extent a question of fact which will be submitted to the Jury. It, however, the evidence of the plaintiff and of his Custom House clerk is true, if the Jury give it credence, taking it in connection with some further testimony which has been offered this morning—if the Jury give credence to their statement that when they made those entries they were told by the entry clerk of the Custom House that they must make these additions or he would not receive the entry, and that they acted under these instructions for the purpose of obtaining possession of their goods, making a protest at the time and saying that it was added by compulsion, then that was not the voluntary act of the merchant. In one sense it might be called perhaps the act of the Collector; but we cannot call that the act of the merchant, which was done under what may be called legal duress, so far as the word "duress" can properly be applied to property instead of to persons, which is not a strictly proper application of the term, although other Courts have used it before. This is a question of fact which will be submitted to the Jury, and if they find these facts they will be told that this objection also is of no avail.

Another objection to recovery in this case is that the action of the Appraiser was conclusive, and that the Collector was by law bound to collect the duty on the amount returned by them. Without going into any elaborate discussion of the principles which might be involved in that proposition, it is sufficient to say that in this case, if this act of the plantiff was based upon a compulsory act of the collector, if the plantiff put the entries on these to obtain possession of the goods and protested at the time; saying they were illegal; but if he put the additions on because they would not otherwise pass the entry, if that was the foundation of it, this, too, falls to the ground. The original wrong was in the Collector or his agent, and he cannot now turn round and say, "I forced you to put it on, else I would not let you have your goods." The English of it would be this: "But when it was put on it went into the hands of the Appraisers, and the Appraisers accepted it and made no change, and when it came back I was bound to exact the duty, and now I will not pay it back to you because you put it on there." How came he to put it on there? It comes back to that question.

In this position is the objection which has been practically offered here this morning, by the evidence, that the Collector is not liable for the action of his entry clerk. The statement of Mr. Schell as to what he thought would be done is a matter of no consequence here. Mr. Schell stated that he gave no instructions to the entry clerk, other than to enter the goods according to law and the Treasury regulations, and he does not think they used any compulsion in this case: but that is not evidence. No one doubts that the statement of Mr. Schell is strictly true, that his instructions to all his clerks were to perform their duties according to law or the Treasury regulations emanating from his superior, the Treasury Department. It is now claimed in his behalf by the counsel for the Government, that the entry clerk did that without his authority, and that therefore, although it was an official act, he was not bound by it.

Probably there have been thousands of these cases tried in this and other places within the last twenty years. I presume this is the first time this objection was ever made, and I cannot regard it with favor now. It must be overruled.

Let us look for a moment. Suppose this principle was admitted to be sound, what would be the position of the merchant? He goes to the proper officer. The immense business of the Custom House must be divided among various branches, each having a separate and distinct head, and having clerks under them. This is a necessity. The Custom House here is a large part of the Treasury department—a sub-treasury department of itself. The merchant goes to the entry clerk and is told, "I cannot take your entry here, unless you make certain additions to it." "But" he replies, "I do not consider these right; I will not make them; I did not pay these charges; it is a violation of the law to require me to make them." "Well, I shall not take your entry unless you do." There stands his cargo of goods, liable to injury or destruction; he cannot litigate the question then, and he says "I will put it on, but at the same time I will tell you why I put it on that it is because you compel me to do it," and he protests at the very moment. He writes upon the entries by "compulsion," and leaves with the entries a protest that he makes the addition because he is compelled to do it in order to get possession of his goods, that it is illegal, and that he intends to get it back if the law will sustain him. That is the English of it, without going through it further.

This would leave the merchant at the mercy of every little entry clerk, if the clerk—here to-day and there to-morrow—alone was responsible. The gross injustice which is manifest in the practical operation of this principle, is sufficient to show that it cannot be founded in law. The law has sometimes been said to be the perfection of human reason. There is reason in law—it is the spirit of it. But I do not think there is any reason by which such a principle could be maintained.

It is true that Mr. Schell gave his officers most explicit instructions to act according to law, but it is equally true that he says he knew they were making these exactions. He supposed, probably, that it was according to law. No doubt he did, or he would not have done it. And if he knew it and the money went into his hand, on another principle he would be liable. I refer to the old rule, *qui facit per alium facit per se*, which applies here most emphatically. So that I think this objection is without any foundation.

It would hardly do, when money has been illegally exacted by an officer under Mr. Schell's control and paid by him into the Treasury, (and whatever the rule was before, Mr. Schell is personally protected now,) it would hardly do to turn round and tell the importers that they must look up the entry clerk, who when found might be responsible.

This disposes of the questions which seem to me to be questions of law. Various requests to charge have been made, which I shall not take particular notice of, but the defendant will have the benefit of them so far as I have declined to comply with his requests.

There remain only two or three questions for the jury which I will now submit to them.

The questions submitted to the jury were as follows:

1. Was the amount of costs and charges paid by the defendants on these entries equal to the amount on which duties were paid?

2. Were the commissions stated in the entries at the usual rate?

3. Were the additions on these entries made by the plaintiffs voluntarily, or to obtain possession of the goods?

The Jury found a verdict for the plaintiffs.—*N. Y. Times.*

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The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
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REVIEW.

THE Commissioner has ruled that the provisions of the Act of July 13th, 1866, relative to the payment of the tax on clothing by the parties who furnished the materials to be made up by others, does not apply to the manufacture of "constituent parts" of clothing made from materials owned by one party, and furnished to and manufactured by another. In this later case the manufacturer, the maker of the "constituent parts," must pay the tax in the district where made, as in the case of other manufacturers.

Great interest is being manifested in regard to the proceedings in Congress bearing on the tariff, internal revenue and currency. The special Commissioner, Hon. David A. Wells, has made a very full and comprehensive report on the course of legislation deemed proper to be now pursued with respect to the modification and amendments of the Internal Revenue and Customs laws. It is especially valuable for containing most recent and reliable statistics on important branches of revenue and commerce.

Special 45 has been published before, but is again inserted, by request, for the information of Collectors and distillers at remote points.

STEAMBOAT PASSENGER TAX.

THE question is mooted as to the liability under existing laws of steamboats and other vessels plying between ports and places in the United States, and carrying passengers and mails for hire. Communications have been addressed to the RECORD, requesting information on the subject, among which is one from Horace Dresser, Esq., an officer connected with the revenue in this city. Mr. Dresser states, on his official knowledge, that Assessors generally are not enforcing the law—and large amounts are being lost to the revenue. He maintains that vessels in the domestic trade are liable on their gross receipts for passengers and mails, but not for freight, the tax on which is removed by the amended act.

The question is not free from difficulty, yet on a full examination of the law, we are inclined to the opinion that such vessels are liable to the tax on the receipts for the transportation of passengers, notwithstanding they may have paid tonnage duty. The 4th section of the Tariff Act, March 3d, 1865, exempting vessels paying tonnage duty from the tax on gross receipts imposed by section 103, of the Excise Act of June 30th, 1864, is rendered either inopperative by the repeal of that section, or that provision of the Act of 1865 is repealed altogether by the Amendatory Act. This change was effected by the enactment of an entirely new section, under the same heading, in place of section 103, and by the express repeal by section 70 of the amendatory law, of all acts or parts of acts, inconsistent with its provisions. This new section imposes specifically a tax of 2½ per cent. on the receipts of vessels for the transportation of passengers and mails, but no tax on receipts for transportation of *property*. And so the department has decided that freight receipts are exempt under said section. Decision No. 170, (RECORD, Vol. IV., p. 61).

Inasmuch as the tax in question is imposed by the Act of July 13th, 1866, which repeals all laws inconsistent with its provisions, a claim for exemption under section 4, of the Act of March 3, 1865, on account of vessels paying tonnage duty, cannot stand. Nevertheless it appears from a communication addressed to Assessor Treadwell, in October last (RECORD, Vol. IV., p. 149), that the Department was not then prepared to adopt the construction which holds vessels for the tax.

The call for specific instructions from the Department, for officers to carry out the law, and to establish uniformity of practice under it, is most urgent. It is a matter of several millions a year.

☞ A FULL and complete Index to Volume IV., of the RECORD, which terminated with the issue of December 29, 1866, will be printed on a fly sheet with title page, and will soon be forwarded to subscribers.

THE article on the whiskey frauds in the Third District, Brooklyn, in another column, will give the public a faint impression of the immense frauds perpetrated on the revenue in and around New York City. Distilleries are placed under seizure, yet run day and night, and Sundays, apparently with no interference. It is to be feared that districts in New York can reveal whiskey frauds as extensive as those in Brooklyn.

SUBSCRIPTIONS to the RECORD are payable in advance. All subscribers in arrears are therefore respectfully requested to forward their dues without delay.

THE receipts from Internal Revenue for the six months ending December 31, 1866, being the first half of the fiscal year, are nearly $167,000,000. The average daily receipts at present do not exceed $500,000.

The RECORD makes its appearance to-day in a new dress.

Communications, &c.

INDIANA, Dec, 28th, 1866.

EDITOR INTERNAL REVENUE RECORD.

SIR: How do you construe section 18, Revenue Law, relating to the pay of Assistant Assessors through the collectors. In some districts of this State, Assistant Assessors are paid between the 10th and 15th of each month; in other parts they are not paid and are always behind from three to four months. How is this?

The law is plain, that the Collector shall pay when receipted by the assistant. It is hard for some of us to make ends meet, and harder still when we must expect an officer with an execution to take our little property and sell it under the hammer to pay for our provision bill, which we can't pay, because we cannot get our dues from the Government, or from the Collector.

Respectfully,

ASSIST. ASSESSOR.

It is the duty of Collectors of Internal Revenue, on or before the 5th day of each month, (Regulations Series 2, No. 2, Record, Vol. III., p. 68,) to submit estimates for the amounts required to pay the salaries of Collectors, Assessors, *Assistant Assessors*, &c., for the current month, and they are, as a rule, immediately supplied with the necessary funds to pay the same promptly on its expiration. The unreasonable delay of which our correspondent justly complains, must be owing to the delinquency of collectors in submitting proper estimates, or in making payments on being furnished with the funds.

SIR:

Does what is called pound cake, valued over 20 cents per pound, come under the law taxing candy. Answer in RECORD.

ASSIST. ASSESSOR.

No kind of cake is taxable as confectionery.

(ED.)

VOICE OF THE SERVICE.

TO THE EDITOR OF THE RECORD.

In your No. 25, Assistant Assessor comes right at the difficulty that all assistants find in making up an income tax with a farmer. With a large number of them in my division, I have not received the first making up that an honest man, knowing the law, could place much confidence in. A very few, simply farmers, in my division, pay a small income tax, but they, as both patriotic and honest men, I consider far above the average of mankind.

A mechanic, tradesman or manufacturer, man or woman, whose gross business is $1,000 per year, pays a special tax of $10,00. If the same rule should be made applicable to the farmer, our tax would be made somewhat more equal. With the farmer might be included the salaried man.

ASSIST. ASSESSOR, No. 2.

STAMP TAX.

A meets his neighbor B, and asks him what he thinks of that part of our Internal Revenue Tax, the Stamp Tax? B says he does not like it. A inquires why. B says the time and trouble it takes cost more than the value of the stamp, and that if any reduction of taxes is compatible with the interest of the Department, let this, which so interferes with business, and contracts between man and man, go.

IF the time of assessing the Income Tax shall be changed from May to March, as recommended by Commissioner Rollins, and the time of assessing the Special Tax remain as at present, the Government would gain, and the special pressure upon the Assistant Assessors would be somewhat eased.

TABLE OF ASSISTANT ASSESSOR'S PAY EXEMPT FROM SALARY TAX.

Table showing the amounts *exempt* from tax on Assistant Assessor's *salary*, prepared by W. H. SPENCER, Chief Clerk Assessor's office, 4th District, Ky.

DAY	EXEMPT	DAY	EXEMPT
1	$1.93	14	$27.02
2	3.86	15	28.95
3	5.79	16	30.88
4	7.72	17	32.81
5	9.65	18	34.74
6	11.58	19	36.67
7	13.51	20	38.60
8	15.84	21	40.53
9	17.37	22	42.46
10	19.30	23	44.39
11	21.23	24	46.32
12	23.16	25	48.25
13	25.09	26	50.18

BOUNTY TO COLORED TROOPS.

DECISION OF THE SECOND COMPTROLLER.

In answer to inquiries made by Colonel C. D. Pennibacker, Military Agent of the State of Kentucky, under date of December 3, 1866, whether or not, under any law or decision, colored troops are entitled to bounty who enlisted from the 19th day of June, 1864, to the 4th day of July, 1864, the Second Comptroller made the following reply:

No provision has been made for bounty to colored persons enlisting in the interval above named. The joint resolution of June 15, 1866, as amended by the joint resolution of July 26, 1866, provides that "where nothing appears on the muster rolls, or of record, to show that a colored soldier was not a free man at the date aforesaid, (19th of April, 1861), under the provisions of the fourth section of the act making appropriations for the support of the army for the year ending the 30th of June, 1865, the presumption shall be that the person was free." This fourth section in the act of June 15, 1864, gives to colored soldiers who had at that date been mustered into service, the pay, bounty, &c., allowed to them by the laws existing at the time of their enlistment, and authorized the Attorney General to determine any question of law arising under this provision. The Attorney General (Mr. Bates), on the 14th of July, 1864, decided that the same pay, bounty, and clothing are allowed by law to colored soldiers (free on the 19th of April, 1861), mustered into service between December 2, 1862, and June 16, 1864, as are allowed to white soldiers of like arms of the service.

Applying this exposition of the law, and giving the claimants, under the joint resolution of June 15, 1866, the benefits of a presumption of freedom on the 19th of April, 1861, a hiatus still exists, and no bounty can be paid to a colored soldier enlisting between June 15 and July 4, 1864, (the law of the last named date, calling out the national forces, making no discrimination on account of color), *except by order of the President*, who is empowered by the second section of the Act of June 15, 1864, to allow, "in the different States and parts of States," to persons of color who shall "hereafter" be mustered into the military service of the United States, a bounty to each not exceeding one hundred dollars. No order has been issued, and no bounty has been paid under that section.

THE WHISKEY FRAUDS.

THE INVESTIGATION INTO THE FRAUDS IN THE THIRD DISTRICT OF BROOKLYN.

THE Committee appointed by the house of Representatives to investigate frauds in the Internal Revenue Department, of which Hon. Mr. DARLING is Chairman, will undoubtedly disclose a state of things which will astonish the country in regard to the frauds practised upon the Government, however partial and imperfect the investigation may be. The whole matter ought to be subjected to a scrutiny far more prolonged and thorough than this committee can possibly give it. Meantime, so far as one or two districts are concerned, the investigation now in progress under judicial authority in Brooklyn, will develop a state of affairs in regard to frauds in the payment and collection of the tax on *whiskey*, which cannot fail to arrest the attention of Congress and the country at large. In referring lately to the inquiry on foot in the *Third District*, we expressed the opinion that the further the investigation was pushed the more extended, systematic and enormous the frauds would be found to be. The evidence thus far taken fully sustains our prediction. We then had in mind transactions only which had occurred since the 1st of September—when a change of officers took place;—but subsequent inquiry shows that a full view of the case requires recurrence to events of an earlier date.

Two lists, made up in the Collector's Office, have been produced in evidence under the power of a *supœna*—to which we refer in support of the statements we propose to make upon this subject. The first is a list of the persons who were licensed to sell spirits in that District during June, July and August last. It specifies the dates of their licenses, the capacity of their stills, the amount which they returned to the Government officers as manufactured during the month, and the amount of tax which each paid to the government.

These distillers, aside from grain distillers, were ninety in number. Thirty-three of them were licensed before June 1, twenty-five more before July 1, twelve more before August 1, and the remaining twenty-four before September 1. Their stills would run from fifty to five hundred gallons of spirits a day, averaging one hundred and twenty-five gallons. Every one of them was bound to pay a license fee before receiving his license, and was bound also to make returns to the Assessor of the amount of spirits manufactured by him in each month, upon which the Assessor was to assess the tax, which was thereupon paid to the Collector.

The first remarkable fact which strikes one in examining this list, is that of the fifty eight distillers who should have made returns during the month of June, only thirty-one made any returns at all. Yet the fact that twenty-seven of them, who had paid their license fee in order to distil, made no return of anything distilled, does not seem to have called for any action from Assessor or Collector—although the failure to make returns is an offence for which stringent penalties are provided in the law. Still more remarkable are the returns that were made. They average with great uniformity one or two, sometimes three barrels a month. It seems to have made but little difference what was the capacity of

the still—some of the larger stills return less than the small ones. But in no case does the return equal what the still could have made in running one day out of the thirty. The capacity of the fifty-eight stills was about 7,000 gallons a day. They ought, therefore, every day they all ran, to have returned to the Government a tax of $14,000. And we think the experience of every one who knows will agree with what is our understanding of the fact, that these stills ran night and day at their fullest capacity, with very rare exceptions. Setting aside the distillers who were licensed during the month of June, the thirty-five who were licensed before June 1, and had the whole month to make returns for, could have manufactured about 4,500 gallons per day, and should therefore, have returned to the Government during the twenty-six days of June, excluding Sundays, a revenue of $234,000. *But the whole amount of tax returned by the Assessor on these distilleries and collected by the Collector, for the whole month of June, was only* $6,453 78.

As we look through July and August, the same state of things prevails, but with a steady and enormous increase. Forty-eight out of seventy-two made returns in July. The fifty-eight that were running on July 1 should have returned a tax of about $15,000 a day, or for the month of July $475,000, exclusive of the twelve who were licensed to run during a portion of July. But the whole tax on spirits returned by the Assessor on these distilleries, and collected by the Collector, was the beggarly sum of $7,834 12.

Only sixty-five out of the ninety-four made any returns at all in August. The seventy-two who were running on the 1st of August were able to distill on the average about 9,000 gallons a day, and should have paid a tax of $516,000 during the month; while the whole tax returned by the Assessor, and collected by the Collector, from the whole ninety-four for the month, was only $7,330 16.

Thus the list shows the whole amount of tax received by the Government during the three summer months to have been only $21,618 06, while a low estimate of what it should have been fixes that amount for the three months at $1,225,000, making the loss to the Government in this one District during these three months at least $1,200,000; and this loss was just as plain to be seen by the Government officials then as it is now to any one who will examine the lists. Does any one wonder that whiskey has been steadily sold in this market for less than the Government tax?

It may, perhaps, be claimed that the figures of these lists may be explained consistently with the honesty of the officials by supposing that the stills ran but a portion of the time. The general impression certainly is that the fact was the other way. But, aside from that general impression, the lists tell a different story. Can any one believe that so many distillers should take out a license in one district simply in order to run one barrel a month, or two or three? It would be a most improbable thing. But it is yet more improbable to suppose that they would dare, immediately after taking out licenses for stills which would run from a barrel to ten barrels a day, to return for the very first month only a barrel or so. One might have done so if he was a very reckless man. But the uniform practice of them all to do it, indicates very clearly some previous understanding on their part that their returns would not be very closely scrutinized.

But these inferences are not all which we have on this point. The testimony shows that Mr. DEVLIN, one of the principals in the transaction after September 1st, was actively engaged in buying spirits before that time, and these very men who made these small returns to the Government were at the same time selling to him. One sold him 11 barrels in July and August, but returned nothing to the Government. One returned 40½ gallons to the Government, but sold to Mr. DEVLIN 75 *barrels* in August. Another returned 39 gallons, and sold DEVLIN 78 barrels. Another returned 55½ gallons, and sold him 72 barrels and one pipe. Another returned 41½ gallons, and sold him 20 barrels and 3½ pipes. These are some samples out of the lot, and they indicate clearly that the general impression that the distilleries were busy, was well founded, and that the frauds which were carried on after Sept. 1, were but a continuation of what had been going on before.

Our readers will smile to note the semblance of honesty in putting the half gallons on the returns to show accuracy.

Another fact may be stated as showing the care taken to avoid accidents. The law provided that every distiller should make his returns to the Assessor personally. The inspector was also to make frequent inspection, and to make a return to the Assistant Assessor. These returns were probably intended to be a check upon each other. But it appears here that, inasmuch as there was danger, where there was so large a margin for mistakes, that the distiller and the Inspector should not agree as to the amount to be returned, it was the habit of the Inspector,—this same Mr. TILTON—to make out his return, and give a copy of it to each distiller, who took care to have the return which he made agree with it. And these duplicate returns of the Inspector are proved to have been regularly attached to the returns made to the Assessor, thus bringing home to him the knowledge of the mode in which the Inspector was doing his work.

With the 1st of September came a change in the Collectorship and a change in the law. The only change, however, in the returns of the tax on spirits was for the worse. Another list, which was produced like the one before referred to, shows that during September and October not one dollar of tax on spirits was paid to the Government by any of these distillers. How far the change in the law will account for this we cannot tell. It became necessary for a distiller to fit up his distillery with tanks, &c., and to have an Inspector specially appointed, whom he had to pay at the rate of $5 a day, for inspecting the liquor which he manufactured. Out of the ninety-four distillers who were running during August, only six complied with the new law in September. Three others took out licenses, and these nine were the only ones who were authorized for that month to distill spirits in the District. Now comes on the era of the fraud which we described in our former article. It seems to have taken some little time to get the details of it arranged, but during the last days of September, DEVLIN appears to have commenced to buy again, and from that time till the disclosure of the fraud he alone is proven to have bought of these distilleries 3,300 barrels of spirits, the tax on which would have been about $300,600. The names of the men for whom TILTON branded the spirits which DEVLIN bought, are, many of them, the same who were licensed before September 1. They were known to the Assessor of course. They should have been known to the Collector. But no proceedings were taken to stop their manufacture or to interfere with them in any way, whether with those who had not complied with the new law, or those who had complied with it, but made no returns of any spirits made.

Let us look at some of the details: One of the distillers was named BAKER. The capacity of his still was about 225 gallons a day. Up to the time the list was made, the middle of December, he returned to the Government not one gallon manufactured. He is proved to have sold to DEVLIN one barrel in September, thirty-seven in October, and eleven in November. How much he sold to other parties does not appear, but of course these men would sell to DEVLIN just as little as they could, for he was continually beating them down in price.

Another distiller, named FARRELL, made a return. He returned nothing in October, 201 gallons in November, and 83 in December to the 18th. He is proved to have sold to DEVLIN 204 *barrels* in October alone.

Another, named LYNCH, was distilling before September 1, but did not comply with the new law till November 19, and his still ought not to have run at all till then. He is shown to have sold to DEVLIN seventeen barrels of spirits in September, thirty-nine in October, and eight in November, and, not to take too much from the Government, he actually returns that in November he made eighty-four gallons.

CHARLES H. MEYERS was entitled to begin work on the 30th of October with a still which would run 375 gallons a day. He sold to DEVLIN 5 barrels in September, 65 in October, and 44 in November, and he returned to the Government that he had manufactured 153 gallons in November, and in December none.

These are a few specimen bricks from this monstrous edifice of fraud. It will be noticed that the arrest of DEVLIN in the middle of November does not seem to have stopped the business. If he had been the only one engaged in it, it would have been natural that his arrest should have checked it, and that from that time there would have been an increase in the amount of spirits returned. But this list, made up to December 18, shows the contrary. Many of these distillers returned nothing at all up to the time the list was made out. The fraud had been too extensive, it had run too long and too freely to be brought to a sudden standstill by so slight a thing as the arrest of DEVLIN and Inspector TILTON.

What would have happened if the explosion had not come when it did? The plan of branding the liquor as "manufactured prior to September 1st, 1866," could not last forever. And it could hardly be expected that DEVLIN would leave so profitable a business as this must have been to him, even though he had to pay $30,000 a month for "protection." Some new plan would have to be devised. Accordingly, we find in the proof that he had concluded to turn distiller. He had leased a large grain distillery, able to run 2,500 gallons a day, and the only one which during this time had made returns and paid taxes at all approaching its capacity. In what way he was to carry on this special business of cheating the Government the evidence does not show. But there were some questions put by the District-Attorney which may give a clue to it. There are very plain intimations that Mr. LEVAN was to be the inspector of that distillery. If that is so, it caps the climax of the whole affair. Mr. LEVAN was DEVLIN's coadjutor in the whole affair. It was on his application that the fraudulent branding was made by TILTON and his appointment as inspector. An appointment which must have been recommended by both the Collector and the Assessor, could be considered in no other light than a permission to defraud the Government as much as he pleased.

It is not proved, indeed, that LEVAN was appointed, but the inquiries of the District-Attorney in that direction clearly intimates that such was the case. And if this is the fact, the public would like to learn it, either from the District-Attorney or some one else who knows.

Another fact which the public would like to know is, whether the Department has been made aware of these facts, as they certainly should have been. If they are not yet made aware of them, they soon must become so. And the public will look with some interest to see what course is pursued to check and to punish such a course of fraud as this. Something must be done, or there will be a dissatisfaction which will make itself felt both here and at Washington.—*N. Y. Times.*

Treasury Dept., Decisions, &c.

OFFICIAL.

MANUFACTURE AND PAYMENT OF TAX ON CLOTHING AND CONSTITUENT PARTS OF CLOTHING, SHIRTS, PANTS, &C., BY PARTIES NOT OWNING THE MATERIALS.

ASSESSOR'S OFFICE, 4TH DIST., NEW YORK,
NEW YORK, DECEMBER 14, 1866.

SIR: I have received your letter of the 19th ult., stating that information has been received at your office that Messrs. ——— ———, and other parties in this District had been manufacturing shirt fronts upon which they paid no tax—directing me to cause an examination into the matter.

I have the honor to report that I have examined Messrs. ——— ——— under oath, and have also made diligent inquiry in reference to other persons engaged in the same business. The examination shows that Messrs. ——— ——— have furnished material in the piece, to persons in this city, Brooklyn and Newark, understanding with these parties that the shirt fronts were to be returned to them completed, and tax-paid. Assessor Halsey of Newark required of the persons who made up the goods in his District to pay the tax on them there, and the tax was so paid. I am informed by Assessor ——— of Brooklyn, that he has not received any returns from any of the persons *who have* been manufacturing for Messrs. ———, and that therefore the tax on those articles had not been paid. The persons named by Messrs. ——— ——— as having done work for them in New York, have been out of business for a long time, and I have been unable to find any trace of them, and am uncertain whether they paid the tax or not.

Under the department's construction of the law prior to the Act of July 13th, 1866, I am in doubt whether I have the right to demand of Messrs. ——— ——— a return of the goods manufactured for them in other Districts when the materials were furnished by them in the whole piece. Ought not such goods to have been returned in the District where the cutting and labor was performed, as required by Assessor Halsey?

In this connection I beg leave to ask if the provisions of the Act of July 13th, 1866 in relation to clothing taxable at 2 per cent are held by the Department to apply to the "constituent parts of clothing" in this—that parties who furnish the material and employ others to do the work shall pay the tax—shirt fronts being taxable at 5 per cent. as constituent parts of clothing.

In reference to other parties in this District who are engaged in a similar business as Messrs. ——— ———, I would state that in view of the doubts as to who should be considered the manufacturers, I have, when the parties desired it for their own convenience, always accepted their returns and assessed the tax thereon.

I would respectfully ask further instructions in the case.

Respectfully,
PIERRE C. VAN WYCK, *Assessor.*

Hon. E. A. ROLLINS,
Commissioner Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 4, 1867.

SIR: Your letter of the 19th ult., in relation to an examination which you made of the firm of Messrs. ——— ———, manufacturers of shirt fronts in your District, has been received.

You state that the examination shows that Messrs. ——— ——— have furnished materials in the piece to persons in New York, Brooklyn, and Newark, understanding with these parties that the shirt fronts were to be returned to them completed, and the tax paid thereon; that Assessor Halsey required the persons who made up the goods in his District to pay the tax on them there; that you are informed by Assessor ——— of Brooklyn, that he has not recived any returns from any of the persons who have been manufacturing for Messrs. ——— ———, and that therefore the tax on these articles has not been paid, that the persons named by Messrs. ——— ——— as having done work for them in New York, have been out of the business for a long time, and that you have been unable to find any trace of them; and you wish to be informed, whether, under these circumstances, you can demand of Messrs. ——— ——— a return of the goods manufactured for them in other Districts when the materials were furnished by them in the whole piece.

In answer I have to say that under the rulings of this office, the above firm cannot be held liable to the tax on the shirt fronts manufactured for them as described in your letter.

In reply to your second question, that the provisions of the Act of July 13th, 1866, relative to the payment of the tax by the parties who furnish the material in the manufacture of clothing, or other articles of dress which are taxable at the rate of 2 per cent., are not held by this office to apply to cases where materials are furnished for the manufacture of "constituent parts of clothing."

In the latter case the *manufacturer* is held liable to the tax, and not the parties who furnished the materials.

Very Respectfully,
THOMAS HARLAND,
Dept. Commissioner.

PIERRE C. VAN WYCK, ESQ.
U. S. Assessor, New York City.

WOOLEN YARN EXEMPT FROM TAX.

GOSHEN, DEC. 26, 1866.

SIR: Are manufacturers of woolen yarn exempt from taxation under Sec. 91, (compilation p. 51,) when such yarn is made and sold to farmers and other customers for the purpose of being knit into stockings or woven into flannel? Please explain freely your views regarding the scope of the clause exempting "*Yarn and Warp for weaving, braiding, or manufacturing purposes exclusively.*"

Very Respectfully,
GEO. D. COPELAND, *Assessor.*

HON. E. A. ROLLINS,
Commissioner Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, DEC. 31, 1866.

SIR: Your letter of the 26th ult. has been received, in which you inquire if manufacturers of wollen yarn are exempt from taxation, where such yarn is made and sold to farmers and other customers, for the purpose of being knit into stockings and woven into flannel.

In reply, I have to say that the language of the exemption is, "Yarn for weaving, braiding and manufacturing purposes exclusively." The exemption is held by this office to include *all* yarns for whatever purpose the same may be used, the term "manufacturing purposes" being broad enough to cover all uses to which yarn is usually put.

Very Respectfully,
THOMAS HARLAND,
Dept. Commissioner.

GEO. D. COPELAND,
U. S. Assessor, Goshen, Ind.

[SPECIAL NO. 44.]

REVENUE STAMPS FOR SALE IN ASSORTED PACKAGES.

OFFICE OF INTERNAL REVENUE,
Washington, September 11, 1866.

For the better accommodation of the public, Revenue Stamps will be kept by the United States Assistant Treasurers and Designated Depositaries, other than National Banks, and will be delivered in packages of the following denominations and quantities, and at the full commissions allowed by law:

CONTENTS OF PACKAGES.

A.

3 sheets, or 630	stamps,	@ 2 cents		$12 60
1 " 170	"	5 cents		8 50
19	"	10 cents		1 90
72	"	25 cents		18 00
20	"	50 cents		10 00
				$51 00

Cash Value, $50.

B.

5 sheets, or 1,050	stamps,	@ 2 cents		$21 00
3 " 510	"	5 cents		25 00
1 " 170	"	10 cents		17 00
1 " 102	"	25 cents		25 50
20	"	50 cents		10 00
4	"	$1 00		4 00
				$103 00

Cash Value, $100.

C.

20 sheets, or 4,200	stamps,	@ 2 cents		$84 00
10 " 1,700	"	5 cents		85 00
3 " 510	"	10 cents		51 00
4 " 408	"	25 cents		102 00
2 " 179	"	50 cents		85 00
1 " 90	"	$1 00		90 00
9	"	2 00		18 00
1	"	5 00		5 00
				$520 00

Cash Volue, $500.

D.

50 sheets, or 10,500	stamps,	@ 2 cents		$210 00
20 " 3,400	"	5 cents		170 00
4 " 680	"	10 cents		68 00
8 " 816	"	25 cents		204 00
4 " 340	"	50 cents		170 00
2 " 180	"	$1 00		180 00
14	"	2 00		28 00
4	"	5 00		20 00
				$1,050 00

Cash Value, $1,000.

E.

150 sheets, or 31,500	stamps,	@ 2 cents		$630 00
40 " 6,800	"	5 cents		340 00
320	"	25 cents		80 00
				$1,050 00

Cash Value, $1,000.

[SPECIAL NO. 45.]

CONCERNING LOCKS AND SEALS FOR DISTILLERIES.

OFFICE OF INTERNAL REVENUE,
Washington, October 6, 1866.

It is provided by Sec. 34, Act of July 13, 1866, that all locks and seals required by law, shall be provided by the Secretary of the Treasury, at the expense of the owner of the distillery or warehouse in which they are used.

The Secretary has accordingly prescribed a padlock, with Thompson's Patent Seal attached, to be used whenever and wherever locks ure required, upon the doors of those rooms in which cisterns required by law are placed, and upon the doors of the bonded warehouses to which spirits are removed when taken from the cisterns.

These locks may be ordered by Collectors for distillers and warehousemen from Revenue Agent A. N. Lewis, at No. 83 Cedar street, New York City, in such quantities as may be desired. Orders should be made for as many as possible at one time. The locks will be furnished at $3 50 each. Post office orders or drafts, payable to Revenue Agent Lewis, should accompany each order for locks. Collectors, in sending orders, should give the name and residence of the distiller or warehouseman for whose use each lock is intended. The cost of transportation, as well as the price of the lock, will be repaid to the Collector by the distiller or warehouseman for whom it is used.

Locks will be sent to no one except through the Revenue Agent. Any distillery or bonded warehouse furnished with this lock, or any other, which has not passed through the hands of said Revenue Agent, and received his approval, will be deemed to be without the proper lock.

The seal to be placed in the lock is a slip of paper,

upon which the Inspector will write his name, together with some private mark, (which should be frequently changed), and the date when the seal is placed in the lock.

Over the face of the lock is a small rectangular plate, through which the key is inserted into the lock. This plate is fastened at the bottom by a hinge, and at the top by a bolt, which takes effect by simply pressing down the plate upon the face of the lock, and only when the lock is open, but which cannot be disengaged except on opening the lock with the key. Over this plate is a cover kept in place by a hinge at the top and a spring at the bottom; it can easily be raised by slight pressure.

The main bolt of the lock takes effect by a strong pressure upon the shackle or bow, and cannot be moved back without the use of the key. To prevent bits of paper from the seal being thrust into the lock, on inserting the key, let the seal be first cut through over the key-hole. If, however, with this precaution, some small bits of the paper seal should be forced into the lock, they can readily be removed when the lock is open.

The Inspector, Assistant Inspector, or Storekeeper must retain the custody of the keys of the locks in use, never suffering them to go out of his possession, except to the Collector or Assessor of his district, or to his successor in office.

Distillers are required to fit these doors on which locks are to be placed with the requisite hasps and staples; and Internal Revenue officers are required to see that the hasps are sufficiently strong, and that the staples are securely fastened.

E. A. ROLLINS, *Commissioner.*

THE LAW OF COMMERCIAL PAPER.

DECISIONS OF THE SUPREME COURT OF CALIFORNIA.

1. WHERE warrants payable by the City Treasurer out of a particular fund have been accepted in payment for work done by the city, an action will not lie upon them generally against the city, although they may perhaps be used in evidence in a suit on the original indebtedness. ARGENTI *v.* SAN FRANCISCO, 16 *Cal.*, p. 255. MARTIN *v.* SAME, *ib.*, p. 285.

And [per FIELD, C. J.] the warrants in this case were held defective, for not specifying the appropriation under which they were issued and the date of the ordinance making the same; and it was further held, that they would not, for that reason, constitute an authority to the treasurer to pay them, even if he had funds. *Ib.*

2. One who signs a joint and several note, in the usual form, is liable to the payee as a joint promissor, and the addition of the word "surety" after his signature does not vary that liability. AUD *v.* MAGRUDER, 10 *Cal. Rep.*, p. 282.

Neither is it allowable for him to show a verbal agreement contemporaneous with the note, that he should be liable, only after default on the part of the other promissor, as surety. *Ib.*

The only effect of the word "surety," as of such agreement, is as between the two promissors. *Ib.*

3. One who indorses, after maturity, is entitled to a demand and notice. BEEBE *v.* BROOKS, 12 *Cal. Rep.*, p. 308.

The demand must be within a reasonable time, and the notice seasonably thereafter. *Ib.*

4. Indorsers, before delivery to the payee, are jointly, not severally, liable, as there is no express agreement on the note making a several liability; therefore, a judgment against one bars suits against the others. BRADY *v.* REYNOLDS, 13 *Cal. Rep.*, p. 31.

5. One of four co-sureties, alleging two of the others to be insolvent, sued the third, to recover one-half of the debt paid by himself. *Held*, That the proceeding was good in equity, without joinder of the two insolvent sureties as parties. BURROUGHS *v.* LOTT, 19 *Cal.*, p. 125.

Quære, whether an objection, on the ground of non-joinder, can be taken, otherwise than by demurrer, in a case where one of four co-sureties sues another alone, alleging the other two to be insolvent. *Ib.*

6. In a suit on a lost note, the complaint alleged the making and delivery of the note, on a particular day, by the defendant to the plaintiff. The answer denied the making and delivery of the note on the day mentioned, and it was held insufficient, as raising an immaterial issue as to time. CASTRO *v.* WETMORE, 16 *Cal.*, p. 379.

The complaint, containing a particular statement of the circumstances of the loss, it was also held, that an answer, denying that the note was lost, as alleged in the complaint, was insufficient, as not putting in issue the fact of the loss. *Ib.*

7. The nominal payees of accommodation paper, who have used and taken it up, cannot sue the maker thereof; neither can their assignees, after maturity, taking it without consideration. COGHLIN *v.* MAY, 17 *Cal.*, p. 515.

8. The addition of the word "trustee" to the signature to a note does not prevent a personal liability. CONNER *v.* CLARK, 12 *Cal. Rep.*, p. 168.

A verbal agreement, that a note signed by a trustee should be paid out of a trust fund only, would not prove that there was no consideration, but that there was no such contract as the note shows, and therefore proof of it is inadmissible. *Ib.*

9. A certificate of deposit for $1,800 was indorsed overdue to the plaintiff, by a prior indorsee, who paid for it only $400. *Held*, That the plaintiff could recover only this sum in a suit against such prior indorsee. COYE *v.* PALMER, 16 *Cal.*, p. 158.

Where the consideration passing between the indorsee and the indorser is not equal to the amount of the paper, the indorsee, in an action against the indorser, can only recover the consideration which he has actually paid. *Ib.*

10. A county auditor's warrant for money may be assigned as an open account; but the assignee does not take the legal title of the scrip like an indorsee under the law-merchant, but is simply the assignee of the debt on which the scrip issued, with authority to receive the money. DANA *v.* SAN FRANCISCO, 19 *Cal.*, p. 486.

11. One who takes a check after dishonor, takes it subject to the equities. FULLER *v.* HUTCHINGS, 10 *Cal. Rep.*, p. 523.

After proof of illegality of consideration of a check, the holder must show that he took it for value, without notice. *Ib.*

It seems, that a valid consideration for a check is *prima facie* presumed. *Ib.*

12. A guarantor is entitled to the same notice as an endorser. GEIGER *v.* CLARKE, 13 *Cal. Rep.*, p. 579.

13. A debtor, giving the note of a third party in satisfaction of the debt, is not liable as a guarantor of the note, but on his original debt, which has only been conditionally satisfied or extended; therefore, delay in calling on him after non-payment of the note does not necessarily release him. GRIFFITH *v.* GROGAN, 12 *Cal. Rep.*, p. 317.

14. The liability of an assignor of a non-negotiable note extends beyond his immediate assignee to subsequent holders. [Act of April 1850, § 4.] HAMILTON *v.* MCDONALD, 18 *Cal.*, p. 128.

15. A note as follows, "We, the undersigned, trustees of the church, and in behalf of the whole board of trustees, promise," &c., signed with their own names, simply by two trustees, who had authority to bind the whole, binds the church, not the two signers, as the agency sufficiently appears on the face of the writing. HASKELL *v.* CORNISH, 13 *Cal. Rep.*, p. 45.

16. In a suit on a promissory note, the complaint set forth a copy of the note, and averred its assignment to plaintiff by the payee. The answer was a general denial; the pleadings were not verified. *Held*, That plaintiff must prove all facts necessary to entitle him to recover, except the genuineness and due execution of the note, and that a judgment rendered for him on the pleadings alone, without proof of the assignment, must be reversed. HASTINGS *v.* DOLLARHIDE, 18 *Cal.*, p. 390.

17. The principle, that a note payable generally, not specifying any time of payment, is payable immediately, is not affected by a provision in the note for payment of interest at a certain rate, after a certain event. HOLMES *v.* WEST, 17 *Cal.*, p. 623.

18. On the evening of the maturity of the note, the notary left at the residence of the indorser, who was absent at the time, a notice, describing the note, and stating that it was protested for non-payment, and that the holder looked to the indorser for payment; but the notice was not signed, nor did it indicate from whom it proceeded. It was held insufficient. KLOCKENBAUM *v.* PIERSON, *Cal.*, 16 *Cal.*, p. 375.

The note matured on Saturday, and on the following Monday it appeared, by the record, that in a conversation between the notary and the indorser, "something was said about the note," and that the notary told the indorser that the plaintiff was "its owner and holder." *Held*, That the proof of notice was still insufficient. *Ib.*

19. A obtained goods from B, by the assurance that B should have them back upon giving certain notes, which B afterwards tendered. A, however, refused to accept them or redeliver the goods. It appeared that A had obtained the goods with the fraudulent intent of retaining them and rejecting the notes, in contravention of his agreement. *Held*, That the tender of the notes by B vested A with no title therein, and that he could not set up the tender for any purpose, nor maintain a suit on the notes. LAMMOT *v.* BUTLER, 18 *Cal.*, p. 32.

20. If a party fraudulently, and to secure a secret benefit to himself, ante-dates a note bearing interest, it is fraudulent as to other creditors. Our statute, section 10, applies to all evidences of debt. MCKENTY *v.* GLADWIN, 10 *Cal. Rep.*, p. 227.

21. Where the demand and notice are both waived by the indorser of a promisory note, the former verbally and the latter in writing, parol evidence is admissible to prove the verbal waiver. MILLS *v.* BEARD, 19 *Cal.*, p. 158.

22. When a party, having a contract from the State for the grant to him of public lands at a certain time, upon the performance by him of a condition-precedent, contracts with another party for conveyance to him of part of the land, to be so acquired from the State, such other party cannot resist payment of his note due under this contract, on the ground that the legislature have attempted to defeat the contract of the State, by repealing the act which created it, as such legislation cannot impair the obligations of the contract. MONTGOMERY *v.* KASSON, 16 *Cal.*, p. 189.

23. In a suit against the maker or acceptor on a bill or note, payable at a particular place, presentment at that place need neither be alleged or proved in order to a recovery, though non-presentment, according to its tenor, may be shown in defence, as affecting the damages. MONTGOMERY *v.* TUTT, 11 *Cal. Rep.*, p. 307.

24. A release of a levy on the principal debtor's property, upon his giving a new note for the amount of the judgment, is a release of a surety to the original cause of action. MORLEY *v.* DICKENSON, 12 *Cal. Rep.*, p. 561.

Even though the note was fraudently given and received, so that no action could be maintained on it, it

operated as a contract for delay, binding until the note should be given up on account of the fraud. *Ib.*

25. A partial failure of consideration cannot be pleaded in bar of a suit upon a promissory note. REESE *v.* GORDON, 19 *Cal. Rep.*, p. 147.

But in cases of frauds, or warranty, or apportional consideration, a partial failure may sometimes be given in evidence in reduction of damages; the practice in this respect proceeds on the principle of a cross action, and an affirmative right of action must exist in favor of a party seeking relief in this form. *Ib.*

26. A joint note, payable in sixty days from date, signed A. B. and C. D., was indorsed, "I guarantee the collection of the within note when due," signed A. H. *Held*, That A. H. was a guarantor only, and not liable without notice. REEVES *v.* HOWE, 16 *Cal. Rep.*, p. 152.

27. An averment that the plaintiff is owner amounts to an averment that he is holder. ROLLINS *v.* FORBES, 10 *Cal. Rep.*, p. 299.

28. A defence that the note was made payable to order, and fraudulently altered so as to be payable to bearer, that the defendant paid it before the plaintiff took it, and that the plaintiff took it overdue, is good. SHERMAN *v.* ROLLBERG, 11 *Cal. Rep.*, p. 38.

29. A new promise by one who has been discharged in insolvency, made to the payee of a promissory note, inures to the benefit of a subsequent indorsee. SMITH *v.* RICHMOND, 19 *Cal. Rep.*, p. 476.

30. A written promise that the "undersigned promise to pay J. S. S., or bearer, $100, in monthly *pro rata* instalments, out of the first net proceeds from sale of water," signed J. S. & Co., though it be not negotiable and express no consideration, is *prima facie* proof thereof. STUART *v.* Street, 10 *Cal. Rep.*, p. 372.

31. In a case of a note given for an assignment of a certificate of land which has been sold under a judgment, whereof the period of redemption has not elapsed, there is no failure of consideration. WARD *v.* PACKARD, 18 *Cal. Rep.*, p. 391.

32. "Mr. S., please pay the bearer, &c., and charge to my account," is a bill of exchange. WHEATLEY *v.* STROBE, 12 *Cal. Rep.*, p. 92.

A verbal acceptance of a bill of exchange is bad under the statute. *Ib.*

But a bill, though not accepted, may amount to an assignment of the whole funds in the hands of the drawee, if the bill be for exactly the amount of it. *Ib.*

But, in that case, the payee cannot sue the drawee as an acceptor, but only the original demand of the drawer, to whose rights he succeeds by the assignment. *Ib.*

After presentation of a bill, as above, by the payee to the drawee, the money cannot be attached or taken by the drawer's creditors. *Ib.*

33. After maturity, a stranger guaranteed payment of the note in question, within sixty days. *Held*, That this was an independent contract, and did not amount to an agreement to give the maker time, and so did not discharge a surety. WILLIAMS *v.* COVILLAND, 10 *Cal. Rep.*, p. 419.

Mere extension of time, without any binding agreement to extend, does not discharge a surety on the note. *Ib.*

34. The institution of a suit is a sufficient demand on a note payable on demand. ZIEL *v.* DUKES, 12 *Cal. Rep.*, p. 479.—*Bankers' Mag., Dec.* '66.

NEW REGULATIONS FOR THE PENSION OFFICE.

THE Commissioner of Pensions has made the following new regulations governing those transacting business with the Pension Office:

1. Original applications are numbered and their receipt acknowledged. They are acted on in their turn, and are not taken up out of their order.

2. Applications for increase of pensions under the acts of June 6 and July 25, 1866, form a part either of the adjudicated or of the pending claims, and their receipt is not acknowledged by this office.

3. The condition of all unadjudicated claims is reported from time to time by circular or by letter, and will not be reported to any agent unless he shall have been recognized by this office as the attorney in the case, nor unless the application shall have been on file three months—special cases excepted.

4. Only a duly executed power of attorney confers upon an agent the right to appear in a case, and no rejected claim will be taken from the files for re-examination unless *material evidence* shall have been offered to establish its validity.

5. No power of attorney will be recognized as sufficient unless signed in the presence of two witnesses, and acknowledged before a duly qualified officer, whose authority is certified under seal.

6. Upon the receipt of a duly executed power of attorney, the examiner who is charged with the adjudication of the case in which it is filed will inform the party filing it, if he be the recognized agent, of the condition of the case, and will call on him for the proof necessary to complete the claim.

7. The papers in an unadjudicated claim will not be placed in the hands of any agent for examination, but he must rely on official communications for information as to its condition.

8. When any claim has been finally rejected by this office, and the recognized agent declares his purpose to appeal from its decision, or to file additional evidence in support of the claim, the papers therein may be placed in his hands for examination under such regulations as the Commissioner may prescribe.

Any rule or regulation of the office in conflict with the foregoing is hereby annulled.

THE PUBLIC DEBT.

The following is an official statement of the public debt of the United States on the 1st of January, 1867:

DEBT BEARING COIN INTEREST.		
5 per cent. bonds	$198,091,350 00	
6 per cent. bonds of 1867 and '68.	15,783,441 80	
6 per cent. bonds, 1881	283,740,850 00	
6 per cent. 5-20 bonds	891,125,100 00	
Navy Pension Fund	11,750,000 00	
		$1,400,490,741 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent. bonds	$10,622,000 00	
3-year compound interest notes	144,900,840 00	
3-year 7-30 notes	676,856,600 00	
		832,379,440 00
Matured debt not presented for payment		16,518,989 31
DEBT BEARING NO INTEREST.		
U. S. notes	$380,497,842 00	
Fractional currency	28,732,812 32	
Gold certificates of deposit	16,442,680 00	
		425,673,334 32
Total debt		2,675,062,505 43
Amount in treasury, coin	$97,841,567 75	
Amount in treasury, currency	33,895,765 04	
		131,737,332 79
Amount of debt, less cash in treasury		$2,543,325,172 64

The foregoing is a correct statement of the Public Debt, as appears from the Books and Treasurer's Returns in the Department, on 1st of January, 1867.

HUGH MCCULLOCH,
Secretary of the Treasury.

The above statement exhibits, as compared with the statement published December 1, 1866, that the debt bearing coin interest increased $29,422,150, the debt bearing currency interest has decreased $25,243,450, the matured debt not presented for payment is less by $6,086,805 40 than it was on the 1st ultimo. The debt bearing no interest has decreased $8,025,264 61. The amount of coin in the Treasury has increased $2,672,751 60, and the amount of currency in the Treasury has decreased $6,300,056 03 since December 1.

NATIONAL CURRENCY AND FREE BANKING ASSOCIATION.

AT a called meeting of this Association, held on Friday, January 4, 1867, Hon. E. Lord, the venerable President, presided, and, on taking the chair, congratulated the Association upon the marked progress which the ideas upon currency advocated by it had made during the past two years, and remarked that events were tending to enforce conviction in the public mind. It was evident that the threatened convulsions in Europe were regarded by the authorities with mistrust and uneasiness as to the effect on the finances of this country, by causing the remission home of our bonds held abroad. A crushing pressure for payment of our foreign indebtedness would follow, and a decline in the price of all Government stocks, perhaps below the margin of ten per cent. on those deposited for securing the National Bank currency. Confidence destroyed in the National Banks, they would—many of them—fail, and the panic, revulsion, disaster and general prostration of business throughout the country which would in such an event inevitably ensue, would far surpass any that have occurred hitherto in the history of this country.

To prevent the commercial crisis thus forecast, as well as to provide a remedy for all such panics and revulsions in future, was conceived to be in the provision of a national paper currency, secured by the pledge of U. S. stocks, which could be harmonized with, and made the equivalent of coin, but in no manner depending upon it; the supply of which currency might be graduated to the varying monied requirements of trade in the different sections of the country, diminishing where and when it was not required, and supplied in abundance when most needed.

Dr. B. Franklin Clarke moved that a committee of three be appointed to urge upon Congress the adoption of proper legislation on the subject, and to present the views of the Association in the form of a bill.

The motion, seconded by Hon. Hiram Slocum, was adopted. Dr. Clarke, Hon. Hiram Slocum, and P. VR. Van Wyck were named by the Chair as said committee; and on a further motion, were authorized to add to their number as might be necessary.

A draft of a bill was offered by the President, as containing provisions which, if made law, would correct the evils of the anomalous condition of the currency, and would make coin and paper currency equivalent in fact, as they are in law.

The following is an abstract of the bill:

AN ACT

To Harmonize the Relations of the National Currency of Coin and Paper, and to restrict the export of Gold and Silver to Uncoined Bullion and Coins of Foreign Nations.

1. *Be it enacted, &c.*, that the exportation or transfer by sea or land, to any foreign country port or place, of any metalic money of the coinage of the United States, be, and is hereby prohibited, and shall be punishable by forfeiture, &c.

2. That the export and import of uncoined gold and silver, and of foreign coins as bullion, and the purchase and sale thereof in domestic and foreign markets, shall be allowed as hertofore without restriction.

3. That to harmonize the circulation of the national

coin with that of United States treasury notes and national bank notes, as money legally of equivalent value, the selling, paying or receiving of the treasury notes, the national bank notes, the national coin, at any price or percentage more or less than the specified and uniform value which by law they respectively represent as money, be, and is hereby prohibited as a misdemeanor, punishable by forfeiture, &c.

4. That the national bank notes as representing in pledged national bonds the value expressed by them, be made like coin a legal tender in all payments except for customs and for interest on outstanding national bonds, and that they be exchangeable at pleasure as equivalents, but as in no respect dependent on each other.

5. That the national coin, the treasury notes and the national bank notes, shall be circulated as equivalents in law and usage, and be exchangeable for each other at pleasure; but that neither of them shall by law be convertible into, or redeemable with either of the others; and that the national coin be circulated as representing the assumed intrinsic value stamped on it at the mint; the national bank notes as representing their fixed legal value as substitutes for the national bonds held in pledge for their security and redemption; and the treasury notes as representing their legal and uniform value in the revenue and good faith of the government, each convertible or redeemable only by that which they respectively represent.

6. That the provisions limitating the amount of secured national bank notes prescribed by existing law, be repealed.

Dr. Clarke deemed the provisions of the bill correct, but did not think that Congress was prepared to take so great a step forward. It lacked nerve.

Mr. Van Wyck remarked that public agitations and discussion of the subject was most desirable, and would be greatly excited could the bill in question be introduced in Congress. Everything favorable to the object of the Association in the future, was to be hoped from the progress in the past. On every side were to be observed indications of progressive thought on the subject of the currency. New believers in a national uniform paper currency were manifesting themselves everywhere. Powerful journals, Senators, members of Congress, bankers, merchants, farmers and tradesmen, now advocate, in their respective spheres, the soundness, in whole or part, of the theories advanced by this Association in its pamphlets and publications which two short years ago were scouted as absurd by the bullionists. We could endure to be taunted and laughed at because we knew that we had the truth. *Its* general accep was simply a question of time.

The Association has done much; it can do still more. Therefore, let the ball be kept moving! Agitate! agitate! agitate! Congress will then discover and execute the public will, and by proper legislation, perfect a national paper currency and keep our gold coin for its legitimate use at home, and thereby free the nation entirely from foreign commercial servitude and dependence.

Hon. Hiram Slocum made observations on the efficiency of paper money, and the great benefits, commercial and moral, which arise from the cash system created by its use, when sufficiently supplied. That high prices were an advantage from the stimulus they gave to production. The national debt must be liquidated by increased production, and an abundance of paper money, by facilitating exchanges, fosters industry. The cry of high prices was a bugaboo. ! After further discussions of a conversational nature, the meeting adjourned.

THE receipts from Internal Revenue in San Francisco, are reported to have amounted to nearly $350,000 for the month of December, and the collections there for the past six months have reached a sum nearly equal to the entire collections previously made during the preceding two and a half years, notwithstanding the reduction of tax rates by the recent law. This increase is chiefly attributable to the enforcement of the provision of law existing since March last, requiring returns to be made upon the currency valuation, instead of a gold basis, which had been the practice in California by common usage and State law. It was customary to quote greenbacks at a discount instead of gold at a premium; and while incomes, licences, manufactures, &c., have there been assessed at the gold valuation, and payment of the tax assessed thereon accepted in greenbacks, manufacturers in the Eastern cities, shipping and selling on the Pacific coast, have been held for tax on the currency valuation of their sales made there for gold.

This practice wrought a discrimination in favor of California, unwarranted by law, to the extent of the premium on gold. It is a great source of mortification that in order to do justice between its citizens, a great Government like the United States should be forced to ignore its own coin, declaring in one statute that there is no legal difference between a gold and a paper dollar, and in another that there is.

WE learn from the *Union Register*, a new weekly paper started in Greensboro, N. C., that illicit distillation is extensively carried on in that section. It says:

"Men offer publicly, one gallon of whiskey, on which the tax is two dollars, for a bushel of corn, worth in the market from 90 cts. to $1.10, and revenue officers stand by and seem to think it the most natural thing in the world. It doesn't need any turpentine dodge to enable men to sell liquor cheaply here, for their "burning fluid" can be sold as low as they may choose without exciting suspicion. There is no danger of a "raid" on the distillers, where such trades as the above are frequent."

IMPORTANT TO MERCHANTS.—According to advices received by Alexander Delmar, director of the Bureau of Statistics, dated at Turk's Island, November 26, 1866, the silver half-dollars and quarter-dollars of the United States have been declared by proclamation of the Queen of Great Britain to be a legal tender in the colony of Turk's Island and Caico Islands and the dependencies thereof, to circulate and be received in payment as being of the full value and equivalent to current money of the United Kingdom, at the rates hereafter specified—that is to say, the silver half-dollar of the United States at the rate of two shillings sterling, and the silver quarter-dollar of the United States at one shilling sterling.

ALLOWANCES TO SEAMEN FOR CLOTHING LOST.—The claim of seamen to be indemnified for clothing destroyed, on account of infection, does not rest upon any statute, but upon decisions of the Secretary of the Navy. On the 12th of July, 1842, Secretary Upshur allowed the claim of a seaman for clothing destroyed to prevent small-pox infection, and in October, 1844, an allowance of a similar claim was made. These precedents have governed, but the question now arises, what sum should be fixed as the maximum in such allowances? On this subject it is held by the proper accounting officer of the Treasury that the action of Congress in analogous cases should govern. On the 4th of July, 1864, Congress enacted "that persons not officers, whose personal effects were lost on board a United States vessel destroyed, should be allowed a sum not exceeding sixty dollars each, as compensation for their loss." And, on the 6th of April, 1866, an act was passed giving to every officer who had lost his personal effects on board a United States vessel which, by any casualty or in action, has been sunk or destroyed, a sum not exceeding the amount of his sea pay for one month. This legislation sufficiently indicates the intention of Congress to pay for no more clothing than was absolutely necessary, and not to effect an insurance of whatever might be lost. One month's pay will, therefore, be the maximum allowance for officers, and sixty dollars to other persons whose clothing may be destroyed under circumstanentitling them to compensation.

ON and after the 1st of January, 1867, a reduction of postage takes place in the postage upon letters and newspapers conveyed by British packet or partly by British and partly by United States packet from this country to any foreign port in the West Indies, and in consequence of such reduction the rates of postage to the places hereinafter named will be as follows:—Upon letters for Guadaloupe, Hayti and Martinique, via England, twenty-nine cents per single rate of half an ounce, and upon newspapers four cents each; prepayment required. Upon letters for Porto Rico, Jamaica and other West India Islands, not British, except Cuba, by British mail, via Havana, eighteen cents per single rate of half an ounce, and upon newspapers four cents each; prepayment required.

HEADS TO BE BASKETED.—The removal of Inspectors of Distilleries of the Internal Revenue Bureau continue to be made, and a thorough and radical change in these officers will speedily take place in places where malfeasance has been discovered. A determined and persistent effort is being made to secure to the Treasury the tax upon spirits manufactured, of which it is estimated that over three-fourths has heretofore escaped taxation, and this largely through the incompetency and corruption of the distillery inspectors.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—NO. 3. NEW YORK, JANUARY 19, 1867. WHOLE NUMBER, 107.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 LIBERTY ST., NEW YORK.

REVIEW.

INSTRUCTIONS of great interest to Distillers and dealers in spirits have just been issued, concerning the transportation of spirits in bond, and are intended to correct a practice which has been countenanced hitherto, but which is unwarranted by existing laws. This was the practice of constructive warehousing. A person would give bond to transport spirits to a bonded warehouse in another district, and if he paid the collector the tax thereon, his bond was cancelled without requiring an actual deposit of the spirits in bonded warehouse in performance of the conditions of the bond. Under this practice large quantities of spirits inspected and bonded for transportation, have been bought and sold, and transferred from hand to hand and place to place, without being transported and deposited in warehouse, where the same could be examined, reinspected, and identity established; and the practice has thus been made the means of perpetrating fraud.

The Commissioner, in view of this, gives explicit instructions to Collectors and others concerned, that all spirits branded for transportation, if found elsewhere than actually in transit, shall be seized.

Henceforward all officers and liquor dealers may understand that only spirits regularly withdrawn from warehouse can be dealt in without suspicion of fraud. By law and regulation no spirits can be distilled and brought into market unless deposited in and withdrawn from a public bonded warehouse, or the bonded warehouse of the distiller, where daily record of the proof, quantity, marks and purchaser are required to be kept.

Plain and comprehensive instructions relating to the sale of cigars in bulk, and to the packing and inspecting of the same, are published, and no excuse can hereafter be consistently urged on account of ignorance of this portion of the law. Every revenue officer receives this publication, and if he does not keep himself informed, surely his place should be filled by one who would. Instances of serious loss to the revenue from improper and incorrect information given to tax payers by Assistant Assessors are frequently brought to light.

Great diversity of practice has prevailed as to the exemption of bedding and matrasses from tax under the recent act. The commissioner rules that spring beds and under beds are exempt from tax under the classificotion of matrasses and palliasses.

Assessor Needham has our thanks for the copy of the able opinion of Judge Ballard of Kentucky on the rights of informers.

REVENUE FRAUDS AND THEIR REMEDY.

NO one who has any experience on the subject can deny that there is that in the Internal Revenue Law and its present administration which acts as a strong temptation to dishonesty.

This matter may be illustrated by showing the working of the law on that subject which has been so prolific of frauds,—the distillation of spirits—for here this temptation is greatest.

The tax on distilled spirits is $2 per gallon. If, therefore, the distiller can sell his spirits for the cost to him *plus* his usual profit *plus* the tax, yet without having paid the tax, his profit per gallon will be $2 *plus* the usual profit. But the provisions of the law for securing payment of the tax are such that, if faithfully carried out, the tax cannot be evaded. To accomplish such evasion the distiller must secure the connivance of some of the officers; and to pay for this connivance the distiller has at his disposal a profit of $2 *plus* his ordinary profit, per gallon.

This is on the supposition that the distiller received the same price for his spirits that he would if they had paid the tax. An extended evasion of the law will necessitate a fall in the price; and the tax on some portion of the spirits distilled must be paid, if only for a *blind*. It has been estimated by those well informed, that the tax is paid on one gallon in eight or ten,—that is, that the whole amount of spirits distilled pays tax at the rate of from 20 to 25 cents per gallon. The cost of distillation is say 50 cents per gallon. The distiller, therefore, has the difference between the market price of his spirits ($1.75 to $2.25 per gallon) and their cost to him ($0.70 to $0.75 per gallon) for his own profit and as a corruption fund. At the least calculation, this will amount in a distillery of a daily capacity of 250 gallons, to $250 per day, $1500 per week, $78,000 per year.

Now what does Government give to counteract the inducements that the distiller can offer? The enforcement of the law, the prevention and detection of frauds depends primarily on the Assistant Assessors and Inspectors, whose salaries and legitimate fees will amount to from $1200 to $2,000 per year, and the Revenue Agents, whose salaries are $2,000 per year and travelling expenses. Theoretically, these officers being sworn, perform their duty and look solely to the interests of the Government; practically they are human beings on starvation salaries, many of them with families, all desirous of saving something for a rainy day. What chance then has Government and honesty when the distillers shake their thousands temptingly in the faces of these officers,—provided always that there is a fair chance that

the transaction can be kept secret. How secret it can be kept may be judged from the fact that no officer has yet been convicted of accepting a bribe, notwithstanding the stupendous frauds that are being perpetrated and the moral certainty that they are connived at by those who should prevent them.

It is no answer to say that the Government offers rewards for the detection of frauds, in the shape of moieties of the fines imposed. For between the decidedly shabby provisions of the law on this subject, the Regulations and the practice of compromising cases, the informer fares but poorly.

In the first place, the seizure must be made by a Collector or Deputy Collector. Unless the proof of fraud is very clear, the officer hesitates, for he runs all the risks and incurs all the liabilities in case the seizure should turn out to be unjustifiable, and no compensation is provided for this risk or for his trouble in a case of justifiable seizure, therein differing from the Custom House cases, where the seizing officer shares in all fines and forfeitures. An informer, therefore, at the time of giving his information, generally agrees to compensate the Collector or Deputy for his risks and trouble by giving him a portion of the informer's share of the penalty.

The instructions of the Commissioner require that in case of seizure of property, the taxes due from the owner shall first be assessed and collected thereout, and then the remainder may be proceeded against for forfeiture. In compromise cases the Commissioner in reality hears one side only—the delinquent's; and consequently a fine proportioned to the offence has rarely been imposed. And finally, when a forfeiture is incurred or fine imposed, the informer receives an amount fixed by the law and Treasury Regulations, and which cannot exceed $5000 in any case.

The informer can get the entire $5000 only in case the fine or forfeiture amounts to $55,000. If it amounts to $10,000, the informer gets only about $2500. The obtaining of his information has cost him time and trouble and perhaps some expense; he will make some present to the seizing officer, and will have about $1200 or $1500 left.

Under these circumstances, would it be strange if the person having knowledge of a fraud should reflect as to how much more profitable it might be made both for the delinquent and himself, if he shouldgive his information to the delinquent rather than to a Government officer. The delinquent would not have to pay so large a fine, the informer would get a much larger "moiety."

Would it not be well for the Congressional Committee now in session to consider the practical operation of some of the provisions of law to which reference is here made, and to provide the remedy by compensating officers and informers in a manner commensurate with the temptations to to which they are exposed, and giving the full moiety to informers, in, at least, tobacco and whiskey frauds, in place of the present ineffective distributive share.

The Tariff Bill, which passed the House of Representatives last summer, is now before the Senate. It is highly protective in its features.

The Darling Investigating Committee have concluded its sittings in New York. Its report will be entertaining.

Communications, &c.

HOW TO OBTAIN A LOAN AT THREE PER CENT.

Editor Record: On a former occasion I wrote that I thought our Government could borrow money at an annual interest of two or three per cent., which I will now try to prove.

Our Government has a very strong tendency to legislate for the rich capitalists and powerful corporations, which is continually crippling the *go-a-head-a-tiveness* of our people. Class legislation redounds only to the benefit of the few, and to the injury of the "rest of mankind," which will soon be felt in the unjust and arbitrary law of restricting our National Banking circulation to $300,000,000. This is *class legislation* of the worst form, cramping our enterprise and giving the monopoly to favored ones at the expense of the rest.

This will be the more severely felt if the mad schemes of those clamoring for immediate resumption of specie payment be listened to, and our legal tenders be withdrawn from circulation.

The *Tribune* is wielding its mighty influence (with honest intentions, no doubt), to bring about specie payments; yet the adoption of its policy would send gold up to two or three hundred per cent. in less time than it would take to destroy *legal tenders*. Who does not remember H. G.'s *successful efforts* to get a law passed to prevent speculations in gold during Mr. Chase's financial career. What was the result? For a few days gold dropped, then with one mighty rush for gold it went up, up, up, until the *Tribune was silenced, Chase resigned*, and the *law was repealed*.

If the *Tribune* is again followed, it will inevitably result the same way, only with ten times as much disaster to our country.

Why? Because we have now as large a load to carry as the Nation can stand. Twenty or thirty millions in gold are now required by law to be used annually, and if to this imperative demand another of many, perhaps hundreds, of millions be added, the camel's back will surely be broken. Not a bank in America would dare to discount a dollar if obliged to redeem in gold. Not a broker in the Union but what would buy gold and *hold it* with demoniac joy if this new demand was created. If banks continued to discount their doom would be sealed; if not, would be forced to exchange their present bonds for those of the "Banking Loan," or run the risk of being unable to retain bonds upon which to do business.

Bankers with their stocks relieved from all taxation would not lose much in the change of securities, but would secure a permanent loan for the future.

Banks are now and have been making very large profits, and if other parties will take the "Banking Loan," and organize more National banks, they ought to have the privilege. And this should be unlimited even to the conversion of our entire debt into the "Banking Loan" if possible. After one year a hundred millions would be eagerly taken at three per cent. each year, and in a few years our entire debt would be held at home, and our increasing demand for currency would be securely provided for. If the people would take this loan it would save millions to them and the G[illegible]ment, and unless the restriction to $300,000,000 be in some way removed by Congress our National prosperity will soon be brought to a halt.

There is but one road to specie payment, and that is to "keep our gold at home." Even the *Tribune* admitted a few days since that unless we did so through protection we would not resume "till doomsday," which is about the only correct view of the currency question now advocated by it. But to return to the question of borrowing ot 2 or 3 per cent.

Let Congress pass a law creating a permanent loan payable after 1900, at the option of the holders, at three per cent. interest (or two), to be called the Bankers' Loan. Let *any* and *all* parties who choose to take this loan be authorized to use it for security, and to establish as many banks as they please *free from all kinds of taxation* except that of making proper reports. At first this loan would not be rapidly taken, yet all restrictions being removed and the bonds exempt from *all* taxation the increasing demand for more banks would soon bring them into market. When a few banks shall have organized and all the present banks and all other business can be left open to competition, the demand and supply will soon regulate the currency question.

There is no more sense or justice in Congress limiting the people of these United States to any given amount of currency than there would be to a number of bushels of wheat, yards of cloth, or pounds of bacon. We are now asking only for one half a loaf for "Young America," in order to save him from *famine;* yet if all our wants for currency could be supplied we would soon be the most independent and powerful nation in the world, and could readh a specie standard in ninety days.

1st. Repeal all laws restricting the amount of National currency in circulation.

2d. Keep in circulation as many legal tenders as there are of National currency.

3d. So adjust our tariff as to make our *barter* pay for our imports and leave our gold at home.

If gold speculators find that our *policy is fixed* so that our gold will accumulate at the rate of $100,000,000 annually they will *instantly* stop buying, and greenbacks in ninety days will be at par.

Who can for an instant doubt the result if this policy is adopted. Prices of course would rise, especially those of labor and its products. Capital would come here from abroad for investment by millions, and laborers by hundreds of thousands, and one universal song of praise would be awarded by the people to a Congress that had dared to break away from old and stereotyped notions of currency as expounded and practiced by those that have learned nothing from the fruitful experience of the last four years. Have not our "greenbacks" saved our Nation from financial ruin? Can they not in the future serve us and enable us to pay our taxes and our debts as well as during the war?

If we keep our gold at home and balances in our favor, what then?

If our people prefer to save millions of interest by issuing legal tenders instead of hireing National currency, whose business is it? Are not their bills (legal tenders) without interest as safe as National bank notes? Thirty-five millions of people with a gold income of $100,000,000 annually and rapidly increasing not capable of making

their own bills for their own accommodation, but asked to allow a few of their number to do it, (National banks), and then required to foot the bill to the tune of millions on millions annually. Supposing Congress should prohibit any and all bills from circulation except legal tenders; does any one suppose that *Uncle Sam* would in that case be asked to pay six or seven per cent. for the privilege? That is precisely what is now asked; that the people shall *destroy their money* and let a few rich men furnish it at a heavy interest, which, with our present burden, we, the people, must pay greenbacks saved us in *war*, in *peace;* let them protect us.

C.

EDITOR RECORD: As additional compensation to Assistant Assessors has at last become the subject of *some consideration*, will you please publish the following, and state your opinion in the next issue of your most valuable paper, namely:

Throughout the Southern State wherever there is an Agent of the Freedmen's Bureau, we find them supplied with a *horse* and forage for the same. Now there is scarcely a single instance where these agents have *constant* need of a horse. What I wish to recommend to your notice is, that the Government ought to allow the Assisstant Assessors the privilege or use of these animals when not in active service of the F. B. agent. The Assistant Assessors here in Virginia have many *incidentals* to pay, and travel *is* expensive; and while our pay is the same as that of Assistants farther North, (and no distinction made between city and country Assessors), and we are expected and required to be as vigilant and active as they.

Those of us who have families find it *extremely* hard to eke out a support for them.

AN ASS'T ASSESSOR.

We consider the proper remuneration of Assistant Assessors one of the most important requisites to an efficient administration of the Revenue laws. They initiate assessments. Their delinquency, if it occurs, is seldom or never revealed. What they fail to assess, from its not being seen, is not thought of; but what the Collectors fail to collect gives rise to immediate investigation. Assistants should therefore be stimulated to an active discharge of their duties by every possible means. To secure this we would give them an interest, however minute, in every dollar of revenue which they should be instrumental in securing.

With respect to the inquiry relative to furnishing transportation to Country Assistants, in most of the Southern States, we reply, that the law, as now construed, gives to few the privilege of charging the extra dollar allowed for the purpose, for the days employed outside of the towns where they reside. This is grossly unjust, and will doubtless be corrected by the present Congress on the recommendation of the Commissioner. We would say to all Assistants, who are satisfied that their pay is inadequate, to increase it by detecting and informing on smugglers and transgressors of the law. It is their duty, and if more generally and systematically done, would inure also to their pecuniary profit.

ED.

THE total product of Cotton in 1866, is estimated by the Commissioner of Agriculture at 1,750,000 bales, of 400 pounds each. As the actual bales are now nearly five hundred pounds each, this is equivalent to a million and a half of such bales. The estimates are made up as follows:—North Carolina, 97,000 bales; South Carolina, 102,000 bales; Georgia, 205,000 bales; Florida, 36,000 bales; Alabama, 220,000 bales; Mississippi, 270,000 bales; Louisiana, 109,000 bales; Texas, 308,000 bales; Arkansas, 182,000 bales; Tennessee, 148,000 bales; other States, 87,000 bales.

TABLE

Showing the net compensation of Assistant Assessors, at the rate of $4,00 per day and $3,00 per hundred names assessed, as required to be reported on form 57, prepared by Geo. B. Williams, Collector's office, Lafayette, eighth District of Indiana.

FOR DAYS EMPLOYED.

No. of Days.	Gross Comp.	Exempt from Tax.	Balance Taxable.	Amount of Tax.	Net Compensation.
One-tenth...	40	193	207	01035	38965
Two-teenths.	80	386	414	0207	7793
Three-tnths..	1 20	578	621	03105	1 16895
Four-tenths..	2 60	772	828	0414	1 5586
Five-tenths..	2 00	965	1 035	05175	1 3825
Six-tenths...	2 40	1 158	1 242	0621	2 3379
Seven-tenthr.	2 80	1 351	1 449	07245	2 72755
Eight-tenths.	3 20	1 544	1 656	0828	3 1172
Nine-tenths..	3 60	1 737	1 863	09315	3 50685
One.....	4 00	1 93	2 07	1035	38955
Two.....	8 00	3 86	4 14	2070	7 7930
Three.....	12 00	5 79	6 21	3105	11 6895
Four.....	16 00	7 72	8 28	4140	15 5860
Five.....	20 00	9 65	10 35	5175	19 4825
Six.....	24 00	11 58	12 42	6210	23 3790
Seven.....	28 00	13 51	14 49	7245	27 2755
Eight.....	32 00	15 44	16 56	8280	31 1720
Nine.....	36 00	17 37	18 63	9315	35 0685
Ten.....	40 00	19 30	20 70	1 0350	38 9650
Eleven.....	44 00	21 23	22 77	1 1385	42 8615
Twelve.....	48 0	23 16	24 84	1 2420	46 7580
Thirteen....	52 00	25 09	26 91	1 3455	50 6545
Fourteen....	56 00	27 02	28 98	1 4490	54 5510
Fifteen.....	60 00	28 95	31 05	1 5525	58 4475
Sixteen.....	64 00	30 88	33 12	1 6560	62 3440
Seventeen...	68 00	32 81	35 19	1 7595	66 2405
Eighteen....	72 00	34 74	37 26	1 8630	70 1370
Nineteen....	76 00	36 67	39 33	1 9665	74 0335
Twenty.....	80 00	38 60	41 40	2 0700	77 9300
Twenty-one .	84 00	40 53	43 47	2 1735	81 8265
Twenty-two .	88 00	42 36	45 54	2 2770	85 7230
Twenty-three	92 00	44 39	47 61	2 3805	89 6195
Twenty-four.	96 00	46 32	49 68	2 4840	93 5160
Twenty-five .	100 00	48 25	51 75	2 5875	97 4125
Twenty-six..	104 00	50 18	53 82	2 6910	101 3090
Tw'ty-seven..	108 00	52 11	55 89	2 7945	105 2055
Twenty-eight	112 00	54 04	57 96	2 8980	109 1020
Twenty-nine.	116 00	55 97	60 03	3 0015	112 9985
Thirty.....	120 00	57 90	62 10	3 1050	116 8950

FOR NAMES ASSESSED.

Number of Names	Gross Comp.	Amount of Tax.	Net Compensation.
One.....	03	0015	0285
Two.....	06	0030	0570
Three.....	09	0045	0850
Four.....	12	0060	1145
Five.....	15	0075	1420
Six.....	18	0090	1710
Seven.....	21	0105	1995
Eight.....	24	0120	2280
Nine.....	27	0135	2565
Ten.....	30	0150	2850
Twenty.....	60	0300	5700
Thirty.....	90	0450	8550
Forty.....	120	0600	1 1400
Fifty.....	150	0750	1 4250
Sixty.....	180	0900	1 7100
Seventy.....	210	1050	1 9950
Eighty.....	240	1200	2 2800
Ninety.....	270	1350	2 5650
e-hundre.....	300	1500	2 8500

THE Treasury Department wishes to withdraw from circulation the bills of the First National, Attica, N. Y.; Merchant's National, Washington, D. C.; First National, Carondelet, Mo.; National Union, Rochester, N. Y.; First National, Leonardsville, N. Y. The Laconia National Bank of New Hampshire has undertaken to collect and return them to the Currency Bureau at Washington for cancellation. The Government holds sufficient securities until the notes are handed in for redemption.

TAXATION.—The Special Commissioner of Internal Revenue in view of the probable surplus of revenue likely to accrue, even under the present administrative condition of the law, and the prospective large payments on account of bounties, would recommend the following specific reductions of taxation:—

First.—A reduction of the present general tax of five per cent, on the products and sales of manufacturing industry to three per cents, and a corresponding reduction in specific taxes levied on analogous branches of industry.

Second.—An entire removal of all direct internal taxes now levied upon the production of bar, plate, and sheet iron, and of such additional taxes as are yet levied upon the elements of the manufacture of steel.

Third.—A reduction of the tax of two and a half per cent on the gross receipts of sugar refiners to one and half or one per cent.

Fourth.—An entire removal of the internal revenue duty on sulphuric acid, and on the mining and manufacture of emery.

Fifth.—The entire removal of the internal revenue tax upon the manufacture of salt.

THE Acting Comptroller of the Currency writes to Mr. Thompson, of the First National Bank of New York, under date of the 8th inst., as follows:

Section 8 of the National Currency Act confers upon National Banks "all such incidental powers as shall be necessary to carry on the business of banking, by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt," and closes with this provision: "And its usual business shall be transacted at an office or banking house located in the place specified in its organization certificate."

As the law confers no authority upon a National Bank to establish a branch, or to carry on the business of banking at any other place than the one where it is located, it must follow that all such banking at other points is irregular and in violation of Section 8 of the law.

Such banking is also in violation of the provision of Section 30, which restricts National Banks to the same rate of discount or interest allowed by law in the several States where they may be located.

National Banks have no authority conferred on them to "discount or negotiate notes" otherwise than under the restrictions of the 30th Section of the law; therefore, "a New York National Bank" is not authorized to "buy commercial paper in the open market at a rate greater than 7 per cent."

PHILIP DORSHEIMER, of Buffalo, has a suit pending in the Court of Claims at Washington, the decision of which will settle an important point. Mr. D. while Revenue Collector, seized contraband whiskey valued at $600,000. But the Secretary of the Treasury compromised with the owners on their paying $250,000. Dorsheimer claims that one half the value of the whiskey, $300,000 is due him under the Excise Law, and that the compromise by the Secretary cannot invalidate the informer's rights. There are numerous other claims involving the same question.

Treasury Dept., Decisions, &c.

OFFICIAL.

[SPECIAL No. 48.]

CONCERNING THE TRANSPORTATION OF SPIRITS IN BOND.

OFFICE OF INTERNAL REVENUE,
Washington, January 16, 1867.

Under former statutes and regulations, if a person who had executed a bond for the transportation of distilled spirits to a bonded warehouse, paid the amount of tax due upon such spirits to the Collector holding the bond, such payment was accepted as sufficient to warrant the cancellation of the bond.

It is, however, so clearly the intention of the Act of July last, that all spirits removed under transportation bond shall be deposited in Bonded Warehouse, and the statute so explicitly declares the forfeiture of all spirits which shall be found elsewhere than in Bonded Warehouse, not having been removed therefrom in pursuance of law, that it is believed to be no longer necessary to tolerate this practice. At the same time, it would be regarded as oppressive, if seizure should be made of spirits which were placed on the market without going into warehouse where the shipper had been in the habit of making this disposition of spirits and cancelling his bond by the payment of the tax.

Collectors will, therefore, notify all persons who may hereafter execute bonds for transportation of spirits to Bonded Warehouse, that such spirits will be seized if found elsewhere than in transit to the warehouse for which a permit is issued, and Collectors will seize all spirits which may be found in their respective districts branded for transportation, and which are evidently not in regular course of transit to the proper warehouse, unless it shall appear to their satisfaction that the transportation of such spirits was commenced prior to the 20th instant.

The sooner all distillers and persons engaged in the purchase and sale of distilled spirits are made aware that only those spirits which have been regularly withdrawn from warehouse on payment of the tax, can be regarded as legitimate objects of traffic, the better will it be for the interests of the Government and of all honest distillers. Collectors will also notify all persons who may hereafter execute transportation bonds, that in no event will the bonds be cancelled except upon proof of the receipt of the spirits into the proper warehouse, or proof of some special circumstances which have rendered a literal compliance with the condition of the bond impossible.

E. A. ROLLINS,
Commissioner.

SALE OF CIGARS IN BULK, PACKING, INSPECTION, AND STAMPING OF SAME.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, DEC 29, 1866.

SIR: Your letter of the 24th inst. is received, in which you inquire substantially whether a manufacturer of cigars can put them up loose in cases containing 20,000 more or less, have them inspected and stamped in that condition, and pay the tax upon the price which he receives, the purchaser being allowed afterwards to have them repacked in small boxes and re-stamped without incurring any liability.

To this inquiry I have to state that by the Act of June 30, 1864, as amended by subsequent acts, all segars are required to be packed in boxes or paper packages, before used or removed for consumption, inspected and stamped in a manner to denote the kind, quantity, or number contained in each package, with date of inspection, and the name of the Inspector, and the collection district where the same were manufactured.

Any manufacturer of segars who shall allow his segars to pass out of his hands, except into a bonded warehouse, without the inspection marks or stamps affixed, is liable to have them seized, forfeited and sold for the benefit of the United States. To this requirement of law there is a single exception.

A manufacturer of segars may apply to the Assistant Assessor or Inspector of the District to have his segars counted, and on receiving a certificate of the number, he may sell and deliver such segars to any purchaser in the presence of said Assistant Assessor or Inspector, in bulk, or unpacked without payment of the tax. In this case the purchaser is required to pack the segars in boxes or packages, have them inspected, and marked or stamped, make a return of them to the Assessor, and pay the tax on them to the Collector of the District where they were manufactured.

The mode of packing preparatory to inspection, if not clearly defined, is sufficiently indicated by the language of the law. They cannot be packed or sold in bulk, except as above indicated,

They must be packed in boxes or paper packages. These boxes, or packages, must be such as are ordinarily used, and put up in the manner or style generally adopted for placing them upon the market. Ordinarily segars are put in packages or boxes of 25, 50 or 100, sometimes 250 or 500, seldom more than 1,000, unless they are intended to be repacked,

The tax upon segars is so much per thousand, and if the manufacturer packs more than 1,000 in a box, they must be regarded as segars in *bulk*. And even that number, or half of that number, if thrown together loosely, or not packed with that care ordinarily employed for putting segars in a saleable condition, they are to be regarded as being in bulk, and not packed as the law requires, and therefore not in a condition to be inspected or branded.

Very Respectfully,
THOMAS HARLAND,
Deputy Commissioner.

H. E. KLEIN, Esq., *Pottstown, Pa.*

SPRING BEDS AND UNDER BEDS.

ASSESSOR'S OFFICE, 3D DIST. OF MASS.
BOSTON, DECEMBER 10, 1866.

SIR: In this district are manufactured a great number of spring beds; being under beds made of spiral springs of wire, &c., &c. Their purpose is the same as that of a palliasse, or under bed of straw or palm leaf, and they are *now* called "palliasses."

On the last line of page 48, paragraph 91, of Internal Revenue Law; "feather beds, mattrasses, palliasses, bolsters, and pillows," appear among exempted articles. From which one would infer the spirit of the law to favor the exemption of beds of whatever kind.

I beg to be informed whether these spring beds are to be exempted as palliasses in fact, or taxed as a manufacture.

Very Respectfully
WILLIAM S. KING.

HON. E. A. ROLLINS,
Commissioner Internal Revenue.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, DEC. 14, 1866.

SIR: Your letter of Dec. 10th, in relation to spring beds or palliasses has been received.

In answer I have to say that under the present excise law, mattrasses and palliasses are exempt from tax. The exemption is unqualified. This office holds therefore that all mattrasses and palliasses, whether made with spiral springs or otherwise are exempt from taxation.

Very Respectfully,
THOMAS HARLAND,
Dept. Commissioner.

WM. S. KING, ESQ.
U. S. Assessor, Boston, Mass.

DISTILLED SPIRITS UNDER PROOF LIABLE TO FULL TAX.

U. S. COLLECTOR'S OFFICE,
FIRST DISTRICT OF PENNSYLVANIA.
PHILADELPHIA, December 4, 1866.

SIR: I desire your decision on the question of law predicated on the annexed fact, which superinduced me to make the ruling below to-day. A distiller of this district desired to withdraw from bond a lot of spirits below proof, but held that he was not liable to pay the tax of two dollars per gallon on the same, insomuch as it had not reached the strength of proof. On examination of the law, I find in section 117 of the present compiled laws it to be stated, "that there shall be levied, collected and paid on all distilled spirits upon which no tax has been paid according to law, a tax of two dollars upon every proof gallon, to be paid by the distiller, owner, or any person having charge thereof;" and in the closing part of the paragraph I find the proviso, "provided that the tax upon all spirits shall be collected at no lower rate than the basis of first proof, and shall be increased in proportion for a greater strength than strength of first proof."

After a consideration of the law and its proviso I interpreted and ruled it to be the intention of the lawmakers to levy and collect a tax upon all distilled spirits, irrespective of the strength of the proof, but when its strength was increased its value increased as well as the quantity, and hence the increase of the revenue derived therefrom; therefore I refused to allow the spirits to be withdrawn from bond until the tax of two dollars had been paid thereon, for I cannot perceive what the Government has to do in the manufacture of this article, whether the distiller manufactures the spirits into a low or high strength of proof; but unfortunately a popular idea appears to prevail among this class of manufacturers that according to the parlance of the trade the low wines produced are not subject to taxation, and this being a case in point, I deemed it my duty to inform the department of my ruling, and at the same time request their decision thereon at their earliest convenience, and thus put to rest this popular hallucination, as its continuance is working much injury to the trade and materially affecting the revenue.

Truly yours,
A. B. SLOANAKER,
Collector.

HON. E. A. ROLLINS,
Commissioner.

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
Washington, Dec. 6, 1866.

SIR: Your letter of the 4th inst., has been received. In reply, I would state that in the case which you mention, the course taken by you in requiring a tax of two dollars per gallon upon the spirits was correct. According to the plain language of the 32d section of the act of July 13, 1866, all spirits below first proof are taxed the same as first proof, and for all above first proof the tax is increased in the same proportion as the strength,

Very Respectfully,
THOMAS HARLAND,
Dept. Commissioner.

A. B. SLOANAKER, ESQ., *Collector, Philadelphia.*

TASSELS SOLD WITH CURTAINS.

OFFICE OF INTERNAL REVENUE,
Washington, Nov. 17, 1866.

SIR:—In reply to your letter of Nov. 14th in relation to tassels sold with curtains, I have to say that tassels on which the tax has been paid, and which are not attached to, or in any way made a part of the curtains with which they are sold, need not be returned for taxation as a part of such curtain.

Very Respectfully,
THOMAS HARLAND,
Dept'y Commissioner.

JAMES A. BRIGGS, Esq.,
Special Agent, Boston, Mass.

SPRING UNDER BEDS AND MATTRASSES.

U. S. INTERNAL REVENUE FOURTH DIST, N. Y., }
108 LEONARD ST., Dec. 5th, 1866. }

SIR: A letter from Assessor Wm. P. Wells has been received by me, complaining that spring mattrasses are represented to him as being exempted from taxation in this district. I find that spring mattrasses, of which there are several manufacturers in this district, have been exempted from taxation by my assistants.

Assessor Wells says that similar articles are manufactured in Detroit, styled spring beds, and that they are held liable to tax.

These articles are called spring beds or spring mattrasses as suits the fancy of manufacturers; they are made:

First, with spiral springs covered over with strong canvass and the whole covered with ticking.

Second, with springs, canvass and ticking, as above, together with hair, cotton or other material, introduced between the canvass and ticking, on the top of the springs.

It will be seen that these articles differ from the ordinary matrasses made without springs; and the question arises whether the exemption clause of the present law should be constructed to include the spring bed, spring matrasseses, as well as the matrass without springs?

An early reply is respectfully requested.

Respectfully,

PIERRE C. VAN WYCK,
Assessor.

HON. E. A. ROLLINS,
Commissioner Internal Revenue.
Washington, D. C.

[ANSWER.]

OFFICE OF INTERNAL REVENUE, }
WASHINGTON, DEC. 8, 1866. }

SIR:

Your letter of the 5th instant, in regard to spring mattrasses, has heen received.

These mattrasses you state are made (1) "with spiral springs covered over with strong canvass, and the whole covered over with strong ticking; (2) with springs, canvass and ticking, as above, together with hair, cotton and other material, introduced between the canvas and ticking."

You wish to know whether these matrasses are exempt under the present law.

In reply, I have to say that under the act of July 1?, 1766, "feather beds, matrasses, pallaises, bolsters and pillows are exempt from taxation."

This provision clearly exempts all mattrasses. I am of opinion, therefore, that all mattrasses, which are sold under that name, and are known and recognized by the trade as such, are exempt from taxation, of whatever material the same may be made.

Yours Respectfully,

THOMAS HARLAND,
Deputy Commissioner.

PIERRE C. VAN WYCK, ESQ.
U. S. Assessor, New York City.

THE Commissioner of Agriculture makes a final estimate of the corn crops in 1866. The total is 880,000,000 bushels. In eleven States not hitherto reported, 185,000,000 bushels, against 274,000,000 bushels in 1859; in twenty-two Northern States, 679,000,000 bushels instead of 704,000,000 in 1865, showing a decrease of 25,000,000 bushels, while the decrease in quality is equivalent to 75,000,000, bushels, making a loss in feeding value equivalent to 100,000,000.

UNITED STATES DISTRICT COURT, KENTUCKY.

BEFORE JUDGE BALLARD.

United States vs. *J. G. Harris.*

1. The federal executive has no constitutional authority to remit moieties adjudged to informers under Internal Revenue Act of June 30th, 1864.
2. The provisions of section 9 of the Act of July 13, 1866, relating to informers shares, do not affect rights of informers vested by previous laws.

DECISION.

On the 15th of March, 1866, J. G. Harris was convicted of the offense of having in his possession merchandise subject to duty for the purpose of selling the same with the design of avoiding the payment of duties imposed thereon, and also of the offense of selling cigars, not being the manufacturer thereof, upon which the duties imposed by law had not been paid, with the knowledge thereof.

On the same day the court rendered judgment against the convict that he pay a fine to the United States of five hundred dollars on account of the first offense, and one hundred dollars for the second offense—in all six hundred dollars.

On the motion of the District Attorney, the convict was not committed to prison until the fine should be paid, but a capias was awarded against him.

On the next day, March 16th, John M. Hewitt was, by the judgment of the court, ascertained to be the first informer of the matters whereby the fine imposed on account of the first offense was incurred, and the judgment rendered on the day previous was so far modified that one moiety of said fine, to-wit: two hundred and fifty dollars, was adjudged to be for the use of said Hewitt and the remainder for the use of the United States.

On the 15th of April the President of the United States, by his deed of pardon, which recites that the said Harris had been "sentenced to pay a fine of six hundred dollars," remitted to him the payment of two-thirds of the same.

The Marshal, who at this time had in his hands said capias, assuming that the pardon was fully effective to discharge, according to its tenor, the defendant from the payment of four hundred dollars of said fine, and that the defendant had a right, under the laws of the State of Kentucky, which have been adopted by the United States, to replevy the judgment, allowed the defendant to give his bond, with Walter C. Whittaker and others, sureties, dated May 14, whereby the parties undertook to pay, three months after date, two hundred and fifty-three dollars, with interest from date. This sum is just equal to one-third of the fine and the costs of prosecution. This bond was subsequently satisfied by the payment into court, on the 17th of December, of two hundred and sixty-one dollars and forty cents.

And now, R. M. Moseby, the assignee of the informer, has moved the court that the whole sum adjudged to the informer by the judgment of March 16, 1866, be paid to him out of the fund in court, with interest from 14th of May, the date of the replevin bond.

This motion assumes for its basis that the President had no right to remit any portion of the fine previously adjudged to the informer, and that the informer is therefore entitled to his whole share, just as if no remission had taken place.

The question presented by this motion is an exceedingly interesting and important one. It involves a consideration of the power of the President, under the Constitution of the United States, to remit fines, and, so far as I am informed, it has never been determined by either the Supreme Court or by any Circuit Court of the United States. I would therefore gladly avoid its decision if I could, but every view which I take of the motion submitted, only confirms me in the conviction that the question suggested is directly involved, and that its determination can, in no way, be shunned. But, whilst I approach its consideration with unfeigned diffidence, fully impressed with the responsibility which every Judge must feel when he is obliged to determine any matter concerning the limit which the Constitution has imposed on any department of the Government, I have no disposition to shrink from the performance of a duty which I conceive is clearly enjoined on me. Without therefore any further apology, I proceed to announce the conclusion to which I have arrived and to assign some of the reasons on which it is founded.

By the forty-first section of the act of June 30, 1864, commonly called the internal revenue act, under which this conviction was had, it is provided that "all fines, penalties and forfeitures which may be incurred or imposed by virtue of this act shall be sued for and recovered in the name of the United States, in any proper form of action, or by any appropriate form of proceeding; * * * * * * * and when not otherwise or differently provided for, one moiety thereof shall be to the use of the United States and the other moiety to the use of the person, to be ascertained by the judgment of the court, who shall first inform of the cause, matter, or thing whereby any such fine, penalty or forfeiture was incurred." A similar provision is also to be found in the one hundred and seventy-ninth section.

It has already been stated that, by judgment of this court, rendered on the 16th of March, 1866, John M. Hewitt was ascertained to be the person who first informed of the matter whereby the fine of five hundred dollars was incurred, and that one moiety thereof was then adjudged to him. Did this judgment so vest this moiety in him that it could not, or rather was not divested or impaired by the pardon of the President? This is the question which I now proceed to consider. By section second, article second, of the Constitution of the United States, it is declared that "the President * * * * shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment." This language is less explicit than that employed in the Constitution of Kentucky, and in the Constitutions of other States, to confer a like power on the Governor. In this and in other States the Governor is expressly empowered to remit fines and forfeitures, as well as to grant reprieves and pardons. But, although this difference of language might have led to a difference of construction in respect to the extent of the power intended to be conferred, and might have resulted in denying to the President the power of remitting either fines or forfeitures, such, in fact, has not been its effect, for it may be considered as settled that the power of pardon in the President embraces all offenses against the United States, except cases of impeachment, and includes the power of remitting fines, penalties and forfeitures. Story's Commentaries on the Constitution, volume 2, section 1504; United States *vs.* Lancaster, 4th Washigton C. C. Rep., p. 66; United States *vs.* Wilson, 7th Peter's S. C. R., 161; *Ex parte* Wells, 18 Howard S. C. R., 307.

Conceding, however, that the power of pardon includes the right to remit fines and penalties, still, to understand the extent to which it may be exercised by the President, we must look to the extent of this prerogative rightfully belonging to the executive of that nation whose language we speak, and whose principles of jurisprudence the people of the United States brought with them as colonists, and established here. If the terms "pardon," "habeas corpus," "bill of attainder," "ex post facto," and other terms used in the Constitution, had a well known meaning in that language, and in that system of jurisprudence, the conclusion is irresistible that the Convention which framed the Constitution had reference to that meaning when it employed them, and that the people accepted them in that sense when they ratified the work of the Con-

vention. But this position, impregnable as it seems to be in the light of mere abstract reasoning, is doubly fortified by judicial decisions. Calder *vs.* Bull, 3d Dallas, 390; Watson *vs.* Mercer, 8th Peters, 110; Carpenter *vs.* Pennsylvania, 17 Howard, 463; United States *vs.* Wilson, 7 Peters, 160. Indeed, the Supreme Court in the last case cited, speaking in reference to the very matter we have now before us, that is, the extent of the power of the President to grant pardons, says: "As this power has been exercised from time immemorial by the Executive of that nation whose language is our language, and to whose judicial institutions ours bear a close resemblance, we adopt these principles respecting the operation and effect of a pardon."

It follows from this reasoning, and from these authorities, that if the King in England cannot, under his prerogative of pardon, remit, after judgment, the share of a fine given by law to an informer, it is not within the power of the President to do it under the Constitution of the United States. Indeed it would seem absurd to suppose that either the framers of the Constitution or the people who ratified it intended to confer on the President a power, in this respect, larger than that possessed by the sovereign of Great Britain.

Now, I find that the English authorities are uniform to the effect that the King cannot make pardon to the injury and loss of others, that he cannot, by his act of grace, give away that which belongs to another, that he cannot divest a vested interest, in short, that after an action popular, brought *tam pro domino rege quam pro se ipso* according to any statute, he may discharge his own, but not the informer's part, and that in other actions instituted in his own name where, by law, a share is given to an informer, he may remit his own share as well after as before judgment, but that, after judgment, he cannot remit the part of the informer, because, in the language of the law, this share of the informer is, by the judgment, vested in him. 3 Coke's Institutes, ch. 105, pp. 236-238. Hawkin's Pleas of the Crown, vol. 2, ch. 37, p. 553. 11th Coke 65d, 66a (Foster's case) Vener's Abridgment, Title Prerogative (u a. 7.) 5 Comyn's Digest. Title Pardons, p. 245, citing Strange 127; Parker 289; Crocker pp. 9 and 199; 4 Blackstone's Commentaries.

The authorities in the United States are to the same effect, though, as I have already said, the precise question here presented has never been decided. United States vs. Lancaster, 4 Washington's Cir. C. Rep. State vs. Simpson, 1 Bailey 378. State vs. Williams, 1 N. & McC. 26. In the matter of Flourney, 1 Kelley, 606. The State vs. Farley 8. Blackf. 229. The State vs. McO'Blenis, 21 Missouri, Ex parte McDonald, 2 Wharton 440. Duncan vs. Commonwealth, 4 S. J. R. 451. Playford vs. Commonwealth, 4 Barr, 144. The Hallen and Cargo, 1st Mason, 431. In some of these cases it is expressly stated that, by the common law of England, the King, in the exercise of his prerogative of pardon, cannot remit either the share of fine awarded to an informer, by the judgment of a court, or the costs of prosecution when they are adjudged to the officers of the court, and it is held that this limit also attaches to the power of pardon conferred on the Governors of States by their several constitutions.

Following the mandate of these authorities my conclusion is that a proper interpretation of the constitution limits the power of pardon confided to the President, after a judgment ordering a portion of a fine to be paid to a private citizen, to a remission of the share of the Government only, and that it is inoperative to divest an interest vested by such judgment in the citizen. What the President may do before judgment it is perhaps, not proper for me, in this case, to say, but when the prosecution is wholly in the name of the United States, I see nothing in the foregoing authorities which would deny him complete power over the whole case, for, although the cases of Jones' vs. Shore's Executors, 1 Wheaton, 670, and Van Ness vs. Buel, 4 Wheaton, 74, suggest that the informer has a right which attaches on seizure, or, at least on the institution of a prosecution, they admit that this right is only inchoate and is not consumated or vested until judgment.

I have not overlooked the decision of the Supreme Court in the case of the United States vs. Morris, 10 Wheaton, in which it is held that the Secretary of the Treasury, under the power conferred on him by the act of 1797, to remit fines, penalties, and forfeitures, may remit after judgment the share of the informer as well as the share of the United States. But it will be seen by reference to the opinion of the court that they regard this power, conferred by act of Congress on the Secretary, as materially distinguishable from the power of pardon conferred on the President by the Constitution. The Secretary, by the terms of the act, can remit only where the penalty "shall have been incurred without wilful negligence or any intention of fraud;" and is, therefore, authorized to administer a sort of equitable relief—that is, to relieve where, in justice and equity, no penalty should be paid. But the power of the President proceeds on no such principle. He may pardon whom he will and wholly without respect to the moral guilt or innocence of the legal offender. Moreover the court rest their decision on the ground that the statute expressly confers on the Secretary the power claimed; and, recognizing the maxim *cujus est donare ejus est disponere*, they consider that there can be no question that Congress, which gives the right to the informer, may, in its discretion, provide upon what conditions it may be enjoyed or taken away.

Nor have I overlooked the provisions of section 9 of the amended Internal Revenue act of 1866, 14th Statutes at Large, p, 146 which assert that, "it is hereby declared to be the true intent and meaning of the present and all previous provisions of internal revenue acts granting shares to informers, that no right accrues to or is vested in any informer in any case until the fine, penalty, or forfeiture in such case is fixed by judgment or compromise, and the amount or proceeds shall have been paid, when the informer shall become entitled to his legal share of the sum adjudged or agreed upon and received."

Whatever may be the effect of these provisions in cases arising under this act, it is manifest they cannot affect rights vested previous to their adoption under the law as it then existed. If more was meant by these provisions than to change existing laws; if they were intended to furnish to the courts a rule for the interpretation of previous statutes, I cannot admit their binding force to this extent. It is the province of Congress to make laws, not interpret them. Their interpretation, when made, is confided by the Constitution to the Judiciary.

Nor has the decision of the Court of Appeals of this State, in the case of Rout vs. Feemster, 7 J. J. M., 132, escaped my attention. That decision has been understood by some to hold that the Governor may remit the share of the citizen in a fine. It will, however, be seen that the case goes only to this extent, that the Governor may remit the whole fine, including the portion given by law to the Commonwealth's Attorney, because by the terms of the statute, he is entitled to nothing until the fine is collected. But if the decisions of the Courts in this State are to control my decision in this case, it may be well to refer to the case of Frazier, vs. Commonwealth, 12th B. Monroe, p. 369, in which it is held that when the "Governor remits less than half of the fine, or more than half, the part not remitted, to the extent of not more than half, should be paid to the attorney of the Commonwealth." This is an e[illegible] authority for giving the whole of the fine collected in this case to the informer.

It is due to the President to say that it is very apparent from the terms of the pardon granted by him he was not aware that any portion of the fine adjudged against the convict had been ordered to be paid to an informer. If he was furnished with a copy of the judgment at all, it must have been a copy of that rendered on the 15th of March which, as we have seen, adjudged the whole fine to the United States. If he had seen the judgment as it was modified by the order of the next day, which adjudged two hundred and fifty dollars to be for the use of Jno. M. Hewitt, informer, it is not probable that he would have attempted to impair his right; for I find, by consulting the opinions of the Attorney-General of the United States, that the power of the President to remit the share of an informer, after judgment, has never been expressly affirmed, but on the contrary frequently doubted and often denied. Let judgment be entered.

That out of the money in the registry of the court, in this case there be paid to the assignee of the informer, $258,87, which is the amount of the sum heretofore adjudged to the informer, with interest from the date of the replevin bond (May 14th) until the day the money was paid into the registry of the court.

DIRECTIONS TO PENSION CLAIMANTS AND CLAIM AGENTS.

DEPARTMENT OF THE INTERIOR,
PENSION OFFICE, January 7, 1867.

You are hereby informed that the failure of agents to observe the "instructions" published by this office in connection with the acts of June 6, and July 25, 1866, providing for additional allowance of pensions in certain cases, has occasioned much delay in the adjudication of claims under said acts. Those who are in receipt of a pension, and who believe themselves entitled to the benefits of said acts, should make application for the increase in accordance with the prescribed forms. Applications for increase can only be made by those to whom a certificate of pension has been issued; and for invalids should be made in accordance with form "F;" for widows having minor children with form "H;" and for guardians in accordance with form "I." Such applications take the number of pension certificate already issued, and should be made before some officer of a court of record, or pension notary, and all additional evidence filed in their support, and all correspondence relating thereto, should be endorsed with the *certificate number*. The proper mode of endorsing all papers relating to a claim on which a certificate has been issued is as follows:

Additional evidence on application for increase, certificate No.— giving the usual description of the case the name and residence of the applicant and service of the soldier.

All testimony or other papers relating to pending claims, or those on which a certificate has not been issued, should be endorsed "additional evidence," giving the number of the application and the usual description of the claim.

The supplementary affidavit required on pending claims, of those entitled to the benefits of the abovenamed acts may be made before any officer authorized to administer oaths, his signature and official character being certified under seal.

The widows and minor children of deceased officers are not entitled to the increase provided by the act of July 25, 1866.

A strict observance of the foregoing dinretoics and regulations would save much labor, and prevent delay in the adjudication of claims presented to this office.

Very respectfully, JAS. H. BARRETT,
Commissioner.

IMPORTANT TO SOLDIERS HAVING CLAIMS AGAINST THE GOVERNMENT.

PAYMASTER GENERAL'S OFFICE,
DIVISION OF REFERRED CLAIMS,
Washington, D. C., Jan. 8, 1867.

MESSRS. EDITORS: I know you would do the soldiers a great favor by informing them and their attorneys, through your columns, that it would greatly facilitate the payment of their bounties if they would immediately send on to me to be filed in this Department, a County Clerk's certificate, stating the commencement and expiration of the Notaries, Justices of the Peace, and Commissioner of Deeds, before whom they have made oath to their applications, except in cases where such certificates have already been sent. Those certificates can be filed here, and thus avoid the necessity and expense of a County Clerk's certificate in each case. Also to send on duplicate vouchers (form No. 5,) properly executed by the claimants themselves, and in all cases attested by two witnessess, except in cases where such vouchers have already been sent. It takes a great deal of time in sending for Clerk's certificate and vouchers, which could, much more profitably to the soldier, be devoted to payments.

It is hoped that all papers favorable to the soldier will assist in giving this information.

Very respectfully,
A. D. ROBINSON,
Paymaster.

It is very desirable, where practicable, that the witnesses to the voucher and the identifying witnesses be the same. It is not absolutely required. It tends to prevent fraud. A. D. R.

A BILL

TO REGULATE THE CIVIL SERVICE OF THE U. S., AND TO PROMOTE THE EFFICIENCY THEREOF.

Mr. Jenckes, from the Joint Select Committee on Retrenchment, recently reported the following bill in the House of Representatives, which was ordered to be printed and recommitted to the Committee on Retrenchment:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter all appointments of civil officers in the several departments of the service of the United States, except of postmasters and such officers as are required by law to be appointed by the President, by and with the advice and consent of the Senate, shall be made from those persons who shall have been found best qualified for the performance of the duties of the offices to which such appointments are to be made in an open and competitive examination, to be conducted as herein prescribed.

SEC. 2. *And be it further enacted*, That there shall be appointed by the President, by and with the advice and consent of the Senate, a board of three commissioners, who shall hold their offices for the term of five years, unless sooner removed by the President, by and with the advice and consent of the Senate, to be called the civil service examination board, among whose duties shall be the following:

First. To prescribe the qualifications requisite for an appointment in each branch and grade of the civil service of the United States, having regard to the fitness of each candidate in respect to age, health, character, knowledge, and ability, for the branch of service into which he seeks to enter.

Second. To provide for the examination of all persons eligible under this act who may present themselves for admission into the civil service.

Third. To establish rules governing the applications of such persons, the times and places of their examinations, the subjects upon which such examinations shall be had, with other incidents thereof, and the mode of conducting the same, and the manner of keeping and preserving the records thereof, and of perpetuating the evidence of such applications, qualifications, examinations, and their result, as they shall think expedient. Such rules shall be so framed as to keep the branches of the public civil service and the different grades of each branch, as also the records applicable to each branch, distinct and separate. The said board shall divide the country into territorial districts, for the purpose of holding examinations of applicants resident therein, and others, and shall designate some convenient and accessible place in each district where examinations shall be held.

Fourth. To examine personally, or by persons by them specially designated, the applicants for appointment into the civil service of the United States.

Fifth. To make report of all rules and regulations established by them, and of a summary of their proceedings, including an abstract of their examinations for the different branches of the service, annually, to the President, to be submitted to Congress at the opening of each session.

SEC. 3. *And be it further enacted*, That all appointments to the civil service provided for in this act shall be made from those who have passed the required examinations, in the following order and manner:

First. The applicant who stands highest in order of merit on the list of those who have passed the examination for any particular branch and grade of the civil service, shall have the preference in appointment to that branch and grade, and so on, in the order of precedence in examinations, to the minimum degree of merit fixed by the board for such grade.

Second. Whenever any vacancy shall occur in any grade of the civil service above the lowest, in any branch, the senior in the next lower grade may be appointed to fill the same, or a new examination for that particular vacancy may be ordered, under the direction of the department, of those in the next lower grade, and the person found best qualified shall be entitled to the appointment to fill such vacancy: *Provided*, That no person now in office shall be promoted or transferred from a lower to a higher grade until he shall have passed at least the examination under this act.

Third. The right of seniority shall be determined by the rank of merit assigned by the board upon the examinations, having regard also to seniority in service; but it shall at all times be in the power of the heads of departments to order new examinations, which shall be conducted by the board, upon due notice, and according to fixed rules, and which shall determine seniority with regard to the persons ordered to be examined, or in the particular branch and grade of the service to which such examinations shall apply.

Fourth. Said board shall have power to establish rules for such special examinations, and also rules by which any persons exhibiting particular merit in any branch of the civil service may be advanced one or more points in their respective grades; and one-fourth of the promotions may be made on account of merit irrespectiv of seniority in service, such merit to be ascertained by special examinations, or by advancement for meritorious services and special fitness for the particular branch of service, according to rules to be established as aforesaid.

SEC. 4. *And be it further enacted*, That said board shall also have power to prescribe a fee, not exceeding five dollars, to be paid by each applicant for examination, and also a fee not exceeding ten dollars, to be paid by each person who shall receive a certificate of recommendation for appointment or for promotion, or of seniority, which fee shall be first paid to the collector of internal revenue in the district where the applicant or officer resides or may be examined, to be accounted for and paid into the Treasury of the United States by such collector. The certificate of payment of fees to collectors should be forwarded quarterly by the examiners to the Treasury Department.

SEC. 5. *And be it further enacted*, That said board shall have power to prescribe, by general rules, what misconduct or inefficiency shall be sufficient for the removal or suspension of all officers who come within the provisions of this act, and also to establish rules for the manner of preferring charges for such misconduct or inefficiency, and for the trial of the accused, and for determining his position pending such trial.

SEC. 6. *And be it further enacted*, That any one of said commissioners may conduct or superintend any examinations, and the board may call to their assistance in such examinations such men of learning and high character as they may think fit, or in their discretion such officers in the civil, military, or naval service of the United States as may be designated from time to time on application of the board, as assistants to said board, by the President or heads of departments, and in special cases to be fixed by rules or resolutions of the full board, they may delegate examinations to such persons, to be attended and presided over by one member of said board, or by some person specially designated to preside.

SEC. 7. *And be it further enacted*, That the said board may also, upon reasonable notice to the person accused, hear and determine any case of alleged misconduct or inefficiency under the general rules herein provided for, and in such case shall report to the head of the proper department their finding in the matter and may recommend the suspension or dismissal from office of any person found guilty of such misconduct or inefficiency, and such person shall be forthwith suspended or dismissed by the head of such department, pursuant to such recommendation, and from the filing of such report shall receive no compensation for official service, except from and after the expiration of any term of suspension recommended by such report.

SEC. 8. *And be it further enacted*, That the salary of each of said commissioners shall be five thousand dollars a year, and the said board may appoint a clerk at a salary of two thousand dollars a year, and a messenger at a salary of nine hundred dollars a year, and these sums, and the necessary travelling expenses of the commissioners, clerk, and messenger, to be accounted for in detail and verified by affidavit, shall be paid from any money in the treasury not otherwise appropriated. The necessary expenses of any person employed by said commissioners, as assistants, to be accounted for, and verified in like manner and certified by the board, shall also be paid in like manner.

SEC. 9. *And be it further enacted*, That any officer in the civil service of the United States at the date of the passage of this act, other than those excepted in the first section of this act, may be required by the head of the department in which he serves to appear before said board, and if found not quallified for the place he occupies he shall be reported for dismissal, and be dismissed in the manner heretofore provided, and the vacancy shall be filled in manner aforesaid from those who may be found qualified for such grade of office after such examinations.

SEC. 10. *And be it further enacted*, That all citizens of the United States shall be eligible to examination and appointment under the provisions of thisact, and the heads of the several departments may in their discretion designated the offices in the several branches of the civil service the duties of which may be performed by females as well as males, and for all such offices females as well as males, shall be eligible, and may make application there for and be examined, recommended, appointed, tried, suspended, and dismissed, in manner aforesaid, and the names of those recommended by the examiners shall be placed upon the list, for appointment and promotion in the order of their merit and seniority and without distinstion other than as aforesaid from those of male applicants or officers.

SEC. 11. *And be it further enacted*, That the President and also the Senate may require any person applying for or recommended for any office which requires confirmation by the Senate, to appear before said board and be examined as to his qualifications, either before or after being commissioned, and the result of such examination shall be reported to the President and to the Senate.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—NO. 4. NEW YORK, JANUARY 26, 1867. WHOLE NUMBER, 108.

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NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 LIBERTY ST., NEW YORK.

NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFCE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS,
Commissioner.

P. VR VAN WYCK, Esq..
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

WHISKEY FRAUDS.—The argument in the case of the U. S. vs. Devlin, &c., for defrauding the revenue by illicit distillation and false branding of barrels, was called before Commissioner Newton on Wednesday last, and adjourned *sine die*. The persons immediately concerned plainly know more of this strange action than any body else, but the aspect of the case now presented to the public causes much astonishment.

REVIEW.

SEVERAL rulings of interest are published this week, one of which is important to small manufacturers, such as tailors and shoemakers. Where manufactures, with certain exceptions, are produced by the labor of a person or his family, the same are exempted from tax to the extent of *the rate* of $1000 per annum, or 83⅓ dollars each month.

Instructions are given in regard to the assessment of tax on confectionery, and the term *when sold by the box or package* is clearly defined.

By the last proviso of Section 103, Paragraph 74 of Compilation, boats, barges and flats of certain descriptions are subjected to a special tax in lieu of enrolment fees or tonnage tax, and are divided for the purpose into two classes, those of a capacity exceeding twenty-five but not over one hundred tons burden, and those of a capacity exceeding one hundred tons. The Commissioner rules that the capacity of such vessels must be determined by the Customs admeasurement.

The transformation of still grape wine into "Sparkling Catawba" does not render it liable to tax. This ruling should be interpreted strictly. The still wine must be a pure grape wine, and not an imitation article, and the sparkling wine into which it may be transformed must be sold as "Sparkling Catawba." If put up in imitation of an imported wine, as to brand, marks, &c., it would clearly seem to come with the liabilities of Section 36 of the Act of last July, Paragraph 95 of the Compilation.

Attention is directed to the ruling in regard to the liability of cloths to tax on being dyed or printed, and relating to increased values under Section 94, and also to repairs. Questions of increased value arising under Section 94 and 95, are among the most abstruse, and involve distinctions as refined as any in the statute. The point elaborated in the official communication is a most important one in relation to the Revenue, and the claim for exemption seems to be effectually disposed of in the cases presented.

ASSESSORS, Collectors and tax-payers are earnestly solicited to call the attention of the RECORD to any diversity of practice in assessments, and to any irregularities or abuses arising out of the administration of the law. All communications on such subjects will be received in confidence. The aim and ambition of the RECORD is to equalize taxes by establishing uniformity in assessments, and to exert its influence in arresting the demoralizing tendencies of our tax laws.

A TREASURY EXAMINING COMMISSION.

A bill recently introduced by Representative Garfield of Ohio, contains the following features: Provisions for the appointment of three citizens, not holding any Federal office, with full power to examine all books, letters, papers, vaults, and deposits in the Treasury and Sub-Treasury. They are to report to Congress in reference to the receipt and disbursement of the public money. *Second:* The amount of money in the Treasury, specifying the actual amount of coin, United States notes, and National Bank notes. *Third:* The amount of public money deposited with designated depositaries and the mode of managing the same. *Fourth:* The amount and description of bonds deposited in the Treasury by National Banks to secure their circulation. *Fifth:* The manner of paying interest on bonds and safeguards against duplication and counterfeiting of coupons. *Sixth:* The sale of gold, purchase and sale of bonds and other securities of the United States, amounts and rates of purchase, and sale amount of commissions paid, and to whom paid. *Seventh:* The engraving, printing, and issuing of National Bank notes, United States Bonds, Legal Tender notes and fractional currency. *Eight:* The redemption, circulation and redemption of United States paper representing value. *Ninth:* The manner of keeping accounts, auditing claims and issuing warrants for payments of money from the Treasury. *Tenth:* Any other suggestion or recommendation affecting the efficiency and security of transactions in the Treasury Department. The examiners are empowered to administer oaths to witnesses, and to employ a stenographer. The bill was read a first and second time, and referred to the Committee on Ways and Means.

INTERNAL REVENUE TAX IN LYNN.—The amount of internal revenue assessed in this city during the month of December was $8553 19. This is the smallest sum ever assessed in Lynn since the passage of the revenue law, being only about two-thirds what it was in November, which was the smallest previous month. The cash value of the shoes sold during December, as returned to the Assessor, was $244,267, and of morocco sold, $46,099. The total amonnt of taxes paid to the Government in Lynn, Swampscot and Nahant, during the space of four years and four months, was $2,350,000, of which, of course, the city of Lynn paid at least nine-tenths, if not more. The largest tax ever assessed in a single month on manufactures was in August last, just after the reduction of the rate of from six to two per cent.

ILLICIT DISTILLING.—Hugh Duffy was brought before Commissioner Jones yesterday on a charge of having carried on the busines of distilling spirits, at the foot of Clinton street, Brooklyn, without paying the special tax. The evidence showed that Mr. Duffy had no pecuniary interest in the business, and he was discharged.

So it goes. Men of straw are put to work to defraud the revenue, by monied men who keep in the back-ground. An arrest occurs, as in the case in question, and as the party is pecuniarily irresponsible, no benefit in detaining him would accrue except to the revenue, so he is discharged, while his backer reaps the reward of his dishonesty and is ready to do the same thing over again.

COMMERCIAL FAILURES LAST YEAR.

THE annual circular of Messrs. Dun, Winan & Co. contains some interesting statistics relating to commercial affairs in the United States in 1866. Mr. Winan says of failures:

"In consequence of the war, it was impossible to obtain the failures in the Southern States; our statistics are, therefore, incomplete with regard to the country as a whole; but in the Northern States the figures are given for each year. It will be seen that during 1866 there is a very considerable increase in the number, as compared with the preceding four years, and that the amount of liabilities has been largely augmented; but taking into account the failures from 1857 to 1861, the failures of the past year are less in number and amount than those of any one of these five years, and in view of the enormously increased trade and the unsettled condition of commercial matters generally, the figures for 1866 cannot be called excessive."

It is true that the figures for 1866 are not excessive in view of the considerations mentioned, but the question is suggested why it was that the condition of commercial affairs was so unsettled in 1866? The answer will be found to be in chief apprehension of the future respecting the financial policy of the Government, and secondarily the drift of politics. The policy of the Government was to secure a speedy return to specie payments, and a contraction of the volume of paper currency was deemed imperatively necessary to accomplish that end. With a diminution of credit, as represented by Government paper money, came the enlargement of private credit extended by merchants to purchasers on time, and in proportion to the contraction of the currency it will be seen that the number of failures increased. The coincidence is at least remarkable, if, indeed, a direct logical consequence may not be shown to exist between commercial failures, which are caused chiefly by an undue expansion of private credit, and the lessening of the volume of Government credits, represented by the greenback and National notes. So long as a cash system could be maintained, which was the case during the war, with large issues of legal tender, no convulsion, no destruction of private confidence could possibly ensue; no panic, no crash, no crisis. Trade being conducted on a cash basis, the value of commodities might increase or shrink, but no failures could follow. Private confidence was undisturbed. Exchanges were effected by means of greenbacks, which are, in substance, the endorsed notes of every tax-payer in the land. There was no necessity for private notes, open accounts, personal promises to pay, and such like uncertain means of carrying on commerce,—uncertain, for confidence in such private credits might at any time collapse. There was simply more currency of unquestionable security than ever before in the country, and the increased supply of this sound currency, the life-blood of commerce, gave renewed vitality to trade.

Every body wondered! We astonished Europe, we astonished ourselves, at the vigor, resources and power which were developed in the suppression of the rebellion, and more astonished than all besides were the financiers, who found that the instrument—the simple tool with which the patriotism of the Nation wrought the great work was the little paper *greenback*.

The following table shows the number and amount of failures in the Northern States for ten years past:

Date.	No.	Liabilities.
1857	4,257	$265,818,000
1858	3,113	73,608,747
1859	2,959	51,314,000
1860	2,733	61,739,000
1861	5,935	188,632,000
1862	1,652	23,049,000
1863	495	7,899,000
1864	520	8,579,000
1865	530	17,625,000
1866	692	47,333,000

This table shows, partially, the failures in *all* the States during the same period.

Date.	No.	Liabilities.
1857	4,932	$291,750,000
1858	4,225	95,749,000
1859	3,913	64,394,000
1860	3,676	79,807,000
1861	6,993	207,210,000
1862	——	——
1863	——	——
1864	——	——
1865	——	——
1866	1,505	53,783,000

In commenting upon the facts presented by these tables, the Circular says:

"Notwithstanding the increase of failures, as above noted, there is much in the history of the year just closed which calls for sincere congratulation. Ever since the suspension of specie payments and the creation of an inflated currency, the community has been led constantly to anticipate a crisis, which for magnitude and extent should exceed all other events of that character in our previous history. But another year has passed and no great calamity has befallen us. Yet while the year has not produced a crisis, it can hardly be said to have yielded an average return of profit. While in 1865 more money was made in proportion to the number engaged than ever before in the same period, it may safely be said of 1866, never before was there less money realized from a volume of trade of the same extent. Many manufacturers have barely held their own, while importers and jobbers have made but small returns in proportion to the extent of business done."

[OFFICIAL.]

LAWS OF THE UNITED STATES,

Passed at the Second Session of the Thirty-Ninth Congress.

[PUBLIC—No. 4.]

AN act suspending the payment of moneys from the treasury as compensation to persons claiming the service or labor of colored volunteers, or drafted men, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the final report of the Commissioners provided for in the second section of the act of Congress entitled "An act making appropriation for sundry civil expenses of the Government for they ear ending June thirtieth, eighteen hundred and sixty-seven, and for other purposes," approved July twenty-eight, eighteen hundred and sixty-six, shall be made, through the Secretary of War, to Congress; and no money shall be paid from the Treasury, or from any fund therein, upon the same, or otherwise, to any claimant under the provisions of section twenty-four of the act approved February the twenty-fourth, eighteen hundred and sixty-four, entitled, "An act to amend an act entitled 'An act for enrolling and calling out the national forces, and for other purposes,'" approved March third, eighteen hundred and sixty-three, until such report shall be approved and confirmed by Congress.

Approved, January 14, 1867.

DELAYS IN CUSTOM HOUSE SUITS.

THE following letter has been addressed by the Secretary of the Treasury to certain gentlemen in New York City, who wrote to him concerning protracted delays in suits brought by merchants to recover duties alleged to have been illegally or improperly exacted and paid. The course of the Treasury Department in relation to such suits has been quite severely reflected upon by journalists, uninformed of all the facts and circumstances.

TREASURY DEPARTMENT,
WASHINGTON, Jan. 11, 1867.

GENTLEMEN: I am in receipt of your communication of Oct. 17 last, inclosing to me and commending to my attention "a remonstrance from many leading importers of New York, having suits pending in the United States Circuit Court for duties which are determined to have been illegally exacted, against the delays and difficulties which are constantly interposed by certain officials of the New York Custom-house, with a view to prevent the recovery of their money."

The remonstrance does not specify what are the delays and difficulties alleged to be interposed at the Custom-house, nor does it state who are the officials complained of, but after making this very indefinite accusation proceeds to urge general objections to the line of defence which has been taken in the Courts on behalf of the Government in two particulars.

The first objection taken is to the course of the Government, through its legal officer, the District-Attorney, in resisting the doctrine of prospective protests, as it is called.

Upon this point I have to say that, as this question is presented to me, the practice of the Courts cannot be regarded as settled by any authoritative decision. It is a well-known fact, which this Department cannot fail to recognize, that while prospective protests are held to be sufficient in the United States Circuit Court of the second circuit, they are held not to be sufficient in all cases in the first circuit. No case is known to have arisen—at least no such case is reported—where such a protest was regarded as sufficient in that Circuit.

A single case only of this kind appears to have been carried to the Supreme Court, and from all the circumstances attending that case, and the language of the Judge who delivered the opinion of the Court, I am inclined to regard that decision as exceptional in its character, and not intended to be of general application in all cases where such protests have been used.

It is sufficient for me to know that one rule is adopted in one circuit, and a different one in another circuit: one regarding the decision of the Supreme Court as of general application, the other regarding it as of very exceptional application.

This conflict appears to me to be very unfortunate. It operates unjustly toward importers where the more rigid construction is given, if the opinion of the Court of that circuit is erroneous. It operates unjustly toward the Government if the opinion of the Court of the second circuit is erroneous. It is a question of importance to all merchants, for it is unfair that greater facility should be extended to the merchants of one locality than to those of another.

The remonstrants are probably aware that it is not every case which can be appealed to the Supreme Court. This can only be done when the amount involved is $2,000 or more, exclusive of costs. Undoubtedly some judgments have been paid in cases where prospective protests have been relied on; but, so far as I am aware, a case recently tried in New York is the first one involving this principle which has arisen since I assumed charge of this Department, where the amount involved has allowed an appeal to be taken.

A second objection is made to the course of the Government, in requiring the statutes of limitation of the respective States to be pleaded in bar whenever it is applicable.

In reply to this objection I have said that this is no new requirement, it is no innovation. The act of Congress directs that these statutes shall be adopted as rules of decision in the United States Courts, when applicable. The Supreme Court has repeatedly held that they may be pleaded, and a regulation of this Department issued in 1857 by a former Secretary, Mr. Guthrie, "directs the pleading in bar of the statute of limitation, when applicable, in all cases of suits against Collectors for the recovery of duties alleged to have been erroneously exacted." This regulation has never been rescinded, and I must confess I know of no reason why it should be.

The principle involved in these statutes is very old, and is of universal application in this country. It was adopted from our mother country. It has ever been regarded as a most wholesome provision. It is of constant use, as much so at the present day as ever before. The reasons for its application to suits between individuals apply with equal force to these Collector's suits. Indeed, I think there are stronger reasons for its application to these cases, growing out of the fact that changes are so constantly occurring in the persons holding official positions, who are generally the only witnesses the Government can have. Evidence more easily slips away from the control of the Government than from individuals. Interest in behalf of Government fades out more rapidly oftentimes than it does for an individual. Interest for the Government from various obvious reasons, may much oftener change to a species of hostility.

I do not mean to say that in no cases whatever that may arise should this plea be waived. Special cases there may be when by reason of some explicit understanding, growing out of unusual circumstances, this Department would feel authorized in not setting up this plea in bar. Whenever such cases arrive I trust this Department will be found ready to act with just liberality.

The only other specific objection made by the remonstrance is to the adjustment of verdicts by the Collector of the port. I understand that at times these verdicts have been referred for adjustment to the Collector, but much more often they have been referred to the clerk of the Circuit Court. I have only to say in regard to this objection that it is a matter over which this Department has no control whatever. The Judges of the Court make the reference themselves, and all suggestions as to reference must be made to them and not to this Department.

Having thus alluded to the several objections made by the remonstrants, I beg leave to suggest that this Department does not make the laws. Its duty is to recognize and enforce them so far as they relate to its business. They cannot he waived or disregarded, and they should not be ridiculed as technicalities, in the odious sense in which that term is often used. All statute law is in a certain, but very proper sense, technical. The law requiring any protest at all is a technical law; the provisions of law requiring an appeal from the decision of the Collector to this Department within a given time, and the institution of suit within a certain period, and the filing a protest in each case of entry of goods where the duties imposed are objected to, are also technical provisions. They are all contained in the statutes. Yet I never heard any importer complain that he was obliged to file a protest, or ask the Government to waive the objection that none had been made. There is no more reason why request should be made to have those other provisions of law waived for the benefit of importers.

It is the desire and intention of this Department to do full justice to importers in these suits. It intends to have entire regard for all their legal rights. But the Department cannot forget that it has the rights and interest of the infinitely larger part of the community not engaged in importations, which it is equally bound to protect. Nor can it be unmindful of the fact that great complaint has repeatedly been made of a want of vigilance in fully protecting the interests of the Government. Investigations have been made and reported to Congress, tending to show that there has been in times past a want of proper attention to these cases, and special attention has been directed to the fact that these very objections, which are now complained of as technical, have not been interposed and taken advantage of by officers of the Government.

It is true that delays have arisen in the trial of this class of suits, especially during the past eighteen months; but I feel confident that they have arisen from no fault of this Department, or of the officers of the customs. They have sprung from other causes, entirely beyond my control.

It is my wish and purpose to have such arrangements made as will hereafter secure more speedy disposition of this class of cases. It is as desirable for the Government as it is for the merchants that they should be taken up and disposed of promptly in their order, and not be allowed to incumber the dockets of the Courts for years. The great number of cases now pending in New York, being, as I am assured, between one thousand and two thousand, and involving the payment of about a million of dollars, will require time and patient attention for the proper protection of the Government, but they shall be disposed of as rapidly as the circumstances will admit. As regards suits, that may hereafter be brought, I feel assured there will be no ground of complaint on account of delay in reaching a trial or settlement on the part of the Government.

In conclusion, I have to say, gentlemen, that my most earnest effort, in the administration of the duties of this Department, is to be as fully sensible of all the rights and interests of the individual citizen as those of the Government, and my constant aim shall be to subject this Department to no just or well-founded reproach for its action toward any citizen who may have business relations with it.

I have the honor to be, gentlemen, very respectfully, your obedient servant.

H. MCCULLOCH,
Secretary of the Treasury.

To Hon. W. A. DARLING, W. E. DODGE, HENRY J. RAYMOND.

WHISKEY SEIZURE.—Two barrels of whiskey were seized this week by an officer of the Forty-ninth Precinct Police, Brooklyn, from a carman who was carrying it through Sandford street. The driver, with his horse and cart, decamped to parts unknown.

Why the driver was not arrested does not appear but may be surmised. There was too much trouble and too little money in an arrest. The law imposes a severe fine upon any person aiding in the unlawful removal or transportation of spirits, and forfeits the vehicle, yet in the numerous cases of seizures brought to our notice, the cartmen are allowed to escape. If the cartmen were arrested and rigorously dealt with, the facilities of illicit distillers would be materially diminished.

THE Colorado National Bank of Denver, Colorado, has been designated as a depository of public monies, by the United States Treasurer, it having deposited, as security for the safety of United States funds entrusted to it, bonds to the amount of $100,000.

Treasury Dept., Decisions, &c.

OFFICIAL.

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 23, 1867.

SIR: Enclosed I send you four of the rulings of this office.

Very Respectfully,
E. A. ROLLINS,
Commissioner.

EDITOR INTERNAL REVENUE RECORD.

RATABLE EXEMPTION UNDER SEC. 93, OF PRODUCTIONS OF A PERSON OR HIS FAMILY.

Under the provisions of section 93 of the act of June 30th, 1864, as amended by the act of July 13th, 1866, goods, wares, and merchandise, and all articles (except refined petroleum, refined coal oil, cotton, gold and silver, spirituous and malt liquors, manufactured tobacco, snuff, and segars,) made or produced by the labor of any person or firm, or by his or their family, are exempt from tax to the extent of *the rate* of one thousand dollars per annum, i. e., to the amount of $83⅓ each month.

This is an exemption of *taxable* products; goods, wares, and merchandise exempted from taxation by section 10 of the Act of July 13th, 1866 (section 91 of the compilation) are to be disregarded in determining the liability of a manufacturer to a tax upon his productions.

They should be reckoned in fixing his liability to a special tax.

AD VALOREM AND SPECIFIC TAX ON CONFECTIONERY AND CANDY SOLD BY THE BOX OR PACKAGE, OR BY THE POUND.

A tax of ten per centum ad valorem is imposed upon sugar candy and all confectionery made wholly or in part of sugar when valued at exceeding 40 cents per pound including the tax, or when sold by the box, package, or otherwise than by the pound

The term *when sold by the box or package*, applies only to the higher grades of confectionery which are put up in boxes or packages and sold without regard to weight. Common candies put up and sold in boxes or packages cannot be regarded as sold *by the box or package* within the meaning and intent of the law, but, unless valued at exceeding forty cents per pound, including the tax, must be returned and taxed by the pound.

SPECIAL TAX ON BOATS, BARGES, AND FLATS, ADMEASUREMENT OF TONNAGE.

In assessing the special tax upon boats, barges, and flats under the last proviso to sec. 103 (sec. 74 of compilation), the capacity is to be determined by the customs admeasurement.

GRAPE AND FRUIT WINES, SPARKLING CATAWBA.

Wine made of grapes, currants, or other fruits is exempt from internal tax, and the transformation of still grape wine into "Sparkling Catawba" does not render it liable.

LIABILITY TO TAX OF CLOTHS DYED AND PRINTED—INCREASE VALUE UNDER SEC. 94—REPAIRS.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, January 15, 1867.

SIR: Your letter of the 11th inst., calling my attention to a communication of yours under date of October 29th, on the subject of cloths dyed and printed, and asking for a decision as to their liability to tax, has been received.

Samples of different kinds of cloths accompanied your letter, grouped under four different heads, with descriptions of each; but there seems to be but one question raised, viz.: whether the dyeing or printing of cloths which have become unsaleable on account of changes in style or fashion, or which have depreciated in value from the length of time they have been on hand, renders such cloths liable to taxation either under Sec. 94 or Sec. 95 (Act of June 20, 1864, as amended).

In answer to the question thus raised I have to say, that the taxing of increased value under Sec. 95, is limited to articles, &c., which are not specially provided for. Cloths made or manufactured, and cloths dyed, printed, or bleached, are specially provided for in Sec. 94; therefore, whatever liability there may be in the case is to be found in Sec. 94.

Originally Sec. 94 provided for taxing repairs, as well as for taxing manufacturing. Dyeing, printing and bleaching may be either, according to the article to which the process is applied and the end to be secured. The coloring or bleaching of dresses, shawls, bonnets and other articles of clothing or dress which have become impaired by use, accident or decay, is clearly a *repair*, and therefore exempt from taxation under the amendatory Act of July 13th, 1866, which exempts repairs of articles of all kinds.

The dyeing, printing, or bleaching of cloths or articles which have never been used, nor suffered decay, waste, injury, or partial destruction thereby, is a *process of manufacturing*, and taxable by express provision, on the increased value added by the process provided a tax or duty shall have been paid on the cloths or articles before the same were re-dyed, printed, or bleached.

The cloths, &c., may be domestic fabrics or foreign manufactures; and the tax previously paid may have been upon cloths merchantable, but which have not been subjected to the final or finishing process of dyeing, printing, &c., or they may already have been once dyed, printed or bleached. The liability is the same in either case; and the increased value, whether it is more or less, is taxable.

That there is some increased value, I presume no one would seriously pretend to deny. It is contrary to reason and experience for persons to incur the expense of dyeing, printing, bleaching, &c., unless there was a probability, amounting nearly to a certainty, that the owners would realize more for the goods after they were colored and printed, than they would otherwise receive.

The question is not whether they may realize the original value of the goods, or whether their sale involves to the owners profits or losses. The law taxes the manufacturer or producer on his goods, wares and articles upon their value, or increased value, whether he makes or loses money.

The increased value given to cloths, &c., by dyeing, printing or bleaching, is not to be determined in such cases by comparing their value when dyed, &c., with their original cost. The values immediately before and after dyeing, &c., are the bases of comparison. This value will, at least, *equal* the cost of dyeing, printing or bleaching, and may be *more*.

The rule of this office is to tax the dyer, printer or bleacher when he purchases goods, and dyes, prints, or bleaches them, or receives from manufacturers or dealers new goods on which a tax or duty has been paid to be dyed, printed or bleached, or cloths which have become unsaleable, not from use, accident or decay, but from change of style, color, print or fashion, to be re-dyed, printed, or bleached, five per cent. on increased value. But the re-dyeing of shawls and other articles of clothing which have become impaired by use, accident, or decay, is regarded as repairs, and therefore exempt from taxation.

Yours respectfully,
(Signed) THOMAS HARLAND,
Dept. Commissioner.

S. LASAR, Esq.,

THE rulings contained in the following correspondence confirm those hitherto promulgated by the Revenue Bureau, but are published because of the misapprehension which appears still to exist among manufacturers and dealers on the points involved.

SALE OF GOODS BY MANUFACTURER OR DEALER THROUGH TRAVELLING AGENT, AND LIABILITIES OF SUCH AGENT.

ASSESSOR'S OFFICE, 1ST DIST., MASS.
PLYMOUTH, Jan. 7th, 1867.

SIR: Will you please inform me whether if a manufacturer sell at his factory alone, having paid a manufacturer's special tax (license), and sends out an agent to sell by sample, whether any further special tax as a dealer can be assessed on the manufacturer.

Also, if the manufacturer has paid a manufacturer's special tax, and also a dealer's special tax for goods sold by him at a place removed from his factory, whether the sales made by a travelling agent should be added to sales as a dealer or to the manufacturer's sales only. The agent returns his orders to the manufacturer or treasurer, and they are filled from the factory or from the store, as it may happen to suit the convenience of the manufacturer.

Your obedient servant,
CHAS. G. DAVIS, *Assessor.*

[ANSWER.]

OFFICE OF INTERNAL REVENUE,
WASHINGTON, Jan 9th, 1867.

SIR: I reply to yours of the 7th inst., that the rule of the office exempts the agent of a single manufacturer or dealer from special tax as a commercial broker in respect of soliciting orders for such manufacturer or dealer, if such agent is paid altogether by salary and not by commission. Exemption from the broker's tax on sales would follow, so far as the agent were concerned. But if the orders of such an agent were filled by a dealer, the amount of sales should be included in dealer's basis of special tax.

Very respectfully,
THOMAS HARLAND,
Dept. Commissioner.

CHAS. G. DAVIS,
U. S. Assessor, Plymouth, Mass.

GROUND WHITE LEAD KEGS HELD FOR TAX.

PHILADELPHIA, Octobor 16, 1866.

SIR: We are manufacturers of kegs, which are designed and used for packing dry paints, and also for packing ground white lead, which is of nearly the consistency of putty.

These kegs are made of staves and headings that could not be used for a water tight cask; the wormholes are not plugged, and the kegs are never water tight. To prevent the oozing of paint, the manufacturer of paint applies a thin coating of glue to the inside of the keg—but this application does not make the keg water tight.

The persons employed in the manufacture of these kegs do not understand the trade of the manufacture of casks for fluids, nor would they in general be able to manufacture water tight casks; which belong to an entirely different branch of business.

In view of these facts, which we are willing to substantiate by oath or affirmation, we claim said kegs for

packing ground lead to be exempt from Internal Revenue tax.

An early answer it requested.

Very respectfully,

Hon. E. A. Rollins,
Commissioner.

[ANSWER.]

Office of Internal Revenue,
Washington, October 18, 1866.

Sir: In reply to a letter of this date, in relation to kegs, signed by yourself and ————, I have to say that by the excise act of July 13, 1866 "barrels and casks other than those used for the reception of fluids," are exempt from tax. Under this provision, barrels and casks not capable of holding fluids, and which are used for packing flour, lime, nails, dry paints, &c., are exempt from tax. But kegs in which white lead, ground in oil, is packed, are generally substantial articles, made water tight, and which are not entitled to exemption

For a decision in regard to the kegs in question, you are respectfully referred to your Assessor, who being present and having the facts in the case before him, is doubtless qualified to decide correctly.

Very respectfully,

(Signed.) Thomas Harland,
Dept. Commissioner.

To ————.
Philadelphia, Pa.

In accordance with the above, the parties are assessed for tax by Assessor Coggshall, 5th Pennsylvania District, on kegs of the kind above specified.

The *Tribune* law reporter says in relation to the case of the *United States vs. Max H. Beringer*, one of the burning fluid cases referred to in the Record, that its disposition has hung fire for various reasons, or causes, probably satisfactory to those concerned, but incomprehensible to all others. This case came before Commissioner Osborn for examination at the time similar cases were pending before Commissioner Newton, in Brooklyn. While this case was pending before Commissioner Osborn, Commissioner Newton committed the parties who had an examination before him for trial, by the way, which has never taken place, and which is stated never will take place in Brooklyn, but for certain reasons will, by *certiorari*, be removed to New York for trial. The parties to the case before Commissioner Osborn—the present case—were desirous of an early and final settlement of their case, and Commissioner Osborn, thinking the case of too grave importance to decide on its merits at short notice, and also thinking that the best and quickest way for its final disposal woud be to have the proceedings before him brought before a circuit Judge for review, decided *pro forma* to hold defendant for trial. The writ of *certiorari* was applied for and granted by Judge Smalley, but no argument ensued on the day the writ was made returnable, and it seems that, for some reason not apparent, no argument will take place. Monday morning, on application of Ex-Judge Dittenhoeffer, defendants counsel, for an injunction to restrain the Collector and Assessor of Internal Revenue in the district where defendant's distillery is located from interfering with defendant's business, the the Court granted an order requiring the Collector and Assessor to show cause, returnable on Monday morning next, when it is is expected argument will ensue.

Communications, &c.

PAYMENTS TO ASSISTANT ASSESSORS.

Iowa, Jan. 19th, 1867.

Editor Internal Revenue Record.

Sir: Possibly the "unreasonable delay" of which your correspondent Asst. Assessor justly complains, in payments of himself and other Assistants by the Collector, may arise from the failure of Asst. Assessors to have their accounts in prior to the time when the disbursing agent (Collector) makes his "Account Current," Form D; or possibly it may arise from the failure of the Assessor who makes the estimate and sends it to the Collector, to make it sufficiently large to pay all the assistant's accounts. Perhaps if Asst. Assessors were more prompt in presenting accounts, that they would be more promptly paid.

At least so thinks John Jones,
Collector's Clerk.

Editor Record: I have read several communications from Assistant Assessors in the Record with profit, I hope, to the Revenue service. I now propose to make a few remarks which the service as an Assistant Assessor since 1862 has made on my mind. 1st. That no one is fit for that place unless he devotes his whole time to the duties of his office. 2d. That the Assessor in each district should make the several *divisions* large so that an Assistant can have enough to do to fully canavss his division. 3d. When this is done, a sensible business man will never cut down an Assistant's account. 4th. The pay is none too much, nor enough, where the Assistant has the territory and understands and does his whole duty. The amount returned on a monthly or annual list is no evidence for or against a charge for full time. It costs an Assistant Assessor at least ten per cent more in the rural divisions, embracing several towns, to collect his list, than one who can remain in his office, and have the tax payer come to him to make his returns. These remarks are not made because I have any grievance of my own, for I am in service under a man who knows his duty well enough not to need prompting from any quarter. In conclusion, then, it follows, as impressed on my mind, that an Assistant Assessor's pay should be at least $1500 per annum. With that amount of pay, faithful and competent men could be found to engage in the service, while as it is, Assistant Assessors do more work and are poorer paid than any one connected with the Revenue service.

Assistant Assessor.

Mullica Hill, January 16, 1867.

Mr. Editor: I notice in the Internal Revenue Record of December 22d, a communication of Assistant Assessor, stating some of the difficulties Assistant Assessors labor under in cities. He says, in comparing the lost time of Assistants, that country Assistants can do something else, when not in Government service; but I believe the opportunities of city Assistants for getting employment during the time they are not engaged in Government service are very much greater than those of country Assistants; and country Assistants have large territories, in some instances whole counties, and of course have to keep a horse and carriage to do the business, under an expense of at least $250 per annum, and then the additional traveling expenses, such as toll, feed, board, &c., $100 more; you will therefore see that "Assistant Assessor's" argument in favor of country Assistants does not hold good.

In your remarks in regard to additional pay, you propose to pay a small per centage on the amount collected in addition to their present pay. That plan appears to me to be the most unjust that could be adopted, as in cities, and populous manufacturing districts, the amount assessed and collected is very large, while in sparce country districts the amount is very small,—in the district in which I reside the monthly returns made by one Assistant Assessor for one month was less than $300,—and if there is a change made by Congress in pay of Assistants, it should be per day, so that all would be on an equality.

A. A. 1st N. J.

The objection of our correspondent to the mode of compensating Assistants by giving them a personal interest in every dollar which they are instrumental in placing in the Treasury, by allowing a small and graduated per centage on collections, is a strong argument in its favor. In the instance cited of an Assistant returning only $300 taxes in one month, no reasonable doubt exists that a per centage, in addition to a per diem allowance, which our plan contemplates, would have run his list up into the thousands. The present policy of compensating Assistant Assessors and informers is most niggardly, and we are convinced the revenue suffers severely in consequence. The Assistant Assessor who returns a large list *ought* to receive more than one who returns a small one. The magnitude of the Revenue interests in his charge are greater, and he should be paid accordingly. We shall come to it in time. The present policy is too injurious to the Revenue to be endured forever.

Ed.

Banks and Bankers.—"*The Merchants and Bankers' Almanac for* 1867," contains Lists of all the Banks and Bankers in the United States and Canada, viz.:

1,660 National Banks, 350 State Banks, 1,300 Private Bankers (out of New York), 1,000 Bankers and Brokers in New York, 1,000 Banks and Bankers in Canada. Also, Annual Reports on the Coinage (1792–1866), Breadstuffs, Cotton, Wool, Teas, Sugars, Liquors, Metals, &c.; the Clearing House, Consols (150 years), Daily Price of Gold (five years), and Nine Engravings of New Banks, &c., viz.:

1. The Bank of California, San Francisco, Cal.
2. The First National Bank, Philadelphia, Pa.
3. The National Bank of the Republic, Phila., Pa.
4. The Louisiana National Bank, New Orleans.
5. The Mutual Life Insurance Co., New York.
6. Banking Houses, Wall Street.
7. The First National Bank, Portland, Me.

8 and 9. New Designs for Banking Houses, by A. J. Davis.

Seizure of Ale.—Detective Kipp of the Internal Revenue Department in Jersey City, seized three barrels of McKnight & Son's Albany ale, on suspicion that the stamps thereon had been previously used and not cancelled. From information received the officer had reason to believe that on the delivery of ale from McKnight & Son, of New York, the stamps are removed from the barrels and taken back to the brewers to be again used on other barrels. Acting on this information, the officer on Monday visited several public houses where this ale is sold, and in every instance found that the stamps had been removed. He thereupon set a watch, and yesterday discovered a sleigh coming over the ferry with three barrels as above mentioned, and at once seized the ale and team. The stamps on the barrels were soiled, and had the appearance of being used more than once.

MR. RANDALL'S SINKING FUND BILL.

THE bill reported last week by Mr. Randall, of Pennsylvania, from the Committee on Banking and Currency, to provide for a sinking fund and payment of the public debt, was ordered to be printed and recommitted. It is reported that its adoption is opposed by Secretary McCulloch. Its principal features are the substitution of greenbacks for national bank currency, the establishment of a sinking fund, and the gradual payment of the public debt in less than thirty years. The following is the text of the bill:

Be it enacted, &c., That from and after the passage of this act it shall be unlawful for any individual, association, or corporation to issue as money any note or bill not authorized by act of Congress; and the Secretary of the Treasury is hereby authorized to issue on the credit of the United States such sums as may be necessary for the purposes set forth in this act, not exceeding in the aggregate $300,000,000 of United States notes not bearing interest, of such denominations as he may deem expedient, not less than $5 each, which said notes shall be lawful money and a legal tender for debts in like manner as provided in the first section of an act entitled "An act to authorize the issue of United States notes and for the redemption and funding thereof, and for funding the floating debt of the United States," passed February 25, 1862; and the provisions of the sixth and seventh sections of said act are hereby re-enacted and applied to the notes herein authorized.

Section 2. That the notes issued under the act shall be used only in exchange for the circulating notes issued to national banking associations under the provisions of an act of Congress approved March 3, 1864, entitled "an act to provide a national currency, secured by a pledge of United States bonds," &c., and for the purchase of such amount of United States bonds as may be necessary to carry out the true intent of this act.

Sec. 3. That all circulating notes of national banking associations which may hereafter be paid into the Treasury of the United States shall be retained in the Treasury and not again put in circulation, and the Secretary of the Treasury may pay out for circulation, as the wants of the government may require, an equal amount of the United States notes hereby authorized to be issued; and the Secretary of the Treasury may exchange United States notes issued under authority of this act with any person or persons for a like amount of circulating notes of national banking associations; and the Secretary of the Treasury shall notify any banking association of the amount of its notes so accumulated, when such amount is not less than $900; and the said banking associations are hereby required within thirty days after the issuing of said notice to redeem said notes at the Treasury of the United States in lawful money, and to present the notes so redeemed to the Secretary of the Treasury for cancellation; and the Secretary of the Treasury is hereby directed to cancel the said notes and return to the said banking association the proportionate amount of United States bonds deposited as security for the same.

Sec. 4. That in case any national banking association shall neglect or decline to redeem its circulating notes as provided in the preceding section, within the thirty days therein specified, the Secretary of the Treasury is hereby authorized and directed to cancel such notes and to pay said banking association in the United States notes authorized by this act, the market value of the proportionate amount of United States bonds deposited as security for said circulating notes, and to transfer said bonds to the Commissioner of the Sinking Fund, which is hereinafter established, first furnishing to said banking association a list of the numbers, dates and denominations of the notes so cancelled.

Sec. 5. That when the circulating notes of any national banking association shall have been so far reduced and cancelled at the Treasury that the remaining notes shall not exceed three per centum of the whole amount of circulating notes originally issued to said banking association, the Secretary of the Treasury is hereby authorized and directed to return to said bank the bonds deposited as security for said circulating notes, and said banking association shall be relieved from its obligations to pay said notes remaining in circulation; and the same shall be redeemed by the Secretary of the Treasury and paid, on presentation to the Treasury, out of any money in the Treasury not otherwise appropriated.

Sec. 6. That the amount of United States notes issued under the authority of this act shall be invested by the Secretary of the Treasury in bonds or other interest bearing debt of the United States, and in the purchase of evidences of the public debt; for such investment preference shall be given at a corresponding price to bonds held in the Treasury on deposit as security for circulating notes of national banks. The Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Treasurer of the United States, and the Comptroller of the Currency, shall be the Commissioners of a Sinking Fund, whose duty it shall be, under such regulations as they may prescribe, to receive from the Secretary of the Treasury all bonds and other evidences of debt purchased in accordance with the provisions of this act, and said Commissioners shall forthwith stamp upon each of such bonds and other evidences of debt "Belonging to the Sinking Fund of the United States," and cancel all the signatures thereon, until said bonds and other evidences of debt have matured. All interest accruing upon them shall be paid to said Commissioners and be invested by them in bonds, or other interest bearing debt of the United States, to be added to and become a part of the sinking fund, to be used and held as herein provided for.

Sec. 7. That immediately after the close of each fiscal year the Secretary of the Treasury shall publish an account of the said sinking fund in at least one newspaper published in the cities of Washington, Baltimore, Philadelphia, Boston and New York, and he shall at the first meeting of Congress thereafter report the same to each branch thereof.

Sec. 8. That so much of any law or laws as are inconsistent herewith shall be and the same are hereby repealed.

APPOINTMENTS.

THE Senate, in executive session, on Wednesday last, is reported to have confirmed the following nominations of Custom, Internal Revenue, and other officers:

CONFIRMED.

Edward Uhl, of New York, to be Consul at Guatemala.

Wm. W. Averill, of New York, Consul-General of the United States for the British North American Provinces.

George F. Kettell, of New York, Consul of the United States for Rhenish Bavaria.

Andrew J. Stevens, of Iowa, Consul of the United States at Windsor, Canada.

Madison E. Hollister, of Illinois, Consul for the United States at Buenos Ayres.

Wm. R. Whitaker, Assistant Treasurer of the United States at New Orleans.

Leroy Tuttle, Assistant Treasurer of the United States at Washington, D. C.

James A. Hall, Collector of Customs at Waldoborough, Me.

Thomas McElrath, Appraiser of Merchandise at the Port of New York,

Thomas H. Ridgate, Third Lieutenant in the revenue-cutter service, *vice* Thomas R. Marshall, resigned.

F. A. Barnard, of New York, to be Commissioner for the United States to the Paris Exposition.

Robert S. Chilton, Commissioner of Emigration.

Joseph S. Wilson, Commissioner of the General Land Office.

Stephen J. Dallas, of Illinois, to be principal Clerk of Surveys in the General Land Office.

Samuel M. Black, Register of the Land Office at Legrand, Oregon.

Daniel Chaplin, Receiver of Public Moneys at Legrand, Oregon.

Daniel Sigler, of Indiana, Register Land Office, Natchetoche, Louisiana.

Edward D. Thompson, Register Land Office, Santa Fe, New-Mexico.

Edward A. Allen, Receiver of Public Moneys at Omaha, Nebraska.

Augustus L. Chetain, Assessor of Internal Revenue for the District of Utah.

Wm. Breeden, Assessor of Internal Revenue, New-Mexico.

John S. McFarland, Assessor of Internal Revenue, Second District of Kentucky.

Benjamin Gratz, Assessor of Internal Revenue, Seventh District of Kentucky.

Thomas Carlisle, Assessor Internal Revenue, Third District, Tennessee.

NOMINATIONS REJECTED.

The following nominations were rejected:

Thomas J. Staples, Collector of Customs, Machias, Me.

Monroe Young, Collector of Customs, Frenchman's Bay, Me.

Wm. G. Crosby, Collector of Customs, Belfast, Me.

John M. Davy, Collector of Customs, Genessee, N. Y.

John Hanscone, Collector of Customs, Saco, Me.

N. Martin Curtis, Collector of Customs, Oswegatchie, New York.

John Atkinson, Collector of Customs, Port Huron, Mich.

W. F. Johnson, Collector of Customs, Philadelphia.

Jos. R. F. Lanigan, Naval Officer, Philadelphia.

E. L. Cockrill, Collector Internal Revenue, Eighth District Kentucky.

H. T. Blanton, Collector Internal Revenue, Seventh District Tennessee.

George J. Stealey, Assessor Internal Revenue, First District West Virginia.

Thomas V. Shallcross, Collector Internal Revenue, First District West Virginia.

Leroy Cafrou, Collector Internal Revenue, Second District of West Virginia.

John M. Duke, Collector Internal Revenue, Ninth District of Kentucky.

John Bigler, Assessor Internal Revenue, Fourth District of California.

Asa Faulkner, Collector Internal Revenue, Third District of Tennessee.

Solon Chase, Assessor Internal Revenue, First District of Maine.

John C. Sanborn, Assessor Internal Revenue, Sixth District of Massachusetts.

John P. Kilgore, Appraiser of Merchandise, Phila.

W. B. Randolph, Captain revenue-cutter service.

SUIT was some time ago brought by C. E. Schmieder against Hiram Barney, former Collector of Customs at the port of New York, to recover certain duties alleged to have been illegally exacted on certain dress goods imported by them, and on which defendant enacted more duty than plaintiffs considered legal, on the ground that the goods in question were of a kind "similar to delaines." After a long trial which was hotly contested, and in which a large portion of the dry goods experts of the United States were examined as witnesses, the jury rendered a verdict for the Government. The plaintiffs were not satisfied to accept the result of that trial as final, and would have appealed the case to the Supreme Court had it not been that the amount directly involved in that suit was so small (less than $2,000) as to preclude its being carried up. A second case has been made up between the same parties, involving the amount of $30,000, and in which most of the testimony in the first case will be received in evidence—the object being to have the case; if decided adverse to the plaintiffs, appealed to the Supreme court and thus have all the material points in it finally adjudicated upon. This last case was set down, by order of the Court, for trial on the 4th of February next. This reopening of the matter will excite much interest among our heavy dry goods importers, the ultimate decision affecting their interests to the amount of nearly $1,000,000.

Customs Department.

COMMERCIAL RELATIONS WITH JAPAN.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—

A PROCLAMATION.

Whereas, in virtue of the power conferred by the Act of Congress, approved June 22, 1860, sections fifteen and twenty-four of which act were designated by proper provisions to secure the strict neutrality of citizens of the United States, residing in or visiting the empires of China and Japan, a notification was issued on the 4th of August last by the legation of the United States in Japan, through the Consulate of the open ports of that empire, requesting American shipmasters not to approach the coasts of Lucoa and Nagato pending the then contemplated hostilities between the Tycoon of Japan and the Daimios of the said provinces; and whereas, authentic information having been received by the said legation that such hostilities had actually commenced, a regulation pursuant to the act referred to was issued by the Minister Resident of the United States in Japan, forbidding American merchant vessels from stopping or anchoring at any port or roadstead in that country, except the three opened ports, viz.: Kanagawa (Yokohama), Nagasaki, and Hakodadi, unless in distress or forced by stress of weather, as provided by treaty, and giving notice that masters of vessels committing a breach of the regulation would thereby render themselves liable to prosecution and punishment, and also to forfeiture of the protection of the United States if the visit to such non-opened port or roadstead should either involve a breach of treaty or be construed as an act in aid of insurrection or rebellion.

Now, therefore, be it known that I, ANDREW JOHNSON, President of the United States of America, with a view to prevent acts which might injuriously affect the relations existing between the government of the United States and that of Japan, do hereby call public attention to the aforesaid notification and regulation, which are hereby sanctioned and confirmed.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this twelfth day of January, in the year of our Lord one thousand eight hundred and sixty-seven, and of the independence of the United States the ninety-first.

ANDREW JOHNSON.

By the President—

W. H. SEWARD, Secretary of State.

THE ANNUAL SUPPLY OF GOLD AND SILVER.—*The Bankers' Magazine* for January, contains a recent and elaborate article, translated from the French of M. Chevalier, on "The Annual Production of Gold and Silver throughout the World." His conclusions are as follows:

	Gold. Francs.	Silver. Francs.	Totals.
America	264,332,000	283,338,000	547,660,000
Europe	42,228,000	13,089,000	55,317,000
Russia	4,445,000	85,367,000	88,812,000
Australia	1,111,000	320,000,000	321,111,000
Francs	312,116,000	701,784,000	1,013,910,000
All other Countries	111,111,000	275,555,000	386,666,000
Total Francs	423,227,000	977,349,000	1,400,576,000

FROM 1848 to 1865, he estimates the gross production as 20,609,000,000 francs, equal to $4,121,800,000.

Viz.: Silver.....5,591,000,000 Francs.
Gold.....15,018,000,000 "

20,609,000,000 Francs.

THE Randall Sinking Fund Bill is reported to have no chance of becoming a law. The National Banks are a unit aginst it.

[THE following table is re-published with certain errors corrected which were overlooked last week.]

TABLE

Showing the net compensation of Assistant Assessors, at the rate of $4,00 per day and $3,00 per hundred names assessed, as required to be reported on form 57, prepared by Geo. B. Williams, Collector's office, Lafayette, eighth District of Indiana.

FOR DAYS EMPLOYED.

No. of Days.	Gross Comp.	Exempt from Tax.	Balance Taxable.	Amount of Tax.	Net Compensation.
One-tenth...	40	193	207	01035	38965
Two-tenths..	80	386	414	0207	7793
Three-tenths.	1 20	579	621	03105	1 16895
Four-tenths..	1 60	772	828	0414	1 5586
Five-tenths..	2 00	965	1 035	05175	1 94825
Six-tenths...	2 40	1 158	1 242	0621	2 3379
Seven-tenths.	2 80	1 351	1 449	07245	2 72755
Eight-tenths.	3 20	1 544	1 656	0828	3 1172
Nine-tenths..	3 60	1 737	1 863	09315	3 50685
One.....	4 00	1 93	2 07	1035	38955
Two.....	8 00	3 86	4 14	2070	7 7930
Three.....	12 00	5 79	6 21	3105	11 6895
Four.....	16 00	7 72	8 28	4140	15 5860
Five.....	20 00	9 65	10 35	5175	19 4825
Six.....	24 00	11 58	12 42	6210	23 3790
Seven.....	28 00	13 51	14 49	7245	27 2755
Eight.....	32 00	15 44	16 56	8280	31 1720
Nine.....	36 00	17 37	18 63	9315	35 0685
Ten.....	40 00	19 30	20 70	1 0350	38 9650
Eleven.....	44 00	21 23	22 77	1 1385	42 8615
Twelve.....	48 0	23 16	24 84	1 2420	46 7580
Thirteen....	52 00	25 09	26 91	1 3455	50 6545
Fourteen....	56 00	27 02	28 98	1 4490	54 5510
Fifteen.....	60 00	28 95	31 05	1 5525	58 4475
Sixteen.....	64 00	30 88	33 12	1 6560	62 3440
Seventeen...	68 00	32 81	35 19	1 7595	66 2405
Eighteen....	72 00	34 74	37 26	1 8630	70 1370
Nineteen....	76 00	36 67	39 33	1 9665	74 0335
Twenty.....	80 00	38 60	41 40	2 0700	77 9300
Twenty-one .	84 00	40 53	43 47	2 1735	81 8265
Twenty-two .	88 00	42 36	45 54	2 2770	85 7230
Twenty-three	92 00	44 39	47 61	2 3805	89 6195
Twenty-four.	96 00	46 32	49 68	2 4840	93 5160
Twenty-five .	100 00	48 25	51 75	2 5875	97 4125
Twenty-six..	104 00	50 18	53 82	2 6910	101 3090
Tw'ty-seven..	108 00	52 11	55 89	2 7945	105 2055
Twenty-eight	112 00	54 04	57 96	2 8980	109 1020
Twenty-nine.	116 00	55 97	60 03	3 0015	112 9985
Thirty.....	120 00	57 90	62 10	3 1050	116 8950

FOR NAMES ASSESSED.

Number of Names	Gross Comp.	Amount of Tax.	Net Compensation.
One.....	03	0015	0285
Two.....	06	0030	0570
Three.....	09	0045	0855
Four.....	12	0060	1145
Five.....	15	0075	1420
Six.....	18	0090	1710
Seven.....	21	0105	1995
Eight.....	24	0120	2280
Nine.....	27	0135	2565
Ten.....	30	0150	2850
Twenty.....	60	0300	5700
Thirty.....	90	0450	8550
Forty.....	120	0600	1 1400
Fifty.....	150	0750	1 4250
Sixty.....	180	0900	1 7100
Seventy.....	210	1050	1 9950
Eighty.....	240	1200	2 2800
Ninety.....	270	1350	2 5650
One-hundred.....	300	1500	2 8500

THE Treasurer of the United States, General Spinner, will hereafter transmit regularly for publication in the RECORD, all circulars and general instructions issued from his office; thereby rendering this paper more and more valuable to National Banks, Bankers and tax-payers. No business man can well do without it.

DISTILLERY SEIZURE.—A Distillery in the rear of No. 67 Hudson Avenue, said to be owned by Thomas Bolton, was visited on Wednesday afternoon by United States Inspector Rowan and Deputies Charles and Joseph Ramsden, who upon information received, labored under the impression that a large amount of contraband whiskey was stored on the premises. Making known their errand, as well as the position they held under the Government, those about the establishment refused them admission. Upon insisting, they were violently assaulted, and Charles Ramsden was so severely injured about the head that it was found necessary to carry him to a neighborin drug store for medical treatment. The other two were also roughly handled. Application was made at the Forty-second Precinct Police-station for aid, and a posse of men were sent to the distillery. When they arrived they discovered that not only the assailants of the officials had departed, but that all the whiskey and the still besides had disappeared. They consequently returned without accomplishing anything. Capt. Brown, Sergt. Mackeller and officer Ward, of the Forty-eighth Precinct, sallied forth on Thursday night with the view of ascertaining the locality of some counterfeiting den, supposed to be somewhere in the Eighth Ward. In passing through the premises of Michael O'Hara, in Sixteenth street, betwen Fifth and Sixth avenues, they discovered a wood-shed, which on examination appeared to be used as a storehouse. On further investigation they turned up four barrels of whiskey (unrectified) which they seized, and arrested the owner of the shed. Mr. O'Hara stated that goods belonging to different parties were stored there, but did not know what they consisted of. He disclaimed all knowledge about the whiskey, and as it could not be shown that he was the owner he was released from custody. It is suspected, however, that the shed had been used as a whiskey storehouse for some time. Night after night the neighbors see and hear wagons, coming and going from O'Hara's premises, and from information thus obtained it is believed that the liquor is manufactured somewhere about Jamaca, and brought to the city for the purpose of storage and sale. Some further developements are anticipated.—*N. Y. Times.*

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 5. NEW YORK, FEBRUARY 2, 1867. WHOLE NUMBER, 109.

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NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFCH OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS,
Commissioner.

P. VR VAN WYCK, Esq..
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

REVIEW.

THE regular weekly abstract of rulings furnished by the Office of Internal Revenue for publication in the RECORD has failed to come to hand, and none are in consequence published in this issue.

The fraud investigating committee have not yet concluded their labors, nor have the committee, so far as is known, arrived at any determination as to their report. It is stated that they are inclined to recommend that the tax on spirits be levied on the capacity of the still, instead of by the present method. *Now*, we do get a *portion* of the revenue from spirits, but if the capacity of a still be taxed without regard to the time or duration of its running, *all* legal distillation will cease. Secret stills will supply the market, and the price of spirits will be higher than ever. It would be better to let the law stand as it is, and, instead of one, place three or more persons as inspectors in charge of each distillery. Provide as in Mr. Jencke's bill for their examination as to competency and integrity. Instead of $5 pay them $10 a day—a certain per diem, and in addition thereto, so much per gallon run. The Government, in view of the obstacles and difficulties in the way of collecting all the tax on spirits, should consider that it can afford easily to pay 30 cents a gallon for collection, provided all, or nearly all, of the tax be thereby secured.

Special Commissioner Wells fixes the annual consumption of spirits at 40 million gallons, which should yield 80 millions revenue. The actual amount collected the last fiscal year was under $30,000,000. It would in every way be best for the Government to pay 30 or even 50 cents a gallon for the certain and sure collection of the tax on 40 million gallons, which would amount to an expense of 15 or 20 millions of dollars a year, and thereby bring eighty millions of dollars into the revenue from this source. The account would then stand thus: Revenue collected, 80 millions of dollars; expenses of collection, 20 millions; net revenue, 60 millions per annum. The account now stands: Revenue collected, 30 millions of dollars; expenses, about two millions; net revenue, 28 millions; loss to the revenue by failure to collect, 50 millions of dollars. If the Government be resolved not to spend so much for collection, then the tax should be reduced to 70 cents, or $1 per gallon. So long as the profits of illicit distillation are as large as the high rate of tax tends to make them, it is useless to expect to preserve the integrity of individuals who can make $5 a day by being honest, and $25 to $50 a day by being the reverse.

TREASURER'S OFFICE, REGULATIONS, ETC.

RULES AND REGULATIONS GOVERNING THE REDEMPTION OF FRACTIONAL AND OTHER UNITED STATES NOTES.

Number 1, 1867.

TREASURY DEPARTMENT, TREASURER'S OFFICE,
WASHINGTON, January 10, 1867.

The rules adopted for the redemption of fractional and other United States notes that, from whatever cause, have become unfit for circulation, contemplate and require the co-operation of all National Banks that are designated depositaries in the work of redemption; except such notes as, by the rules of the Department, are designated and described as "mutilated," and by the term mutilated is meant notes not worth their full face value. Some of those banks do not seem to have understood, or have been unwilling to accept, this duty. Now, to furnish to holders of money which ought to be retired from circulation, more ample means for the redemption or exchange of defaced U. S. notes and fractional currency, and such notes as, by said rules, are defined as "mutilated," and subject therefore to discount at the Treasury, the following additional rules and regulations have been adopted:

Whenever a holder of any U. S. currency shall present to an Assistant Treasurer of the United States, United States Depository, or a National Bank which is a designated depository of the United States, notes which in the aggregate shall be of the nominal value of fifty dollars or over, which notes shall have been carefully assorted, strapped, labelled, and then put up in one parcel, in conformity with the rules approved by the Secretary of the Treasury, April 21, 1865, for the redemption of such notes, it shall be the duty of such officer or bank to receive such parcel of notes and give to the owner thereof either the value of the same in money, or a receipt, conditioned for the payment of the proceeds of such parcel, when returns therefor shall have been received from the Treasurer of the United States. Such parcel must be securely done up, with the owner's name, the amount claimed, and the date, plainly written thereon. The officer or bank remitting such parcels will make them into packages containing as near one thousand dollars, or its multiple, as may be, and write upon such packages the name of the bank or person remitting, and the amount contained therein, and state on the outside of each package, "Forwarded under contract with Adams Express Company," which packages should be addressed to the "Treasurer of the United States, Washington, D. C." In making up these packages, care must be observed to remit sums representing thousands; and amounts much less than $1,000 should be avoided, because the contract for transportation establishes prices by the $1,000, and the cost of carrying $1,001 under that contract would be double the cost of conveying $1,000. Packages must be delivered for transmission to the Adams Express Company, or to such express companies as shall have formed connections with the

Adams Express. Returns will be made for the value of remittances as soon as the notes can be counted at the Treasury, either by check on New York, Boston, or Philadelphia, or in new notes sent by express free of charge, as the party remitting may elect. Straps, in which errors have been discovered, will be returned with the errors and counterfeits noted thereon.

By this plan, large sums can be sent to the Treasury for redemption without the labor of counting by intermediate agents of the Treasury, and without cost to holders; but officers and banks whose duty it is under existing rules and instructions, will continue to redeem small sums of currency at their counters whenever they have Government funds in their hands.

Under these regulations, any public officer, bank, corporation, firm, or individual may also send to the Treasurer of the United States, by express, packages of currency for redemption, free of expense to the owner, by observing carefully and strictly all the instructions herein contained, so as to bring the cost of transit within the contract of the Department with the Adams Express Company; and by following the rules before mentioned for assorting, strapping, and labelling the parcels composing packages. All mutilated currency, subject to discount, sent to the Treasury for redemption, should be placed in separate parcels and marked "mutilated." It will be greatly to the interest of parties remitting *mutilated* currency, which has been torn into two or more pieces, to restore the form of such mutilated notes as near as may be, by pasting the fragmentary parts of each of the respective notes on slips of paper of the size and form of the original notes. But all piecing or mending of mutilated currency with fragments of *other notes* is prohibited; and no allowance will be made for such fragments that have been used for piecing, as do not constitute portions of one original note, in ascertaining the value of mutilated notes at the Treasury. No National Bank notes, whether mutilated or not, are redeemable by the Treasurer, unless they are the notes of banks in liquidation; such notes are redeemable only by the banks which issued them.

The best method to prepare money for transportation to the Treasury, is to make of all the assorted notes one compact package, sealed or neatly tied together, and then to place such package, with an open and separate letter of advice, in another envelope or wrapper, which is to be sealed and addressed to the Treasurer. It is essential that a letter accompany each remittance of currency sent to the Treasury for redemption. Such letter should contain, in plain characters, the name of the owner or person to whom return for the money is to be made, the name of the Post Office and State, and the amount of the whole remittance. Letters of advice should be written upon paper not less than a half sheet of commercial note, that they may be filed. Correspondents are hereby informed that all parcels and packages of currency received at the Treasury without a letter of advice, will be retained until such letter shall have come to hand.

Printed copies of the rules and regulations in force for the redemption of U. S. currency can be obtained on application to the Treasurer.

It is not advisable to send parcels of money to the Treasury by mail; but those who choose to incur that risk need not pay postage on parcels so forwarded to this office for redemption, as all communications by mail, addressed to the Treasurer U. S., Washington, D. C., will come free under the law.

F. E. SPINNER,
Treasurer U. S.

TREASURY DEPARTMENT,
WASHINGTON, Jan. 10, 1866.

The foregoing rules and regulations are hereby approved.

H. MCCULLOCH,
Secretary of the Treasury.

FINANCIAL FUTURE.

Thompson's Reporter gives the following opinion on the finances:

There will be no expansion of paper money. The 300 millions of national currency is an unsafe amount, and any enlargement will work the downfall of the whole system. There will be a small, gradual but still a telling contraction of Greenback and Compound-interest Currency. The destruction of four millions per month of any kind of currency, even compound-interest notes, will ensure a tight money market, check speculation, and secure an approximation to a specie standard. Any contraction more severe than this will bring a disaster, and a revulsion in which the Government itself will be engulphed and forced back into another expansion of paper money; and the National Bank Currency will be very likely withrawn and cancelled by the Government, and Greenbacks issued in its stead. A revulsion, no matter what its real origin may be, will, to the public eye, develop itself in the banks, and the people will demand that they forfeit the profits on currency because of its inferiority to Greenbacks.

There should be no direct attempt to resume specie payments. Let that event come just when it will under the influence of a slow contraction; and when the paper currency is brought by contraction on a par with specie, then stop contraction, but continue paper as a legal tender.

It required a great emergency to justify the making paper a legal tender, but there is now no violation of good faith in perpetuating it a legal tender. Previous to the passage of the legal tender act, instruments were executed, payable, as per law, in gold. That Act worked a moral and financial violation of the rights of the payee. Now, instruments are executed, payable in gold or legal currency—both being a legal tender. It is then evident that the rights and equities of the *payor* and *payee* are best preserved by perpetuating a paper legal tender money.

It is not, however, on the plea of justice or injustice to the *payor* or *payee* that we advocate a perpetuation of a paper legal tender. If we resume specie payments and fall back on gold as the only legal money, our future will be as the past—a few years of expansion, a few weeks of contraction. then a suspension, then continuous contraction, and, after seas of trouble, bankruptcies and broken banks, a resumption is proclaimed; not because specie payments are actually made, but because a clean liquidation has been worked out and nobody has wherewith to draw specie.

The surest way—the only sure way to avoid suspension, is not to resume. Contract the currency to any given amount, only be sure to contract it to a point so that what remains out will be good enough for the *bearer* to legally and justly tender it in payment for any debt.

Then if, by over-importing, gold must be exported, let the foreign trader buy it. If, in the face of war, gold is wanted for hoarding, let the hoarder buy it. In this way we can avoid suspending by not resuming, and in this way we can lay the foundation for a future ten times as stable as any purely specie basis.

Specie is the only money usable in settling balances with foreign nations. Who cares? Let those who go into foreign balance business look out for the balance. They ought not to have the power to run the banks and break every man that owes a debt to get gold at par. The people want a currency for domestic use that is out of the reach of hoarders and foreign balancers, and—they will have it.

IN the case of Philip Dorsheimer, in the Court of Claims, Washington, demurrer of the United States was sustained and petition dismissed.—Opinion by Justice Casey—Justice Lott dissenting.

NATIONAL FINANCES—RANDALL'S BILL.

LETTER FROM HON. E. G. SPAULDING.

DEAR SIR: I am much obliged for the information contained in your letter, and I trust you will pardon me for the remarks I am about to make.

I have watched with a great deal of interest the various plans brought forward in Congress in relation to the National Finances and Amendments to the National Banking Law. Every business man in the country is on the lookout to see what is to come next. Everyone engaged in legitimate pursuits wants a fixed policy and steadiness in financial affairs, and yet all under constant apprehensions, fearing that some scheme will be hastily passed in Congress which will derange monetary affairs, and upset all their business calculations. Many enterprises are posponed. The building of railroads, ships, warehouses, elevators, furnaces, and other manufacturing establishments are held in abeyance, until it can be more clearly seen what is to be done with these schemes, and what is to be the future in regard to financial affairs.

It is obvious that this suspense and apprehension operates very unfavorably upon individuals as well as upon the revenue of the Government. Congress in its official capacity has thus far acted wisely. It has not passed any of the individual schemes that have been brought forward. It has been content to "let well enough alone." It has refused to increase the national currency above $300,000,000, It has not passed Mr. Randall's grand scheme of repudiating the faith of the Government with the National Banks, and turning the Treasury Department in time of peace, into a great permanent machine for the issue of an irredeemable paper currency, when there is not the least necessity for it, and when all history proves it to be unwise as tending to retard the resumption of specie payments, and resulting in general financial disaster, bankruptcy and ruin, both to the Government and people. It has refused to pass the twenty pages of pending amendments to the National Bank Act, (House bill No. 771,) which, if passed, would make the law worse instead of better. In short, the Senate and House, as legislative bodies, have submitted to the introduction of these injudiciaus measures to be talked about, but as yet they have not been unwise enough to let any of them be passed into laws to further disturb existing arrangements under laws alreany passed, and which, up to the time of the meeting of Congress were operating very favorably, under a moderate contraction of the currency, in preserving a good degree of steadiness and uniformity in the money market, keeping business steady and prosperous, and enabling the Secretary of the Treasury to establish more certainly the public credit at home and abroad, and make a most favorable exhibit of the national debt. These are matters of great consequence to the welfare of the nation, and I sincerely hope that no hasty or indiscreet measures will be allowed to pass. The people, the country need rest, and in order to secure it I trust that Congress will hold a steady purpose, and not pass laws at one session to be repealed in the next. We are cursed with too much legislation, and I am gratified to see the present Congress holding back all impracticable schemes.

The act of Congress passed on the 12th of April last, it seems to me, is a wise and judicious measure. It authorizes the Secretasy of the Treasury to dispose of 5-20 gold bonds, and with the proceeds to retire six per cent. compound interest notes and the plain legal tender greenback currency and other indebtedness of the Government, but not to retire more than $4,000,000 of greenbacks a month, or $48,000,000 a year, but without restriction as to the amount of compound sixes that may be retired during any week or month. This law is discretionery with the Secretary of the Treasury. Power is given him to contract the currency, but he

will no doubt use this discretionary power prudently, and not retire either greenbacks or compounds any faster than it can be done without materially disturbing the legitimate business of the country. His object will be in the future, as it has been during the pas year, to keep a steady and uniform money market. This will be a necessity on his part to unable him to successfully carry on the fiscal affairs of the Government. Under a very stringent and panicy money market the 5-20 bonds would fall below par, thereby stopping conversion of 7-30s into the 5-20 bonds, and this in view of $650,000,000 of 7-30s falling due between this and July 15, 1868, would embarrass and derange all the operations of the Treasury Department. The Secretary of the Treasury must therefore of necessity be moderate and discreet ih contracting the currency under the law of the 12th of April.

The Secretary will, no doubt, by a moderate and prudent course of contraction, endeavor to keep the business and industry of the nation in a prosperous condition, in some deegree check wild speculation, gradually reduce prices, and bring greenbacks and national currency nearer the specie standard. On this point the Secretary, in his last annual report, makes the following judicious remarks: "How rapidly the United States notes may be retired, must depend upon the effect contraction may have upon business and industry, and can be better determined as the work progresses. No determinate scale or reduction would, in the present condition of offairs, be advisable. The policy of contracting the circulation of Government notes should be definitely and unchangeably established, and the process should go on just as rapidly as possible without producing a financial crisis, or seriously embarsassing those branches of industry and trade upon which our revenues are dependent." As the volume of currency is reduced it will increase in value, and as soon as the specie standard is reached the national banks will be obliged to redeem their circulating notes in specie. The Government can retire, whenever it seems best, from the field as an issuer of paper currency, and consequently will not be under the necessity of providing gold and silver to redeem it. The burden of redeeming the national currency in gold and silver will be then thrown uxclusively upon the banks that issue it, and they will be required to keep the necessary reserves of coin for that purpose.

It seems to me that the act of the 12th of April contains all the power for contracting the currency which is necessary to bring the business of the country back to the specie standard, as it was before the rebellion. It may take three years, five years, or even ten years, to accomplish that result. When the old uniform standard of gold and silver is reached, and prices and the business, of the country are again based thereon, National Banks will take the place of the State Banks in the issue, circulation and redemption of the currency necessary to carry on the fiscal affairs of the Government and people. The Treasury Department will be relieved from a duty that was forced upon it as an imperative neccessity during the war, and the Government left to perform its legitimate functions under the Constitution, the currency being thereafter regulated by the wants of trade and industrial pursuits.

It was never intended by the originators of the legal-tender acts that the issue of an irredeemable paper currency should ever become the permanent policy of the Government. In the opening speech I made in the House, on the 28th of January, 1862, on the bill introduced by me, I said that "the bill before us is a war measure; a measure of necessity and not of choice, presented by the Committee of Ways and Means to meet the most pressing demands upon the Treasury, to sustain the army and navy until they can make a vigorous advance upon the traitors and crush out the rebellion. These are extraordinary times, and extraordinary measures must be resorted to in order to save our Government and preserve our nationality."

The credit of the Government, by the legal-tender act, was brought into immediate requisition, and in the most available form to provide ways and means for sustaining the army and navy to crush the rebellion. It was in effect a forced loan from the people to the Government, in a most perilous period in our history, and was justified mainly on the ground of imperative necessity. It was a temporary measure passed in a most pressing exigency, and should not be continued any longer after peace is restored, than seems to be necessary to conduct us safely back to that standard of value which is recognized by all the nations of the world.

In the speech to which I have above referred, I further said: "A suspension of specie payments is greatly to be deplored, but it is not a fatal step in an exigency like the present. The British Government and the Bank of England remained under suspension of specie payments from 1797 to 1821–2—a period of twenty-five years. Gold is not as valuable as are the productions of the farmer and mechanic, for it is not as indispensable as are food and raiment. Our army and navy must have what is more valuable to them than gold or silver—they must have food, clothing, and the material of war. Treasury notes issued by the Government on the faith of the whole people will purchase these indispensable articles, and the war can be prosecuted until we can enforce obedience to the Constitution and laws, and an honorable peace be thereby secured. This being accomplished, I will be among the first to advocate a speedy return to specie payments, and all measures that are calculated to preserve the honor and dignity of the Government in time of peace, and which I regret are not practicable in the prosecution of this war."

The National Banking Law, passed to continue for twenty years, was intended as a permanent system. It was intended that it should take the place of the State Banks, in furnishing a solvent national currency of uniform similitude and value for the whole country. The arguments put forth in the last annual report of yourself and the Secretary of the Treasury, in favor of sustaining the National Bank currency, seem to me to be cogent and conclusive. I advocated the National Bank Law, not for any immediate relief it would give to the Treasury, but as a permanent system of currency and banking. In the remarks which I made in the House on the day of the passage of the bill, I said "that I should vote for it, not that I think it will afford any considerable relief to the Treasury in the next two or three years, but because I regard it as the commencement of a permanent system for providing a national currency that will, if wisely administered, be of great benefit to the people, and a reliable support to the Government in the future."

All the advocates of the Legal-Tender Act, while it was pending in Congress, based their arguments upon the necessity of its passage as a temporary relief to the Treasury during the war, and not as a permanent policy of the Government. On the contrary, the National Banking Law was advocated as a permanent system of national currency and banking for the whole country. The State Banks in this and other States, especially the banks in the State of New York, gave up their State organizations with great reluctance. But in consequence of the law which taxed State circulation out of existence, the State Banks were obliged to come under the National Banking Law for self-preservation—a law which on its face was to continue for twenty years.

It has taken something over three years to put in successful operation about 1,650 National Banks under one system, and which are directly under the control and regulations of the officers of the Government at Washington. A few of the banks have but recently perfected their organizations and obtained from the Department their circulating notes. Before the ink is fairly dry on the last issue of National Currency we are startled with a bill reported from the Bank Committee in the House to emasculate and destroy this system of national banking. I say destroy it, for no man at all conversant with the advantages of private banking and its freedom from taxation and other restrictions, would consider it any inducement to remain under the inquisitorial supervision imposed by the National Banking Law, if the right to issue circulating notes is taken away from them. These banks have been organized in good faith by the stockholders under the national law, because in the first place State Bank circulation was killed by United States taxation, and in the next place great inducements were held out to them for a national circulation to continue twenty years. What a breach of faith on the part of the Government in holding out inducements to organize under this law, killing off the State Banks first, and then turning a short corner to kill off the National Banks, children of its own creation. Are all the rights which the stockholders of the banks have acquired under this law to be thus summarily disposed of? How many banks would have organized under this law if the stockholders had supposed that their rights to issue circulating notes would be taken away from them as soon as they were organized? Not one in a hundred, for the simple reason that there would be no inducement to come under the restraints of the national law without circulation.

It is said that these banks can continue to do business on their capital and deposits. This is no doubt true; but it could be much better carried on by the stockholders as private bankers, without the onerous taxation and restrictions imposed by the national law. The organization of State and private banks would be much better, larger latitude being given to operate, and much freer from inquisitorial examinations.

If this bill now pending in the House is passed and becomes a law, it will pretty effectually use up the national banking system. It has taken about four years to build it up, and within three years it will be so far destroyed as to make it no object for stockholders that can organize into private banking companies to remain in the emasculated and restricted condition in which they will be placed.

What security can men have for investing their money and basing their business calculations under a national law? The insecurity and scandal that will attach to such hasty and inconsiderate legislation will deter all prudent men from placing too much reliance upon a law of Congress passed at one session, organizing a great system of national policy, to be emasculated or repealed before it gets fairly into operation. It looks too much like confiscating the property of individuals under the pretence of creating a sinking fund to pay off the national debt.

I hope the Senate and House will carefully consider this measure in all its bearings before they pass a law involving such important consequences in regard to its breach of faith in destroying the acquired rights of the stockholders in these banks, and the disastrous consequences likely to follow the issue of Government paper money as a permanent policy.

Yours, very truly,

E. G. SPAULDING.

To Hon. H. R. HUBBURD,
Comptroller of the National Currency, Washington.

BUFFALO, Jan. 23.

JOHN DEVLIN and brother, and two or three other parties implicated in the Brooklyn distillery frauds, have appeared before the Revenue Fraud Investigating Committee (Hon. William A. Darling, Chairman), in Washington.

Treasury Dept., Decisions, &c.

OFFICIAL.

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

THE official abstract of rulings has failed to arrive from the office of Internal Revenue, which circumstance will explain the absence of any decisions this week.

Interior Department.

IMPORTANT PENSION DECISION.—The father of a deceased officer applied for a pension under the act of June 6, 1866. The mother of the officer claimed and received a pension under the act of July 14, 1862, and the Commissioner of Pensions rejected the application of the father on the ground that the act of July 6, 1866, excludes the father from the benefits of the pension laws if a dependent mother be living at the time of the son's decease, and that, under the pension laws, the survivorship of a dependent mother is a bar to the claim for pension of any of the heirs of the officer, soldier, or seaman of whom the mother takes precedence. It is believed that the mother having been pensioned by reason of the service and death of her son, on whom she was dependent for support, all right to a pension terminates with her death or remarriage, and does not vest in any other heir of the soldier.

Under this decision an appeal was taken to the Secretary of the Interior, who says: "Under the circumstances, I am of the opinion that the father is not entitled to a pension, and your decision is accordingly confirmed."

A REPORT of the recent decision of the Supreme Court is also published, affirming the decision of the Court below, in certain cases involving the right of a State to tax shareholders on their property in National Bank shares, without allowing deductions on account of the capital thereof invested in United States stocks.

A VERY important circular, which is given in full in another column, has just been promulgated by the General Land Office, governing the operation of the Act of Congress of July 26, 1866, relative to mining claims.

REVENUE AFFAIRS IN FIRST DISTRICT, NEW YORK.

WE give below copies of communication setting forth the action of the Assistant Assessors of the 1st District, New York, on the removal of the Assessor, Mr. H. W. Eastman, and of the letter of Commissioner Rollins, in regard to the resignation of the Assistants.

We had been informed that some of the Assistants refused to act after they had resigned, and before the appointment of their successors, much to the detriment of the public revenue. This would have been a course of action that could not be justified, however commendable their united testimonial to the worth of Mr. Eastman; but we are happy to learn from the lips of that gentleman that such information was incorrect.

"AT a meeting of the Assistant Assessors and Official Clerks of the First Collection District of the State of New York, held at Roslyn, Queens County, December 7th, 1866, the following preamble and resolutions were unanimously adopted:

"*Whereas*, on the 26th of November, 1866, Henry W. Eastman, Esq., the honest and efficient Assessor of this District, was superseded by the appointment of Edwin O. Perrin, Esq., to that office by the President of the United States; and, whereas, no cause for such change has been imputed or alleged, other than that of a political character; therefore,

"*Resolved*, That we, the undersigned, Assistant Assessors and Clerks of said District, impelled by a sense of respect for our valued chief officer, the late Assessor, as well by the earnest conviction of the duty demanded of us under the circumstances, by the great Union party of the nation, of which we are, though humble, yet hearty and sincere supporters, and, also, having regard to our own personal self-respect; believing that the best interests of the Government, and of the Department of Internal Revenue, cannot be promoted unless by the existence of mutual confidence and esteem among those administering the several grades of official duty, and disclaiming any disrespect towards any of the officers of the Government, do hereby tender our resignations, respectively, as Assistant Assessors and Clerks, to take effect on the 8th of December, 1866:

"*Daniel Bogart, Assist. Assessor 1st Division; Isaac Coles, do. 2d do.; Hiram A. Whitaker, do. 3d do.; William T. Brush, do. 4th do.; Alonzo B. Wright, do. 5th do.; Henry Lewis, do. 6th do.; Edwin Mills, do. 7th do.; Frost T. Covert, 8th do.; Edmund A. Bunce, do. 9th do.; Edwin A. Smith, do. 10th do.; Philander J. Hawkins, do. 11th do.; George C. Campbell, do. 12th do.; Edward S. Mulford, do. 13th do.; David F. Vail, do. 14th do.; Jonathan W. Huntting, do. 15th do.; Hiram L. Sherry, do. 16th do.; Everett A. Carpenter, do. 17th do.; Gabriel Martino, do. 18th do.; Charles H. Stebbins, do. 19th do.; John W. Simonson, do. 20th do.; Edmund S. Crocheron, do. 21st do.; Israel Oakley, do. 22d do.; Alonzo W. Jerome, do. 23d do.; W. Wallace Kirby, Chief Clerk; Obadiah J. Downing, Clerk.*"

To the Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, DEC. 18, 1866.

SIR: Your letter of the 14th inst., accompanied by the letter of resignation signed by the Assistant Assessors of your former district, was received at this office yesterday, and I immediately conferred with the Hon. Secretary of the Treasury upon its subject matter.

It is natural, and creditable, too, to the Assistant Assessors and the clerks employed by you, that they should feel aggrieved by your removal, and natural too, that they should tender their resignations. Their resignations however, cannot be accepted without great prejudice to the revenue, for successors cannot be appointed and quallified without very considerable delay, and after their appointment it will take them no little time to become acquainted with their duties. It is because of this, that the secretary desires me to say that he wishes them to continue in service, at any rate for the present. In this wish I most earnestly join. I do not believe that their continuance in service can be misunderstood by their political friends, the more especially since upon the tender of their resignations, they are now asked to continue without a change of political sentiments.

I trust you will notify them upon the receipt of this letter, of the wishes of the department, and that I shall early hear from you that they have resumed the discharge of their official duties.

Very Respectfully,
Hon. E. A. ROLLINS,
Commissioner Internal Revenue.

H. W. EASTMAN, Esq.,
Roslyn, Queens County, N. Y.

STATE TAXATION OF SHAREHOLDERS IN NATIONAL BANKS.

SUPREME COURT OF THE UNITED STATES—.NOS. 301 AND 307.—DECEMBER TERM, 1866.

Shareholders in National Banks are liable to state taxation on their shares, without deduction on account of the capital of said banks invested in United States stocks.

The People of the State of New York, ex. rel. Denning Duer, plaintiff in error, agt. The Commissioners of Taxes and Assessment for the City and County of New York, and the People of the State of New York, ex. rel. Ralph Mead, plaintiff in error, agt. The Commissioners of Taxes of the City and County of New York. In error to the Court of appeals of the State of New York.

Mr. JUSTICE NELSON delivered the opinion of the Court:

These cases are writs of error to the Court of Appeals of the State of New York. The relator of the first is an owner of 152 shares of stock in the National Bank of Commerce in New York. The capital of the bank consists of 100,000 shares of $100 each, and which is invested in United States securities and exempt from State taxation. The Commissioners of Taxes, in making their assessments, valued the shares at par, and imposed upon them the same rate of tax as was imposed upon other personal property in this city. The Commissioners, in their return to the certiorari, state that in estimating the value of the shares they made no deductions on account of the investment of the capital of the bank in United States securities. That in the valuation of the personal estate of individuals, these securities held and owned by them were deducted and the tax assessed on the balance; and the like deductions were made from the capital of insurance companies. The assessment of this tax on the shares of the relator in the Bank of Commerce was carried to the Supreme Court of the State and, after argument, was affirmed, and thence to the Court of Appeals, where the judgment of the Supreme Court was affirmed. The case is now here, on error, under the 25th§ of the judiciary act. The first objection taken to the legality of the tax is on the ground that the commissioners, in the valuation of the shares refused to deduct the amount of capital of the bank invested in United States securities, and, hence, refused to regard this deduction in the valuation of the shares. This question has, heretofore, been considered by this Court, and, after full deliberation, determined in the case of Van Allen agt. the Assessors (3 Wallace, 573. RECORD, Vol. III., p. 109) and need not again be examined. That case was one of a large class of cases, which were very thoroughly argued, and received, at the time, the most careful examination of the Court. The next, and perhaps the only material question in the case, arises upon a construction of a clause in the first proviso of the 41st section of the National Bank Act. After referring to the taxation of these shares by State authority, it provides: "but not at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such States." It is argued that the assessment upon the shares of the relator is at a greater rate than that of the personal property of individual citizens, upon the ground that allowance was made on account of United States securities held and owned by them, when at the same time the deduction was disallowed him. The answer is, that upon a true construction of this clause of the act, the meaning and intent of the law-makers were that the rate of taxation of shares should be the same, or not greater, than upon the moneyed capital of the individual which is subject or liable to taxation. That is, no greater proportion or percentage of tax in the valuation of the shares should be levied than upon other moneyed taxable capital in the hands of citizens. This rule seems to be as effectual a test to prevent unjust discrimination against the shareholders, as could well be

devised. It embraces a class which constitute the body politic of the state, who make its laws and provide for its taxes. They cannot be greater than the citizens imposed upon themselves. It is known that by sound policy in every well regulated and enlightened State or Government, certain descriptions of property, and also certain institutions—such as churches, hospitals, academies, cemeteries, and the like—are exempt from taxation; but these exemptions have never been regarded as disturbing the rates of taxation, even where the fundamental law had ordained that it should be uniform. The objection is a singular one. At the time Congress enacted this rule as a limitation against discrimination, it was well known to that body that these securities in the hands of the citizen were exempt from taxation. It had been so held by this Court, and, for abundant caution, had passed into a law. The argument founded on the objection, if it proves anything, proves that these securities should have been taxed in the hands of individuals to equalize the taxation; and, hence, that Congress in the clause by proviso intended to subject them, as thus situated, to taxation; and, therefore, there was error in the deduction. This we do not suppose is claimed. But if this is not the result of the argument, then the other conclusion from it is, that Congress desired that the Commissioners should deduct the securities, and at the same time intended the deduction, if made, should operate as a violation of the rate of the tax prescribed. We dissent from both conclusions, and think it a sound construction of the clause, and one consistent with its words and intent, is also consistent with all the acts of Congress on the subject. The Commissioners, in their return, state that insurance companies created under the laws of the State, and doing business in the City of New York, were respectively assessed upon the balance of this capital and surplus profits, liable to taxation, after deducting therefrom such parts as is invested in United States securities. Another objection taken is, that the taxation of the shares of the relator is illegal, on account of their deduction—it being a departure from the rate of assessment prescribed in the clause already cited. The answer is, that this clause does not refer to the rate of assessment upon insurance companies as a test by which to prevent discrimination of the shares; that is confined to the rate of assessment upon moneyed capital in the hands of individual citizens. These institutions are not within the words, or the contemplation of Congress; but even if they were, the answer we have already given to the deduction of these securities in the assessment of the property of individual citizens is equally applicable to them. The companies are taxed on their capital, and not on the shareholder, at the same rate as other personal property in the State. There is not much danger to be apprehended of a discriminating tax in their favor, prejudicial to the rights or property of the citizen; and, of course, to the rights of the shareholders in these National Banks, who stand on the same footing. The relator in the second case, Ralph Mead, is the holder and owner of 25 shares of stock in the Corn Exchange Bank in the city of New York, incorporated under the laws of the State. The act of April 23, 1866, imposed a tax on the shares of these banks. It insisted that the tax is illegal on account of the refusal of the Commissioners to deduct the U. S. securities in which a portion of the capital stock of the bank was invested. The general question was distinctly presented in the bank cases of the last term, of which Van Allen agt. The Collector was one of this class (3 Wallace, 573, 583, and 584), and disposed of. It was there said: "But in addition to this view, the tax on the shares is not a tax on the capital of the bank. The Corporation is the legal owner of all the property of the bank, real and personal; and within the powers conferred upon it by the charter, and for the purposes for which it was created, can deal with the corporate property as absolutely as a private individual can deal with his own." "The interest of the shareholder entitles him to participate in the net profits earned by the bank, in the employment of its capital, during the existence of its charter, in proportion to the number of his shares; and upon its dissolution or termination, to his proportion of the property that may remain, of the corporation, after the payment of its debts. This is a distinct, independent interest or property, held by the shareholder like any other property that may belong to him;" and, we add, of course, is subject to like taxation. It was supposed, on the argument, that this principle was in conflict with that which governed the decision of this court in the case of Gardner agt. The Appeal Tax Court (3 How., 133), but this is a mistake. That case turned upon the construction of an act of Maryland exempting the bank from taxation on account of a large bonus to the State for the extension of the charter.

This Court held that, upon a true construction of the act, the stockholders were within the scope of the exemption. The Court say: "In whatever way we examine the acts of 1813 and 1821, we are of opinion that it appears from the 11§ in those acts, to have been the intention of the Legislatures which passed them, to exempt the stockholders from taxation as persons, on account of the stock which they owned in the banks. Some other questions were discussed on the argument, beside those we have noticed, but they are questions over which this Court cannot take cognizance. We have examined all of them that are here under the 25§ of the Judiciary act.—Judgment of the Court below affirmed.

Mr. Chief Justice Chase.—In concurrence with my brothers Wayne and Swayne, I dissent from the opinion just read. The reasons of dissent sufficiently appear in our dissenting opinion in the case of Van Allen agt. The Assessors (RECORD, Vol. III., p. 203), read at the last term, and we do not think it necessary to repeat them.

B. D. Silliman and John E. Burrill of counsel for plaintiffs in error; R. O'Gorman and Charles O'Conor of counsel for defendants in error.

CIRCULAR

To U. S. Registers, Receivers of and Surveyors general land offices, and Surveyors general, relative to mining claims, governing the operation of the act of Congress, approved July 26, 1866.

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE, Jan. 14, 1867.

GENTLEMEN: Herewith will be found the act of Congress, approved July 26th, 1866, "granting the right of way to ditch and canal owners over the public lands, and for other purposes." By the first section of this act all the mineral lands of the United States, surveyed and unsurveyed, are laid open to all citizens of the United States and to those who have declared their intention to become such, subject to statutory regulations, and also "to the local customs or rules of miners, in the several mining districts, not in conflict with the laws of the United States." It therefore becomes your duty, *in limine*, to acquaint yourself with the local mining customs and usages in the district in which you may be called upon to do those official acts which are required by law, whether the same are reduced to authentic written form or are to be ascertained by the testimony of intelligent miners, which you are to obtain as occasion may require and justify in acting upon individual claims, a perfect record whereof is to be carefully taken and preserved by the Register and Receiver, and to be accompanied by a diagram or plat fixing the out boundaries of the district in which such customs and usages exist.

The second section of the act declares that, "Whenever any person or association of persons claim a vein or lode of quartz or other rock in place, bearing gold, silver, cinnabar, or copper, having previously occupied and improved the same according to the local custom or rules of miners in the district where the same is situated, and having spent in actual labor and improvement thereon an amount of not less than $1,000, and in regard to whose possession there is no controversy or opposing claim, it shall and may be lawful for such claimants or association of claimants to file in the local land office a diagram of the same, so extended laterly or otherwise so as to conform to local laws, custome and rules of miners, and to enter such tract and receive a patent therefor, granting such mine, together with the right to follow such vein or lode with its dips, angles and variations to any depth, although it may enter the land adjoining, which land adjoining shall be sold subject to this condition."

Mining claims may be entered at any district land office in the United States, under this law, by any person or association of persons, corporate or incorporate.

In making the entry, however, such a description of the tract must be filed as will indicate the vein or lode, or parts or portion thereof claimed, together with a diagram representing by reference to some natural or artificial monument the position and location of the claim and the boundaries thereof, so far as such boundaries can be ascertained.

First—In all cases the number of feet in length claimed in the vein or lode shall be stated in the application filed as aforesaid, and the lines limiting the length of the claim shall also, in all cases, be exhibited in the diagram, and the course or direction of such end lines when not fixed by agreement with the adjoining claimants, or by the local customs or rules of the miners of the disirict, shall be drawn at right angles to the ascertained or apparent general course of the vein or lode.

Second—Where the local laws, customs or rules of miners of the district no surface ground is permitted to be occupied for mining purposes except the surface of the vein or lode, and the walls of such vein or lode are unascertained, and the lateral extent of such vein or lode unknown, it shall be sufficient, after giving the description and diagram aforesaid, to state the fact that the extent of such vein or lode cannot be ascertained by actual measurement, but that the said lode is bounded on each side by the wall of the same, and to estimate the amount of ground contained between the given end line and the unascertained wall of the vein or lode, in such case the patent will issue for all the land contained between such end lines and side walls, with the right to follow such vein or lode, with all its dips, angles and variations to any depth, although it may enter the land adjoining, provided the estimated quantity shall be equal to a horizontal plane bounded by the given end lines and the walls on the sides of such vein of lode.

Third—Whereby the local laws, customs or rules of miners of the district, no surface ground is permitted to be occupied for mining purposes except the surface of the vein or lode, and the walls of such vein or lode are ascertained and well known, such walls shall be named in the discription and marked in the diagram, in connection with the end lines of such claim.

Fourth—Where by the laws, customs or rules of miners of the district, a given quantity of surface ground is fixed for the purpose of mining or milling the ore, the aforesaid diagram and description in the entry shall correspond with and include so much of the surface as shall be allowed by such laws, customs or rules for the purpose aforesaid.

Fifth—In the absence of uniform rules in any mining district, limiting the amount of surface to be used for mining purposes, actual and peaceable use and occupation for mining or milling purposes shall be regarded as evidence of a custom of miners, authorizing

the same, and the ground so occupied and used in connection with the vein or lode, and being adjacent thereto, may be included within the entry aforesaid, and the diagram shall embrace the same as appurtenant to the mine.

Where the claimant or claimants desire to include within their entry and diagram any surface ground beyond the surface of the vein, it shall be necessary upon filing the application to furnish the Register of the Land Office with a proof of the usage, law or custom, under which he or they claim such surface ground, and such evidence may consist either of the written rules of the miners of the district or the testimony of two creditable witnesses of the uniform custom or the actual use and occupation as aforesaid, which testimony shall be reduced to writing by the Register and Receiver and filed in the Register's Office with the application, a record thereof to be made of contemplated under the first head in the foregoing. By the third section of the act it is required that upon the filing of the diagram as provided in the second section, and posting the same in a conspicuous place in the claim, with notice of intention to apply for a patent, the Register shall publish a notice of the same in a newpaper nearest the location of said claim, which notice shall state name of claimant, name of mine, names of ajoining claimants in each end of the claim, the district and county in which the mine is situated, informing the pulic that application has been made for a patent of same; the Register also to post such notice in his office for ninety days.

Thereafter, should no adverse claim have been filed, it will become the duty of the Surveyor General, upon application of the party, to survey the premises and make plat thereof, endorsed with his approval, designating the number and description of the location, the value of the labor and improvements, and the character of the vein exposed.

As preliminary to the survey, however, the Surveyor General must estimate the expense of surveying, platting and ascertaining from the Register the cost of the publication of notice, the amount of all of which must be deposited by the applicant for survey with any Assistant United States Treasurer or designated depository to be passed to the credit of the fund created by "individual depositors for the surveys of public lands."

Duplicate certificates of such deposits must be filed with the Surveyor General for transmission to this office, as in the case of deposits for surveys of public lands, under the 10th section of the act of Congress, approved May 30, 1862, and joint resolution of July 1, 1864.

After the survey thus paid for shall have been duly executed, and the plat thereof approved by the Surveyor General, designating the number and description of the location, accompanied by his official certificate of the value of the labor and improvements and character of the vein exposed, with the testimony of two or more reliable persons cognizant of the facts on which his certificate may be founded, as to the value of the labor and improvements, the party claiming shall file the same with the Register and Receiver, and thereupon pay to the said Receiver five dollarr per acre for the premises embraced in the survey, and shall file with these officers a triplicate certificate of deposit showing the payment of the cost of survey, plat and notice, with satisfactory evidence, which shall be the testimony of at last two credible witnesses, that the diagram and notice were posted on the claim for a period of ninety days, as required by law. Thereupon it shall be the duty of the Register to transmit to the General Land Office said plat, survey and description, with the proof endorsed as satisfactory by the Register and Receiver, so that a patent may issue if the proceedings are found regular; but neither the plat, survey, description, or patent shall issue for more than one vein or lode.

The unity of the surveying system is to be maintained by extending over the mining districts the rectangular method—at least so far as township lines are concerned.

The contemplated surveys of the mineral lands will be made by district deputies, under contracts, according to the mode adopted in the survey of the public lands and private land claims, embracing in them all such veins or lodes as will be called for by claimants entitled to have them surveyed.

In consideration of the very limited scope of surveying involved in each mining claim, the per mileage allowed by law may not be adequate to secure the services of scientific surveyors; and hence the necessity of resorting to a per diem principle, it being the most equitable under the circumstances.

The Surveyor General is, therefore, hereby authorized to commission resident mineral surveyors for different districts, where, isolated from each other, and absolutely inconvenient for one surveyor promptly to attend to the several calls for surveying in such localities, the compensation not to exceed ten dollars per diem, including all expenses incident thereto, such surveyors shall enter into bonds of $10,000 for the faithful performance of their duties in the survey of such claims as the Surveyor General may be required to execute in the pursuance of the aforesaid law and these instructions.

The fourth section contemplates the location and entry of a mine upon unsurveyed lands stipulating for the surveys of public lands to be adjusted to the lines of the claims according to the location and possession and plat thereof. In surveying such claims, the Surveyor General is authorized to vary from the rectangular form to suit the circumstances of the country, local rules, laws and customs of miners. The extent of the locations made from and after the passage of the act shall, however, not exceed two hundred feet in length along the vein for each locator, with an additional claim for discovery to the discoverer of the lode, with the right to follow such vein to any depth, with all its dips, variations and angles, together with a reasonable quantity of surface for the convenient working of the same, as fixed by local rules, provided no person may make more than one location in the same lode, and no more than three thousand feet shall be taken in any one claim by any association of persons.

The deputy surveyors should be scientific men, capable to examine and report fully on every lode they will survey, and to bring in duplicate specimens of the ore, one of which you will send to this office, and the other the Surveyor General will keep to be ultimately turned over with the surveying archives to the State authorities.

The surveyors of mineral claims, whether in surveyed or unsurveyed lands, must designate those claims by a progressive series of numbers, beginning with No. 37, so as to avoid interference in that respect with the regular sectional series of numbers in each township, and shall designate the four corners of each claim, where the side lines of the same are known, so that such corners can be given, by either trees, if any are found standing in place, or any corner rocks exist in place, or posts may be set diagonally and deeply imbedded with four sides facing adjoining claims, sufficiently flattened to admit of inscriptions thereon; but where the corners are unknown, it will be sufficient to place a well built solid mound at each end of the claim. The beginning corner of the claim nearest to any corners of the public surveys is to be connected by course and distance, so as to ascertain the relative position of each claim in reference to township and range, when the same have been surveyed, but in those parts of the surveying district where no such lines have as yet been extended, it will be the duty of surveyors general to have the same surveyed and marked, at least so far as standard and township lines are concerned, at the per mileage allowed, so as to embrace the mineral region and to connect the nearest corners of the mineral claims with the corners of the public surveys.

Should it, however, be found impracticable to establish independent base and meridian lines, or to extend township lines over the region containing mineral clams required to be surveyed under the law, then and in that case you will cause to be surveyed in the first instance such a claim, the initial point of which will start either from a confluence of waters or such natural and permanent objects as will unmistakably identify the point of the beginning of the survey of the claim upon which other surveys will depend.

Section 5 provides that in cases where the laws of Congress are silent upon the subject of rules for working mines respecting casements, drainage and other necessary means to the complete development of the same, the local Legislature of any State or Territory may provide them; and in order to embody such enactments into patents, you are directed to communicate any such laws to this office.

Sec. 6. Should adverse claimants to any mine appear before the approval of the survey, all further proceedings shall be stayed until a final settlement and adjudication are had in the courts of the rights of possession to such claim, except where the parties agree to settlement, or a portion of the premises is not in dispute, when a patent may issue as in other cases.

Section 7 provides for such additional land districts as may be necessary; section 8 for the right of way; section 9 for the protection of rights to the use of waters for mining, agricultural, manufacturing or other purposes, for the right of way for the construction of ditches and canals, and makes parties constructing such work after the passage of this act, to the injury of settlers, liable in damages.

Sec. 10. Homesteads made prior to the passage of this act by citizens of the United States, or persons who have declared their intention to become citizens, but on which lands no valuable mines of gold, silver, cinnabar or copper have been discovered, are protected so that settlers or owners of such homesteads shall have a right of pre-emption thereto in quantity not to exceed one hundred and sixty acres, at $1 25 per acre, or to avail themselves of the homestead act and acts amendatory thereof.

Section 11 stipulates that upon the survey of the lands in question, the Secretary of the Interior may set apart such portions as are clearly agricultural, and thereafter subjects such agricultural tracts to pre-emption and sale as other public lands.

In order to enable the department properly to give effect to this section of the law, you will cause your Deputy Surveyors to describe in their field notes of surveys, in addition to the data required to be noted in the printed manual of surveying instructions, on pages 17 and 18, the agricultural lands, and represent the same in township plats by the designation of "agricultural lands."

It is to be understood that there is nothing obligatory on claimants to proceed under this statute, and that where they fail to do so, there being no adverse interest, they hold the same relations to the premises they may be working which they did before the passage of this act, with the additional guarantee that they possess the right of occupancy under the statute.

The foregoing presents such views as have occurred to this office in considering the prominent points of the statute, and will be followed by further instructions as the rulings in actual cases and experience in the administration of the statute may from time to time suggest.

Very respectfully your obt. servant,

Jos. S. WILSON, *Commissioner.*

Customs Department.

CUSTOMS ORDER OF AUSTRIA.

TRANSLATION from U. S. Bureau of Statistics, Alexander Delmar, Director.

[TRANSLATION.]

Order of the Austrian Foreign, Finance, and Commercial Departments, dated December 20, 1866, respecting the customs treatment of British, Italian, and French productions, which is to come in operation on January 1, 1867, and to take effect in all the countries of the general Austrian customs and jurisdiction.

In pursuance of the treaty of commerce between Austria and Great Britain on the 16th of December, 1855, (Reichs-gesetz-Blatt for 1866, No. 2,) of the treaty of peace between Austria and Italy of the 3d of October, 1866, (Reich's-gesetz-Blatt, No. 116 ;) and of the treaty of commerce between Austria and France, of the 11th of December 1866, (Reich's-gesetz-Blatt, No. 164,) which assume to British, Italian, and French productions the treatment of the most favored nation, it is ordered :

1. That from the 1st of January, 1867, the special tariff A, contained in Annex A to the commercial and customs treaty concluded between Austria and German Zollverein on the 11th of April, 1865, (Reich's-gesetz-Blatt, No. 22,) is to be applied, in so far as a still more favorite treatment is not conceded by the general Austrian tariff or by special ordinances, not only to the productions of the Zollverein countries but also to those of Great Britain, Italy, and France, let their importation into Austria take place at whatever boundary it may, either by land or water.

The following items of the aforesaid special tariff are excepted from this rule, viz., No. 1, letters *a* and *b*, (grain and pulse, meal and mill produce ;) No. 2, let- *b* and *c*, (garden produce and frutt, prepared ;) No. 4, letters *a* to *g*, (catttle for draught and slaughter ;) No, 6, letter *g*, (cheese ;) No. 9, letter *a*, (bread, common ;) No. 14, letter *a*, (turpentine and oil of turpentine ;) No. 30, letter *b*, (floor covering and mats of bast, rushes, &c. ;) and No. 36, letter *a*, (ordinary crotkery-ware ;) the stipulation in regard to these items are still restricted to the traffic from the Zollverein over the boundaries between Austria and the Zollverein country.

2. That to establish the claim to the favorable treatment it is requisite that the British, Italian, or French origin of the goods be stated in both copies of the goods declaration, which is to be produced at the custom-house.

In the event of any doubt arising as to the correctness of this statement the origin of the goods is to be proved by a certificate, which may be given by the local authority of the proper custom-house in the country whence the goods come, or by an Austrian consular functionary there, or by the production of the bill of lading.

The aforesaid certificrte of origin is only to be demanded when the question is as to the customs treatment of cloth and woven goods, beverages and spiritu. ous liquors, or glass wares.

BARON VON BEUST,
COUNT LARISCH MOENICH,
BARON VON WULLERSTORFF.

THE Collectors and Assessors of Internal Revenue, whose nominations were rejected last week, are, it is reported, to retain their positions until the expiration of the present session, on the 4th of March next, unless the President shall meanwhile send in and the Senate confirm other nominations.

APPOINTMENTS CONFIRMED AND REJECTED BY THE SENATE.

The Senate on Saturday, in executive session is reported to have confirmed the following nominations :

Hugh J. Andsrson, Auditor Treasury for the Post Office Department.

Chambers McKibbin, Assistant Treasurer United States Mint, Philadelphia.

Archibal L. Snowden, Chief Coiner of the Mint, Philadelphia.

Noah L. Jeffries, Commissioner to ascertain the amount of money expended in West Virginia.

SURVEYORS OF CUSTOMS.

Henry W. Gladding, Warren and Barrington, Rhode Island.
William H. Ashmore, Burlington, New Jersey.
Richard R. Bolling, Louisville, Kentucky.

POSTMASTER.

Frank Clendennin Madison, Whitesideley, Illinois.

COLLECTORS OF INTERAL REVENUE.

John A. Hunter, Twelfth District, Ohio.
Stephen J. McGroarty, Second District Ohio.
Nathaniel S. Howe. Sixth District Massachusetts.
Henry A. Grant, Frst District Connecticut.

ASSESSORS OF INTERNAL REVENUE.

George B. Arnold, Thirteenth District Ohio.
Wm. M. Fitzhugh, Seventh District Virginia.
Austin Savage, Idaho.
W. C. Binney, Fifth District Massachusetts.

REJECTIONS.

The senate rejected the following nominations:
Wm. Millward, Director of the Mint, Philadelphia.
John McGinnis of Illinois, United States Minister to Stockholm.

ASSESSORS OF INTERNAL REVENUE.

Joshua W. Warner, Sixth District, Ohio.
Thomas Miller, Seventh District, Ohio.
William E. Schofield, Eighth District, Ohio.
Frank Baker, Ninth District, Ohio.
Basil C. Brown, Fourteenth District, Ohio.
Matthew D. Freer, Twenty-sixth District, New York.
William Quail, Twenty-fourth District, Pennsylvania.
Bassett Langdon, First District, Ohio.
Andrew S. Holladay, Nebraska.
Thomas G. Halley, Twenty-first District, New York.
Owen D. Downey, Second District, West Virginia.
Luther Stephenson, Jr., Second District, Massachusetts.
H. R. Coggshall, Fifth District, Pennsylvania.
J. F. Hubbard, Nineteenth District, New York.

COLLECTORS OF INTERNAL REVENUE.

W. W. Mosely, Twenty-third District, New York.
Morgan L. Harris, Eighth District, New York.
Julius A. Penn, Sixth District, Ohio.
John R. Finn, Fourteenth District, Ohio.
George W. Thatcher, Idaho.
John T. Tanner, Third District, Alabama.
H. W. Fish, Twenty-first District, New York.
Charles S. Cary, Thirty-first District, New York.
Thomas W. Egan, Ninth District, New York.
David H. Abell, Twenty-fifth District, New York.
George W. Beebe, Nevada.
Calvin E. Pratt, Third District, New York.
George W. Berry, Fifth District, Maine.
E. W. Pierce, First District, Massachusetts.
Church Howe, Eighth District, Massachusetts.
Nathaniel C. James, Fifth District Pensylvania.,

COLLECTOR OF CUSTOMS.

M. H. Beaumont, Perth Amboy, New Jersey.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government ; are its property ; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 LIBERTY ST., NEW YORK.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 6. NEW YORK, FEBRUARY 9, 1867. WHOLE NUMBER, 110.

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NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS,
Commissioner.

P. VR. VAN WYCK, Esq.,
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

REVIEW.

NUMEROUS decisions on various points of interest and importance will be found in the official columns.

Circular No. 57, dated February 5th, concerning seizures of property in the custody of transportation companies, is promulgated. It gives instructions to collectors and deputy collectors as to the proper mode of proceeding in such seizures, and will tend to remove the annoyance and trouble to which many common carriers have been subjected when property seized in their custody for violation of the revenue laws has been taken from them without receipt.

The communication from the First Comptroller to an outgoing collector of internal revenue, invites attention from Collectors generally. It will show the necessity of their being at all times prompt and efficient in making collections, and keeping it in their power, for their own protection, to make proof of due diligence as to taxes returned as uncollectable.

In the customs branch of the revenue the only item of interest is the letter to the collector of this port, ordering the immediate discontinuance of a practice reported to have obtained in the unauthorized manner of compromising suits instituted in respect of the seizures of imported merchandise for alleged undervaluation. The instructions are well timed.

Few decisions under the Custom laws have been officially published during the past year. The repeated modifications and amendments of the Tariff laws have so complicated many provisions that extreme caution is necessarily exercised by the Treasury Department in making known officially its rulings and decisions thereon.

The demand for complete revision and codification of the Navigation and Customs laws is most pressing. Commissioners, under the supervision of the Secretary of the Treasury, are now engaged on this work, and it is sincerly hoped for the interests of our merchants and the revenue, that the result of their labors may be submitted in time to be acted on by the present Congress.

JOINT RESOLUTION RESPECTING ALCOHOL, BURNING FLUID, AND CAMPHENE.

THE portion of Section 96, of the Act of July 30, 1864, repealed by the Joint Resolution of February 5, 1867, and published in the official columns, are the words "alcohol made or manufactured of spirits, or materials upon which the duties imposed by law shall have been paid," and the words "burning fluid." These two described products were included in the list of articles which the language of the said Section declares "shall be, and hereby are, exempt from duty." The effect of the 1st Section of the Joint Resolution is, therefore, to require that all claims to exempt the products therein specified shall be established by virtue of its provisions, and not by virtue of any prior provisions of law.

The 2d Section of the Joint Resolution in effect strikes out of paragraph 19, Section 79, of the Act of 1864, as amended by the Act of July 13, 1866, (Compilation, p. 32), the words "and distillers of burning fluid and camphene," so as to make the paragraph stand "coal oil distillers shall pay fifty dollars."

It will be observed that a correction of clause 92, p. 51 of the Compilation is necessitated, and the repealed portion of Section 96 interpolated therein, should be stricken out.

THE PUBLIC DEBT.

The following is an official statement of the public debt of the United States on the 1st of February, 1867:

DEBT BEARING COIN INTEREST.		
5 per cent. bonds	$198,091,350 00	
6 per cent. bonds of 1867 and '68.	15,779,441 80	
6 per cent. bonds, 1881	283,745,250 00	
6 per cent. 5-20 bonds	910,029,500 00	
Navy Pension Fund	12,500,000 00	
		$1,420,145,541 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent. bonds	12,922,000 00	
3-year compound interest notes	143,064,640 60	
3-year 7-30 notes	663,686,100 00	
		819,672,740 00
Matured debt not presented for payment		15,791,454 81
DEBT BEARING NO INTEREST.		
U. S. notes	381,427,090 00	
Fractional currency	28,743,733 72	
Gold certificates of deposit	19,992,980 00	
		430,163,803 72
Total debt		2,685,773,539 82
Amount in treasury, coin	97,354,603 69	
Amount in treasury, currency	45,069,187 58	
		142,423,791 27
Amount of debt, less cash in treasury		2,543,349,748 56

The foregoing is a correct statement of the Public Debt, as appears from the Books and Treasurer's Returns in the Department, on 1st of February, 1867.

HUGH McCULLOCH,
Secretary of the Treasury.

Col. Wm. S. Hillyer is reported to have been appointed Internal Revenue Agent, located in New York, vice McLean, vice A. N. Lewis; but whether or not the report be true, we are unable to state.

FINANCIAL THEORIES.

NICHOLAS KNICKERBOCKER'S IDEAS OF PAPER MONEY.

[To the Editor of the "Herald."]

THE people and the government are alike bewildered and at their wits' ends on account of the condition of the currency and its prognostics. In general they agree in ascribing the present state of things not to its true cause, but to false and imaginary causes, and they accordingly propose violent and desperate expedients as a remedy.

The cause of our present difficulties is the exhaustive export of our national coin, as a commodity of merchandise, to pay for the excess of imports which we permit and encourage. But for this cause we have the best, the safest, the most uniform currency ever known, possessing all the requisite of confidence, ever at hand and accessible, and perfectly adapted to fulfil its only office—that of facilitating exchanges and payments.

But we committed the absurd and stultifying blunder of making our national paper money redeemable in coin, while we allowed the continued exhaustion of the coin by export so as to render the redemption impossible. This was absurd, for the obligation to redeem with coin added nothing to the safety of the notes in any case. They were perfectly safe without it. The Treasury notes represented the power, the revenues and the good faith of the government. The fixed and limited amount of national bank notes represented their value in national bonds withdrawn from market and held in pledge by the government as security. If the government continues solvent and pays its bonds, then the notes are safe.

The only use of requiring notes issued on pledge and deposit of the best possible permanent security, is the facility it affords to foreigners to get and export the coin in masses from the vaults of banks, where it is expected to be collected and put up in kegs. So long as they have any left the banks must exchange it at par for their notes, which makes excessive imports comfortably secure. When it is gone, the banks of necessity suspend specie payments, and issue their secured and safe notes as freely as before. The imposing cheat, when there was no specie in circulation, of requiring the national banks to redeem their secured notes with non-secured Treasury notes is ridiculous, except as a means of vexation. If there is any difference in point of safety, the secured notes are the safest.

Under this pretence of being redeemable on demand, and thereby being made equal to gold (as with their security they are by the law, which makes them money and sanctions their circulation with coin at par), the banks have gone on and issued an important portion of the only currency we have. Specie payments have been suspended more than five years. Coin is no longer treated as money or currency according to law, but only as a commodity of merchandise for export, and is sold in the market like wheat and other commodities at prices depending on the proportion of supply to demand. Yet while its price in the market may be forty, sixty, or one hundred per cent. more than its legal value as money, its legal value is made the criterion and rule of reckoning in determining the prices of all other commodities, and our equivalent legal currency of paper is supposed to depreciate as much below its legal value as gold rises in price above its value as coin. Thus our currency is treated as merchandise—a speculative, fluctuating uncertain commodity—not as a fixed and uniform measure of value and rule of reckoning, determined and established by law. The law is set aside and disregarded. We have nothing fixed and settled in regard to the value, as a rule and measure, of our circulating medium. The lawless theory of free trade is extended from the things to be exchanged to the means of exchanging them. Everything is done by brokers and speculators, who fix the rate, for the moment, to be assumed for gold, for paper, and for other things, in exchange for one another.

The law defines what shall be used as money, and prescribes a fixed and uniform rate at which it shall pass. It arbitrarily assumes and fixes the value of coin—not its commercial nor its intrinsic value, but its legal value as currency. In like manner it fixes and prescribes the legal value represented and secured by bank notes of different denomination, and authorizes and sanctions their use as equivalent to coin. It makes the legalized coin and paper alike the measure of value in exchanges, as it makes yardsticks the legal and uniform measures of length. To degrade the legal money of a nation to the level of a fluctuating commodity of traffic, is as plainly to defy and set the law aside as it would be to substitute different measures of length, weight, &c., in place of the measures prescribed by law.

NICHOLAS KNICKERBOCKER,
Stock Exchange Building.

THE WARNINGS OF NICHOLAS KNICKERBOCKER.

[To the Editor of the "Herald."]

How long can we go on and keep afloat upon the false theories and lawless practices now dominant? We may perhaps go on as long as we have national bonds to export and Europe will take them at half the value which they express, or something more; or as long as we can extract from the people (as duties) in the price of merchandise imported for consumption, gold enough to pay the interest, so as to add forty or fifty per cent. to the price of the merchandise here, and generously throwing in the premium on the amount paid to bondholders as interest. We may perhaps go on till every dollar of our coin is exported, or until the people become weary of paying exorbitant and fabulous prices for foreign merchandise and the imports fall off till the amount will not pay duties enough in gold to discharge the annual interest.

Either of these results—not to mention others of like tendency and effect—would bring a crisis. Suppose Europe should, for political or other reasons, there or here, send home the bonds they have instead of taking more? Suppose the gold revenue should fall short, and coin being drained away by export, should, as a commodity, rise in price? When and by what means and expedients would the Secretary of the Treasury be able to buy it at home or abroad, or to buy bullion to make more coin for interest and for export? In such a state of things the people will have lost confidence.

Coin is already nearly exhausted by export. A further drain during the present, equal to that of last year, will sweep us of what remains, and leave our floating debt to Europe (now covered mostly by bonds bearing interest and returnable at pleasure) to the extent of a thousand millions or more and constantly increasing.

This aspect of the case seems at length to have attracted the notice of the Secretary. He informs us in his report of the fiscal year, ending 30th June last, that the imports of foreign merchandise for the year, as entered at the custom houses and valued in gold, amounted to $417,000,000, and our exports (exclusive of specie) estimated at gold prices, to $333,000,000 showing an excess of $84,000,000 of imports. But this is not the whole truth. He says: "For many years there has been a systematic undervaluation of foreign merchandise imported into the United States, and large amounts have been smuggled. To make up for undervaluation and smuggling, and for cost of transportation paid to foreign shipowners, twenty per cent. at least should be added to the imports," &c. This would make the gross excess of imports about $165,000,000. "On no other ground," he adds, "can the fact be accounted for that a very large amount of American bonds are now held in Europe, which are estimated as follows to wit: United States bonds, $350,000,000; State and municipal bonds, $150,000,000; railroad and other stock bonds $100,000,000." together $600,000,000. This may have been short of the amount at that date. They have been constantly going since June 30, and the amount held there now may, very likely, be $1,000,000.000 or more; besides a floating debt, which constantly induces remittances of coin at a cost of near forty per cent. premium. This sum would require a drain and export yearly of about $50,000,000 for interest, or one-fifth of the amount of our exports.

Towards the balance due for imports last year, stated aboved at $165,000,000, but which is as likely to have been $200,000,000 or more, we exported in specie $82,000,000, having a floating debt at the commencement of the present fiscal year of about $80,000,000 to $100,000,000, on the business of last year.

But we have yet a considerable amount of exportable bonds, and are driving on and enlarging our foreign debt faster, if anything, than last year. The imports at the port of New York from July 1st to Jauuary 1st are stated officially and semi-officially at about $140,000,000, gold valuation. Add for other ports the usual proportion, or one-fourth, say $35,000,000, and twenty per cent. for under valuation and smuggling, $35,000,000, making together $210,000,000. The exports at currency prices were, from New York $93,000,000; add one-fourth as much for other ports, say $24,000,000; together, $117,000,000; which deducted from $210,000,000, leaves a debt of $93,000,000, for six months of the year. Towards this balance, about $17,000,000 of specie was exported. The remaining $76,000,000, with former balances, may be mostly covered with gold bearing bonds. It would take but $250,000,000 in bonds at seventy per cent to pay $176,000,000 of foreign debt; that is, by transferring its obligation from the individual importers to all the American taxpayers, with the interest (on every $100 instead of $70) of about seven and a half per

cent. in gold, at thirty-five to forty per cent. premium.

We have said enough to indicate something of the nature of our incredible and intoxicating prosperity and its difficulties. We are living at a very fast rate on the credit of our exported bonds; while our ability to redeem them, first from foreigners on demand is gone, and that of paying them off again when at maturity, is at least endangered; and on the proceeds of specie exported as merchandise, now nearly gone. We are living on credit, discounting and spending the future, and beginning to feel the natural consequences.

NICHOLAS KNICKERBOCKER,
Stock Exchange Building.

Communications, &c.

Editor Internal Revenue Record.

In finishing houses, fitting up offices, stores, &c., desks, counters, tables, book cases, sash and doors are made by the day. The workmen cannot be held liable. The owners say they are not manufacturers, and object to paying a tax.

If these articles escape taxation, the cabinet makers and those who do such work by the piece very properly complain. What is the practice in such cases?

ASST. ASSESSOR.

The articles mentioned are taxable manufactures, and the employer of the workmen making the same, whether he be the owner or contractor, is liable as a manufacturer for the tax upon the statement of facts submitted. ED.

Editor Internal Revenue Record.

SIR: As you invite attention to diversity of practice in assessments by Assistant Assessors, permit me to call your attention to one point, viz., the exemptions of persons or firms from tax under section 93.

The above section provides that certain articles manufactured by the labor of any person or firm, or by his or their family, where the product shall not exceed the rate of $1,000 per annum, shall be exempt from tax, and when the annual product exceeds that rate, but does not exceed the rate of $3,000, ($250 per month) the excess only shall be taxed.

A difference of views obtains in regard to the meaning of the phrase "any person or firm, or his or their family," some contending that it excludes all employers of hired labor, and others that it allows of hired labor to any extent, provided the principal or his family bestow a *portion* of labor on the article made, and others, all small manufacturers within the above limits whether they or their family bestow any labor on the article made or not, are entitled to exemption. Now as each case of exemption involves a loss of from $20 to $50 per annum to the Government, and as there are probably not less than half a million of these small manufacturers in the United States, it becomes a matter of some importance to ascertain the true meaning and intent of the law so as to secure the rights of the Government on the one hand, and the rights of the tax payers on the other, and in the latter case, especially secure equality of taxation.

I have now in my mind the case of two small manufacturers doing the same kind of business near each other, but in different divisions. Both employ help, labor at, and superintend the manufacture of their goods. One of them is exempted by the Assistant Assessor of his division, the other is not, for the reason that the Assistant Assessor in the latter division does not interpret the law as the other does.

Would it not be well for Congress to relieve all doubt as to who shall be exempt, by inserting either the word "exclusively," or the word "partially," before the word manufactured in the above section.

Yours truly,
PRO BONO PUBLICO.

We think our correspondent over estimates the number of small manufacturers in the country, but all will allow that the question involves a very large amount of revenue. We would like to hear from other Assistant Assessors of the practice which prevails with them, and if a diversity of practice exists, a proper determination of the question may be obtained, and uniformity established. ED.

THE TAXATION OF BURNING FLUID AS DISTILLED SPIRITS.

U. S. CIRCUIT COURT.—BEFORE JUDGE SMALLEY.

Frederic Schneider vs. *Anthony J. Bleecker and Morgan L. Harris.*

This is an action brought to restrain the defendant, Bleecker, as Assessor of the Eighth District of New York, from making any assessment for taxes against the complainant as distiller of spirits, or upon burning fluid, claimed to be distilled by him under a license, and from transmitting any assessment made before the filing of the bill to the defendant Harris, and so restrain the latter as collector from proceeding to enforce the payment of the assessment, and from collecting tax upon distilled spirits upon the allegation or pretence that burning fluid is distilled spirits, or from interfering with complainant's property under like pretence. The case came up for argument yesterday. On the part of the complainant it was claimed that prior to internal revenue amendments, made in 1866, there was no mention in the tax law of the business named by those amendments, and pursued by complainant—"distilling or burning fluid"—although burning fluid had been, in 1864, recognized as a substance, and exempted from taxation. The excisions and additions made showed a well considered intention by the lawmakers to create the letter of statute which they did create, and to carefully consider the words and phrases employed in such creation. Distillation of burning fluid was thus not only sanctioned but recognized by the statute as a chemical or commercial fact. Since the filing of the bill in the action, the statute under which complainant was licensed and pursued his business had been repealed, and all products of distillation, by whatever name known, which contained distilled spirits or alcohol, were now by law considered and taxed as distilled spirits; and this legislation was claimed to be an admission that rights existed and could vest for burning fluid distillers, and that clearer enactments were needed to bring liquids containing alcohol within appropriate tax. The complainant, it was claimed, distilled burning fluid by employing processes recognized as processes in the generic operation of distillation, and that he came within the phrase "distiller of burning fluid," and neither by look, taste, or smell was his fluid what would be called whiskey. Although the complainant simultaneously distilled high wines and camphene, the defendants could not legally make assessments, collect tax, nor enforce a lien upon the incohate parts or processes of the operation, and assess and tax, first, for the distillation of the high wines, and secondly and also for the distillation of the camphene; but were so concluded, by the wording of the act, that they could only assess and tax for the perfected distillation of burning fluid. Which latter had been done. It would be fallaceous for the defendants to compare the complainants processes with one formerly used in preparing burning fluid; because, this former use was a *manufacturer* by mingling two final products of two respective distillations after such respective distillations—viz., alcohol and camphene. The words "manufacture" and "distillation" were claimed not to be synonymous nor convertible. Commerce used them as having distinctive meanings. The internal revenue law uses them distinctively in various sections. Camphene and spirits of turpentine were also words of different signification. The old *manufacture* of burning fluid employed camphene. The complaint avers that during distillation complainant used spirits of turpentine from which camphene is produced. Though admitting, for the sake of the argument, that complainant's processes constituted in result a substantial evasion, nevertheless it was urged that the Legislature, having made the form or descriptive appellation the basis for tax, any change of form, if made in order to meet the tax, would not be a fraudulent evasion. When the complainant mixed grain-mash and turpentine and subjected it to distillation process, and mixed it during fermentation, there was evolved a product which he claimed answered the old commercial name of manufacture of burning fluid, and which by the light of the decisions previously quoted, must be viewed by the new name and under the statute, irrespective of elementary substances which united in such product. It was claimed that on a similar bill in equity, filed in Pennsylvania, Judge Cadwallader granted a similar injunction.

Mr. Courtney, United States District-Attorney, in reply, contended that the case made by the complainant must be free from reasonable doubt, and if the right to grant be doubtful, no injunction would be granted, and to entitle to injunction the party must be remidiless at law. If the ground upon which he sought relief would be equally valid as to a defence to any suit which might be brought against him or his property at law to collect tax, he was not entitled to his injunction. It was not sufficient for the complainant to allege, in general terms, that he would suffer irreparable loss by the acts feared, but must show facts so that the court may determine whether any such injury would follow from the acts. These were general principles, applicable to all actions for injunction. The rules were still more rigid where it was a suit to restrain a public officer from collecting a tax. Courts of Equity would not interfere with the speedy collection of taxes, except upon the clearest grounds. They would never interfere to restrain the collection of tax merely because it was illegal, not even if the law imposing it was unconstitutional. Examining the bill in the light of those rules, how was the complainant entitled to the relief he sought? His case was not free from doubt, but on the face of his bill it seemed to rest on a disputed question of fact, with the probability that the revenue officers were in the right. He was not remediless at law, nor did he show any facts which would indicate that he was exposed to any irreparable loss. But if the bill and answer were considered together, there remained no semblance of a case. First, the answer denied all the equities alleged in the bill, and averred the article produced by the complainant at his distillery to be in truth and fact distilled spirits, and therefore rightfully subject to all the duties which complainant sought to evade. Second, it showed that the plaintiff had a full remedy at law. The injunction by Judge Cadwallader was characterized as most extraordinary, and showing as clearly that there had been some previous arrangement between the distiller and the government officers. There had been no argument and no answer of affidavits in the case, and there had been neglect, if not wilful misconduct.

The court reserved its decision.

S. G. Courtney, United States District-Attorney for defendants; A. Oakey Hall and Mr. Dittenhoefer for complainant.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

[*Public Resolution No.* 8.]

JOINT RESOLUTION

TO AMEND EXISTING LAWS RELATING TO INTERNAL REVENUE.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That alcohol made or manufactured of distilled spirits upon which the taxes imposed by law shall have been paid, and burning fluid made or manufactured from alcohol or spirits of turpentine, or camphene upon which the taxes imposed by law shall have been paid, shall be, and hereby are, exempt from tax; and so much of section ninety-six of the act of June thirtieth, eighteen hundred and sixty-four, as relates to alcohol and burning fluid, is hereby repealed, and all products of distillation, by whatever name known, which contain distilled sprits or alcohol on which the tax imposed by law has not been paid, shall be considered and taxed as distilled spirits.

SEC. 2. *And be it further resolved*, that paragraph nineteen of section seventy-nine of the act of June thirtieth, eighteen hundred and sixty-four, as amended by the act of July thirteenth, 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 the interest on the public debt and for other purposes," approved June thirtieth, eighteen hundred and sixty-four, and acts amendatory thereof, be, and the same is hereby amended by striking out the words "and distillers of burning fluid and camphene."

Approved February 5, 1867.

[CIRCULAR No. 57.]

CONCERNING SEIZURES OF PROPERTY IN THE CUSTODY OF TRANSPORTATION COMPANIES.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, Feb. 5, 1867.

In order to avoid giving cause of complaint to Transportation Companies, collectors and deputy collectors are instructed, when they seize property in the custody of an agent of any transportation company, to address and deliver to such agent a written statement, giving, for the purpose of fully identifying the property seized, an inventory of the different articles, mentioning the brands, numbers, and marks thereon, including, when it is known, the name and residence of the ostensible owners.

They should also, in the same statement, specify in general terms that the property is seized for violation of the Internal Revenue laws.

If the property is removed from the custody of the company, that fact should be stated in the paper, that the company may be able to show that the property has properly passed from their possession.

This statement should be signed by the seizing officer, as collector or deputy collector, giving his full address. Where it is required, the seizing officer should show that he is an officer authorized by law to make seizures.

When the property is forfeited, the collector should inform the company. If, however, it is released upon compromise or otherwise, it should be returned to the company, unless the company consent that it be given up directly to the claimant.

E. A. ROLLINS,
Commissioner.

PROVISION OF SECTION 68, ACT 1864, AMENDED BY ACT 1865, LIMITING TIME FOR COMMENCING PROCEEDINGS FOR FORFEITURE OF SPIRITS—REPEALED BY ACT OF JULY, 1866.

Section 68, of the Act of June 30th, 1864, as amended by the Act of March 3d, 1865, *limiting the time for commencing proceedings to enforce a forfeiture of liquors, the vessels* containing it, and the vessels used in making it to thirty days, was repealed by Section 9, of the Act of July 13th, 1866.

POWER OF COMMISSIONER IN AUTHORIZING COLLECTORS OR DEPUTIES TO MAKE SPECIAL SEIZURES.

Section 48, of the Act of June 30th, 1864, as amended by the Act of July 13th, 1866, provides that goods, wares, merchandise, &c., may, under certain circumstances, be seized by the collector or deputy collector of the proper district, or *by such* other collector or deputy collector as may be specially authorized by the Commissioner of Internal Revenue. This does not make it the duty of the Commissioner to designate any one collector to make general seizures, but confers upon him special authority to designate any collector or deputy collector not "of the proper district," whenever in his opinion the exercise of such authority becomes necessary or expedient.

SPIRITS MAY REMAIN AN UNLIMITED TIME IN BOND, BUT TAX MUST BE PAID UNLESS REMOVED ACCORDING TO LAW.

The time during which spirits may remain in bond without payment of tax is not limited, but the tax must be paid before they are removed from the warehouse, unless removed in pursuance of law.

MANUFACTURE OF SALERATUS ON DISTILLERY PREMISES.

No other article except saleratus can be manufactured upon the premises where spirits are distilled.

AN ASSESSOR HAS NO AUTHORITY TO REMOVE AN INSPECTOR OF DISTILLERIES, BUT MUST REPORT TO COMMISSIONER.

An assessor has no authority to remove an inspector and appoint another person temporarily in his place. Where an inspector is derelict in his duty, or is interested in a distillery, the case should immediately be reported to the Commissioner of Internal Revenue.

SALE OF BREWERS' STAMPS BY COLLECTORS.

Collectors are not authorized to sell stamps denoting the amount of tax upon fermented liquors to any one outside their respective districts, nor to any one within their districts except brewers.

INSPECTION BY GENERAL INSPECTOR OF SPIRITS WITHDRAWN FROM BONDED WAREHOUSE.

All spirits withdrawn from a bonded warehouse should be inspected by a *General Inspector*.

COUNTERSINKING AND AFFIXING OF BEER STAMPS.

The purpose of countersinking for beer stamps is to protect the brewer by preventing the stamp from becoming detached. If brewers prefer to affix their stamps without countersinking, there is no legal objection to the practice.

LIABILITIES OF DISTILLERS OF SPIRITS FROM FRUITS, SUCH AS CHERRIES, BLACKBERRIES, &C.

The distillers of other fruits, such as cherries, blackberries, &c., are not entitled under the law to the benefit of the low rates of special tax imposed upon distillers of apples, peaches, and grapes, nor has the Commissioner of Internal Revenue any discretionary power to exempt the distillers of such other fruits, from any of the provisions of the law relating to the manufacture of spirits.

WINE AND SPIRITS PRODUCED FROM RHUBARB.

Wine produced from rhubarb by *fermentation* is exempt from tax, but spirits produced from rhubarb by *distillation* are subject to a tax of two dollars per gallon. The exemption of "wine made of grapes, currants, or other fruits and rhubarb," applies to *fermented* liquors only.

SPECIAL 48 APPLIES TO SPIRITS, AND NOT COAL OIL.

The provisions of Special 48, from the Internal Revenue office, are applicable to transactions in spirits only, and not to coal oil removed in bond. (RECORD, Vol. V., p. 20.

DESTRUCTION OF BONDED MERCHANDISE AND CANCELLATION OF BOND.

Where merchandise shipped in bond is clearly proved to have been destroyed by fire or other unavoidable accident, the tax will be remitted and the bond cancelled.

PER DIEM COMPENSATION OF INSPECTORS OF DISTILLERIES WHEN UNDER SEIZURE OR NOT RUNNING.

So long as an inspector has charge of spirits in a bonded warehouse, he is entitled to his regular *per diem* compensation, although the distillery itself may not be in operation, but when the warehouse or the distiller's spirits therein are under seizure, they are not in the custody of the inspector, and he has no claim for a per diem compensation.

INSPECTOR OF SPIRITS CAN ACT ONLY IN HIS OWN DISTRICT AND MUST ACT IN PERSON.

An inspector can lawfully act as such only within his own district, he cannot deputize another person to use his stencils.

TAX-PAID SPIRITS CANNOT REMAIN IN BONDED WAREHOUSE.

Spirits upon which the tax has been paid should not be allowed to remain in a bonded warehouse, but should be removed at once upon payment of the tax.

BRANDY DISTILLED FROM IMPORTED WINES LIABLE TO FULL TAX.

Brandy produced by distilling imported wines, is subject to a tax of two dollars per gallon without any deduction of the import duties upon the wines.

WINES PUT UP AS AMERICAN WINES, EXEMPT—WINES PUT UP IN PRETENCE OF BEING FOREIGN WINES, LIABLE.

Wines put up as American wines with no pretence whatever that they are imported wines or wines of foreign growth or manufacture, are not subject to tax under section 36 of the Act of July 13th, 1866; but if there be any such pretence, they are liable under said section, even though the bottle bear the name of a firm in the United States.

TAX ON FRESH BEER PRODUCED BY CREATING A NEW FERMENTATION OF FLAT ALE.

If a brewer purchase his products from another brewer before it has fermented, and mixes it with flat beer for the purpose of creating a new fermentation, the purchaser who thus manufactures a saleable article of beer must pay a tax on the full amount sold by him, or removed for consumption or sale; but such product sold before fermentation need not be included in the monthly account of beer, &c., sold by the person who sells it.

REINSPECTION OF SPIRITS AND LIQUORS—ABSENCE OF INSPECTION MARKS ON PACKAGES OF SPIRITS, PRESUMPTIVE OF NONPAYMENT OF TAX OR FRAUD.

It is only when spirits are removed from an inspected package for the purpose of rectification, redistillation or change of proof, that a reinspection is necessary. When removed for other purposes, as when a dealer puts them up in other packages for sale, a second inspection is unneccessary; but if such packages bear no inspection marks or brands, it will be presumed that no tax has been paid upon the spirits therein contained, and the person in whose possession they are found, should be prepared to rebut the presumption.

LIABILITIES OF DRUGGISTS OR CHEMISTS IN DISTILLING, RECOVERING OR PRODUCING ALCOHOL, SPECIAL TAX.

No special tax is imposed for any still, stills, or other apparatus used by druggists or chemists for the *recovery* for phamaceutical and chemical or scientific purposes, of alcohol, *which has been used in those processes*, but if used for its *production*, the usual taxes should be assessed and collected.

MARKING OF SPIRITS IN BOND PRIOR TO SEPTEMBER 1ST, 1866.

Spirits manufactured prior to September 1st, 1866, and which are in bonded warehouses, need not be proved, gauged and branded. Provision is made in the law and in the regulations for marking such liquors when withdrawn from the warehouses, and those marks are sufficient.

INSPECTION OF ALCOHOL MADE FROM TAX-PAID WHISKEY.

When whiskey is removed from an inspected package and made into alcohol, it should be again inspected after its character has thus been changed, and the packages containing it should be properly branded.

DISTILLERY INSPECTORS MUST ENGAGE IN NO OTHER BUSINESS.

A stiller or beer runner cannot at the same time act as inspector of a distillery. An inspector can engage in no other business while employed as inspector, either for the distiller or for any other party.

MEDICATED SPIRITS PRODUCED BY DISTILLERY DRUGS, ROOTS, &C., LIABLE TO TAX OF $2 PER GALLON.

The product of stills though medicated by distilling drugs, roots, &c., is nevertheless liable to a tax of two dollars per gallon.

DISTILLERS OF SPIRITS FROM APPLES, GRAPES, AND PEACHES EXCLUSIVELY, NOT REQUIRED TO PAY PER DIEM COMPENSATION OF INSPECTORS.

Persons employed in the distillation of spirits from apples, grapes, and peaches exclusively, are not required to pay per diem compensation to inspectors.

APPLE DISTILLERS MAY DISTILL BRANDY FROM PURE APPLE CIDER.

Brandy distilled from pure apple cider is included in the exemption made in reference to "distillers of brandy from apples, peaches, or grapes exclusively."

DEFINITION OF CAPACITY OF A STILL UNDER SECTION 24, ACT JULY 13, 1866.

The *capacity* of a still, as the term is used in section 24, of the act of July 13, 1866, (Section 122 of Compilation) is not the quantity which the distiller may seem practicable to operate on his still or boiler, but is the full measurement of the vessel

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BONDED SPIRITS REMOVED FROM WAREHOUSES FOR RE-DISTILLATION, RECTIFICATION, &C., MUST IN ALL CASES WHATEVER BE RETURNED TO THE SAME WAREHOUSE.

Bonded spirits removed for re-distillation, rectification, or change of package, under the provisions of section 40, of the act of July 13, 1866, must be returned to the same warehouse, and a change in the ownership does notremove the necessity of such return.

THE GENERAL INSPECTOR MUST INSPECT ALL SPIRITS PRODUCED BY APPLE DISTILLERS, AND RE-INSPECT BONDED SPIRITS RECTIFIED OR RE-DISTILLED.

The duty of inspecting bonded spirits which have been removed for the purpose of being rectified, re-distilled, canned or put into other packages and then returned, and of inspecting spirits manufactured from apples, peaches, or grapes, belong to the *General Inspector*.

APPLE AND PEACH DISTILLERS MUST GIVE BOND.

Distillers of brandy and other spirits from apples, peaches, or grapes, are not exempted from the provisions of section 24, of the act of July 13, 1866 (Section 122 of Compilation) requiring distillers to give bonds.

STAMP DUTY ON LEASES, OR CONTRACTS FOR RENT OR USE OF REAL ESTATE BASED ON ANNUAL VALUE.

The stamp duty upon a lease, agreement, memorandum or contract for the hire, use, or rent of any land, tenement or portion thereof, is based upon the *annual* rent or retail value of the property leased, and the duty is the same whether the lease be for one year, for a term of years, or for the fractional part of a year only.

STAMP DUTY ON BILLS, SINGLE OR OBLIGATORY.

A bill single or a bill obligatory, *i. e.*, an instrument in the form of a promissory note, *under seal*, is subject to stamp duty as written or printed evidence of an amount of money to be paid on demand or at a time designated, at the rate of five cents for each one hundred dollars or fractional part thereof.

STAMP DUTY ON WRIT OR OTHER PROCESS ON APPEAL TO COURT OF RECORD.

A fifty cent stamp is required upon a writ or other process on appeal from a Justice's court or other court of inferior jurisdiction to a court of record; and this stamp covers all the papers necessary to the taking of the appeal and to the entry of the action in the court of appellate jurisdiction.

CONVEYANCE FROM MUNICIPAL CORPORATIONS, &C., OF LANDS SOLD FOR TAXES EXEMPT FROM STAMP DUTY.

A conveyance of lands sold for unpaid taxes issued since August 1st, 1866, by the officers of any county, town, or other municipal corporation in the discharge of their strictly official duties, is exempt from stamp tax.

ASSIGNMENT OR TRANSFER OF MORTGAGE OR INSURANCE POLICY, LIABLE TO STAMP DUTY.

The assignment or transfer of a mortgage or of a policy of insurance is subject to stamp tax, whether there be a sale or not; such for instance as a transfer from the legal owner to the equitable one.

JURAT TO AN AFFIDAVIT EXEMPT FROM STAMP DUTY IN CERTAIN CASES.

The jurat to an affidavit of the correctness of a return of property for taxation when made before an assessor of State, County, Town, or other municipal taxes, is exempt from tax duty if the administration of the oath is part of the Assessor's official duties.

REGISTRY OF A JUDGMENT EXEMPT FROM STAMP DUTY.

No stamp is necessary upon the registry of a judgment, even though the registry is such in its legal effect as to create a lien which operates as a mortgage upon the property of the judgment debtor.

ASSIGNMENTS FOR BENEFIT OF CREDITORS LIABLE TO STAMP DUTY.

An assignment of real or personal property or of both for the benefit of creditors, should be stamped as an argument or contract.

STAMP DUTIES ON PROTESTS ACCRUES FOR EACH AND EVERY NOTE, BILLS OF EXCHANGE, DRAFTS, &C.

A stamp duty of twenty-five cents is imposed upon the "protest of every note, bill of exchange, check or draft," and upon every marine protest. If several notes, bills of exchange, drafts, &c., are protested at the same time and all attached to one and the same certificate, stamps should be affixed to the amount of twenty-five cents for each note, bill, draft, &c., thus protested.

SPECIAL TAX ON AGENTS OF FOREIGN INSURANCE COMPANIES IN THE UNITED STATES.

The Liverpool and London and Globe Insurance Company is a foreign company, and its agents in this country are liable to a special tax of fifty dollars.

PUBLIC AGENTS FOR DISPENSING LIQUORS UNDER MAIN LIQUOR LAW, EXEMPT FROM SPECIAL TAX UNDER CERTAIN CONDITIONS.

No special tax as liquor dealers is required of a county, city, or town agent, appointed under what is popularly known as the "Main Liquor Law," for sales made in strict accordance with the provisions of said law.

DRAWING AND PREPARATION OF PAPERS TO BE USED IN GOVERNMENT CLAIMS, SUBJECTS PARTIES TO SPECIAL TAX AS CONVEYANCERS.

A person who makes it his business or any part of his business to prepare papers to be used by another in the prosecution of claims before any of the executive departments of the federal government, is liable as a conveyancer, unless he have paid a special (or license) tax as a lawyer or as a claim agent.

SPECIAL TAX ON HOTELS, HOW TO ESTIMATE RENTAL VALUE.

The special tax of a hotel keeper is based upon the annual rent or rental value of that portion of the premises which is actually used for hotel purposes. Barber's saloons, billiard rooms, and liquor, cigar, and newspaper stands are the usual concomitants of a hotel, and in assessing the special tax of a hotel keeper, no deduction should be made from the rent or rental value of the entire premises on account of any portion

thereof leased to the keepers of such stands, rooms, or saloons.

When a portion of the premises is leased for ordinary stores, such as hats and caps, drug, or furnishing stores, a rateable proportion of the amount paid for the entire premises may be deducted. The sum thus deducted may be greater and may be less than the amount of rent paid by the actual occupants of such stores.

MANUFACTURER OF COMPOUND LIQUORS BY MIXING, LIABLE TO A SPECIAL TAX AS RECTIFIER.

A person who manufactures compound liquors, such as "Wild Cherry Tonic," by mixing distilled spirits with roots and herbs, is liable to a special tax as a rectifier.

TRANSFER OF DISTILLERS LICENSE—NEW FIRM TO GIVE NEW BONDS.

When there is a change of partners in a firm of distillers, the unexpired license may be transferred from the old firm to the new one but new distillers' bonds and new warehouse bonds should be given.

1st COMPTROLLER'S OFFICE.

RELATIVE TO CLAIMS OF COLLECTORS FOR ALLOWANCE ON ACCOUNT OF UNCOLLECTED TAXES.

TREASURY DEPARTMENT,
Office of the First Comptroller,
WASHINGTON, February 4, 1867.

SIR:

I am in receipt of your letter of the 23rd ult., asking payment of money claimed to be due you for services as late Collector of Internal Revenue for the ——— Collection district of ———. After full consideration of the matter I am constrained to deny your request.

Your account as Collector shows a large sum due from you to the United States, a sum greatly exceeding the compensation due you. Under such a state of accounts it would be unbusinesslike and improper to pay you. On the contrary, it is the duty of the accounting officers to with-hold your compensation until you shall have discharged the greater liability on your part to the Government.

I know it is claimed that you have turned over to your successor in uncollected lists of taxes, the sum which appears against you on your account as Collector, and that therefore your compensation ought not to be with-held. The answer to this is plain and direct. You have furnished no evidence of the fact.

The Internal Revenue law requires that a Collector be charged with the full amount of tax-lists placed in his hands, and authorizes credits to him for moneys collected and deposited.

In addition he is to be credited "with the amount of taxes of such persons as may have absconded, or become insolvent, prior to the day when the tax ought, according to the provisions of law, to have been collected, and with all uncollected taxes transferred by him or by his deputy acting as Collector, to his successor in office. *Provided*, that it shall be proved to the satisfaction of the Commissioner of Internal Revenue that due diligence was used by the Collector, who shall certify the facts to the first Comptroller of the Treasury." This is the only authority for crediting a collector with uncollected taxes. That credit will be given whenever the evidence required by the law is produced. Until it is produced you must be held to be a debtor to the Government. Why you have not made the required proof to the commissioners, I, of course, do not know. As the accounts now stand you are largely a debtor to the Government, and the accounting officers would not faithfully discharge their duties should they, under such a state of the accounts, sanction the payment you request, and should you in the end prove to be a defaulter they would be highly censurable.

From the character you sustained as a public officer it is not at all probable you will prove to have failed in the discharge of your duties, yet as the act of Congress has prescribed and limited the evidence of faithfullness in the matter under consideration, this office must necessarily require it, or open a door that cannot be shut again, without subjecting it to the charge of favoritism.

Very Respectfully,
(Signed.) R. W. TAYLER,
Comptroller,

To late Collector of ——— Collection District.

SECRETARY'S OFFICE—CUSTOMS.

RESPECTING PRACTICE OF COMPROMISING CASES OF CUSTOMS FRAUDS IN UNDERVALUATIONS

TREASURY DEPARTMENT, Jan. 23, 1867.

SIR: It has been represented to the department that in respect to seizures of merchandise made at the port of New York for alleged fraudulent undervaluation in invoice and entry, the practice exists of permitting the claimant of the merchandise so seized to confess judgment in court for a sum agreed upon, and that such sum is accepted in settlement of the alleged fraud. It is further represented that the sum so agreed upon and accepted is not dependent upon an appraisment made by the United States appraiser or upon an appraisment directed by the court. This practice, if it exists, is in the opinion of the department contrary to law, and ought to be discontinued. If merchandise be fraudulently undervalued, or if there be reason to believe that it is so undervalued, the course of proceeding is clearly pointed out by the general collection law of March 3, 1799, and there is no subsequent law materially changing the proceedings. The act of March 3, 1797, vests, under certain circumstances and conditions, a power of remission in the Treasury Department, and the Act of March 3, 1863, vests in the same department, in cases of seizure, where the value of the merchandise does not exceed $1,000, authority to release the merchandise on payment to the Collector of the value appraised; but it is deemed indespensable that there should be an appraisement in every case of seizure, and that no claim for merchandise siezed should be brought to a settlement without appraisement in one or the other of the modes prescribed by the law. It is not to be understood, however, that the mode of proceeding above indicated interferes with that authorized by the tenth section of March 3, 1863. I therefore request and direct in all cases of seizure for undervaluation the course provided by the laws hereinbefore referred to be pursued.

I am, Very Respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

H. A. SMYTHE. Collector, New York.

CUSTOMS DEPARTMENT OF THE REVENUE.

IN the customs department of the revenue, three important measures of reform were adopted by Congress at its last session, viz: the reorganization of the appraisers' department of the New York custom-house; the establishment of a statistical bureau in connection with the Treasury Department; and the enactment of a law looking to the more effectual prevention of smuggling.

The results which have followed these measures are believed to have already fully vindicated both their wisdom and necessity. Under the first, one of the most important divisions of the customs service, in the leading port of the country, has been entirely reorganized; a supervising appraiser, and a corps of assistants, selected mainly on grounds of fitness and experience; and a system adopted which, while insuring greater efficiency in the transaction of business, will, it is hoped, also check in no small degree the fraudulent practice of undervaluations.

Under the act providing for the establishment of a statistical Bureau in the Treasury Department, a much-needed reform has been commenced in another important branch of the public service; and the commissioner confidently expects that the new bureau, under the control of its present director, will, in its results, prove all that has been anticipated.

That the new law for the prevention of smuggling is better calculated than any previous one to subserve the end desired is the general testimony of experienced officials; but, at the same time, the commissioner is obliged to report that the evidence presented to him indicates that smuggling, under the inducements offered by the existing high rates of duty, is largely on the increase; and in the place of being, as heretofore, irregular, is rapidly becoming systymatized. In proof of this, it may be stated that offers are now made in Europe and Havana to deliver foreign goods of certain descriptions in New York city, free of duty, for a premium of twenty per cent. on their invoiced value. No dereliction of duty, however, can be charged on the officers of the revenue marine; but, on the contrary, a personal inspection, made since the last session of Congress, of no inconsiderable part of this service, has indicated for it a high degree of efficiency and discipline. But this efficiency is seriously threatened for the future, through the circumstance that the rates of compensation paid to the officers of revenue cutters is considerably less than that given to corresponding grades in the navy, and less than the usual pay for competent shipmasters, mates, and engineers, in the merchant service. The duties at present required of the revenue officers referred to are often extremely arduous—involving at times much boat work and frequent night exposure; while the necessary expenditures of this peculiar service are undoubtedly greater than those attendant upon lengthened voyages. The commissioner would, therefore, suggest that the rates of compensation in the revenue marine be made equivalent to those of officers of corresponding rank in the navy.—*Com. Wells' Report.*

U. S. BONDS AND TREASURY NOTES FOR INVESTMENT.

5-20-year Six per cent Bonds.—These are of different dates—1862, 1864, May 1865, July 1865. The new issue, dated July 1865, is the popular bond for American purchasers; the former issues are bought for foreign account, and bring a better price. The interest on all the 5-20s dated prior to July, 1865, is payable November and May. The Interest on the new (July) bonds is payable in January and July. These bonds are now selling at 104¼ @ 104½, with accrued interest going to the purchaser. Interest on all 5-20s is in gold.

10-40-year Five per cent. bonds.—These bonds are of one uniform issue. Interest in gold, payable in March and September. They are now selling at about par, with accrued interest going to the purchaser.

Sixes of 1881.—These are so called because they fall due in that year. Interest in gold, payable in July and January. The present price is about 108, accrued interest going to the purchaser.

30-year Six per cent. Bonds.—These bonds are issued by the United States in aid of the Pacific Railroad running from Kansas to California. Interest is payable in January and July in currency. They are all in registered certificates, transferable to the purchaser at the United Staes Treasury. These bonds are but little

known outside of the moneyed institutions of the country, where they are the popular bond for permanent investment on account of the very long time they have to run. Should specie payments be resumed within five years, these bonds are worth ten per cent. more than any other Government bond; should specie payments be resumed in ten years, even then they are worth more than any other bond. They are now selling at 101½ @ 102, accrued interest going to the *seller*.

7-3-10 *per cent. Treasury Notes.*—The August 7-3-10 notes have now but six months to run. They call for 5-20s when due, and the Government is now funding them into 5-20s, settling the deficiency of interest in currency.

The June and July 7-30s mature in 1868, now about 18 months hence. These are not yet fundable. They are a popular investing security. All the 7-30s are 4¼ @ 4½ per cent. premium, the accrued interest going to the *seller*.—*Thompson's Reporter.*

APPOINTMENTS CONFIRMED AND REJECTED.

The senate is reported to have confirmed in executive session on the 6th inst., the following appointments.

NOMINATIONS CONFIRMED.

COLLECTORS OF INTERNAL REVENUE.

David T. Littler, Eighth District, Illinois.
Ernst M. Bouligny, Second District, Louisiana.
Barton Able, First District, Missouri.
Morgan L. Smith, Consul at Honolulu.
Hiland R. Hurlburd, Comptroller of the Currency.
John Friend, Direct Tax Commissioner for Florida.
Thomas O'Brien, Surveyor of Customs, Wheeling, West Va.
Edward W. Wynkoop, Agent of the Upper Arkansas Indians.
Col. Benjamin W. Brice, Paymaster-General, with rank of Brigadier-General.
Alfred Kilgore, Attorney for the District of Indiana.
John E. Rosette, to be District Attorney for the Southern District of Illinois.
Francis L. Dallan, to be United States Marshal for the Eastern District of New York.

NOMINATIONS REJECTED.

The senate rejected the following nominations:
Naval Officer, J. L. Swift, Boston and Charlestown, Mass.
Surveyor of Customs, William Wales, Baltimore, Md.
Isaac G. Worden, of Michigan, Register of Land Office at East Saginaw.

ATTORNEYS.

Moses Kelley, Northern District of Ohio.
Charles G. Manro, Eastern District of Missouri.
M. L. Perkins, Western District of Tennessee.
Andrew T. McReynolds, Western District of Michigan.
Geo. G. Munger, Northern District of New York.
Thos. E. Hayden, District of Nevada.

UNITED STATES MARSHALS.

Seth B. Moe, Northern District of Ohio.
J. M. Walker, District of Iowa.
Wm. B. Thomas, Western District of Michigan.
John G. Parkhurst, Eastern District of Michigan.
Samuel Walker, District of West Virginia.

COLLECTORS OF INTERNAL REVENUE.

H. W. Harrington, Second District of Indiana.
Benjamin F. Coates, Eleventh District of Ohio.
Joseph W. Frizzle, Fourth District of Ohio.
Wm. M. Hamilton, Second District of Missouri.
John M. Glover, Third District of Missouri.
Thomas T. Crittenden, Fifth District of Missouri.
Abel Longworth, Sixth District, Illinois.

COLLECTORS OF CUSTOMS.

Sylvanus B. Phinney, Barnstable, Mass.
Darius M. Couch, Boston, Mass.

ASSESSORS OF INTERNAL REVENUE.

Wm. P. Wells, First District, Michigan.
John E. Cummins, Fourth District Ohio.
Theo. E. Cunningham, Fifth District, Ohio.
John Pitcher, First District, Indiana.
W. C. Wilson, Eighth District, Indiana.
James W. Eldridge, Ninth District, Indiana.
Garland C. Brodhead, Fifth District, Missouri.
Richard C. Vaughan, Sixth District, Missouri.
Wm. D. H. Hunter, Fourth District, Missouri.
James A. Greason, Second District, Missouri.
Abner A. Steele, Fourth District, Tennessee.
Augustus W. Brown, Twelfth District, Illinois.
Isaac I. Ketchum, Tenth District, Illinois.
Wm. M. Chambers, Seventh District Illinois.

[THE following table is re-published with certain errors corrected which were overlooked when last published.]

TABLE

Showing the Net Compensation of Assistant Assessors, at the rate of $4.00 per day, and $3.00 per hundred names assessed, as required to be reported on Form 57. Prepared by GEORGE B. WILLIAMS, *Collector's Office, Lafayette, Eighth District of Indiana.*

FOR DAYS EMPLOYED.

No. of Days.	Gross Comp.	Exempt from Tax.	Balance Taxable.	Amount of Tax.	Net Compensation.
One-tenth...	40	193	207	01035	38965
Two-tenths..	80	386	414	0207	7793
Three-tenths.	1 20	579	621	03105	1 16895
Four-tenths..	1 60	772	828	0414	1 5586
Five-tenths..	2 00	965	1 035	05175	1 94825
Six-tenths...	2 40	1 158	1 242	0621	2 3379
Seven-tenths.	2 80	1 351	1 449	07245	2 72755
Eight-tenths.	3 20	1 544	1 656	0828	3 1172
Nine-tenths..	3 60	1 737	1 863	09315	3 50685
One.....	4 00	1 93	2 07	1035	3 8955
Two.....	8 00	3 86	4 14	2070	7 7930
Three.....	12 00	5 79	6 21	3105	11 6895
Four.....	16 00	7 72	8 28	4140	15 5860
Five.....	20 00	9 65	10 35	5175	19 4825
Six.....	24 00	11 58	12 42	6210	23 3790
Seven.....	28 00	13 51	14 49	7245	27 2755
Eight.....	32 00	15 44	16 56	8280	31 1720
Nine.....	36 00	17 37	18 63	9315	35 0685
Ten.....	40 00	19 30	20 70	1 0350	38 9650
Eleven.....	44 00	21 23	22 77	1 1385	42 8615
Twelve.....	48 00	23 16	24 84	1 2420	46 7580
Thirteen....	52 00	25 09	26 91	1 3455	50 6545
Fourteen....	56 00	27 02	28 98	1 4490	54 5510
Fifteen.....	60 00	28 95	31 05	1 5525	58 4475
Sixteen.....	64 00	30 88	33 12	1 6560	62 3440
Seventeen...	68 00	32 81	35 19	1 7595	66 2405
Eighteen....	72 00	34 74	37 26	1 8630	70 1370
Nineteen....	76 00	36 67	39 33	1 9665	74 0335
Twenty.....	80 00	38 60	41 40	2 0700	77 9300
Twenty-one .	84 00	40 53	43 47	2 1735	81 8265
Twenty-two .	88 00	42 46	45 54	2 2770	85 7230
Twenty-three	92 00	44 39	47 61	2 3805	89 6195
Twenty-four.	96 00	46 32	49 68	2 4840	93 5160
Twenty-five .	100 00	48 25	51 75	2 5875	97 4125
Twenty-six..	104 00	50 18	53 82	2 6910	101 3090
Tw'ty-seven..	108 00	52 11	55 89	2 7945	105 2055
Twenty-eight	112 00	54 04	57 96	2 8980	109 1020
Twenty-nine.	116 00	55 97	60 03	3 0015	112 9985
Thirty.....	120 00	57 90	62 10	3 1050	116 8950

FOR NAMES ASSESSED.

Number of Names	Gross Comp.	Amount of Tax.	Net Compensation.
One.....	03	0015	0285
Two.....	06	0030	0570
Three.....	09	0045	0855
Four.....	12	0060	1140
Five.....	15	0075	1425
Six.....	18	0090	1710
Seven.....	21	0105	1995
Eight.....	24	0120	2280
Nine.....	27	0135	2565
Ten.....	30	0150	2850
Twenty.....	60	0300	5700
Thirty.....	90	0450	8550
Forty.....	120	0600	1 1400
Fifty.....	150	0750	1 4250
Sixty.....	180	0900	1 7100
Seventy.....	210	1050	1 9950
Eighty.....	240	1200	2 2800
Ninety.....	270	1350	2 5650
One-hundred.....	300	1500	2 8500

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 LIBERTY ST., NEW YORK.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 7. NEW YORK, FEBRUARY 16, 1867. WHOLE NUMBER, 111.

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NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS,
Commissioner.

P. VR VAN WYCK, Esq.,
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

REVIEW.

THE Department has promulgated no rulings or decisions this week on internal revenue questions.

The Circular of the Secretary of the Treasury to officers of the Treasury Department, in regard to the excessive use of the telegraph, will receive the attention of Internal Revenue officers in general.

The large expenses for telegraphing constrains the Department to adopt a course that will lessen the charges upon the Treasury, for such purposes. Economy, even in small things, is desirable in the present condition of the finances. The existing stagnation in trade, manifests itself in a serious decrease in the receipts from internal revenue; and it is feared, that the diminished revenue will seriously embarass the Treasury, in view of its heavy indebtedness upon Seven thirties, and compounds falling due before next January.

If the provision for assessing income tax in March instead of May, is adopted in the new bill, —which there is no reason to doubt—the revenue will be augmented thirty-five or forty millions within the current fiscal year, ending June 30.

It is expected, also, that collections on the annual list on account of special tax, &c., will be promptly made on special lists, and the aggregate receipts will fall but little short of those for the last fiscal year.

The Amendatory tax bill has been vigorously pushed in the House, and will probably go to the Senate early next week.

Provisions more stringent than ever are made for preventing illicit distillation. We sincerely hope for their success, but are skeptical. Distilled spirits should yield 80 millions a year, at the present rate of tax. Dishonest distillers should be shown no mercy; they cheat the revenue, cheat the public, and demoralize the service. Every tax-payer should consider this truth. The man that wilfully evades his lawful tax, defrauds his neighbors by throwing upon their shoulders his part of the public burden. He is a selfish knave that should not be allowed to go unwhipped of justice.

RETIRING COMPOUNDS.

THE following is the text of the bill reported by Senator Sherman from the Committee of Finance. The object of the bill appears to be the relief (1st), of the Treasury Department in redeeming the compound interest legal tender notes, without necessitating a new issue of legal tenders therefore, and (2d), to relieve the National Banks, by furnishing an interest-bearing substitute to be used for the reserve which the law requires them to keep:

Be it enacted, That for the purpose of redeeming and retiring any compound-interest notes outstanding, the Secretary of the Treasury is hereby authorized and directed to issue temporary loan certificates in the manner prestribed by section four of the act entitled "An act to authorize the issue of United States notes, and for the redemption and refunding thereof, and for funding the floating debt of the United States," approved Feb. 25, 1862, bearing interest at a rate not exceeding three per cent. per annum, principal and interest payable in lawful money on demand; and such certificates of temporary loans may constitute and be held by any National Bank holding or owning the same, as a part of the reserve provided for in sections thirty-one and thirty-two of the act entitled "An act to provide a National currency secured by a pledge of United States bonds; to provide for the circulation and redemption thereof," approved June 3, 1864; provided, that not less than two-fifths of the entire reserve of such banks shall consist of lawful money of the United States; and, provided, further, that the amount of such temporary loan certificates at any time outstanding shall not exceed eighty millions of dollars, ($80,000,000.)

The amount of compounds outstanding, is estimated at 100 millions, of which about 5 fall due next January, 17 in July, 40 in August, 18 in October, and 20 in December. With the interest added, the demand on the Treasury will approximate 120 millions.

The measure is a temporary expedient, which may serve its immediate purpose, which is to ease the persistent and screwing effort at contraction, which is paralysing industry on every side. Why is it that the true nature of money cannot be understood? It is nothing but an instrument, a machine—the only object and use of which is to effect exchanges in commodities. If it be sound and uniform, the only proper limit to the quantity is the amount of exchanges which men desire to make. This amount no human knowledge can predetermine. Our financial policy should be far-sighted and thorough, not temporising. It should embrace a provision to remove the arbitrary limitation of 300 millions National Banking capital and currency, and make their notes legal tender; it should prohibit the exportation of United States coin, without which we cannot return to a specie basis. We must either keep the coin we produce in the country, or im-

port. Our foreign debt, private and public, is a thousand millions! At what time, therefore, can we expect to reach the specie basis and stay there? In one year, or fifty years?

INCOME TAX.

THIS is a maxim! Its author, Adam Smith, the great apostle of political economy! Legions of writers since his time affirm its truth. Congress alone fails to realize it.

"The tax which each individual is bound to pay ought to be certain, and not arbitrary; the time of payment, the manner of payment, and the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person."

Let us apply this to a branch of our taxation, that of income. Every condition of the maxim is violated. The amount of tax is *not certain.* The rate only is fixed, but the basis is shifting, and the obstacles in the way of establishing it in every case, with justice and uniformity, are so great, that it is rendered most uncertain. These obstacles are insurmountable, as the tax is now imposed. It is therefore arbitrary with each tax-payer.

"The time and manner of payment ought to be clear."

It ought to be, but is it? We call for the testimony of all who were made to pay the extra ten per cent. last year for being behind time, and of those who paid on incomes that had been spent or lost.

"The quantity to be paid ought to be clear and plain to the contributor and every other person."

Our system enables the tax-payer to make clear to himself the amount which, if he so desires, he *may* pay, but "every other person," (which phrase is supposed to include the assistant assessor), is kept in oblivion as to the mode of ascertaining his profits.

More revenue is being lost to the Government through incomplete, defective, and omitted income returns, than in any other branch of taxation, that of distilled spirits not excepted. During the fiscal year which ended June 30, 1866, the receipts from income tax were 61 millions. Not more than one in every 108 of the population made returns. Twenty-six of the 61 millions were paid by those returning incomes of less than $5,000, while the balance of 35 millions was paid by those whose incomes exceeded $5,000. About three hundred thousand persons paid the 26 millions, while about fifty thousand bore the burden of the 34 millions. One thousand millions income produced the revenue in question. Exempt three thousand millions, the earnings of 5 millions of men who made no returns, and whose incomes were under $600 per annum; add 250 millions, earnings of corporations, the dividends of which pay tax, are deducted and do not appear on the assessed income lists, and we only account for 4,250 millions of the gross earnings of the country, lawfully taxed and exempted. The actual gross earnings are reliably estimated at 7,500 millions, showing 3,250 millions which escape the income tax. This is monstrous.

When it is impracticable to levy a tax equitably and uniformly, it should be removed. The income tax answers in no particular the requisites of a proper tax. It is unjust, inquisitive, inequitable. It bears heavily on productive industry, energy and skill. It falls with crushing effect on salaried men, a deserving portion of the community, who have a hard struggle with life. All classes desire to be released from the incubus.

FINANCIAL THEORIES.

GLOOMY PROSPECTS.

[To the Editor of the "Herald."]

WE should glance at the situation of things before treating of the remedies and policy now proposed and relied on by the rulers and people, and before suggesting another course of measures. We owe a vast debt. The amount of national, State, municipal, and corporate obligations, transferrable and exportable, may be set down at four thousand millions, or over—about $115 or $120 to every individual of the entire population, or $200 to each, if the States in revolt and all elsewhere who own no property and pay no taxes are deducted. The yearly interest on this debt, at an average of six per cent. is two hundred and forty millions. Our debt to foreign nations represented by national, state and other obligations, may be set down at one thousand millions, and yearly interest in gold at sixty millions. This swells our debt in these forms to five thousand millions, and the yearly interest to three hundred millions, a sum exceeding the amount of the surplus products yearly which we can export, or for which there is a market in other countries.

Our imports (including entries at undervaluations and smuggling), exceed, and have for a number of years exceeded, our exports, including specie, one hundred to two hundred millions or more yearly.

We have lost the carrying trade for imports and exports, with its profits. Shipbuilding and many other extensive and important branches of industry are suspended. The annual taxes of interest on our national bonds amount to about one hundred and forty millions, and the other national expenditures (besides interest and principal of the national debt) as officially estimated for the current fiscal year, two hundred and sixty millions, together, four hundred and nine millions. This added to three hundred millions for interest, as above estimated, makes seven hundred millions of annual payment to be earned, collected and paid yearly.

Following the high price of gold, as a commodity of export, and assuming that its equivalent, the paper which alone circulates, has lost about half its legal value, the price of imported articles, of exported products, and of all other things, labor, rents, rates of interest are so high as to cause alarm for the future.

Besides articles which pay no duties, we are obliged to import annually about two hundred millions at gold valuation, to pay duties enough in gold to discharge the interest on gold bearing bonds. As things now look, the exports for the current year will be inadequate to pay for that amount. If we import twice that amount, we must send specie, or a futher amount of bonds, if they can be sold, and thus increase the debt.

The muddle is fast working towards a crisis—on which we need not expatiate further than to suggest that no country can possibly go on for many years importing for immediate consumption one hundred millions to two hundred millions more than its export of annual products will pay for—that is, on credit in some form.

But what are the remedies and policy proposed and generally relied on. Are they to prevent an amount of imports exceeding the amount of our exports, or to stop the export of our national coin, which on account of its circulation and its relation under existing laws to the paper legalized as money, is an absolute and first necessity, and the export and draining away of which is unspeakably more injurious to the nation than the export of the tools and implements of every kind of labor; for these, individuals could replace by making new ones; but coin, without which tools become useless, they cannot replace. Nothing in this direction is proposed. Our commercial policy, which is dictated and managed by Great Britain, is to allow imports (in their ships as far as possible) of foreign merchandise without stint, and to keep on exporting coin, and paying all balances in gold and silver at par. This will keep us in check and render us as powerless and dependent as, with the assistance of their ruling classes, the rebellion aimed and hoped to do.

The chief remedy proposed and relied on in the present aspect and situation of our affairs, is the resumption of specie payment; so that our currency of uniform and safe paper may regain its lost value, and gold lose its fictitious premium, and both circulate alike, according to law as legal money. Being deeply in debt both to foreigners and at home, and having exported nearly all our coin, and, after five years of suspension of specie payments, being alarmed by the aspect of things and by fear of what may happen, it is with the gravity proper in such a case proposed as a timely and effectual solution of the whole problem, that we retrace our steps and return to specie payments, or decide and fix on the day when we will take that important step.

We cannot but admire the prudence and modesty which hinders a proposal to resume at once. We can do it as effectually now as eighteen months or five years hence, or at any time hereafter that can be named. True, our coin has long been out of circulation, transferred to the sphere of merchandise, and exported to foreign countries. We are not able to purchase and bring it back; and if we are able, and should do so, to whatever extent, it would be immediately seized or bought up again, at a premium for export till our foreign debt, now temporarily represented by bonds, and the heavy balances annually accruing were paid off.

NICHOLAS KNICKERBOCKER,
Stock Exchange Building.

PROPOSED CHANGES IN THE TAX LAW.

Incomes to be made returnable in March instead of May each year.

Increase of per diem of Assistant Assessors from 4 to 5 dollars per day, with no allowance for office rent; increase to begin with March next.

Incomes to the amount of $1000 per annum to be exempted. Salaries of United States officers also exempt to the extent of $1000 per annum.

Sections 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 38, 39, 40, 41, 42, 43, 44, 45 and 61 of the Amendatory Act of July 13, 1866, relating to distillation and collection of tax on spirits, to be repealed, and the amended provisions of law on the subject are embodied in new sections, covering the whole subject.

Communications, &c.

MORE CURRENCY.

Editor Internal Revenue Record.

It seems to me that there is no subject that the people of this country have so great an interest in as the currency. A good sound National currency, a sufficiency for the largely increased wants of the people should be furnished by the Government. It should be done with as little delay as possible. We have made a debt to carry on the war of some 25 hundred millions of dollars. We, the people, have done this, and now we have got to provide for the payment of this large sum, both principal and interest, in addition to several hundred millions more of city, county and State debt. We, the people, have a right to ask of our law-making power that it shall adopt the best plan to furnish us with facilities to carry on and sustain all the great interests of our country, and to develop the undeveloped portions of our country; to open our gold and silver mines, to keep in full operation all our railroads and canals, and also build as many as are needed, and to keep in full operation all our manufactories of iron, copper, steel, &c., and woolen and cotton mills.

Money is the sinew of war, and it is the great motive power in times of peace. All our currency should be a legal tender for all purposes except the payment of customs duties, and the payment of interest on gold-bearing interest bonds; and it appears to me that the Government ought to furnish the currency direct. Issue their bills, stamp their value on them, and buy up their bonds just as fast as they are offered. The people are fully satisfied with the soundness of our Government securities (with these bonds), and so they will be with the greenbacks, so let us have them and as many as needed. Give us a full supply of currency and we will pay our taxes, and the revenue from taxes and duties will pay our debt. It is in the power of the Government and it is the duty of the Government to give such an amount of currency as will make it comparatively easy to pay our national debt. But should the Government see fit to adopt another policy, viz., to cut down the value of currency, and deprive the people of the necessary facilities, and thereby reduce the prices of all our products to a specie value, and appreciate the value of the Government bonds to par in gold. Should such a course of policy be pursued, it would most surely lead to devastation and ruin, and of necessity repudiation would follow. It would be clearly an act of great injustice toward us who have got to pay the national debt.

H. S.

PAY OF ASSISTANT ASSESSORS.

BUFFALO, February 7th, 1867.

Editor Internal Revenue Record.

SIR: I have read recently in the REVENUE RECORD, several communications on the subject of assistant assessor's pay, from the pens of several country assistants, in which I think the case was not fairly stated. There should be no invidious distinctions made by the Government in favor of country assistant assessors and against those living in the cities, or *vice versa*. It is not only unjust, but it is also impolitic. I think I state the truth when I say that country assistants generally have some other business which receives a share of their attention and time, when not officially employed. They are generally either farmers or mechanics, who carry on their farming or mechanical business in addition to their official duties and derive a comfortable living therefrom, independent of their pay as assistant assessors. The assistant assessor who is a farmer, is not required to return the products of his farm consumed by his family or his stock, no matter how great the quantity or value, which, if he had to buy out of his per diem, as the city assistant must do, he would have some just cause for asking for an increase of pay.

Had the country assistant to pay from $300 to $500 house rent a year, and pay five per cent. on the rent to the Government, as the city assistant does, his argument in favor of an increase of pay would have the sound of the genuine metal, which the spurious does not possess. The assistant assessor who lives in a city, must buy everything for the maintenance of his family, paying at least twenty-five per cent. more for everything edible, than the assistant who lives in the country would have to pay, did he not raise anything on his farm.

Assistant Assessors in cities are generally men who have no other source of income than their pay, and owing to the multiplicity of business in their divisions, their time is generally occupied to the full, so that they have no time to give to other pursuits, for if they did, it would soon be said—and perhaps not unjustly—that they were neglecting their duty. How easily through a little inattention or neglect on the part of city assistants, thousands of dollars may be lost to the Government, where every day some new business is being started. An assistant assessor in a city to be efficient, must be thoroughly familiar with the law as well as all the rulings of the Department, which is not nearly as necessary in the ruraf districts, where a comparatively stereotyped state of things exists from year to year. Besides, in a city to be efficient, an assistant must know every street and number in his division, in order to teach the honest their duty, and compel the dishonest to perform it. All this cannot be done but by the most assiduous attention to the interests of the Government, which should see that the men who work in this manner receive a salary in some measure equal to the labor performed.

ASSIST. ASSESSOR.

DELAY IN PAYING ASSISTANT'S SALARY.

Editor of Internal Revenue Record.

Why is it that the Assistant Assessors of the 2d District of Alabama are not paid promptly every month as the law directs? We make out our vouchers as directed, but have not had *one* of them cashed for six (6) months. We learn that the assistant assessors are paid promptly in other districts. What is the matter with this district?

Respectfully,
SEVERAL ASST. ASSESSORS,
2d Dist. of Alabama.

Write to the Commissioner. ED.

INEQUALITIES OF THE INCOME TAX.

Editor of Internal Revenue Record.

Having been some four years in the service of the Government as assistant assessor, I propose giving you a few thoughts upon the subject of taxation, in which I think the tax bears very unequal, to wit:

A, of my division is a farmer; he produces $3000 worth, consumes in support of his family $2400, and the balance, $600 being exempt; consequently, under the present ruling he has no tax to pay, either special, ad valorem, or income.

B is a manufacturer, he pays a special tax of $10 for the privilege of prosecuting his business; he manufactures and sells say $25000 worth of goods, on which he pays an ad valorem tax of 5 per cent., amounting to $12 50. By economy and attention to business he makes $3000, after deducting the tax thus paid; $2400 of which he is compelled to expend in supporting his family, and the balance $600 being exempt. But, unlike A, he has to pay 5 per cent. on the $2400 consumed in the support of his family, amounting to $120. Thus giving, as I conceive, the advantage to the former over the latter of $120.

Again, C has an income of $3000, being the interest on Government bonds. $600 being exempt, he is compelled to expend the remaining $2400 in support of his family; but unlike his neighbor A, is called on by the assistant assessor for $120, being the income tax on the $2400 thus expended.

Would it not be well to touch up A with a small special tax to keep him in remembrance of the Government.

Respectfully,
A. I. G.

NATIONAL BANK TAXES.

The Secretary of the Treasury, in a communication to the House of Representatives, replying to a resolution of that body, says the taxes and duties paid by National Banking Associations to the United States, consists of internal revenue taxes levied by the internal revenue laws, and collected under the supervision of the Commissioner of Internal Revenue, and the semi-annual duty levied by the 41st section of the National Currency Act of 1864, collected by the Treasurer of the United States. A communication from the Treasurer, dated January 27, shows the total amount paid by the National Banking Associations as semi-annual duty accruing prior to July 1, 1866, to be $7,265,580 40. A communication from the Commissioner of Internal Revenue shows the total amount paid by National Banking Associations as internal revenue taxes to July 31, 1866, inclusive, to be $6,424,084 46, making the total amount as ascertained receipts by the United States from such associations on all accounts to be $13,689,164 86. An indirect revenue is derived by the United States from the use of Internal Revenue stamps in the daily business transactions of the National Banking Associations. From the fact that such associations constitute a majority of the banks in the country, and that therefore the largest portion of the banking business of the United States is transacted by them, it will readily be perceived, the Secretary says, that this revenue is important in amount. This amount, however, cannot be practically ascertained, as their supplies of such stamps are drawn from the general stock in the country after issue from the Treasury Department.

The Treasurer states that the duty for the six months preceding January 18, 1867, being in process of collection, the amount thereof cannot now be stated.

The Washington correspondent who communicated the foregoing, might have appropriately added, in justice to the National Banks, that the great outcry against the alleged bonus, of the interest on their pledged securities, given by the Government furnishing them 300 millions currency, is thus made to appear to have little foundation in equity, inasmuch as they pay back in taxes almost as much as they receive in interest on their bonds. But the fallacy is apparent. They pay taxes as other corporations do, but no other corporations receive the same favors; no other corporations or individuals are granted the same privileges. They receive 20 millions with one hand, and pay back 17 with the other.

It is right in principle to pay them the interest on their pledged bonds, as the certainty thereof operates as a continual and wholesome restraint on the issue of their currency. If they were compelled to lose the interest on their pledged stocks, they would naturally endeavor to make the interest on the capital so locked up out of the merchants, and they would take more paper at greater risks than would be good for them. The competition among them to loan would make money cheaper, and undue speculation be thereby engendered. The evil results of *forcing* more currency on the trading community than their actual monied wants require, would inevitably ensue. To graduate the supply of the circulating medium to the varying demands of commerce, is the financial problem whereof solution is sought. In the endeavor to solve it we have progressed in the right direction. We have a national currency of undoubted soundness. It is uniform throughout the land. It stays at home where it is wanted, and will not be taken away by foreign creditors. No collapse, no revulsion can therefore be thrust upon us. Keep our gold coin at home as well, and it will soon be equivalent to gold, though not redeemable in it. In any event, if a national bank note is not good, nothing is good, and it is useless to talk. The pledged faith of the country is at its back. Two things are necessary to complete the system: make its notes a legal tender for all debts public and private, except customs and the interest on the gold bonds, and give every body a chance by doing away with the arbitrary limitation of the number of banks and their capital. The supply of currency will then regulate itself to the demand in all sections as naturally as water its level.

Treasury Department,

SECRETARY'S OFFICE—CUSTOMS.

[OFFICIAL.]

☛ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

TONNAGE DUTY NOT TO BE EXACTED FROM FOREIGN VESSEL ARRIVING AT ONE U. S. PORT FROM ANOTHER U. S. PORT IN BALLAST.

TREASURY DEPARTMENT,
January 26th, 1867.

SIR: Your letter of the 14th inst. has been received, together with two enclosures relating to tonnage dues imposed upon the American ship *Zouave*. It appears by the protest and representations made in this case that the *Zouave* paid tonnage dues in Philadelphia twice, and once at Mobile, each time on her arrival from a foreign port, and that on her arrival at New Orleans from Mobile, in ballast, to make up a cargo; the question has arisen whether she must again pay tonage dues there on her entry or clearance for Liverpool.

In reply I have to state that the several collections made at Philadelphia and Mobile were proper, but she will not be required to pay under the circumstances stated, until she returns from her foreign voyage.

Very respectfully,
WM. E. CHANDLER.
Assistant Secretary.

Collector of Customs, New Orleans.

CIRCULAR.

TO HEADS OF BUREAUS, RELATING TO THE CLERKS IN THE TREASURY DEPARTMENT.—THE CLERICAL FORCE OF THE TREASURY.

TREASURY DEPARTMENT,
Washington, February 2, 1867.

SIR; The Secretary of the Treasury directs that from and after this date, the office hours of the several Bureaus of this Department shall be from 9 o'clock A. M. to 4 P. M., all the employees to report punctually at the morning hour, and remain diligently employed till the afternoon hour.

Arriving after nine and leaving before four, absence from the office, or inattention to duty during office hours will be considered sufficient grounds for dismissal, and no employee so removed will be reinstated in any office of this Department.

No person designated to a clerkship in this Department will be allowed to enter upon the discharge of the duties of the office until he shall have been examined, appointed, and taken the oath of office and allegiance prescribed by the Act of July 2, 1862.

Heads of Bureaus are requested to report immediately to the Secretary all vacancies, from any cause, occurring in their offices.

The Secretary has been much annoyed by applications for appointment founded on statements made by clerks and others that there were vacancies to be filled, and designating those vacancies. He therefore gives notice that it is not a part of the duty of clerks or others in the Department to give either information or advice on such points. All vacancies are reported to the Assistant Secretary, and will be filled by the Secretary as he may determine. He will regard any further interference of this sort as a sufficient cause for dismissal.

Requests for promotion of clerks in the Department from gentlemen outside of it, who cannot be informed as to the relative duties and merits and other circumstances which should control action in such matters, may, if annoyingly pressed upon the department, injure instead of benefiting those who obtain them; and the Secretary will not be likely to be influenced by requests of this kind.

Leave of absence will not be given except in case of absolute necessity; and such leave, for a period greater than one month in any fiscal year. will be granted, if at all, without pay.

When absence is caused by sickness a certificate of the attending physician must be furnished, showing the nature of the disease, the daily attendance, and the amount and extent of the debility or the disability caused by such sickness, with the date when first called in and that when the attendance ceased.

Every application for leave of absence should state the number of days the applicant has been absent from duty during the year previous, also the date of appointment in the Department.

Heads of Bureaus will hereafter submit to the Secretary, on the 1st of each month, a statement containing the names and official titles of such employees of their offices as have been absent from their duties during the previous month, together with reasons for such absence.

The heads of Bureaus are charged with the faithful execution of these orders. All delinquincies in attending at the morning hour and continuing diligently employed till the afternoon hour will be reported daily to the head of the proper Bureau, who will make report of the same to the Secretary, unless satisfied that such absence was absolutely necessary; and any failure by the persons charged with the duty to make such report will be considered sufficient cause for reduction or removal.

The heads of the respective Bureaus will take measures to make this order known to all their subordinates.

H. MCCULLOCH,
Secretary of the Treasury.

FIVE THOUSAND FIVE HUNDRED DOLLARS REWARD.

TREASURY DEPARTMENT,
Washington, February 11th, 1867.

The above reward will be paid, as hereafter mentioned, for the arrest of Wm. Lee, alias George Palmer, alias Geo. Rogers, aged 56 years, short grey hair and mustache; usually wears short side whiskers. He served two years, viz: 1861 and 1862, under the name of George Palmer, in the 21st Regiment, New York Volunteer infantry, commanded by Col. Wm. F. Rogers of Buffalo. Lee was employed in the loan branch of the Treasury Department from Sept. 1864, to the 26th of January, 1867. He left Washington City the latter date, and is charged with absconding with $36,000 or more in 7.30 Treasury Notes of the first series, dated Aug. 15, 1864. Two thousand five hundred dollars will be paid for the arrest and delivery of Lee to the Superintendent of police at Washington City, D. C., and $3,000 for the recovery of the money, or in that proportion for the amount that may be recovered.

H. MCCULLOCH,
Secretary of the Treasury.

The numbers of the missing notes will be published next week.

ED.

CIRCULAR TO OFFICERS OF THE TREASURY DEPARTMENT AS TO TELEGRAPHING.

TREASURY DEPARTMENT,
February 1st, 1867.

The Department desires to caution its officers anew against the excessive use of the Telegraph. The very large expense attendant upon that mode of communition renders it improper to resort to it except in cases of real urgency, when the mail is clearly inadequate. Even in replying to messages received by Telegraph, Officers should exercise a rigid discrimination, an employ the Telegraph only when the public interest *plainly* demands it.

If it is used at the instance of private persons, when the mail would answer all the requirements of the public service, the expense must be borne by the parties benefited.

Whenever it becomes unquestionably necessary to employ the telegraph, care must be taken to frame the message so as to avoid all words of mere form, and all such as are not indispensible to the proper expression of what is to be communicated; but equal care should be used to employ apt words to make the message thoroughly comprehensible.

The accounting officers will give credit for expenses incurred in telegraphing only when they shall be satisfied that these instructions have been faithfully observed.

H. MCCULLOCH,
Secretary of the Treasury.

[OFFICIAL.]

LAWS OF THE UNITED STATES.

PASSED AT THE SECOND SESSION OF THE THIRTY-NINTH CONGRESS.

[*Public No.* 13.]

An Act to Punish Certain Crimes in Relation to the Public Securities and Currency, and for other Purposes.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled. That if any person or persons shall buy, sell, exchange, transfer, receive or deliver, any false, forged, counterfeited or altered bond, bill, certificate of indebtedness, certificate of deposit, coupon, draft, check, bill of exchange, money order, indorsement, United States note, treasury note, circulating note, postage stamp, revenue stamp, postage stamp note, fractional note, or other obligation of security of the United States, or circulating note of any banking association organized or acting under the laws of the United States, which has been issued or may hereafter be issued under any act of Congress heretofore passed, or which may hereafter be passed, with the intent, expectation or belief that the same shall or will be passed, altered, published or used as true and genuine, such person or persons so offending shall be deemed guilty of felony, and on conviction thereof shall be imprisoned not more than ten years, or fined not exceeding five thousand dollars, or both, at the discretion of the court.

SEC. 2. *And be it further enacted*, That it shall not be lawful to design, engrave, print, or in any manner make or execute, or to utter, issue, distribute, circulate or use, any business or professional card, notice, placard, circular, handbill, or advertisement; in the likeness or similitude of any bond, certificate of indebtedness, certificate of deposit, coupon, United States note, treasury note, circulating note, fractional note, postage stamp note, or other obligation or security of the United States, or of any banking association organized or acting under the laws thereof, which has been or may be issued under or authorized by any act of Congress heretofore passed or which may hereafter be passed. And any person or persons offending against the provisions of this section shall be subject to a penalty of one hundred dollars, to be recovered by an action of debt, one half to the use of the informer.

SEC. 3. *And be it further enacted*, That it shall not be lawful to write, print, or otherwise impress upon any bond, certificate of indebtedness, or other instrument specified in the last preceding section, any business or professional card, notice or advertisement, or any notice of advertisement, or any goods, wares, or merchandise, or of any drug or medicine, or of any invention or patent, or of any other matter or thing whatsoever; and any person or persons offending against the provisions of this section shall be subject to a penalty of one hundred dollars, to be recovered by an action of debt, one-half to the use of the informer.

SEC. 4. *And be it further enacted*, That if any person shall, without authority from the United States, take, procure, make, or cause to be taken, procure or made,

upon lead, foil, wax, plaster, paper, or any other substance or material, an impression, stamp, or imprint of, from, or by the use of any bed-plate, bed-piece, die, roll, plate, seal, type, or other tool, implement, instrument, or thing, used, or fitted, or intended to be used, in printing, stamping, or impressing, or in making other tools, implements, instruments, or things to be used, or fitted or intended to be used, in printing, stamping, or impressing any kind or description of bond, bill, note, certificate, coupon, or other paper, obligation, security, or instrument now authorized, or hereafter to be authorized by law, to be executed, altered, delivered, given, issued, or put in circulation by, for, or in behalf of the United States, such persons shall be deemed guilty of felony, and, on conviction, be punished by imprisonment not more than ten years, or by fine not exceeding five thousand dollars, or both, at the discretion of the court.

SEC. 5. *And be it further enacted*, That if any person shall, with intent to defraud, have in his possession, keeping, custody, or control, without authority from the United States, any imprint, stamp or impression, taken or made upon any substance or material whatsoever, of any tool, implement, instrument, or thing used or fitted, or intended to be used, for any or either of the purposes mentioned in the last foregoing section; or if any person shall, with intent to defraud, sell, give, or deliver any such imprint, stamp or impression to any other person, so offending, shall be deemed guilty of felony, and on conviction be punished by imprisonment not more than ten years, or by fine not exceeding five thousand dollars.

SEC. 6. *And be it further enacted*, That if any person, whether employed under the United States or not, shall, without authority from the United States, secrete within, embezzle, or take and carry away from any building, room, office, apartment, vault, safe, or other place where the same is kept, used, employed, placed, lodged, or deposited by authority of the United States, any bed-piece, bed-plate, roll, plate, dies, seal, type, or other tool, implement, or thing used, or fitted to be used, in stamping or printing, or in making some other tool or implement used or fitted to be used in stamping or printing, any kind or description of bond, bill, note, certificate, coupon, postage stamp, revenue stamp, fractional currency note, or other paper, instrument, obligation, device, or document, now authorized or hereafter to be authorized by law to be printed, stamped, sealed, prepared, issued, uttered, or put in circulation by or on behalf of the United States, or shall, without such authority, so secrete, embezzle, or take and carry away any paper, parchment, or other material prepared and intended to be used in the making of any or either of such papers, instruments, obligations, devices, or documents, or shall, without such authority, so secrete, embezzle, or take and carry away any paper, parchment, or other material printed or stamped, in whole or in part, and intended to be prepared, issued, or put in circulatfon, by or on behalf of the United States, as one of the papers, instruments, or obligations hereinbefore named, or printed or stamped, in whole or in part, in the similitude of any such paper, instrument, or obligation, whether it be intended to issue or put the same in circulation or not, such person or persons so offending, shall on conviction, be punished by imprisonment not exceeding ten years, or by fine not exceeding five thousand dollars, or both, at the discretion of the court.

SEC. 7. *And be it further enacted*, That if any person shall take and carry away, without authority from the United States, from the place where it has been filed, lodged, or deposited, or where it may for the time being actually be kept by authority of the United States, any certificate, affidavit, deposition, written statement of facts, power of attorney, receipt, voucher, assignment, or other documents, record, file, or paper, prepared, fitted or intended to be used or presented in order to procure the payment of money from or by the United States, or any officer or agent thereof, or the allowance or payment of the whole or any part of any claim, account, or demand, against the United States, whether the same has or has not already been so used or presented, and whether such claim, account, or demand, or any part thereof, has or has not already been allowed or paid; or, if any person shall present or use or attempt to use any such document, record, file, or paper, so taken and carried away, in order to procure the payment of any money from or by the United States, or any officer or agent thereof, or the allowance or payment of the whole or any part of any claim, account or demand against the United States, such person so offending, shall be deemed guilty of felony, and on conviction be imprisoned not more than ten years, or fined not exceeding five thousand dollars, at the discretion of the court.

Approved February 5, 1867.

[*Public No.* 14.]

An Act amendatory of an "Act to amend an act entitled 'An act relating to Habeas Corpus, and Regulating Judicial Proceedings in certain Cases,'" approved May eleventh, eighteen hundred and sixty-six.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever in any suit or prosecution which has been or may be commenced in any State court, and which the defendant is authorized to have removed from said court to the circuit court of the United States, under and by virtue of the provisions of "An act relating to habeas corpus, and regulating judicial proceedings in certain cases," approved March third, eighteen hundred and sixty-three, or by virtue of an act amendatory thereof, approved May eleventh, eighteen hundred and sixty-six, and all the acts necessary for the removal of the said cause to the circuit court shall have been performed, and the defendant in any suit shall be in actual custody, on process issued by said State court, it shall be the duty of the clerk of the said circuit court of the United States to issue a writ of habeas corpus *cum causa;* and it shall be the duty of the marshal, by virtue of the said writ of habeas corpus, to take the body of the defendant into his custody to be dealt with in said circuit court according to rules of law, and the orders of the said court, or of any judge thereof in vacation; and he shall file a duplicate copy of said writ of habeas corpus with the clerk of the State court in which said suit was commenced, or deliver said duplicate to the clerk of said court; and all attachments made, and all bail and other security given in any suit or prosecution which has been or shall be removed from any State court to the circuit court of the United States, in pursuance of law, shall be and continue in like force and effect as if the same suit had proceeded to final judgment and execution in the State court.

Approved February 5, 1857.

[*Public*—No. 15.]

An Act to amend "An act to Establish the Judicial Courts of the United States," approved September twenty-fourth, seventeen hundred and eighty-nine.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the several courts of the United States, and the several justices and judges of such courts, within their respective jurisdictions, in addition to the authority already conferred by law, shall have power to grant writs of habeas corpus in all cases where any person may be restrained of his or her liberty, in violation of the Constitution, or of any treaty or law of the United States; and it shall be lawful for such person so restrained of his or her liberty to apply to either of said justices or judges for a writ of habeas corpus, which application shall be in writing and verified by affidavit, and shall set forth the facts concerning the detention of the party applying, in whose custody he or she is detained, and by virtue of what claim or authority, if known; and the said justice or judge to whom such application shall be made shall forthwith forward a writ of habeas corpus, unless it shall appear from the petition itself, that the party is not deprived of his or her liberty, in contravention of the Constitution or laws of the United States. Said writ shall be directed to the person in whose custody the party is detained, who shall make return of said writ and bring the party before the judge who granted the writ, and certify the true cause of the detention of such person within three days thereafter, unless such person be detained beyond the distance of twenty miles, and if beyond the distance of twenty miles and not above one hundred miles, then within ten days; and if beyond the distance of one hundred miles, then within twenty days, and upon the return of the writ of habeas corpus, a day shall be set for the hearing of the cause, not exceeding five days thereafter, unless the party petitioning shall request a longer time. The petitioner may deny any of the material facts set forth in the return, or may allege any fact to show that the detention is in contravention of the Constitution or laws of the United States, which allegations or denials shall be made on oath. The said return may be amended by leave of the court or judge, before or after the same is filed, as also may all suggestions made against it, that thereby, the material facts may be ascertained. The said court or judge shall proceed in a summary way to determine the facts of the case, by hearing testimony, and the arguments of the parties interested; and if it shall appear that the petioner is deprived of his or her liberty, in contravention of the Constitution or laws of the United States, he or she shall forthwith be discharged and set at liberty. And if any person or persons to whom such writ of habeas corpus may be directed shall refuse to obey the same, or shall neglect or refuse to make return, or shall make a false return thereto in addition to the remedies already given by law, he or they shall be deemed and taken to be guilty of a misdemeanor, and shall, on conviction before any court of competent jurisdiction, be punished by fine not exceeding one thousand dollars, and by imprisonment not exceeding one year, or by either, according to the nature and aggravation of the case. From the final decision of any judge, justice, or court, inferior to the circuit court, an appeal may be taken to the circuit court of the United States, for the district in which said cause is heard, and from the judgment of said circuit court, to the Supreme Court of the United States, on such terms, and under such regulations and orders, as well for the custody and appearance of the person alleged to be restrained of his or her liberty, as for sending up to the appelate tribunal a transcript of the petition, writ of habeas corpus, return thereto, and other proceedings, as may be prescribed by the Supreme Court, or, in default of such, as the judge hearing said cause may prescribe; and pending such proceedings, or appeal, and until final judgment be rendred therein, and after final judgment of discharge in the same, any proceeding again such person, so alleged to be restrained of his or her liberty in any State court, or by or under the authority of any State, for any matter or thing so heard and determined, or in process of being heard and determined, under and by virtue of such writ of habeas corpus, shall be deemed null and void.

SEC. 2. *And be it further enacted*. That a final judgment or decree in any suit in the highest court of a State in which a decision in the suit could be had, where is drawn in question the validity of a treaty or statute of, or an authority exercised under, the United States, and the decision is against their validity, or where is drawn in question the validity of a statute of or an authority exercised under any State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision is in favor of such their validity, or where any title, right privilege, or immunity, is claimed under the Constitution, or any treaty or statute of or commision held by authority exercised under the United States, and the decision is against the title, right, privelege or immunity specially set up or claimed by either party under such Constitution, treaty, statute, commission, or authority, may be re-examined and reversed or affirmed in the Supreme Court of the United States, upon a writ of error, the citation being signed by the chief justice, or judge, or chancellor of the court rendering or passing the judgment or decree complained of, or by a justice of the Supreme Court of the United States in the same manner and under the same regulations, and the writ shall have the same effect, as if the judgment or decree complained of had been rendered or passed in a court of the United States; and the proceeding upon the reversal shall also be the same, except that the Supreme Court may, at their discretion, proceed to a final decision of the same, and award execution or remand the same to an inferior court. This act shall not apply to the case of any person who is or may be held in the custody of the military authorities of the United States, charged with any military offence, or with having aided or abetted rebellion against the government of the United States prior to the passage of this act.

Approved February 5, 1867.

SEVEN-THIRTIES are all fundable at par into consolidated five-twenties, now worth 105¼ @ 105½ per cent. The amounts outstanding are estimated as follows:

Seven-Thirty per cents. due August, 1867	$190,000,000
Seven-Thirty per cents due June and July, 1868	473,686,100
Total outstanding	$663,686,100
Compounds due 1867 and 1868	143,064,640
Total	$809,750,740

IT is reliably stated that the outstanding compound interest notes of 1864 are about $100,000,000 in the aggregate, divided as follows:

June, 1864	$5,000,000
July, 1864	17,000,000
August, 1864	40,000,000
October, 1864	18,000,000
December, 1864	20,000,000
Grand total to be redeemed in 1867	$100,000,000

THE 40 CENT ADDITIONAL TAX ON LIQUORS, IMPOSED BY THE ACT OF MARCH 7, 1864.

The suit of John D. Westfall against Hiram Barney, former collector of customs for this port, and Sheridan Shook, Collector of Internal Revenue for the 32nd District of New York, to test the legality of collecting the tax indicated in the heading, and involving, in the principle at issue, a large sum of money, was concluded in the U. S. Circuit Court on the 29th ultimo, in favor of the Government, by judgment for the defendants rendered by Judge Smalley.

The law reporter of the Tribune in his report of the case, states that the plaintiff, in January, 1864, imported and entered at this port a quantity of gin from Rotterdam, and entered it the same month. The duty on this gin was $1 per gallon, under the act of July 14, 1852. On the 29th of April, 1854, the plaintiff went to Collector Barney and tendered this money as duties, and demanded the goods. The Collector refused to deliver the goods, claiming that by virtue of section 7, act of March 7, 1854, entitled "An Act to Increase the Internal Revenue," an excise tax of 40 cents per gallon, in addition to the above tax, was levied upon this gin, and that before he (the Collector) would surrender it, the plaintiff must go to Mr. Sheridan Shook, and pay this 40 cents per gallon additional, bring back his receipt, and then he (Mr. Barney) would accept the import duty of $1 per gallon, and surrender the merchandise.

The plaintiff went to Mr. Shook as directed, paid under protest, received his goods from Mr. Barney, and now brings this suit against both parties.

The question was one purely of law, and was fully argued on both sides. Mr. Sidney Webster and Mr. Malcomb Campbell for the plaintiff contended that by by the Warehouse Act, there was an implied contract between the Government and importer that the latter should pay only the import duties, hence the exaction of 40 cents was illegal, it being an interference with vested rights.

Second. That this tax was an excise, and would not lie against goods in the Custom House, and before they passed into the possession of the importer; that the law was really levying an excise tax on foreign goods, which was against statute and judicial decisions:

Third. That the tax laid was an "*additional tax*," and if it was an "Excise" there was no preceding "excise tax" to add it to; and if it was held by Court to be an "impost" tax, that then Mr. Shook was not the proper officer to collect it.

Mr. Ethan Allen, Associate U. S. District-Attorney, argued the case for the Government, and contended:

First. That if any contract existed between the Government and the importer, under the Warehouse act, this was, at best, only an implied contract, and could at any time be changed by statute; that the power of Congress was supreme and absolute, under the Constitution, and they could even abolish the Warehouse act if so disposed. If they could abolish the warehouse system, they could surely regulate it.

Second. That even if the tax in question was an "Excise" and not an "import" tax, it fell within the power of Congress to levy the same, and the same attached to the foreign goods so soon as they entered the port; that as to the collection by Mr. Shook, at best could only be a question of form (if the right to levy the tax was sustained), and this inferior question as to the mode of collecting the tax, could not be held in any way to interfere with the right to make it; that the Secretary of the Treasury designated Mr. Shook, as he had a right to do, under the statute, and no question could be against it.

Third. That the tax being a lien upon the goods so soon as they arrived in the port, the Government had a right to collect this lien in their own way, and and was entitled to it *before* the goods passed into the possession of the importer.

Fourth. That assuming the Government to be wrong in all the above positions, that this suit would not lie against Mr. Shook, because he did not exact the duties, but only received them when tendered; and, therefore, as to him, it was a voluntarily payment; and he, having paid the money over to the United States, he could not be compelled to pay it back; that the suit would not lie against Mr. Barney because he had not received the money, and no protest was made to him and no appeal taken to the Secretary of the Treasury, conditions precedent by the statute, before a suit will lie against the collector of the port for the recovery of duties.

After argument was heard on both sides, his Honor Judge Smalley reserved his opinion, in order that he might examine some of the points raised, and after an elaborate decision, going over the ground generally, he directed a verdict for the Government.

OPINION.

The following opinion in this case was delivered by Judge Smalley.

SMALLEY, J.—This is an action brought by the plaintiff against Mr. Shook, Collector of Internal Revenue for this district, for the sum of $487 70, for money paid to him by the plaintiff as a specific tax on a quantity of gin imported from Rotterdam at the rate of 40 cents per gallon. The evidence shows that the spirits were in a bonded warehouse, and the plaintiff wanted to make a withdrawal entry, and went to Collector Barney for that purpose. The Collector refused to accept the withdrawal entry until the plaintiff paid a specific tax of 40 cents a gallon thereon to the Collector of Internal Revenue. Plaintiff thereupon went and paid the tax, took a receipt, but at the same time protested against it. It does not appear that Shook made any claim for this money, that he had any control of the property, or that he had it in his possession, or attempted to exercise any control or direction over it. It is said by counsel for the plaintiff that this tax is in violation of the law, because, as he claims, first—that it is an impost tax, and if not an impost, but an internal revenue tax, that the property was not in a condition to be taxed, being at the time in a bonded warehouse, not withdrawn or offered for sale. The act under which the government claims the tax as legitimately levied and collected is very clear and explicit in its provisions. It is the seventh section of the act of March 7, 1864, entitled "An act to increase the internal revenue and for other purposes." This section presents a different question from that argued three or four days ago. If the first clause of section 7 stood alone, it would, perhaps, present to some extent the same question. It reads thus:

And be it further enacted, That from and after the passage of this act, in addition to the duties heretofore imposed by law, there shall be levied, collected, and paid on spirits distilled from grain or other materials, whether of American or foreign production, imported from foreign countries previous to the 1st day of July next, of first proof, a duty of 40 cents on each and every gallon, and no lower rate of duty shall be levied or collected than upon the basis of first proof, and shall be increased in proportion for any greater strength than the strength of first proof.

If the act stopped here, I might be disposed to say, that these goods having been imported, and in a bonded warehouse at and before the time the act was passed, this first section did not apply to these goods. And I might be disposed to read the act as if the words "to be" were interpolated. But the second clause leaves no room for doubt. It was clearly the intention of Congress in adding the second clause to go further than the first could by construction. "And upon all such spirits," it adds "imported prior to the passage of this act, there shall be levied, collected, and paid, an additional tax of 40 cents per gallon," &c. The application of the act to these goods must depend on the simple question, were they imported? and if they were, does the fact of their being in a bonded warehouse, the duties not paid on them, and yet subject to withdrawal, does that put them in a better condition to exempt them from this tax, than if entered for consumption the duty on them paid, and they stored in a private warehouse? That the goods were imported within the meaning of the act both parties agree. The language does not leave any room for doubt,—"all spirits imported prior to this act." Now, the construction I should be disposed to give to the first section, would apply only to goods imported between the 7th of March and the 1st day of July. That too would seem to be the view taken of it by Congress, for in the last clause they make a sweeping provision—"All spirits imported prior to the passage of this act." It is argued by counsel for plaintiff, that these goods being in a bonded warehouse are entitled to greater privileges than other goods not similarly situated. Now I cannot see the force of that claim. It can only be assumed, I think, on the ground that these bonded warehouses are established as a matter of contract between the Government and the importer, which the Government has the right to change without the consent of the importer. It is true some senators, in the discussion which was had upon the passage of the act, went almost as far as that, but not quite so far. But the opinion of an individual member of any legislative body, would be a bad criterion by which to judge of what the law makers themselves intended. Members of legislative bodies frequently differ in opinion among themselves. If Congress has the power, if they choose, as they have, to destroy the warehouse system at once, without any notice, they surely have the power to impose additional burdens upon goods in warehouse. In other words, it was within the power of Congress to do precisely what they did in this case; but whether it is wise for them to do this, that, and the other, is a question for legislative discretion, not for judicial construction. It is argued that there was a treaty with Belgium, and that the construction given to this warehouse system, as claimed by the Government, would be a violation of that treaty. That is a question, however, which can hardly arise in this case. If the Belgian Government made a contract with our Government—for it must be a contract as a treaty is nothing more than a contract between nations—and the Belgian Government claims that we violated it, our Government may be called upon to make redress; but for citizens of our own country to avail themselves of a treaty of this kind, in this way, is beyond my conception to understand. Therefore I think it very clear that Congress intended and uses most explicit language to carry out that intent to tax this liquor. It is said that having been taxed in another district, and taxed under other circumstances, it ought not to be subject to additional tax as in this case. With that the Court has nothing to do; that is for the action of other officers of the Government, and not for judicial question at all. It is said, too, that it was a matter of Internal Revenue. This is undoubtedly true; but the act itself authorizes the Secretary of the Treasury to collect the tax in such manner as he may direct, and he chose simply to issue a circular ordering it to be paid to the Collector of Internal Revenue. That was in strict compliance with the act. Congress might have thrown other guards about it if they choose, but they left it to the discretion of the Secretary of the Treasury, and he ordered the collection of the tax in the manner prescribed. I have come to the conclusion that the law authorized the collection of this tax, and that it was the duty of the Secretary of the Treasury to see that it was collected and paid. He prescribed this mode, and I cannot see any wrong that the plaintiffs have sustained from the payment of the tax thus levied upon their goods.

The verdict, therefore, will be for the Government.

Sidney Webster and Malcomb Campbell for the plaintiffs, Ethan Allen, Deputy U. S. District Attorney, for defendants.

REDUCTION OF TAXES.

The following are among the changes for equalizing and reducing the rates of tax, provided for in the amendatory tax bill reported by the Committee of Ways and Means last Monday. The bill is now under consideration, and will continue to be acted on until passed:

Butchers, apothecaries, confectioners, and plumbers

and gasfitters whose annual sales exceed twenty-five thousand dollars shall pay, in addition to the special tax now required by law, one dollar for every thousand dollars in excess of twenty-five thousand dollars.

There is no special tax for butter and cheese.

On all sugars produced from sugar cane, and not from surghum or imphee, other than those produced by the refiner, a tax of one cent per pound. Refined sugars, and on the products of sugar refiners, not including syrup or molasses, a tax of two per cent. ad valorem.

Gunpowder, five cents per pound; for sporting, in kegs, one cent per pound; blasting, in kegs or casks, one-half cent a pound.

Copper and brass tubes, instead of five per centum ad valorem, are to pay one-quarter cent a pound.

Cigarettes, cigars, and cheroots of all descriptions, made of tobacco or any substitute therefor, the market value of which, including the tax, is not over eight dollars per thousand, a tax of two dollars per thousand; when exceeding eight dollars per thousand in market value, including the tax, a tax of eight dollars per thousand.

Boots and shoes, made wholly or in part of India rubber, two per cent. ad valorem.

Brandy, made of grapes, fifty cents per gallon.

Hats, caps, and bonnets, of all descriptions, two per cent ad valorem.

The following, among other articles, are to be exempt from internal taxation:

Alcoholic, ethereal, and vegetable extracts, wholly for medicinal purposes.

Bale rope, seines, twines, and lines of all kinds.

Canned and preserved meats, not including shellfish.

Carpet-bag and caba frames, casks, barrels, tanks, and kits, made of wood, including cooperage of all kinds, and packing boxes and market boxes, whether made of wood or other material.

Castings of copper, iron, or brass, where the duty has been paid on the raw material.

Cast-iron hollow ware and cast-iron hollow ware tinned, enamelled, japanned, or galvanized.

Block trimmings, verges, pendulum rods, &c.

Clothing, made from material that has been assessed and paid a tax, not including articles woven in frames or knitted.

Copper bottoms for domestic or culinary purposes, draining and water pipes, glue and gluten of all descriptions, in solid cake.

Horse rollers, tedders, horse blocks, on which a tax has been once assessed and paid, and framed or made up and fitted for use.

Leather of all descriptions, and goat, calf, sheep, horse, hog, and dog skins, tanned or partially tanned, curried, or in the rough.

Manufactures of jute.

Molasses, concentrated molasses, or melado and syrup of molasses, sugar-cane juice.

Oil, naptha, benzine, or gasoline, marking more than fifty-nine degrees Baume's hydrometer, the product of the distillation, redistillation or refining of crude petroleum or of crude oil produced by a single distillation of coal, shale, peat, asphaltum, or other bituminous substances.

Pottery-ware of all descriptions.

Salt.

Rock and root-diggers or excavators.

Scales.

Pumps.

Sleds, wheelbarrows, handcarts.

Soles and heel-tops made of India-rubber or other materials.

Steel of all descriptions.

Steam locomotives and marine engines, including boilers.

Straw or binders' board and binders' cloth.

Tags, marks, and other tacks of cloth, paper or metal, whether blank or printed.

Tinware for culinary or domestic purposes.

Ultramarine blue, varnish, etc.

Wagons, carts, and drays, made to be used for farming, freighting, or lumbering purposes, and valued at less than two hundred dollars, and washing, mangling, and clothes-wringing machines.

THE argument in the cases of Devlin, Tilton and Levan, accused of making false brands and defrauding the internal revenue, has been concluded before Commissioner Newton. The Commissioner stated that under the evidence he could not do otherwise than hold all three of the accused to await the action of the Grand Jury, which has already been empanneled. Judge Benedict of U. S. District Court for E. D. New York, charged the Grand Jury particularly in regard to the violations of the internal revenue laws in that district, which were numerous. There has been grave charges made in regard to the violations of these laws which seemed to be well sustained.

REFUNDING OF DUTIES ILLEGALLY EXACTED ON COMMISSION, CHARGES, ETC.

James Berkhard and Benjamin H. Hutton vs. *Augustus Schell.*—The recent trial of this cause in the U. S. District Court for the Southern District of New York, before Judge Smalley and a jury, a full report of which can be found in the RECORD, vol. v., p. 3, resulted in a verdict for the plaintiffs. The order of reference in the case has now been settled in the following terms:

ORDER.

SMALLEY, J.—This cause having been tried before this Court and a jury, and a verdict having been rendered for the plaintiffs on the 17th day of December last, wherein all questions of law and of fact at issue between the parties were determined, so far as the same presented themselves, or were brought to the attention of the Court, and for the purpose of settling in this Court certain principles of law and fact; and it appearing on the trial that the assessment of the damages claimed by the plaintiff would require an examination of a long account, with an inspection and examination of numerous invoices, entries and other papers, and the taking of extended details of testimony, which would unnecessarily obstruct the general business of the Court.

Now, on motion of Mr. E. Delafield Smith, for the plaintiffs, and Mr. Samuel G. Courtney appearing for the defendant, and not opposing, it is ordered that it be and it is hereby referred to Kenneth G. White, Esq., being a Commissioner of this Court, to take and state an account of the claim of the plaintiffs in this cause, and to assess their damages upon the principles settled upon the trial, being guided upon said reference by the rulings of law and the charge to the jury made by the Court, and by the verdict rendered upon the questions of fact submitted.

It is further ordered that the Referee, before proceeding with said reference, give written notice of the time and place of hearing to the attorneys of the respective parties and to the Collector of Customs; and that either party may, upon the hearing before said Referee, raise objections or exceptions to the evidence submitted to said Referee, and the said Referee shall decide upon such objections or exceptions, such objections and exceptions and decision to be in writing.

It is further ordered that the Referee shall proceed with all convenient despatch to make and present his report to the Court and give the plaintiff's attorney notice thereof; that the plaintiff's attorney shall within two days after such report shall be filed, give notice therof to the defendant's attorney; that objections or exceptions may be filed thereto by either party within two days thereafter; which objections or exceptions shall be heard and determined by the Court as soon as may be; that if no such objections or exceptions shall be filed by either party within said two days, judgment shall be entered on said report by the clerk of the Court, and the usual notice given for the taxation of costs.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

P. VR. VAN WYCK, *Publisher*,
95 LIBERTY ST., NEW YORK.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—NO. 8. NEW YORK, FEBRUARY 23, 1867. WHOLE NUMBER, 112.

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NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS, *Commissioner.*

☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

REVIEW.

THE several rulings which are published in the official columns, will receive attention from revenue officers. Most of them are clear and precise, yet one or two may require to be explained in order to guard against any misconception.

Respecting the new assessment of special tax on boats which may have already paid tonnage duties or enrollment fees under the custom laws, the assistant assessor should rigidly hold the same for special tax, until proof of previous payment should be furnished for his satisfaction. The enrolment, or license, or receipt of the Collector of Customs, showing such payment would be adequate. In connection with the ruling on this point, we commend a careful study of Secretary McCulloch's Circular on tonnage duty, (RECORD, Vol. IV. p. 174.)

The ruling which refers to stamp tax in the late insurrectionary States, simply confirms previous decisions on the subject, but which it seems were insufficient to correct erroneous impressions which widely prevail as to the operation of the law in those States, prior to the collapse of the rebellion, and the organization therein of Collection Districts. Revenue officers would do well to effect the republication of such rulings, as interesting news items, in the local newspapers, and in every possible way, inform the citizens as to their obligations. Regulations, Series 2, No. 10, (RECORD vol. IV. p. 162) contain full instructions on the subject of stamp duties.

The action on the amendatory tax bill has been delayed in the House by the absorbing consideration of the Military reconstruction bill. Notwithstanding few working days remain of the present session, no doubt is yet entertained that it will become a law, but with many amendments to the bill as originally reported.

Several important bills await final action in Congress: the Bankrupt bill, the Tariff bill, the General Appropriation bill, and others. The friends of the Bankrupt bill confidently hope for its passage even in the face of the close vote which is certain. We esteem it among the most beneficial of measures. It will unlock in all sections, the fetters of debt and embarrassment from many thousand citizens of first-rate business talent and experience. Many of these were impoverished or ruined in the convulsions of '57 and '61, less through any want of business ability and forecast, or from lack of honesty, than from the evils of a vicious system of finance, which cannot prevent but is the *cause* of such disasters; that which foreigners teach for the purpose of despoiling us, and which held us commercially submissive as a

nation, until the war and its necessities proved its falsity.

These bankrupts should be put upon their feet! It is no sound argument that rogues will be benefitted by the law, your rogue will be a rogue despite all laws. This law will only relieve deserving merchants from disabilities which oppress them, and yield others no good.

IMPORTANT TO PENSION CLAIMANTS.

On the 1st of January last the Commissioner of Pensions issued instructions to applicants for increase of pension under the Acts of June 6 and July 25, 1866, directing them and their agents to withhold the original certificate in applications filed after that date. This wise, precautionary measure has been very generally observed; but owing to the vast number of applications filed prior to January 1st, the Commissioner has deemed it proper to issue the following circular directing the return of the original certificate in all cases that cannot be adjudicated before the 4th of March, proximo, that the pensioner may be able to draw the semi-annual stipend then due.

PENSION OFFICE, Feb. 15, 1867.

As it will be impossible for all the applications already filed in this office under the Acts of June 6 and July 25, 1866, for increase of pension, to be adjudicated before the 4th of March next, the original certificates, in cases that cannot be adjudicated before that date, will be returned to the agent or the claimant direct, that the amount which will be due thereon at the date may be drawn. Certificate No. — herewith enclosed for the above purpose, should be returned to this office as soon after payment as practicable, endorsed "Returned certificate."

JOSEPH H. BARRETT,
Commissioner.

THE WHISKEY FRAUDS.—Deputy Collector F. W. Tappan of the Third Collection District of New York, has been arrested for complicity with Tilton, Devlin, and Levan to defraud the revenue department of the Government. The affidavit on which the arrest was made, stated that at divers times in October and November, 1866, Mr Tappan directed the deponent (T. B. Tilton) to brand divers barrels, packages, and casks of spirits for one T. T. Levan as manufactured prior to Sept. 1, 1866, said Tappan well knowing they were made after Sept. 1, and that the duty on them was unpaid. In accordance with orders deponent did so brand liquors, and the Government was thereby defrauded. Mr. Tappan was brought before Commissioner Jones, and admitted to bail in the sum of $20,000. The case will be examined within a few days.

THE case of the United States agt. Thomas Rodgers, charged with carrying on an illicit distillery at No. 3 Navy street, came up before United States Commissioner Newton on Tuesday, The principal witness examined was inspector W. H. Barrows who testified to having discovered the distillery, &c. The liquors were branded "United States Bonded Warehouse—tax paid;" James Nugent, Inspector; James Holland, Distiller. Several other witnesses were examined, but their evidence developed no new facts and the case was adjourned to the 22nd instant.

THE case of the United States agt. two barrels of whiskey claimed by Mr. Burns, was called in the United States Court on Tuesday. The case involves a charge of illicit distilling by Messrs. Fogarty and Burns, corner of Commerce and Richard streets, Brooklyn. It was adjourned without a decision.

STAMP TAX ON THE SALE OF FERMENTED LIQUORS.—The report of the revenue commission, submited February, 1866, established, almost beyond a doubt, the fact that the government was defrauded in the collection of its legitimate revenue from fermented liquors to the extent of about 40 per cent., involving an absolute annual loss of about two millions four hundred thousand dollars.

To remedy this the act of July 13 provided that, in addition to an obligation imposed on the brewer to make a monthly return of the products of his manufacture, the tax itself should be paid by the affixing of an adhesive paper stamp to each barrel sold and removed from the place of manufacture, with an additional requirement that the stamp should be cancelled by the retailer or consumer.

The adoption of this plan by Congress was recommended by the revenue commission with no little hesitation; for while the then existing law seemed to be entirely inadequate to protect the government and the honest dealer against fraud, the adoption of the stamp system for the first time in respect to an article of this character did not appear to be wholly free from difficulties. The commissioner is, however, able to report that the plan, so far as has yet been tested, is, substantially a success, and needs only the general adoption, on the part of the brewers, of a proper adhesive material for affixing the stamps to the barrel, and a selection of inspectors more capable and honest than many now holding office, to make it entirely so.

So far as can be judged from the return of beer stamps printed and delivered to the department, from August 20 to November 15—viz: 5,193,520 hogshead, barrel, and fractional stamps, of a total value of $1,886,855—the revenue from this source, for the present fiscal year, is likely to be very materially increased.—*Com. Welles' Report.*

A LAW firm of Washington some time since carried a case to the Court of Claims, claming that an officer of the army, in commission between May 1, 1864, and March 3, 1865, was entitled to an increase of $5 per month on the pay of each servant allowed, the former being the date of the act increasing the pay of soldiers, and the latter the date at which the pay of servants was increased. The Court has decided in favor of claimant. The decision will involve an expenditure on the part of the Government of about $2,000,000.

THE report of the Committee of the House of Representatives to investigate charges against Assistant Treasurer Van Dyck, respecting alleged sales of gold during the recent panic, completely vindicates that officer from the aspersions on his judgment and integrity. The whole affair seems to have had its origin in nothing less than a stock jobbing operation.

BEWARE OF THE NEW COUNTERFEIT $10 NATIONAL BANK CURRENCY.—The detectives of the secret service of the Treasury Department have just discovered a new counterfeit on the $10 plates of the national bank notes. The ones discovered represent to be the issue of the Flour City National Bank of Rochester, New York; but as the name of the bank can be changed at the instance of the counterfeiters, parties receiving such notes should be on their guard and closely scrutinize all bank notes of this denomination. The general appearance of the counterfeit is very good indeed, and is well calculated to deceive any but the most expert. The vignettes on the face of the note are exceedingly well executed, and show that experienced engravers have been engaged in preparing the plate. The signatures of the Register of the Treasury and the United States Treasurer have been well imitated, but the signatures of the officers of the bank are very poor, and plainly show that they have been printed. The back of the note has not been so well executed as the face, but the green coloring is very good, and equal to if not better than the genuine notes. The copy of the picture representing the discovery of the Mississippi by De Soto, which is borne by the genuine notes of this denomination, is not so well done in this counterfeit as the remainder of the note, but, nevertheless, shows the skill of an experienced workman, and will doubtless deceive many.

TAX ON BROKERS' SALES.—One of the most successful modifications effected by the Act of July 13, 1866, has been that which substituted in place of a general tax on the sales of stock-brokers of one-twentieth of one per cent., payable monthly, a tax of one one-hundredth of one per cent., payable by means of stamps affixed to the bill or memorandum of each sale; a heavy penalty being provided for the delivery or reception of any bill or memorandum of such sale without the necessary stamps affixed. The law, as it formerly stood, was a source of constant trouble. vexation, and litigation between the Government and the brokers, while the tax in itself was so oppressive as to induce a very general evasion of it, and consequent loss to the revenue. The Commissioner is now happy to report that the operation of the present law is most satisfactory; that its provisions are all but universally complied with; while the indications are that, although the tax has been reduced from one-twentieth to one one-hundredth of one per cent., the revenue from this source, so far from being diminished, is likely to be considerably increased. —*Com. Wells' Report.*

SPECIAL COMMISSIONER WELLS says in his report, that: By the Act of July 13, 1866, an abatement or repeal of internal taxation on various articles to the extent of about fifty millions of dollars was provided for, and this legislation, as was anticipated, has not failed to give sensible and timely relief to many branches of domestic industry, more especially as respects crude petroleum, domestic sugars, clothing, boots and shoes, books, cordage, railroad freights, and the manufacture of steel, iron chains, cables, &c.

The Commissioner is not, however, able to report any general reduction in the prices of the articles relieved corresponding to the reduction of taxation: but, on the contrary, in some instances, owing probably to the fact that heavy taxation had previously diminished production to a point below the absolutely necessary supply, the prices would seem to have increased concurrently with the abatement of the taxes. Such a result must, however, be but temporary.

Gazette.

Samuel Horner, Norristown, Penn., acting Collector 6th District Penn., B. F. H. Hancock, deceased.

Daniel Livingston, Curwensville, Clearfield county, Penn., Assessor 19th District, Penn., vice Michael A. Frank.

Joseph W. Trizolle, Greensville Ohio, Collector 4th District, Ohio, vice F. M. Wright.

Charles W. Nash, St. Paul Minn., Collector 2nd District Minn., vice Thomas G. Jones.

J. Crocket Sayers has been confirmed by the Senate as Assessor of the Sixth District, Ky.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

MANUFACTURES.

Illuminating, Lubricating and other Mineral Oils.

Illuminating, lubricating, and other mineral oils, marking between thirty-six degrees and fifty-nine degrees, *inclusive*, Baume's hydrometer, the product of the distillation, re-distillation, or refining of crude petroleum, are taxable at the rate of twenty cents per gallon, without regard to the specific gravity of the petroleum from which they are produced.

Cotton Motes.

The article known as cotton motes is subject to a tax of three cents per pound.

SPECIAL TAX.

Special Tax on Boats, Barges, or Flats.

By the last proviso to Section 103 of the Act in force, (Section 74 of the Compilation), an annual special tax, in lieu of enrollment fees or tonnage tax, is imposed upon all boats, barges and flats, of a capacity exceeding twenty-five tons, not used for carrying passengers, nor propelled by steam or sails, and which are floated, or towed by tug boats, or horses, and used exclusively for carrying coal, oil, minerals, or agricultural products to market.

The term *used exclusively for carrying coal, &c., to market*, is understood to apply to those boats employed exclusively in transporting such merchandise from the place of original deposit, or production, to the first place of consignment or sale, as well as from one market to another.

Boats, barges, and flats used exclusively in transporting the articles named between the shore and a vessel, or from one vessel to another, are liable to a special tax under said proviso. This tax, however, is *in lieu* of enrolment fees or tonnage tax, and should not be assessed upon boats which have already paid taxes under the customs laws.

Manufacturers Selling at Places other than their Factories.

By Section 74, of the Act of June 30, 1864, as amended, it is provided that no special tax shall be required for the sale, by manufacturers or producers, of their own goods, wares, and merchandise, at the place of production or manufacture, or at their principal office or place of business, *provided* no goods, wares, or merchandise, except as samples, are kept at such office, or place of business. This is understood to authorize a manufacturer or producer to sell goods, wares, and merchandise of his own manufacture or production *at any time* at the places and in the manner above mentioned without paying a special tax as dealer, even though he has discontinued the manufacture or production, and the time covered by his licence as a manufacturer has expired.

DISTILLED SPIRITS.

Returns and Payment of Tax on Spirits.

That part of the Act of June 30th, 1864, which allowed distillers who distil or manufacture less than one hundred and fifty barrels per year, to make returns and pay taxes on the first day of each and every month, instead of the first, eleventh and twenty-first, was repealed by the Act of July 13, 1866. By the last-named act all distillers, except distillers of apples, peaches, and grapes, are required to make tri-monthly returns.

Party Improving Whiskey by Passing it through Still, Liable as a Rectifier.

A person becomes liable, not as a distiller, but as a rectifier, by reason of passing whiskey, upon which the tax has been paid, through the copper still, for the sole purpose of improving it.

Two Inspectors Required by a Distillery that runs constantly.

Assistant Inspectors must be employed at each distillery which runs so constantly that one inspector cannot be present all the time it is running.

Distillers' Warehouses—Assistant Inspectors.

A distiller can establish as many warehouses, class A, for the storage of his products as he may elect; but if the number is so great as to withdraw the attention of the Inspector from a strict supervision of the distillery, one or more assistants should be appointed, as provided in Section 29 of the Act of July 13, 1866, (129 of Compilation.)

Rectifiers not Liable to Tax on their Productions.

Rectifiers are not required to pay a five per cent. ad valorem tax upon compound or imitation liquors manufactured by them for sale.

Wines and Imitation Wines.

A tax of fifty cents per gallon is imposed upon all liquors known or denominated as wine, not made from grapes, currants, rhubarb, or berries, produced by rectification, or mixed with other spirits, or into which any matter whatever may be infused, to be sold as wine or by any other name, and *not otherwise provided for in the Internal Revenue Laws.* Such spirits need not be inspected and gauged by an inspector, but all persons engaged in the manufacture of them should make their returns and pay their taxes at the same time, and in the same manner as the manufacturers of other articles.

Cider, Ale, Beer, and Wine, Exempt from the Tax on Distilled Spirits.

Cider, ale, beer, and wine contain alcohol, but they are produced by *fermentation;* and inasmuch as they are not produced by *distillation*, they are not subject to the tax upon distilled spirits.

Spirits cannot be Refined in Bonded Warehouses of Distillers.

Spirits may be refined upon removal in bond, but cannot be refined in the distillers' bonded warehouse.

STAMP DUTIES.

Stamp Tax in the late Insurrectionary States in force from October 1, 1862.

The first Act imposing a stamp tax upon certain specified instruments, took effect, so far as said tax is concerned, October 1st, 1862. The impression which seems to prevail to some extent, that no stamps are required upon any instruments issued in the States lately in insurrection, prior to the surrender, or prior to the establishment of collection districts there, is erroneous.

Instruments issued in those States since October 1st, 1862, are subject to the same taxes as similar ones issued at the same time in the other States.

Assignment of Lease—Assignment of Rents, &c.

An assignment of a lease within the meaning and intent of Schedule B, is an assignment of the *leasehold* or of some portion thereof by the *lessee*, or by some person claiming by, from, or under him, such an assignment as subrogates the assignee to the rights, or some portion of the rights, of the *lessee*, or of the person standing in his place. A transfer by the *lessor* of his part of a lease, neither giving nor purporting to give a claim to the leasehold, or to any part thereof, but simply a right to the rents, &c., is subject to stamp tax as a contract or agreement only.

Jurats Administered by Revenue Officers.

The words "or used" were stricken out of Section 154, by the Act of July 13th, 1866. When a Notary Public or Justice of the Peace administers the oath to an assistant assessor, upon his monthly account for services, a five cent stamp should be affixed to the jurat. No stamp will be required when the oath is administered, and the jurat issued by an assessor, assistant assessor, collector, deputy collector, revenue agent, or inspector.

Subscription Lists, Contracts, Promissory Notes.

When a subscription is for a purpose in which there is a community of interest among the subscribers, the list should be stamped as a contract, or agreement, at the rate of five cents for each sheet or piece of paper upon which it is written.

When there is no community of interest, and the subscription is conditional, each signer executes a separate contract, requiring its appropriate amount of stamps; this amount depends upon the number of sheets or pieces of paper upon which the contract is written.

When each of the subscribers contracts to pay a certain and definite sum of money on demand, or at a time designated, the separate contract of each should be stamped at the same rate as a promissory note.

Payment for and affixing of Stamps—Penalties.

The law does not designate which of the parties to an instrument shall furnish the necessary stamp, nor does the Commissioner of Internal Revenue assume to determine that it shall be supplied by one party rather than by another; but if an instrument subject to stamp duty is issued without having the necessary stamps affixed thereto, it cannot be recorded, or admitted, or used as evidence, in any court, until a legal stamp or stamps, denoting the amount of tax shall have been affixed as prescribed by law, and the person who thus issues it is liable to a penalty, if he omits the stamps with an intent to evade the provisions of the internal revenue act.

Bills of Sale of Vessels—Contract for Transfer of Property.

The stamp tax upon a bill of sale, by which any ship or vessel, or any part thereof, is conveyed to, or vested in, any other person or persons, is at the same rate as that imposed upon conveyances of realty sold; a bill of sale of any other personal property should be stamped as a contract or agreement.

Administrators, Executors, and Guardians' Bonds.

The official bonds of administrators, executors, and guardians, are subject to a stamp tax of one dollar each, as bonds for the due execution, or performance of the duties of an office.

Instruments to which the U. S. is a party.

No stamp is required upon an instrument to which the United States is a party, if it is signed and executed by a person representing the government; if not signed by such a person stamps should be affixed.

Receipt of Attorney for Note or Claim for Collection.

No stamp is required upon the receipt of an attorney for a note or other claim left with him for collection.

Cancellation of Stamps.

Each stamp when used should be separately cancelled.

Basis of Stamp Duty on Conveyance of Realty—Actual Consideration or Value.

The *actual* "consideration or value," and not the mere nominal consideration, determines the amount of stamp tax upon a conveyance of realty sold.

Marriage Certificates, when, and when not, Liable.

A marriage certificate issued by the officiating clergyman or magistrate, to be returned to any officer of a state, county, city, town, or other municipal corporation to constitute part of a public record, requires no stamp; but if it is to be retained by the parties, a five cent stamp should be affixed.

Landlord Notice to Tenant to Quit.

A notice from landlord to tenant to quit possession of premises, requires no stamp.

Renewal of Insurance Policies—Definition.

An instrument which operates as the renewal of a policy of insurance, is subject to the same stamp tax as the policy itself; but such a receipt as is usually given for the payment of the monthly, quarterly, or annual premium, is not a renewal within the meaning of the statute. The payment simply prevents the policy from expiring, by reason of non-performance of its conditions: a receipt given for such a payment requires a two cent stamp, if the amount received exceeds twenty dollars, and a two cent stamp only.

But when the time of payment has passed, and a tender of the premium is not sufficient to bind the Company, but a new policy or a new contract in some form, with the mutuality essential to every contract, becomes necessary between the insurer and the insured, the same amount of stamps should be used as that required upon the original policy.

Insurance Permits changing terms of Policies.

A permit issued by a life insurance company changing the terms of a policy as to travel, residence, occupation, &c., should be stamped as a contract or agreement.

Mortgage, when Taxable as Contract.

A mortgage given to secure a surety from loss, or given for any purpose whatever, other than as security for the payment of a definite and certain sum of money, is taxable only as an agreement or contract.

Bond to Convey Real Estate.

A bond to convey real estate, requires stamps to the amount of twenty-five cents.

Receipts taken as Administrators, Executors, and Guardians.

Receipts taken by administrators, executors, guardians, trustees, &c., to be used as vouchers upon the settlement of their accounts, are subject to the same stamp taxes as other receipts.

Transfer of Mortgages.—Endorsements on Negotiable Instruments.

Upon every assignment or transfer of a mortgage, a stamp tax is required equal to that imposed upon a mortgage for the amount remaining unpaid; this tax is required upon every such transfer in writing, whether there is a *sale* of the mortgage or not; but no stamp is necessary upon the endorsement of a negotiable instrument, even though the legal effect of such endorsement is to transfer a mortgage by which the instrument is secured.

When Partition Deeds may become Taxable

Partition deeds between tenants in common need not be stamped as conveyances, inasmuch as there is no sale of realty, but merely a marking out, or a defining of the boundaries of the part belonging to each; but where money or other valuable consideration is paid by one co-tenant to another for equality of partition, there is a sale to the extent of such consideration, and the conveyance by the party receiving it, should be stamped accordingly.

MISCELLANEOUS.

Broker's Sales—Sales through another Broker.

The last proviso to Section 99 (70 of the Compilation) is "That in estimating sales of goods, wares, and merchandise, for the purposes of this Section, any sales made through another broker upon which a tax has been paid, shall not be estimated and included as sold by the broker for whom the sale was made.

Broker to Return Entire Amount of Sales.

Every broker should be required to state in his returns the entire amounts of all his sales, *including those made through other brokers;* from that amount he may deduct the amount of sales made by him through other brokers, and upon which a tax has been paid, and should himself pay a tax upon the remainder. He should be required to state in his return when, where, and by whom, the sales deducted by him were made; and the assistant assessor should ascertain, by correspondence or otherwise, whether his representations are correct.

Savings Banks and Provident Institutions—Dividend Tax.

The undistributed earnings of Provident Institutions, Savings' Banks, Savings' Funds, and Savings' Institutions, having no capital stock, and doing no other business than receiving deposits to be loaned, or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company, fall within the proviso to Section 120, of the act in force, (162 of Compilaton) and are exempt from *dividend* tax. Although the entire amount of annual or semi-annual interest, may not be paid to the depositors or credited upon their several accounts at the time the dividend is declared, it will eventually be disposed of in this manner, and the depositors alone will receive the benefit of the business.

SECRETARY'S OFFICE—CUSTOMS.

THE LATE SUPERINTENDENT OF THE COAST SURVEY, PROF. ALEXANDER DALLAS BACHE.

TREASURY DEPARTMENT,
February 19th, 1867.

In the death of the Superintendent of the Coast Survey, Prof. Bache, the Department mourns the loss of one of its most valuable and most highly cherished officers. His decease occurred at Newport, R. I., on the 17th inst., in his 61st year.

No man within the present generation was more widely known in the walks of practical science; none has been so closely identified with collateral service in the various public Departments.

ALEXANDER DALLAS BACHE was born at Philadelphia, in April, 1806. He graduated at the Military Academy in 1825, and there remained a year as Assistant Professor. Subsequently, having resigned from the Corps of Engineers, he filled at intervals, until the year 1843, an important chair in the University of Pennsylvania. Within the same period he was, during five years, President of Girard College, and matured the system of education adopted for the Philadelphia High School, yielding to that object time for examining the principles of systematic education in Europe. His devotion to practical science, and his abilities as an administrative officer being well known, Prof. Bache was appointed in December, 1843, to the vacant post of Superintendent of the Coast Survey. Under his direction that great national work has been eminent, no less for its abundant results than for its high scientific character, which has won the approbation of the leading learned bodies of the world, among whom his name has long been held in honor. He possessed by nature the qualities most conducive to success in the management of widely-extended public interests. Invariably mild and forbearing towards those serving under his direction, his unremitting energies, and his untiring patience were as invariably given to the accomplishment of the service in view. His sympathy with the efforts of others, and readiness to give credit for their exertions, secured a cordial spirit of co-operation. Sagacity, perfect freedom from bias, and constant activity within the sphere of his public duties, strongly marked his relations with this Department. He was a member of the Light-house Board, and participated in its organization, a Regent of the Smithsonian Institute, and ever the valued associate of leading men to whom are submitted questions in regard to matters of public utility. His advice was eagerly sought in the determination of many local and general facilities to further the interests of commerce and navigation.

That the deceased Superintendent had become illustrious in America and in Europe, is due to the steady devotion of his great talents to the service of the people. His genial disposition attracted the love of associates and of subordinates; his wisdom commanded their respect. He leaves us a name of unsullied purity, and a memory that adds lustre to the many public records upon which it is borne.

As a tribute to his memory, the Coast Survey office will be draped in black, and will be closed on the day of the funeral.

HUGH MCCULLOCH,
Secretary of the Treasury.

Five Thousand Five Hundred Dollars Reward.

TREASURY DEPARTMENT,
Washington, February 11th, 1867.

The above reward will be paid, as hereafter mentioned, for the arrest of A. Wm. Lee, *alias* George Palmer, *alias* Geo. Rogers, aged 56 years, short gray hair and mustache; usually wears short side whiskers. He served two years, viz: 1861 and 1862, under the name of George Palmer, in the 21st Regiment, New York Volunteer infantry, commanded by Colonel Wm. F. Rogers, of Buffalo.

Lee was employed in the loan branch of the Treasury Department from September, 1864, to the 25th of January, 1867. He left Washington City the latter date.

and is charged with absconding with some $36,000 or more in 7.30 Treasury Notes of the first series, dated Aug. 15, 1864, as follows:

$1,000 Each.

2,800	26,713	26,724	44,606	83,812
2,801	26,722	38,456	68,995	83,814
		43,692	69,996	142,540

$500 Each.

14,858	36,731	57,933	96,104	175,755
14,859	36,733	62,255	99,914	182,839
15,527	36,734	73,530	132,110	182,886
18,278	36,735	73,547	132,111	188,994
20,636	36,736	81,701	161,236	188,996
36,730	36,737			

$100 Each.

5,162	153,217	213,981	406,093	483,151
5,163	153,218	213,982	406,094	483,160
5,164	153,219	225,994	406,095	541,633
5,165	153,220	232,234	406,096	541,634
73,736	159,734	232,235	406,518	541,635
85,075	168,103	232,236	406,519	541,636
88,362	174,549	282,887	425,286	546,293
88,365	174,553	282,888	441,245	597,893
88,368	174,557	282,889	441,246	601,581
88,458	174,561	282,890	441,247	601,583
92,849	174,565	282,891	441,248	601,584
98,708	213,977	315,897	445,535	601,588
124,360	213,978	320,482	461,662	601,599
149,902	213,979	378,113	461,664	601,600
151,693	213,980	378,173	483,109	615,129
151,757				

$50 Each.

31,804	33,833	148,103	292,362	626,722
31,805	65,990	208,043	300,491	626,723
33,035	93,014	217,100	626,721	626,724
33,738	141,963			

Two thousand five hundred dollars will be paid for the arrest and delivery of Lee to the Superintendent of police at Washington City, D.C., and $3,000 for the recovery of the money, or in that proportion for the amount that may be recovered.

H. McCULLOCH,
Secretary of the Treasury.

State Department.

PRIZE LAW—DECREE OF THE GOVER MENT OF COLOMBIA—NOTE OF THE SECRETARY OF STATE.

DEPARTMENT OF STATE,
Washington Feb. 13, 1867.

SIR: The attention of this Government has been drawn to a decree upon the adjudication of maritime prizes made by the President of the United States of Colombia, at Bogota, on the 17th of November, 1866, which decree is understood to have been officially promulgated at that capital. By the aforementioned decree it is declared first, that the Cruisers of the allied Republics of the Pacific, in the war with Spain, may carry their maritime prizes into any port of the Republic of Colombia, but their adjudication shall belong to the Supreme Federal Court, conformably to the National Constitution and law, it being understood that the fact of bringing in the prizes shall be proof of the acquiescence of the sovereign of the captor that they shall be adjudged by the said tribunal. It is declared by said decree, secondy, that the cruisers of Spain, in the war mentioned, may carry their prizes into the ports of the Republic of Colombia, and that their adjudication shall belong to the Supreme Federal Court, it being understood, that the fact of bringing the prizes in, shall be proof of the acquiescence of Spain, that they may be adjudged by said tribunal. It is declared in said decree, thirdly, that the highest political authority of the port in which any such prize may arrive shall require the captor to present the sea-papers of the vessel or property captured, and shall proceed immediately to examine the officers and mariners which preceeding proofs taken and original documents of the captured vessel shall be, as soon as practcable, reported to the Supreme Federal Court, that it may take jurisdiction of the case. It is declared by said decree, fourthly, that the captured vessels that may be declared good prize by said Court, may be sold in the ports of the Republic of Colombia. It is the opinion of this Government that the decree of the President of Colombia, in all its parts thus recited, absolutely contravenes the law of nations which devolves upon the sovereign of the captor exclusive jurisdiction over prizes, and responsibility to persons concerned for the just and lawful exercise of that jurisdiction. The President is of opinion, further, that the exclusive jurisdiction cannot be either directly or indirectly, delegated or conveyed to any foreign power, whether an ally or neutral; and that no such ally or neutral can, in any way, acquire jurisdiction over prizes made by a belligerent in any such manner, as is specified or indicated in said decree. The Government of the United States is obliged to suppose it possible that vessels, papers, or other property of citizens of the United States may, by means of capture or otherwise, be found in the ports of the Republic of Colombia, and be subjected to proceedings of some sort, judicial or otherwise, under the said decree. The President, therefore, deems it his duty to announce to all the belligerent persons concerned, as well as to the United States of Colombia, that it is held by this Government that the decree in the respects recited, is entirely null and void as against the United States, and that it may be expected that the said decree, and all proceedings under it, will be regarded by this Government, including its several executive and judicial authorities, as having no effect upon citizens of the United States, or upon vessels, papers, or other property belonging to them. I avail myself of this opportunity to renew to you the assurances of my most distinguished consideration.

WILLIAM H. SEWARD.

ALLEGED FRAUDS IN THE BOSTON CUSTOM-HOUSE—REPORT OF THE CONGRESSIONAL COMMITTEE.

Mr. Hulburd—The Committee on Public Expenditures, instructed by House resolution of April 30, 1866, to investigate frauds alleged to have been committed upon the revenue of the United States, and in the enforcement of the laws made and provided for such cases at the Custom-houses in Boston and New York, herewith submit so much of their report as pertains to the Boston Custom-house, as follows:

The so-called "William's case," necessarily occupied very much of the time that could be spared in Boston. The report of United States District-Attorney R. H. Dana, to the Secretary of the Treasury, so succintly sets forth the facts and the course pursued in that case, as almost supersedes the necessity of any introductory summary by the Committee. It will also appear from the accompanying documents and testimony, that the Committee have allowed all the parties in that case, who could be reached, by letters and sworn testimony, to give their own version of the diversified parts enacted by themselves respectively, and as far as within their knowledge, by their associates.

The wine house of Messrs. Williams was established in Boston, in one of the last years of the last century. Prior to 1841, in connection with the house of Edward Codman & Co., the firm, known as J. D. & M. Williams, imported through a New-York house, the "Schneider" brand of champagnes, at an invoice valuation of $9 per basket for whole bottles, and $10 for half bottles. In the year 1841 a correspondence with L. Roederer, the manufacturer of the wine, at Rheims, in France, resulted in an agreement to receive direct from him these wines and pay the same prices, deducting therefrom the expenses of importation, breakage, &c., provided on examination the wines should be approved as satisfactory.

Up to December, 1846, there was a specific duty on champagne wines of 40 cents per gallon. The wines received by the two houses of Williams and Codman & Co, continued to be valued in the Custom-house entries at the prices before specified.

In July, 1846, the act imposing an *ad valorem* duty of 40 per cent. on champagnes, and 30 per cent. on bottles, baskets, &c., went into operation. It would seem these firms themselves paid this increased duty, without charging it over or deducting it upon remitting to Roederer net proceeds of sales.

In 1854 an addition of 50 cents on each basket was allowed and paid to Roederer. In 1856 this additional sum was raised to one dollar per basket. In October, 1859, the additional sum was reduced 75 cents per basket, and, as thus modified, the 1841-6 prices continued to the time of the seizure of the books, papers, &c., of Messrs. Williams and Codman & Co., the 24th of March, 1865. As it appeared by the testimony of the different members of the Williams' firm, and by the evidence of ex-deputy Collector Andross, and was not controverted, the Customs officers at Boston had had at all times, on request, free access to the books, letters, and invoices of these importing houses, that the quality of the wines, and their proper valuation for entry at the Custom-house, had from time to time been repeatedly examined and considered, and mutually determined upon, the Committee desired to see and know what new light or consideration the original papers would reveal—inducing and requiring such an abrupt and harsh proceeding as this wholesale seizure. To this end, they requested ex-Collector Goodrich, when before them last November, to furnish them with the original information, or complaint and affidavit, or copies of the same, upon which the seizure had been made, but up to this time, while supplying copies of papers used in the second stage of the proceedings, he has neglected or failed to produce, either originals or copies inaugurating the first steps in the case.

Immediately upon the seizure, a claim in behalf of Government was made upon the Messrs. Williams, for undervaluations of sundry sherry wine importations to the amount of $25,224. The circumstances which led to its prompt payment, without consultation with counsel, are particularly stated in the testimony of the different members of the Williams firm.

Half the sum went into the Treasury of the United States, and there being no informer in the case, the remaining half was equally divided, according to law, between Collector Goodrich, Naval Officer Tuck, and Surveyor Phelps, the Custom-house Officers at the port of Boston.

In the adjustment of the Sherry case, Samuel A. Way, of the banking-house of Way, Warren, & Co., of Boston. appeared and acted as agent of the Messrs. Williams. Francis O French, son-in-law of the Naval Officer, and at that time Deputy Collector, was actively engaged in and about the Sherry case.

On the last day of March, 1865, French resigned, and on the following day became the "Co." of the Way, Warren & Co., banking-house. But this was mere form, as his services in the Williams investigation were not intermitted, and very shortly after he was appointed Special Deputy for the express purpose of aiding in the cases made up or instigated by Mr. Farwell.

William B. Farwell, formerly Naval Officer at San Francisco, and subsequently in the employ of the Treasury Department in Europe, was present in Boston, when the seizure was made, and with Mr. French, participated in the examination of the Messrs. Williams' books and papers. The examination extended back a series of years; Messrs. Williams affording every facility asked, in some instances supplying important books, letters and papers not originally taken by the seizing officers.

These examiners and Custom-house officials calculated, by undervaluations, the Government had since 1846, lost $150,000 of duties; that the interest added would make the amount nearly $200,000; that the value of the wines since 1846, liable to forfeiture, would, without interest, reach about $2,000,000.

Thereupon, Mr. Goodrich demanded of the Messrs. Williams, $500,000, or double the duties and interest; Mr. Way, ultimately in their behalf, offered $100,000.

On the 5th of April, 1865, Mr. Farwell, at Boston, wrote out in detail a statement of the case and sent it to the Secretary of the Treasury, who alone could authorize any compromise or settlement. In that communication Mr. Farwell expressed his belief that

Messrs. Williams, since 1846, had entered their wines 33⅓ per cent. less than the net amount actually remitted to Roederer for the wines, &c., and had thereby "defrauded the Government out of more than $150,000 in duties upon champagne alone."

This letter, so introductory to what follows, and in its conclusions and recommendations, is in such marked contrast with a letter written by him at Washington, the 22d day of April, 1865, that though long and containing some extracts in a foreign language, it has been thought well should preface the evidence subjoined in this report. This second letter, which immediately follows the first in the report, was written only seventeen days after the first commences with the announcement that the writer has received from Messrs. Williams an offer of $100,000 to "settle the amount of his fraud," and declares his deliberate judgment to be, "that public interest will be best promoted in all respects by an acceptance of this proposition by the Government."

He then enumerates several reasons for this recommendation, not one of which was not just as patent and potent on the 5th, as on the 22d day of April. The last letter purports to have been written at Washington; why should a change from Boston to Washington have necessiated such an entire readjustment of "judgment to "public interest."

On the receipt of these two letters, *pro forma*, addressed to the Solicitor of the Treasury, the Secretary of the Treasury directed Mr. Edward Jordan, the Solicitor, to repair to Boston, and investigate the facts, for the purpose of being able to advise the Department, &c. Mr. Jordan went to Boston the last of April. On consultation with the Custom-house officers it was agreed to offer to accept from the Messrs. Williams, $350,000 in full satisfaction of forfeitures, fines, duties, &c. This being declined, it was agreed to make no further effort at a compromise, and that suits should at once be commenced.

Thereupon, Mr. Jordan left Boston. The day following Mr. Farwell made known to the Custom-house officials, that Messrs. Williams' counsel had discovered that, by the non-repeal of one statute of limitations, theretofore overlooked by the solicitor, counsel, parties, &c., the amount of the Government claims against Messrs. Williams which could be legally enforced would be largely reduced. Thereupon the various calculations of duties, forfeitures, interest, &c., were revised and readjusted by Messrs. Farwell and French, resulting in a conclusion to accept the $100,000 offer, Mr. Goodrich reluctantly acquiescing. Mr. Farwell left to communicate on the subject with Mr. Jordan in New York. The Solicitor consented to recommend to the Secretary of the Treasury the acceptance of the $100,000. Mr. Goodrich withdrew his assent, but, on being again visited by Mr. Farwell, yielded his scruples, and on the 6th of May, Mr. Jordan made his recommendatory report to the Secretary of the Treasury.

On the same day, as he testifies, the Solicitor telegraphed to Boston, the approval of the Secretary. On the same day, also, Mr. Farwell telegraphs Mr. Jordan, "Please make authority for settlement, full and conclusive, and let me hear from you by telegraph as early as possible." The 7th was the Sabbath. The 8th, Mr. Farwell telegraphs Mr. Jordan; "Williams' matter settled; money paid; Mr. Tuck leaves for Washington to-night or two-morrow morning."

One-half of the $100,000 paid in greenbacks, went into the United States Treasury; of the remaining moiety, Mr. Farwell, as "informer," claimed half; the remainder, being one-fourth of the original sum of $100,000 was equally divided between Mr. Goodrich, Mr. Tuck, and Mr. Phelps.

In this settlement it cannot escape notice, that with five Government officials, charged with the taking care of the interests of the Government, the Treasury did not get at a gold valuation, one-third of the duties which it was alleged the Williams' firm had from time to time fraudently withheld.

The law prohibiting an officer of the customs from being an informer in the Williams' Sherry case, Mr. Farwell did not claim; but he was paid by the Custom-house officials, $1,000 in consideration of services rendered by him in that case.

April 17, 1865, the same officials agreed, in writing, to give him 10 per cent. of the amount received by them for forfeitures, &c., in the Champagne cases. On the 5th of May, on Mr. Farwell's return from his interview with Mr. Jordan in New York, he gave Collector Goodrich written notice that he should claim, as informer in the Champagne cases, that he should not retain his whole share, but should give the Custom-house officers something for what they lost by his interposing such claim. Accordingly on receiving his $25,000 share he paid to Messrs. Goodrich and Tuck, each, $4,222; to Mr. Phelps, the Surveyor, and one of the parties to the 10 per cent. agreement, he gave nothing. If, as Mr. Farwell alleges in his testimony, these respective sums were given in consideration or consequences of the abandonment of that written agreement, most indubitably, in all fairness and equity, the Surveyor, Mr. Phelps, should have been considered and remembered by Mr. Farwell. Whatever may have been the motive or the inducement moving Mr. Farwell to make these gratuities to these gentlemen, under the circumstances, notwithstanding the protestations and disclaimers of parties concerned, the Committee are constrained to say, had the purpose and the object of Mr. Farwell been avowedly indefensible or reprehensible, the surroundings and accompaniments would need no modification or enlargement.

Even if these gratuities were not made in satisfaction of, or expectation of a special *quid pro quo*, rendered, or to be rendered by these officers, still the principle involved in making presents to, or receiving the same by men in office, must be demoralizing. Especially must this be true, when official favors are thus allowed to be recognized or provided for.

The Solicitor of the Treasury having, as appears in testimony, given his professional and official opinion that Mr. Farwell had a legal right to claim the "informer's share" in the Williams' case, the Committee do not propose to try the conclusions on this point, but are content to express their united and unhesitating conviction of the grave impropriety of the interposition of such claim in the Williams' case, and in all similar cases dependent upon proof obtained by Mr. Farwell while abroad at the expense and in the paid service of the Government.

Not to dwell on this view of the transaction; had Messrs. Goodrich and Tuck continued on in office, they knew Farwell knew more and similar seizure cases—within the same purview of facts and principles would arise for their consideration and concurrent disposition. In the constituted nature of things and men, it would have been impossible such kindness on the part of Mr. Farwell should not, it may be unconsciously, have biased judgment and consequent action.

The practice of giving and receiving gifts is sometimes palliated upon the pretence of inadequate salalaries. This instance admits of no such plea. In the first place their salaries were amply secured. In the second place, these officials had each just received in the sherry cases $4,204, in the champagne $100,000 case, $8,333.

With some modification and qualification the same remarks seem applicable to the Solicitor's pecuniary intervention in this case. It is admitted, and it is proven by Mr. Farwell [that $4,000 of the Williams' compromise money through Mr. Farwell went into the hands of Mr. Jordan. Early in the investigation the Committee invited Mr. Jordan to come before them, and allowed him the fullest latitude of explanation. This testimony contains his own views and version of the untoward transaction. Mr. Farwell, too, when under examination, had in this particular, the amplest verge and space allowed to him to explain his purpose, his object and his motive, in giving Mr. Jordan the $4,000. It seems, from these statements, that on the cars, forty or fifty miles out of Boston, when, by direction of the Secretary, Mr. Jordan was on his way to Boston to investigate and report upon the Williams' case, he was met by Mr. Farwell, and, in the course of the ensuing conversation, informed by him that he intended to show him (Jordan) before the acquaintantance ended, that he recollected Mr. Jordan's friendship, and that he would lose nothing by it, &c.

The subject was renewed that same evening in Boston in the presence of Mr. Tuck, with the superadded intimation that Mr. Jordan "had acted very disinterestedly in regard to the entire matter, and that all that resulted to any one of them came originally through his action;" and Mr. Farwell thought "it would be no more than decent to make Mr. Jordan some sort of acknowledgment." In all this Mr. Tuck concurred, as did Mr. Goodrich, when the matter was next morning suggested to him.

Mr. Tuck "thought that five per cent. of what came to them was as little as they could decently offer Mr. Jordan." The Committee forbear all comments on these preliminary consultations and arrangements.

Perhaps, it should be noted in this connection that when Mr. Farwell left Boston, after a renewal of the compromise endeavor to see and consult with Mr. Jordan respecting its acceptance, he bore a note addressed to Mr. Jordan by Mr. Tuck dated May 3, 1865, urging prompt acceptance of Messrs. Williams' $100,000 offer," and closing with this paragraph: "Mr. Farwell will state to you some considerations not entered into while you were here." What these "considerations" were, Mr. Tuck did not remember when testifying before the Committee.

He could hardly have thus alluded to the discovery of the non-repeal of a statute of limitations, whereby the supposed liabilities of the Messrs. Williams' were greatly lessened, as the knowledge of that non-repeal he testified, had been known in Boston two weeks previous.

On the 8th of May, Mr. Farwell telegraphed Mr. Jordan that the Williams matter was settled, money paid, and Mr. Tuck would leave that night, or the following morning for Washington. Mr. Tuck carried in a check, the $4,000 to Mr. Jordan. It does not appear that Mr. Jordan knew Mr. Tuck was the bearer of the $4,000; neither did any official or public necessity transpire before the Committee, calling for the telegraphic announcement in such connection, that Mr. Tuck was about leaving for Washington. Mr. Tuck himself testifies that his business in Washington was to obtain for himself leave of absence.

On a review of the testimony and of the statements made touching this branch of the investigation, the Committee are not prepared to say Mr. Jordan's conclusions and recommendations in the Williams' case would have been at all different, had he received, or expected to receive, nothing from Mr. Farwell, or any one else "in these premises;" but they do say and insist, that the example thereby exhibited is a dangerous one, and the precedent, if it shall go unchecked and unrebuked, will demoralize, if not debauch the whole public service of the country.

Very soon after the settlement of the Williams' case rumors spread that they had been compelled to pay more money than had been accounted for to the

Government. On hearing such report the Secretary of the Treasury immediately directed United States District-Attorney Dana to investigate the matter. Mr. Dana soon ascertained that the Messrs. Williams' had paid Mr. Way, the medium through whom the sherry and champagne compromises had been settled, at different times, while those cases were being adjusted and liquidated, different sums of money, amounting in all to $31,200 more than was accounted for to the Government.

The Committee frankly admit that, in the absence of Mr. Way in Europe, they have been unable to trace with certainty what use or distribution Mr. Way made of this money. Positive proof, perhaps, was not to be expected, as men usually call no witness to such transactions. Mr. Way's contemporaneous declarations when asking and receiving the money, of the use he purposed and had made of it, must be taken for what they are worth. Such as they are, they are in abundant proof.

When receiving $25,224, wherewith to settle the sherry-wine case, he asked for $4,000, "for Mr. Tuck and Mr. French." He received the two amounts. It is in proof that he paid over the $25,224; it is not in proof that either Mr. Tuck or Mr. French received the $4,000, or any part thereof.

Pending the negotiations of the champaign cases, it is in proof that Mr. Way suggested to Messrs. Williams' they had better have a friend than an enemy in Mr. Farwell, and asked for $10,000 to give Mr. Farwell, and $2,000 for other purposes not indicated by him. On the 2d of May, 1865, Messrs. Williams' gave Way $7,000. As appears in the Williams' testimony, Mr. Way distinctly stated afterwards that he paid Mr. Farwell $5,000 of it, and that Mr. Farwell was very grateful for it. Subsequently he gave, he said, $1,000 to the Custom-house officers, and $1,000 to Mr. French, remarking he wished to make up French's amount up to $1,200. To enable him to do it, Messrs. Williams' gave Way the additional $200. After the settlement, he stated of the $20,000 he gave $5,000 to Mr. Farwell, and "he supposed Mr. Jordan got $14,000."

The different persons thus indicated by Mr. Way as recipients, under oath, severally and solemnly deny these allegations.

Some months after, when on the eve of sailing for Europe, Mr. Way himself, very much qualified, varied and contradicted these, his previous averments; but never it would appear to any of the Williams' firm.

While representations were made to the Committee far from flattering to Mr. Way, it is scarcely creditable to his pecuniary standing and shrewedness to believe that under false representations and pretenses he obtained and retained for his own use these various sums of money, liable as he would be every day to exposure, if some of the Williams' firm chanced to accost on the subject Mr. Farwell—whom they saw every day—or the Custom-house officers, with whom there was at that time almost hourly contact.

The vague allusion to Mr. Jordan, by Mr. Way, in this connection, requires no consideration. Perhaps, it is due to Mr. Jordan to call attention to the facts, that they were comparative strangers, and that Mr. Jordan seems to have entertained a dislike and a distrust of Mr. Way.

It is idle to speculate further. Mr. Way alone can clear up the whereabouts of the $31,200. Those, however, who assume to know him best, do not believe he pocketed all that money.

Before entirely dismissing from consideration the Williams' case, perhaps an expression may be permitted, if not expected, upon the principles and the equities involved therein.

The Committee are clearly of opinion that the Roederer wines were entered by Messrs. Williams' at the Boston Custom-house for a series of years at a very low valuation. They are also of opinion that all the circumstances constituting that valuation, qualities and prices of these wines, so far as could be known by the inspection of the books, invoices, letters, &c., of the importers, were well known all the while at the Custom-house, or should have been by the repeated examinations and inquiries to which they were subjected, and discussions had by the parties and the Custom-house officials. Information and inquiry, however often sought, seems never to have been withheld. No positive, corrupt concealment was proven, alleged or made apparent against the Messrs. Williams'; on the contrary, their willingness, before and after seizure, to "open" all their transactions with Roederer, their long, unblemished reputation, wealth, &c., certainly render it doubtful whether they could have contemplated and planned for a series of years, the perpetration of a conscious fraud upon the Government. If the champagne wines were entered in strictness of law at too low a valuation, when that valuation was known and acquiesced in at the Custom-house, is it surprising the parties themselves should regard the valuation as the correct one to be made?

It must also be borne in mind that these champagne wines were, by the contract with Roederer, purchased at the port of delivery, the price subject to a variety of uncertain charges not pertaining to their foreign value, and hence the foreign valuation for assessment of home duties could only be fixed by approximation. Hence the necessity of resorting to the *facture simile*, or assumed invoice, in contradistinction to the true one, corrected by the deduction of these charges.

If there were gross frauds in these entries, it may well be asked why have doubts been expressed by the law officers of the Government whether by suit, anything could have been collected of the Messrs. Williams'?

It may, however, well and properly be asked of those who hold that in law, the position of the firm was unassailable, why the anxiety to settle, evinced by the payment of so large sums of money?

The testimony of Moses B. Williams, and of Mr. Cory, give very plausible and natural reasons—summed up in a sentence, the nervous apprehension of an aged father, and the utter ruin of business, if not of fortune, by a protracted contest with the Government.

In any view of the case, under the circumstances, was it not due that these importing houses should have been notified that such valuations would no longer be accepted at the Custom-house without incurring the risk of seizure and forfeiture? This course, while it might have lessened the divisible interests of the informer and the Custom-house officials, would have relieved them from the suspicion of a "snap-judgment proceeding," and established and vindicated the perfect fairness and justice of the Government in the premises. It surely ought not to be the policy or the purpose, as it can never be the interest of the Government to harrass the legitimate business of the merchant, or obstruct oppressively the trade of the country by annoying and unnecessary seizures and confiscations. The toleration of a system that indirectly permits such practices would soon paralyze the domestic enterprise, and subvert the foreign commerce of any country.

The Committee will take an early opportunity in reporting some evidence before them on this important subject, to express more at large their views. Meanwhile, they cannot forbear now saying, in the briefest manner, it is their strong belief, that the act of 1863, entitled, "An Act for the Detection and Prevention of Frauds upon the Revenue, and for the more speedy and certain collection of Government Claims," in spirit and much more in administration, is of doubtful constitutionality; if sometimes a convenient, and, as our revenue system is now constituted and administered, a necessary instrument in the detection and punishment of frauds, it is liable to be perverted, and not unfrequently has been, into an effective engine of extortion and monstrous wrong.

The Commi'tee had purposed to direct attention to some other features in Mr. Goodrich's administration of the Boston Custom-house, which they deemed objectionable; but as his connection therewith has been severed, he is no longer directly responsible for some of the "laws and customs delays" and other abuses still existing there.

Selecting and subjoining herewith the most important and relevent testimony taken touching "the enforcement of the Revenue Laws at the Custom-house in Boston, and the adjustment of claims for the violation thereof, and the frauds alleged to have been thereat committed upon the United States, and the parties involved in said alleged violations," the Committee take leave of this branch of the subject matter committed to them, reserving for another occasion a report on the condition of the New York Custom-house in these respects, and the questionable connection of Willard B. Farwell and Montgomery Gibbs with the general revenue service of the United States, at home and abroad.

NOTICE TO ASSESSORS, COLLECTORS AND ASSISTANT ASSESSORS.

THE copies of this paper furnished to assessors, collectors and assistant assessors by order of the Government, are delivered weekly to Mr. JAMES MCKEEN, Revenue Stamp Agent, at 53 Prince Street, New York City. The copies for collectors are mailed directly to them. Those for assessors and assistant assessors in each district are mailed in a bundle addressed to the assessor, who retains one copy for his office, and delivers or mails one copy to each of his assistants. These papers belong to the Government; are its property; and are to be carefully preserved by Revenue officers for reference, and handed over, with their other official records and assessment books, to those who succeed them in office. For this, each and every one will be held personally responsible.

The RECORD is furnished pursuant to authority of Act of Congress, with the view of securing greater uniformity in assessments, and to aid in preventing frauds upon the Revenue, by communicating from the Department to its many subordinate officers regularly every week, official decisions, regulations, and information for their guidance in the discharge of their important duties.

If any assistant assessor should, therefore, fail to receive his copy for any week, he ought forthwith to apprize his assessor of the fact. Assessors will please at once notify Mr. McKeen, 53 Prince street, New York City, or this office, of their failure at any time to receive the requisite number of copies for their districts.

We invite notes and queries by and from Revenue officers relating to practice, assessments, collections and kindred subjects, for publication, and to foster an interchange between them of thought and opinions.

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NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS, *Commissioner.*

P. VR VAN WYCK, Esq..
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

VAN WYCK'S QUARTERLY ABSTRACT.

PROSPECTUS.

IN order to meet the large and increasing demand of business men and lawyers for authoritative information on revenue questions, in a compact and convenient form for reference, the undersigned will publish in pamphlet form, under the above heading, the rulings of the Office of Internal Revenue, officially promulgated under the tax laws in force from September 1, 1866, to March 1, 1867; appropriately classified and accompanied by a copious alphabetical and analytical index.

The greater portion of these rulings will be applicable under the new Amendatory bill, and even those which the provisions of the new bill may supercede, will not lose their value in determining issues that have arisen under existing laws.

The dissemination among tax-payers of a knowledge of the decisions of the Commissioner of Internal Revenue, is of paramount importance in establishing uniformity of assessments. Books on this subject heretofore published have been so costly as to keep them out of the hands of the multitude. VAN WYCK'S QUARTERLY ABSTRACT will therefore be issued at a price that will place it in the hands of every one, and which little more than covers the actual cost of paper and printing. Published March 1, 1867; Decisions from September 1, 1866, to March 1, 1867.

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P. VR. VAN WYCK, EDITOR,
95 Liberty Street, N. Y.

ASSESSORS' CLERKS.

SECRETARY MCCULLOCH states, for the information of Congress, that clerks of assessors of internal revenue are appointed by the assessors. Neither law nor regulations require them to take the oath of office, because, as the law at present stands, they are not in the public service of the United States, through the agency of the assessor, but are in the private personal service of the assessor as a principal who employs them. The salaries of such clerks are neither fixed by law nor are they regulated by any officer of the Treasury, except by the assessor by whom they are employed. The only control exercised over the clerk hire by the Treasury Department is to prescribe a necessary and reasonable amount, which shall not be exceeded in reimbursing the assessors for this item of expense.

No money is advanced by the United States for the payment of such salaries, nor do the assessors perform the duties of disbursing agents of the United States in the payment of such salaries. The entire amount allowed is paid directly to the assessor, which is considered a reimbursement to him of such payments. No salary tax is therefore collected, or required to be accounted for, or paid on account of payments to assessors' clerks, as the United States pays no such clerks, as they are not in its employ or service, and they do not come within any existing laws imposing such a tax. The Secretary concludes by saying: Perhaps no better illustration of the difference between the status of postmasters' clerks and that of assessors' clerks can be given than the following: A postmaster becomes a defaulter without paying his clerks; his successor receives from the Postmaster General a new remittance, and if postmasters' clerks do not receive their salaries, by reason of the death, resignation, or removal of the postmaster, the appointee is authorized to pay the salaries out of the proceeds of the office; whereas, if by any means the clerks of an assessor failed to receive their salaries, they would have no legal claim upon the Treasury for the same.

ASPIRATIONS TO BE RICH.

A youth writes us as follows—and his case is like that of so many others that we treat it thus publicly, suppressing his name:

"DEAR SIR: I am a poor boy. I would like to get rich. Now what shall I do? I would like to quit this section. I don't want to remain on my father's farm. Please give me the best advice you can, and oblige,
Yours, G. G. S."

Answer.—The aspiration to be rich—though by

no means the highest that can impel a career—is, in our view, wholesome and laudable. The youth who says, "Let me be rich *any how*, and before all other considerations," is very likely to bring up in some State Prison; but he who consistently says, "Let me first be just, honest, moral, dilligent, useful; *then* rich," is on the right road. Every boy *ought* to aspire to be rich, provided he can be without unfaithfulness to social obligation or to moral principle.

But how shall he set about getting rich? We would concisely say:

I. *Firmly resolve never to owe a debt.*—It is the fundamental mistake of most boys to suppose that they can get richer faster on money earned by others, than on that earned respectively by themselves. If every youth of 18 to 25 years were to-day offered $10,000 for ten years at seven per cent. interest, two-thirds of them would eagerly accept of it; when the probable consequence is, that three-fourths of them would die bankrupt and paupers. Boys do not need money half so much as they need to know how to earn and save it. The boy who at the close of his first year of independence, has earned and saved $100, and invested or loaned it where it will pay him six or seven per cent., will almost surely become rich if he lives; while he who closes his first year of responsibility in debt, will probably live and die in debt. There is no greater mistake made by our American youth than that of choosing to pay interest rather than receive it. Interest devours us while we sleep; it absorbs our profits and aggravates our losses. Let a young man of twenty-five have $1,000 loaned on bond and mortgage or invested in public securities, and he will rarely want money thereafter: in fact, that $1,000, invested at seven per cent., will of itself make him rich before he is sixty. There is no rule more important or wholesome for our boys than that which teaches them to go through life receiving interest, rather than paying it. Of the torments which afflict this moral sphere, the first rank is held by Crime; the second by Debt.

II. *Acquire promptly and thoroughly some useful calling.*—Some pursuits are more lucrative, some more respectable, some more agreeable than others; but a chimney-sweep's is far better than none at all. No matter how rich his parents may be, a boy should learn a trade; no matter how poor he may be, a boy may learn *some* trade if he will. This city is full to-day of young (and old) men who have been clerks, bookkeepers, porters, &c., &c., yet can find nothing to do, and are starving because their foolish parents did not give them trades. A trade is an estate, and almost always a productive one. A good, efficient farm laborer can generally find paying work if he does not insist in looking for it in a city, where it cannot well be; while many a college graduate famishes because nobody wants the only work he knows how to do. Let nothing prevent your acquiring skill in some branch of productive industry.

III. *Resolve not to be a rover.*—"A rolling stone gathers no moss," but is constantly thumped and knocked, and often shivered to pieces. If you are honest and industrious, you must be constantly making reputation, which, if you remain in one place, helps you along the road to fortune. Even a hod-carrier or street-sweeper who has proved that his promise to appear on a given day and hour and go to work may be trusted, has a property in the confidence thus created. If you cannot find your work where you now are, migrate; but do it once for all. When you have stuck your stake, stand by it!

IV. *Comprehend that there is work almost everywhere for him who can do it.* An Italian named Bianconi settled in Ireland some sixty years ago, and got very rich there by gradually establishing lines of passenger conveyances all over that island. Almost any man would have said that he who went to Ireland to make his fortune must be mad. He who knows how, and will work, can get rich growing potatoes in New England, though he has'nt a five cent stamp to begin with. There is work that will pay for a million more people on the soil of Connecticut alone. There are millions of unproductive acres within a day's ride of this city, that might be bought and rendered largely fruitful at a clear profit of $100 or more per acre. A man in Niles, Mich., declined to go gold-hunting in the Rocky Mountains because there was more gold in Niles than he could get hold of. The reason was a good one, and it applies almost everywhere. If you can find nothing to do where you are, it is generally because you can do nothing.

V. *Realize that he who earns six-pence per day more than he spends, must get rich, while he who spends six-pence per day more than he earns, must become poor.*—This is a very hackneyed truth; but we shall never be done needing its repetition. Hundreds of thousands are not only poor but wretched to-day, simply because they fail to comprehend or will not heed it. We Americans are not only an extravagant but an ostentatious people. We habitually spend too much on our own stomachs and our neighbors' eyes. We are continually in hot-water, not because we cannot live in comfort on our means, but because we persist in spending more than we need or can afford. Our youth squander in extra food and drinks, in frolic and dissipation, which does them harm instead of good, the means which should be the nest-egg of their future competence. When cares and children cluster about them, they grumble at their hard fortune; forgetful that they wasted the years and the means which might and should have saved them from present and future poverty.

All these are very trite and homely truths. All our boys have heard them again and again; but how many have laid them to heart? We assure G. G. S., and every other youth, that each may become rich if he will—that "to be or not to be" rests entirely with himself; and that his very first lesson is to distrust and shun by-paths and short cuts, and keep straight along the broad, obvious, beaten highway.—*N. Y. Tribune.*

TAX ON PATENTED ARTICLES.

On Wednesday of last week, Judge Smalley, of the U. S. Circuit Court, granted an injunction on the application of James Wilcox, proprietor of the Wilcox & Gibbs' Sewing Machines, to restrain Assistant Assessor Alexander, from assessing, and Collector Hoxie, of the 5th district, from collecting a tax on him (plaintiff) as a manufacturer, on the ground that the sewing-machines of which he is proprietor are not manufactured *by* him, but are manufactured *for* him by parties in Providence, R. I., at so much per machine, made the following order:

"This case having been heard on the bill, answers and affidavits on file, and Mr. Chittenden being heard in favor of the motion, and Mr. Courtney, District Attorney, in opposition thereto; in this case it is adjudged by the Court that upon the pleadings and proofs, the complainant is not a manufacturer of the sewing machine and parts thereof, described in the bill of complaint as the Wilcox and Gibbs, or letter G sewing machine, within the meaning of the Acts of Congress providing for the assessment and collection of the Internal Revenue, and that the said defendants, and each of them, their agents and servants, and all persons acting under the Internal Revenue laws of the United States, be restrained and enjoined from collecting, or attempting, or taking any steps to collect of the complainant, the said alleged tax for the month of November, 1866, described in the bill, or any alleged penalty thereon, and from assessing or collecting, or taking any steps or proceedings to collect or assess any alleged tax, rate or duty from the complainant, as a manufacturer of such machines or parts, or upon the sales thereof, as manufactured articles, so long as the said machines shall be made and manufactured as alleged in said bill of complaint, until the further order of the Court in the premises. But this order is not to be operative until complainant files a bond in this Court, with sufficient sureties, in the penal sum of $75,000, with the usual condition of an injunction bond, and the further condition for the payment of all taxes that may be assessed against the complainant as a manufacturer, if this order is reversed or set aside.

"Done in Court, this 19th day of February, 1867.

"D. A. SMALLEY, Judge."

It has been held by the office of Internal Revenue under all of the excise acts and amendments, that a patentee, or holder of the patent right, under which articles should be made by others on a special contract for said patentee or holder, that the patentee and not the maker of the article was bound for the tax. This case involves the validity in law of that ruling, which will probably be determined on a motion to reverse or set aside the above order. If the maker of patented articles can pay tax on the sale of the same to the patentee, the Government will lose the tax on the royalty, which is part of the market value.

GOLD can never represent the twentieth part of the values or transactions of a country, and, therefore, it is absurd to talk of that being a correct standard of value. A uniform currency, such as our legal tenders, which is based on the credit of the Government and the property of the whole nation, is a much better standard. And with that we have the security of knowing that neither the Bank of England nor the capitalists abroad can draw it from us and plunge us into difficulties. Let us emancipate ourselves from the ideas of England on this subject of a national currency, and take a new and independent course, more reasonable and better adapted to our own circumstances. Then we need not fear any serious revulsions or any revulsions except those of a spasmodic character arising from overtrading. We are in a position to make ourselves independent of the ruinous bullionist theories of Europe, and may in time produce a change in the whole system of currency in the civilized world.—*Thompson's Reporter.*

BOUNTIES IN CASE OF PROMOTION.—Under the Act of July 28, 1866, enlisted men who were discharged before expiration of term of enlistment, by reason of promotion, are expressly excluded by the rules of the Secretary of War, to whom the duty was assigned by the law itself of making regulations in regard to the additional bounty therein authorized.

Communications, &c.

CONGRESS *vs.* PEOPLE.

Editor Internal Revenue Record.

I have read in your valuable paper your views and the various opinions of Congressmen and other speakers and writers, as to what Congress should do with the National debt, currency, banking, tariff, internal revenue, &c., &c., to relieve the people and country from the difficulties which threaten their peace and prosperity; but I have as yet failed to see offered the just and practical way to accomplish this great work; and I propose (as one whose humble official duties give an opportunity to learn something of the situation of the people), to say, in as brief a manner as I can, what I think would accomplish the result desired.

First, Congress, to do justice to the people of the loyal States, should assume and add to the National debt, those of towns and States, which were contracted by them, to furnish soldiers to put down the rebellion, and save the national life; this would, in part, relieve the people from the heavy home-tax which is so severely felt.

Second, Congress should, in order to do justice to a large portion of the people, authorize a new loan, large enough to cover the whole national debt. This loan should be in 6 per cent. bonds, principal and interest in coin, and taxable same as other bonds, payable in forty (40) years, and optional with the Government to pay at any time; and as soon as practicable this new loan should be exchanged for old loans. Objections will be made by the old bond holders, but time and management will make the exchange. When this is done, the people will be relieved of the unjust part of this local tax, which is very oppressing, and which is the cause of so much dis-content, by exempting a large amount of the property of the country from taxation, and forcing the other part to pay the whole tax. There will be no peace until this is done.

Third, It is necessary, for the prosperity of the country, that we should have a redeemable currency—this must be brought about sometime—and we shall never have a better opportunity than the present to arrange our currency and banking systems; and if rightly managed, we can have a redeemable currency, and bring gold to par without serious results to any department of business. To bring this result about, let Congress say that on and after July 1st, 1869, the Secretary of the Treasury will redeem the national currency in coin, and require all national banks to resume at the same time. This act would take the starch out of gold and produce speculators, and would cause the national banks to a right about face; and, instead of giving aid to speculators, they would be forced to return to their legitimate banking business. No combination of speculators could be formed to keep gold up, unless aided by the national banks; now it is their special interest to keep gold as high as possible, to make large dividends and accumulate large surplusses. This act will make it rather for their interest to bring down gold to par, which may be done without loss to any one, excepting those holding coin and other products for speculation. Let Congress repeal the act limiting bank circulation; there should be no restrictions as to the number of national banks or amount of currency, if redeemable and secured by U. S. Bonds. Banks cannot keep out any more than the community needs. When it is more, the holders will return it to their local national bank, and by the bank to the bank of redemption. The banks will be a check on each other. This act would at once relieve us of the monopoly at the present time, which gives certain portions of the country the exclusive privilege of supplying the balance with currency, and deprives the latter of their just share of banking privileges.

Banks, rightly managed, are great helpers to the prosperity of the country, and every manufacturing and producing centre need a local bank to transact their money business. This act would at once bring the old State banks and other associations throughout the country to organize under the national bank system, which would soon furnish every business community with banking facilities, and all departments of industry would soon be in motion.

The new loan, authorized so far as needed, would be used as security for the circulating bills of new banks, when organized, and no other bonds should be used. When the bills of any new bank shall be issued by the Secretary of the Treasury, he should retire the same amount of national currency, and within one year from the passage of this act, the Government could retire all but the fractional currency, (and silver would soon do away with that), and Government could retire from the currency business, giving it to the banks, where it naturally belongs. Some advocate the destruction of National Banks, and have the Government issue all the currency. This would be just as sensible as it would be for the Government to shut up all the apothecary shops in the country, and undertake to furnish the whole people with medicine. Some will ask, why retire the currency, which is a debt against the Government, without interest, and substitute bonds, drawing 6 per cent? Answer, because the Government would be more benefitted by increase of the business and prosperity of the country, than it would gain by the saving of interest. Having our currency redeemable and secured by United States bonds, we shall have the best paper currency possible for the Government to make, a currency not subject to panic from bill-holders as long as the credit of the Government is good. Banks may fail, and all the panic that will follow will be found with the depositors and stock-holders. I am a bill-holder, backed up by United States bonds, but you can't make me feel *panicy*, unless you bring Government bonds into discredit, and that must not be done.

Fourth, All will acknowledge that the war debt of the country (say nothing of other debts), is large, and if ever paid, it must be paid by the people. Some say it should not be paid by the present generation; very well, but ought not a part of it to be paid? Is it safe for the country to carry so large a debt without making any provision for its reduction? If necessity should occur to oblige us to put the country on a war footing to suppress internal rebellion, or repel a foreign foe with the present debt, could it be done without injury to the credit of the Government? I think not. Then the debt should be reduced to a reasonable amount as soon as practicable. The people will willingly submit to be taxed to pay interest and reduce public debt, if assessed equally and on all property.

Fifth, To carry out the two principal measures, the reduction of the public debt and arranging the currency, the Government must depend on the tariff and Internal Revenue, as taxes assessed this way are less felt and less objectionable to the people, than any other.

The tariff should be large enough to give good protection to manufacturing and to the producing interests of our country, against foreign climate, capital, machinery and labor, and the duties should be specific. Ad valorem duties are a cheat and a lie to the Government, instead of the money. It makes the importers cheat, and they make the revenue officers cheat. The imports of our country are far above what they are represented to be, and bring the balance of trade against us, and this takes out gold or bonds. The tariff must be arranged so that our exports shall exceed the imports, which will bring gold into the country, instead of taking it out. A sad mistake was made by amending and reducing the receipt from internal revenue. The people did not complain of its hardships, and business would have been just as good without, as with the deduction. Congress seems to fear we may have a little surplus to assist in adjusting (in proper shape) the debt and currency of the country. If the reduction is continued as proposed, they had better insert a clause in the new Bankrupt Bill, allowing the United States to have the privilege of its benefits. Had the Internal tax of 1865 been continued, we should have had a surplus of two hundred millions, and could have relieved the people in seven (7) years. Even now, with the duties properly adjusted, the people will furnish through the Internal Revenue, all that is needed to pay interest on debt, and have a surplus of one hundred millions annually. And in fifteen (15) years the debt can be reduced to fifteen hundred million, when internal taxes may be repealed, except on spirits, tobacco, and other such articles, which may be made to pay all required. And then the majority of us assistant assessors could join the army of producers, and help to increase our wealth. Any other course will make the internal revenue eternal.

These measures will be opposed by capitalists and corporations for their selfish ends, and they wield a mighty power. But Congress should rise above the selfish interests of these great powers, and legislate for the people, from whom cometh the prosperity of the country; when they do this, they will receive the hearty thanks of a grateful people.

I believe these are truths that cannot be got around or over, and Congress must look them square in the face in order to overcome them. Then they can pass the Bankrupt Bill, which may benefit a few insolvent merchants, and accommodate the mercantile community in cities, but it will be a very unpopular measure with the people.

ASSISTANT ASSESSOR,
2d District, N. H.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

[SPECIAL No. 49.]

Concerning Hydrometers, Manuals for Inspectors, &c.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, Feb. 21, 1867.

The special attention of Collectors is directed to the pamphlet "Series 2, No. 11," being a "Manual for Inspectors and Gaugers, containing directions for the use of hydrometers and gauging instruments, and rules and regulations for inspecting and gauging," just issued by this Office.

It will be seen that the Secretary of the Treasury has adopted a new hydrometer and accompanying manual, containing correction tables, &c., and has directed the use of the calipher and head-rod system of gauging, in order to insure a correct and uniform system of inspecting and gauging in the United States.

To introduce this system, the Secretary has appointed as Special Agents of the Treasury, three experienced inspectors and gaugers, Messrs. Geo. W. Guysi, of Cincinnati, Justin H. Olds, of Peoria, and Wm. T. Prime, of Baltimore, who will act under the instructions of the Commissioner in this matter. These gentlemen will immediately commence the visitation of the several districts assigned to them respectively, for the purpose of instructing the general inspectors of spirits and inspectors of coal oil, in the use of the instruments prescribed by the Secretary, and every Collector is expected to facilitate their labors, so far as possible.

The new hydrometers will, at present, be furnished at the expense of the Government, only to *general* inspectors, and to none of that class except such as are actually engaged in the performance of their duties. Each Collector will be charged with the hydrometers sent to him, and he must take a receipt from each inspector to whom a set is delivered, with an agreement to return the same, with the box and cup, to the Collector of the district, in as good condition as when received, whenever he shall cease to act as inspector. Each inspector will be required to supply breakages at his own expense.

In districts wherein there are several distilleries at such distances from each other that they cannot be conveniently visited by a general inspector, and where, from the necessity of the case, the spirits are inspected on coming out of the bonded warehouse by the distillery inspectors, special arrangements will be made with the Collector by correspondence, for supplying them with hydrometers.

With the foregoing exception, distillery inspectors will not be supplied with the new hydrometers at the expense of the Government, but arrangements will be made by which distillers or others can purchase them from the manufacturer after they have been duly tested by a Government officer.

The "Manual for Inspectors," containing correction tables, &c., will be sent to Collectors for general inspectors, and must be treated as public property, and be receipted for by them as in the case of the hydrometers.

If distillery inspectors are continued, as under the present law, they will also be furnished with the "Manual" on the same conditions as general inspectors.

A few copies of this "Manual" will be mailed to each Collector immediately, and additional copies will be sent, when absolutely needed, on receiving requests for the same.

The pamphlet, "Series 2, No. 11," being the "Manual" issued by this office, may be distributed freely, and *must* be put in the hands of every acting Government inspector and gauger.

E. A. ROLLINS,
Commissioner.

Law Reports.

WHAT CONSTITUTES LIEN ON A VESSEL AS TO REPAIRS.—INSOLVENT OWNER.

U. S. DISTRICT COURT, EASTERN DISTRICT OF NEW YORK.

Youngfall vs. the Steamer James Guy.

BENEDICT, J.—This is an action brought to recover of the steamer *James Guy*, the sum of $2,534, being the amount of a bill of repairs put on that vessel in July, 1866. No question is raised as to the performing of the work or the correctness of the amount charged. The sole controversy is whether the facts establish a lien upon the vessel. It appears in evidence that the work in question was ordered by Geo. Olney, in Baltimore, where both Olney and the vessel were at the time. Olney was the owner of the boat, and a resident of the City of Brooklyn, N. Y. The vessel is conceded to have been foreign to the port of Baltimore. The work was commenced on the 17th of July, and soon after it was completed the vessel left Baltimore, and has never since returned. In April following she came to this port having shortly before been transferred by Olney to his son-in-law, who is the claimant in this action, and who, as I understand the evidence, must be held chargeable with a knowledge of the existence of this demand at the time he took the title. The work was necessary for the vessel in her then business. Its character shows this, and the fact that the owner himself, being then present, directed the work, also establishes this. One test of necessity is, whether a prudent owner would sanction the expenditure. (The Alexander, 1 W. Rob., 362.) The work was, moreover-done upon the credit of the vessel and not upon the exclusive personal credit of Olney. Upon this point the testimony of the libelant is positive. He is supported by the circumstances that the work was at the time charged to the boat and not to Olney on the bills. Olney, the owner, knew that it was so charged, for he received without objection, the bills made out against the boat, and two time drafts, which he gave for the amount, contained the words "charge to account of steamer *James Guy.*" Circumstances like these have repeatedly been held sufficient to show an agreement based upon the credit of the vessel. Furthermore, Olney himself, when examined, does not undertake to deny the statement of the libelant that the credit of the vessel was relied on, and nowhere says that the work was contracted solely upon his personal responsibility. It is indeed true, that he says time was stipulated for, and time drafts taken for the amount, but that does not show or tend to show that the responsibility of the vessel was not looked to when the debt was contracted and the credit of the vessel made a part of the agreement. Time is the very foundation and reason of a maritime lien upon a vessel. The maritime law gives the lien in order that the material man may give time, and so the vessel proceed to make voyages and earn freight to pay her bills, (the *Nestor*, 1 Sum., p. 84,) and provision for the credit of the vessel and for delay of payment are not only not inconsistent with each other, but the latter feature tends somewhat to show the existence of the former in the agreement. The evidence here, if it be not sufficient to warrant finding an express hypothecation of the vessel as security, shows very satisfactorily to me that the responsibility of the boat for the bill has a feature in the transaction recognized by both parties at the time of contracting the debt, and this being so, according to the general maritime law as I understand it, a lien was created which a Court of Admiralty is bound to enforce, and such, it is conceded, would have been the law of this case previous to the decision of the Supreme Court in the case of Pratt *vs.* Read, but it is contended that according to the ruling in that case, this libel must be dismissed for the reason that it has not been made to appear that at the time of making the agreement in question, Olney, the ship-owner, was without credit in Baltimore. Now, with the most sincere desire to give to this and all other decisions of the Appellates Court there full force and effect, as the authoritative guides of the Courts below, I find it difficult to consider the case of Pratt *vs.* Reed as deciding more than this: that when the circumstances of the case are such as to raise a presumption that there was no necessity for an implied hypothecation, it then becomes incumbent on the libelant to show a necessity for a credit. But whether such be or be not the true construction to put upon the case of Pratt *vs.* Reed, I am quite confident that no such sweeping construction as is here contended for, should be given to it. The claim now is, that under that decision, no matter how insolvent in point of fact the ship-owner may be, and no matter how devoid of credit he may be in the place of his residence, and no matter what other circumstances attend the contracting of the debt, no implied lien for supplies can ever be held established in the absence of proof that the ship-owner was without personal credit at the time and place of incurring the debt. Now, the opinion itself, delivered in the case of Pratt *vs.* Reed, seems to me to indicate that such could not have been the understanding of the Court; for if such be the law intended to be declared, it is conceded that it is contrary to the whole current of former decisions upon the subject but the opinion contains no intimation of an intention to disturb the adjudged cases. Moreover, the case of the *Alexander*, cited in the opinion in support of the decision, is adverse to such a view of the law, and the facts of the case before the Court called for no such determination. Such a doctrine would have the effect to enable a ship-owner to take advantage of a fraudulent credit, temporarily established in a strange community, to deprive material men of that security which, under the real facts of the case the maritime law, looking to the interests of commerce, and on considerations affecting public policy, has always given and which they supposed they had. And such is the effect sought here. Olney, the owner of this vessel, who contracted the debt in question, was in fact a bankrupt. In the place of his residence he was and had been for years, notoriously insolvent. Over thirty judgments, rendered within the past ten years, stand recorded against him in Brooklyn. He was at the time in question so destitute of money that his hotel bill, due on leaving Baltimore, was left partly unpaid. Any personal credit which he might have been able to acquire in Baltimore, was wholly fictitious, based upon a concealment of his real position, and at once to be dissipated upon a declaration of the truth. Can such a credit, assuming it to have been proved in this case, in justice to the parties or to the community be availed of by him as a defence to an action like this? I cannot think that the general language of some parts of the opinion of the Supreme Court in the case of Pratt *vs.* Reed can, with justice to the Court, be separated from the facts of the case before it and put forth as decisive of this case. My opinion, on the contrary, is that when the libelant here proved

as he did beyond dispute, that Olney, the ship-owner, was in fact bankrupt without money, he sufficiently proved a necessity for the credit of the vessel, and this I believe to be in accordance with the late decision of Judge Shipman in the case of the *Neversink*, and with the decision of Judge Sprague in the case of the *Sea Lark*, (1 Sprague, 571.) The result, then, is that the libelant has a subsisting lien upon this vessel unless it was waived by the taking of two time drafts for the amount—one at sixty and the other at ninety days. Here the burden is upon the claimant to show that the libelant agreed to receive the drafts in lieu of and in place of the original claim. (The *St. Lawrence*, 1 Black, 532.) The drafts were drawn by Olney upon himself, and gave no additional security, and I find no evidence in the case which will warrant the conclusion that the libelant intended by taking them to change the character of the demand from an account against the vessel to an account against Olney personally. Nor do I consider that the fact that one of these drafts had not matured at the commencement of this suit can be available in reducing the amount of the decree. Both drafts are now due and both unpaid, and both are surrendered in Court. All the delay of payment agreed on has been obtained, and both drafts been surrendered. I see no reason why the decree should not be for the whole bill. My determination, therefore, is that under the facts of this case, a lien is established in favor of the libelant for the amount claimed, and while it is a satisfaction to me to feel that not only the law, but the justice of the case requries such determination, it is also satisfactory to know that the amount of the claim is sufficient to enable appeal to be taken to an appelate court, where any error I may have committed can be promptly corrected. Let a decree be entered for the amount of the bill, with interest.

For libelant, Messrs. Emerson and Goodrich; for claimant, Messrs. Beebe, Dean and Donohue.—*N. Y. Times.*

GAMBIA OR TERRA JAPONICA.

UNITED STATES CIRCUIT COURT.

(Before Judge Smalley.)

Gambia is Exempt from Duty under the Tariff Act, 1861.

Henry Hallet and Others, vs. Henry A. Smythe.

This is an action brought to recover a sum of $913 alleged to have been illegally imposed on an importation of gambia made by the plaintiffs on the bark *Fritz and Anton*, May 1866. The importation, gambia, is a designation synonymous with terra japonica in the books. It is a later word than terra japonica, which it appears, however, to have supplanted in commercial phrase, while on the other hand it appears to have been ignored in the tarriff, terra japonica only being referred to. The importation in question under the latter designation is exempt from duty, and therefore the imposition of a tax of ten per cent. ad valorem thereon, which was exacted, was paid by the plaintiffs under protest and an appeal made to the Secretary of the Treasury. The assumed justification for the exaction, and the defence therefore, is based on a decision of the Secretary of the Treasury, set forth in a circular letter dated May, 1864, with regard to the proper rate of duty to be assessed on the article known in commerce as gambia. The circular, which is over the signature of the present Chief Justice Chase, states that the article is nowhere designed in any of the tariff acts by name, but has been included under the general term of terra japonica, a variety of the catechu or cutch. This latter article is liable under the provisions of the fifth section of the Act of July, 1862, to an ad valorem duty of ten per cent., and the act was applied under the circular of Secretary Chase referred to, to the plaintiffs' importation of gambia or terra japonica, and it was against this application of the fifth section of the tariff act, and to recover the amount exacted under its operations the action was brought. Mr. A. R. Culver, counsel for the plaintiff, opened the case, and submitted briefly to the court the law bearing on the issue. The Act of March, 1861, provides that terra japonica, catechu or cutch shall be admitted to entry free of duty. The Act of July, 1862, provides, that cutch, or catechu shall pay a duty of ten per cent. ad valorem, and makes no allusion whatever to the other article, terra japonica, which, therefore, counsel contended, still stands under the act of 1861, free of duty. Mr. Culver examined a number of witnesses, either at present engaged or lately engaged in importing and dealing in the article gambia or terra japonica, and catechu, or cutch, who clearly proved that in commerce gambia, or terra japonica, was known as entirely different and distinct articles of trade from cutch or catechu, though to a considerable extent assimulating in their properties and the uses to which they can be applied. The articles, however, are different in origin, being imported from different countries of the East, and sold in the markets here and in England at about one half the price, gambia being the cheaper article. Mr. Courtney, United States District Attorney, called but one witness for the defence, when Judge Smalley said that if there was nothing but cumulative evidence as to what gambia was, and whether it should come under the designation of cutch or catechu, or under that of terra japonica, taking such testimony would be a waste of time. It was clear from the evidence that gambia and terra japonica were synonymous, and that Congress when exempting terra japonica from duty, meant gambia. The Court ordered the jury to return a verdict for the plaintiff in the full amount claimed. Verdict accordingly.

DUTY ON SEA FREIGHT.

Statute of Limitations in suits brought to recover from the United States duties claimed to have been exacted and paid in error.

UNITED STATES CIRCUIT COURT—SOUTHERN DISTRICT.

Before Judge Smalley.

Septimus Crooke vs. *Hugh Maxwell.*

This action was brought to trial on the 20th of February, inst. No witnesses were called in by the plaintiff, who rested his case upon the following statement of facts, agreed upon between the parties:

This action was commenced April 24, 1863, to recover for an excess of duty paid to the defendant, as Collector, under protest on additions made for sea freight and transhipment charges from Wales to Liverpool and London, and to make market value at the latter ports, on railroad iron imported into New York between January 1851, and May 1853. And it is agreed that the plaintiff is entitled to recover in his said action, unless the Court shall be of opinion that his claim is barred by the statute of limitations. It is agreed that the defendant since said cause of action accrued, and before the commencement of any suit, has been absent from the country in Europe, a year and nine months. It is further agreed that under date of February 1, 1850, the Secretary of the Treasury issued a circular, known as General Regulations No. 63, containing among other things the following instructions, viz:

"Freight or transportation from the foreign port of shipment to the port of importation is not a dutiable charge. In cases, therefore, of goods arriving in the United States after having been first transported from the place of their production or manufacture to another port or place whether in the same or another country, by land or by water, and thence transhiped for the United States—provided satisfactory evidence be adduced to the Collector of the customs at the port where the said goods shall arrive, that they were originally shipped with the *bona fide* intention of having them transported to a port in the United States, as their final port of destination—no dutiable costs or charges will have accrued, either on the transportation from the first to the intermediate port, or while remaining in or leaving the latter, the voyage or transportation being regarded as continuous from the country whence originally exported in good faith, on a declared destination for a port and parties in the United States. In illustration of the rule thus established it may be remarked that, the evidence of final destination being satisfactory, no duties would be chargeable in ports of the United States on the freight or transportation or charges in the intermediate ports, on goods originally from China, or Glasgow, or Cardiff, or Londonderry, to Liverpool; from Malaga to Valparaiso; from Dresden to Bremen; or from Basle to Havre; on the said goods being transhipped for the United States from the several intermediate ports enumerated."

It is further agreed that on the 17th of March, 1856, the plaintiff, by his counsel, filed with the proper officer, under the Collector, at the Custom-House, a statement of his several importations of railroad iron, on which he claimed a return of duty, on sea freight and transhipment charges, for adjustment under the above instructions—a copy of that portion of it, in which the duties were paid to the defendant, being annexed and marked "A." That under date of Oct. 4th, 1856, the Secretary of the Treasury addressed to the Collector of customs a letter, of which the following is a copy:

TREASURY DEPATMENT, Oct. 4, 1856.

SIR: On application being made to you by Messrs. A. Iselin & Co. and others of New York, you are authorized and directed to cause to be prepared the usual certified statements for return of "duty on freight" in such cases where the same has been found to have been paid in excess, as decided by this Department in General Regulations No. 63, page 22, and under written protest, and transmit the same to this Department for its consideration.

Very respectfully, your obedient servant,
(Signed) JAMES GUTHRIE,
Secretary of the Treasury.

H. J. REDFIELD, Esq.,
Collector of Customs, New York.

That the plaintiff's claim was unadjusted when Mr. Redfield retired from the Collectorship, July 1, 1857, and remained so until after Mr. Schell retired, in May, 1861. That under date of May 21, 1858, the Secretary of the Treasury addressed to Mr. Schell a letter, of which the following is a copy:

TREASURY DEPARTMENT, May 21, 1858.

SIR: I would call your attention to the instructions of the Department, dated Oct. 4, 1856, wherein authority is given to prepare and transmit the usual certified statements for return of duty on sea freight, paid under written protest.

As the parties who represent several of the claims have made complaint of the delay attending the preparing of the same in your office, you are requested to have the above instructions complied with at your earliest convenience.

I am respectfully,
HOWELL COBB,
Secretary of the Treasury.

AUGUSTUS SCHELL, *Collector, New York.*

That notwithstanding these instructions to Mr. Redfield and Mr. Schell, they both neglected to adjust the plaintiff's claim, and on the 6th of July, 1860, he commenced a suit in this court for the recovery of the excess paid to defendant on the several importations embraced in the said statement, marked "A," and on the 23rd of April, 1861, a verdict was had for the plaintiff, and, by order of the Court, the case was referred to the Collector for adjustment according to the usual practice at that time, and on the 25th of September,

1862, the Collector made a report to the Clerk of this Court, of which the following is a copy :

U. S. Circuit Court!—Septimus Crooks vs. *Hugh Maxwell.*

CUSTOM-HOUSE, NEW YORK,
COLLECTOR'S OFFICE, Sept. 25th, 1862.

SIR : The verdict in the above entitled cause, as adjusted in this office, with interest to the 24th inst., amounts to the sum of four thousand nine hundred and thirty-four dollars, thirteen cents ($4,934 13).

Respectfully yours,
C. P. CLINCH.
Deputy Collector.

KENNETH G. WHITE, Esq.,
Clerk of the United States Circuit Court, Southern District of New Yo.k.

The plaintiff, relying on the truth of this report, judgment was entered on it September 30, 1862, for $4,934 13 damages, and $54 95 costs, making the total amount $4,989,08, which judgment was paid and satisfied of record Oct. 21, 1862. It is further agreed that neither the plaintiff nor his attorney was consulted or advised with by the Collector, or the person employed by him, in making said adjustment, nor had they any knowledge or suspicion that said adjustment was not correct, or that any items had been omitted, till some time in January 1863, when it was accidentally discovered that a few items had been omitted, the extent of which was not ascertained till some time in April, 1863. This present suit is brought to recover the items so omitted in the adjustment of the verdict taken April 23, 1863.

The pleadings and papers in this suit and also in the suit commenced July 6, 1860, may be used by either party. The affidavits read on the motion to set aside the verdicts in the cases of Massett *vs.* Maxwell, and two other cases argued in this court in February, 1863, may also be read in this case. If the court shall be of opinion upon all the facts, that the plaintiff's claim is not barred by statute, a verdict is to be rendered for him, for the excess paid under protest on such items as were omitted in the adjustment of the former verdict.

E. DELAFIELD SMITH, *Defendant's Attorney.*
ALMON W. GRISWOLD, *Plaintiff's Attorney.*
May 27, 1864.

Pursuant to the agreed statement of facts, the following Treasury decision was put into the case, viz :

TREASURY DEPARTMENT, May 18, 1858.

SIR: In the certified statements of claims of J. Sawyer, S. A. Way and S. L. Wiggins & Co., for return of excess paid on storage, it would appear from a portion of the dates of importation, that they are debarred by the statute of limitations of your State. The Department, therefore, before taking any action upon them, will require further information as to the fact, and also the various dates when the payments of the storage were made. I am respectfully,

(Signed) HOWELL COBB,
Secretary of the Treasury.

A. W. AUSTIN, Esq., *Collector, Boston.*

CUSTOM-HOUSE, BOSTON,
Collector's Office, May 20, 1858.

SIR : I am in receipt of your letter of the 18th inst., requesting information in respect to the claims of James Sawyer, Samuel A. Way, and J. L. Wiggins, for storage exacted in excess, portions of which, from the dates of importation given, appear to be barred by the statute of limitation of this State.

By the Revised Statutes of Massachusetts, chap. 120, sec. 1, "all actions of assumpsit, or upon the case, founded on any contract or liability, expressed or implied, are required to be commenced within six years next after the cause of action shall accrue, and not afterward."

The action of Foster et al *vs.* Peaslee, on the judgment in which this class of claims is allowed, was commenced in the May term of the Circuit Court, 1856. The law was argued at the October term, and decided by the Court against the Collector. At the May term, 1857, judgment was entered, and the decision acquiesced in by the Department under date of June 16, 1857. It has been the practice in claims of this description, where a single case was tried to determine the law, to extend to all the claimants under the decision the advantages in respect to limitation acquired by the party bringing the suit, provided their claims were equally valid in other particulars. Thus, in the cases in question, I deemed it proper to include in the statements all claims which accrued within a period of six years, prior to May, 1856, when the action of Foster was commenced. This rule was adopted to prevent a multiplicity of suits for the same cause, which would otherwise be likely to be brought, and so to save expense to the United States.

Under this rule none of the items embraced in the statements referred to in your letter, are barred. Assuming, however, that claims which accrued six years or more, prior to June 16, 1857, the date of the Department's acquiescence in the decision of the Court, are cut off by this statute, then the item of $3 in the statement in favor of J. Sawyer is not allowable, the same having been paid on the 3d of April, 1851. In the other cases an examination of the dates of payment, as appearing on the records of this office, shows that the several claims were made within the time limited by law, a memorandum of those dates in all instances involving doubt, is inclosed. Very respectfully, your obedient servant,

(Signed) ARTHUR W. AUSTIN, *Collector.*

HON. HOWELL COBB, *Secretary of the Treasury, Washington.*

TREASURY DEPARTMENT, May 27, 1858.

SIR : Your report relative to the claims of James Sawyer and others for return of excess paid on storage is received, and the Department having concurred therein, you are informed that all cases of a similar nature must only include statements * * * subsequent to May, 1850. I am respectfully,

(Signed) HOWELL COBB,
Secretary of the Treasury.

A. W. AUSTIN, Esq., *Collector, Boston.*

The affidavits in the case of Massett *vs.* Maxwell, referred to in the statement of facts, showed among other things, that it was the practice at the New York Custom-house, up to 1861 or 1862, sanctioned by the Secretary of the Treasury, that where a question had been decided by the Courts, and recognized and acquiesced in by the Treasury Department, the presentation to the Collector of a merchant's claim under such decision, entitled him to recover on all items overpaid within six years prior to such presentation.

The testimony for the plaintiff being here closed, defendant's counsel offered in evidence the judgment in the former suit to show that the matter was *res adjudicata.* The Judge said that by the agreement of facts the pleadings and papers in that suit might be referred to, if there was anything in them bearing on the question of the statute of limitations, but the defence of *res adjudicata* had not been pleaded in the case, and he should exclude the evidence as offered.

No further testimony was offered, and the question of the statute of limitations was argued by counsel.

The plaintiff's counsel argued (1) that the Secretary of the Treasury having made the decision in the Boston cases, the defendant should be estopped from setting up the statute.

He urged that under the New York Code, section 110, a new promise made "by the party to be charged," took the case out of the statute, and that the directions of the Secretary of the Treasury to the Collectors, which are binding in law, amounted to such a new promise ; that he was "the party to be charged," because by the Act of March 3, 1863, section 12, the Collector was discharged from liability on any judgment recovered in such actions as these, and the judgments were ordered to be paid out of the Treasury of the United States.

The defendant's counsel answered, that the defendant, Maxwell, was the party to be charged, and there was no pretence that there was any new promise made by him.

The argument being closed, the Judge disposed of the case as follows :

SMALLEY J.—No fact arises in this case, and the question which presents itself is one entirely of law. From the large amount involved, and from the precedent that may be established when it is finally determined, it is one of great importance. It is very clear that the equity of the case is with the plaintiff, for the agreed case which has been presented to the Court shows, beyond a doubt, that he is entitled to recover, unless barred by the statute of limitations. It admits, therefore, that he has paid to the Government, an amount of money, which has been illegally exacted from him, and that in equity he is entitled to recover ; but the Government claims that he is barred from such recovery by the statute of limitations. From the case it appears that he brought suit, and obtained a verdict, and that according to the practice that then existed in this Court, after verdict had been rendered for the plaintiff, the matter was referred to the officials at the Custom-house, for the purpose of enabling them to make up their adjustment of the amount of damages. This was done, and they made up the amount without giving any notice in regard to it to the plaintiff or the plaintiff's counsel. They sent a certificate to the clerk that the amount found to be due to the plaintiff was nearly $5,000 ; judgment was entered in pursuance of that certificate, and the plaintiff was paid that amount. Subsequently it was ascertained that various items had been omitted in that adjustment, for which the plaintiff was undoubtedly entitled to recover, unless barred by the statute of limitations. Now, in such a case as the one now presented to me, if I could see any way consistent with my duty, and with the well-settled principles of law which have been laid down for my guidance, that would enable me to get over this bar by the statute of limitations, I would cheerfully do it, and at once direct a verdict to be rendered in favor of the plaintiff. I confess, however, that I cannot see how this can be accomplished ; I will consider the case further, and should I arrive at a different conclusion, the verdict shall be reversed. It is claimed that various instructions were received from the Treasury Department to Collectors at New York, Boston, and elsewhere, which amount to a new promise in law. From 1863 down to the present time, a judgment against the collector cannot be enforced against him so far as it bound his property, and it can only be satisfied out of the Treasury Department, under the directions of the Secretary of the Treasury. The last promise was in 1858, which is relied upon. At that time Mr. Maxwell had been out of office a number of years. Mr. Guthrie issued the first letter in 1856, and Mr. Cobb issued another in 1858, referring to that of 1856. In 1858 an execution would have been issued against the property of Mr. Maxwell.

Now if is claimed that although the promise, when it was made, was not the promise of the defendant, Maxwell, it did not come within the statute of the New York Code, as far as this question was concerned, and because Congress changed the liability of the Collectors that changes the contract. The Court is in this case asked to give this new promise a construction which the law does not warrant, and by it to remove a bar which it did not remove at the time it was made. Now that bar was removed by that promise in 1858, if it were ever removed. Consequently I can see no other way at the present time, after a careful consideration of this matter, and with a desire to avoid this bar if I can, than to direct a verdict for the defendant, subject to the opinion of the Court.

The defendant, therefore, will take a verdict subject to the opinion of the Court. Should the Court, after further consideration, see any mode by which this bar can be removed, the verdict will be changed in favor of the plaintff, with an order of reference.

Verdict for defendant, subject to the opinion of the Court.

Almon W. Griswold for the plaintiff ; S. G. Courtney, United States District Attorney, for the Government.—*N. Y. Times.*

THE PAY OF OFFICERS' SERVANTS.

The following is a copy of the recent decision of the Court of Claims in the case of Gilmore *vs.* the United States, brought to recover the difference of pay between $11 and $16 per month, claimed to be due from May 1, 1864, to March 3, 1865, on an allowance for wages of his servants, as an officer of the United States army. The cause was determined against the United States. The question at issue involves a large amount of money, estimated at near two millions.

The decision, if it settled the question, would affect about 30,000 officers and their heirs, including all grades. The amount due a major-general is stated to be about $200; a brigadier general, $150, a colonel and all field officers, $100, captains and lieutenants, $50.

When the question first arose, General Halleck, Solicitor Whiting, of the War Department, Ajut. General Townsend and the Secretary of War decided in favor of the allowance, but payments were not made in accordance with their decisions, because of an adverse opinion of the Second Comptroller.

It is understood that the decision is not regarded by the officers of the Treasury Department as settling the question at issue, and it is not, therefore, acquiesced in, notwithstanding the judges were united in opinion in this particular case.

Charles D. Gilmore vs. The United States.

LORING J.—The petitioner claims, that as Colonel in the army, he was entitled to the pay, rations, and clothing of two servants, or money in lieu thereof, that is $32 per month from the 1st day of May, 1864, to the 3d day of May, 1865; that he was paid only at the rate of $22 per month, as the pay of his said servants, and that there remains due to him the sum of $101 for which this suit is brought.

The rate of a servant's pay was fixed in 1812 at the pay of a private soldier, and from that day to this such rate has remained unchanged; but the amount of a servant's pay during that time has varied continually, because the amount of a private soldier's pay has varied with each successive act relating to the subject. By the Act of July 6, 1812, it was $5 per month; by the Act of December, 1812, it was $8 per month; by the Act of 1838 it was $7 per month; by the Act of 1854, it was $11 per month; and by the Act of August, 16, 1861, it was $13 per month; and under this last mentioned act, officers who elected to commute the pay, rations and subsistence of a servant for money, were entitled to and received $13 per month for each servant until the Act of July, 17, 1862, which is the ground of defence in this case.

The first section of the Act of August, 6, 1861, is as follows; "That the pay of the privates in the regular army and volunteers in the service of the United States, shall be $13 per month for three years from on and after the passage of this act, until otherwise fixed by law."

The fourth section of the Act of July 17, 1862, is as follows: "That the first section of the act approved August 6, 1861, &c., shall not be so construed after the passage of this act as to increase the emoluments of the commissioned officers of the army."

Now, the fourth section of the act of 1862, repeals nothing and construes nothing. It repeals nothing, because its operations is by its terms confined to the first section of the act of 1861, and that leaves all preceding acts untouched. It construes nothing, for it leaves the first section of the act of 1861 to operate according to its terms on the only subject to which it relates, the pay of private soldiers, which it makes $13 per month; and the only effect of the fourth section of the act of 1862, is to bar the use of the first section of the act of 1861, as a measure of computing the pay of officers' servants. But when the first section of the act of 1861 was repealed, the bar necessarily ceased, because there was nothing left for it to act upon, for by its express terms it was confined to the first section of the act of 1861, and could not be applied to the act of 1864, which made the pay of private soldies $16 per month.

From that time, as before, the rate of servants' pay was, under the early acts just referred to, that of a private soldier; and as by the act of 1864, the amount of a private soldier's pay was sixteen dollars per month, that was also the amount which an officer was entitled to draw in money for each of his servants.

If this result of the acts cited were doubtful, we think it would be clearly established by the Act of March 3, 1865, which enacts: "That the measure of allowance for pay of an officer's servant, is the pay of a private soldier as fixed by the law at the time." This, necessarily, means at the time the allowance is to be made, and it is, we think, a declaratory statute construing the acts relating to the subject, and fixing imperatively for judicial action, their result as above stated.

The Decision of the Court is, that the demurrer be overruled, and judgment entered for the petitioner for the sum of $101.

CHIPMAN & HOSMER, for Claimant; J. T. WEED, Assistant Solicitor for the Government.

LAWS OF THE UNITED STATES.

[OFFICIAL.]

[*Public Resolution No.* 10.]

A Resolution to Provide, in Certain Cases, for the Removal of Alcohol from Bonded Warehouses free from Internal Tax.

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized to grant permits to curators of incorporated or chartered scientific institutions to withdraw alcohol in specified quantities from bond without payment of the internal revenue tax on the same, or on the spirits from which the alcohol has been distilled for the sole and exclusive purpose of preserving specimens of anatomy, physiology, or of natural history belonging to said institutions: *Provided,* That the said curators, on applying for such permit, shall file a bond for double the amount of the tax on the alcool to be withdrawn, with two good and sufficient sureties, who shall not be officers of the institution making application; said bond and sureties to be approved by the Commissioner of Internal Revenue; and conditioned that the whole quantity of alcohol so withdrawn from bond shall be used for the purpose above specified and for no other, and that the curators shall comply with such other requirements and regulations as the Secretary of the Treasury may prescribe. And if any alcohol so obtained shall be used by any curator or other officer of said institution for any purpose other than that above specified, then the said curators, officers, or sureties, shall pay the tax on the whole amount of alcohol withdrawn from bond, together with a like amount as a penalty in addition thereto.

Approved, February 18, 1867.

[*Public No.* 25.]

An Act Supplementary to an Act to Prevent Smuggling and for other Purposes, Approved July eighteen, eighteen hundred and sixty-six.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress Assembled, That the provisions of the Act of Congress approved July eighteen, eighteen hundred and sixty-six, entitled "An act to prevent smuggling and for other purposes," shall be so construed as not to affect any right of suit or prosecution which may have accrued under any prior acts of Congress repealed or supplied by said act, previous to July eighteen, eighteen hundred and sixty-six; and all such suits or prosecutions as have been, or shall be, commenced under such prior acts, for acts committed previous to July eighteen, eighteen hundred and sixty-six, shall be tried and disposed of, and judgment or decree executed as if said act of July eighteen, eighteen hundred and sixty-six, had not been passed, anything therein contained to the contrary notwithstanding.

SEC. 2. *And be it further enacted,* That section twenty-six of the act aforesaid be so amended that the Secretary of the Treasury be, and he is hereby, authorized in his discretion to make such regulations as shall enable vessels engaged in the coasting trade between ports and places upon Lake Michigan exclusively, and laden with American productions and free merchandise only, to unlade their cargoes without previously obtaining a permit to unlade.

SEC. 3. *And be it further enacted,* That section twenty-five of said act be hereby amended by inserting the word "March" in the place of "July" in said section.

Approved, February 18, 1867.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 10. NEW YORK, MARCH 7, 1867. WHOLE NUMBER, 114.

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NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS, *Commissioner.*

P. VR VAN WYCK, Esq..
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

REVIEW.

WE yield space to the New Amendatory Tax Law approved March 2d, 1867, which is published entire from the official copy.

Instructions and rulings concerning the assessment of the annual taxes are announced to be issued in a few days. These will, of course, give specific directions respecting assessments on account of special tax, and generally of the annual taxes which the act provides shall forthwith be made.

Scetion 11 enumerates the articles and manufactures exempted from tax from and after March 1, 1867. The act is in force from the date of approval, March 2, 1867.

Instructions to Assessors and Collectors concerning distilleries under the new law have already been promulgated, and demand immediate action on the part of those officers.

Several rulings possessing interest to National Banks are published in the official columns, to which the attention of Assistant Assessors are particularly directed.

THE features of the New Amendatory Act are the addition of a large and varied number of manufactures and productions to the free list: the changing of the tax year to begin, with the annual assessment in March instead of May; the equalization of income tax by raising the exemption from $600 to $1000, and making the tax on incomes over that amount uniform at the rate of five per centum; and lastly, increased stringency in the provisions of the law relating to the assessment and collection of tax on distilled spirits.

We shall be fortunate if reduced revenues do not compel the re-imposition of tax on many of the articles exempted.

The change in the time of assessing incomes will bring to the Treasury about 30 millions of revenue to swell the diminishing receipts for the current fiscal year. The official estimates will probably, therefore, not be far below the mark.

WE call attention to the liberal offers made to agents for obtaining subscriptions for the RECORD. A fine opportunity is now presented, as the RECORD will contain all the rulings and decisions under the new law.

WE would call the attention of the readers of the RECORD to the advertisement of Assessor Emerson' Internal Revenue Guide, on page 79.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ All rulings and decisions published under this heading are OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

[Special No. 50.]

To Assessors and Collectors Concerning Distilleries.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, March 4, 1867.

Section 17 of the Act of Congress approved March 2, 1867, provides "that hereafter all distilled spirits, before being removed from the distillery, shall be inspected and gauged by a general inspector of spirits, who shall mark the barrels or packages in the manner required by law; and so much of the Act approved July 13, 1866, as requires the appointment of an inspector for each distillery established according to law is hereby repealed: *Provided*, That such other duties as have heretofore been imposed upon inspectors of distilleries may be performed by such other duly appointed officers as may be designated by the Commissioner of Internal Revenue."

Section 18 of the same Act provides "that whenever, in the judgment of the Collector, there shall be a general bonded warehouse so located as to be conveniently accessible to a distillery, and in the same collection district, the said Collector shall direct all spirits which may be stored in the bonded warehouse attached to such distillery to be transferred directly to a general bonded warehouse; and all spirits thereafter produced in such distillery shall be removed to a general bonded warehouse within the time and in the manner heretofore required for removal to the bonded warehouse attached to the distillery."

Under these provisions, Collectors will forthwith require the distillery inspector to deliver up their "Inspector's Records," brands, and the keys of the cistern rooms and distillery bonded warehouses. Wherever a general bonded warehouse may be conveniently accessible to a distillery, the Collector will at once direct the transfer of all spirits stored in the distillery bonded warehouse to such general bonded warehouse, under the supervision of an officer to be detailed by him. Transportation bonds will not be required in such case, but the usual warehouse entries must be made. In this case the keys of the cistern room will be delivered to an Assistant Assessor to be designated by the Assessor of the district.

Where a general bonded warehouse is not conveniently accessible, the use of the distillers' bonded warehouse will be continued, and the Collector will at once appoint a proper person as storekeeper to have charge of the same, who will also hold the keys of the cistern room, as well as of the warehouse. The duties and compensation of storekeepers are prescribed in Series 2, No. 9. As the law now requires all spirits, before being removed from the distillery to the bonded warehouse, to be inspected and marked by a general inspector, Collectors must immediately take measures, when necessary, to have general inspectors appointed within convenient distances to distilleries.

Assessors will immediately designate a sufficient number of Assistant Assessors for the efficient supervision of all the distilleries in their respective districts. And it shall be the duty of such Assistant Assessors to visit the distilleries assigned to them daily, if possible, and especially to ascertain the capacity of each distillery and take such measures as will enable them to determine the daily production of each.

Whatever officer has the custody of the keys of the cistern-rooms, must be present whenever spirits are drawn off from the cisterns, and, after being inspected and marked by the general inspector, must superintend their removal to the bonded warehouse. The general inspector must make return of the spirits so inspected both to the Collector and Assessor on the day of inspection.

E. A. ROLLINS,
Commissioner.

[Special No. 51.]

Concerning the Annual Assessment of 1867.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, March 5, 1867.

The Act approved March 2, 1867, amending existing laws relating to Internal Revenue, requires the assessment of annual taxes, hertofore made in the month of May, to be made on the corresponding days in the month of March.

The principal changes in the law respecting the income tax are those increasing the exemption from $600 to $1,000, and the repeal of the tax of 10 per cent. on sums above $5,000; so that the law now imposes a uniform tax of 5 per cent. on incomes in excess of $1,000. Profits on sales of real estate, purchased since December 31, 1863, are made taxable as income.

Attention is also called to that portion of the Act of July 13, 1866, which repealed the tax on musical instruments, yachts, and certain carriages, heretofore taxed in Schedule A.

Instructions and rulings concerning the assessment of the annual taxes will be issued in a few days. Where the present number of Assistant Assessors is insufficient for the proper assessment of the annual taxes, an additional number will be appointed upon the request of Assessors. Care should be taken to specify the divisions for which they are needed.

It will be some days before a supply of income blanks can be printed, and in the meanwhile Assessors who have any of the Forms, No. 24, prepared for use last year, can adapt them for present service. Form 24½ can be used with the alteration of dates only. A limited number of last year's blanks can be furnished from this office to those Assessors who desire to use them while waiting for the preparation of the new blanks.

E. A. ROLLINS,
Commissioner.

STAMP DUTIES.

Manifests—Clearance of Vessels in Ballast.

A stamp tax is imposed upon every "manifest for custom-house entry or clearance of the *cargo* of any ship, vessel, or steamer for a foreign port." The amount of this tax in each case, depends upon the registered tonnage of the vessel.

If a vessel clears in ballast and has no cargo whatever, no stamp is necessary; but if she has any—however small the amount—a stamp should be used.

Instruments executed prior to October 1st 1862.

No stamp is necessary upon an instrument executed prior to October 1st, 1862, to make it admissible in evidence, or to entitle it to record.

Receipts on Pay-Rolls.

When several persons, such as the employees of a manufacturing company, sign a pay-roll, a two cent stamp should be affixed for the signature of each and every one who receipts for a sum exceeding twenty dollars, one or more stamps should be affixed thereto, "representing the whole amount of the stamp required for such signatures."

MISCELLANEOUS.

Gains of a Bank and Deductions of Losses.

In determining the amount of the taxable gains of a bank, only such losses as have been ascertained and settled during the period covered by the return should be deducted.

The business of each six months should stand by itself; a loss that is first ascertained in July, should not be deducted from the earnings of the six months next preceding July 1st.

Dividends declared in Coin.

When a bank declares a dividend in coined money, it should be reduced to its value in legal tender currency at the time when, and the place where, the dividend is declared payable, and the tax should be assessed upon the currency value thus ascertained.

Bank Capital Invested in Real Estate.

The particular manner in which the capital of a bank is invested, does not affect the taxation of the same. Banking capital invested in real estate or otherwise, should be inserted in the monthly returns of capital, and a tax should be paid thereon.

Determining Net Profits of National Banks.

In determining the net profits of a national bank under Sections 120 and 121, the amount of semi-annual tax on the capital, circulation, and deposits paid by the bank during the period covered by the returns of such profits, may be deducted the same as other expenses, but no deduction should be made on account of the tax of five per cent. withheld from dividends or paid upon surplus funds.

Banks Passing State Bank Notes to Brokers.

A National Bank cannot pass the notes of a State Bank into the hands of a broker, without thus becoming liable to the tax of ten per cent. imposed by Section 6 of the Act of March 3rd, 1865, as amended by the Act of July 13th, 1866. The fact that the broker forwards the notes for redemption, does not affect the liability of the bank; the act of passing the notes into the hands of the broker, is paying them out.

Chartered Capital of Banks—Average Deposits—How Determined.

The monthly tax of one-twenty-fourth of one per cent. should be returned, and paid upon the chartered capital of a bank, and also upon the average amount of deposits held during the month. To ascertain the average amount of deposits, the amount of daily balances during the month should be divided by the number of business days in the month.

Premiums Paid by National Banks on Purchase of U. S. Bonds, cannot be deducted as a loss from Gross Earnings.

The amount paid by National Banks as premium upon United States Bonds purchased by them, cannot be deducted as a loss from the gross earnings; it is a part of the investment, and should be so treated in ascertaining the sum liable to tax.

AN ACT

To amend existing laws relating to internal revenue, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That all acts in relation to the assessment, return, collection, and payment of the income tax, and other annual taxes now by law required to be performed in the month of May, shall hereafter be performed on the corresponding days in the month of March in each year; all acts required to be performed in the month of June, in relation to the collection, return, and payment of said taxes, shall hereafter be performed on the corresponding days of the month of April of each year: *Provided*, That on and after the first day of September, eighteen hundred and sixty-seven, a tax of two and one-half cents per pound only shall be levied, collected, and paid on any cotton produced within the United States.

SEC. 2. *And be it further enacted*, That apothecaries, butchers, confectioners, and plumbers and gas-fitters, whose annual sales exceed twenty-five thousand dollars, shall pay, in addition to the special tax now required by law, one dollar for every thousand dollars in excess of said twenty-five thousand dollars; and the taxes on such excess shall be assessed and paid in the manner provided in the case of wholesale dealers.

SEC. 3. *And be it further enacted*, That in all suits or proceedings arising under the internal revenue laws, to which the United States is a party, and in all suits or proceedings against a collector or other officer of the internal revenue, wherein a district attorney shall appear for the purpose of prosecuting or defending, it shall be the duty of said attorney, instead of reporting to the solicitor of the treasury, immediately at the end of every term of the court in which said suit or proceeding is or shall be instituted, to forward to the Commissioner of Internal Revenue a full and particular statement of the condition of all such suits or proceedings appearing upon the docket of said court: *Provided*, That upon the institution of any such suit or proceeding it shall be the duty of said attorney to report to said commissioner the full particulars relating to such suit or proceeding; and it shall be the duty of the Commissioner of Internal Revenue (with the approval of the Secretary of the Treasury,) to establish such rules and regulations, not inconsistent with law, for the observance of revenue officers, district attorneys and marshals, respecting suits arising under the internal revenue laws, in which the United States is a party, as may be deemed necessary for the just responsibility of those officers and the prompt collection of all revenues and debts due and accruing to the United States under such laws.

SEC. 4. *And be it further enacted*, That the Commissioner of Internal Revenue shall have charge of all real estate which has been or shall be assigned, set off, or conveyed, by purchase or otherwise, to the United States, in payment of debts arising under the laws relating to internal revenue, and of all trusts created for the use of the United States, in payment of such debts due them; and, with the approval of the Secretary of the Treasury, may sell and dispose of, at public vendue, upon not less than twenty days' notice, lands assigned or set off to the United States in payment of such debts, or vested in them by mortgage or other security, for the payment of such debts; and in cases where real estate has already become the property of the United States by conveyance or otherwise, in payment of or as security for a debt arising under the laws relating to internal revenue, and such debt shall have been paid, together with the interest thereon, at the rate of one per centum per month, to the United States, within two years from the date of the acquisition of such real estate, it shall be lawful for the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to release by deed, or otherwise convey, such real estate to the debtor from whom it was taken, or to his heirs or other legal representatives.

SEC. 5. *And be it further enacted*, That if the manufacturer of any article upon which a tax is required to be paid by means of a stamp shall have sold or removed for sale any such articles without the use of the proper stamp, in addition to the penalties now imposed by law for such sale or removal, it shall be the duty of the proper assessor or assistant assessor, within a period of not more than two years after such removal or sale, upon such information as he can obtain, to estimate the amount of the tax which has been omitted to be paid, and to make an assessment therefor, and certify the same to the collector; and the subsequent proceedings for collection shall be in all respects like those for the collection of taxes upon manufactures and productions.

SEC. 6. *And be it further enacted*, That it shall be lawful for the Commissioner of Internal Revenue, whenever he shall deem it expedient, to designate one or more of the assistant assessors in any collection district to make assessments in any part of such collection district for all such taxes as may be due upon any specified objects of taxation, and in such case it shall be the duty of the other assistant assessors of such collection district to report to the assistant assessor thus specially designated all matters which may come to their knowledge relative to any assessments to be made by him: *Provided*, That whenever two or more districts or parts of districts are embraced within one county it may be lawful for such assistant assessor or assessors to make assessment anywhere within such county upon such specified objects of taxation as he may be by said commissioner required: *Provided further*, That such assessment shall be returned to the assessor of the district in which such taxes are payable.

SEC. 7. *And be it further enacted*, That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to pay such sums, not exceeding in the aggregate the amount appropriated therefor, as may in his judgment be deemed necessary for detecting and bringing to trial and punishment persons guilty of violating the internal revenue laws, or conniving at the same in cases where such expenses are not otherwise provided for by law. And for this purpose there is hereby appropriated one hundred thousand dollars, or so much thereof as may be necessary, out of any money in the treasury not otherwise appropriated.

SEC. 8. *And be it further enacted*, That hereafter for any failure to pay any internal revenue tax at the time and in the manner required by law where such failure creates a liability to pay a penalty of ten per centum additional upon the amount of tax so due and unpaid, the person or persons so failing or neglecting to pay said tax, instead of ten per centum as aforesaid, shall pay a penalty of five per centum, together with interest at the rate of one per centum per month upon said tax from the time the same became due, but no interest for any fraction of a month shall be demanded.

SEC. 9. *And be it further enacted*, That 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 subsequently amended, be, and the same is hereby amended as follows, viz.:

That section twenty-two be amended by striking out after the words, "assistant assessor," and before the word "actually," the words "four dollars for every day," and inserting in lieu thereof the words "five dollars for every day;" and, further, by striking out the following words: "And assistant assessors may be allowed, in the settlement of their accounts, such sum as the Commissioner of Internal Revenue shall approve, not exceeding three hundred dollars per annum, for office rent; but no account for such office rent shall be allowed or paid until it shall have been verified in such manner as the Commissioner of Internal Revenue may require, and shall have been audited and approved by the proper officers of the Treasury Department; and assistant assessors, when employed outside of the town in which they reside, in addition to the compensation which they are now allowed by law, shall, during such time so employed, receive one dollar per day." This amendment shall take effect upon compensation for the month of March, eighteeen hundred and sixty-seven, and thereafter.

That section twenty-four be amended by inserting in the proviso to said section, after the word "spirits," wherever it occurs, the words "or other articles."

That section forty be amended by striking out the following words: "That in case a collector shall die, resign, or be removed," and inserting in lieu the following: "That in case of a vacancy occurring in the office of collector by reason of death, or any other cause."

That section seventy-three be amended by striking out all after the enacting clause, and inserting in lieu thereof the following: "That any person who shall exercise or carry on any trade, business, or profession, or do any act hereinafter mentioned, for the exercising, carrying on, or doing of which a special tax is imposed by law, without payment thereof, as in that behalf required, shall, for every such offence, besides being liable to the payment of the tax, be subject to a fine or penalty of not less than ten nor more than five hundred dollars. And if such person shall be a manufacturer of tobacco, snuff, or cigars, or a wholesale or retail dealer in liquor, he shall be further liable to imprisonment for a term not less than sixty days and not exceeding two years.

That section seventy-nine be amended as follows: In paragraph four, by striking out the following words: "In quantities of more than three gallons at one and the same time to the same purchaser, or." In paragraph five, by striking out the following words: "In quantities of three gallons or less." In paragraph thirty-one, by adding thereto the following: "*Provided*, That no special tax shall be required of any person for the manufacture of butter or cheese." In paragraph thirty-two, by inserting after the word "garden" and before the word "who," the words "or travelling on foot and peddling fruits, vegetables, pies, cakes, and confectionery."

That section ninety be amended by inserting after the word "cigars," and before the first proviso in said section, the words "and all proceedings relating to forfeiture and sale of distilled spirits shall apply to tobacco, snuff, and cigars."

That section ninety-four be amended as follows:

By striking out in the paragraph relating to gas, the words "and until the thirtieth day of April, 1867."

[By striking out] the paragraphs relating to "sugar and sugar refiners," and inserting in lieu thereof the words."

"On all sugars produced from the sugar cane, and not from sorghum or imphee, other than those produced by the refiner, a tax of one cent per pound;

"On refined sugars, and on the products of sugar refiners, not including syrup or molasses, a tax of two per centum ad valorem: *Provided*, That every person shall be regarded as a sugar refiner, and pay the taxes required by law, whose business it is to advance the quality and value of sugar by melting and recrystalization, or by liquoring, claying, or other washing process, or by any other chemical or mechanical means, or who shall by boiling or other process, extract sugar from or advance the quality or value of molasses, or melado.

Also, in the paragraph relating to wood screws, by striking out the word "ten" and inserting "five;"

Also by striking out the paragraph relating to "gunpowder," and inserting in lieu thereof the following:

"On gunpowder, canister powder, five cents per pound; sporting powder in kegs, one cent per pound; blasting powder, in kegs or casks, one-half cent per pound."

Also, by striking out all from the words "cigarettes or small cigars," in the first paragraph relating to cigars, down to and including the words "twenty per centum ad valorem on the market value thereof," in the last paragragh relating to cigars, and inserting in lieu thereof the following:

"On cigarettes, cigars, and cheroots of all descriptions, made of tobacco or any substitute therefor, five dollars per thousand."

That section ninety-four be further amended so that in lieu of the taxes now provided by law upon the goods, wares, and merchandise hereinafter mentioned, which shall be produced and sold, or be manufactured or made and sold, or be consumed or used by the manufacturer or producer thereof, or removed for consumption or use, or for delivery to others than agents of the manufacturer or producer within the United State or Territories thereof, there shall be assessed, collected and paid the following taxes, to be paid by the producer or manufacturer thereof, that is to say:

On boots and shoes, made wholly or in part of India rubber, two per centum ad valorem;

On hats, caps, bonnets, and hoods of all descriptions, two per centum ad valorem;

On hoop skirts, two per centum ad valorem;

On leather of all descriptions, and goat, deer, calf, kid, sheep, horse, hog, and dog skins, tanned or partially tanned, curried, finished, or in the rough, two and one half per centum ad valorem.

On manufactures exclusively of glass, other than window glass, three per centum ad valorem.

On manufactures of wool, or of which wool is the chief component material, or the component material of chief value, two and a half per centum ad valorem.

That section ninety-four be amended by adding to the end of said section the following words: "But no tax shall be imposed upon the redyeing or reprinting of cloths or other articles.

That section ninety-six be amended by inserting after the words "and also all goods, wares, and merchandise, and articles," and before the words "made or manufactured from materials," the words "not specially named and taxed, and which are."

That section one hundred and three be amended by striking out the word three where it occurs in the second proviso and inserting the words two and a half, and by striking out the words "until the thirtieth day of April, eighteen hundred and sixty-seven;"

That schedule B, in relation to stamp duties, named in section one hundred and fifty-one, be amended by striking out of said schedule the words "legal documents," and all thereafter, and inserting in lieu thereof the following: "*Provided*, That the stamp duties imposed by the foregoing schedule (B) on manifests, bills of lading, and passage tickets, shall not apply to steamboats or vessels plying between ports of the United States and ports of British North America: *And provided further*, That all affidavits shall be exempt from stamp duty."

Also by inserting at the end of the last paragraph relating to "probate of will," the following words: "*Provided*, That no stamp either for probate of wills, or letters testamentary, or of administration, or on administrator or guardian bond, shall be required when the value of the etates and effects, real and personal, does not exceed one thousand dollars: *Provided further*, That no stamp tax shall be required upon any papers necessary to be used for the collection from the Government of claims by soldiers or their legal representatives of the United States, for pensions, back pay, bounty, or for property lost in the service. The reduction of taxes provided in this section shall take effect on and after March one, eighteen hundred and sixty seven.

SEC. 10. *And be it further enacted*, That the act amendatory to 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, approved July thirteen, eighteen hundred and sixty-six, be amended as follows, viz.:

That section ten be amended by adding after the word "pupils," in the sixth paragraph of said section, the words "but not including distilled spirits, mineral oil, tobacco, snuff, and cigars."

Also, by striking out in the paragraph relating to monuments, after the word "monuments," where it first occurse, the words "of stone."

That section eighteen be amended by adding thereto the following: "*Provided*, That the exemption herein shall not apply to tobacco, snuff, and cigars, manufactured, or spirits distilled, or petroleum refined, either in or for such schools and colleges."

That section nineteen is hereby amended by adding the following thereto: "And no suit for the purpose of restraining the assessment or collection of tax shall be maintained in any court."

That section forty-three be amended by striking out he last two sentences.

Amend section forty-eight of the act relating to internal revenue, approved July thirteen, eighteen hundred and sixty-six, so as to insert in the proviso the word "thirds" after the word halves, and before the word quarters, and also amend it by striking out the words "more than one-quarter and not more than one-half shall be accounted one half," and insert "more than one-quarter and not more than one-third shall be accounted one-third, and more than one-third and less than one-half, shall be accounted one-half:" *Provided*, That fractional parts of barrels containing more than one-quart[er] and not more than one-half shall be accounted one-half, and pay tax as such until June first, eighteen hundred and sixty-seven.

SEC. 11. *And be it further enacted*, That on and after March first, eighteen hundred and sixty-seven, in addition to the articles now exempt by law, the articles and products hereinafter enumerated shall be exempt from internal tax, namely:

Alcoholic and etherial vegetable extracts, when solid and used solely for medicinal purposes;

Bale rope, seines and netting for seines, twine and lines of all kinds;

Bar, rod, hoop, band, sheet, and plate iron of all descriptions, and iron prepared for the manufacture of steel: *Provided*, That the exemption aforesaid shall be confined exclusively to said articles in the state and condition specified in the foregoing enumeration, and shall not be construed as exempting spikes, nails, or any other manufactures of iron from the taxes now imposed by law;

Brush blocks;

Canned and preserved meats, and shell-fish;

Carbolic acid and carbolate of lime, solely used for disinfectants;

Carpet bags and cabas frames;

Canned and preserved vegetables and fruits;

Casks, churns, barrels, wooden brushes and broom handles, tanks, and kitts made of wood, including cooperage of all kinds, bungs and plugs, packing boxes, nest boxes, and match boxes, whether made of wood or other materials; wooden hames, plough beams, split-bottom chairs, and turned materials for the same unmanufactured, and saddle-trees made of wood, and match boxes heretofore made on which a tax has not been paid;

Castings of iron, copper, or brass made for machinery, cars, or scales, and castings made to form a part of any article upon which, in a finished state, a tax is assessed and paid;

Cast-iron hollow ware, and cast-iron hollow ware tinned, enamelled japanned or galvanized;

Clock trimmings namely: Clock work, clock pillars, sash fastenings for clocks, winding keys, verges, and pendulum rods;

Clothing or articles of dress not specially enumerated, made by sewing, for the wear of men, women, and children from cloths or fabrics on which a tax or duty has been paid;

Coffee mills, coffee grinders and roasters, and apple paring machines;

Copper bottoms for articles used for domestic and culinary purposes;

Doors, window-sash, blinds, frames, and sills of whatever material;

Drain, gas, and water-pipe made of wood or cement;

Frames and handles for saws and buck-saws;

Glue and gelatine, of all descriptions in the solid state;

Glue and cement made wholly or in part of glue in the liquid state;

Horse-rakes, horse powers, tedders, hames, scythe snaths, hay-forks, hoes, and portable grinding mills:

Horse-blankets, made from cloth, on which a tax or duty has been paid;

Licorice and licorice paste;

Magnesium lamps;

Manufactures of jute;

Molasses, concentrated molasses or melado, syrup of molasses or sugar cane juice, and cistern bottoms;

Oil, naptha, benzine, benzole or gasoline marking more than seventy degrees Baume's hydrometer, the product of the distillation, or re-distillation, or refining of crude petroleum, or of crude oil produced by a single distillation of coal, shale, peat, asphaltum, or other bituminous substances:

Palm-leaf and straw, bleached, split, prepared, or advanced by being braided or woven, but not made up into hats, bonnets, or hoods;

Potato hooks, pitch-forks, manure and spading forks;

Pottery-ware of all descriptions, including stone, earthen, brown, and yellow earthen, and common or gray-stone ware;

Pumps, garden engines, and hydraulic rams;

Rock and root-diggers, or excavators;

Root beer and other small beer;

Salt;

Soap, common brown, in bars, sold for less than seven cents per pound;

Saws for cotton gins, when used by the maker in the manufacture of gins;

School-room seats and desks, blackboards, and globes of all kinds;

Sleds, wheel-barrows, and hand-carts, and fence made of wood;

Soles and heel-taps made of India-rubber or of India-rubber or other materials;

Shirt fronts or bosoms, wristbands or cuffs for shirts except those made of paper;

Spiral springs used in the manufacture of furniture;

Stove polish or other manufacture exclusively of plumbago, buck-saws, stump machines, potato diggers;

Steel of all descriptions, whether made from muck-bar, blooms, slabs, loops or otherwise;

Scythes,

Straw or binder's board, and binder's cloth, and straw wrapping paper;

Tags for merchandise and direction of cloth, paper

and metal, whether blank or printed; thimble skeins and pipe boxes made of iron;

Tinware for domestic and cullinary purposes:

Ultra-marine blue;

Varnish;

Wagons, carts, and drays made to be used for farming, freighting, or lumber purposes;

Washing, mangling, and clothes-wringing machines, zinc, washboards, spinning and flax-wheels, handlooms, wooden knobs and beehives.

Provided, That the exemptions aforesaid shall, in all cases, be confined exclusively to said articles in the state and condition specified in the foregoing enumeration, and shall not extend to articles in any other form, nor to manufactures from said articles.

SEC. 12. *And be it further enacted*, That there shall be levied, collected, and paid on brandy made from grapes, one dollar per gallon; and if any person shall knowingly manufacture, compound, put up, sell or dispose of, or cause to be manufactured, compounded, put up, sold or disposed of, or aid or assist therein, any fluid as or for or under or with the name of brandy made from grapes which shall not be really such, he shall, on conviction thereof, be punished for each offence by a fine not exceeding one thousand dollars, and by imprisonment not exceeding one year, or both said punishments, in the discretion of the court, and any such simulated or compounded fluid as aforesaid shall be forfeited to the United States.

SEC. 13. *And be it further enacted*, That 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, and as subsequently amended, be further amended as follows, namely:

INCOME.

That section one hundred and sixteen be amended by striking out all after the enacting clause and inserting, in lieu thereof, as follows: That there shall be levied, collected, and paid annually upon the gains, profits, and income of every person residing in the United States, or of any citizen of the United States residing abroad, whether derived from any kind of property, rents, interests, dividends or salaries, or from any profession, trade. employment, or vocation, carried on in the United States or elsewhere, or from any other source whatever, a tax of five per centum on the amount so derived over one thousand dollars, and a like tax shall be levied, collected, and paid annually upon the gains, profits, and income of every business, trade, or profession carried on in the United States by persons residing without the United States, and not citizens thereof. And the tax herein provided for shall be assessed, collected, and paid upon the gains, profits, and income for the year ending the thirty-first day of December next preceding the time for levying, collecting, and paying said tax.

That section one hundred and seventeen be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following: That, in estimating the gains, profits, and income of any person, there shall be included all income derived from interest upon notes, bonds, and other securities of the United States; profits realized within the year from sales of real estate purchased within the year or within two years previous to the year for which income is estimated; interest received or accrued upon old [all] notes, bonds, and mortgages, or other forms of indebtedness bearing interest, whether paid or not, if good and collectable, less the interest which has become due from said person during the year; the amount of all premium on gold and coupons; the amount of sales of live stock, sugar, wool, butter, cheese, pork, beef, mutton, or other meats, hay and grain, or other vegetable or other productions, being the growth or produce of the estate of such person, not including any part thereof consumed directly by the family; all other gains, profits, and income derived from any source whatever, except the rental value of any homestead used or occupied by any person or by his family in his own right or in the right of his wife; and the share of any person of the gains and profits of all companies, whether incorporated or partnership, who would be entitled to the same, if divided, whether divided or otherwise, except the amount of income received from institutions or corporations whose officers, as required by law, withhold a per centum of the dividends made by such institutions, and pay the same to the officer authorized to receive the same; and except that portion of the salary or pay received for services in the civil, military, naval, or other service of the United States, including senators, representatives, and delegates in Congress, from which the tax has been deducted. And in addition to one thousand dollars exempt from income tax, as hereinbefore provided, all national, State, county, and municipal taxes paid within the year shall be deducted from the gains, profits, or income of the person who has actually paid the same, whether such person be owner, tenant, or mortgagor; losses actually sustained during the year arising from fires, shipwreck, or incurred in trade, and debts ascertained to be worthless, but excluding all estimated depreciation of values and losses within the year on sales of real estate purchased two years previous to the year for which income is estimated; the amount actually paid for labor or interest by any person who rents lands or hires labor to cultivate land, or who conducts any other business from which income is actually derived; the amount actually paid by any person for the rent of the house or premises occupied as a residence for himself or his family; the amount paid out for usual or ordinary repairs: *Provided*, That 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: *And provided, further*, That only one deduction of one 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 husband and wife; that guardians shall be allowed to make such deduction in favor of each and every ward, except that in case where two or more wards are comprised in one family, and have joint property interest, only one deduction shall be made in their favor: *And provided, further*, That in cases where the salary or other compensation paid to any person in the employment or service of the United States shall not exceed the rate of one thousand dollars per annum, or shall be by fees, or uncertain or irregular in the amount or in the time during which the same shall have accrued or been earned, such salary or other compensation shall be included in estimating the annual gains, profits, or income of the person to whom the same shall have been paid.

That section one hundred and eighteen be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following; That it shall be the duty of all persons of lawful age to make and render a list or return, on or before the day prescribed by law, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, to the assistant assessor of the district in which they reside, of the amount of their income, gains, and profits, as aforesaid; and all guardians and trustees, executors and administrators, or any person acting in any other fiduciary capacity, shall make and render a list or return, as aforesaid, to the assistant assessor of the district in which such person acting in a fiduciary capacity resides, of the amount of income, gains, and profits of any minor or person for whom they act; and the assistant assessor shall require every list or return to be verified by the oath or affirmation of the party rendering it, and may increase the amount of any list or return, if he has reason to believe that the same is understated; and in case any such person, shall neglect or refuse to make and render such list or return, or shall render a false or fraudulent list or return, it shall be the duty of the assessor or the assistant assessor to make such list, according to the best information he can obtain, by the examination of such person, or his books or accounts, or any other evidence, and to add fifty per centum as a penalty to the amount of the tax due on such list in all cases of wilful neglect or refusal to make and render a list or return, and, in all cases of a false or fradulent list or return having been rendered, to add one hundred per centum as a penalty, to the amount of tax ascertained to be due, the tax and the additions thereto as a penalty to be assessed and collected in the manner provided for in other cases of wilful neglect or refusal to render a list or return, or of rendering a false and fraudulent return: *Provided*, That any party, in his or her own behalf, or as such fiduciary, shall be permitted to declore, under oath or affirmation, the form and manner of which shall be prescribed by the Commissioner of Internal Revenue, that he or she, or his or her ward or beneficiary, was not possessed of an income of one thousand dollors, liable to be assessed according to the provisions of this act; or may declare that he or she has been assessed or paid an income tax elsewhere in the same year, under authority of the United States, upon his or her income, gains and profits, as prescribed by law; and if the assistant assessor shall be satisfied of the truth of the declaration, shall thereupon be exempt from income tax in the said district: or if the list or return of any party shall have been increased by the assistant assessor, such party may exhibit his books and accounts, and permitted to prove and declare, under oath or affirmation, the amount of income liable to be assessed; but such oaths and evidence shall not be considered as conclusive of the facts, and no deductions claimed in such cases shall be made or allowed until approved by the assistant assessor. Any person feeling aggrieved by the decision of the assistant assessor in such cases may appeal to the assessor of the district, and his decision thereon, unless reversed by the Commissioner of Internal Revenue, shall be final, and the form, time, and manner of proceedings shall be suject to rules and regulations to be prescribed by the Commissioner of Internal Revenue: *Provided further*, That 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.

That section one hundred and nineteen be amended by striking out all after the enacting clause and inserting, in lieu thereof, the following: That the taxes on incomes herein imposed shall be levied on the first day of March, and be due and payable on or before the thirtieth day of April in each year, until and including the year eighteen hundred and seventy, and no longer; and to any sum or sums aunually due and unpaid after the thirtieth of April, as aforesaid, and for ten days after notice and demand thereof by the collector, there shall be levied in addition thereto the sum of five per centum on the amount of taxes unpaid, and interest at the rate of one per centum per month upon said tax from the time the same became due, as a penalty, except from the estates of deceased, insane or insolvent persons: *Provided*, That the tax on incomes for the year eighteen hundred and sixty-six, shall be levied on the day this act takes effect.

That section one hundred and twenty-three be

amended by striking out all after the enacting clause and inserting in lieu thereof, the following: That there shall be levied, collected, and paid on all salaries of officers, or payments for services to persons in the civil, military, naval, or other employment or service of the United States, including senators and representatives and delegates in Congress, when exceeding the rate of one thousand dollars per annum, a tax of five per centum on the excess above the said one thousand dollars; and it shall be the duty of all paymasters and all disbursing officers, under the government of the United States, or persons in the employ thereof, when making any payment to any officers or persons as aforesaid, whose compensation is determined by a fixed salary, or upon settling or adjusting the accounts of such officers or persons, to deduct and withhold the aforesaid tax of five per centum; and the pay-roll, receipts, or accounts of officers or persons paying such tax as aforesaid shall be made to exhibit the fact of such payment. And it shall be the duty of the accounting officers of the Treasury Department, when auditing the accounts of any paymaster or disbursing officer, or any officer withholding his salary from moneys received by him, or when settling or adjusting the accounts of any such officer, to require evidence that the taxes mentioned in this section have been deducted and paid over to the Treasurer of the United States, or other officer authorized to receive the same: *Provided*, That payments of prize money shall be regarded income from salaries, and the tax thereon shall be adjusted and collected in like manner: *Provided further*, That this section shall not apply to payments made to mechanics or laborers, employed upon public works: *And provided further*, That in case it should become necessary for showing the true receipts of the government under the operations of this section upon the books of the Treasury Department, the requisite amount may be carried from unappropriated moneys in the Treasury to the credit of said account; and this section shall take effect upon salary and compensation for the month of March, eighteen hundred and sixty-seven.

SEC. 14. *And be it further enacted*, That there shall be levied, collected, and paid on all distilled spirits, upon which no tax has been paid according to law, a tax of two dollars upon each and every proof gallon, to be paid by the distiller, owner, or any person having possession thereof, and every proprietor and possessor of a still, distillery, or distilling apparatus shall be jointly and severally liable for the taxes imposed by law upon the spirits distilled therein; and the tax shall be a lien upon the spirits distilled, on the distillery used for distilling the same, with the stills, vessels, fixtures, and tools therein, and on the lot or tract of land whereon the said distillery is situated, together with any building thereon, from the time said spirits are distilled until the said tax shall be paid: *Provided*, That the tax upon any spirits distilled, and removed from the place were the same were distilled, and not deposited in bonded warehouse as required by law, shall, at any time, upon knowledge of such fact obtained by the assessor or assistant assessor of the district where such spirits were distilled, be assessed by him upon the distiller of the same, and certified or returned to the collector, who shall immediately demand payment of such tax, and upon the neglect or refusal of payment by the distiller, shall proceed to collect the same by distraint. But this provision shall not exclude any other remedy or proceeding provided by law: *Provided further*, That the tax on all spirits shall be collected at no lower rate than the basis of first proof, and shall be increased in proportion for any greater strength than the strength of first proof.

SEC. 15. *And be it further enacted*, That proof spirit shall be held and taken to be that alcoholic liquor which contains one-half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine (7939) ten thousandths at sixty degrees, Farrenheit; and the Secretary of the Treasury is hereby authorized to adopt, procure, and prescribe for use such hydrometers, weighing and guaging instruments, meters, or other means for ascertaining the strength and quantity of spirits subject to tax, or for the prevention or detection of frauds by distillers of spirits, and to prescribe such rules and regulations as he may deem necessary to insure a uniform and correct system of inspection, weighing, and guaging of spirits subject to tax throughout the United States. And whenever the Secretary of the Treasury shall adopt and prescribe for use any meter or meters, it shall be the duty of every owner, agent, or superintendent of a distillery, to make application to the collector of his district for such meter or meters, to be used in his distillery, and the same shall be furnished and attached to the distillery at the expense of the distiller, whose duty it shall be to furnish all the pipes, materials, labor, and facilities necessary to complete such attachment in accordance with the regulations of the Commissioner of Internal Revenue, who is hereby further authorized to order and require such changes of or additions to distilling apparatus, connecting pipes, pumps or cisterns, or any machinery connected with or used in or on the distillery premises, or may require to be put on any of the stills, tubs, cisterns, pipes, or other vessels such fastenings, locks, or seals as he may deem necessary. And in all sales of spirits hereafter made, where not otherwise specially agreed, a gallon shall be taken to be a gallon of first proof, according to the foregoing standard set forth and declared for the inspection and guaging of spirits throughout the United States.

SEC. 16. *And be it further enacted*, That every person, firm, or corporation who distils or manufactures spirits or alcohol, or who brews or makes mash, wort or wash, for distillation, or the production of spirits, shall be deemed a distiller. And the making or keeping by any person of grain, mash, wash, wort, or beer, prepared or fit for distillation, together with the possession by such person of a still, or other apparatus capable of use for distilling, upon the same premises, shall be deemed and taken as presumptive evidence that such person is a distiller.

SEC. 17. *And be it further enacted*, That hereafter all distilled spirits, before being removed from the distillery, shall be inspected and guaged by a general inspector of spirits, who shall mark the barrels or packages in the manner required by law; and so much of the act approved July thirteen, eighteen hundred and sixty-six, as requires the appointment of an inspector for each distillery established according to law is hereby repealed: *Provided*, That such other duties as have heretofore been imposed upon inspectors of distilleries may be performed by such other duly appointed officers as may be designated by the Commissioner of Internal Revenue.

SEC. 18. *And be it further enacted*, That whenever, in the judgment of the collector, there shall be a general bonded warehouse so located as to be conveniently accessible to a distillery, and in the same collection district, the said collector shall direct all spirits which may be stored in the bonded warehouse attached to such distillery to be transferred directly to a general bonded warehouse; and all spirits thereafter produced in such distillery shall be removed to a general bonded warehouse within the time and in the manner heretofore required for the removal to the bonded warehouse attached to the distillery.

SEC. 19. *And be it further enacted*, That no spirits shall be removed in any cask or package containing more than ten gallons from any premises or building in which the same may have been distilled, redistilled, rectified, or manufactured, nor from any place or [of] storage, at any other times than after sun-rising and before sun-setting, on pain of forfeiture of such spirits, and every person who shall violate this provision shall be liable to a penalty of one hundred dollars for each cask, barrel, or package of spirits removed. Any officer of internal revenue may be specially authorized by the Commissioner of Internal Revenue to seize any property which may by law be subject to seizure, and for that purpose such officer shall have all the power conferred by law upon collectors of internal revenue, and such special authority shall be limited in respect of time, place, and kind or class of property as the said Commissioner may specify.

SEC. 20. *And be it further enacted*, That it shall be lawful for any internal revenue officer to seize and detain any barrels, casks, or packages, containing, or supposed to contain, distilled spirits, when such officer has reason to believe the tax imposed by law upon the same has not been paid, or that they are being removed in violation of law, and such packages may be detained by such officer in a safe place until it can be satisfactorily ascertained by the proper officers whether the articles so seized are liable to be proceeded against for violation of the internal revenue laws.

SEC. 21. *And be it further enacted*, That whenever any distilled spirits, so found elsewhere than in a bonded warehouse shall be sold or offered for sale at a less price than the tax imposed by the law thereon, such selling or offering for sale as aforesaid shall be taken and deemed as prima facie evidence that said spirits have not been removed from a bonded warehouse according to law, and that the tax imposed by law on the same has not been paid, and the same shall without further evidence be liable to seizure and forfeiture: *Provided*, That this section shall not apply to spirits sold at public sale by an auctioneer who has paid the special tax as such under such rules and regulations, and upon such public notice as may be prescribed by the Commissioner of Internal Revenue, nor to sales made by judicial or executive officers under the order or decree of any court.

SEC. 22. *And be it further enacted*, That it shall be the duty of every person who empties or draws off, or causes to be emptied or drawn off, distilled spirits or other articles subject by law to tax, from a cask, barrel, or package, bearing any of the marks or brands required by law, or marks intended for or purporting to be, or designed to have the effect of such marks, immediately upon such cask, barrel, or package being emptied, to efface and obliterate said marks or brands; and any person who shall violate this provision shall be liable to a penalty of ten dollars for each offence; and any such cask, barrel, or package, from which said marks are not so effaced and obliterated as herein required, shall be liable to forfeiture, and may be seized by any officer of internal revenue wherever found.

SEC. 23. *And be it further enacted*, That in case any bond under which any distilled spirits shall have been withdrawn from a bonded warehouse is forfeited by failure to furnish or produce at the proper time the evidence required by law or regulation that the articles named in the bond were duly received and actually stored in the warehouse or district to which they were shipped, or by other breach of obligation, the obligors in the bond shall pay the total amount of duties upon the articles removed under the bond, together with fifty per centum upon that amount, and the collector of the district in which such bond is or may be given may forthwith distrain upon any property, real or personal, subject to distraint or seizure, belonging to said obligors; and in case no such property can be found, the collector shall immediately forward the bond to the United States district attorney for the proper district for suit, and notice of the breach of the obligation of any such bond shall be forthwith forwarded by the

collector of the district to the Commissioner of Internal Revenue.

SEC. 24. *And be it further enacted*, That the forty-fourth section of the act of July 13, eighteen hundred and sixty-six, aforesaid, be amended by adding thereto as follows: *Provided*, That when any still used or fit for use in the production of distilled spirits, the same not exceeding one thousand dollars in value, has been or shall be seized for any violation of the laws relating to internal revenue, the same shall not be released by the court to the claimant, or any other intervening party, before judgment; and if declared forfeited, such still shall be so destroyed as to prevent its use for the purpose aforesaid, and the materials thereof shall be sold as other forfeited property. In case of seizure, as above, of a still exceeding in value the sum of one thousand dollars, its release to the claimant or any other intervening party, before judgment, shall be at the discretion of the court.

SEC. 25. *And be it further enacted*, That the owner, agent, or superintendent of any still, boiler, or other vessel used in the distillation of spirits, who shall neglect or refuse to make true and exact entry and report of the same, or to do or cause to be done any of the things by law required to be done concerning distilled spirits, shall, in addition to other fines and penalties now by law provided, forfeit for every such neglect or refusal all the spirits made by or for him, and all the vessels used in making the same, and the stills, boilers and other vessels used in distillation, and all materials fit for use in distillation found on the premises, together with the sum of five hundred dollars for each offence, to be recovered with costs of suits, and shall be deemed guilty of a misdemeanor, and be subject to imprisonment for a term not exceeding one year; which said spirits, with the vessels containing the same, with all the vessels used in making the same, and all said materials, may be seized by the collector and held by him until a decision shall be held thereon according to law: *Provided*, That proceedings to enforce said forfeiture shall be commenced by such collector within twenty days after the seizure thereof. And the proceedings to enforce said forfeiture of said property shall be in the nature of a proceeding in rem, in the circuit or district court of the United States for the district where such seizure is made, or in any other court of competent jurisdiction.

SEC. 26. *And be it further enacted*, That if any collector, deputy collector, assessor, assistant assessor, inspector, district attorney, marshal, or other officer, agent or person charged with the execution or supervision of the execution of any of the provisions of this act, or of the act to which this is amendatory, shall demand, or accept, or attempt to collect, directly or indirectly, as payment or gift or otherwise, any sum of money or other property of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of any of the said provisions, except as expressly authorized by law so to do, he shall be held to be guilty of a misdemeanor, and shall for every such offence be liable to indictment and trial in any court of the United States having competent jurisdiction, and on conviction thereof shall be fined in double the sum or value of the money or property received or demanded, and be imprisoned for a period of not less than one year nor more than ten years.

SEC. 27. *And be it further enacted*, That no distilled spirits which have been forfeited to the government in accordance with law shall be sold for a price less than the amount of the tax required thereon by law at the time of such sale. And if the officer having such spirits in charge shall have been unable, for a period of ninety days, to [sell] the same for the price equal to the tax, such spirits shall be destroyed, under such rules and regulations as the Commissioner of Internal Revenue may prescribe.

SEC. 28. *And be it further enacted*, That if any person shall falsely represent himself to be a revenue officer of the United States, and shall in such assumed character demand or receive any money or other article of value from any person for any duty or tax due to the United States, or for any violation or pretended violation of any revenue law of the United States, such person shall be deemed guity of a felony, and on conviction thereof shall be liable to a fine of five hundred dollars, and to imprisonment not less than six months and not exceeding two years, at the discretion of the court.

SEC. 29. *And be it further enacted*, That no person shall mix for sale naptha and illuminating oils, or shall knowingly sell or keep for sale or offer for sale such mixture, or shall sell or offer for sale oil made from petroleum for illuminating purposes, inflammable at less temperature or fire test than one hundred and ten degrees Farrenheit, and any person so doing shall be held to be guilty of a misdemeanor, and on conviction thereof by indictment or presentment in any court of the United States having competent jurisdiction shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, and by imprisonment of a term of not less than six months nor more than three years.

SEC. 30. *And be it further enacted*, That if two or more persons conspire either to commit any offence against the laws of the United States, or to defraud the United States in any manner whatever, and one or more of said parties to said conspiracy shall do any act to effect the object thereof, the parties to said conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be liable to a penalty of not less than one thousand dollars and not more than ten thousand dollars, and to imprisonment not exceeding two years. And when any offence shall be begun in one judicial district of the United States and completed in another, every such offence shall be deemed to have been committed in either of the said districts, and may be dealt with, inquired of, tried, determined, and punished in either of the said districts, in the same manner as if it had been actually and wholly committed therein.

SEC. 31. *And be it further enacted*, That all inspectors appointed under the provisions of the act or acts of which this is amendatory shall be required to give bonds with security, approved by the Secretary of the Treasury or assessor of the district, in a sum not less than five thousand dollars, conditioned for the faithful discharge of the duties of such inspector.

SEC. 32. *And be it further enacted*, That any person who shall sell, give away, or otherwise dispose of, any empty cigar box or boxes which have been stamped, without first defacing or destoying such stamps, or shall refill any cigar box without first defacing or destroying such stamp, shall on conviction of either offence be liable to a penalty of one hundred dollars or to imprisonment not exceeding sixty days, or both, in the discretion of the court, with the costs of the trial, and it shall be lawful for any cigar inspector or revenue officer to destroy any empty cigar box upon which a cigar stamp shall be found.

SEC. 33. *And be it further enacted*, That the tonnage duty now imposed on all ships, vessels or steamers engaged in foreign or domestic commerce, shall be levied but once within one year, and when paid by such ship, vessel, or steamer, no further tonnage tax shall be collected within one year from the date of such payment.

SEC. 34. *And be it further enacted*, That all acts or parts of acts inconsistent with this act, and all acts and parts of acts imposing any tax upon advertisements, or the gross receipts of toll roads, are hereby repealed: *Provided*, That 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 all suits and prosecutions for acts already done in violation of any former act or acts of Congress relating to the subjects embraced in this act, may be commenced or proceeded with in like manner as if this act had not been passed; and all penal clauses and provisions in existing laws, relating to the subjects embraced in this act, shall be deemed applicable thereto.

Approved March 2, 1867.

The Internal Revenue Record AND CUSTOMS JOURNAL.

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REVIEW.

PARTICULAR attention is directed to Special 52, which modifies previous Warehouse Regulations (RECORD Vol. IV. p. 178) in accordance with the amendatory provisions of the Act of March 2, 1867, concerning transportation bonds, and the time allowed for transportation from one bonded warehouse to another, and other changes of great importance. These go into effect immediately. It is hoped that these regulations will prevent a repetition of the extensive frauds that have been perpetrated in connection with transportation and exportation bonds. More responsibility is cast upon Collectors who accept and approve bonds, and it will now be difficult to practice fraud without the connivance with some revenue officer.

Fraud whiskey is selling in New York, accord- rectified; rectified can be had for $1.80. This price ranges forty cents below the ruling prices under the late law, and is evidence that the traffic therein is seriously affected. The risk of touching it is rather great for dealers or rectifiers at present to assume, and the article has therefore heavily declined. The sign is good, but does not change our convictions that tax at the rate of $2 per gallon cannot be collected on anything like a fair proportion of the quantity produced. The tax should be reduced to a dollar a gallon, and provisions should be made for compensating and rewarding officers and informers in a manner that will secure their good will and services. At present the profits from illicit distillation enable the smugglers to carry nearly everything before them, and comparatively the Revenue fares poorly.

Series 2, No. 11, containing directions for the use of the new Standard Hydrometers and Gauging Instruments, are printed entire excepting the diagrams—which are, however, not indispensable to a proper understanding of the *modus operandi*. The adoption and rigorous enforcement of the new practice must prove beneficial, as great diversity in gauging has hitherto existed.

ERRATA.—Insert words "special tax" immediately after the words "income tax," on the second line of the reprint last week from the official copy of the New Tax Law. Also the words "concentrated molasses," before the words "or melado," in the last paragraph on page 75, fourth line from the bottom.

QUITE a number of Agents are competing for the liberal rewards which will be paid for obtaining the greatest number of new subscribers to the RECORD for the year 1867. Texas, Illinois, New York and Massachusetts are at present close together in the contest. Let those who desire to obtain them give us written notice, and then go to work. This is a good chance for active men.

INCOME TAX.

THE recent Act of March 2, 1867, materially modifies former laws respecting the income tax. Incomes for the year ending 31st December, 1866, should be prepared and returned forthwith. It is the custom for assistant assessors to give notice in writing on the back of a return (Form 24), and on the failure of the person so notified to make return of his income within 10 days thereinafter, it is the duty of the assistant assessor to estimate and assess the same, and to [illegible] and the Department is distributing them as fast as possible: yet old blanks may be made available. We therefore give below the official instructions in the new blank for the information and guidance of all concerned.

"By the act of June 30, 1864, as amended by the first section of the act of March 2, 1867, it is made the duty of any person liable to annual tax, on or before the first day of March in each year, to make a return to the assistant assessor of the district wherein he resides, of his income, and of the articles in Schedule A owned or kept by him on the first day of March.

Every person failing to make such return by the day specified will be liable to be assessed by the assistant assessor according to the best information which he can obtain; and in such case the assistant assessor will add fifty per cent. to the amount of the tax, and from the valuation and enumeration so made there can be no appeal.

In case any person shall deliver to an assessor any false or fraudulent list or statement, with intent to defeat or evade the valuation or enumeration required by law, the assistant assessor will add one hundred per cent. to the tax.

The assessment list, when completed, will be returned to the collector, who will "give notice by advertisement in one newspaper published in each county in his collection district, if any there be, and if not, then in a newspaper printed in an adjoining county, and by notification, to be posted in at least four public places in each county in his collection district, that the said duties have become due and payable, and state the time and place within said county at which he or his deputy will attend to receive the same;" and to any sum unpaid after the thirtieth day of April, and for ten days after demand, there will be an addition of five per cent. as a penalty for such neglect, and interest at one per cent. per month.

Guardians, trustees, executors, and administrators, and persons acting in any other fiduciary capacity, are required to make returns of the income belonging to minors, or other persons for whom they act, and the income tax will be assessed upon the amount returned after deducting such sums as are exempted by law; *provided* that the exemption of one thousand dollars shall not be allowed on account of any minor or other beneficiary of a trust except upon the statement of the guardian or trustee, made under oath, that the minor or beneficiary has no other income from which the said amount may be exempted and deducted.

When coupons of United States bonds, or gold received as interest on bonds, are sold within the year, the amount of legal tender currency received therefor should be returned as income under paragraph 9.

When any person has gold, or coupons payable in gold, on hand at the close of the year, its value should be returned at the value of gold at the close of the year. This value in New York was 134.

Articles embraced in Schedule A must be returned in the list printed on this sheet.

Where any articles named in Schedule A are owned possessed, or kept by a partnership, firm, association, or corporation, they must be returned to the assistant assessor of the district in which such partnership, firm, association, or corporation has its office or principal place of business.

When such articles are held by an individual, the return will be made in the district in which he or she resides.

DETAILED STATEMENT *of Income, Gains, and Profits of* ....., *of* ....., *County of* ....., *and State of* ....., *during the year* 1866, *and of Gains, profits in any trade, business, or vocation*, from which income is actually derived, or any interest therein wherever carried on.....

2. From the payment of debts in a former year considered lost, and which have not paid a previous income tax.....
3. From rents.....
4. From farming operations—Amount of live stock sold.....
   Amount of agricultural products sold..
5. From profits realized by sales of real estate purchased since December 31, 1863.....
6. From interest on any bonds or other evidences of indebtedness of any railroad, canal, turnpike, canal navigation, or slack-water company; or interest or dividends on stock, capital, or deposits in any bank, trust company, saving institution, insurance, railroad, canal, turnpike, canal navigation, or slack-water company.....
7. From dividends of any incorporated company other than those above mentioned.
8. From gains and profits of any incorporated company not divided.....
9. From interest on notes, bonds, or other securities of the United States.....
10. From interest on notes, bonds, mortgages, or securities other than those enumerated above.....
11. From salary other than as an officer or employee of the United States.....
12. From salary or pay as an officer or employee of the United States.....
13. From profits on sales of gold or stocks, whenever purchased.....
14. From all sources not above enumerated....
    Gross income.....

Deductions.

1. Exempt by law..... $1,000 00
2. National, State, county, and municipal taxes paid within the year.....
3. Losses actually sustained during the year from fire, shipwreck, or incurred in trade, and not already deducted in ascertaining profits.....
4. Losses on sales of real estate purchased since December 31, 1863.....
5. Amount paid for hired labor to cultivate land from which income is derived....
6. Amount paid for the live stock which was sold within the year.....
7. Amount actually paid for rent of homestead.....
8. Amount paid for usual or ordinary repairs, excluding payments for new buildings, permanent improvements or betterments.....
9. Interest paid out or falling due within the year.....
10. Salary or pay as an officer or employee of the United States from which a tax has been withheld.....
11. Interest or dividends from corporations enumerated above in paragraph 6.....

Taxable income liable at the uniform rate of 5 per cent.

Carriages, Gold Watches, Billiard Tables, Gold and Silver Plate.

Schedule A.—Section 100, *Act June* 30, 1864, *as amended July*, 13, 1866.

[illegible] carriage, and any coach, hackney coach, omnibus, or four-wheeled carriage, the body of which rests upon springs of any description, which is kept for use, for hire, or for passengers, and which is not used exclusively in husbandry or in the transportation of merchandise, valued at exceeding three hundred dollars and not exceeding five hundred dollars, including harness used therewith..... $6 00

Carriages of like description valued at above five hundred dollars..... 10 00

Gold watches, composed wholly or in part of gold or gilt, kept for use, valued at one hundred dollars or less..... 1 00

Gold watches, composed wholly or in part of gold or gilt, kept for use, valued at above one hundred dollars..... 2 00

Billiard tables kept for use, and not subject to special tax..... 10 00

Oz. plate of gold, kept for use, per ounce, troy 50

Oz. plate of silver, kept for use, per ounce troy, exceeding 40 ounces, used by one family 05

Form of Oath to be taken by Income Tax Payers.

STATE OF _____
COUNTY OF _____ } *ss.*

....., being sworn according to law, deposes and says, that the within statement contains a full, true, particular, and correct account of his income for the year A. D. 1866, which he has received, whether derived from any kind of property, rents, interest, dividends, or salary, or from any profession, trade, employment, or vocation, or from any other source whatever, from the first day of January to the thirty-first day of December, A. D. 1866, both days inclusive, and subject to an income tax under the existing laws of the United States; and that he has not received, and is not entitled to receive, from any or all sources of income together, any other sum for the said year, besides what is herein set forth in detail, except such amounts as, though justly due to the affiant, are not good and collectable; and that he is honestly and truly entitled to make the deductions from his income for said year as specifically stated in detail, in accordance with the true intent of the excise laws of the United States; that the statement of the number or weight and value of the articles enumerated in schedule A. owned, possessed, or kept by him, or of which he had the care or management, on the 1st day of March, A. D. 1867, is also just and true; and that the several rates and amounts therein contained are stated in legal tender currency.

.....

Sworn and subscribed, this.....day of..... A. D. 1867, before me.

.....

Assistant Assessor.....*Division*.....*District*

State of.....

Assessors should ask the following Questions:

Had your wife any income last year?

Did any minor child of yours receive any salary last year?

Have you included in this return the income of your wife, and salary received by minor children?

[illegible] you any stocks, and what are they?

Have you bought or sold stocks or other property?

Have you any United States securities?

Have you kept any book account?

Is your income estimated or taken from your books?

Have any of the deductions claimed in your return already been taken out of the amount reported as profits?

Did you estimate any portion of your profits in making your return for previous years?

Was any portion treated as worthless, and, if since paid, have you included it in this return?

THE PUBLIC DEBT.

The following is an official statement of the public debt of the United States on the 1st of March, 1867:

DEBT BEARING COIN INTEREST.

5 per cent. bonds	$198,091,350 00	
6 per cent. bonds of 1867 and '68.	15,679,441 80	
6 per cent. bonds, 1881	283,745,400 00	
6 per cent. 5-20 bonds	954,889,000 00	
Navy Pension Fund	12,500,000 00	
		$1,464,855,191 80

DEBT BEARING CURRENCY INTEREST.

6 per cent. bonds	12,922,000 00	
3-year compound interest notes	141,508,830 00	
3-year 7-30 notes	632,798,050 00	
		787,028,880 00
Matured debt not presented for payment		14,576,689 07

DEBT BEARING NO INTEREST.

U. S. notes	376,235,626 00	
Fractional currency	29,514,722 32	
Gold certificates of deposit	18,376,180 00	
		424,126,528 32
Total debt		2,090,587,289 19
Amount in treasury, coin	107,271,031 12	
Amount in treasury, currency	52,552,368 27	
		159,823,399 39
Amount of debt, less cash in treasury		2,530,763,889 80

The foregoing is a correct statement of the Public Debt, as appears from the Books and Treasurer's Returns in the Department, on 1st of March, 1867.

HUGH McCULLOCH,
Secretary of the Treasury.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

[SERIES 2, No. 11.]

UNITED STATES INTERNAL REVENUE.

MANUAL FOR INSPECTORS AND GAUGERS,

CONTAINING

Directions for the use of Hydrometers and Gauging Instruments, and Rules and Regulations for Inspecting and Gauging.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, Feb. 16, 1867.

The Secretary of the Treasury is authorized by section 33 of the act of July 13, 1866, "to adopt, procure, and prescribe for use such hydrometers, weighing and gauging instruments, meters, or other means for ascertaining the strength and quantity of spirits subject to tax, and to prescribe such rules and regulations as he may deem necessary to insure a uniform and correct system of inspection, weighing, and gauging of spirits subject to tax throughout the United States."

Under this authority the Secretary has adopted a set of hydrometers approved by a committee of the National Academy of Sciences, consisting of Professor Henry, General Meigs, and Professor Hilgard. These hydrometers, with an accompanying manual, will be furnished to collectors of internal revenue for the use of duly appointed inspectors in their several districts, as the commissioner may hereafter direct.

The Secretary has also decided that the Caliper and head-rod system of gauging shall be followed by all internal revenue inspectors and gaugers.

Descriptions of these several instruments, directions for their use, and various rules and regulations prescribed by the Secretary to insure a uniform and correct system of inspection, weighing, and gauging of spirits throughout the United States, together with some practical suggestions for the information and guidance of inspectors and guagers, are hereto appended.

HYDROMETERS AND MANUAL.

The new hydrometers are essentially the same as the Tralles' hydrometers heretofore used, except that while the latter show per cents of alcohol, the new hydrometers show per cents of proof spirits, and to this end the scale is greatly lengthened, and broken up into five separate parts. By this means the stem of each hydrometer is shorter than the stem of Tralles', and at the same time the division marks on the stem are widened, so that the indication of proof can be readily and easily distinguished. Number one reads from 0 to 100, number two from 80 to 120, number three from 100 to 140, number four from 130 to 170, and number five from 160 to 200. These divisions were adopted as being the most convenient for practice, ranging from water mark 0 to alcohol marked 200, the proof point being 100 instead of 50, as on the Tralles' scale, o , in other words, the indications are the same as Tralles' multiplied by two.

The new hydrometers show distinctly the number of proof-gallons contained in 100 gallons of a given spirit. Thus, in spirits of a strength usually called 40 over proof, Tralles' hydrometer shows 70, the new hydrometer 140, (at the standard temperature of 60° Fahr.,) indicating that 100 gallons of the liquor are equivalent to 140 proof-gallons. Similarly, in whiskey of a strength usually called 10 below proof, Tralles' hydrometer show 45, the new hydrometer 90, because 100 gallons of the liquor are equivalent to 90 proof-gallons.

When the proof is taken at any temperature different from 60° Fahr., the indication of the hydrometer is too high for higher and too low for lower temperatures. The *true per cent.*, or corrected proof, must be found in the manual, as is fully explained in the introduction to the same.

In reading the indication on the United States standard hydrometer, the first line under the liquid should be taken for the true reading, but the fraction of a per cent. above that line should be remembered; and if this fraction, with the fraction found in the correction table, makes a whole per cent., it should be added accordingly.

When the temperature of the spirit to be inspected is different from the surrounding atmosphere, the hydrometer cup should be emptied and refilled several times prior to making the inspection.

In taking samples from the barrels to test the proof, care should be taken not to let the thief go to the bottom of the barrel, as often ice or water will settle at the bottom if the barrels have been but recently filled, and the proof shown will not be correct.

In using the hydrometer, care should be taken to keep the part which is out of the spirit perfectly dry. The cup should always be filled full, as the indication is more readily seen, and there is less liability to make an error in reading it.

A manual for inspectors of spirits, containing correction tables, &c., prepared for the Treasury Department, under the direction of the committee before mentioned, will be furnished to collectors for the use of inspectors. The new hydrometers, *must* in all cases, as soon as received by collectors, be used for proving the strength of spirits. If the manual shall be received before the new hydrometers, or if, in case of loss by breakage, inspections are required to be made before the loss can be supplied, or in any other like emergency, some of the hydrometers in common use can be used with the new manual with greater accuracy than by the old methods of correction. Thus, Tralles' hydrometers can be used by simply doubling the indications. Tagliabue's or Gendar's silver hydrometers, which are marked 0° at proof, and 100° above to alcohol, and 100° below to water, can be used by adding 100 to the indications above proof, or deducting the indications below proof from 100, and the result, as the case may be, will be the true indication. But whenever an inspector shall use any other than the United States standard hydrometer, he must note on his certificate of inspection the name of the hydrometer used, and make the same entry in his book of gauges.

GAUGING INSTRUMENTS.

The instruments for gauging casks consist of a caliper, a bung rod, a head rod, and a sliding scale for ascertaining the capacity of casks after the measures have been taken.

The caliper is used for taking the length of casks, and consists of a pair of rods, with an arm on the end of each. The rods are attached to each other, so as to clasp a cask between the two arms, and the length is read in inches and tenths on the top of the rod, and is so marked as to allow for the usual thickness of the heads, which, for casks of the usual size of whiskey barrels, is one and a half inch, or three-fourths of an inch for each head.

The bung-rod is used for ascertaining the inside diameter of a cask at the bung, and is simply a straight rod, marked in inches and tenths, with a slide attached, on the lower end of which is a lip to slip under the stave.

The head-rod is used for taking the diameter of a cask at the head. It is a straight rod with a projecting point at the lower end to slip readily under the chime of the cask, and has a slide with a similar projecting point, to which is attached a small revolving wheel to slip under the chime on the opposite side of the head. The diameter is read in inches and tenths at the lower end of the slide.

After the measures are taken with these instruments, the capacity of the cask is found as follows:

RULES FOR USING THE SLIDING-SCALE.

Subtract the head diameter from the bung diameter, find the difference on the upper line of the second variety on the edge of the scale, and on the lower line is found the number to be added to the head diameter, which gives the mean diameter of the barrel. Then set the end of the slide of the scale at the figures representing the length of the barrel, and find the mean diameter on the slide, over which will be found the capacity of the barrel.

This rule will do for all whiskey or oil barrels, of ordinary shape.

The second variety scale is found by multiplying the difference between the head and bung by 0.63.

Should the inspector wish to gauge barrels or casks with a very great curvature, for instance, a port wine cask, he should use the first variety found on the face of the scale, or multiply the difference by 0.7; and if a very flat cask, multiply by 0.55, and add the product to the head for the mean diameter.

DIRECTIONS FOR USING CALIPER, ETC.

In taking the length of the cask, the caliper should [illegible] point about equally distant from the centre and the chime, as shown in diagram No. 1.

The bung diameter is taken by placing the rod perpendicular to the stave opposite the bung, and care should be taken to observe any irregularity, or unevenness in the bottom, or in the thickness of the bung-stave. See diagram No. 2.

In taking the head diameter, the head-rod should be applied diagonally across the grain of the wood. The upper end of the rod should be moved gently up and down, and the largest diameter indicated will be the correct diameter. See diagram No. 3.

All dimensions should be taken with the greatest care and precision; and the rods should be moved gently and with ease, and not with quick strong jerks. All fractions of tenths of inches should be noticed, for example: If the caliper shows the length to be twenty-seven, one-tenth and half a tenth inches, it should be written with a dash, thus 27.1——, denoting that it is more than 27.1. A fraction on each dimension will often make a full half gallon. There is often also a fraction in the mean diameter, as for example: suppose the bung diameter to be 22.1 inches, and the head diameter 19 inches; the difference is 3.1 inches, which, by the second variety on the edge of the scale, gives one inch, and nine and a half tenths, which, added to the head diameter, gives 20.95 for the mean diameter.

The half tenth, or 5–100 will often, with a fraction in the length or other dimensions, make a full half gallon that would be lost if all fractions be disregarded.

It will be well for beginners to take the length first, and write it on the bilge of the barrel; next the bung diameter, writing it under the length, and the head diameter under that, thus:

EXAMPLE SHOWING THE USE OF THE SCALE.

Length 28 inches.
Bung diameter 22.2 inches.
Head diameter 19 inches.

Deduct the head from the bung diameter and the difference is found to be 3.2 inches; the second variety scale shows that two inches are required to be added to the head diameter, making the mean diameter 21 inches, or, in other words, reducing the barrel to a perfect cylinder, 28 inches in length and 21 inches in diameter. Then set the slide in the scale as in diagram number 4, the end even with 28, the length of the cylinder, and find 21 the diameter, on the upper row of figures on the slide, directly over which is the capacity of the barrel, 42 gallons.

WANTAGE.

The wantage-rod, should the barrels not be full, is used for ascertaining the quantity required to fill the barrel, or the quantity to be deducted from its capacity, in order to obtain its actual contents.

No larger allowance for wantage than a half gallon shall be made unless ascertained by measurement with the wantage-rod. When the wantage is found, by actual measurement, to exceed a half gallon, the actual wantage shall be allowed, and no more,

The common wantage-rod is to be used, taking the corrections as marked for casks of forty-two gallons and bung depth of twenty-two inches.

RULES FOR GAUGING CISTERNS OR TUBS.

Take the dimensions in inches and tenths of inches. Add together the square of the top diameter, the square of the bottom diameter, and four times the square of the midway diameter, (ascertained by adding the top and bottom diameters together, and dividing by two,) and divide the sum by six, which gives the square of the true mean diameter; multiply this by the height of the cistern, and the product will be the [illegible] and the quotient is the number of gallons contained in the cistern.

Example.

108 inches, top diameter.
120 inches, bottom diameter.

Divide by 2)228

114 midway diameter.
100 in height.

$108 \times 108 = 11664$
$120 \times 120 = 14400$
$114 \times 114 \times 4 = 51984$

$78048 \div 6 = 13.008$

$13.008 \times 100 \div 294 = 4424 +$ gallons.

Should the cistern be full, or warped so as not to be a perfect circle, or otherwise in such condition that the diameter of the bottom cannot be taken, the following rule, though not mathematically correct, is for all practical purposes sufficiently so, the difference being shown only in large cisterns, where the difference between the top and bottom diameters is considerable.

Take the outside circumference of the cistern half way between the bottom and top, divide this by 3.1416, (or multiply by 7 and divide by 22,) and you have the mean diameter on the outside; deduct from this twice the thickness of the staves, and you have the mean inside diameter. Multiply this sum by the height, and the product by .0034; the product is the capacity of the cistern in gallons.

Example, (dimensions being same as in last example.)—Outside circumference of cistern, 367.5 inches; height, 100 inches; staves, 1½ inch thick.

$367.5 \div 3.1416 = 117 - 3$ inches $= 114$ inches; $114 \times 114 \times 100 = 1,292,600 \times .0034 = 4,418$ gallons.

BRANDS, ETC.

Inspectors should see that all brands are put on the barrels distinctly. Stencil plates should be cut, in brass or copper, and no letters or figures of less than half an inch in height should be used. The proof and gauge should, in addition to being branded on the head, be cut on the bung stave.

The following is an example of the way in which a brand should be put on each barrel inspected by the general inspector—108 being supposed to be the serial number:

No. 108.
John Brown,
U. S. Gen'l Inspector,
1st Dist., Ohio.
40 galls. 125 per cent.
Jan. 1st, 1867.

INSPECTOR'S RECORD BOOK.

After the inspector has gauged, proved, and marked the barrels, he should then enter in his record book the name of the distiller or rectifier, and the shipping marks on the barrels, the name of the person for whom done, and the place where done, the serial number, and directly opposite that number the gauge, outs and proof of each barrel, with the date of inspection and the temperature of the spirits inspected. If the temperature of the spirit in the barrels inspected differs enough to change the percentage for volume, the entries in the record book should be so arranged as to keep together those barrels for which the same correction applies. Where there is a large number of barrels to be inspected, the amount of proof spirits at the temperature of 60° may be ascertained by either of the following rules.

RULES FOR CALCULATING PROOF.

1. Add together the wine gallons, and if there are any outs deduct them from the wine gallons, then in the manual find the proper percentage of correction for volume; add or deduct this, as the case may be, and the result is the proof; add together and divide the sum by the number of barrels, and the average per cent is obtained. Multiply the wine gallons by this per cent., divide the product by one hundred, and the total proof gallons are obtained.

2. Instead of dividing the total amount of proofs by the number of barrels when that procedure would leave fractions, simply multiply the number of wine gallons by the proofs, added together, and divide the product by the number of barrels, and proceed as before.

When the strengths of the spirits are very different, or the packages containing them vary considerably in size, the proofs should be calculated on each barrel or package separately. The following figures are given as examples:

EXAMPLE UNDER FIRST RULE.

Temperature from 36° to 40°.

Serial numbers.	Capacity of barrels, or wine gallons.	Outs.	Proof or percentage.
427	42⅓	⅓	140
428	41	⅓	141
429	41⅓	⅓	142
430	40⅓	⅓	143
431	41	1	144
432	42	1	140
433	42	2	139
434	43	⅓	141
435	41⅓	⅓	140
436	41	1	140
	416	8	1410
Deduct outs.	8	8 Divide No. bls.	10)410
	408		41
Add 1 per ct. for tem.	4.08		100
	412.08	Average per cent.	141
Multiply by average %	141	gallons at 60° tem.	
	41208		
	164832		
	41208		
	581.0328	Total proof gallons at 60° temperature; or, without fractions, 581 gallons.	

In the above example it will be observed that the one hundreds in the percentage column are not added. It is obvious that if a row of ten one hundreds be added together and divided by 10, the number of barrels in the example, the quotient will be 100; this 100 is added to the average percentage above proof, as shown above.

EXAMPLE OF BELOW PROOFS.

Temperature from 95° to 98°.

Serial numbers.	Capacity of barrels or wine gallons.	Outs.	Proof or percentage.
13	39½	½	90
14	42½	1	91
15	41	½	87
16	40	...	101
17	42	...	95
18	39	...	89
19	41	1	104
20	41½	½	99
21	40½	1½	93
22	40	1	88
Sums.	407	6	937
	6	Deduct the outs.	
	401		
	,015	Multiply for volume.	
	2005		
	401		
	6.015		
	401		
	6	Deduct for volume.	
	395		
	937	Multiply by sum of percentage.	
	2765		
	1185		
	3555		
Divide by No. bls.	10)370,15	Point off two places for per cent.	
	370.115	proof gallons.	

The above rule for spirits below proof is to be used only for spirits which, having been withdrawn from bonded warehouse for the purpose of being rectified or redistilled, are returned to the warehouse below first proof. In *all other* cases when spirits subject to tax [illegible] on inspection, to be below proof, the wine-gallons must be taken and returned as so many proof-gallons.

CAUTIONS ABOUT SHAPES, ETC., OF BARRELS.

Inspectors should carefully examine the barrels or casks before commencing to gauge them, as they often, from natural causes or in manufacturing, become imperfect in shape, and sometimes are purposely made to defraud. The following are the most common irregularities: When barrels are put up in tiers without dunnage, the bottom stave sometimes becomes flattened or compressed to such an extent as to make the bung diameter much less than it would otherwise be, and consequently the apparent capacity of the barrel will be too little if this flattening be disregarded. Sometimes the heads are warped, making them concave or convex, and there will be great difference in the length as taken at different places. Diagram No. 1 shows the proper place for taking the length of properly made barrels to get a fair average; but regard should be had to particular cases of irregularity. Barrels that are made to defraud, are sometimes made with unusually thick or thin head staves, as well as the bung stave and the one opposite. Sometimes the bung stave is reamed ont on the inside and the stave opposite chipped out. Whenever an unusual difference is found between the head and bung diameter the barrel should be thoroughly examined.

Again, instead of being put together in a true circular truss hoop, oval truss hoops are used, giving the barrel an oval shape at the bung, the perpendicular diameter differing from the horizontal, as may best suit the interest of the distiller. When barrels are found that bear evidence of having been made purposely to defraud, the facts in the case should be promptly reported to the collector of the district and to the Commissioner of Internal Revenue.

For the sake of greater security against errors in gauging, inspectors should always see that the barrels, before gauging, are so placed that the bungs shall be exactly uppermost.

SUPPLYING HYDROMETERS AND MANUALS.

Collectors will notify the Commissioner of Internal Revenue of the number of general inspectors of spirits in their respective districts who are in the actual performance of their duties as such, in order that the requisite number of hydrometers may be supplied. They will be sent to the collectors, to be by them delivered to such inspectors only, and each inspector must give his receipt for the instruments to his collector, which must be carefully preserved, and whenever an inspector ceases to be such by resignation, removal or otherwise, the collector will see that the hydrometers supplied to such inspector are returned to the possession of the collector.

When a hydrometer is broken, if the collector cannot supply the loss, he will apply to the Commissioner of Internal Revenue for an extra supply of the stems most used. In the interval, if an inspector has occasion to inspect spirits, he will be governed in the use of other instruments by the regulations hereinbefore set forth.

The "manual for inspectors of spirits," containing correction tables, &c., will also be furnished to collectors for inspectors, upon application to the Commissioner of Internal Revenue. These must also be treated as the property of the United States, and returned to the collector of the district whenever an inspector having one of them goes out of office.

GAUGING INSTRUMENTS.

Every inspector must supply himself, at his own expense, with a caliper, bung-rod, head-rod, sliding-scale, and wanta e-rod.

Each inspector is required to make himself perfectly familiar with the rules and regulations contained in this manual, and also to perfect himself in the use of the new hydrometer and gauging instruments with the least possible delay, in order that the constantly recurring complaints of want of uniformity in inspecting and gauging may cease. After the lapse of a reasonable time for learning the new rules, inspectors will be held to a rigid account.

E. A. ROLLINS, *Commissioner.*

Approved, February 16, 1867.

H. MCCULLOCH,
Secretary of the Treasury.

[SPECIAL NO. 52.]

Concerning Transportation Bonds, &c.,

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, Mar. 9, 1867.

The special attention of Collectors is directed to several important changes hereby made in the "regulations for the establishment of bonded warehouses" &c., contained in series 2, No. 9 (RECORD, vol. IV., p. 178). These changes are to take effect immediately, and are as follows, viz.:

Hereafter the time allowed for transportation from one bonded warehouse to another, except in cases of shipments to the Pacific coast, must be limited to thirty instead of sixty days, and the time for furnishing or producing proof of delivery of the property as stipulated must be limited to fifteen days instead of thirty, and Forms E F T and U must be changed accordingly. The time allowed for the return to warehouse of spirits withdrawn for redistillation or rectification must be limited to ten days instead of thirty, and forms L and M must be changed accordingly. Whenever failures to comply with the stipulations of bonds in respect to time shall arise from circumstances beyond the control of the obligators, an application may be made through the proper Collector to the Commissioner for extension of time, and the Collector may, in the meantime, delay their proceedings under section 23 of the act of March 2, 1867. *Provided*, there is ample assurance that no damage or loss shall accrue by reason of such delay.

Collectors will specially note that said section 23 requires the obligors in a bond, for any breach thereof, to pay the total amount of duties upon the articles removed under the bond, together with fifty per cent. upon that amount, and authorizes the Collector who took the bond to distrain forthwith upon any property, real or personal, subject to distraint or seizure, belonging to said obligors, and in case no such property can be found the Collector must immediately commence suit on the bond and send notice to the Commissioner. This section does not apply to bonds executed prior to March 2, 1867.

The Entry Form K, for withdrawal of spirits from warehouse for the purpose of redistillation or rectification must state the location of the redistilling or rectifying establishment, and must be made and signed by the proprietor of the establishment, who must have paid the special tax as rectifier, and who must in all cases be the principal to the bond given for withdrawal. And when such spirits are removed they must be accompanied from the warehouse to the redistilling or rectifying establishment by an inspector or other officer designated by the Collector for this duty, and it will be the duty of such officer to see the spirits safely delivered at such establishment and to make a certificate of the fact, with the date of delivery, and to return the same to the Collector on the same day.

The application for withdrawal of spirits for transportation must state the route to be taken, where transportation by land is intended, together with the name of the railroad or other transportation company to which the goods are to be first delivered, or the name of the vessel or steamer and the route, if transportation by water is intended. Permission to remove should not be granted until after a bond has been executed, and the Collector will then direct an inspector or some other proper officer to accompany the goods from the bonded warehouse to the place of shipment, and it will be the duty of such officer to see the goods placed or laden on the cars, vehicles, or vessel by which they are to be transported, and to make immediate report of the facts to the Collector. The permit (Form F or Form U, as the case may be) given to the applicant must be delivered up by him to the Storekeeper immediately upon the removal of the goods from the warehouse.

Bonded merchandise removed from the place of production to a warehouse, or from one warehouse to another, by carts, drays, lighters, or other private conveyances, must be accompanied by an officer, detailed by the Collector, for the purpose of insuring the proper delivery of the goods, and immediate report of the facts must be made by such officer to the Collector.

E. A. ROLLINS, *Commissioner.*

Approved:

H. MCCULLOCH, *Secretary of the Treasury.*

SECRETARY'S OFFICE—CUSTOMS.

LAWS RELATING TO CUSTOMS.

Passed by the Thirty-ninth Congress at its Second Session.

TREASURY DEPARTMENT,
March 8, 1867.

The following Acts of Congress, with certain instructions, are published for the information and guidance of Customs Officers.

H. MCCULLOCH,
Secretary of the Treasury.

AN ACT supplementary to an act to prevent smuggling and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the act of Congress approved July eighteen, eighteen hundred and sixty-six, entitled, "An act to prevent smuggling and for other purposes," shall be so construed as not to affect any right of suit or prosecution which may have accrued under any prior acts of Congress repealed or supplied by said act, previous to July eighteen, eighteen hundred and sixty-six; and all such suits or prosecutions as have been, or shall be, commenced under such prior acts, for acts committed previous to July eighteen, eighteen hundred and sixty-six, shall be tried and disposed of, and judgment or decree executed as if said act of July eighteen, eighteen hundred and sixty-six, had not been passed, anything therein contained to the contrary notwithstanding.

SEC. 2. *And be it further enacted*, That section twenty-six of the act aforesaid be so amended that the Secretary of the Treasury be, and he is hereby, authorized in his discretion to make such regulations as shall enable vessels engaged in the coasting trade between ports and places on Lake Michigan exclusively, and laden with American productions and free merchandise only to unlade their cargoes without previously obtaining a permit to unlade.

SEC. 3. *And be it further enacted*, That section twenty-five of said act be hereby amended by inserting the word "March" in the place of "July," in said section.

Approved February 18, 1867.

[The regulations now in force under Sec. 26 of the "Smuggling Act" (RECORD, Vol. IV., p. 68), will continue in force until further instructions are given by this Department.]

AN ACT to amend the twenty-first section of an act entitled "An Act further to prevent smuggling and for other purposes," approved July eighteen, eighteen hundred and sixty-six.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section twenty-one of an act entitled "An act to prevent smuggling and for other purposes," approved July eighteen, eighteen hundred and sixty-six, be amended by adding to said section twenty-one the following proviso: "*Provided*, That this section shall not apply, or be held to apply, to any case where the said towing in whole or in part is within or upon foreign waters. *And provided*, That any foreign railroad company or corporation, whose road enters the United States by means of a ferry or tug-boat, may own such boat, and it shall be subject to no other or different restrictions or regulations in such employment, than if owned by a citizen of the United States.

Approved February 25, 1867.

AN ACT to amend the act entitled "An Act further to provide for the safety of the lives of passengers on board of vessels propelled in whole or in part by steam, to regulate the salaries of steamboat inspectors, and for other purposes," approved July twenty-five, eighteen hundred and sixty-six.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section nine of the act entitled "An act to amend the act entitled 'An act further to provide for the safety of the lives of passengers on board of vessels propelled in whole or in part by steam, to regulate the salaries of steamboat inspectors, and for other purposes,'" approved July twenty-five, eighteen hundred

and sixty-six, be, and the same is hereby, amended so as to read as follows:

SEC. 9. *And be it further enacted*, That all vessels navigating the bays, inlets, rivers, harbors, and other waters of the United States, except vessels subject to the jurisdiction of a foreign power and engaged in foreign trade, and not owned in whole or in part by a citizen of the United States, shall be subject to the navigation laws of the United States; and all vessels propelled in whole or in part by steam, and navigating as aforesaid, shall also be subject to all rules and regulations consistent therewith, established for government of steam vessels in passing, as provided in the twenty-ninth section of an act relating to steam vessels, approved the thirtieth day of August, eighteen hundred and fifty-two. And every sea-going steam vessel now subject or hereby made subject to the navigation laws of the United States, and to the rules and regulations aforesaid, shall, when under way, except upon the high seas, be under the control and direction of pilots licensed by the inspectors of steam vessels; vessels of other countries and public vessels of the United States only excepted: *Provided, however*, That nothing in this act, or in the act of which it is amendatory, shall be construed to annul or affect any regulation established by the existing law of any State requiring vessels entering or leaving a port in such State to take a pilot duly licensed or authorized by the laws of such State, or of a State situate upon the waters of the same port.

Approved February 25, 1867.

AN ACT to regulate the disposition of the proceeds of fines, penalties and forfeitures incurred under the laws relating to the customs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from the proceeds of fines, penalties, and forfeitures incurred under the provisions of the laws relating to the customs, there shall be deducted such charges and expenses as are by law in each case authorized to be deducted; and in addition, in case of the forfeiture of imported merchandise of a greater value than five hundred dollars, on which duties have not been paid, or in case of a release thereof, upon payment of its appraised value, or of any fine or composition in money, there shall also be deducted an amount equivalent to the duties in coin upon such merchandise, (including the additional duties, if any,) which shall be credited in the accounts of the collector as duties received, and the residue of the proceeds aforesaid shall be paid into the Treasury of the United States, and distributed, under the direction of the Secretary of the Treasury, in the manner following, to wit: one-half to the United States; one-fourth to the persons giving the information which has led to the seizure, or to the recovery of the fine or penalty, and if there be no informer other than the collector, naval officer, or surveyeyor, then to the officer making the seizure; and the remaining one-fourth to be equally divided between the collector, naval officer, and surveyor, or such of them as are appointed for the district in which the seizure has been made, or the fine or penalty incurred, or if there be only a collector, then to such collector. But where any fine, penalty, or forfeiture, incurred by virtue of the laws relating to customs, shall be recovered in consequence of any information given by an officer of a revenue cutter, the proceeds thereof shall, after the legal deductions, including the deductions herein authorized, have been made, be disposed of as follows: one-fourth to the United States; one-fourth to the officers of the customs, as hereinbefore provided; and the remainder to the officers of such revenue cutter, to be divided among them in proportion to their pay.

SEC. 2. *And be it further enacted*, That whenever it shall be made to appear to the satisfaction of the judge of the district court, for any district in the United States, by complaint and affidavit, that any fraud on the revenue has been committed by any person or persons interested, or in any way engaged, in the importation or entry of merchandise at any port within such district, said judge shall forthwith issue his warrant directed to the marshal of the district, requiring said marshal, by himself or deputy, to enter any place or premises where any invoices, books, or papers are deposited relating to the merchandise in respect to which such fraud is alleged to have been committed, and to take possession of such books or papers and produce them before the said judge; and any invoices, books, or papers so seized shall be subject to the order of said judge who shall allow the examination of the same by the collector of customs of the port into which the alleged fraudulent importation shall have been made, or by any officer duly authorized by said collector. And such invoices, books, or papers, may be retained by said judge as long as in his opinion the retention thereof may be necessary; but no warrant for such seizure shall be issued unless the complainant shall set forth the character of the fraud alleged, the nature of the same, and the importations in respect to which it was committed, and the papers to be seized. And the warrant issued on such complaint, with report of service and proceedings thereon, shall be returned as other warrants to the court of the district within which such judge presides.

SEC. 3. *And be it further enacted*, That whenever the collector or other chief officer of the customs of any port shall be notified in writing by the owner or consignee of any vessel or vehicle, arriving from any foreign port or place, of a lien for freight on any merchandise imported in such vessel or vehicle, and remaining in his custody, such collector or other officer is hereby authorized and empowered to refuse the delivery of such merchandise from any public or bonded warehouse, or other place in which the same shall be deposited, until proof to his satisfaction shall be produced that the freight due thereon has been paid or secured; but the rights of the United States shall not be prejudiced thereby, nor shall the United States or its officers be in any manner liable for losses consequent upon such refusal to deliver; and if merchandise so subject to a lien, regarding which notice has been filed as aforesaid, shall be forfeited to the United States and sold, the freight due thereon shall be paid from the proceeds of such sale in the same manner as other charges and expenses now authorized by law to be paid therefrom.

SEC. 4. *And be it enacted*, That the seventh section of "An act to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," approved March three, eighteen hundred and sixty-three; the seventeenth section of the "Act further to prevent smuggling, and for other purposes," approved July eighteen, eighteen hundred and sixty-six; and all other laws or parts of laws inconsistent with, or supplied by the provisions of this act, be, and they are hereby, repealed. And the Secretary of the Treasury shall prescribe all needful regulations to carry out and enforce the provisions of this act.

Approved March 2. 1867.

[Collectors will render a separate account of fines, penalties, and forfeitures, in which the United States will be credited with the total amount of all moneys received from these sources; and debited with all legal expenditures made therefrom, to which vouchers in due form must be returned with the account. It will be observed that the discharge of a lien for freight upon forfeited goods is, by the third section of the above act, made a proper charge upon the proceeds of sale, equally with other expenses.

When, under the provisions of his law, duties are to be paid from the proceeds of forfeited goods, the United States will be debited in the account of fines, penalties, and forfeitures with a sum equivalent to the duties *in coin* at the market rates of premium on gold on the day proceeds are received by the collector; and credited with the same in the customs account, accompanied by a statement of the source whence it has been derived.

The total net proceeds of all fines, penalties, and forfeitures will be immediately paid into the Treasury under that designation. With the collector's account will be transmitted the application of the person claiming the informer's share, and such evidence as may be necessary to sustain his claim, accompanied by the collector's report in detail regarding it.

Officers will take notice of the modifications made by the second and third sections of this law in the mode of seizing and examining books and papers, and in regard to the preservation of the ship-owner's lien; as to the latter the circular of the Department dated October 1, 1866, will continue to govern as far as it can be applicable.]

JOINT RESOLUTION to amend section five of an Act entitled "An Act to increase duties on imports, and for other purposes," approved June thirtieth, one thousand eight hundred and sixty-four.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the paragraph of section five of an act entitled "An act to increase duties on imports, and for other purposes," approved June thirteenth, eighteen hundred and sixty-four, as follows, to wit: "on lastings, mohair, cloth, silk, twist, wool or other manufactured cloth woven or made in patterns of such size, shape, and form, or cut in such manner as to be fit for shoes, slippers, bootees, gaiters, and buttons exclusively, not combined with India rubber, ten per cent. ad valorem," be, and the same is hereby, repealed.

SEC. 2. *And be it further resolved*, That from and after the passage of this resolution, machinery for the manufacture of beet sugar, and imported for that purpose solely, shall be exempted from duty.

Approved March 2, 1867.

AN ACT to provide increased revenue from imported wool, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act, in lieu of the duties now imposed by law on the articles mentioned and embraced in this section, there shall be levied, collected, and paid on all unmanufactured wool, hair of the alpaca, goat, and other like animals, imported from foreign countries, the duties hereinafter provided. All wools, hair of the alpaca, goat, and other like animals, as aforesaid, shall be divided for the purpose of fixing the duties to be charged thereon, into three classes, to wit:

CLASS 1.—CLOTHING WOOL.

That is to say, merino, mestiza, metz, or metis wools or other wools of merino blood, immediate or remote; down clothing wools, and wools of like character with any of the preceding, including such as have been heretofore usually imported into the United States from Buenos Ayres, New Zealand, Australia, Cape of Good Hope, Russia, Great Britain, Canada, and elsewhere, and also including all wools not hereinafter described or designated in classes two and three.

CLASS 2.—COMBING WOOLS.

That is to say, Leicester, Cotswold, Lincolnshire, down combing wools, or other like combing wools of English blood, and usually known by the terms herein used; and also all hair of the alpaca, goat, and other like animals.

CLASS 3.—CARPET WOOLS, AND OTHER SIMILAR WOOLS.

Such as Donskoi, native South American, Cordova, Valparaiso, native Smyrna, and including all such wools of like character as have heretofore been usually imported into the United States, from Turkey, Greece, Egypt, Syria, and elsewhere.

For the purpose of carrying into effect the classification herein provided, a sufficient number of distinctive samples of the various kinds of wool or hair embraced in each of the three classes above named, selected and prepared under the direction of the Secretary of the Treasury, and duly verified by him, (the standard samples being retained in the Treasury Department,) shall be deposited in the custom-houses and elsewhere, as he may direct, which samples shall be used by the proper officers of the customs to determine the classes above specified, to which all imported wools belong. And upon wools of the first class, the value whereof at the last port or place whence exported to the United States, excluding charges in such port shall be thirty-two cents or less per pound, the duty shall be ten cents per pound, and, in addition thereto, eleven per centum ad valorem; upon wools of the same class, the value whereof, at the last port or place whence exported to the United States, excluding charges in such port, shall exceed thirty-two cents per pound, the duty shall be twelve cents per pound, and in addition thereto, ten per centum ad valorem. Upon the wools of the second class, and upon all hair of the alpaca, goat, and other like animals, the value whereof at the last port or place whence exported to the United States, excluding charges in such port, shall be thirty-two cents or less per pound, the duty shall be ten cents per pound, and in addition thereto, eleven per centum ad valorem; upon wools of the same class, the value whereof at the last port or place whence exported to the United States, excluding charges in such port, shall exceed thirty-two cents per pound, the duty shall be twelve cents per pound, and, in addition thereto, ten per centum ad valorem. Upon wools of the third class the value whereof at the last port or place whence exported into the United States, excluding charges in such port, shall be twelve cents or less per pound, the duty shall be three cents per pound; upon wools of the same class, the value whereof at the last port or place whence exported to the United States, excluding charges in such port, shall exceed twelve cents per pound, the duty shall be six cents per pound: *Provided*, That any wool of the sheep, or hair of the alpaca, goat, and other like animals, which shall be imported in any other than the ordinary condition, as now and heretofore practiced, or which shall be changed in its character or condition, for the purpose of evading the duty, or which shall be reduced in value by the admixture of dirt, or any other foreign substance, shall be subject to pay twice the amount of duty to which it would be otherwise subjected, anything in this act to the contrary notwithstanding. *Provided further*, That when wool of different qualities is imported in the same bale, bag, or package, it shall be appraised by the appraiser, to determine the rate of duty to which it shall be subjected, at the average aggregate value of the contents of the bale, bag, or package; and when bales of different qualities are embraced in the same invoice at the same prices whereby the average price shall be reduced more than ten per centum below the value of the bale of the best quality, the value of the whole shall be appraised according to the value of the bale of the best quality; and no bale, bag, or package shall be liable to a less rate of duty in consequence of being involved with wool of lower value: *And provided further*, That the duty upon wool of the first class which shall be imported washed, shall be twice the amount of duty to which it would be subjected if imported unwashed, and that the duty upon wool of all classes which shall be imported scoured shall be three times the amount of the duty to which it would be subjected if imported unwashed. On sheep skins and Angora goat skins, raw or unmanufactured, imported with the wool on, washed or unwashed, the duty shall be thirty per centum ad valorem; and on woollen rags, shoddy, mungo, waste, and flocks, the duty shall be twelve cents per pound.

SEC. 2. *And be it further enacted*, That in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, and on such as may now be exempt from duty, there shall be levied, collected, and paid on goods, wares and merchandise herein enumerated and provided for, imported from foreign countries, the following duties and rates of duty, that is to say:

On woollen cloths, woollen shawls, and all manufactures of wool of every description made wholly or in part of wool, not herein otherwise provided for, fifty cents per pound, and, in addition thereto, thirty-five per centum ad valorem.

On flannels, blankets, hats of wool, knit goods, balmorals, woollen and worsted yarns, and all manufactures of every description, composed wholly or in part of worsted, the hair of the alpaca, goat, or other like animals, except such as are composed in part of wool, not otherwise provided for, valued at not exceeding forty cents per pound, twenty cents per pound; valued at above forty cents per pound and not exceeding sixty cents per pound, thirty cents per pound; valued at above sixty cents per pound and not exceeding eighty cents per pound, forty cents per pound; valued at above eighty cents per pound, fifty cents per pound; and, in addition thereto, upon all the above named articles, thirty-five per centum ad valorem.

On endless belts or felts for paper or printing machines, twenty cents per pound and thirty-five per centum ad valorem.

On bunting, twenty cents per square yard, and, in addition thereto, thirty-five per centum ad valorem.

On women's and children's dress goods and real or imitation Italian cloths, composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, valued at not exceeding twenty cents per square yard, six cents per square yard, and in addition thereto, thirty-five per centum ad valorem; valued at above twenty cents the square yard, eight cents per square yard, and, in addition thereto, forty per centum ad valorem: *Provided*, That on all goods weighing four ounces and over per square yard, the duty shall be fifty cents per pound, and, in addition thereto, thirty-five per centum ad valorem.

On clothing ready made, and wearing apparel of every description, and balmoral skirts and skirting, and goods of similar description, or used for like purposes, composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, made up or manufactured wholly or in part by the tailor, seamstress, or manufacturer, except knit goods, fifty cents per pound, and, in addition thereto, forty per centum ad valorem.

On webbings, beltings, bindings, braids, galloons, fringes, gimps, cords, cords and tassels, dress-trimmings, head nets, buttons, or barrel buttons, or buttons of other forms for tassels or ornaments, wrought by hand or braided by machinery, made of wool, worsted or mohair, or of which wool, worsted or mohair is a component material, unmixed with silk, fifty cents per pound, and, in addition thereto, fifty per centum ad valorem.

On Aubusson and Axminster carpets, and carpets woven whole for rooms, fifty per centum ad valorem; on Saxony, Wilton and Tournay velvet carpets wrought by the jacquard machine, seventy cents per square yard, and, in addition thereto, thirty-five per centum ad valorem; on Brussels carpets wrought by the jacquard machine, forty-four cents per square yard, and, in addition thereto, thirty-five per centum ad valorem; on patent velvet and tapestry velvet carpets, printed on the warp or otherwise, forty cents per square yard, and, in addition thereto, thirty-five per centum ad valorem; on tapestry Brussels carpets printed on the warp or otherwise, twenty-eight cents per square yard, and, in addition thereto, thirty-five per centum ad valorem; on treble ingrain, three-ply, and worsted chain Venetian carpets, seventeen cents per square yard, and, in addition thereto, thirty-five per centum ad valorem; on yarn Venetian and two-ply ingrain carpets, twelve cents per square yard, and, in addition thereto, thirty-five per centum ad valorem; on druggets and bockings, printed, colored, or otherwise, twenty-five cents per square yard, and in addition thereto, thirty-five per centum ad valorem; on hemp or jute carpeting, eight cents per square yard; on carpets and carpetings of wool, flax, or cotton, or parts of either, or other material not otherwise herein specified, forty per centum ad valorem: *Provided*, That mats, rugs, screens, covers, hassocks, bedsides, and other portions of carpets or carpeting shall be subjected to the rate of duty herein imposed on carpets or carpeting of like character or description, and that the duty on all other mats (not exculsively of vegetable material) screens, hassocks, and rugs, shall be forty-five per centum ad valorem.

On oil cloths for floors, stamped, painted, or printed, valued at fifty cents or less per square yard, thirty-five per centum ad valorem; valued at over fifty cents per square yard, and on all other oil cloth (except silk oil cloth,) and on water-proof cloth, not otherwise provided for, forty-five per centum ad valorem; on oil silk cloth, sixty per centum ad valorem.

Approved March, 2, 1867.

The Internal Revenue Record
AND
CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

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☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

REVIEW.

THE decrease in the receipts from internal revenue for the last two months as compared with the corresponding period of last year, is very serious. In three districts of this city, the 5th, 8th, and 32nd, the last of which is the largest in the country, the collections for January and February, 1867, are only $1,271,371 against $2,211,319 48 last year, a decrease of $939,947,77 or more than 42 per cent. The alarming decrease is accounted for by the depression of trade, and the reduction of rates by the Act of 1866, and the anticipated reduction provided by the recent Act of March 2, 1867, which moved many to delay work. The precise extent to which each of these causes has operated cannot be determined. The above rate of decrease is more or less maintained in all the large districts. Events are likely to prove recent reductions ill-timed and injudicious.

The Treasury may, however, be materially strengthened by the prompt assessment and collection of the annual taxes, which should be pushed forward with vigor.

The rulings relating to the assessment on scrip dividends and to deductions in ascertaining net gains of banks, railroads, and other corporations, were made in February but are applicable to existing laws. Assistant assessors should carefully not these rulings and examine into returns of corporations, and into the manner in which they are made up and what deductions have been made in ascertaining the net gains. The decision as to when tax accrues on the gross receipts of toll roads, was also made in February, but is only applicable to the laws in force prior to the 1st inst., gross receipts from toll roads having been exempted from and after March, 1867, by Section 34 of the New Amendatory Act.

Section 31 of the same Act provides that all internalrevenue inspectors shall give bond. The Commissioner has issued instructions in relation thereto, in which he holds that cigar, tobacco, distilled spirit, and inspectors of whatever kind, come within the provision and requires each to execute bond of five thousand dollars. Those living east of the Mississippi have until the first of April, those living west thereof and east of the Rocky Mountains, have until the first of May; those on the Pacific coast have until the first of June to file their bonds. Any inspector failing to file proper bond, will be deemed to have vacated the office.

The attention of collectors is called to the laws relating to customs, and to the circulars respecting the appraisement of wool. Importers will take interest in the regulations respecting cartage connected with bonded warehouses.

IN the result of the case of the United States against Rumsey, in New Jersey, for violating the revenue laws by making false returns, &c., of which we publish a very interesting report, will prove a warning to those who may think they can break the revenue laws with impunity. Rumsey was a merchant in good standing, and appears to have made a stubborn fight with able counsel, but without avail. The energy and skill ing the cases to a successful termination, is worthy of all praise, and might be imitated in other judicial districts with benefit to the revenue.

Some limitation ought to be placed to the practice of compromising contested cases of fraud, which is fraught with such evil results.

EXPORT DUTIES OF VENEZUELA.—A decree of the Government of Venezuela establishes the following rates of export duties in all the ports of the Republic for the future, the former duties being abolished:

Cotton, per quintal, $1 33; starch, do., 80c.; cocoa, do., $2 50; coffee, do., $1; Cobadilla, do. $1; Dividive, do., 15c.; Indian corn. do., 8c.; Quina bark, do., $2; Tachamaca, do., $3; tobacco leaf, do., $2; carana, do., $3. Medicinal substances not specified: sarsaparilla, per quintal, $6; indigo, per pound, 6c.; oil of sassafrass, do., 6c.; vanilla beans, do., 50c.; sarassia, do., 10c.; cocoanut, oil, per 80 bottles, $2 50; horns, per 100, 25c.; donkeys, each, $4; horses and mares, each $15; mules, each, $10; bulls and oxen, each, $2 50; deerskins, each, 15c.; tiger skins, each, $1 50; skins of animals not specified, 5c. each; lignum vitæ, per tun of 2,000 lb., $1; fustic, do., 70c.; logwood, do., $1; sole leather, per side, 50c.; straw hats, per doz., 75c.; balsam copabia, per lb, 6c.; lumber for building, 10 per cent. ad valorem; all articles not specified, 10 per cent. ad valorem. The duties are to be paid in Venezuelan currency.

EXPORTATION OF COIN.

WE shall comment on a draft of a bill which has been published in the INTERNAL REVENUE RECORD for January 12, 1867, entitled "An act to harmonize the relations of the national coin and paper," &c. :—

§ 1. *Be it enacted, &c.*, that the exportation or transfer by sea or land, to any foreign country, port or place, of any metalic money of the coinage of the United States, be, and is hereby prohibited, and shall be punishable by forfeiture, &c.

This measure is now absolutely necessary, not only to a resumption of specie payments, but to restore confidence and obviate the causes of distrust and apprehension. There can be no safety or quiet in our affairs so long as the exportation of the coin provided for the daily and hourly use of the people is allowed. And why should we not stop the export as we would stop the leak which was sinking the ship? Can anything be more preposterous and absurd than for a nation to provide a currency of coin, make its paper redeemable on demand in the coin or lose its value, and then export the coin, pledged and relied on as it was? In any other case this would be called bad faith, cheating and swindling the people to pay foreigners for an excess of imports, abstracting the basis of the currency and deranging all business, violating the law and trifling with the interests and rights of the people.

The coin of a country employed as currency is a thousand fold more important daily to the people than the amount of surplus imports. If retained at home and in its uses, it will daily facilitate exchanges and payments to many scores of times the amount of imports it will pay for. To export it is, as the laws now are, not only to diminish and discredit, but to strike down, as far as possible, all the exchanges of country is but a fraction compared with the whole amount of exchanges and payments. Of this, coin, when in circulation and plenty, forms but a small proportion—too insignificant in amount to be relied on as an article of export—yet on account of its uses and relations to allow it to be carried out of the country is to invite and welcome ruin.

§ 2. That the export and import of uncoined gold and silver, and of foreign coins as bullion, and the purchase and sale thereof in domestic and foreign markets, shall be allowed as hertofore without restriction.

§ 3. That to harmonize the circulation of the national coin with that of United States treasury notes and national bank notes, as money legally of equivalent value, the selling, paying or receiving of the treasury notes, the national bank notes, the national coin, at any price or percentage more or less than the specified and uniform value which by law they respectively represent as money, be, and is hereby prohibited as a misdemeanor, punishable by forfeiture, &c.

§ 4. That the national bank notes as representing in pledged national bonds the value expressed by them, be made like coin a legal tender in all payments except for customs and for interest on outstanding national bonds, and that they be exchangeable at pleasure as equivalents, but as in no respect dependant on each other.

§ 5. That the national coin, the treasury notes and the national bank notes, shall be circulated as equivalents in law and usage, and be exchangeable for each other at pleasure; but that neither of them shall by law be convertible into, or redeemable with either of the others; and that the national coin be circulated as representing the assumed intrinsic value stamped on it at the mint; the national bank notes as representing their fixed legal value as substitutes for the national bonds held in pledge for their security and redemption; and the treasury notes as representing their legal and uniform value in the revenue and good faith of the government, each convertible or redeemable only by that which they respectively represent.

These just, obvious, and consistent measures, carried into effect, will at once restore our currency to its legal status, prevent a premium on coin, produce uniformity and relieve the principal difficulties, fears and apprehensions, and prevent revulsion, stagnation and ruin. Our legal currency will be our money, confined to its legal and proper sphere at home, and used in our domestic exchanges and payments. It will not be drained away and lost at the pleasure of foreigners, nor depreciated by competition of coin with paper. It will be treated, not as merchandise, speculative, fluctuating, uncertain, but as the fixed and uniform standard and measure of value, provided for that office by law, as are standard measures of length. It will rectify and regulate the amount of imports. If foreigners flood our markets with an excess of imports, the risk and loss will fall on them; they cannot carry off our money, but must take our products in pay, or stop the excess of their operations. If they take more national bonds they must take them at the price here, not at half that, and exchange them for produce when they send them home.

Communications, &c.

FRAUDULENT ELECTIONS.—BRIBERY.

Editor Internal Revenue Record.

SIR: A Convention is soon to be held to amend, revise, or alter our State Constitution, and I would be glad to have the people's attention called to one of the worst evils with which a Republican Government can be cursed, and which is rapidly demoralizing our people; and unless [illegible] we become a reproach to the civilized world, if not a broken down nation. I refer to bribery at our preliminary meetings—at all our elections—and would recommend that our organic law be so altered as to disfranchise *all* parties guilty of said offence.

Within a few years the practice has increased to such an extent, that in many localities voters sell themselves unblushingly to the highest bidder, and unless the practice is stopped none but a "millionare" will be able to enter the political arena with a chance of success.

This practice is already sapping the foundations of our political fabric, and numbers of otherwise honorable men, now in office, are in turn being bribed, and the Government and people robbed, in order to get their money back, or to fill their dishonest purses.

Existing laws are of no avail in preventing this demoralization, as no party *dare* prosecute. The law is, therefore, a dead letter, and millions of our substance will hereafter be used in violation of law, and in overthrowing one of the most sacred rights of a free and liberty loving nation—an untrammelled and free suffrage. To maintain this, let our Constitution be so altered, as to *disfranchise and disqualify from holding office* any one giving or receiving, directly or indirectly, any pay, money, or reward for voting for any office, or for attending any election or any caucus, for the nomination of candidates for any office.

Let all general election days be declared holidays, and let every voter be *challenged* at the polls who is suspected of violating the law; let every vote be rejected, where the party offering to vote proves to have been guilty *within the last five years* or after its passage, and let his name be stricken from the registry, and he be disfranchised for *four years* longer. Let any one who shall swear in his vote falsely, upon conviction be liable for perjury, and a fine of $100, one half to go to the informer, the other moiety to the *town* school fund, and be forever disfranchised unless pardoned by the Governor, which in *no case* should be within *five years* from conviction; then the right of franchise should not be restored unless the fine has been or shall first be paid.

Such a law would be *self-executing* and would save all parties millions of dollars in the long run, and would enable worthy men of all parties to enter the political arena without fear that his opponent's "millions" will be of more service on election day than a good reputation. Another safe-guard would be to reject the vote of any voter that had *drunk, sold, or given away* any spirituous or malt liquors on election day, and no voter could justly complain if required to go to the polls *sober*, providing that he could drink afterwards.

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March, 1867.

Editor of Internal Revenue Record.

As an inexperienced assistant assessor, I receive and look over the "INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL," to ascertain what my duties are, and how most efficiently and wisely to discharge them; hoping that from the experience of others and their practices as detailed, benefit might result to myself and the Government. The questions whether country or city assistant assessors are best or most equitably compensated, or whether either is sufficiently compensated, however long, ably, or convincingly discussed, can shed but little light upon the questions of difficulty that may arise and embarrass the inexperienced. The metropolitan assistant may find his four or five dollars per day a meagre reward for faithful and diligent discharge of his duty, and conjecture that his country brother can have no such similar, or equivalent embarrassments, and therefore he has a just claim to increased reward; and he of the rural regions, knowing his own labors and perplexities, and not those of other and more densely populated localities, fails to discern why it is just to discriminate between them as to amount of per diem. Did we not, each and all of us, understand much better what compensation was proffered by Government for our services, than we did or do the intricacies of the duty to be performed? I must confess I did; and having volunteered to learn, and obligated myself to discharge the duties of the station to the best of my ability, for the compensation offered and provided, I am weak enough to think that I could be aided more in learning and doing what devolves upon me were the weekly, paid for and sent me by Government for that purpose, more fully occupied with expositions of, and comments upon, the law and practices under it, than by discussing about salary. Who, having experience, will through its columns help to enlighten the pathway of an ASST. ASSESSOR?

Very sensible and pertinent remarks. As the officers referred to have had their pay increased, the government and tax-payers expect them to increase their efficiency. This they can do in no better way than by notes of their own practice, and queries as to the practice of other assistants. Our columns are open to them for that purpose.

"INEQUALITIES OF THE INCOME TAX."

Editor of the Internal Revenue Record.

I respectfully ask what justice there is in the ruling that farmers should not return the products raised by them which are consumed in their families?

A, a farmer, has nine children, raises $1,800 worth, sells $600, consumes $1,200, pays a tax of $30.

B, a clerk, has nine children, earns $1,800, buys everything, consumes $1,200, is exempted $600, and pays a tax on $1,200, say $60.

Take another case not often alluded to, and for which I am not aware that any relief has ever been made, or is now contemplated. I will give an actual case. A widow in feeble health, having an only child, a daughter, who is a cripple for life, neither able to do anything for a support, has $10,000 invested in six per cent. stocks, all of which pay the income tax on dividends before paying said dividends. The income is $600, but where is the exemption? Another actual case. A farmer living near her has a farm which supports himself and his family. Of course he does not return any income for that, for it is consumed; but he has $10,000 exactly, on interest at six per cent, per annum; he receivcs $600 and that is exempt. Is it not strange that such inequalities have not received the attention of our law-makers? In the former case there is no exemption whatever, in the latter about three.

W.

Existing laws expressly require farmers to return the sales of all their products, but authorizes them not to include the value of products consumed directly by their families. This provision plainly discriminates in favor of farmers and against operatives and working-men, but it is the law and must be obeyed. Both instances mentioned by "W" show the unfairness of the operation of the income tax, and like cases could be multiplied indefinitely. The best way under the circumstances is for assistants to be rigid in taxing everybody who is liable, even if the amount of the tax be no more than a single dollar. Statistics show that every third man evades his income tax, or pays tax on but one third of the proper amount. Assistant Assessors, it seems to us, are to be blamed for this.—ED.

Editor of Internal Revenue Record.

Are blacksmiths, wagon makers, farriers, carpenters, saddle and harness makers, cabinet makers, shoe makers, and proprietors of saw mills liable to tax if their sales exceed one thousand dollars?

N. T. B.

Each and all are liable to special tax of $10 as retail dealers, provided they each sell per annum in excess of $1000 of purchased and manufactured goods. If their sales are exclusively of their own products or manufactures, they should be assessed a special tax of $10 as manufacturers.

ED.

Assistant Assessor (1)—A wholesale dealer doing business in one and living in another district, must return and pay income in the district and division in which he resides, and not that in which he pays license or special tax.

(2) A person making sales in excess of $1,000 per annum, half of purchased goods, and half of his own products or manufactures, his aggregate sales per annum not exceeding $1,200, should pay special tax of $10 as retail dealer.

Editor of Internal Revenue Record.

A Rolling Mill Co. manufacture "cotton ties," that is a band of iron (hoop iron) with a fastening on same to secure the bole.

Now, the mill pays a tax of $5 per ton on the hoop; should not the tie be returned and pay an ad valorem tax on it also, as a separate manufactured article?

ASSISTANT ASSESSOR.

Yes; the tie is liable to tax as a manufacture of iron not otherwise provided for.—ED.

Gazette.

Lovett S. Morton, Cleveland, Ohio, Assessor 18th District, Ohio, vice John E. Hurlbut.

Benjamin F. Kelly, Wheeling, West Va., Collector 1st District, West Va., vice Thomas P. Shallcross.

Augustus L. Chetlain, Great Salt Lake City, Utah, Assessor for Utah, vice John E. Smith.

William Breeden, Santa Fe., New Mexico, Assessor for New Mexico, vice Wm. V. B. Wardwell.

Westley Frost, Brownsville, Penn., Assessor, 21st District, Penn., vice F. M. Kinter.

James B. Ruple, Washington, Penn., Assessor 24th District, Penn., vice William Quail.

Frederick Renner, Nebraska City, Nebraska, Assessor for Nebraska, vice Andrew S. Holladay.

Albert. G. Leonard, Wheeling, West Va., Assessor 1st District, West Va., vice George J. Stealey.

Milton W. Worden, Mansfield, Ohio, Assessor 8th District, Ohio, vice William E. Scofield.

Henry R. Wells, Owego, N. Y., Assessor 26th District, N. Y., vice Mathew D. Freer.

P. J. Stone, Charlestown, Mass., Assessor 6th District, Mass., vice John C. Sargent.

C. C. Esty, Framingham, Mass., Assessor, [illegible] trict, Mass., vice Wm. W. Warren.

Curtin C. Gardiner, Elmira, N. Y., Assessor 27th District, N. Y., vice Wm. R. Judson.

R. H. Carnahan, Danville, Ill., Assessor 7th District, Ill., vice Wm. M. Chambers.

David Bradden, Indianapolis, Ind., Assessor 6th District, Ind., vice Martin Igoe.

Augustus B. R. Sprague, Worcester, Mass., Collector, 8th District, Mass., vice Church Howe.

Willard Slocum, Ashland, Ohio, Assessor 14th District, Ohio, vice Basil C. Brown.

Lucas Flattery, Wooster, Ohio, Collector, 14th District, Ohio, vice John R. Finn.

John Sargent, New Philadelphia, Ohio, Assessor 16th District, Ohio, vice John H. Barnhill.

David Turner, Crown Point, Ind., Assessor 9th District, Ind., vice James W. Eldridge.

James Lewis, Bucyrus, Ohio, Assessor 9th District, Ohio, vice Frank Baker.

Chester Pike, Cornish, N. H., Collector 3rd District, N. H., vice Caleb B. Bowers.

Silas F. Smith, Syracuse, N. Y., Collector 23rd District, N. Y., vice W. W. Mosely.

Farley Holmes, Penn Yan, N. Y., Collector 25th District., N. Y., vice David H. Abell.

George J. Anderson, Sandusky, Ohio, Collector 9th District, Ohio, vice Wm. E. Haynes.

Can B. White, Georgetown, Ohio, Assessor 6th District, Ohio, vice J. Woodrow Warner.

J. Lee Englebert, West Chester, Penn., Assessor 7th District, Penn., vice Archer N. Martin.

Thomas Brown, Martinsburg, West Va., Assessor 2nd District, West Va., vice Owen D. Downey.

Hagerman Tripp, Trippton, Ind., Assessor 3rd District, Ind., vice Thomas J. Riley.

Robert McLaren, St. Paul, Minn., Assessor 2nd District, Minn., vice George H. Woods.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

Scrip Dividend.

The tax upon a scrip dividend should be assessed when the scrip is issued, and the dividend should be returned at its par value.

Feb. 1867.

Deductions in Ascertaining Net Gains of Banks, Railroads, and other Corporations.

In determing the amount of tax upon the net gains of the Corporations mentioned in Sections 120 and 122 of the Revenue Act (162 and 164 of Compilation,) no deduction should be made on account of a part of the earnings being the interest upon rail road bonds owned by them, and upon which a tax has been withheld, or on account of tax withheld by other corporations from dividends payable to them. The law (Section 121, Act of June 30th, 1864,) does not authorize any other deductions from the tax on dividends and surplus profits (net gains) than that for tax *once paid* by the *same corporation* on that part of its surplus fund which is taken to complete dividend.

Feb. 1867.

When Tax accrues on Gross Receipts of Toll Roads.

A tax accrues upon the gross receipts of a toll road for each and every particular month, when the gross [illegible] next preceding, have exceeded the amount actually and necessarily expended for repairs *made during that term.*

Feb. 1867.

[CIRCULAR NO. 60.]

CONCERNING INSPECTORS' BONDS.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, March 11, 1867.

It is provided by Section 31, Act of March 2, 1867, that all Inspectors appointed under the Internal Revenue Laws, shall be required to give bonds with security for a sum not less than five thousand dollars conditioned for a faithful performance of their duties.

Each Inspector in the Internal Revenue service, of whatever kind, is therefore hereby required to execute a bond in the sum of five thousand dollars. Those living east of the Mississippi river must do so prior to April 1; those west of the Mississippi, and east of the Rocky mountains, will be allowed until May 1; while those living on the Pacific Coast must file their bonds by June 1.

Any Inspector who fails to comply with this requirement within the time specified will be considered as having vacated his office.

This requirement must be complied with by Inspectors of Tobacco, Snuff, and Cigars, notwithstanding they have heretofore given bonds under a former Act. Form 39, which has hitherto been used exclusively for Inspectors of Tobacco, will be so changed as to answer for all Inspectors, and may be obtained from any Assessor.

These bonds should be executed in all points in accordance with the instructions contained in the foot notes on the form, and must be delivered to the Assessors of the respective districts for their approval,

and by them be forwarded to the Commissioner of Internal Revenue.

E. A. ROLLINS, *Commissioner.*

[CIRCULAR NO. 59.]

Respecting Applications for permits to hold Lotteries, Raffles, and Gift Enterprises "Exempt from all Charge."

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, March 8, 1867.

The following is the provision of law by which such permits are authorized:

"*Provided*, That the managers of any sanitary fair, or of any charitable, benevolent, or religious association, may apply to the Collector of the district and present to h.m proof that the proceeds of any contemplated lottery, raffle, or gift enterprise will be applied to the relief of sick and wounded soldiers or to some other charitable use; and thereupon the Commissioner shall grant a permit to hold such lottery, raffle, or gift enterprise, and the said sanitary fair, or charitable or benevolent association, shall be exempt from all charge, whether from tax or license, in respect of such lottery, raffle, or gift enterprise."

Such a permit can be granted only to a sanitary fair, or to a charitable, benevolent, or religious association. The application should be made by the managers of the fair or association; should be addressed to the Commissioner of Internal Revenue; should be supported by proof, in writing, that the *entire net proceeds* "will be applied to the relief of sick and wounded soldiers, or to some other charitable use," and should be presented, together with the evidence supporting it, to the Collector of Internal Revenue for the proper district, who, if he approves it, will [illegible] the papers relating to it, to this office. The desired permit will then be issued and sent to the managers through the Collector, unless, in the opinion of the Commissioner, there be some good reason for withholding it. Such a permit is *prima facie* evidence of exemption from special tax and from the tax upon gross receipts.

Collectors have no authority to issue permits themselves, but are simply to receive applications and forward such as they approve to the Commissioner.

It is believed that applications are sometimes approved by Collectors without due consideration. A distinction as to the amount of evidence to be required should be drawn between applications by long-established, well-known charitable associations, and those by associations originated for some temporary purpose or some particular occasion. When there is good reason to suspect that a permit, if granted, would be used to subserve private interests, party or political ends, or any other purposes than those stated in the law as above quoted, approval should be withheld until the facts have been stated to this office and its advice obtained.

If a permit is obtained by false and fraudulent representations, or if the object for which it is granted is ignored or supplanted by some other not embraced in the foregoing provision of the law, it will be revoked by the Commissioner, and will give no protection to to the managers or others in acts inconsistent with its express terms.

E. A. ROLLINS, *Commissioner.*

THE receipts from internal revenue during the present month have thus far averaged $583,536 89 per diem, and the whole amount of receipts since the commencement of the present fiscal year on the first of July last, to the 17th inst. is $208,188,938 48.

Direct Tax in West Virginia.

(Public Resolution—No. 19.

A Resolution to Provide for the Ascertainment and Apportionment of the proper Quota of the Direct Tax of eighteen hundred and sixty-one to the State of West Virginia, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in ascertaining the quota of the State of West Virginia of the direct tax imposed by the act of August fifth, eighteen hundred and sixty-one, the Secretary of the Treasury is authorized and directed to charge the said State with such proportion of the said tax apportioned to the State of Virginia as the value of the real estate of the counties now composing the State of West Virginia, including Berkely and Jefferson, bears to the value of all the real estate of the then State of Virginia, as ascertained by the assessment for State taxation of the real estate of the State of West Virginia in the year eighteen hundred and sixty, giving credit to the S ate of West Virginia for such par. of its proportion so ascertained as has been already paid.

SEC. 2. *And be it further resolved*, That the State of West Virginia is hereby made liable to all the duties in relation to said direct tax which are imposed by law upon, and is entitled to all the privileges in the same relation which are by law allowed to, other loyal States: *Provided*, that no liability or burden whatsoever is hereby imposed or shall be imposed by said State, arising in any way out of said tax, upon lands included within the present limits of the counties of Berkeley and Jefferson, or upon the inhabitants as such, for the time being, within said limits, except upon terms accepted by a majority vote of legal voters resident within said limits.

SEC. 3. *And be it further resolved*, That the board of direct tax commissioners for the State of Virginia shall have and continue to have the same authority to assess and collect the before-mentioned direct tax in the counties of Berkeley and Jefferson as if those counties still formed a pa.t of the State of Virginia.

SEC. 4. *And be it further resolved*, That the Secretary of the Treasury shall be authorized to refund to persons from whom money has been received without warrant of law, as in payment of dues under the direct tax laws, the sum so illegally collected; such refunding to be ordered on the presentation, in each case, of satisfactory evidence of the illegal collection.

SEC. 5. *And be it further resolved*, That the Secretary of the Treasury is hereby authorized and directed to suspend the further collection within the State of West Vi ginia of any part of the direct tax imposed by the act of August five, eighteen hundred and sixty-one, until the first day of June next, unless the claims of the said State against the United States are sooner adjusted.

SEC. 6. *And be it further resolved*, That section two of an act entitled "An act further to amend an act entitled 'An act for the collection of direct taxes in the insurrectionary States within the United States, and for other purposes,' approved June seven, eighteen hundred and sixty-two," approved March third, eighteen hundred and sixty-five, be, and the same is hereby, repealed, and certificates of sale shall be received in all courts and places as prima facie evidence of the regularity and validity of said sale and of the title of purchaser or purchasers under the same, as provided in section seven of an act entitled "An act for the collection of direct taxes in insurrectionary districts within the United States, and for other purposes," approved June seven, eighteen hundred and sixty-two.

Approved February 25, 1867.

SECRETARY'S OFFICE—CUSTOMS.

Cartage connected with U. S. Bonded Warehouses.

TREASURY DEPARTMENT,
March 8, 1867.

The following circular is published for the information and government of officers of the customs and others concerned.

HUGH MCCULLOCH,
Secretary of the Treasury.

SIR: Numerous complaints have been made that Collectors of Customs at certain points have conferred upon favorites the privilege of carting to and from the public and bonded warehouses, imported merchandise, and excluded merchant's carmen who desired to cart their employer's merchandise; therefore, in order to avoid such complaints in future, you are herewith instructed to conform to the following regulation of this Department in conferring the privilege of lightering, carting, and draying imported merchandise at your post.

HUGH MCCULLOCH,
Secretary of the Treasury.

Collector ———.

Whenever any lighterman, carman, or drayman shall make application for the privilege of lightering, carting or draying any merchandise imported into the United States, from the vessels or vehicles in which imported, to public or bonded warehouses, general order or Appraiser's store, and to convey such merchandise to the place of deposit specified in the permit, you are hereby authorized and directed to allow such lighterman, carman or drayman to perform the said service, on condition that he shall enter into bond, with sufficient sureties to the satisfaction of the Collector of the port, and this Department, for the faithful discharge of his duties, and the same privileges shall be extended to any merchant's carman, lighterman, or drayman on condition that he shall enter into bonds with sufficient sureties to the satisfaction of the Collector and this Department for the faithful performance of his duties, one of which sureties shall be the party by whom such carman, lighterman or drayman may be employed.

Appraisement of Wool.

[CIRCULAR.]

TREASURY DEPARTMENT,
March 7, 1867.

SIR: The preparation and distribution to the various officers of the Government of the "distinctive samples of the various kinds of wool and hair" provided for in the act entitled "An act to provide increased revenue from imported wool and for other purposes," approved March 2, 1867, will necessarily require some time, probably several weeks, whilst the rates of duty to be determined by classification according to said "distinctive samples" are now in force.

With a view to remedying as far as possible the difficulties presented, and by virtue of the general authority vested in the Secretary of the Treasury, you are hereby instructed to permit the entry of wool and hair as heretofore, and request the appraisers to make returns to you, according to the classification mentioned in the act.

The appraiser will retain samples of all wool and hair examined by h.m, for the purpose of comparing them with the verified samples when the same shall be received by h m from this Department.

It is suggested that the liquidation of all entries of wool and hair under the act in question be suspen-

cled until the appraiser is able to report to you according to its terms and provisions.

The appraiser will, in addition to those retained for his own future reference, secure and send samples to this Department, accompanied by a statement showing the name of the importer, vessel by which imported, his classification thereof, and the rate of duty to which in his opinion the same is liable.

I am, respectfully,

H. McCULLOCH,
Secretary of the Treasury.

To ———— Esq., *Collector.*

LAWS RELATING TO CUSTOMS.

Passed by the Thirty-ninth Congress at its Second Session.

TREASURY DEPARTMENT,
March 8, 1867.

The following Acts of Congress, with certain instructions, are published for the information and guidance of Customs Officers.

H. McCULLOCH,
Secretary of the Treasury.

AN ACT to change certain Collection Districts in Maryland and Virginia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the districts of Oxford and Vienna, in the State of Maryland, be, and the same are hereby abolished, and the office of collector of both said districts is hereby discontinued.

SEC. 2. *And be it further enacted*, That the district of Oxford, in said State, shall be annexed to the district of Baltimore; and all that part of the district of Vienna, in said State, bordering on the sea coast and all the waters which flow into the sea or bays on the east side of said district of Vienna, be, and the same are hereby, annexed to the district of Cherry-Stone, in the State of Virginia; and that all the residue of said district of Vienna be, and the same is hereby, made a new district, to be called the Eastern district, and that the collector of said Eastern district shall receive an annual salary of twelve hundred dollars, and shall reside at Crisfield, which shall be the port of entry for said new district.

SEC. 3. *And be it further enacted*, That the offices of surveyor at Snow Hill, and of deputy collector at Annamassex and Deal's Island be, and the same are hereby, discontinued.

SEC. 4. *And be it further enacted*, That all acts and parts of acts inconsistent with this act are hereby repealed.

Approved February 25, 1867.

AN ACT relative to Collection Districts in North Carolina.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That from and after the first day of October, Anno Domini eighteen hundred and sixty-six, there shall be in the State of North Carolina four collection districts to wit: one, to be called the district of Albemarle, which shall include Albemarle, Currituck, and Croatan sounds, and all the waters, shores, harbors, rivers, creeks, bays, and inlets adjacent to and flowing into the said sounds, together with that part of Pamlico sound north of and including Loggerhead inlet, and all waters and shores appertaining thereto. And the port of entry for said district shall be at Plymouth. Another to be called the district of Pamlico, which shall include Pamlico sound, and all the waters, shores, harbors, rivers, creeks, bays, and inlets adjacent to and flowing into said sound, exclusive of the district of Albemarle, and including the south line of Neuse river to the northern entrance of Core sound and the port of entry for said district of Pamlico shall be at Newbern. Another to be called the district of Beaufort, which shall include all the waters, shores, harbors, creeks, bays, and inlets south of the district of Pamlico and north of and including New river and inlet; and the port of entry for said district of Beaufort shall be at Beaufort. And another to be called the district of Wilmington, which shall include all waters, shores, harbors, creeks, bays, and inlets south of the district of Beaufort to the southern boundary of the said State, and the port of entry for said district of Wilmington shall be at Wilmington. And the collector of each of said districts shall reside at the port of entry thereof, and shall be appointed by the President by and with the advice and consent of the Senate, and receive a salary at the rate of one thousand dollars per annum in addition to the fees of office; *Provided*, That such compensation shall in no case exceed the sum of twenty-five hundred dollars per annum in the aggregate.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury, should it at any time hereafter seem to him necessary, may change the port of entry in the district of Beaufort from Beaufort to Morehead city; and that all acts and parts of acts conflicting with the provisions of this act be, and the same are hereby repealed.

Approved February 25, 1867.

AN ACT to fix the Compensation of the Officers of the Revenue-Cutter Service, and for other Purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the thirty-first day of December, eighteen hundred and sixty-six, the compensation of the officers of the revenue-cutter service shall be at the following rates, viz:

DUTY PAY.

Captains, twenty-five hundred dollars per annum.

First lieutenants and chief engineers, eighteen hundred dollars per annum.

Second lieutenants and first assistant engineers, fifteen hundred dollars per annum.

Third lieutenants and second assistant engineers, twelve hundred dollars per annum.

PAY ON LEAVE OF ABSENCE, OR WHILE WAITING ORDERS.

Captains, eighteen hundred dollars per annum.

First lieutenants and chief engineers, fifteen hundred dollars per annum.

Second lieutenants and first assistant engineers, twelve hundred dollars per annum.

Third lieutenants and second assistant engineers, nine hundred dollars per annum.

SEC. 2. *And be it further enacted*, That from and after the thirty-first day of December, eighteen hundred and sixty-six, each officer of the revenue-cutter service, while on duty, shall be entitled to one navy ration per day.

SEC. 3. *And be it further enacted*, That to enable the Secretary of the Treasury to carry out the provisions of this act during the last half of the current fiscal year, and during the fiscal year ending June thirty, eighteen hundred and sixty-eight, the sum of one hundred and thirty-three thousand four hundred dollars is hereby appropriated for the expenses of the revenue-cutter service, out of any money in the Treasury not otherwise appropriated.

Approved February 28, 1867.

AN ACT Relative to the Port of Camden, New Jersey.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the port of Camden, in the State of New Jersey, be, and the same is hereby, annexed to the collection district of Philadelphia, and that an assistant collector, to be appointed in accordance with the laws of the United States, shall reside at Camden, who shall have power to enter and clear vessels in like manner as the collector of Philadelphia is authorized to do, but such assistant collector shall nevertheless act in conformity to such instructions and regulations as he shall from time to time receive from the collector of Philadelphia; and that the said assistant collector shall receive for his annual salary fifteen hundred dollars in full for all services to be by him performed, and in lieu of commissions and fees.

SEC. 2. *And be it further enacted*, That the assistant collector, appointed under this act, be, and he hereby is, authorized to enroll and license, according to the laws of the United States, all vessels engaged in the coasting trade and fisheries, owned in whole or in part by residents of that portion of the Bridgeton district lying north of Alloway's creek, in the county of Salem, in the State of New Jersey. And all such enrolments and licences shall be as valid and effectual as if they had been effected in any other port of the United States; and the said assistant collector, in the enrolment and licensing of vessels shall be subject to the laws of the United States and liable to all the penalti s and responsibilities imposed upon collectors in like cases.

Approved February 28, 1867.

Law Reports.

FRAUDULENT MONTHLY RETURNS.

U. S. DISTRICT COURT, NEW JERSEY.

(R. S. Field, Judge.)

The United States vs. *Charles Rumsey.*

This was an indictment for disclosing and delivering to an Assistant Assessor a false and fradulent return of manufactures, under Section 15, of the Act of June 30, 1864. The trial was begun on the 21st of February last, at Trenton, and terminated in the conviction of the defendant on the 8th of March, having continued more than two weeks.

The case has exhibited almost all forms of opposition to the execution of the internal revenue laws, and therefore, a brief statement of the various proceedings connected with it will be of interest.

The defendant was a manufacturer of clothing in Salem, New Jersey, and carried on in connection with it, an extensive dry goods business. Up to May, 1866, he had returned to the assessor manfactures amounting only to about $300 per month. It was believed that his actual sales were more than ten times that amount, and in May last, a revenue inspector, Mr. Wm. H. Van Nortwick, was sent to investigate his affairs. He examined the books and clerks, and became satisfied that great frauds had been committed. After examining the books and making abstracts for one day, he found that about 60 pages had been cut out during the night, with the evident design to conceal the amount of sales. The collector at once seized the store and books, and reported the case to the District Attorney. Before information was filed, Rumsey obtained from the State Court of Chancery, an injunction restraining the collector from withholding possession of the store and books, and under cover of this process, he took possession of the store by duplicate keys, and carried off the books from the collector's office by

stratagem. He also sued the collector and inspector in an action of trespass, in the State Court, laying his damages at $20,000. The U. S. District Attorney, regarding the seizure as complete, and possession of the property involuntarily abandoned by the collector, filed an information, issued process, and directed the marshal to take possession of the property. He also immediately removed the suit in Chancery, and the action at law into the U. S. Circuit Court. The marshal took possession of all the stock and materials of the clothing manufacture, and on application of Rumsey, appraisers were appointed, and a bond was given for the appraised value of the property, Rumsey still retaining the books.

Shortly after the issuing of the injunction, Rumsey obtained from the Chancellor an order for the collector to show cause why an attachment should not be issued to punish him for a breach of the injunction, which the collector had refused to obey. Testimony was taken *ex parte* under this order, and the motion for attachment was made after the removal of the cause. The District Attorney insisted that the Chancellor had no power to take any further proceeding, and Rumsey's counsel urged that the attachment for a breach before removal was not a further proceeding in the cause, but only a punishment of the individual for contempt committed while the case was in the power of the Court. The argument was delayed and the motion was not afterwards pressed.

Meanwhile the assessor had summoned Rumsey to appear and produce his books, but acting under the decision of Judge Smalley, his counsel caused the books to be torn in two, and produced only the fragments relating to the last month's business, denying the right of the assessor to examine into any transactions for which returns had been already made. The District Attorney then applied to Judge Field for an attachment under Section 14, to compel the production of the books. The attachment was issued, and on its return, after some delay, the Judge made an order that the books should be produced. They were, however, not actually examined by the assessor, he having in the meantime made an assessment of $6,000 for taxes withheld.

In June, 1866, the case was brought before the Grand Jury, before whom Rumsey's clerks and employees were summoned, and eight indictments were found; three for false returns under Section 15, four for perjury under Section 42, and one for forcibly obstructing the collector under Section 38, of the Act of June 30, 1864.

Motions were then made to quash these indictments, and the argument was postponed to September term. At that term four additional indictments were found, and motions to quash were also made as to these.

After elaborate argument these motions were overruled, and the indictments set down for trial at January term. It was held, however, by the Judge, that the defendant must not be tried both for perjury and for false return, as to the same monthly return, and that the District Attorney must elect as to which he would try.

After various delays on the part of the defendant, the trial of the indictment for making a false and fraudulent return for September, 1864, was commenced on the 21st of February.

The case was tried for the Government by A. Q. Keasbey, U. S. District Attorney, and E. Mercer Shreeve; and for the defendant by Messrs. Joseph P. Bradley, Abraham Browning, and A. H. Slape. The defendant's counsel had been notified to produce the books, but they refused. Thereupon the abstracts made by the inspector from the day-book were admitted in evidence, showing sales on credit alone of more than three times the whole amount returned; and it was proved that much the greater portion of the sales were for cash. The clerks, cutters, and sewing women of the defendant were examined, and proved an amount manufactured, at least ten times the amount returned. The only important legal question that arose, was upon the admissibility of the returns made by the defendant for other months than September, on which the indictment was founded. They were offered, not to prove the fact of falsehood in the September return, but to show the fraudulent intent with which it was made. It was earnestly contended that it was not competent to go into proof of other crimes, and that to admit the other returns would be to put the defendant on his defence, for twenty different misdemeanors. But the Court held that they were clearly admissible to show the fraudulent character of the September return; that the several returns were parts of a connected series of transactions, forming the general business of the defendant, and therefore admissible on the settled rules of evidence laid down in the books and cases cited by counsel for the defendant; that such proof was competent in order to show that the return for September was not exceptional, but one of a series of frauds; and that so far from being foreign to the case, this proof was what both parties ought to want to produce, as being best calculated to elucidate the truth, and affording the defendant the best opportunity of vindicating himself if innocent of fraud.

When he came to his defence the defendant produced certain books which he insisted were all the books of his business. It was plain by inspection, and also by comparing them with the inspector's abstracts, that the books had been systematically altered by Rumsey, by adding after a charge of different garments sold, the words "cut and trimmed," in order to make it appear that these were not sales of manufactured articles; and in other instances the word "clothing" had been altered to "cloth," by erasing the last syllable. These alterations ran through all the books, and were made in hundreds of places, as shown by visible marks, or by comparing with the inspector's abstracts.

A book which was reluctantly produced upon proof of its existence, near the close of the trial, revealed the entry of over 8,000 garments for about two years, and it was shown that another had existed, which he utterly refused to produce, covering the month in question, which at the same rate of production, would have shown over 13,000 garments for a period during which he had returned about 1,200. In fact, it was clearly shown that he had done a business of about $40,000 a year, while returning less than $4,000 for taxation.

He was convicted, with a recommendation to the mercy of the court, it being understood that two of the jury refused to find the verdict without such recommendation, desiring to save him from imprisonment.

After the verdict he pleaded *non vult contendere*, as to the other indictments for false return, and the District Attorney entered *nol pros* on the indictments for perjury and obstructing collector.

The Court imposed a fine of $1,000 and costs on the indictment tried, and suspended sentence on the others, upon which he may be punished by imprisonment, or fines amounting to $17,000. It is probable that the severity of the sentences on these indictments will be governed by the action of the defendant as to the payment of his taxes withheld, and the amount of his bond for the property seized as subject to forfeiture.

Duty on Wool—Appraiser's Report.

U. S. CIRCUIT COURT, N. Y.

E. F. Davidson vs. *Henry A. Smythe.*

This was an action brought to recover back an excess of duties levied by the defendant on a quantity of wool imported by the plaintiff from Buenos Ayres, in May, 1865. The tariff act of 1861 levied a duty of three cents a pound on wool valued under twelve cents a pound, and six cents on wool valued at over twelve cents a pound. The wool on its arrival was valued by the Appraiser at over twelve cents a pound, and a duty of six cents a pound was levied accordingly, while the plaintiff claimed that its value was less, and that the duty should have been only three cents.

It appeared that the plaintiff had sent out his order for wool worth less than 12 cents a pound, and that the wool had been bought at less than that rate; but that the currency of Buenos Ayres being a fluctuating one, so changed between the time of purchase and the time of shipment as to raise the price above 12 cents a pound, and the appraisers had taken the value at the time of shipment.

The plaintiff had not applied for any re-appraisement, but brought this suit, and now called the appraiser as a witness, whose testimony, given under objection, showed the above state of facts.

The defence claimed that the appraisement was final, as had been repeatedly ruled by the Court, and in the absence of fraud could not be impeached, and that showed the dutiable value of the wool to be as the defendant had claimed it to be.

The Court said that the rights and equity of the case were very clearly with the defendants. There was no doubt at all that the Government had $10,000 of the plaintiff's money which it had no earthly right to, and which in equity and good conscience it was bound to restore without instituting a suit to recover through the Courts. The evidence shows, and the officers themselves show, that the wool in question was worth less than twelve cents as a dutiable article. The defence is purely technical, which, I must say, I regret a great Government like ours should ever make. It is not creditable to the Government to embarrass merchants in this way; to say to them: "The merchandise that I have taken by a strong arm, these $10,000 of yours, plaintiff, which I have possessed myself of, I will keep, availing myself of the technicalities of the law so to keep it and withhold it from you." But the Court must deal with the law as it finds it. The Courts do not make the law, nor do they execute it. Courts only administer it as they find it. The law officers of the Government—the United States District Attorney in this case—are bound to defend these cases arising under these acts, and the courts are bound to adjudicate on them. I shall direct a verdict for the plaintiff in the case on the facts, and if counsel desire it, I will hear argument on the points of law hereafter.

Verdict accordingly for the plaintiff.

APPOINTMENTS.

The Senate in Executive Session is reported to have confirmed the following nominations of Custom, Internal Revenue and other Officers.

POSTMASTERS.

L. H. Roberts, Alfred, Me.
Jonathan A. Hill, Auburn, Me.
George Taylor, Pekin, Ill.
David C. Ambler, Charleston, Ill.
Chas. R. Tyler, Green Bay, Wis.
Chas. Keech, Valparaiso, Ind.
O. H. P. Bayley, Plymouth, Ind.
John W. Munday, La Porte, Ind.
Abram Wright, Red Wing, Minn.
Cyrus Aldrich, Minneapolis, Minn.
Ellen Sanderson, Springfield, Ohio.
Solomon O. Kingsbury, Grand Rapids, Mich.
Christian Smith, Warren, Penn.
Mrs. Martha A. Gordon, Coatsville, Penn.
R. E. Bowen, Millbury, Mass.

John J. Jacques, Waterbury, Conn.
Cowley Townsend, Salem, Ohio.
Harriet E. Drury, Troy, Ohio.
Matthias A. Pike, Saratoga Springs, N. Y.
B. P. Cilley, Manchester, N. H.
J. M. Hedrick, Ottumwa, Iowa.
Willard McKinstery, Fredonia, N. Y.
Charles Stebbins, Owego, N. Y.
Clarke Dunham, Burlington, Iowa.
Geo. W. F. Vernon, Frederick, Md.
Alfred Bowen, Shelburne Falls, Mass.
William Poole, Niagara Falls, N. Y.
J. T. Moak, Watertown, Wis.
C. H. Hopkins, Utica, N. Y.
Edward H. Shelley, Rome, N. Y.

PENSION AGENTS.

Henry Boynton, Augusta, Me.
Alexander H. Adams, Lexington, Ky.
Ira J. Broomfield, Springfield, Ill.
David Cross, Concord, N. H.
Edward C, Reddington, St. Johnsbury, Vt.

CONSULS.

Charles Stewart, of Pennsylvania, at Copenhagen.
Enoch J. Smithers, of Delaware, at Smyrna.
Henry B. Ryder, of New York, at Chemnitz, Saxony.

COLLECTOR OF CUSTOMS.

William Holson, of Saco, Maine.

REGISTER LAND OFFICE.

James H. Kidd, Ionia, Mich.

RECEIVER PUBLIC MONEY.

Osmond S. Tower, Ionia. Mich.

MARSHAL UNITED STATES CONSULAR COURT.

A. W. Boleinnis, of Pennsylvania, at Bangkok, Siam.

PAYMASTER UNITED STATES ARMY.

Samuel J. Pierce.

COLLECTORS INTERNAL REVENUE.

Alonzo J. Pope, Fourth District, Iowa.
William. J. Landrum, Eighth District, Kentucky.
James Briffington, First District, Massachussetts.
E. W. Budington, 13th District, N. Y.
David Howe, 5th District, Maine.
Charles Kennedy, 31st District, N. Y.
Thomas Moonlight, of Kansas.
Jesse S. Leyford, 2d District Maine.
Gillett V. Stevenson, 4th District, Indiana.
James Armstrong, 2d District, Iowa.
W. W. Wilson, 4th District, Ohio.

ASSESSORS INTERNAL REVENUE.

William C. Kueffner, Twelfth District Illinois.
Chas. A. Harrington, 19th District, Ohio.
Nathaniel Wales, 2d District, Mass.
Joseph G. Bowman, 1st District, Indiana.
George Meason, 2d District, Iowa.
Elias Neigh, 11th District, Ohio.
George J. Bergen, 5th District, Illinois.
Wm. B. Elliott, 3d District, Penn.

NOMINATIONS REJECTED.

The following Nominations were rejected :

NAVAL OFFICER FOR BOSTON AND CHARLESTOWN, MASS.

George H. Kingsbury.

POSTMASTERS.

John Wiseman, Washington, Iowa.
William H. McClure, Cedar Falls, N. Y.
J. P. Evans, Waterloo, Iowa.
Andrew J. Scott, Elkton, Md.
Albert R. Barlow, Canastota, N. Y.
William B. Lipes, Philadelphia, Penn.
William L. Hursey, Clarksburgh, W. Va.
H. C. Connolly, Rock Island, Ill.

UNITED STATES ATTORNEY.

George B. Kellogg, Eastern District, Missouri.

PENSION AGENT.

Milton H. Butler, Detroit, Mich.

CONSULS.

Thomas Kirkpatrick, at Panama.

ASSESSORS OF INTERNAL REVENUE.

Jacob Zeigler, 23d District, Penn.
John W. Mathers, 4th District, Ohio.

COLLECTORS OF INTERNAL REVENUE.

John Barthlon, 4th District, Maryland.
Thomas Johnson, 23d District, Penn.
J. C. Thompson, 9th District, Ill.

POSTMASTERS.

M. S. Wood, Clinton, N. Y.
Thomas L. Smith, Dover, N. H.
Warren Barnhart, Independence, Iowa.
Hiram W. Dixon, Hudson, N. Y.
James S. Murray, Waverly, N. Y.
Patrick McGuire, Cold Spring, N. Y.
Franklin Carter, Luna, N. Y.
Henry V. Colt, Geneseo, N. Y.
Edward R. Pratt, Dansville, N. Y.
Charles. A. Weisbrod, Oshkosh, Wis.

NOTICE.

THE following communication has been received from the Commissioner of Internal Revenue, from which it will be observed that the Department will hereafter forward regularly each week, to be published in THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL, an abstract of rulings to which the practice of all Assessors and Assistants should conform.

OFFICE OF INTERNAL REVENUE,
WASHINGTON, JAN. 22nd, 1867.

SIR: I have made provisions for furnishing you weekly with an abstract of some of the existing rulings of this office under the law now in force, for publication in "THE INTERNAL REVENUE RECORD AND CUSTOMS JOURNAL." I will thank you to inform me at what time in the week you desire it shall be sent to you.

It is not, of course, expected that you will publish these abstracts the same week they are sent to the exclusion of more important matters; such as the decisions of the courts upon questions relating to the Internal Revenue Laws.

Inasmuch as your paper is regarded now as Semi-Official, and is generally read by the officers of this bureau, it is extremely desirable that you should publish nothing therein, purporting to be a ruling of this office, which has not been sent to you from here for publication, or which, having been sent to you from elsewhere, has not been submitted by you for approval here.

Will you also please send here copies of the decisions of the courts which you propose to publish before inserting them in your paper. The publication of an erroneous decision, one to which this office does not conform, is likely to be productive of much harm in the hands of Assessors and Collectors. Very Respectfully,

E. A. ROLLINS, *Commissioner*.

P. VR VAN WYCK, Esq..
Editor of INTERNAL REVENUE RECORD,
95 Liberty St., New York City.

The Internal Revenue Record

AND

CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 13. NEW YORK, MARCH 30, 1867. WHOLE NUMBER, 117.

TABLE OF CONTENTS.

☞ THE official matter published in the RECORD will always be clearly indicated, so that there may be no misapprehension as to what shall be considered binding upon officers of the revenue in their official capacity, and that which is merely advisory. The proprietor alone is responsible for the *unofficial* matter which appears in it.

REVIEW.

AN important circular has been promulgated prescribing fees of Collectors of Internal Revenue in cases of seizure, and giving instructions in relation to fees for custody of goods under seizure, drawing deeds to private purchaser, sale of real estate, mileage, &c.

Instructions as to the payment of witnesses summoned before the assessor, are also contained in the circular.

Several rulings of interest will be found in the official columns. Liquor peddlers may sell other merchandise without additional special tax. Dealers and liquor dealers may sell butchers' meat at their places of business, without becoming liable to additional tax as butchers.

The ruling in regard to farmers producing tobacco, and manufacturing or causing it to be manufactured for sale, will correct some abuses which have arisen in the rural districts in the diversity of practice in making assessments in such cases. It will be remembered that there are no exemptions whatever upon the manufacture of tobacco or cigars. Be it one pound or a million, tax accrues, and assistant assessors cannot be too careful in ferreting out delinquents, and instructing farmers and others as to their liabilities.

Proprietors of grist or flour mills must be held for special tax as manufacturers, if their products of flour, meal, &c., exceed $1,000 per annum. Manufacturers of articles exempted from an ad valorem tax, are nevertheless liable to special tax as manufacturers, and should be assessed accordingly.

Parties insured and Insurance Companies are interested in the ruling in regard to the stamping of the papers, receipts for premium, &c., which operate to continue or renew policies of insurance. The same amount of revenue stamps are required as the policy itself.

The most important ruling involving a question of income, is that which holds underlying coal, iron, lead, copper, &c., as real estate, and all profits realized within the year 1866 from the sale of real estate purchased since December 31, 1863, should be returned as income for 1866.

The practice of brewers in affixing two or more fractional stamps to beer barrels, is improper. The tax must be paid by the use of a single stamp upon each package.

OUR thanks are due to numerous patrons for the aid offered in bringing VAN WYCK'S QUARTERLY ABSTRACT OF REVENUE DECISIONS to public notice. This pamphlet is very convenient and of great use, especially in the Southern States.

We furnish reliable parties in those States with copies of the ABSTRACT to be sold on commission, and any one sending 20 dollars for 100 copies, can have two hundred circulars and several show bills with their imprints printed thereon. It has passed to a second edition, and parties wishing them had better send on their orders at once. Price, $20 per hundred, or single copies 30 cents.

ANNUAL ASSESSMENTS.

ONE month of the two, prescribed by the recent law for persons liable to Special tax, to file applications with their assistant assessors and pay their dues, has passed, with very little progress. Much of the delay has been owing to the misapprehension of assistants of their precise duties under the new law, and the omission of the Department to give them the proper instructions.

The license, or tax year for special taxes is unchanged. It begins the first of May, and ends the thirtieth of April. The time for persons in business to make application, or to file notice, and to pay the tax has, however, been advanced two months earlier in the year. It is the duty of persons intending to continue in business after the first of May, whether in their present place of business, or in a new one to which they design to move, to make application forthwith, and be prepared to pay their special tax before the 1st of May. If any person liable to special tax is found in business on or after that date, he will incur the penalties prescribed by law, which will be enforced with the utmost rigor consistent with justice.

The time for assessments have been changed for the purpose of enabling every person to obtain and hold their special tax receipts during the entire year as the law requires, and if they fail so to do, they will have to bear the punishment of a fine not less than $10 nor more than $500.

Wholesale dealers whose annual sales exceed $25,000, but do not exceed $50,000 should be assessed $50 for the year. If their sales exceed $50,000 per annum, they should be assessed

$50 for the year and entered in the annual list; and thereafter beginning with the first of May, make monthly return before the 10th of June showing their sales for the month of May, provided the same exceed $50,000. They should then be assessed in the May monthly list, $1 per thousand, on the excess above $50,000. If their sales for May be less than $50,000, they should not be assessed until they have made sales to the amount of $50,000, when their liability to tax on the excess accrues.

Wholesale liquor dealers should be assessed for the year $100, provided their annual sales exceed $25,000, but do not exceed $50,000; when their sales exceed $50,000 they should make return and pay tax monthly thereafter like wholesale dealers, one dollar per thousand on the excess. The liability of these dealers to make return for May, depends upon their sales during that month being in excess of $50,000. Their liability to make monthly return attaches for the month in which their sales after May 1, 1867, run over $50,000, and they should, under penalty for default, make return before the 10th day of the month following, without awaiting notice from the assistant assessor.

All manufacturers of products exempted from tax by the Acts of 1866 and 1867, except of butter and cheese, should be assessed special tax of $10, which covers all sales of their manufactures at their factories, or at their principal offices, provided no goods are kept or delivered there except as samples. If they sell goods other than of their own manufacture, in excess of $1,000 per annum, they should be assessed for special tax as retail dealers; if over $25,000 per annum, then as wholesale dealer, in addition to the special tax as manufacturer. No time is to be lost in completing the annual assessments, as the Treasury will need every dollar that is due as soon as it can be collected.

WHAT IS MONEY.

WE have adopted a theory of money devised by Great Britain for her own aggrandizement, and inculcated and enforced upon weak and dependent nations to keep them poor, subservient and tributary to her. It is a theory of political economy which is taught in our schools and colleges, and largely controls the public mind. Its false principles and assumptions are advanced with confidence and authority, as if they were true and unquestionable. It was taught when we were colonies and when we became a nation and were poor. It has kept us comparatively poor and exhausted—debtors and borrowers—while it has enriched her and made her the depositary and focus of the commercial exchanges and payments of the world.

On our present subject it is taught, among the first false principles and assumptions, that nothing is money but the precious metals coined and stamped; that nothing else has the inherent value required; that the stamp on coin expresses its inherent value; that is, the cost of it in labor for mining, smelting, refining and coining it for circulation. The nature of things thus determines its intrinsic and uniform value; the law only declares the amount of that value in different coins and legalizes its use as money. This is a sheer assumption and fiction. In barbarous countries they might have attempted something like it, if the price of days' works had been fixed, and the different amounts of labor required at different mines to produce a given quantity of metal had been determined. They might, at least, have guessed how much gold or silver a day's work would, on an average, produce.

But in civilized and commercial countries no such mode of fixing a standard by which to reckon and determine the value of other things has any place or effect. Such countries have, in fact, from time to time enhanced and doubled the value of coins of the same weight and fineness. Owing to the scarcity of the precious metals and the necessity of more coin, they have arbitrarily assumed and fixed a uniform standard of value by law, and this is its legal value as currency.

That these metals have an intrinsic value, various and fluctuating, for different purposes of art, manufacture and ornament, as well as for circulation, as an instrument and facility in making exchanges and payments is granted; but for the first class of objects it is sold as merchandise, like iron and other things, at a price depending on the proportion of supply to demand. But when coined and used as money, requiring a fixed, permanent and uniform value by which to measure and reckon the value of other things, the law assumes, and must assume, to fix the value at which it shall pass and be received—whether with or without a reference to intrinsic value. And so with paper. The law makes paper money equivalent to coin by legalizing it and stamping on it the value which it represents as currency.

Iron has a greater intrinsic value for certain uses than gold; but it is too plenty and common to be made a circulating medium. Gold is scare, portable and enduring, and the law takes portions of it out of the sphere of merchandise and traffic, coins, fixes and stamps on it a legal and uniform value, and prescribes that it shall pass and be received at that as the rule and invariable measure by which to compute and determine the commercial or exchangeable price of other things. The law arbitrarily assumes, prescribes and enacts the fixed and uniform legal value, from the necessity of providing and having a legal measure of commercial values, as it prescribes and enforces fixed and uniform measures of length, weight, &c. The law means and intends this, or it means nothing; and to sell, exchange or pay at a discount below or at a price above this legal standard, whatever the law sets apart and prescribes as money—circulating currency—is as palpably to violate and set the law aside as it is to use false and fradulent in place of legal and established weights and measures.

The subject will admit but scanty illustration within the limits of a brief essay. Suffice it to say that the Government has enacted laws and penalties almost without number, and both Government and people have set them at naught. We have legalized gold and silver coin as money, and legalized Treasury notes and national bank notes as money, equivalent in all respects to coin. We treat them both as if they were merchandise, commodities of traffic; one above, the other below their equal legal value; one at a premium because it is exportable and scarce; the other at a discount because it is plenty and cannot be exported. We are drifting and tossing about without any standard but that of Shylock and the speculators. We feel that something must be done, and talk of returning to law and resuming payments in coin. We dream and deceive the public by visions of what, on the prevailing theory and system, we are not able to effect. Calling in and suppressing our present currency may utterly ruin us, but will not for the present or next generation, re-establish specie payments for a day.

Communications, &c.

Editor Internal Revenue Record.

In compliance with your general invitation to report discrepancies in the application of the law, I have to state:

That I have hitherto required license to be taken (and now special tax paid) by riggers and "ballast" sellers, who sell materials to an amount exceeding $1,000, as retail dealers.

They complain that the practice is not general, and therefore inequitable, still I believe it in accordance with the requirements of the law. Is it so? A. A.

Your practice is according to law, and the parties in question are liable to special tax as retail dealers. If a different practice exists in other districts or divisions, the assessors will doubtless take the proper steps to make the practice in their respective districts conform to the law. We thank our correspondent for calling attention to the matter referred to, and would remark that many such diversities in assessments might be corrected if assistant assessors generally would use the RECORD more than they do, in bringing the same to the notice of each other through the medium of its columns. ED.

J. L., Lexington.—We do not know of any decision which precisely meets the case you present, but the ruling below will afford you information on the subject, as made upon the following case:

"A claimed that in making assessments against heirs, that one third of the value of said lands, or widow's dower interest should be deducted, and the heirs should only pay on the value of remaining two-thirds as succession, paying the other third at the termination of dower estate. B insisted that the dower interest in money value, is to be computed by the Carlisle Tables, and said dower interest deducted from total money value of the lands and assessment made upon the balance.

Question whether—"If B is correct, is the present annual rent of the widow's dower estate to be the basis of calculation, or legal interest upon the value in money of the lands in which her said life estate is located?"

On this it was ruled:

"That where the widow's thirds are set off by metes and bounds, the successors entitled to the other two-thirds in present possession will not be liable upon the value of the remaining third until death of life tenant.

"If widow's thirds are not set off, then the successors are presently liable to succession tax upon

the value of the entire estate, *less the market value of widow's life estate*, and upon her death will be further liable." ED.

Assistant Assessor.—You are right. It has been decided that reeds, being an essential part of the action of a melodeon used for organs, are exempt from taxation under the classification of "keys, actions and strings," Section 10 of the Act of July, 13, 1866. ED.

Assessor.—The decision referred to is as follows: "By the 10th Section of the Act of July 13, 1866, railroad iron, and railroad iron re-rolled, is exempt from taxation.

The law does not specify whether the rail shall be a wrought iron, or a cast iron rail. Therefore, if cast iron rails are used, they are equally exempt with wrought iron rails." ED.

A Custom's Officer.—The act approved by the President March 2, entitled "an act to regulate the disposition of the proceeds of fines, penalties, and forfeitures incurred under the laws relating to customs, and for other purposes," provides that there shall be deducted such charges and expenses as are by law in each case authorized to be deducted; and, in addition, in the case of imported merchandise exceeding $500 in value on which duties have not been paid, or in case of a release thereof, upon payment of its appraised value, there is to be deducted an amount equivalent to the duties in coin on such merchandise, (including the additional duties, if any,) to be credited to accounts of the collectors as duties received, and the residue of the proceeds to be paid into the United States Treasury, to be distributed by the Secretary in the following manner: One-half to the United States, one-fourth to the informer, and if there be no informer other than the collector, naval officer, or surveyor, then to the officer making the seizure, and the remaining fourth to be equally divided between the collector, naval officer, or surveyor. Besides this the law makes other provisions for the distribution of the proceeds of goods seized, which will materially affect the compensation of collectors. ED.

Manufacturer.—The Act of March 2, 1867, exempts "carpet bag and cabas frames" from taxation. This exemption is held by the office of Internal Revenue to apply *only to the frames* when they are made and sold by parties who do not finish or complete the bags and cabas. The office holds the finished articles to be subject under the present law to tax at the rate of 5 per cent. *ad valorem*. ED.

Assistant Assessor.—In regard to a distiller selling distilled spirits at retail at the distillery; Section 43, Act of July 13, 1866, provides that "no distilled spirits, on which the tax has been paid, shall be stored or allowed to remain on any distillery premises," and as the distiller cannot gain possession of his spirits for the purpose of consumption or sale without payment of the tax, it follows that distilled spirits cannot be kept for sale at retail on the distillery premises. And further, section 25 of the above act prohibits distilling on any premises where any "liquors are retailed." Under the former section the spirits are forfeitable, and under the latter, forfeiture of the distilling apparatus, fine and imprisonment are incurred. ED.

Collector.—The following decision will answer your question, and save you the trouble of refering the matter to Washington:—"When for the purpose of transferring property from husband to wife, or from wife to husband, or from one of them to both jointly, deeds are made to a third party and then back from him to either or both, such instruments need not to be stamped as conveyances, as there is no sale, but only as agreements; but if they contain Powers of Attorney, these should have their appropriate stamps. ED.

Inspector.—In answer to your enquiry we publish a ruling communicated by the recipient, a General Inspector, in relation to the destruction or effacing of cigar stamps on empty boxes. The enquiry was upon the question "whether the cutting of the stamps on cigar boxes, in order to open the lids on such boxes, will be held to constitute a destroying of the same within the meaning of the law."

The office ruled—"That the mere cutting of the stamps on cigar boxes is not held to be such a defacing or destroying of the stamps as is contemplated by the law.

"They must be so entirely defaced, removed, painted over, or otherwise defaced or destroyed, as to show beyond a doubt that the cigars contained therein had been removed."

H. D.—The Secretary of the Treasury has decided that the Act of July 13, 1866, amending Section 103, of the Act of 1864, repealed the Section of the Tariff Act, of March 3, 1865, concerning tonnage duties so far as it related to the gross receipts of vessels; and the Commissioner of Internal Revenue has accordingly ruled that all vessels since August, 1, 1866, are subject to tax upon their gross receipts from passengers and mails, whether they pay or have paid tonnage duties or not. ED.

WE have received from A. Delmar, Esq., the monthly report of the Bureau of Statistics for February, 1867, which contains statistical tables of foreign commerce, abstracts from reports from American counsuls, communicating useful commercial information, and a very interesting table showing the current prices of labor of all descriptions in the United States in December, 1866. We note, however, the total absence of any statistics relating to internal revenue, domestic commerce, and of home productions. To be complete the monthly report should include statistics on each of these subjects, a knowledge of which is so indispensable to appropriate legislation upon the rating of taxes.

ALLEGED OVER ISSUE OF UNITED STATES BONDS.—The Register of the Treasury has addressed the following letter to Hon. S. Hooper relative to the reported over-issue of United States Bonds:

SIR: I have the honor to transmit as requested a statement of coupons, seemingly duplicates, detected in this office up to November 1, 1866. The total is 16,255 10, of these the numbers that were not counterfeited or altered were issued of course by accident or fraud. From a very careful examination made by directions of the Secretary, I have been thus far unable to find satisfactory proof of any fraudulent issue by this Department or its agents. At some of the hurrying periods of the war these issues were hastily made, and accident may fairly explain all, and consistently with the idea that the Government has suffered no loss. I have marked those printed at New York and those at Washington at this Department.

S. B. COLBY, Register of the Treasury.

The following is a statement of the apparent over-issues alluded to by the Register:

	Amount.
405 coupons, old Seven-thirties	$13,619 97
32 coupons, new Seven-thirties	556 63
62 coupons, Five-twenty Bonds	1,053 00
31 coupons, Ten-forty Bonds	462 50
14 coupons, loan of July 17, 1861	420 00
3 coupons, loan of March 3, 1863	90 00
2 coupons, loan of 1858	50 00
Total	$16,252 10

In relation to this subject the Secretary of the Treasury authorizes the publication of the following preliminary report of the committee selected to investigate the Printing Bureau of the Treasury:

TREASURY OF THE UNITED STATES,
WASHINGTON, March 22, 1867.

SIR: The committee appointed by you to examine all securities, perfect or imperfect, prepared or in course of preparation, together with all plates, dies, &c., in the possession of Mr. S. M. Clark, chief of the first division national currency bureau, respectfully report, that since January 31, the date of a partial report made by them in reference to the examination thus directed, they have been daily employed in the duty assigned them, and as some time must elapse before a final report can be made, they deem it advisable to make a further partial report, viz.: That the committee have made a careful investigation with reference to the issue of bonds, treasury notes, and coupons, and up to the present time find no evidence that there has been any fraudulent or over-issue of such securities by the Government of the United States through the department or otherwise, and they do not hesitate to express the opinion, based upon the investigation, that no fraudulent over-issue has been made. An examination of the office of the Register of the Treasury, in which redemptions of such securities are registered, confirm this opinion. The apparent duplication, to a very small amount, of treasury notes and coupons, is most reasonably accounted for as being errors made in numbering, or by alterations made after their issue.

Very respectfully,
A. S. PRATT,
LEWIS D. MOORE,
O. U. WYMAN,
Committee, &c.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

SPECIAL TAX.

Peddlers of Spirits, Beer, Wine, and other Articles.

A person who has paid a special tax as a peddler of distilled spirits, fermented liquors, or wines, may sell them in the manner of a peddler, in any quantity, and may also peddle tobacco and other merchandise without thereby incurring any further or other liability to special tax.

Dealers and Liquor Dealers who sell Butchers' Meat.

Dealers and liquor dealers may sell butcher's meat, either at wholesale or retail, at their regular places of business, without thereby incurring liability to special taxes as butchers; but such sales must be included with their other sales in ascertaining their liabilities as dealers or liquor dealers.

Farmers Producing Tobacco, and having it Manufactured, &c., and Selling or Peddling it.

A farmer who has produced tobacco on his own farm incurs no liability to any special tax by reason of procuring its manufacture by a tobacconist. The person who manufactures it should pay a special tax of ten dollars. If the farmer sells his tobacco after it has been manufactured, he should be taxed as a dealer or as a peddler, according to the amount of his sales, and his manner of making them.

Proprietors of Grist and Flour Mills.

The proprietor of a grist mill or a flouring mill is a manufacturer, and should pay a special tax as such if his annual product of flour, meal, &c., exceeds one thousand dollars in value.

STAMP TAX.

Waiver of Protest, or Demand, on Negotiable Paper.

A waiver of protest, or of demand, and notice written upon negotiable paper and signed by the endorser, is an agreement, and requires a five cent stamp.

Duplicate Policies of Insurance.

When a policy of insurance properly stamped has been issued and lost, no stamp is necessary upon another issued by the same company to the same party, covering the same property, time, &c., and designed simply to supply the loss. The second policy should recite the loss of the first.

Power of Attorney to vote by proxy for Officers for any Incorporated Company.

When a "power of attorney or proxy for voting at any election for officers of any incorporated company or society, except religious, charitable, or literary societies or public cemeteries," is signed by several stockholders, owning separate and distinct shares, it is, in its legal effect, the separate instrument of each, and requires stamps to the amount of ten cents for each and every signature; one or more stamps may be used representing the whole amount required.

Continuation or Renewal of Policies of Insurance.

When a policy of insurance is issued for a certain time, whether it be for one year only or for a term of years, a receipt for premium or any other instrument which has the legal effect to continue the contract and extend its operation beyond that time, requires the same amount of revenue stamps as the policy itself.

MISCELLANEOUS.

Underlying Coal, Iron, Lead, and Copper is Real Estate.—Profits therefrom Liable to Income Tax.

Underlying coal, iron, lead, copper, &c., is real estate. Profits realized within the year 1866 from the sale of real estate purchased since December 31st, 1863, should be returned as income of 1866.

Only one Stamp to be affixed to Beer Barrels.

Section 53 of the Act of July 13th requires the tax upon fermented liquors to be paid in every case by the use of *a single stamp* upon each package.

[CIRCULAR NO. 58.]

Prescribing Fees of Collectors in Cases of Seizure, &c.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, March 9, 1867.

The Commissioner of Internal Revenue, by virtue of authority conferred upon him by law, hereby prescribes that the fees and charges to be allowed in all cases of distraint and other seizures shall be as follows, to wit:

BILL OF FEES AND EXPENSES.

Issuing warrant of distraint	$0 50
Service of warrant	1 00
Distraint without warrant, or seizure for fraud or violation of law	1 00
Issuing summons, under section 84	50
Service of summons, under section 84	50
Traveling fees for service of warrant or summons, or for making distraint without warrant, or seizure for fraud, &c., going only, per mile, for actual travel	06
Custody of goods seized or distrained, allowed only in cases named in "Remarks," hereto appended, per day of 24 hours, for each keeper	2 50
Expense of removal, amount actually paid	
Storage, amount actually paid	
Insurance, amount actually paid	
Advertising sale by posting notices, (not allowed when no notices are posted)	3 00
For advertising in newspaper, amount paid	
Collector's commission on proceeds of sale on amount demandable for United States	5 per cent.
Fee on sale of real estate (see "Remarks," appended)	$10 00
Drawing and executing deed	5 00

REMARKS.

When a seizure is made under Section 48, or any other section authorizing a seizure for fraud or violation of law, and is followed by proceedings *in rem*, if a decree is obtained and sale made by order of court, the collector cannot, of course, receive a commission on proceeds of sale. The same rule must govern if the case is compromised pending the suit.

In some cases, where taxes are due and fraud is suspected, it may be advisable to seize under Section 48, or some other section authorizing seizure for fraud. In a case of this kind, if the seizure is converted into a distraint for taxes, and the goods or property are sold, the collector will, of course, charge the commission of 5 per cent. allowed by Section 28. But if, after distraint in such case, and before sale, payment is made, or the case is compromised, the collector cannot charge a commission.

In no case hereafter will any commission be allowed on payments made before sale, as the law does not justify that charge.

The fee for *custody* is allowed only in cases where removal would be attended with great and unnecessary expense, or injury to the property, and where its safe-keeping requires a custodian, as in the case of a distillery, a tobacco factory, a store containing a large quantity of goods subject to seizure, and like cases. In no event will a merely *constructive* charge for custody be allowed. When the property can readily and cheaply be moved to and kept in a bonded warehouse, Class B, or in an ordinary storage warehouse, at the usual rates of storage, the latter only will be allowed; and no charge for custody will be allowed while the property is so stored.

The fee for drawing and executing a deed to a private purchaser must be included in the bill of costs, and deducted from the proceeds of sale. But when the property is purchased for the United States, the fee for making and executing the deed to the government will be charged to the government.

The collector is entitled to the fee of $10 on sale of real estate when the property is purchased for the government, and in such case may be included in the collector's bill of costs and expenses.

Section 19 provides that the cost for the attendance and mileage of witnesses before the assessor shall be taxed at the rates allowed to witnesses in the district courts of the United States. The law of Congress (1 Brightly's Digest, p. 277) fixes these rates at $1.50 per day, and 5 cents per mile from the place of residence to place of trial or hearing, and five cents per mile for returning. These fees are to be paid by the parties who are found to be delinquent, otherwise by the disbursing agent for the district, on the certificate of the assessor.

In calculating mileage the travel is to be computed from the place of service, distraint, or seizure, to the office of the officer who makes service or seizure. And if more than one person is served with a warrant or summons, the travel shall be computed from the office or dwelling of the serving officer to the place of service which shall be the most remote, adding thereto the extra travel which shall be necessary to serve it on the other.

Any officer who shall demand or receive any fee as above prescribed without the actual performance of the service or work for which it is allowed, will thereby incur the penalties provided for extortion in Section 36, Act June 30, 1864.

The special attention of collectors is directed to the clause in Section 48, (paragraph 224,) which provides that "the cost of seizure made before process issues" from the court "shall be taxable by the court." Under this clause, collectors should be careful to render to the clerk of the court their bill of costs as soon as the marshal takes possession of the property, or very soon thereafter. If they fail to have the costs taxed by the court, there may be no other mode of reimbursement.

E. A. ROLLINS, *Commissioner.*

SECRETARY'S OFFICE—CUSTOMS.

The Power and Duties of the Special Commissioner of the Revenue.

TREASURY DEPARTMENT,
March 13, 1867.

To the Officers of Customs and Internal Revenue.

To correct misapprehensions which have arisen as to the position and authority of the "Special Commisioner of the Revenue," Customs and Internal Revenue Officers are informed that the said Commissioner is by law invested with the powers and charged with the duties hereinafter specified, to be exercised and performed under the direction of the Secretary of the Treasury. His duties are to enquire into all the sources of national revenue, and the best methods of collecting the revenue; the relations of foreign trade to domestic industry; to mutual adjustment of the systems of taxation by customs and excise, with the view of insuring the requisite revenue with the least disturbance or inconvenience to the progress of industry and the development of the resources of the country; and to inquire from time to time under the direction of the Secretary of the Treasury, into the manner in which officers charged with the administration and collection of the revenues perform their duties, and from time to time to report through the Secretary of the Treasury, to Congress, either in the form of a bill or otherwise, such modification of the rates of taxation or the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce, or taxation of the country, as he may find, by actual observation, of the operation of the law to be conducive to the public interest.

To enable him properly to conduct his investigations, he is empowered "to examine the books, papers, and accounts of any officer of the revenue, to administer oaths, examine and summon witnesses, and take testimony," wherein every person swearing or affirming falsely is subject to the penalties and dissabilities of perjury; and all officers of the Government are by law required to extend to him all reasonable facilities for the collection of the information pertinent to the duties of his office. (See section sixty-six, Act of July 13, 1866.)

H. MCCULLOCH,
Secretary of the Treasury.

2nd COMPTROLLER'S OFFICE.

The Tax on the Per Diem Pay of Government Employees.

[CIRCULAR TO DISBURSING OFFICERS.]

TREASURY DEPARTMENT,
Second Comptroller's Office,
March 16, 1867.

To conform to the Act of March 2, 1867, and to correct errors in the practice of some disbursing officers in deducting tax on salaries of persons employed by the day, and to produce uniformity in this regard by all, the following rules have, upon consultation with the Commissioner of Internal Revenue, been adopted, and will govern in the revision of disbursing officer's accounts in all cases arising after the 1st day of March, 1867:

When persons are employed by the day, the salary tax should be withheld from the excess of $3 20, for each calendar day (twenty-four hours) employed. For example:

A has been employed but one calendar day in any given month; he may have worked twenty hours in that calendar day, and thus have earned two Government day's pay, yet the amount of $3 20 is exempt, and no more.

B has been employed twenty calendar days in any given month; it is immaterial how much he has earned the amount of twenty times $3 20—$64—is exempt, and no more:

C has been employed thirty-one calendar days in any given month; in his case, $99 20 is exempt.

D, by working overtime, makes forty days, Government time, during one calendar month; he is, nevertheless, exempt from tax on $3 20 only for each calendar day employed.

When persons are employed by the month, the amount of $83 33 per month will be held exempt from tax.

This circular is intended to supersede that issued from this office on the same subject, on the 4th day of December, 1865.

J. M. BRODHEAD,
Comptroller.

LAWS OF THE UNITED STATES.

Passed by the Thirty-ninth Congress at its Second Session.

(Public Resolution—No. 69.)

AN ACT Regulating the Tenure of Certain Civil Offices.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That every person holding any civil office to which he has been appointed by and with the advice and consent of the Senate, and every person who shall hereafter be appointed to any such office, and shall become duly qualified to act therein, is, and shall be entitled to hold such office until a successor shall have been in like manner appointed and duly qualified, except as herein otherwise provided: *Provided,* That the Secretaries of State, of the Treasury, of War, of the Navy, and of the Interior, the Postmaster General, and the Attorney General shall hold their offices respectively for and during the term of the President by whom they may have been appointed and for one month thereafter, subject to removal by and with the advice and consent of the Senate.

SEC. 2. *And be it further enacted,* That when any officer appointed as aforesaid, excepting judges of the United States Courts, shall, during a recess of the Senate, be shown by evidence satisfactory to the President, to be guilty of misconduct in office, or crime, or for any reason shall become incapable or legally disqualified to perform its duties, in such case, and in no other, the President may suspend such officer and designate some suitable person to perform temporarily the duties of such office until the next meeting of the Senate, and until the case shall be acted upon by the Senate, and such person so designated shall take the oaths and give the bonds required by law to be taken and given by the person duly appointed to fill such office; and in such case it shall be the duty of the President, within twenty days after the first day of such meeting of the Senate, to report to the Senate such suspension, with the evidence and reasons for his action in the case, and the name of the person so designated to perform the duties of such office. And if the Senate shall concur in such suspension and advise and consent to the removal of such officer, they shall so certify to the President, who may thereupon remove such officer, and, by and with the advice and consent of the Senate, appoint another person to such office. But if the Senate shall refuse to concur in such suspension, such officer so suspended shall forthwith resume the functions of his office, and the powers of the person so performing its duties in his stead shall cease, and the official salary and emoluments of such officer shall, during such suspension, belong to the person so performing the duties thereof, and not to the officer so suspended: *Provided, however,* That the President, in case he shall become satisfied that such suspension was made on insufficient grounds, shall be authorized, at any time before reporting such suspension to the Senate as above provided, to revoke such suspension and reinstate such officer in the performance of the duties of his office.

SEC. 3. *And be it further enacted,* That the President shall have power to fill all vacancies which may happen during the recess of the Senate, by reason of death or resignation, by granting commissions which shall expire at the end of their next session thereafter. And if no appointment, by and with the advice and consent of the Senate, shall be made to such office so vacant or temporarily filled as aforesaid during such next session of the Senate, such office shall remain in abeyance, without any salary, fees or emoluments attached thereto, until the same shall be filled by appointment thereto, by and with the advice and consent of the Senate; and during such time all the powers and duties belonging to such office shall be exercised by such other officer as may by law exercise such powers and duties in case of a vacancy in such office.

SEC. 4. *And be it further enacted,* That nothing in this act contained shall be construed to extend the term of any office, the duration of which is limited by law.

SEC. 5. *And be it further enacted,* That if any person shall, contrary to the provisions of this act, accept any appointment to or employment in any office, or shall hold or exercise, or attempt to hold or exercise, any such office or employment, he shall be deemed, and is hereby declared to be, guilty of a high misdemeanor, and, upon trial and conviction thereof, shall be punished therefor by a fine not exceeding ten thousand dollars, or by imprisonment not exceeding five years, or both said punishments, in the discretion of the court.

SEC. 6. *And be it further enacted,* That every removal, appointment, or employment, made, had, or exercised, contrary to the provisions of this act, and the making, signing, sealing, countersigning, or issuing to any commission or letter of authority for or in respect to any such appointment or employment, shall be deemed, and are hereby declared to be, high misdemeanors, and, upon trial and conviction thereof, shall be punished by a fine not exceeding ten thousand dollars, or by imprisonment not exceeding five years, or both said punishments, in the discretion of the court: *Provided,* That the President shall have power to make out and deliver, after the adjournment of the Senate, commissions for all officers whose appointment shall have been advised and consented to by the Senate.

SEC. 7. *And be it further enacted,* That it shall be the duty of the Secretary of the Senate, at the close of each session thereof, to deliver to the Secretary of the Treasury, and to each of his assistants, and to each of the Auditors, and to each of the Comptrollers in the Treasury, and to the Treasurer, and to the Register of the Treasury, a full and complete list, duly certified, of all the persons who shall have been nominated to and rejected by the Senate during such session, and a like list of all the offices to which nominations shall have been made and not confirmed and filled at such session.

SEC. 8. *And be it further enacted,* That whenever the President shall, without the advice and consent of the Senate, designate, authorize, or employ any person to perform the duties of any office, he shall forthwith notify the Secretary of the Treasury thereof, and it shall be the duty of the Secretary of the Treasury thereupon to communicate such notice to all the proper accounting and disbursing officers of his department.

SEC. 9. *And be it futher enacted,* That no money shall be paid or received from the Treasury, or paid or received from or retained out of any public moneys or funds of the United States, whether in the Treasury or not, to or by or for the benefit of any person ap-

appointed to or authorized to act in or holding or exercising the duties or functions of any office contrary to the provisions of this act; nor shall any claim, account, voucher, order, certificate, warrant, or other instrument providing for or relating to such payment, receipt, or retention, be presented, passed, allowed, approved, certified, or paid by any officer of the United States, or by any person exercising the fuuctions or performing the duties of any office or place of trust under the United States, for or in respect to such office, or the exercising or performing the functions or duties thereof; and every person who shall violate any of the provisions of this section shall be deemed guilty of a high misdemeanor, and, upon trial and conviction thereof, shall be punished therefor by a fine not exceeding ten thousand dollars, or by imprisonment not exceeding ten years, or both said punishments, in the discretion of the court.

SCHUYLER COLFAX,
Speaker of the House of Representatives.

LA FAYETTE S. FOSTER,
President of the Senate pro tempore.

IN THE SENATE OF THE UNITED STATES, March 2, 1867.

The President of the United States having returned to the Senate, in which it originated, the bill entitled "An act regulating the tenure of certain civil offices," with his objections thereto, the Senate proceeded, in pursuance of the Constitution, to reconsider the same; and

Resolved, That the said bill do pass, two-thirds of the Senate agreeing to pass the same.

Attest: J. W. FORNEY,
Secretary of the Senate.

IN THE HOUSE OF REPRESENTATIVES, U. S. March 2, 1867.

The House of Representatives having proceeded, in pursuance of the Constitution to reconsider the bill entitled "An act regulating the tenure of certain civil offices," with his objections returned to the Senate by the President of the United States, and sent by the Senate to the House of Representatives, with the message of the President returning the bill—

Resolved, that the bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest: EDWD. MCPHERSON,
Clerk.

THE Detroit *Post*, speaking of the cental system of selling grain now generally adopted in the West, says:

"We give a rule by which buyers and sellers can make their own calculations. The standard weight of wheat per bushel is 60 lbs.; corn and rye, 56 lbs.; oats, 32 lbs.; barley, 48 lbs. The price per bushel being given, to find the price per cental, multiply the price per bushel by 100 and divide by the number of pounds in a bushel. For instance, at $1 50 per bushel for wheat, what is the price per cental?—150x100—15,000x60—$2 50—which is the price per cental. Again, the price per cental being given, to find the price per pushel multiply the price per cental by the number of pounds in a bushel and divide by 100. Example: At $2 50 per cental, what is the price per bushel of 60 lbs.?—250x60—15,000x100—$1 50, the price per bushel. Our readers will save much time while the new system is becoming familiarized, if they will cut this article out and keep it in a handy place for a few days. The above rule is so simple and easy that people will soon become accustomed to the new method."

Law Reports.

LIABILITIES OF SURETIES ON TOBACCO MANUFACTURERS' BOND.—BOND GOOD AFTER EXPIRATION OF LICENSE.

U. S. CIRCUIT COURT, FOR S. D. OHIO.

(Before Judge SMALLEY.)

United States vs. James F. Truesdell and Gassoway Brashears, impleaded with John W. Menzies.

LEAVITT J.—This suit is prosecuted by the United States to recover the penalty of a bond executed by James F. Truesdell, as principal, and Gassoway Brashears and John W. Menzies, as sureties. The process has not been served on the defendant Menzies, and he does not, therefore, appear to the action.

The declaration avers in substance that Truesdell, being a manufacturer of tobacco at the city of Cincinnati, executed a bond on the 20th of May, 1865, as such manufacturer, pursuant to the Internal Revenue Statute, in the penalty of six thousand dollars, with the said Brashears and Menzies as his sureties. The condition of the bond, as set out in the declaration, is that Truesdell shall well and truly comply with all the requirements of law as a manufacturer of tobacco, and shall not manufacture or employ others to manufacture tobacco without having first obtained a permit therefor, and shall not engage in any attempt by himself, or by collusion with others, to defraud the Government of any duty or tax upon any manufacture of tobacco, and shall render truly and correctly all the returns, statements and inventories prescribed for manufacturers of tobacco, and shall pay to the Collecector of the District all the duties or taxes which may or shall be assessed, and due on any tobacco so manufactured, and shall not knowingly sell, purchase, or receive for sale any tobacco, which has not been inspected, branded, or stamped as required by law, or upon which the tax has not been paid. It is then averred that Truesdell, after the date of the bond, and during the months of April, May and June, 1866, manufactured and sold large quantities of tobacco; and the breach averred is, that neither Truesdell or his sureties have paid the duties or taxes assessed and due on such tobacco.

Truesdell makes no defence to the claim of the Government, and admits his liability on the bond for the sum sued for. The defendant Brashears demurs to the declaration; and the question arising upon it is, whether the allegations in the declaration disclose a valid cause of action against him for the whole amount claimed by the United States.

There is but one count in the declaration, and but one breach of the bond assigned, namely: the non-payment of the tax assessed and due, for tobacco manufactured and sold for Truesdell during the three months above named and subsequently to the 20th of May, 1865. And the only question is, are the sureties in the bond liable for the failure of their principal to pay this tax on tobacco manufactured and sold after the expiration of the license granted to Truesdell. It is insisted by the counsel in support of the demurrer, that as the license, by the law in force when it was issued, expired on the 1st of May next after its date, the bond had no validity as to duties or taxes subsequently accruing, and that the liability of the sureties did not extend beyond the life of the bond; and, consequently, they are not responsible for the non-payment of duties, or other default, by Truesdell, after that date. In support of this view, it is urged that it was the duty of the Collector of the Revenue to cause the license of Truesdell to be renewed upon its expiration, and that the bond as to the sureties became inoperative and void upon his failure to do so, and that if Truesdell was permitted by the Collector to proceed with his business as a manufacturer, after his license expired, it was in violation of law, and the sureties are not chargeable with any defaalt by Truesdell while thus engaged in the illegal prosecution of his business.

This is the first case in which this question has been presented in this Court, nor am I aware it has been judicially decided elsewhere. I am not, therefore, favored with any precedent to guide me in my decision. I have not, however, encountered much difficulty in the consideration of the question, and will very briefly state the reasons which have led me to the conculsion that the demurrer can not be sustained. I do this with the recognition of the well-settled legal principle, that the rights of sureties are to be liberally construed, and their liability is never to be extended beyond the strict letter of the undertaking.

As before noticed, the bond on which this suit is brought was executed on the 20th of May, 1865. The declaration avers that subsequent to its date Truesdell was a duly licensed manufacturer of tobacco at the city of Cincinnati, but the precise date of the license to him is not alleged. As the statute requires bond to be given before the license can issue, it may be assumed it was granted immediately upon the execution of the bond; and under the last clause of the seventy-fourth section of the Internal Revenue Act of the 30th of June, 1864, the license expired on the 1st day of May, 1866. There is no averment that the license was renewed; and it must therefore be assumed upon this demurrer, that Truesdell, after that date, pursued his business of manufacturing and selling tobacco, without a license. The declaration avers that he continued his business up to the 1st of June, 1866, and duties and taxes accrued on the tobacco manufactured and sold up to that date, and after the expiration of his license. Are the sureties in his bond liable for his default in not paying these taxes?

I am clear in the opinion that the bond was valid and obligatory after the expiration of the license, and that the liability of the sureties continued, notwithstanding the failure of Truesdell to procure a new license. It is true, the seventy-first section of the statute before referred to, prohibits the prosecution of any trade or business, requiring a license, until a license is procured, in the manner pointed out by the statute. And by the seventy-third section, a punishment, by fine or imprisonment, is denounced against any one for carrying on his business without such license. But there is no necessary connection between the bond required to be given by a manufacturer and the license which he is to procure. By the twelfth section of the Act of the 3rd of March, 1863, a manufacturer of tobacco must give bond before a license can issue. That section defines, with great minuteness, what shall be the conditions of the bond. The bond sued on in this case was taken under, and in pursuance of, that section. This is obvious by a comparison of its provisions with the conditions of the bond, as set forth in the declaration, and before recited. Without restating these conditions, it will be sufficient to notice that one is that the manufacturer "shall comply with all the requirements of law, applicable to his business." As the bond precedes the license, it can not be supposed to be executed with any reference to it, or that its validity, or the duration of the liability it creates, can in any way depend upon the license. The undertaking of the sureties is, not that they are bound for the acts of the manufacturer for any specified time, or until the expiration of his license, but generally, that they will be responsible for him, while he manufactures and sells tobacco, subject to tax or duty at the place designated. The twelfth section of the statute referred to, clearly does not contemplate,

nor does it authorize, any restriction or limitation in the condition of the bond as to the duration of its validity. Indeed I am not aware of any provision of the statute, authorizing a renewal of the bond, unless, perhaps, at the instance of the Collector for the insufficiency or insolvency of the sureties.

I can not, therefore, assent to the conclusion that the manufacturer, by pursuing his business after the expiration of his license, and therefore in violation of law, absolves himself or the sureties in his bond from liablity. While it is expressly the duty of the mannfacturer to renew his license, and failing to do so, if he continues his business, he subjects himself to a severe penalty. I know of no principle by which it can be held that his failure to comply with the law, can enure to the benefit of his sureties. The provision making his neglect a punishable offence, was not designed for the benefit of sureties but to protect the Government against the frauds of the manufacturer. And it is worthy of notice that it is one of the obligations which the sureties expressly assume in the bond that the principal shall fulfill all the requirements of the statute. Now, his failure to renew his license as required by the law, is a breach of this condition, for which an action could be maintained. It would be strange if his failure in his duty in this regard should operate to discharge his sureties from liability. They might, perhaps, have exonerated themselves by a specific notice to the Collector before the expiration of the license, that the principal must be required to give a new bond, and that they would not be liable for his acts after the first license expired. If after such a notice the manufacturer was allowed to proceed with his business without a new bond, the sureties would have an equitable and perhaps a legal ground for relief. But nothing short of this, as it seems to me, would discharge them.

The argument of the counsel for the demurrant erroneously assumes that it is the duty of the Collector, or other revenue official, to give notice to the manufacturer of the expiration of his license, and to require him to renew it; and that if he is permitted to prosecute his business after the license has expired, the Government, through its agents, acquiesces in the violation of the law, and thereby the sureties in the bond are released from their obligations. But I am not aware of any provision of the statute requiring any officer to give notice of the expiration of a manufacturer's license. This is a matter within his knowledge, and of which he must by the law take notice at the peril of a prosecution by indictment for neglecting it. It was not the policy or the intention of the law that the burdensome duty of notifying every manufacturer within a collection district when the license expired and that it must be renewed. It would be a requirement which, in many cases, it would be impossible to comply wi h, and in all cases would greatly embarrass revenue officers in the execution of the law, while it would open the door for the commission of innumerable frauds on the Government. It would impose upon the officers the duty of making rigid enquiry as to every manufactory within his district, and to ascertain who had suspended and who were continuing their business. There is no necessity for this, as the Government is protected by the bond which has been given, and the provision making it the duty of the manufacturer to apply for and obtain a renewal of his license. There is certainly no reason why his criminal neglect to do what the law enjoins, and what the sureties covenant in the bond he shall do, shall acquit them of their responsibility.

For the reasons indicated, I am clear that the demurrer to the declaration is not sustainable. The allegations set forth, a legal liability on the part of these sureties, for the non-payment of the duties and taxes accrueing after as well as before the expiration of the license to Truesdell.

The objection to the declaration as had for stating several breaches in one count, must be based on a misapprehension of the count. As I read it, it avers but one breach; and that is, the non-payment of the duties and taxes assessed against and due from the principal in the bond. If it were otherwise, the American authorities sanction the assignment of several breaches in the same count, in a declaration on a bond.

Demurrer overruled.

R. M. Corwine, for the United States; Judge Hoadley, for Brashears.

[PUBLIC—No. 71.]

AN ACT to provide for the allotment of the Members of the Supreme Court among the Circuits, and to provide for the Appointment of a Marshal for the Supreme Court.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief Justice of the United States and the associate justices of the Supreme Court shall be allotted among the circuits now existing by order of the court; and whenever a new allotment shall be required or found expedient by reason of alteration of one or more circuits, or of the new appointment of a Chief Justice or associate justice, or otherwise, it shall be the duty of the court to make the same; and if a new allotment shall become necessary at any other time than during the term, such allotment shall be made by the Chief Justice, and shall be binding until the next term, and until a new allotment by the court.

SEC. 2. *And be it further enacted*, That the Supreme Court may appoint a marshal for said court, whose compensation shall be three thousand five hundred dollars per annum; and said marshal shall take charge of all property of the United States used by said court or its members, and shall serve and execute all process and orders issuing out of said court, or made by the Chief Justice or associate justice, in pursuance of law; and shall pay into the treasury of the United States all fees and compensation allowed by law, and render a true account thereof, at the close of each term, to the Secretary of the Interior; and the said marshal with the approval of the Chief Justice, may appoint assistants and messengers in place of the crier and messengers now employed, with such compensation as is or may be allowed to officers of the House of Representatives of similar grade; and all acts or parts of acts now in force relating to the Marshal of the District of Columbia, shall apply to the said Marshal of the Supreme Court, except so far as in the act otherwise provided.

Approved, March 2, 1867.

Gazette.

W. E. M. Ross, Baltimore, Md., Assessor 3rd District Md. vice William H. Purnell.

David L. Follett, Norwich, N. Y., Assessor 19th District, N. Y., vice John T. Hubbard.

Westbrook Divine, Ionia, Mich., Assessor 4th District, Mich., vice George S. Cooper.

William B. Elliot, Philadelphia, Penn. Assessor 3rd District, Penn., vice Thomas Allen.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 14. NEW YORK, APRIL 6, 1867. WHOLE NUMBER, 118

TABLE OF CONTENTS.

REVIEW.

THE attention of assistant assessors is called to the instructions contained in the communication addressed to Assessor Cleveland, in regard to the tax which is imposed by existing laws on clothing and articles of dress.

The general exemption, of clothing made by sewing from fabrics upon which tax or duty has previously been paid, is calculated to mislead assistants as well as the public. The rulings cover all the points which arise from the case, and should be carefully perused and noted by officers of revenue. It will be perceived that the exemption of clothing from tax is confined to articles of dress not *specially* enumerated, and these must be *made by sewing*, from cloths or fabrics on which a tax or duty has been paid, in order to entitle the same to be included in the free list.

New instructions are promulgated for the government of assistant assessors in the supervision of distilleries. This subject demands energetic action on the part of assessors, upon whom the responsibility of securing the tax on distilled spirits is to a great extent devolved by law.

It was expected that much of the decrease in the revenue which would ensue from the reduction of taxes on manufactures, would be more than made good by levying the tax on distilled spirits, but the hope seems destined to defeat. As matters stand under the present law, dealers seem to know a great deal more than the officers, and large quantities of spirits are distilled and placed in bond to be *transported* or *exported* to places where the tax never comes into the Treasury. The system of bonding is made the means of stupendous frauds upon the Government, and should be at once revised.

We have not yet been able to obtain statistics of the receipts from distilled spirits since the first of March, but the indications are that they have fallen off heavily.

We consider that it was a great mistake to take the tax from clothing. Six per cent. on the sales was too heavy, but the articles would have borne three per cent easily, and there is really no tax that is so equitable and proper, every person being compelled to pay according to his consumption. No doubt is entertained by experts that the next Congress will be compelled to replace the tax, not only on clothing, but on many other articles which should properly be taxed. We are not yet "out of the woods" in the matter of the public debt, and to eke out the current fiscal year by speedy collections simply postpones, but does not avoid the evil day, when the short obligations of the Government in Seven-thirties and Compounds must be met or dishonored.

Assessors and their assistants will find instructions in Series 3, No. 4, in regard to the assessment of income and special tax, for the present annual list.

Insurance paid in the course of business is a proper deduction in ascertaining the profits therefrom for the year 1866, and *compulsory* assessments by municipalities on real estate owners for paving, grading, and sewering of streets, are in the nature of taxes, and are proper deductions from income for that year. This rule is similar to that which was governed last year.

SUPERVISION OF DISTILLERIES.

EVERYTHING relating to distilleries has been muddled since the second of March, when the new Excise Act abolished Distillery Inspectors, and prescribed so many new and stringent provisions to govern the distillation and collection of tax on spirits. Matters are now assuming order, and by united and *honest* effort on the part of Assessors and other revenue officers, the revised system may be afforded a fair trial. The duty of looking after distilleries is cast upon Assessors and their assistants, and active, enterprising men among them may honestly and fairly make money for themselves, and protect the revenue by the exercise of discretion and energy.

In this connection the attention of those officers is directed to Circular No. 61, concerning the supervision of distilleries. The assistant assessor must visit each distillery daily where there is no other assistant detailed for constant supervision. He should thoroughly post himself as to the manufacture of spirits, and never let the distiller know at what hour to expect his visit. He should carefully collect and note all circumstances which will enable him to estimate closely the production. The capacity of cistern, the character and quantity of the materials used, and number and capacity of fermenting tubs, condition and quantity of beer, the time consumed in running charges, the conformity of the apparatus to the requirements of the law, and many other details will be noted by an intelligent assistant, intent on his sworn duty. He will strive to render himself familiar with the whole process of

distillation and rectification, and the gauging and proving of spirits.

As we understand it, the law throws the whole responsibility of preventing fraud in bonded distilleries upon the Assessors. They can appoint what assistants they please, and if they put or keep in place unreliable or incompetent men, the Assessors should be held accountable.

The action of the assistant will be brought under the immediate supervision of the office at Washington, by requiring copy of the tri-monthly return to be forwarded thither by him the same day of its receipt. If an assistant fails in his duty, he will unquestionably be arraigned and perhaps deposed.

THE attention of newly appointed Collectors is called to this official statement that sureties on the official bond of a Collector of Internal Revenue, will not be accepted as sureties on his bond as Disbursing Agent.

THE offices of the Assessor and Collector of the First District of Indiana, with the books and papers pertaining to the said offices were destroyed by fire at Vincennes, on the night of the 29th ultimo.

THE collector of the 19th District of Pennsylvania, John W. Douglas, has seized within the last six weeks *two* oil distilleries and *five* breweries, for defrauding the internal revenue. This is what we need, and if the delinquents are allowed to pay the back tax, and a similar sum by way of specific penalties, which we understand the local officers recommend, the next instance of default by any of the same parties, should be visited with the full rigor of the law.

Communications, &c.

Editor Internal Revenue Record.

Is insurance a legitimate deduction (under the act of March 2d, 1867) from income? There is a diversity of practice in several districts. What is your rule. Very respectfully,

G. A. J.

Payments on account of insurance of property, but not of life or against accidents to persons, are proper deductions in ascertaining the profits from business or property. But when the profits are determined and reported in the return of income, no further deduction on account of insurance can be allowed. Losses in business by fire, less the insurance received, are proper deductions in determining profits. ED.

Editor of Internal Revenue Record.

Will you please, through the columns of the RECORD, inform many of your readers whether, under the law, executors and administrators of parties who deceased since May 1, 1866, are obliged to make return of income of such decedents for the year 1866, or for such portion of it as they lived? ASSISTANT ASSESSOR.

No income tax accrues on the income or upon the estate of a person who shall have died between January 1, 1866, and December 31, 1866. The executors and administrators in the supposed cases cannot be required to make returns of income from the estate of such decedents, but succession or legacy tax may accrue and should be exacted, and the annuitants must return their receipts as income. ED.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

Clothing, Hats, Bonnets and other Articles of Dress.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, March 28th, 1867.

SIR: In answer to your letter of the 25th inst., relative to the changes made by the act of March 2d, with regard to the tax on clothing, &c., I have to say that theses changes are made with a view to reduction of taxation in all cases. This reduction is provided for in two ways, (1) by a lower rate on the articles taxed, and (2) by exempting some articles altogether.

As the law now stands the following rates are imposed.

(1st) On hats, caps, bonnets, and hoods of all descriptions, two per cent ad valorem.

There are no exceptions made to this rate on account of the kind of material used, or the mode of making the same, whether by sewing, weaving, knitting, braiding, or felting.

(2nd) On clothing or articles of dress for the wear of men, women, or children, made by weaving, knitting, or felting, from wool, or of which wool is the chief component material, or the component material of chief value, the tax is two and one-half (2½) per cent. ad valorem.

(3) On clothing, or articles of dress, &c., made by weaving, knitting, or felting, from materials *other* than wool, or of which wool is not the chief component material, or *not* the component material of chief value, the tax is five (5) per cent ad valorem.

(4) On clothing, or articles of wearing apparel manufactured or produced from India rubber, gutta-percha, or from fur, or fur skins, dressed with the fur on, the tax is five per cent., except articles made of fur the value of which does not exceed twenty dollars, ($20,) in which case the tax is two per cent.

(5) On gloves, mittens, and moccasins, the tax is two, two and one-half, or five per cent. ad valorem, according to the material of which they are made, and the mode of making them.

(6) Clothing or articles of dress not specially enumerated, *made by sewing*, for the wear of men, women, or children, from cloths or fabrics on which a tax or duty has been paid, are exempt.

(7) In my opinion the Act of March 2d, 1867, does not repeal any of the provisos under those clauses of the 94th section, relating to articles of clothing, boots, shoes, gloves, mittens, hats, caps, bonnets, &c.; therefore, when hats, caps, bonnets, and hoods are made by a milliner or dressmaker, they are exempt. The amendatory act makes no change in this respect.

Yours respectfully,

(Signed), E. A. ROLLINS,
Commissioner.

J. F. CLEVELAND, Esq.,
U. S. Assessor, New York.

[CIRCULAR No. 61.]

Concerning the Supervision of Distilleries.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, D. C., March 27, 1867.

Assessors will direct their assistant assessor to daily visit each distillery in their respective divisions, except when the duty is devolved on an assistant assessor specially assigned to that duty.

The assistant assessor will there copy the last entry made in the distiller's book, note the quantity and condition of the beer in each fermenting tub, and whether the still is running or to be run on that day; and he will report these facts to the assessor the same day in writing, who will cause entry thereof to be made in a book kept for that purpose.

When an assistant assessor cannot do this, together with the other work of the division, the assessor will ask the appointment of an additional assistant to aid in the general work of the division. Assessors of city districts, in which distilleries are numerous, may ask the assignment of one or more assistant assessors to the exclusive work of supervising distilleries. When more than one assistant assessor is thus assigned in one district, the assessor should so arrange the work that no one assistant assessor should supervise the same distillery for more than one month at a time.

The distiller's tri-monthly return on (Form 14) will hereafter be made in triplicate, and one copy must be sent by mail, on the day of its reception, by the assistant assessor receiving it, to this office. These returns will be carefully examined, and the main points in each will be duly entered in the books kept for that purpose. Any failure on the part of an assistant assessor in having the return properly made and attested will be the subject of action by this office.

When a storekeeper has been appointed for the Distillery Bonded Warehouse, the key of the cistern room will be placed in his custody. Where the spirits are not stored in a warehouse attached to the distillery, and an assistant assessor has been specially designated to supervise the distillery, the key may be held by him. In other cases the key will be held by such officer as the collector may designate until the matter can be arranged by correspondence with the Commissioner. In all cases where spirits are removed from the distillery directly to a general bonded warehouse in the district, they must be accompanied by the officer who holds the key of the cistern room.

E. A. ROLLINS,
Commissioner.

[Series 3, No. 1.]

UNITED STATES INTERNAL REVENUE.

INSTRUCTIONS TO ASSESSORS AND COLLECTORS AND SCHEDULE OF BLANK FORMS.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, March 18, 1867.

The instructions to assessors and collectors, and schedule of blank forms, issued January 1, 1866, in Series 2, No. 1, have been carefully revised and essentially changed to conform them to changes in the law since that date, and the revised instructions and schedule are herewith printed as No. 1 of the third series.

After the publication of Series 2, No. 1, special instructions concerning particular subjects were issued in the same series from time to time, and attention is again called to them.

No. 2 treats of the accounts of collectors and assessors.

No. 3 of legacies and successions.

No. 4 of the annual taxes.

No. 5 of cotton.

No. 6 of fermented liquors.

No. 7 of distilled spirits.

No. 8 of the exemption of manufactured articles under the act of July 13, 1866.

No. 9 of bonded warehouses.
No. 10 of stamps.
No. 11 of inspectors and gaugers.

Each number of the series contains full explanations of that part of the law of which it treats, intended for the guidance of internal revenue officers in such matters, and should be carefully studied in connection with the law. Whenever either of these may be reprinted, it will retain its present number in the current series.

E. A. ROLLINS,
Commissioner.

Instructions to Assessors and Collectors.

THE ANNUAL LIST.

The annual list will include the annual taxes upon income, articles in Schedule A, and special taxes dating from May 1. These items, and no others, will be entered on the annual list.

Each assistant assessor will complete his annual list and forward it to the assessor on or before the last day of March, and the complete list should be delivered by the assessor to the collector on or before the thirtieth day of April in each year.

In preparing the list the assessor must observe the requirements of sections 18 and 19. The notice for receiving and determining appeals must be advertised in each county and posted in each assessment district as directed in section 19. The hearing of appeals in each county is no longer required.

Within twenty days after receiving the annual list from the assessor, the collector must advertise in one newspaper in each county in his district, and by notices to be posted in at least four public places, and mailed to every postmaster in each county, stating the time and place within said county at which he or his deputy will attend to receive the duties, which time must not be less than ten days after the publication of said notice.

At the expiration of ten days from the advertised time, it is the duty of the collector to serve demands upon all persons who have neglected to make payment. Form 9 has been prepared for this purpose, and for the issuing and service thereof the collector is entitled to a fee of twenty cents, and to four cents for each mile actually and necessarily travelled in serving the same. No travel fee can be charged when the notice is sent by mail, and none for the distance travelled in returning when personal service is made.

If payment is not made within ten days after the service of demand the collector will proceed to collect the duties, with the penalty of five per centum, interest at the rate of one per cent. per month, and the proper costs and expenses by distraint. No interest is required for a fraction of a month.

MONTHLY LISTS.

By the 11th section of the act of July 13, 1866, all monthly returns must be made by the tax-payers on or before the tenth day of each month, and all quarterly returns, and all those for which no provision is otherwise made, must be made on or before the tenth day of the month in which the return is required or succeeding the time when the tax is due and liable to be assessed.

All these returns which can be collected by the assistant assessor by the fifteenth day of each month should be put upon the monthly list, and forwarded to the assessor; and the assessor should complete and deliver his list (Form 23) to the collector on or before the twentieth day of each month.

Whenever the assessor deems it advisable or the tax-payer requests it, any return may be certified to the collector, either singly or upon a special list, in order that payment may be made sooner than if the return was delayed until the completion of the monthly list. Assessors should retain copies or other complete records of all such returns or lists certified to the collector, and will exercise the utmost care that all such assessments are entered on the next monthly list and are receipted for by the collector on Form 23¼.

Whenever a change of collectors occurs, the assessors should take receipts on Form 23¼ from the outgoing collector for all special lists or returns transmitted to him, and for unassessed penalties collected by him, since his last receipt. Such assessments should not be included in the monthly list presented to the new collector.

Monthly and quarterly taxes are due and payable on or before the last day of the month in which the return is required, but notice must be given to the tax-payer on Form 17 immediately on receipt of the list or return, and for failure to pay within the prescribed time the tax-payer is liable to a penalty of five per centum on the amount of the tax, and interest at the rate of one per cent. per month. This penalty must be collected in all cases when a tax-payer has become liable thereto, as the collector has no discretion in the matter.

If the duties are not paid within the prescribed time the collector will issue a demand (Form 21) in the manner prescribed by section 28, and proceed to collect the amount, with the penalty and costs, by distraint. For the service of the demand in this case, the collector is not entitled to the fee of twenty cents, as that is held to apply only to taxes assessed on the annual list.

SPECIAL TAXES.

The 11th section of the Act of July 13th, 1866, does not relate to the annual taxes nor to special taxes which are payable for the fraction of a year. The special tax due from a person who commences business after the first of May becomes due when he commences business. When an assessment is returned to the collector in such case, the tax being already past due, he should at once serve demand as provided in section 28, and the penalty of five per centum will not attach unless there is a neglect to pay for more than ten days after the issue of the demand.

The same rule will govern the collection of annual taxes omitted from the annual list and subsequently returned to the collector.

UNASSESSED PENALTIES.

On or before the fifteenth day of each month the collector will make out and furnish to the assessor a detailed statement on Form 58, of all taxes on passports, and unassessed penalties received by him during the calendar month next preceding, including all shares of penalties belonging to the government which are paid by order of court, and those placed to the credit of the Treasurer of the United States by order of the Secretary of the Treasury, the result of compromised suits of which the collector has received notice during the month.

The collector will also report on the same form all taxes which may have been allowed to him during the month as uncollectible after the same have been collected, and all taxes which may have been collected after the same have been allowed as uncollectible.

These detailed reports will be kept on file in the assessor's office, and the amount will be entered at the foot of the next monthly list and included in the aggregate thereof, for which the collector will receipt on Form 23¼.

LEGACIES.

By the Amendatory Act of 1866, the tax upon legacies and distributive shares of personal property is made payable whenever the party interested in such legacy or distributive share shall become entitled to the possession or enjoyment thereof, or to the beneficial interest in the profits accruing therefrom. Under the former statute it was merely required that the tax should be paid before distribution, so that it was somewhat doubtful whether an assessment could be made so long as the property remained in the hands of the executor or administrator. The Act of 1866 further provides that every executor or administrator, having in charge any legacy or distributive share, shall give notice in writing to the assessor or assistant assessor of the district in which the deceased last resided, within thirty days after taking charge of the estate. While no specific penalty is attached to a neglect to give this notice, it can hardly be doubted that such neglect would put the executor or administrator so far in default as to authorize an assessment by the assessor as soon as the tax becomes payable.

It is often the case that an executor is prepared to pay a particular legacy before the estate is so far settled as to entitle the legatee to demand payment, and in such case the law still requires the executor to pay the tax before allowing the amount of the legacy to pass out of his possession. If, however, an executor should make his return to the assessor for the purpose of paying the tax on the particular legacy, and should subsequently determine to withhold the legacy until final settlement of the estate, no compulsory means could be resorted to to enforce payment of the tax, or, in other words, payment of the tax in this manner is purely voluntary on the part of the executor, except that he is liable to a penalty if he makes distribution without previous payment of the tax. Whenever, therefore, an executor makes a return to the assessor for the purpose of enabling himself to distribute a portion of the estate at a period earlier than that at which he would be compelled to distribute by the laws of the State, an immediate return should be made to the collector, in such form that he may understand the nature of the assessment and not be led to proceed by distraint. The time being determined when a legatee is entitled to the possession, it is made the duty of an executor or administrator to make the return required by section 125 on or before the 10th day of the following month, and the subsequent proceedings for collection will be the same as for other taxes on the monthly list. When distribution is made in any case without payment of the tax, not only does the executor or administrator become liable to a penalty, but the tax may be collected of the person having the actual or constructive possession of the property in respect of which the tax is due, and the collector may proceed either by distraint in the manner pointed out in section 28, or by suit as provided in section 125. When return is made by the executor at the time when the tax becomes payable, demand may be made by the collector after the close of the month. When the estate is distributed before payment of the tax, the collector may serve demand as soon as the assessment reaches him. In either case the penalty of five per centum will attach upon failure to pay within ten days after demand.

When an estate is settled without the issue of letters of administration, the person who shall assume the control of the estate will be liable in all respects as administrator.

SUCCESSIONS

By the amendment to section 147, persons liable to pay succession tax are allowed thirty days from the time when they became entitled in possession in which to make return to the assistant assessor; and if the return is not made within that time it becomes the duty of the assistant assessor to make the assessment with the addition of ten per centum upon the amount of the tax. When the return is made within

the time required by law the assessment will be entered upon the monthly list next to be completed, and the collector will proceed as with other taxes upon the same list. When the return is not made within the proper time the assessment should be immediately certified to the collector, who may serve demand immediately, and the penalty of five per centum will attach for failure to pay within ten days.

When separate assessments are desired for particular tracts of land, as provided in section 146, the return must be made in duplicate, and one copy will be forwarded to the collector at the same time that the assessment is returned. If it becomes necessary to pursue the land into the possession of a *bona fide* purchaser, the respective tracts will be held chargeable only with the amount of tax separately assessed in respect thereof.

DEPOSITS.

Collectors will be instructed by letter when and where to deposit their collections, and will employ for their transportation, when necessary, the Adams, American, United States, Harden's, Hope's, Howard's, Cheney's, Eastern and Southern Express Companies, as the Treasury Department have a contract embracing these lines. Money sent to collectors by their deputies, or by deputy collectors directly to the depositories will be sent in this way. Each package of money transmitted should consist of even thousands of dollars when practicable. The expense of this transportation will be paid by the department and not by collectors.

Moneys paid to collectors by delinquent tax-payers in lieu of penalties and forfeitures, or gross sums paid for unascertained taxes and penalties, should be deposited to the credit of the Secretary of the Treasury until the amount due to the Government is ascertained, when he will order it placed to the credit of the Treasurer of the United States. While moneys remain deposited to the credit of the Secretary of the Treasury they should not be reported with the collections on Forms 22, 49, or 51, nor included in the receipt on Form 22½.

CHANGE OF COLLECTORS.

When a collector goes out of office he must take a list of all taxes in his hands which are collectible, and take a receipt therefor in duplicate from his successor, which must show the amount belonging to each assessment list. One copy of this receipt must be transmitted to the Commissioner. The outgoing collector will not receive credit in this office for the taxes thus transferred to his successor until they have actually been collected. The new collector will report the amounts collected by him on the list received from his predecessor, when he has collected all that he can, specifying the several assessment lists on which they were originally returned. On receipt of this report the old collector will be credited and the new collector charged with the amounts collected.

For relief from taxes received from his predecessor which are found to be uncollectible, the new collector must furnish to his predecessor affidavits on Form 53 that said taxes were uncollectible when they came into his hands. The old collector must furnish similar affidavits and certificates on Form 48 to this office before the taxes will be abated in his account.

The outgoing collector will also make an inventory of all the public property in his possession. After obtaining the receipt of his successor to this inventory he will transmit it to the Commissioner with his account of expenses on Form 91.

REPORTS.

The Act of July 13, 1866, provides that no payment shall be made to assessors and collectors until the Commissioner certifies that all reports due from them have been received, or that a satisfactory explanation has been given for the delay.

The regular reports required of assessors are—

1. The collector's receipt (Form 23½) for the monthly list showing that it has been returned to him by the 20th day of the month.
2. Report of cigar stamps (Form 38.)
3. Statement of merchandise placed in bond, (Form 61.)
4. Statement of the account of bonded goods, (Form 94.)

The last three reports must be rendered by the 15th of each month.

Assessors are also required to render to the Commissioner an account of expenses (Form 82) at the close of each quarter.

Collectors are required to make the following regular reports to this office by the 15th day of each month:

1. Abstract of collections, (Form 22.)
2. Account current as disbursing agent, (Form 44,) with vouchers.
3. Report of daily collections and deposits, (Form 49.)
4. Statement of amounts collected, abated, and remaining uncollected on each list, (Form 51.)
5. Report of beer stamps sold and remaining on hand, (Form 103.)
6. Monthly report of instruments stamped under section 162 as required by instructions No. 10. When none have been stamped during the month, that fact should be reported.

They are also required to forward accounts on Forms 79 and 91 to this office at the close of each quarter, and the estimate on Form 42 to the Secretary of the Treasury by the fifth day of each month. A failure to send this estimate promptly will cause delay in the payment of all officers in the district.

[Series 3, No. 4.]

UNITED STATES INTERNAL REVENUE.

INSTRUCTIONS TO UNITED STATES ASSESSORS,

Concerning the Assessment of Incomes and Special Taxes for the Year 1867.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, March 9, 1867.

It is provided by the act of March 2d, 1867, "that all acts in relation to the assessment, return, collection and payment of the income tax, special tax, and other annual taxes heretofore by law required to be performed in the month of May, shall hereafter be performed on the corresponding days in the month of March in each year; all acts required to be performed in the month of June in relation to the collection, return, and payment of said taxes, shall hereafter be performed on the corresponding days of the month of April of each year."

All special taxes are to be reckoned, as heretofore, from the first day of May, or from the time of commencing the business subject to tax, to the first day of May following, although the time of assessment is changed as above stated.

It is also "provided that the taxes on income for the year 1866 shall be levied on the day this act takes effect."

The following instructions should be observed in the assessment of the annual taxes of 1867. They have been prepared and printed to answer the questions which have been most frequently presented by revenue officers, in their letters to the Commissioner.

Particular attention is directed to the modifications of the rules observed in the last annual assessment.

Assessors should instruct their assistants to call personally upon those who have not returned their income as required by law. If any person is not at home, the notice on the back of form 24 should be filled out, and the blank left. This being done, it becomes the duty of the tax-payer to seek the assistant assessor and deliver his return.

E. A. ROLLINS, *Commissioner.*

INSTRUCTIONS.

INCOME.

Farmer's Profits from Sales of Live Stock.

The farmer's profits from sales of live stock are to be found by deducting from the gross receipts for animals sold the purchase money paid for the same.

Deductions on account of Children's Services.

No deduction can be made by the farmer for the value of services rendered by his minor children, whether he actually pays for such services or not. If his adult children work for him and receive compensation for their labor, they are to be regarded as other hired laborers in determining his income.

Deductions of Payment for Labor.

Money paid for labor, except such as is used or employed in domestic service, or in the production of articles consumed in the family of the producer, may be deducted.

Cost of Unproductive Labor.

No deduction can be allowed in any case for the cost of unproductive labor. If house servants are employed a portion of the time in productive labor, such as the making of butter and cheese *for sale*, a proportionate amount of the wages paid them may be deducted.

Ditching and Clearing New Land.

Expenses for ditching and clearing new land are plainly expenses for permanent improvements, and not deductible.

Cost of Fertilizers and Seed.

The whole amount expended for fertilizers applied during the year to the farmer's lands may be deducted, but no deduction is allowed for fertilizers produced on the farm. The cost of seed purchased for sowing or planting may be deducted.

Value of Produce Consumed.

Farmers will not be required to make return of produce consumed in their own immediate families.

Sale of Standing Timber.

If a person sells timber standing, the profits are to be ascertained by estimating the value of the land after the removal of the timber, and adding thereto the amount received for the timber, and from the sum thus obtained deducting the estimated value of the land on the first day of January, 1862, or on the day of purchase, if purchased since that date.

All Sales of Farmers' Productions to be Returned.

A farmer should make return of all his produce *sold* within the year, but a mere executory contract for a sale is not a sale; delivery, either actual or constructive, is essential. The criterion by which to judge whether a sale is complete or not is to determine whether the vendor still retains in that character a right over the property—if the property were lost or destroyed, upon which of the parties, in the absence of any other relation between them than that of vendor and vendee, would the loss fall;

No Deduction on Account of Depreciation in Value.

Tax-payers frequently claim deductions for losses from depreciation in the value of stocks or other property of a like nature. No deduction can in any case be allowed for depreciation of value of such property until it is actually disposed of and a loss realized.

Legal Expenses of Business Deductible.

Costs of suits and other legal proceedings arising from ordinary business are to be treated as other expenses of such business, and may be deducted from the gross profits thereof.

Expenses of Physicians.

Where physicians are obliged to keep a horse for the transaction of business, they may deduct so much of the expense so incurred as is fairly referable to the business done.

Family Expenses.

Expenses for medical attendance, store bills, &c., are not proper subjects for deduction. Expenses for repairs of implements, tools, &c., used in business, may be deducted.

Separate Incomes of Family—Minor Children.

If the members of a family have separate incomes, the returns may be made separately by the proper parties, and a ratable proportion of the $1,000 exempted from the income of each. The parent, as the natural guardian of the minor child, is required to make return for him. But where any other guardian or trustee has been appointed, the return should be made by the latter. If the minor has no guardian or trustee, he should make return himself. If he refuse or neglect, an independent assessment must be made as in other cases, omitting penalty.

Exemption $1,000—Husband and Wife.

For the purposes of the exemption of $1,000, husband and wife are to be regarded as members of the same family, though living separate, unless separated by divorce or other operation of law so as to break up the family relation. Minor children and their parents should be counted members of the same family, whether living together or not.

Minor Child's Salary.

If a tax-payer has a minor child in the service of the government, receiving a salary, such parent should include in his income return so much of the salary of his child as is not subject to salary tax.

Rent.

Rent of a homestead actually paid may be deducted, but the rental value of property owned by the tax-payer is not a subject of deduction; but where the tax-payer rents a furnished house, that portion of the rent paid in consideration of the use of the furniture should not be allowed as a deduction.

Any person claiming a deduction on account of expense for room rent must satisfy the assessor that the room or rooms occupied by him constitute his home, and that he has no residence elsewhere, and this being shown, he may be allowed to deduct what he actually pays for rent of such rooms, but nothing can be allowed for rent of furniture or care of rooms. When rent is included and deducted as an expense of business, it must not be again deducted as rent, nor should a person hiring a house and sub-letting a portion of it be allowed to deduct more than the excess of his payments over his receipts.

Marriage Fees and Gifts.

Marriage fees, gifts from members of a congregation to their pastor, &c., are taxable as income when the gifts or donations are in the nature of compensation for services rendered, whether in accordance with an understanding to that effect at the time of settlement, or with an annual custom.

Gifts of Money.

Gifts of money, when clearly not in the nature of payment for services rendered, or other valuable consideration, are not liable to taxation as income. Amounts received on life insurance policies, and damages recovered in actions of tort are exempt from income tax.

Income and Fees of Lawyers and Physicians.

Lawyers and physicians may return either the actual fees received during the year, without regard to the time when they accrued, or the amounts due to the business of the year. But when the tax-payer has heretofore adopted one method, he cannot now be allowed to make use of the other.

Income of Manufacturers and Dealers.

If the manufacturer or dealer has been in the practice of estimating his annual profits by taking inventories of stock, he should take the *cost* value of such stock, unless he has taken the market value in making previous returns. Whichever method has been adopted by the tax-payer should be adhered to uniformly.

Accrued Interest Unpaid.

If interest accrued during the year on notes, bonds, &c., is good and collectible at the end of the year, it should be returned as income whether actually collected or not.

Liquidation of Debts.

The fact that income is devoted to the payment of debts does not release the same from liability to income tax.

Patent right Dealers and Inventor's Profits.

If an inventor sell his invention at once for a gross sum, he should return as income the whole amount, less the expenses actually incurred in perfecting the invention, or in procuring a patent right. But no allowance can be made for the labor or personal expenses of the inventor. If he sell only a portion of his right during the year. he may deduct a proportionate amount of such expense.

Income of Government Employees.

Wherever the salary or pay received by any person in Government employ does not exceed the rate of $1,000 per annum, or is made up of fees, or is uncertain or irregular in the amount or time, and h s not therefore been subjected to salary tax, it should be included with other taxable income. Where such salary exceeds the rate of $1,000 per annum, the amount of salary from which the tax has been deducted may be deducted from the gross income.

Incomes of Deceased Persons and Estates.

Incomes of persons who died after December 31, 1866, are taxable and should be returned by executors or administrators, and also all income which accrued in 1866 to persons who died within that year. Income which accrued from the estates of such persons in 1866, after the date of decease should be returned by the heirs or other persons who received the benefit of the same.

Place to make Return.

Residents should make return in the district where they reside at the time of making return. The residence required under section 116 for the purpose of taxing income is held to be a residence during the year for which income is "derived." If any person subject to income tax resides abroad, his return should be made in the district where he last resided.

United States Citizens Residing Abroad.

Citizens of the United States residing abroad are subject to tax upon their entire incomes from all sources whatever; and the same is true of foreigners residing in this country.

Income Business—Foreign Persons—Firms in United States.

The law provides that a like tax shall be levied, collected, and paid upon the gains, profits, and income of every business, trade, or profession carried on in the United States by persons residing without the United States, and not citizens thereof.

Profits from Sale of Lease.

A lease for years or for life is personal estate, and any profits on the sale of such a lease are taxable as income for the year of sale.

Income of Legatee.

Where any portion of a legacy has been transferred by the executor to the legatee, so that the executor in his capacity of guardian or trustee has no longer any control of the profits arising from such legacy, the return of such profits as income must be required of the legatee.

Annuitant's Income from Legacy or Succession.

The payment of legacy or succession tax on the bequest of an annuity does not relieve the annuitant from liability to income tax on his annuity.

Losses in Business.

Assessors should be careful not to allow the deduction of amounts claimed to have been lost in business, when in reality they should be regarded as investments or expenditures, as when merchants expend money in farming or gardening for recreation or adornment rather than pecuniary profit.

Scrip Dividends.

Whenever scrip dividends are returnable as income they should be returned at their market value.

U. S. Bonds and Securities.

It is believed that in many instances, in the assessment of income for former years, persons holding United States securities have not included the accruing interest in their return of income. Assessors should inquire especially into this subject, and if the omission has been made, the defficiency should be assessed, but without penalty when it appears to have been due to a misapprehension of the law.

Undivided Profits.

The attention of assessors is particularly called to the terms of the act in force, which require to be included in returns of income the share of any person of the gains and profits of all companies, whether incorporated or partnership, who would be entitled to the same if divided, whether divided or otherwise.

SPECIAL TAXES.

Place of Business.

Section 74 requires all special tax receipts (except in case of auctioneers, produce brokers, commercial brokers, patent right dealers, photographers, builders, insurance agents and peddlers) to specify the place at which the business is to be done and the word "place" as here used is construed to mean the premises occupied by the tax-payer in the prosecution of his business, whether the place be a single room, in a building containing many rooms, or whether it be seve-

ral buildings standing upon the same premises and used for a common purpose. But there are certain branches of business which are not restricted to such premises, as it is provided in the act that lawyers, physicians, surgeons, dentists, cattle brokers, and horse dealers may do business at any place whatever without being subject to additional special tax. Proprietors of circuses, jugglers, &c., must pay a special tax for each State in which they exhibit.

Basis of Dealer's Tax.

The special tax of dealers must be assessed upon the basis of all sales made either by themselves or through others, except those through other wholesale dealers on commission.

Dealers or Manufacturers.

Manufacturers may, without additional liability, sell their wares at the place of manufacture, or at their principal office, provided no wares are kept except as samples, at such office. But if a manufacturer sell at his factory, or at his office, goods not of his own production, he must pay tax as a dealer if such sales exceed $1,000 annually, and such tax will be assessed upon his sales of such goods only, and not upon sales of his own manufacture.

Transfer and Renewal of Special Tax Receipts.

Special tax receipts are not transferrable, but in case of removal the tax-payer is liable to additional tax unless the fact of removal is registered as provided in section 75.

Land Warrant Brokers, Claim Agents, and Real Estate Agents.

The tax required under the proviso to section 76 for all or either two of the classes of business therein named, is twenty-five dollars.

Banks and Bankers.

The special tax of a bank should be assessed upon its chartered capital; that of a banker upon the amount of capital used or employed.

Re-assessment of Retail Dealers.

Whenever a retail dealer is found to have made sales exceeding $25,000, he should be assessed as a wholesale dealer from the date of his liability as a retail dealer. The collector should endorse upon his tax receipt the amount of re-assessment paid.

When Special Tax Accrues.

The liability to special tax depends in many cases upon the question whether the party makes a business of doing the acts specified. Occasional acts do not render a person liable to special tax, but it is not necessary that the business should be his sole business, or even his principal one, in order that he may be held liable. If a person holds out to the public by advertisement, by words, deeds, or writing, that he is ready to transact any kind of business subject to special tax, he must pay such tax although the business in question may not be his chief or exclusive occupation. In the following named occupations and professions even *occasional* acts do not appear to be allowed by the terms of the law without liability. Wholesale and retail dealers in liquors, lottery ticket dealers, distillers, brewers, rectifiers, coal oil distillers, insurance agents, peddlers, photographers, circuses, jugglers, bowling alleys, proprietors of gift enterprises, and lawyers.

Dealers may do Business as Confectioners and Apothecaries.

Wholesale and retail dealers may do business as confectioners and apothecaries at the same place without additional special tax.

Retail Liquor Dealers Selling over Three Gallons.

Under the Act of March 2, 1867, a retail liquor dealer may sell liquors in quantities of more than three gallons at one time to the same purchaser without being thereby rendered liable as a wholesale liquor dealer.

Liquor Dealers may sell other Merchandise.

Wholesale dealers in liquors may sell liquors at retail, and both wholesale and retail dealers in liquors may sell other merchandise, and may sell liquors to be drank on the premises, without payment of additional special tax, but all sales must be included in the basis of their special tax as dealers.

Re-assessment of Retail Liquor Dealers.

If the sales of a retail dealer in liquors exceed $25,000, he should be re-assessed as a wholesale dealer in liquors. The assessor should enter the amount of re-assessment paid him upon the tax receipt.

Hotel keepers who Feed Horses of their Guests.

Hotel keepers may feed the horses of their guests without paying tax as livery stable keepers.

Re-assessment of Produce Brokers.

If a produce broker's sales exceed $10,000 annually, he should be treated as a commercial broker or a dealer, as the case may be.

Peddlers of Produce.

Peddlers may buy up produce to sell again as peddlers without liability as produce brokers. Produce brokers cannot peddle produce from house to house without incurring liability as peddlers.

Peddlers of Wares in the Unbroken Package.

Original or unbroken packages or pieces, as referred to in paragraph 32 of section 79, are held to be packages or pieces sold just as they come from the manufacturer, wholesale dealer or importer, without being broken or divided.

Brewers and Rectifiers selling by Retail.

Brewers and rectifiers may sell their liquors at the brewery or place of rectification in large or small quantities, either to be drank on the premises or not, without payment of other special tax. Brewers and rectifiers may also deliver their liquors upon orders previously received to their regular customers about the country without payment of special tax as peddlers.

When Farmers and others become liable as Hotel keepers.

Farmers and others who frequently furnish food and lodging to travellers for pay should be taxed as hotel keepers. Yet an occassional act of that kind should not be construed as rendering any person liable to such tax.

Preparation of Legal Papers—Conveyancers.

Persons engaged in the business of preparing legal papers in support of claims against the general government, who do not present the claims personally or by letter before the departments, should be taxed as conveyancers, unless paying special tax as lawyers or claim agents.

Patent Right Dealers.

Persons whose business it is to sell patent rights should pay tax as patent right dealers, even though they sell only patent rights for their own inventions. Assessors will observe that a patent-right dealer is subject to a different special tax from that of a patent agent.

Trustees and Guardians not Real Estate Agents.

Trustees and guardians should not be required to pay tax as real estate agents for renting or selling property held in trust.

Conveyancer.

Every person, other than one paying special tax as lawyer or claim agent, who makes it his business or any part of his business to draw deeds, bonds, mortgages, wills, writs, or other legal papers, or to examine titles to real estate, who, by advertisement or conversation, or by accepting the business whenever it is offered, holds himself out to the public as ready to undertake it, is a conveyancer, and should be required to pay tax as such.

Hotels and Boarding Houses.

The act imposes no special tax upon boarding-house keepers as such. Hotels are open to all who choose to enter, without previous stipulation, expecting entertainment, unless the house is full; while boarding houses are open only to those who by previous arrangement have acquired a right to entertainment at such rate of payment as may be agreed upon.

Basis of Hotel Keeper's Tax.

The special tax of a hotel keeper is based upon the annual rent or rental value of that portion of the premises which is actually used for hotel purposes. Barber's saloons, billiard rooms, and liquor, cigar, and newspaper stands are the usual concomitants of a hotel, and in assessing the special tax of a hotel keeper, no deduction should be made from the rent or rental value of the entire premises on account of any portion thereof leased to the keepers of such stands, rooms, or saloons.

When a portion of the premises is leased for ordinary stores, such as hat and cap, drug, or furnishing stores, a ratable proportion of the amount paid for the entire premises may be deducted. The sum thus deducted may be greater, or may be less, than the amount of rent paid by the actual occupants of such stores.

Manufacturers having two or more Factories.

If any person manufactures in excess of $1,000 at each of two or more places, he should pay a special tax for each such place.

Journeymen Tailors and Shoemakers.

Where journeymen take clothing, shoes, &c., to their houses and make them up there, they should pay tax as manufacturers, if their manufactures exceed $1,000 annually. Under their tax receipt they may employ others at the place named herein.

Lotteries and Gift Concerns for Charitable Purposes.

All applications for permits to hold lotteries, &c., for charitable purposes, free of tax, must be made through the collector of the district, and should bear his recommendation.

Selling at Wholesale.

Selling at wholesale under the 32d paragraph of Section 79 is understood to mean selling to others to sell again, without reference to the quantity sold.

Apothecaries Selling Wines or Liquors.

Apothecaries, who have paid the special tax as such, are not required to pay tax as retail dealers in liquor, in consequence of selling or of dispensing upon physicians' prescriptions the wines and spirits officinal in the United States or other national pharmacopœias, in quantities not exceeding half a pint of either at one time, nor exceeding in aggregate cost value the sum

of three hundred dollars per annum, nor in consequence of selling alcohol.

Sale of Spirituous Beverages, Medicated or otherwise.

When spirituous liquors are medicated or mixed with foreign substances, but to so slight a degree that they are still used as beverages and are sold as such, the special tax of a liquor dealer will be required of the seller. When the mendication or admixture is carried to such an extent that the liquor is no longer susceptible of being used as a beverage, such tax will not be required.

Butchers.

Butchers whose sales do not exceed $1,000 annually and butchers who sell butcher's meat exclusively by themselves or agents, travelling from place to place, are subject to special tax of five dollars only; but *all* butchers whose annual sales exceed twenty-five thousand dollars are required to make return of sales, and pay a tax of one dollar for every thousand dollars in excess of twenty-five thousand dollars, in the manner required of wholesale dealers.

Cattle Brokers.

Cattle brokers are required to be assessed on the excess of sales over ten thousand dollars in the same manner as wholesale dealers.

Builders and Contractors.

Builders and contractors are not subject to special tax in any year in which they do not construct on contract, nor unless their contracts are in excess of $2,500.

Miners.

A miner may employ *one* person in the business of mining for coal, silver, &c., without payment of special tax.

Travelling Agents as Peddlers and Commercial Brokers.

The liability of peddlers and commercial brokers to special tax depends upon the acts done, and is not affected by the fact that the party is employed by others and is acting merely as an agent.

Peddlers of Watches and Watch Chains.

Watches and watch chains do not come within the definition of jewelry, and may therefore be sold under the tax receipt of a common peddler.

Retail Dealer in Liquors Selling out his Stock.

A retail dealer in liquors wishing to close up business may sell out his whole stock at one auction sale to different purchasers, or may sell the whole at private sale to one purchaser, without payment of special tax as wholesale dealer in liquors.

Farmers and Gardeners Selling as Peddlers.

Farmers and gardeners may sell all products of their own farms and gardens in the manner of peddlers, without payment of special tax as such.

Manufacturers of Butter and Cheese.

Under the act of March 2, 1867, no special tax is required of any person for the manufacture of butter or cheese.

Admeasurement of Boats, Barges and Flats.

In assessing the special tax upon boats, barges, and flats under the last proviso to section 103, the capacity is to be determined by the customs admeasurement.

Travelling Agents when not Commercial Brokers.

Persons travelling about the country as the agents of manufacturers or dealers, seeking orders for goods as agents of one person or firm only, and who are paid a sala y, but receive no commissions whatever, should not be required to pay tax as produce or commercial brokers.

Re-Assessment of Apothecaries, Confectioners, Plumbers and Gas-fitters.

Apothecaries, confectioners, plumbers, and gas-fitters, whose annual sales exceed twenty-five thousand dollars, are required to pay, in addition to the special tax, one dollar for every thousand dollars of sales in excess of said twenty-five thousand dollars, the taxes on such excess to be assessed and paid in the manner provided in the case of wholesale dealers.

[Public No. 93.]

AN ACT allowing the Duties on Foreign Merchandise imported into the Port of Albany to be secured and Paid at that place.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Albany, in the State of New York, and within the collection district of New York, be, and is hereby, declared to be a port of delivery within the aforesaid district; and there shall be appointed a surveyor of customs to reside at said port who shall in addition to the customary duties performed by that officer in other places, perform the duties prescribed in an act entitled "An act allowing the foreign merchandise imported into Pittsburgh, Wheeling, Cincinnatti, Louisville, Saint Louis, Nashville, and Natchez, to be secured and paid at those places," approved March two, eighteen hundred and thirty-one. The said surveyor before taking the oath of office shall give security to the United States for the faithful performance of his duties in the sum of ten thousand dollars, and shall receive, in addition to the customary fees and emoluments of his office, an annual salary of six hundred dollars.

SEC. 2. *And be it further enacted*, That the same privileges granted to the ports of delivery mentioned in the first section of this act, and the restrictions created by the said act, are hereby extended and made applicable to all goods, wares, and merchandise imported into the United States at any port of entry and destined to said port of Albany.

SEC. 3. *And be it further enacted*, That the Secretary of the Treasury shall be, and is hereby authorized to extend the privileges of the warehouse acts of August six, eighteen hundred and forty six, and March twenty-eight, eighteen hundred and fifty-four, and the regulations of the Treasury Department relating thereto, to the said port of Albany.

Approved, March 2, 1867.

NOMINATIONS CONFIRMED.

The Senate, in Executive Session, is reported to have confirmed the following nominations of Custom, Internal Revenue and other officers:

COLLECTORS INTERNAL REVENUE.

Arthur G. Gorman, Fifth District, Maryland.
Jacob Weart, Fifth District, New Jersey.
John B. Headley, Fourth District, New Jersey.

UNITED STATES MARSHAL.

J. N. Patterson, District of New Hampshire.

COLLECTOR OF CUSTOMS.

Nelson G. Isbell, Detroit, Mich.

CONSULS.

Charles Mine, of New Jersey, at Cobijah, Bolivia.
D. R. Boice, of New Jersey, at Hamilton, C. W.
W. Hudson Lawrence, of New Jersey, at Moscow.
G. M. Prevost, of Pennsylvania, at Zacatecas.
George Gerard, of Pennsylvania, at Capetown.

The Internal Revenue Record
AND
CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 15. NEW YORK, APRIL 13, 1867. WHOLE NUMBER, 119.

TABLE OF CONTENTS.

REVIEW.

SEVERAL rulings on questions of interest are promulgated. That relating to boxes of paper and other materials is as liberal a construction as could possibly be desired by the manufacturers. The impression generally entertained by assessors and assistant assessors was that paper boxes were subject to tax. The knowledge of this ruling will establish a uniform practice and prevent any assessment of such boxes on the March list.

Attention is directed to the ruling of carpet bag and cabas frames; and the *absolute* exemption of specified manufactures of wrought iron.

There are several decisions in regard to income which will answer several enquiries that have recently been received at the RECORD office, on the points involved.

The attention of Disbursing Agents is called to a communication of the First Comptroller in regard to the exemption of salary tax on payment of compensation to assessors, assistant assessors, collectors and other officers of the revenue. The salary tax bears very onerously, and the instructions should therefor be followed without delay.

The taxation of salaries was simply an easy method to collect income tax, but it has operated unjustly, house rent, and other deductions allowed to income tax-payers, being denied to salaried officers. We trust that Commissioner Wells will notice the inequality in his next report, and suggest a remedy.

Special No. 53 contains instructions concerning collectors' abstracts, and explains the new Schedule of taxes which will be published next week.

A careful perusal of Series 3, No. 1, by assistant assessors will refresh their memories in many matters of importance in their particular line of duties. A good precept to these officers is not to rely upon the memory, but read the law and the RECORD.

What will be done with the 7,000 barrels of forfeited whiskey now said to be in this judicial district? The law says that it shall be destroyed under certain circumstances, but nobody can be made to believe it. In the words of the lamented Ward "Why is this thus? Why is this thusness?"

The result of the four weeks protracted trial of the New Brunswick Distillery case, is in the highest degree complimentary to the untiring and well directed efforts of Mr. Keasbey, the United States District Attorney. The contrivance for carrying on the fraud was an ingenious one, but the fact of the fraud was established beyond doubt.

Why is it that out of the immense number of whiskey frauds in this city and Brooklyn, the Government's interests are not defended as they are in New Jersey? It is a burning shame and scandal that it is not so. Compromises and corrupt practices have debauched the trade and the service.

Operations under the new bankrupt law will soon be instituted. Regulations have been promulgated respecting the appointments of Registrars, and the Supreme Court will soon determine upon the forms and practice to be adopted.

THE PUBLIC DEBT.

The following is an official statement of the public debt of the United States on the 1st of April, 1867:

DEBT BEARING COIN INTEREST.		
5 per cent. bonds	$198,091,350 00	
6 per cent. bonds of 1867 and '68.	16,488,661 80	
6 per cent. bonds, 1881	268,732,000 00	
6 per cent. 5-20 bonds	969,567,000 00	
Navy Pension Fund	12,500,000 00	
		$1,499,381,591 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent. bonds	12,922,000 00	
3-year compound interest notes	139,026,630 00	
3-year 7-30 notes	582,330,150 00	
		734,280,780 00
Matured debt not presented for payment		12,825,558 42
DEBT BEARING NO INTEREST.		
U. S. notes	375,417,249 00	
Fractional currency	29,217,494 96	
Gold certificates of deposit	12,590,600 00	
		417,225,343 96
Total debt		2,663,713,374 18
Amount in treasury, coin	105,956,477 22	
Amount in treasury, currency	34,328,826 52	
		140,285,303 74
Amount of debt, less cash in treasury		2,523,428,070 44

The foregoing is a correct statement of the Public Debt, as appears from the Books and Treasurer's Returns in the Department, on 1st of April, 1867.

HUGH McCULLOCH,
Secretary of the Treasury.

THE NEW BRUNSWICK DISTILLERY CASE.

This case which has occupied the United States District Court for four consecutive weeks, was terminated yesterday by a verdict in favor of the Government. The distillery, which is situated in New Brunswick near the railroad bridge, was seized Decembe

1, 1866, by Elston Marsh, Collector of the Third District, and proceedings were instituted for the forfeiture of the property, by reason of alleged frauds committed by J. & J. F. Wallace, who carried on the business prior to that time. They had carried on an extensive business since November, 1865, having paid taxes to the Government amounting to over $150,000. In March, 1866, they had established a rectifying house in a building directly opposite to their distillery. It was alleged in the libel that they had fraudulently removed a large quantity of whiskey, and especially that they had put up a pipe 170 feet long, ostensibly used for carrying water from a tank in the distillery, across the street, under ground, to the rectifying house, for the purpose of washing barrels and reducing whiskey, and that the pipe had been contrived with a slip-joint, by means of which the spirits could be turned into it from the worm of the still, and run over into a cistern in the rectifying house; and that in this way about 6,000 gallons had been removed without taxation.

The trial was begun on the seventh of March, before Judge Field and a jury. The prosecution was conducted by A. Q. Keasbey, United States District Attorney, and the defence by Hon. B. Williamson, J. R. Flanagan, of New York, and E. Mercer Shreve, of Trenton. In the course of the trial, the jury, with the judge and counsel, visited the premises, in order to obtain accurate knowledge of the situation of the buildings and machinery, and the arrangement of the pipe. A great many witnesses were examined, and among them a number of machinists and engineers. The case involved an examination into the whole process of distilling, and also some interesting questions concerning the capacity of pipes, the pressure and velocity of liquids in motion, the traces of wear upon the screws, and of the use of tongs on iron surfaces. It was proved, on the part of the Government, that a certain joint of pipe had been daily unscrewed with the tongs and wrench, in order to run whiskey through it. The claimant, Mr. Wallace, insisted that it had never been moved, and produced three machinists who swore that they had repeatedly examined the pipe, both before and during the trial, and had found no mark of tongs upon it whatever, and that the screw was perfectly fresh and new.

The District Attorney then challenged them to produce the joint of pipe in the court-room for inspection and examination by experts. This was at first declined but on the suggestion of Judge Field that it would, if their statements were true, prove the most cogent evidence in favor of the claimant, it was finally produced in court.

Messrs. John M. Phillips, William C. Huntington, and E. A. Green, were then called on to examine the pipe, and they at once pronounced that it bore unmistakeable marks of very frequent use. Indeed it was perfectly evident that the pipe was covered with marks of tongs, and the screw almost worn out. The evidence of the chief witnesses on the part of the Government, was greatly distrusted on the ground that they had been accomplices in the fraud, and therefore this pipe was in fact the most important and credible witness in the cause. Judge Field evidently so considered it, for he dwelt, in his charge, with great force upon the construction and condition of the pipe and its appurtenances, as proofs of the fraudulent use alleged to have been made of it.

The case was given to the jury on Thursday morning, and they were out until late yesterday afternoon. The property seized was appraised at about $10,000 and a bond filed for the value. The verdict for the Government will compel the payment of this amount into court.

Communications, &c.

Editor of Internal Revenue Record.

Does the Amended Internal Revenue Act, passed March 2, 1867, require all persons liable to the special (or license) tax to pay the special tax for the year from March 1, 1867, instead of May 1st, to which they have paid, thereby losing two months of their present license.

ASST. ASSESSOR.

The year for which persons liable to special tax should be assessed, is unchanged. It runs from May 1 to April 30, inclusive. The *time* for canvassing, making assessments for special tax, and paying the same is advanced two months, so that all parties must have their special tax receipts in hand by the first day of May. ED.

Editor Internal Revenue Record.

I notice in No. 13 of the RECORD, under heading of "Annual Assessments," all manufacturers should be assessed a special tax of $10 when their productions are exempt, which tax covers all their sales at the factory. We have several sash factories that sell over $25,000, and may go to $50,000, and I have assessed them as wholesale dealers, which I think is right, as they pay no tax on productions. Several of our drapers and tailors will sell 30 to $50,000 of their own make of clothing, should they get off with $10 special tax? We have also a baker who sells crackers to an amount over $25,000, is he not a wholesale dealer?

M. W. H.

We only stated the rule of the department which has been reaffirmed. We have in New York manufacturers of clothing, who make and sell one or two millions of dollars worth a year, and yet they are only held for a manufacturer's special tax. The reduction of tax on clothing was a gross injustice to other tax-payers, and we confidently expect the next Congress will re-impose the tax. The necessities of the Treasury, if not justice, will compel it. ED.

Editor of the Internal Revenue Record.

You will note a serious discrepancy between the rule given in your answer to "Assistant Assessor" on page 106 of your last issue, and the rule prescribed by the department of Internal Revenue, as it appears in the same paper on page 109, in the section headed "Incomes of deceased persons and estates." Your answer is too general, viz., that "executors and administrators cannot be required to return income from the estates of persons deceased since May 1, 1866." As I understand the department rule, the executor or administrator of a person deceased at any time subsequent to December 31, 1866, must return the income of such deceased person for the year 1866, and pay the tax in his representative capacity; and further, that if the decedent died at any time during the year 1866, the income accruing to or received by him from January 1, 1866, up to the date of his decease, must also be returned by his executor or administrator as such.

In short, it is only the income accruing to the estate "*after* the date of the decease," that should be returned by the *heirs or other persons* who receive the benefit of the same." All the *anterior* income is clearly taxable to the legal representative of the decease.

It is important to officers that there should be a correct understanding upon this subject. Please therefore look at the subject again.

EX ASSESSOR.

We have examined the subject in the light of recent and former decisions, and are of opinion that our correspondent states correctly the rule which the department intends shall govern in requiring returns and assessment of income for 1866. The department appears to hold that the gains, profit or income which a decedent in the year 1866, may have accumulated during that year until his decease, are liable to income tax, and the administrator or executor of his estate must be required to return it. This is what the department holds, and of course its officers should act accordingly. Let there be uniformity, and all be assessed alike. ED.

Editor of Internal Revenue Record.

Will what is known as the Sherman Bill exclude from office an assistant assessor, because sometime since (say ten years or more), I took the office of postmaster of a three and sixpence office, and the oath to support the Constitution of the United States, which oath I have never violated, only so far as the *proposed Confederate concern*, by reason of its conscription act, forced me. I am curious to know as soon as you can answer.

ASST. ASSESSOR.

If you did not yield *voluntary* aid and comfort to the insurgent government, you can conscientiously take the oath required by the Act in question, and continue to hold your office. ED.

Assistant Assessor—On the question of deducting from income for 1866, amounts paid on compulsory assessments for grading, &c., the Commissioner has ruled "that cumpulsory assessments for grading, paving, flagging, sewerage, &c., imposed by municipal corporations, and actually paid by the taxpayer within the year for which income tax is payable, may be deducted from income." ED.

Assistant Assessor.—The intention of Congress was plainly to exempt from ad valorem tax articles of dress and clothing *other* than such as are made by weaving, knitting, and felting, and the Commissioner has accordingly ruled, that, "under the Act of March 2, 1867, clothing, or articles of dress for the wear of men, women, or children, made by sewing from cloth or fabrics on which a tax of duty has been paid, are exempt from taxation. There are only two conditions imposed: 1. The article must be made by sewing; and, 2. They must be made from cloths or fabrics on which a tax or duty has been paid.

This exemption applies to all articles of dress not specially enumerated in the law as taxable—coats, pants, vests, cloaks, shirts, &c., &c." ED.

L. C., Baltimore, Md.—The stamp tax on a mortgage is 50c. for each $1,000, or fractional part of $1,000. You will see by the renewal in he following case that under the law in force, the renewal of a mortgage, is subject to tax. A bond for a certain sum secured by mortgage, falls due. The obligor desires an extension of three years; the obligee is willing to grant it. Question—Does the agreement or consent for such extension require a stamp equal to that on the bond, or is the stamp for an agreement simply sufficient, the agreement or consent to extend being in writing?

On this it is held that the renewal of a bond, or extension of the time of its payment, requires the same stamp as the original instrument.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

[Special No. 53.]

Concerning Collectors' Abstracts.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, April 8, 1867.

As the statistical books in this office for the current year were prepared to correspond with the abstracts then in use, no change in Form 22, in consequence of the amendments of March 2, 1867, will be made until the close of this fiscal year.

A new "Schedule of articles and Occupations subject to Tax" has been issued, from which Assessors and Assistant Assessors will obtain the numbers proper to be entered in the column headed "No. in Abstract," on Form 23.

Whenever the description of an article in Form 22 is still applicable, the same number has been retained in the schedule, although the rate of tax may have been changed. Where new descriptions are necessary, half-numbers are given to them in the schedule, and Collectors are directed to insert all the half-numbers relating to manufactures and productions in the blank places at the close of that class, on page 7 of Form 22.

Collections on articles and occupations assessed under the laws in force prior to March 2, should be inserted opposite their appropriate numbers in the abstract, as if no change had been made.

As the abstracts contain no date by which the *number* of cigars can be determined which were taxed under the act of July 13, 1866, as valued at over $12 per thousand, Collectors are directed to ascertain the total number of cigars of the above description taxed in their respective districts, and to report it to the Commissioner prior to June 30, 1867.

E. A. ROLLINS,
Commissioner.

MANUFACTURES.

Carpet Bag and Cabas Frames.

By the act of March 2d, 1867, "carpet bag and cabas *frames*" are exempted from taxation. This exemption applies only when they are made and sold by parties who do not finish or complete the bags or cabas. The finished article is subject to an ad valorem tax of five per centum.

Boxes and Packing Boxes of Paper, Wood and other Materials.

All boxes used as the receptacles of other goods, wares, or merchandise, are to be regarded as packing boxes within the meaning of the internal revenue laws, as amended by the act of March 2, 1867, and therefore exempt from taxation.

Manufactures of Wrought Iron, Spikes, Axles Rivets, Chains, &c.

By the act of July 13th, 1866, railroad chairs and fish plates, railroad, boat and ship spikes, axe polls, iron axles, shoes for horses, mules and oxen, rivets, horse shoe nails, nuts, washers, bolts, vices, iron chains and anchors were exempted from tax when made of wrought iron which had previously paid the tax or duty assessed thereon. This conditional exemption of said articles is made *absolute* by the act of March 2d, 1867, which exempts the iron from which they are made.

Tin Ware.

Tin ware manufactured from sheets which are first stamped and afterwards tinned, if made "for domestic and culinary uses," is exempt from tax the same as though tinned before stamping.

INCOME.

Losses on Sales of Real Estate.

Losses within the year 1866 on sales of real estate purchased since December 31st, 1863, may be deducted in a return of income of the year first above mentioned.

Deductions of Payments of Municipal Assessments for Special Improvements.

Assessments made upon the property-holders of a certain locality in a city or town, by the municipal authorities thereof, on account of special improvements, in or upon the streets adjoining their premises, should be allowed as deductions from the income of the persons so assessed.

Insurance Deductions.

The amount paid by a tax-payer for insurance, should not be allowed as a deduction in determining his taxable income, except where it is properly an expense of business.

Sale of Stocks.

When stocks are sold at less than their cost, the difference between their actual cost and the price at which they are sold, should be allowed as a deduction in estimating the taxable income of the year in which the sale is made.

SPECIAL TAXES.

Manufacturer of Articles put up and Sold with his Trade Mark.

A person who is engaged in the manufacture or preparation for sale of any articles or compounds, or who puts up for sale in packages with his own name or trade mark thereon, any articles or compound, is liable to a special tax as a manufacturer, without regard to the amount manufactured, prepared, or put up by him.

SUCCESSION AND LEGACIES.

Conveyance of Property in Consideration of Marriage.

The consideration of marriage is, in law, a valuable one. A conveyance of real estate made in prospect of marriage, and *in consideration thereof*, does not confer a succession within the meaning of the internal revenue laws.

STAMP TAXES.

Two Mortgages to Secure the Payment of one Sum.

The stamp tax upon a mortgage is based upon the amount it is given to secure. The fact that the value of the property mortgaged is less than that amount, and that consequently the security is only partial, does not change the liability of the instrument. When, therefore, a second mortgage is given to secure the payment of a sum of money partially secured by a prior mortgage upon other property, or when two mortgages upon separate property are given at the same time to secure the payment of the same sum, each should be stamped as though it were the only one.

[Series 3, No. 1.]

UNITED STATES INTERNAL REVENUE.

INSTRUCTIONS TO ASSESSORS AND COLLECTORS AND SCHEDULE OF BLANK FORMS.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, March 18, 1867.

The instructions to assessors and collectors, and schedule of blank forms, issued January 1, 1866, in Series 2, No. 1, (RECORD, Vol. 3, p. 4), have been carefully revised and essentially changed to conform them to changes in the law since that date, and the revised instructions and schedule are herewith printed as No. 1 of the third series.

After the publication of Series 2, No. 1, special instructions concerning particular subjects were issued in the same series from time to time, and attention is again called to them.

No. 2 treats of the accounts of collectors and assessors. (RECORD, Vol. 3, p. 68.)

No. 3 of legacies and successions. (RECORD, Vol. 3, p. 84.)

No. 4 of the annual taxes. (RECORD, Vol. 3, p. 147.)

No. 5 of cotton. (RECORD, Vol. 4, pp. 52, 116.)

No. 6 of fermented liquors. (RECORD, Vol. 4, p. 84.)

No. 7 of distilled spirits. (RECORD, Vol. 4, p. 92.)

No. 8 of the exemption of manufactured articles under the act of July 13, 1866. (RECORD, Vol. 4, p. 100.)

No. 9 of bonded warehouses. (RECORD, Vol. 4, p. 178.)

No. 10 of stamps. (RECORD, Vol. 4, p. 162.)

No. 11 of inspectors and gaugers. (RECORD, Vol. 5, p. 83.

Each number of the series contains full explanations of that part of the law of which it treats, intended for the guidance of internal revenue officers in such matters, and should be carefully studied in connection with the law. Whenever either of these may be reprinted, it will retain its present number in the current series.

E. A. ROLLINS,
Commissioner.

Schedule of Blank Forms.

No. 1. *General receipt for taxes.*

These are furnished, with stubs, unbound, but collectors can have them bound economically, if desired, and their bills for the same will be allowed.

No. 2. *Requisition for stationery.*

To be used by assessors and collectors in ordering stationery from this office for themselves and their subordinates. Whenever it is practicable the requisitions should be for a quantity sufficient to last three months.

No. 3. *Manufacturer's monthly return.*

To be used for the return of all articles taxable under sections 94 and 95, except tobacco, snuff, cigars, mineral oil, and bullion. To be delivered to the assistant assessor by the manufacturer on or before the 10th day of each month.

The quantities or amounts manufactured or produced each month must be stated with as much care and accuracy as the amount of sales, and the return must, in all cases, be verified by the oath or affirma-

of the manufacturer himself, or some party in interest where the manufacturing is done by a partnership or a joint stock company.

No. 4. *Monthly return of gross receipts.*

This is to be used for the monthly return of the gross receipts of railroads, steamboats, canals, stage coaches, &c., as enumerated in section 103, of express and telegraph companies, theatres, operas, , and lotteries, and must be returned to the assistant assessor on or before the 10th day of each month.

The returns of receipts for transportation, and other returns of gross receipts, except as to the receipts of circuses and travelling exhibitions, must be made in the district where the persons or company have their principal place of business. If they have no such place of business, then the returns must be made in the district where they reside.

Under the authority conferred upon the Commissioner by section 115, it has been prescribed that the returns of circuses and other travelling exhibitions, representations, and shows shall be made in the district where they exhibit: *Provided*, That the proprietor or proprietors thereof may, before they leave any district in which they so exhibit, make a statement under oath to the assessor of the gross amount of their receipts in such district, giving their residence, or their principal place of business, if any they have, with a request that the said assessor shall transmit the same to the assessor of the district in which they so reside or have their place of business, and the assessor shall thereupon transmit a copy of said statement to the assessor of the district of their residence or principal place of business, and at the end of each and every month such proprietor or proprietors may make their returns as provided by law in such district, and pay the duties therein as provided by law.

No. 5. *Receipt for special tax.*

These are furnished in books of two hundred each, with stubs.

No. 6. *Monthly return of sales.*

To be delivered to the assistant assessor on or before the 10th day of each month by auctioneers, commercial brokers, cattle brokers, whose annual sales exceed $10,000, wholesale dealers and wholesale dealers in liquor whose annual sales exceed $50,000, and apothecaries, butchers, confectioners, and plumbers and gas-fitters whose annual sales exceed $25,000.

No. 7.

No. 8.

No. 9. *Demand for tax on annual lists.*

To be used only for taxes on the annual list.

No. 10.

No. 11. *Return for special tax.*

To be filled up and delivered to the assistant assessor, as required by section 72, by each person liable to special tax.

No. 12. *Notice by manufacturers.*

To be delivered to the assistant assessor by every person commencing to manufacture any article subject to an excise tax, as required by section 82.

No. 13. *Form of book to be kept by distillers.*

Every distiller is required to provide himself, with a book of the form prescribed, in which the entries must be made each day, as required by section 31 of the Act of July 13, 1866. If the distillery is not running, the fact must be noted on the line of the proper date, and the reason given under the head of remarks. It is the duty of both the assessor and collector to take care that every blank in this book is properly filled, and every oath taken, signed, and attested.

No. 14. *Distiller's tri-monthly account.*

To be rendered to the assistant assessor, in duplicate, on the 1st, 11th, and 21st days of each month, or within five days thereafter. This account must be a copy of the distiller's book, and must be sworn to by the owner or agent, and not by a clerk or bookkeeper. The duplicate return must be sent to the collector, and should not be entered on the assessor's list.

No. 15. *Monthly account of distillers of apples, peaches, or grapes exclusively.*

To be returned to the assistant assessor on or before the 10th day of each month.

No. 16. *Order for blanks.*

This is a list of the blanks furnished from this office, with their numbers.

No. 17. *Collector's monthly notice.*

To be served on all tax-payers where a penalty for non-payment attaches upon a fixed day.

No. 18. *Brewer's monthly return.*

To be rendered to the assistant assessor, in duplicate on or before the 10th day of each month. One copy should be transmitted to the collector and the other to the assessor. This return is not to be entered on the assessor's list. Each return should be compared with the amount of beer stamps purchased by the brewer during the month for which the return is made.

No. 19. *Receipt for annual taxes.*

To be used only for the income tax and the tax on articles in Schedule A.

No. 20. *Brewer's bond.*

This bond is required by section 47, Act of July 13th, 1866, to be executed by every brewer, and renewed annually on the first of May. The bond to be approved by the collector.

No. 21. *General demand for taxes.*

To be used for monthly and quarterly taxes as a preliminary to distraint upon failure to pay at the prescribed time after notice has been served on Form 17.

No. 22. *Collector's monthly abstract.*

This account is to be rendered by each Collector to the Commissioner of Internal Revenue on or before the 15th day of each month, showing the amount collected on each article and occupation during the preceding month. All collections of whatever nature are to be entered, except amounts deposited to the credit of the Secretary of the Treasury.

No. 23. *Alphabetical list. (Collector's copy.)*

To be used by the assistant assessor in making up the annual and monthly lists for the collector, and for special lists when necessary. The annual list is to be returned to the assessor by the last day of March, and the monthly lists by the 15th day of each month. The annual list must be returned by the assessor to the collector by the 30th day of April, and the monthly lists by the 20th day of each month. The copy of each list, which is retained by the assessor, should be made on Form 97.

No. 23½. *Aggregate list of taxes assessed and returned to the collector.*

This is a receipt to be signed by the collector, in quadruplicate, showing the amount assessed on each annual and monthly list. One copy must be forwarded by the assessor to the Secretary of the Treasury, one copy to the First Comptroller, and one copy to the Commissioner of Internal Revenue. The other copy will be attached to the list on Form 97, remaining in the assessor's office.

No. 24. *Return of annual taxes.*

This blank is to be used by the tax-payer in making return of income and articles in Schedule A. It must be filled up and delivered to the assistant assessor on or before the first day of March in each year, or within ten days after being notified so to do by the assistant assessor.

No. 24½. *Supplementary income return for farmers.*

Schedule of farm products to be used in connection with Form 24 in making the income return of farmers.

No. 25. *Form of book to be kept by coal-oil distillers.*

Directions the same as for Form 13.

No. 26. *Coal-oil distiller's monthly account.*

To be returned to the assistant assessor on or before the 10th day of each month.

No. 27. *Distiller's notice.*

To be given to the assessor by every distiller before commencing business.

No. 28. *Coal-oil distiller's bond.*

To be executed to the satisfaction of the collector by every distiller or refiner of coal or other mineral oil before commencing business.

No. 29. *Permit for the removal of ale or porter without stamps.*

This permit will be granted by the collector upon the application of the brewer in the form prescribed in instructions Series 2, No. 6. The collector must send a copy of the permit to the collector of the district to which the ale or porter is to be removed.

No. 30. *Distiller's bond.*

This bond is required by section 24, Act of July 13, 1866. The penalty should not be more than the probable amount of the monthly tax, and may be increased from time to time if deemed necessary by the collector. Great care should be taken not to accept a bond with insufficient sureties, and no distiller should be allowed, in any case, to commence operations before executing a bond.

No. 31. *Annual return of gross amount of sales by dealers.*

This form was prescribed for the return of any person whose license tax was determined by his annual sales. After the close of the present license year, May 1, 1867, it will be superseded by Form No. 6.

No. 32. *Oath of office.*

This oath is to be taken by all officers of the United States, as required by the Act of July 2, 1862.

No. 33.

No. 34. *Succession return.*

To be returned to the assistant assessor by the successor when he becomes entitled in possession, or within ten days after being notified. When separate assessments are desired for particular tracts the return must be made in duplicate, and one copy will be forwarded to the collector at the same time that the assessment is returned.

No. 35. *Return of legacies.*

To be delivered to the assistant assessor in duplicate by executors, administrators, or guardians before paying any legacy or distributive share.

No. 36. *Tobacconist's statement.*

This statement must be rendered to the assessor or assistant assessor by every tobacconist before commencing business, and must show the number and kind of machines kept for use by him, and the number of persons employed in making cigars.

No. 37. *Cotton return.*

To be returned by the holder of cotton when the tax is to be paid in the district where the cotton was produced.

No. 38. *Assessor's monthly report of cigar stamps.*

To be made up by the assessor from the monthly reports of the inspectors on Form 78, and returned to the Commissioner of Internal Revenue on or before the 15th day of each month.

No. 39. *Inspector's bond.*

This bond must be executed with two sureties to the satisfaction of the assessor, and transmitted with his certificate, to the Commissioner of Internal Revenue.

No. 40. *Tobacconist's bond.*

This bond must be executed by every person before commencing the manufacture of tobacco, snuff, or cigars, with two sureties, to be approved by the collector. Full instructions are printed on the form.

No. 41. *Collector's certificate to tobacconist.*

This is a certificate of the amount of his bond, setting forth the number of machines, &c., for which it was given.

No. 42. *Estimate for expenses.*

To be transmitted to the Secretary of the Treasury on or before the 5th day of each month, for the expenses of the current month by each collector acting as disbursing agent.

See Instructions, Series 2, No. 2.

No. 43. *List of collections and deposits.*

To be filled out by the collector as often as he makes deposit of his collections, and forwarded to the Secretary of the Treasury, with the *original* certificate of deposit.

No. 44. *Account current of Collectors acting as disbursing agent.*

To be transmitted to the Commissioner of Internal Revenue, by each collector acting as disbursing agent, on or before the 15th day of each month.

No. 45. *Rectifier's return.*

To be rendered to the Assistant assessor whenever required in determining the amount of the special tax.

No. 46. *Claim for the refunding of taxes improperly collected.*

Form of affidavit to be presented to the Commissioner of Internal Revenue, with certificates of the assistant assessor, assessor, and collector, when it is claimed that a tax has been improperly collected.

No. 47. *Claim for remission of taxes uncollected.*

Form of affidavit, with a certificate of the assistant assessor, to be used in connection with Form 48, when it is claimed that a tax has been improperly assessed.

No. 48. *Schedule of claims for abatement of taxes, &c.*

To be transmitted to the Commissioner of Internal Revenue, with certificates of the assessor and collector, including all claims presented on Forms 47 and 53. Sheets (marked A) are printed without the certificates to be used when more than one sheet is required.

No. 49. *Monthly report of daily collections and deposits.*

To be returned to the Commissioner of Internal Revenue, by each collector, before the 15th day of each month.

No. 50.

No. 51. *Statement of amounts collected, abated, and remaining uncollected.*

To be forwarded to the Commissioner of Internal Revenue, on or before the 15th day of each month, showing the amount uncollected on each list on the first day of the month for which the return is made, the amount collected and abated on each list during the month, and the amount remaining uncollected on each list on the last day of the month. If collections are made in advance of the receipt of a list, care should be exercised to specify upon this form to what list they belong. The total amount reported as collected on this form should agree with the amount reported on Form 22, for the same month.

No. 52.

No. 53. *Schedule of uncollectible taxes.*

To be used by deputy collectors when credit is asked for taxes against persons claimed to have absconded or become insolvent.

No. 54. *Clerk's bill.*

To be used as a voucher for payments on account of assessor's clerk hire and transmitted with Form 44.

No. 55. *Monthly return of stamps sold and on hand.*

To be transmitted to the Commissioner of Internal Revenue, on the first day of each month, by each collector or other person who is acting as an agent for the sale of stamps.

No. 56. *Abstract of vouchers for disbursements to assistant assessors.*

To be transmitted to the Commissioner of Internal Revenue, with the monthly account current of the collector acting as disbursing agent (Form 44), showing the several amounts paid to assistant assessors during the month.

No. 57. *Assistant assessor's bill.*

To be made out in accordance with instructions printed thereon; paid by the collector acting as disbursing agent, scheduled on Form 56, and transmitted to the Commissioner of Internal Revenue, with Form 44.

No. 58. *Collector's detailed statement of unassessed penalties, &c.*

To be filled up in detail and signed by the collector, and returned to the assessor on or before the 15th day of each month; the aggregate amount to be entered by the assessor in his next monthly list, and included in the total thereof. For further explanations see foregoing instructions under the head of "unassessed penalties."

No. 59. *Monthly return of inspector of spirits and inspector of coal oil.*

To be returned to the collector, and a duplicate to the assessor. Each inspector must keep a legible and permanent record of every cask or package inspected by him, with date of inspection, from which he will make up his report on this form.

No. 60. *Detailed statement of merchandise placed in bond.*

To be transmitted to the assessor of his district, on or before the 15th day of each month, by every collector in whose district any articles are produced and placed in bond. No entry will be made in this form on account of bonded goods received from other districts.

No. 61. *Aggregate statement of amounts of merchandise placed in bond.*

Aggregate receipt to be given by the collector, showing the amounts of the several kinds of merchandise reported on Form 60, to be certified to by the assessor and transmitted to the Commissioner of Internal Revenue, with Form 94, on or before the 15th day of each month. This Form should be sent whether any goods have been placed in bond or not.

No. 62. *Tobacco and snuff manufacturer's monthly return.*

To be delivered to the assistant assessor, on or before the 10th day of each month, by every person engaged in manufacturing tobacco or snuff. The book required to be kept by tobacconists must be kept so that this form can be readily filled therefrom.

No. 63 *Statement of collector's expenses.*

To accompany the quarterly account of expenses, (Form 91.)

No. 64. *Returns by insurance companies of premiums and assessments.*

To be returned to the assistant assessor on or before the 10th day of each month.

No. 65. *Return of dividends.*

To be returned to the assistant assessor, by banks, (including national banks,) trust companies, savings institutions, insurance, railroad, canal, and turnpike companies, on or before the tenth day of the month following that in which any dividends are declared or additions made to surplus fund.

No. 66. *Return by banks of net profits.*

To be returned to the assistant assessor on the 1st day of January and July, in each year, by any bank authorized to issue notes as circulation which omits to make dividends or additions to its surplus or contingent fund as often as once in six months.

No. 67. *Return of Bank circulation, &c.*

To be returned to the assistant assessor, on or before the 10th day of each month, by every person or corporation engaged in the business of banking, except national banking associations.

No. 68. *Return by railroad companies, &c., of interest paid on bonds.*

To be returned to the assistant assessor, by the corporations mentioned in section 122, on or before the 10th day of the month following that in which the interest became payable.

No. 69. *Warrant for distraint.*

Collector's warrant to his deputy, authorizing him to distrain for the collection of taxes, with a descriptive schedule of the amounts embraced in the warrant.

No. 70. *Inventory of tobacco, snuff, and cigars.*

To be delivered to the assistant assessor on the 1st day of January in each year, or at the time of commencing business, by every person engaged in manufacturing tobacco, snuff, or cigars.

No. 71. *Cigar-maker's permit.*

To be procured of the assistant assessor, as required by section 92, as amended by act of July 13, 1866, by every person working at the trade of cigar-making. This permit is to be issued only to those who are employed by cigar manufacturers, and not to those who are manufacturing on their own account.

No. 72. *Cigar manufacturer's monthly return.*

To be delivered to the assistant assessor, on or before the tenth day of each month, by every person engaged in manufacturing cigars. The book required to be kept by manufacturers of cigars must be such that this form can be readily filled therefrom.

No. 73. *Form of cigar-maker's account book.*

Form of account book to be kept by all cigar-makers working under permits. Every such person is required to provide himself with a book of the prescribed form.

No. 74. *Cigar-maker's monthly return.*

To be delivered to the assistant assessor on the first Monday of every month by every cigar-maker holding a permit.

No. 75. *Assayer's monthly return.*

To be delivered to the assistant assessor, on or before the tenth day of every month, by every person assaying any bullion, showing the value of the bullion assayed during the preceding month.

No. 76. *Cotton manufacturer's return.*

To be made to the assistant assessor, on or before the 10th day of each month, by every person manufacturing cotton in any district where cotton is produced. This form is adapted for the return of the cotton goods manufactured as well as the cotton used in their manufacture.

No. 77. *Abstract of monthly reports of cigar-makers.*
To be made up by the assistant assessor from the reports received on Form 74, and returned to the assessor on or before the fifteenth day of each month.

No. 78. *Monthly report of tobacco, snuff, and cigars inspected.*
To be returned by each inspector of tobacco, snuff, and cigars to the assessor, on or before the tenth day of each month, showing the quantity of tobacco and snuff, and the number of cigars inspected, and the number of the several denominations of cigar stamps used during the preceding month.

No. 79. *Collector's quarterly account.*
To be rendered to the Commissioner of Internal Revenue at the close of each quarter. No entries will be made in this account of any liabilities or credits growing out of the acts of the collector in his capacity of disbursing agent.

No. 80. *Revenue inspector's monthly account.*
To be rendered to the Commissioner of Internal Revenue at the close of each month.

No. 81. *Demand for special tax.*
Prepared expressly for special taxes, whether on the annual or monthly lists.

No. 82. *Assessor's quarterly account.*
To be returned quarterly to the Commissioner of Internal Revenue, as directed in Series 2, No. 2.

No. 83. *Requisitions for stamps.*
To be filled out and transmitted to the Commissioner of Internal Revenue whenever orders for revenue stamps are forwarded.

No. 84. *Assistant assessor's quarterly account.*
This account may include postage and stationery, and should be included in the assessor's account on Form 82.

No. 85. *Collector's schedule of vouchers.*
To be forwarded to the Commissioner of Internal Revenue, with Form 91.

No. 86. *Entry for withdrawal of cotton.*
This form is to be used when it is desired to remove cotton in bond from the district where it is produced.

No. 87. *Certificate of execution of bond for removal of cotton.*
To be delivered by the collector to the person making the withdrawal entry on Form 86, upon approval of his bond.

No. 88. *Permit for removal of cotton in bond.*
To be delivered by the assessor to the person presenting the collector's certificate on Form 87. This form is substantially superseded by Form 109, which was prescribed by the regulations of October 22, 1866.

No. 89. *Certificate of payment of tax on bonded cotton.*
To be issued by the collector and indorsed by the assessor of the district to which cotton is shipped in bond, before the bond can be cancelled. Form 111 was prescribed under the regulations of October 22, 1866, and may be used instead of this form.

No. 90. *Transportation bonds for the removal of cotton.*
To be executed with at least two sureties, approved by the collector, the penal sum to be not less than double the tax upon the cotton removed. This form of bond is to be used only in the district in which the cotton is situated.

No. 91. *Collector's quarterly account of expenses.*
To be transmitted to the Commissioner of Internal Revenue within fifteen days after the close of each quarter, as directed in Series 2, No. 2.

No. 92. *Assessor's monthly account.*
This account includes the salary of the assessor and the amount paid by him for clerk hire, and should be rendered to the collector as disbursing agent for payment.

No. 93. *Schedule of merchandise withdrawn from bond for consumption.*
To be returned by the collector to the assessor on or before the 10th day of each month, showing the amount of duties collected on bonded goods during the preceding month. This amount must be included by the assessor in the aggregate of the monthly list and receipted for on Form 23¼.

No. 94. *Assessor's statement of bonded account.*
To be returned to the Commissioner of Internal Revenue before the 15th day of each month, as directed in Series 2, No. 9.

No. 95. *Collector's permit for the removal of cotton.*
To be issued upon the payment of the tax, as prescribed in section 2, act of July 13, 1866.

No. 96. *Notice for legacy and succession taxes.*
To be sent by assessors and assistant assessors to persons who should make return of those taxes.

No. 97. *Assessor's alphabetical list.*
This is like Form 23 without the columns for the collector's use, and should be used in copying all lists which are to remain in the assessor's office.

No. 98. *Certificate of the receipt of bonded goods.*
To be issued by the collector and indorsed by the assessor. This certificate must be presented to the collector of the district in which the goods were bonded before the transportation bond can be cancelled.

No. 99. *Permit for withdrawal from bond for consumption.*
To be issued by the collector and indorsed by the assessor upon payment of tax upon any bonded goods. No goods should be delivered by the storekeeper without this permit, signed by both of those officers.

No. 100.

No. 101.

No. 102. *Deputy collector's report of customs.*
To be made to the collector as often as he may direct, but certainly at the close of each month.

No. 103. *Monthly report of beer stamps.*
To be transmitted to the Commissioner of Internal Revenue, on or before the 15th day of each month, showing the number of each denomination and the value of beer stamps sold during the preceding month, and the balance on hand at the close of the month.

No. 104. *Form of brewer's book.*
A book must be kept in this form by every brewer, as required by section 49, act of July 13, 1866.

No. 105.

No. 106. *Semi-annual return of savings banks, &c.*
To be delivered to the assistant assessor on the first Monday of January and July, by provident institutions, savings banks, savings funds, or savings institutions, having no capital stock, and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company.

No. 107. *Bond for the transportation of cotton.*
This and the four following forms are to be used under the regulations of October 22, 1866, for the removal of cotton from the district in which it is situated to the district in which the bond is given. The bond should remain in the custody of the collector to whom it is given, and a certified copy thereof transmitted to the assessor of the district from which the cotton is to be removed. Notice of the cancellation of the bond must also be given to that as[illegible].

No. 108. *Application for permit to remove cotton.*
To be made to the assessor of the district from which the cotton is to be removed after the execution of a bond on Form 107.

No. 109. *Assessor's permit for the removal of cotton.*
To be issued upon the receipt of an application on Form 108, and after a certified copy of the bond has been filed with the assessor.

No. 110. *Cotton weigher's certificate.*
Cotton transported under a bond given to the collector in the receiving district must be weighed on arrival, and a certificate in this form delivered to the collector.

No. 111. *Collector's certificate of payment of tax on bonded cotton.*
To be issued in duplicate by the collector receiving the tax on cotton in bond and indorsed by the assessor.
The assessor must transmit one copy to the assessor of the district from which the cotton was removed.

ASSESSMENT BOOKS.

These are preparad for the use of assistant assessors, the pages being ruled and headed substantially as on Form 23, with a column for the date, in which should be entered the time when each return is received by the assistant assessor.
Returns of income and of articles in Schedule A, and returns of special tax which are received in time to be assessed on the annual list, should be entered separately, so as to be kept distinct from other assessments.
A separate record should also be kept of lists transmitted to other districts for collection, under the provisions of section 20, and any assistant assessor receiving lists from other districts will enter them in his assessment book, and return the same to the assessor with his other assessments.
Whenever any person who is liable to pay a succession tax shall desire to have separate assessments made, as authorized by section 146, the return will be required in duplicate, upon Form 34, in order that one copy may be forwarded to the collector, and a reference to the return will be made upon the margin of the assessment book and of the list.

GENERAL REMARKS.

No bill for printing any of the blanks described in the foregoing schedule, or any other blank forms, will be allowed, unless authority to print at the expense of the government is first obtained from the Commissioner of Internal Revenue.
Officers are specially requested, when they transmit regular forms to the Commissioner, not to send letters with them, unless some explanation is necessary.
When one or more accounts or papers are sent with a letter, they should be securely fastened together by bands or otherwise, and so folded that the back of the letter, with the indorsement showing the number and nature of the documents enclosed, shall be uppermost.
The special attention of revenue officers, and particularly of assessors and assistant assessors, is directed to the necessity of having all returns of tax-payers filled up and sworn to, as required by law. Neglect in this regard has seriously damaged the interests of the government in numerous cases which have been reported to the Commissioner.
Assessors should, every month, post into a blank book the returns of manufacturers, distillers, brewers, tobacconists, &c., so as to show the business of each for a series of months, and to enable a comparison to be readily made of the amounts produced, with the amounts sold. This account should be kept accurately, and the comparison made frequently, so as to keep a proper check on those making returns.

Assessors should also keep an alphabetical index of all returns of special taxes made during the year.

As several of the numbers set down in this schedule have heretofore been applied to different blanks, officers will particularly observe that all blanks hereafter to be used will be known by the numbers given above.

Assistant assessors will consider it an important portion of their duties to keep all tax-payers supplied with the appropriate blanks upon which to make return.

SECRETARY'S OFFICE—CUSTOMS.

Importations under Tariff Act of March 2, 1867.

TREASURY DEPARTMENT,
March 29, 1867.

Your communication of the 21st inst. is received, appealing (4,087) from the decision of the Collector at Boston in assessing duties under the Act of March 2, 1867, on certain merchandise imported by you per steamer *Asia* on the 3d inst., and alleging that such merchandise is only liable to the rates of duties as existed by law prior to the date of said act, for the reason that at the time of its arrival in the United States the said act had not received the signature of the President of the United States.

In reply, you are respectfully informed that said act, as officially received at the Department, bears upon its face the fact that it was signed and approved by the President of the United States on the 2d day of March, 1867, and that it provides that the rates of duty therein prescribed shall be imposed on the merchandise therein provided for, from and after its passage.

The decision of the Collector, therefore, is hereby affirmed. I am, very respectfully,

HUGH MCCULLOCH,
Secretary of the Treasury.

1st COMPTROLLER'S OFFICE.

Tax on Salaries—Assistant Assessor's Pay.

TREASURY DEPARTMENT,
Washington, April 1, 1867.

SIR: Your letter of March 30th, 1867, asking what amount is exempt from taxation, of the compensation of assessors, assistant assessors, and collectors, has been received.

The recent act of Congress increased the rate of exemption from $600 per annum to $1,000 per annum, which is the only change affecting the officers named.

Where assistant assessors, or others, are paid for labor on secular days only, the exemption will be for those days only, at the rate of $3 20 for each day's service.

Where persons in the service of the Government are paid for Sundays as well as secular days, the daily exemption will be reduced to $2 74.

You will observe that whatever the rate or length of service, the exemption is at the rate of $1,000 per annum and no more. Thus, if an officer is entitled to pay for six days in a week, Sunday excluded, his exemption is six 313ths of one thousand dollars.

If for seven days including Sunday, it is seven 365ths of one thousand dollars, the exemption for the week being the same.

The rates respectively of $3 20 and $2 74, are within a fraction of a cent of exact accuracy.

In paying salaries and commissions to assessors and collectors, the disbursing agent will pay the sums estimated and approved at the Department, leaving the tax to be adjusted here. But should the agent be required to compute the tax on salary, he will do so upon the salary for a quarter instead of the salary for a year. Thus, the salary for one quarter being $375, and the exemption $250, leaves $125 subject to tax, and as the number of days in the quarter is to $125, so the number of day's service will be to the sum taxable. In the quarter just ended there were 90 days, and the tax for March may be ascertained thus:

90 : 125 : 31 = $43 05—5 per cent. $2.1525.

I am, very respectfully,

(Signed) R. W. TAYLER,
Comptroller.

P. S.—The exemption from tax, prior to March 1, 1867, is at the rate of $600 per annum. On and after March 1, at the rate of $1,000.

Gazette.

ASSESSORS.

Henry W. Sherman, 5th District Milton, Ind., vice Solomon Meredith.

Charles W. Dennison, 21st District Rome, N. Y., vice Thomas G. Halley.

Charles A. Harrington, 19th District Warren, Ohio, vice Alexander McConnell.

Nathaniel Wales, 2d District Stoughton, Mass., vice Luther Stephenson, Jr.

William C. Kueffner, 12th District Belleville, Ill., vice Augustus W. Brown.

Thomas W. Trye, 8th District Crawfordsville, Ind., vice William C. Wilson.

Thomas J. Blakeney, 4th District Sacramento, Cal., vice John Bigler.

George J. Berger, 5th District Galesburg, Ill., vice Franklin C. Smith.

Daniel E. Nevin, 23d District Alleghany, Penn., vice Alfred G. Lord.

James B. Weaver, 1st District Bloomfield, Iowa, vice Oliver H. P. Scott.

William H. Wheeler, 22d District Oswego, N. Y., vice Alfred P. Getty.

Henry Harnden, 2d District Madison, Wis., vice A. Hyatt Smith.

Smith S. Wilkinson, 3d District Prairie du Sac, Wis., vice James G. Knight.

Joseph G. Bowman, 1st District Vincennes, Ind., vice John Pitcher.

John T. Hogue, 7th District Xenia, Ohio, vice Charles W. Dewey.

James S. Robinson, 5th District Kenton, Ohio, vice Theo. E. Cunningham.

James S. Hart, 4th District Pequa, Ohio, vice John E. Cummins.

Elias Nigle, 11th District Ironton, Ohio, vice John A. Turley.

Benjamin Acton, 1st District Salem, N. J., vice John W. Dickerson.

Clifford S. Phillips, 2d District Philadelphia, Pa., vice C. M. Deringer.

Joseph B. Douglass, 4th District Columbia, Mo., vice Wm. D. H. Hunter.

CORRECTION.—The address of Albert G. Leonard, Assessor, 1st District West Va., should be Parkersburg, West Va., instead of Wheeling, as stated in the Gazette of March 23d, 1867.

COLLECTORS.

Anson J. Crane, 3d District Burlington, Vt., vice Carlos Baxter.

Eugene Powell, 8th District Delaware, Ohio, vice John H. Anderson.

L. P. Sherman, 5th District Des Moines, Iowa, vice William H. Merritt.

Abram B. Lougaker, 6th District Norristown, Pa., vice Samuel Homer.

Marshall B. Blake, 7th District New York vice William Boardman.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 16. NEW YORK, APRIL 20, 1867. WHOLE NUMBER, 120.

TABLE OF CONTENTS.

REVIEW.

THE changes which have been made in the laws relating to tonnage duties on boats, barges and vessels, and tax on gross receipts, do not seem to be generally understood by Customs and Internal Revenue officers. The Secretary of the Treasury has accordingly issued further instructions, calling the attention of officers to the subject. Payment of tonnage duty is hereafter to be exacted only once a year. Foreign and American vessels, which are liable, will pay on their first arrival, and not again within one year from the date of such payment.

Especial attention is called to the circular relating to canal boats, barges and flats. Those liable, and which pay Internal Revenue special tax, by election of the owners or masters, will, notwithstanding, become in addition liable to tonnage duty, if they fail to confine their occupation strictly to transporting coal, oil, or agricultural products to market. They cannot engage in the coasting trade without becoming liable as other coasters to regular tonnage dues, and enrolment and license.

It is as necessary for Internal Revenue as it is for Customs officers, to understand the law and regulations relating to this subject, and they should co-operate in their efforts, and give uniform operation to the law. The circular of last November (RECORD, Vol. IV., p. 172), to which attention has frequently been directed, may be studied with benefit.

In connection with this subject, the opinion of the Solicitor of the Treasury, that the gross receipts of vessels for carrying passengers are taxable, notwithstanding the payment of tonnage duties, will be noticed. The great diversity of practice prevailing on this point, will, it is hoped, be now corrected, as the Commissioner has ruled in accordance with the opinion as stated. The interests of the revenue in this matter requires prompt and immediate action in this city, where probably $100,000 are due from Passenger Steamships and Boats.

Several rulings of importance in relation to income are promulgated this week, which will be found in the official columns, with several rulings respecting split bottom chairs, the taxation of leather, and the manufacture of shoddy and shoddy yarn and fabrics.

The annual assessments are progressing rapidly, and notwithstanding the delay, extensive collections will be made during this fiscal year which terminates on the 30th of June next. The total receipts from internal revenue from July 1, 1866, exceeds 225 millions, but are comparatively small at present, averaging less than $400,000 a day.

CLAIMS FOR HORSES AND OTHER PROPERTY.—Claims of officers or soldiers for lost horses, are paid where the horses were lost by being captured by the enemy, or killed in battle, or died of wounds received in battle; or being wounded, were abandoned by order of superior officers and lost; or by death or abandonment because of the unavoidable danger of the sea when on board a U. S. transport vessel; or by reason of the U. S. having failed to supply transportation for the horses, and the owners were compelled, by orders from their commanding officers, to embark and leave them; or in consequence of the U. S. having failed to supply sufficient forage; or because the riders were dismounted and separated from their horses, and ordered to do duty on foot at stations detached from their horses: or when the officers in immediate command ordered the horses turned out to graze in the woods, prairies or commons, because the U. S. failed to supply sufficient forage, and the losses were in consequence thereof. Also for all necessary equipage lost in consequence of the losses as above.

All persons other than officers or soldiers, who have lost or sustained damages to horses, equipments, boats, wagons, harness, &c., while such property was in the service of the United States, either by impressment or contract; also all loyal citizens of States or parts of States not in rebellion who have furnished Horses, Mules, Lumber, Wood, Wagons, Beef, Pork, Corn, Fodder or any other kind of Quartermasters' stores or Subsistence supplies for the army of the U. S., or had such stores or supplies taken for the use of the army, can obtain compensation for the same.

THE TENURE OF OFFICE.—Conflicting reports of opinions by the Solicitor of the Treasury on the Tenure of Office Bill are calculated to mislead the public. From time to time the Secretary of the Treasury has referred to the Solicitor questions under that law, and Mr. Jordan has given three decisions, substantially holding—

First.—That in cases where a vacancy in office occurred prior to the date of the Tenure of Office Law the vacancy should be filled under the old law.

Second.—Where a vacancy has occurred in a collectorship or assessorship, under the Tenure of Office Law, and where the Senate has failed to confirm the nominee, it is the duty of the Secretary to fill the office temporarily by the appointment of deputy collector or assessor, as the case may be, though the law does not expressly provide for such action.

Third.—The Secretary has power at will to remove such deputy, and appoint another to hold office until the collector or assessor be nominated and confirmed.

Communications, &c.

HOW TO ASSESS FARMERS.

Editor of Internal Revenue Record.

In a former article were stated some of the apparent inequalities of the law, and the difficulties in assessing the incomes of farmers. For the information of Assistant Assessors, I will inform them how farmers make their returns in *this* Division. The importance of their keeping accounts of all sales and expenditures has been *pressed* upon them, until the most of them are, I think, keeping correct accounts; when this can be accomplished, the *work* is done. Of course I examine the *details* of every account, and have yet to find the first one in which there were not material errors. But the trouble is with those who *will not* keep accounts; such men in this division are put through an annual catechism (which is noted on the back of blank 24½), when I intend to have a pretty full record of all their business, the whole amount of their various crops raised the past year, the amount of sales since January 1st, as well as during the Income year, and the amount still on hand. These blanks (24½) are kept in my office, and not returned to the assessor, and are taken along when making my next annual assessment.

Again, whenever I hear of any person in my division having made any considerable sale, or of any transaction whereby any person has probably made money, a note is made in my pocket memorandum, which said memorandum is extensively explored before commencing my annual assessment. With these checks a farmer must be pretty spry to avoid an income tax with a wide awake A. A. after him. I recently had a farmer get quite offended with me because I would not take his statement that he had *no* income, but *insisted* upon his leaving the field and going to his house and making his settlement with me, and although he had neither the scratch of a pen or a mark of a pencil of his years' transactions, he agreed with me after *two hours* conversation and hunting after his memory, that he ought to pay an income tax on about $700.

If my experience of four and a half years can be of any value to other assistants, you can use it. S. W. F.

INEQUALITIES OF THE INCOME TAX.

Editor of Internal Revenue Record,

The Revenue Law, as amended July 13, 1866, exempts dairymen making $1,000 worth of butter and cheese out of milk from their own cows, from special tax as manufacturers; and the law as amended March 2d, 1867, exempts all manufacturers of butter and cheese from special tax. Why this was done I cannot see. My division is in a dairy section; I keep a dairy myself. In 1864 the Government received hundreds of dollars from this source in this division, and I believe it was as little felt by the tax payer as from any source from which revenue is derived. I think Congress ought to repeal that clause of the law, also the clause exempting farmers from reckoning as income the produce of their farms consumed in their families, exempting $1,000 and all which the farmer consumes. These exemptions virtually exempt farmers from income tax.

I have one township in my division that is settled mostly by Welshmen. They generally keep from 8 to 25 cows, and are making money fast. For the year 1864, when we took into account what was consumed in the family, hundreds of dollars on income tax was obtained. For 1865 this was left out, and but little income tax was secured. Under the present law, very little if any, can be obtained in that town.

I can safely say that the Government will loose thousands of dollars in my division alone from these two sources, besides the injustice to other tax payers.

Why tax the man for sawing $1,000 worth of boards, and not the one making $1,000 of cheese? Why allow the farmer to produce his living and his help to raise it, and not the mechanic, &c.

I cannot but think some of the amendments of July 13th, 1666, and nearly all of March 2, 1867 were unwise under our present pressing wants for money. I claim to be a law abiding man, and to carry out that principle I believe it to be my duty to be thorough in collecting revenue taxes this year, especially as I know for certain that very much depends upon the assistant assessor of the county whether the revenue laws yield little or much. I have fully resolved to bestow an unusual amount of labor upon the income assessment, and take time to do the work thoroughly. Haste makes waste. C. R.

Editor of Internal Revenue Record.

Is it not just and equitable that the assistant assessor who assists in making the annual assessment, should have the benefit of the three (3) cts. per name as provided for in Section 17 of the Internal Revenue Laws. By giving your opinion in your next paper, you will confer a favor on

ASST. ASSESSOR.

It is equitable enough, but is not law. The regular assistant in charge of the Division is the only one who can properly make the charge of $3 per hundred names on the list, made out and returned by him to the assessor. ED.

Editor Internal Revenue Record.

Many planters in this country are in the habit of raising an amount of tobbacco necessary for their own consumption. Is this tobacco subject to taxation? The opinion of the assistant assessors in this district differ upon the subject, some contending that everything produced by the planter is subject to taxation, while others are of the opinion that only the amount of cotton, tobacco, &c., raised for market, is liable to be taxed. By answering through the columns of your inestimable paper, you will confer a favor upon many tax-payers in Warren, Bradley Co., Arkansas. M. M.

Cotton is taxable as a product, and tax accrues and must be paid on all the cotton produced. There is no exemption on the raw cotton, but cotton yarn is exempt. As to tobacco, no tax whatever is laid on the raw product or leaf. Tax accrues only on the article when *manufactured* in some form. Plain twist, without sweetening or coloring, is a manufacture, and liable to 30 cents a pound. The use of the plain leaf by the consumer does not appear to be taxable, although tobacco is taxable 30 cents per lb when reduced from leaf into a condition to be consumed without the use of any machine or instrument, and without being pressed, sweetened, or otherwise prepared. ED.

Editor of Internal Revenue Record.

As you invite notes and queries on matters of revenue, permit me to call your attention to the following, with a view to obtaining your opinion.

Are the bonds of school officers, and the certificates issued by county superintendents to school teachers liable to stamp duty and to what amount? According to Boutwell for 1864, Decision No. 295, page 198, they are liable to a stamp tax of $1 and of 5 cents respectively.

The School Commissioner of Iowa, in his circular to his officers, instructs them that these documents are exempt.

The question is of course constantly recurring among assistant assessors. Will you, in your most excellent paper, which reaches all of them, please to express an opinion upon the subject. C. W.

We know of no decision that exempts from tax the bonds of common school teachers given by them for the proper performance of the duties of their offices. If the bond is of such a nature, the party executing it must affix a one dollar stamp. ED.

Editor of Internal Revenue] Record.

Is it right to assess a special tax of $10 on a veterinary surgeon (horse doctor). The law is silent on this profession, nor can I find a decision from the Department. But I believe that they should pay a tax; they prescribe and take pay the same as regular physicians.

ASST. ASSESSOR.

Veterinary Surgeons are liable to special tax of $10 as Surgeons. ED.

Editor of Internal Revenue Record.

Under the late law exempting Agricultural Implements, some manufacturers are under the impression that the exemption includes the castings used in the production of reapers, &c., while I hold that the castings are liable to a tax of $3 per ton. Please inform me which is correct.

ASST. ASSESSOR.

The castings described being intended for articles exempted from tax, are not made to form parts of articles on which in a finished state a tax is assessed and paid, and therefore you are correct in taxing such castings. ED.

Editor of Internal Revenue Record.

Are paper boxes, used in putting up for sale artificial flowers, ribbands, sewing silk, &c., &c., "packing boxes," and as such exempt from tax?

ASST. ASSESSOR.

All such paper boxes are exempt under the decision of the Commissioner. ED.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

MANUFACTURES.

Split Bottom Chairs.

The Act of March 2nd, 1867, exempts split bottom chairs. This exemption applies not to cane seat chairs, but to such chairs only as are known as *split bottoms;* a common and cheap article generally made of oak or ash, and woven together like the common baskets.

Leather—Increased Value.

Prior to the Act of March 2nd, 1867, a tax of 5 per centum ad valorem, was imposed upon leather of all kinds, on goat, calf, kid, sheep, horse, hog and dog skins tanned or dressed in the rough as well as upon those curried or finished, but such skins upon which duties or taxes had been actually paid were assessed on the increased value only, when curried or finished. The Act of March 2nd, simply reduces the *rate* of taxation, but does not change the mode of assessment. When leather or skins have paid tax in the rough or as tanned leather, the additional tax is to be assessed on the increased value only, when dressed, curried or finished and at the rate of 2½ per centum.

Woolen Shoddy, and clothing made from Shoddy or Shoddy Fabrics.

Woolen shoddy, which is an article produced by reducing woolen rags back to wool, or as near to that as possible is taxable as a manufacture, and for the purposes of taxation should be regarded as wool. Cloths, fabrics, and articles made from shoddy, should be regarded as manufactures of wool. The rate of tax whether 2½ per cent or 5 per cent to be assessed upon such cloths, &c., when made of different or mixed materials, depends upon the relative value of the wool (whether genuine or shoddy wool,) when compared with the value of the other materials. It is incumbent upon the manufacturer in all cases to show to the satisfaction of the assessor that the wool is the component material of chief value in his product, to entitle him to the benefit of the lower rate of tax.

INCOME.

Deductions of Worthless Debts.

Debts believed to be good, December 31st, 1865, but found to be absolutely worthless in 1866, may be deducted from the income of the creditor for the year last named if never before deducted.

Losses of Capital—Losses by Robbery, Surety, &c., &c.

Losses of capital, such as losses by robbery, losses as surety, &c., &c., cannot be deducted from income.

Deductions of Insurance.

Insurance paid by a landlord upon buildings leased by him, may be deducted from his income for the year when paid.

STAMP TAXES.

Mutual Fire Insurance Policies—Deposit Notes.

The stamp tax upon a fire insurance policy is based upon the *premium.*

Deposit notes taken by a Mutual Fire Insurance Company, not as payment of premium nor as evidence of indebtedness therefor, but to be used simply as a basis upon which to make rateable assessments to meet the losses incurred by the company should not be reckoned as premium in determining the amount of stamp taxes upon the policies.

SURETIES ON BONDS OF COLLECTORS AND DISBURSING AGENTS.—The First Comptroller, with the approval of the Secretary of the Treasury, decides that sureties on the bond of a Collector of Internal Revenue will not be accepted as sureties on the bond of the Collector as disbursing agent.

SECRETARY'S OFFICE—CUSTOMS.

Circular to Collectors of Customs relative to Canal Boats and Barges.

TREASURY DEPARTMENT,
April 10, 1867.

SIR:—It has been represented to this department that certain irregularities exist in different districts in the collection of tonnage dues on canal boats and other vessels.

With a view to establish a uniform, consistent, and effectual method in the collection of all dues which may be lawfully chargeable on these vessels, your attention is respectfully called to Treasury Circular of 1st November last, (INTERNAL REVENUE RECORD, Vol. IV., pp. 173-174,) relative to tonnage, and especially to pages 10 and 14, wherein is shown the liabilities of these vessels and the power of collectors and surveyers to seize and detain them for non-payment of tonnage dues.

It is expected that customs officers will use the utmost vigilance to see that no vessel be found in their respective districts which has not complied with the requirements of the law as set forth in the above-named circular.

Tonnage dues being now payable on the issuing or renewal of marine papers, these papers may and should, in all cases, be withheld until these dues are paid, and thus leave those which may prove delinquent as undocumented vessels of the United States, and subject as such to alien tonnage duty, to be collected by *process at law.*

And to this end, when the efforts of collectors and surveyors fail, the several district attorneys will be requested to second their exertions by instituting legal process in their respective districts against such boats so soon as the same shall have been reported to the department. And it is hereby made the duty of customs officers forthwith to report all failures or refusals to pay such dues.

Especial attention is also directed to that class of flat-boats and barges which may claim the privilege of transporting coal, oil, and agricultural products to market, by payment of the special internal revenue tonnage tax, lest they engage in the coasting trade without taking out a license and paying the higher tonnage dues incident thereto, to the detriment of legitimate coasters. For it will be borne in mind that, while regularly licensed coasting vessels may engage in such trade without being subject to said special tax, yet vessels having elected to engage under the internal revenue tax are not thereby exempted from payment of the higher tonnage dues as coasters whenever they shall have abandoned the exclusive character and occupation to which said privilege attaches, as shown in the aforesaid circular.

Vigilance, fidelity, and zeal in the prompt execution of the law in these cases, on the part of customs officers, would, it is believed, soon correct the evils which have elicited this circular, and render their future labors comparatively light.

Very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

Circular to Collectors of Customs concerning Tonnage; and proof of Identity of Articles of American production re-imported.

TREASURY DEPARTMENT,
Washington, April 11, 1867.

SIR—The following is the thirty-third section of an act "To amend existing laws relative to internal revenue, and for other purposes," passed March 2, 1867:

SECTION 33. *And be it further enacted,* That the tonnage duty now imposed on all ships, vessels or steamers engaged in foreign or domestic commerce, shall be levied but once within one year; and when paid by such ship, vessel or steamer, no further tonnage tax shall be collected within one year from the date of such payment.

In compliance with the provisions of said section, the tonnage duty of thirty cents a ton will be levied and collected on all vessels engaged in foreign or domestic trade with the United States but once a year, and the year will be calculated from the date of such payment, and not as heretofore by the calendar year.

Foreign and American vessels heretofore liable to pay the tonnage tax on every entry arriving after the 2d of March last, pay the same on their first arrival, and not again within one year from the date of such payment,

Coasting and other vessels hitherto liable to pay the tax once in each calendar year, if they have already paid the same in the year 1867 prior to the 2d of March, will not be subjected to a second payment during the current year, but all payments made by such vessels subsequent to the 2d of March will exempt them from further tax for one year from the date of payment.

The certificate on pages six and seven of the tonnage circular of November 1, 1866, (RECORD, Vol. IV., p. 173), will be changed thus:

UNITED STATES CUSTOM HOUSE.

District of ——, port of ——, day of ——, 18—.

I hereby certify that the tonnage duty of —— cents per ton imposed by the fifteenth section of the act of July 14, 1862, and amendments, was paid on the (here give name and class of vessel) of (here give her home port from whence she arrived or otherwise) for the year ending twelve months from the day of the date hereof, as per admeasurement —— tons, amounting to —— dollars and —— cents.

The above payment was made on (taking out or renewing marine papers, naming them, or on entry made under the proviso, as the case may be, stating all the facts material to justify the collection.)

Tons, ——; dollars, ——.

——— ———, Collector.

NOTICE.—On page six of the Circular of November 1, 1866, (RECORD, Vol. IV., p. 173), will be indorsed, and the instructions on said page observed by the Collector:

As this provision may be susceptible of misconstruction, it is deemed expedient to advise customs officers that this Department construes said sections, notwithstanding its comprehensive language, to be confined to the regular tonnage duties imposed by the Act of 4th of July, 1862, and amendments, and not to affect those provisions of law imposing discriminating

dues upon Spanish and other vessels engaged in certain trades, or those imposed in the nature of penalties or otherwise than as above stated.

Frequent inquiry is made to this Department as to the proof of identity required in regard to articles of the growth, production, or manufacture of the United States, exported to a foreign country and brought back to the United States, under provisions respectively of section 23 of the Tariff Act of March 2, 1861 (12 statute 194), section 26 of the Tariff act of 1864 (13 statute 317) and section 12 of the Tariff Act of 1866 (14 statute 330) or either of them. You will be governed in this respect by section 8 (pp. 152, 153, and 154) of the general regulations of 1857. The 48th section of the Collection Act of 1799 (1 statute p. 663) there quoted, is still in force; and as the proviso to the 23d section of the act of 1861, above named, is simply a re-enactment of the first proviso in schedule 1 of the Tariff Act of 1846, referred to in article 246 of the general regulations of 1857, the same rules there promulgated will be observed in the future.

HUGH MCCULLOCH,
Secretary of the Treasury.

Tonnage Duties and Special Tax on Boats and Vessels.

TREASURY DEPARTMENT,
March 20th, 1867.

SIR: Your letter of the 13th inst., addressed to the Hon. E. A. Rollins, Commissioner of Internal Revenue, has been by him received and transmitted to this Department for reply.

Referring to Treasury Circular of 1st November last in relation to the liability of boatmen to pay a special tax on boats not used *exclusively* in carrying agricultural products, coal, oil, and minerals to market you ask, "are we to understand that a boat used to carry the above articles to market, and taking on return freight of merchandise, must pay tonnage dues *in addition* to special tax, or can the owner (knowing before hand what his business is to be) elect to pay custom duties, and thereby exempt himself from special tax?"

In reply I have to state that the special tax to be paid *in lieu* of tonnage dues by vessels which may be engaged as recited on pages 13 and 14 of said circular, is in the nature of a privilege extended to vessels of the character and occupation therein designated, at the election of the owner, or the master, subject to such limitations and conditions as are therein specified.

If the owner knows beforehand that his vessel will not retain such exclusive character, and yet with a view of avoiding the higher tonnage tax, claims exemption from tonnage duty, and to pay the special tax, he will be permitted so to do; but should his vessel depart from such occupation and thereby be required to pay tonnage dues for engaging in the coasting trade, he will not be permitted to take advantage of his own wrong, and have the special tax refunded.

If the master or owner of a vessel knows, or chooses to assume that his vessel will engage in the coasting trade, and elects to take out a coasting license, and to pay the tonnage dues, the provisions above referred to permitting vessels to pay the Special Revenue tax prescribed, *in lieu* of tonnage dues as set forth in said circular, do not apply, and such vessel is not liable to Special Internal Revenue tax under the provisions of the section referred to.

Very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

HORACE L. GREEN,
Asst. Assessor, U. S. Int. Rev., Little Falls, N. Y.

SOLICITOR'S OFFICE.

THE TENURE OF OFFICE ACT.

The following extracts and copies of the opinions of the Solicitor of the Treasury as to the operation of the Tenure of Office Act, are taken from the reply of the President to the Senate Resolution of Enquiry adopted a few days since. The matter is of great importance in view of the present status, and the number of vacancies in the offices of assessors and collectors throughout the counties.

Secretary McCulloch wrote to the Solicitor, March 2 last:

"In view of the possibility that the commissions of the chief officers of the Customs at several ports may within a few days expire by Constitutional limitation before their successors have been appointed, I have the honor to request your opinion as to what legal provisions exist for the administration of the duties of the offices of Collector, Naval Officer, and the Surveyor during the time one or more of them are vacant, after the expiration of the commissions of the present incumbents: and in view of the imminence of the emergency, I would request the favor of an early reply."

The Solicitor of the Treasury on the 7th of March, replies that no distinct or clear provision has been made by Congress upon the subject. At first view it would seem to be a *casus ommissus*, and that the office would remain vacant, or in abeyance until a new appointment could be made. This would, however, be a public calamity. Such offices, must, as a matter of necessity, be constantly filled, as the duties are to be performed day by day, and are different from most other offices in this respect. In view of this fact it is not to be presumed that Congress intended to omit a provision for the exigency; but, on the other hand, considered such a provision actually made. In many cases the law provides in terms that an officer once appointed shall hold the office until a successor be qualified, but no express provision of that kind is made here. Again, at common law certain officers are held from necessity to hold over in this manner; but this has not, I believe, been the usage of our Government in relation to the offices in question. The Act of March 3, 1817, empowered collectors with the approbation of the Secretary, to appoint deputies, and declared that such deputies should be officers of the customs, (3d statute, 397.) A deputy is in law the shadow of his principal, as a general rule, and his tenure of office ceases with that of the collector. The act alluded to, however, seems intended to change the general rule to a certain extent, and to make the deputies' office a district one, in some respects at least. It may be that Congress intended that he should act in the exigency in question. I am by no means clear upon the point; but yet in the absence of any other provision, and in view of the public necessity, I recommend that you authorize the Special Deputty Collector to act. This same reasoning does no strictly apply to the Deputies of the Naval Officer and Surveyor, whose respective commissions have expired; but convenience requires the same rule, and in the absence of other provisions I think you may be warranted in following it.

I have the honor to be, very respectfully,
EDWARD JORDAN,
Solicitor of the Treasury.

Hon H. MCCULLOCH, *Secretary of the Treasury.*

THE PHILADELPHIA CASE.

TREASURY DEPARTMENT,
Solicitor's Office,
March 27, 1867.

SIR: I have received, through Mr. Creecy, your verbal request for my opinion upon certain questions relating to the office of Collector of Customs at Philadelphia. It appears that Mr. Johnson received from the President a temporary appointment during the recess prior to the last session of the Senate, and a nomination for a permanent appointment during the session, which nomination was rejected, so that Mr. Johnson's term expired at the end of the session. Whereupon, no other nomination having been made, the Secretary of the Treasury, in order to avoid a total suspension of the functions of the Collector, directed E. R. Myer, Special Deputy of the late Collector, to perform the duties of the office for the time being. The questions propounded to me are: Whether, under the circumstances, the Secretary can now remove Mr. Myer and appoint a successor, or devolve the duties of the office upon another. Whether he could do so during the recess of the Senate; and finally, who in case of the death or resignation of Mr. Myer, could perform the duties of the office, and by whose authority? In reply, I have to say, I think you have the power to remove Mr. Myer, for good cause, affecting the public interests, either now or during the recess of the Senate; and that in the event of such removal, it is competent for you to designate some one of the other deputies of the Collector to perform the duties of the office; and I think the same action would be proper in case of the death or resignation of Mr. Myer. Perhaps, in making such designations, it would be advisable to select the oldest Deputy, provided there were no special reasons to the contrary. These powers are not conferred upon you by any express provisions of the law, but they seem to me to result from the imperative necessity of avoiding a total suspension of the functions imposed upon you, to superintend the collection of the Revenue. It is perhaps, proper for me to add that I have read this letter to the Attorney-General, and that he concurs in the views it expresses.

I have the honor to be, very respectfully,
EDWARD JORDAN,
Solicitor of the Treasury.

The Hon. H. MCCULLOCH, *Secretary of the Treasury.*

Tax on Gross Receipts of Vessels Paying Tonnage Duty.

OPINION OF SOLICITOR JORDAN.

TREASURY DEPARTMENT,
Solicitor's Office,
February 19th, 1867.

SIR: I have the honor to return herewith the letter of the Commissioner of Internal Revenue, dated 21st ultimo, calling your attention and asking your advice in regard to a question which has arisen as to the proper construction of certain provisions under the Revenue laws; which was referred to me on the 24th ultimo, and my opinion requested "as to the liability of vessels to passenger tax under the circumstances therein stated."

The Commissioner in his letter says, "The 103d section of the Act of June 30th, 1864, imposed a tax upon the gross receipts for the transportation of passengers and property by steamboats, ships and other vessels. The 4th section of the Tariff Act of March, 3, 1865, provided that the receipts of vessels paying tonnage duty should not be subject to the tax provided in section 103, of the Act of June 30th, 1864, nor by any act amendatory thereof. The 9th section of the Act of July 30th, 1866, without making any reference to the section above referred to from the Tariff Act, amends section 103 by striking out all after the enacting clause, and inserting in lieu thereof a provision taxing the gross receipts of steamboats, ships, and other vessels employed in the business of transporting passengers for hire. The section as it now stands, taxes

merely the receipts for carrying passengers, while as it stood in the Act of 1864, it taxed the receipts of passengers and freight. When the Act of July 13th, 1866, first went into operation, as it did not appear that there was any distinct intention on the part of the framers of the law to repeal the exemption given to vessels paying tonnage duty, I deemed it proper to give the benefit of the doubt to the vessel owner, and therefore, revenue officers were advised not to require returns from vessels paying tonnage duty, but in a circular to collectors of customs relative to tonnage duty, issued by you November 1st, 1866, [INTERNAL REVENUE RECORD, Vol. IV., page 172], it is said that the payment of tonnage duties does not exempt the receipts of vessels engaged in carrying passengers from the tax imposed by section 103. As this subject is only incidentally connected with the main subject of your circular, I have felt some doubt as to the degree of consideration which you may have given to this point, and therefore would request a further examination, so that I can issue the necessary instructions."

That part of the 9th section of the Act of July 13, 1866, which amends the 103d section of the Act of June 30th, 1864, is virtually a new enactment, and being subsequent to the Act of March 3d, 1865, I am of opinion that it repeals by implication all of the provisions of the last mentioned act which are inconsistent therewith. But if any doubt remains as to the repeal of the proviso in question, I think it is removed by the language of the first clause of section 70 of said Act of July 13, 1866, which is as follows: "and be it further enacted, that this act shall take effect, when not otherwise provided, on the first day of August, 1866, and all provisions of any former act inconsistent with the provisions of this act, are hereby repealed." I am therefore of opinion that vessels paying tonnage duty are not exempt from the tax imposed by the 9th section of the Act of July, 13th, 1866, but became subject thereto on the first day of August, 1866, the day on which the last mentioned act went into effect.

Very respectfully,

(Signed) EDWARD JORDAN,
Solicitor of the Treasury.

Hon. H. MCCULLOCH, *Secretary of the Treasury.*

1st COMPTROLLER'S OFFICE.

Compensation of Assistant Assessors acting as Assessors, and Deputy Collectors acting as Collectors.

TREASURY DEPARTMENT,
Comptroller's Office,
Washington, April 6th, 1867.

SIR: Your letter of the 2d instant to the Commissioner of Internal Revenue, respecting the compensation of a Deputy Collector acting as Collector, has been referred to this office for answer.

In several instances the inquiry has been made of this office whether an Assistant Assessor acting as Assessor, and a Deputy Collector acting as Collector of Internal Revenue, are entitled to the fees and emoluments of the offices respectively?

My opinion is that they are not entitled to such fees and emoluments, but only to the compensation allowed them as Assistant Assessor or Deputy Collector.

When an Assessor ceases to hold the Office, it is vacant, and the assistant discharges its duties, receiving the compensation allowed him by law as assistant.

No provision is made by law for the payment of a Deputy Collector acting as Collector, but my opinion is that, except in cases hereafter stated, the compensation allowed by law is to be adjusted in the name of the Collector, whose sureties are responsible for the acts of the Deputy; and that the Deputy should be paid out of such compensation according to the rate agreed upon between himself and his principal. The third section of the "Act regulating the tenure of certain civil offices," passed March 2d, 1867, is of importance in deciding the question.

It is as follows: "That the President shall have power to fill all vacancies which may happen during the recess of the Senate, by reason of death or resignation, by granting commissions which shall expire at the end of their next session thereafter, and if no appointment, by and with the advice and consent of the Senate, shall be made to such office so vacant or temporarily filled as aforesaid, during such next session of the Senate, such office shall remain in abeyance, without salary fees or emoluments attached thereto, until the same shall be filled by appointment by and with the advice and consent of the Senate, and during such time all the powers and duties belonging to such office shall be exercised by such other officer as may by law exercise such powers and duties in case of a vacancy in such office."

By force of this section all vacancies occurring by the expiration of a temporary appointment, remain until filled by appointment confirmed by the Senate, and during such vacancies no salary, fees, or emoluments attach to the office. The "other officer" who during this time exercises "the powers and duties belonging to such office," takes the compensation belonging to the office which he actually holds, and no more. If there is no compensation belonging to his own office, then no provision is made by law for compensation.

An Assistant Assessor acting as Assessor is entitled to the compensation of an assistant, nothing more.

No provision is made by law for the payment of a Deputy Collector acting as Collector, and hence he cannot be paid from the Treasury.

In either case the expenses by law chargeable to the United States, will be paid on presentation of the proper vouchers, the same as if presented by an Assessor or Collector.

Very respectfully yours,

(Signed,) R. W. TAYLER,
Comptroller.

Recommendation and Nomination of Registers in Bankruptcy.

The following has been issued by the Clerk of the United States Supreme Court;

By direction of the Chief Justice, the following statement is published for information:—

First—Under the act of Congress the power of appointing Registers in Bankruptcy is vested in the District Courts of the United States, the Supreme Courts of the Territories, and the Supreme Court of the District of Columbia; but no person can be appointed who is not a counsellor at law.

Second—The duty of recommending and nominating to the district courts, and other courts mentioned in the act, suitable persons for appointment, is imposed on the Chief Justice of the United States, and, Congress having now adjourned without acting upon the bill introduced into the Senate to repeal this provision, he will proceed to carry it into effect.

Third—To insure, as far as practicable, the selection of fit men for registers, the Chief Justice will require, in every case where his recommendation and nomination is desired, first a certificate from the Clerk or Judge of the proper district or Territorial Court, or of some State Court of record, under seal of the court, that the gentleman named therein is a counsellor of said court; and, secondly, a statement in what Congressional district or Territory the gentleman proposed resides, and for what district or Terriority, and for what judicial district, the recommendation and nomination is desired; and, thirdly, letters from business and professional men of the district, State, or Territory, who have the confidence of their fellow citizens, each of which letters must vouch distinctly and fully for the gentleman named—1, in respect to his professional knowledge and ability; 2, in respect to his personal integrity; and, 3, in respect to his general business capacity.

Fourth—In addition to these, when the State is represented in Congress, similar letters, if they can be had, are desired from the Representative of the district, and from the Senators of the State, or, in the case of a Territory, from the delegate.

Fifth—No memorials and petitions or recommendations signed by others than the writer are required.

Sixth—All letters upon which any recommendation and nomination may be made will be filed by the Chief Justice in the office of the Clerk of the Supreme Court of the United States.

Seventh—Nominations and recommendations, founded upon testimony furnished as above required, will be made as early as practicable after the same shall have been received. If more than one gentleman in any district or Territory is thus commended to him, the Chief Justice will exercise his discretion in making the selection.

Eighth—Only one person will be recommended and nominated in any one Congressional district, except 1—in case that the court having the appointing power shall decline to appoint the persons first recommended and nominated; or 2—in case that after the act shall have gone fully into operation the appointing court shall certify to the Chief Justice that the business of the district cannot be properly done by one register; or, 3—in some cases, where a Congressional district may be partly in one Judicial district and partly in another.

D. W. MIDDLETON,
Clerk of the Supreme Court of United States.

Washington City, April 5, 1867.

Gazette.

COLLECTORS.

Samuel J. Richards, 16th District Warrensburg, N. Y. vice John L. Cunningham.

Ernest M. Bouligny, 2d District Baton Rouge, La. vice Henry Bansher, Jr.

Edwin W. Buddington, 13th District Kingston, N. Y., vice William Masten.

Charles Kennedy, 31st District Dunkirk, N. Y., vice Charles S. Cary.

William M. Swayne, 7th District West Chester, Penn., vice William C. Talley.

Smith Jones, 3d District Columbus, Ind., vice Simeon Stansifer.

A. C. Morrill, 2d District Minneapolis, Minn., vice Charles W. Nash.

Jesse S. Lyferd, 2d District Lewiston, Me., vice Solon Chase.

James Buffinton, 1st District Fall River, Mass., vice Ebenezer W. Pierce.

John J. Williams, 4th District Beaver Dam, Wis., vice Ephraim Williams.

Mark Flannigan, 1st District Detroit, Mich., vice David E. Harbaugh.

The Complaint of the Quack,

Sic Transit.

W. C. F. to E. A. R.

WOLFBOROUGH, N. H., March 29, 1867.

DEAR SIR;

A citizen, of town adjacent,
Is threatened with an "information,"
And making up a rueful face on't,
Applies to me for consolation.

The gist of his alleged offence is,
In vending some few pints of bitters,
During the last twelve solar *menses*,
In bottles, to his fellow "critters."

And sometimes, too, a mod'rate phial
Of liniment, or equine jalup,
That sets, at one incipient trial,
A Rosinante in a galop!

These lotions in'ard and external,
By some New Hampton chap concocted,
Have reached a local fame supernal—
As folks for five miles square have talk'd it.

Each phial and aforesaid bottle
Bears Uncle Sam's *adhesive* fixture,
And *Rusticus* hath deemed it *not* ill
To traffic in all-healing mixture.

He is a farmer by profession,
But during stress of lazy weather,
By this medicinal digression
Some extra *nickels* rakes together.

Sometimes he mounts a sober nag on,
Sometimes on foot is fain to travel,
Sometimes "propels" in sleigh or wagon
Thro' banks of snow or dust and gravel.

And now—to briefly draw my tale in—
A nostrum-smelling, intermeddling,
Matriculated son of Galen,
Would force him, for pretended peddling

Of "goods, wares, *commoda*," and so fourth,
To take a hawker's license quickly,
Or never more with Bitters go forth
To move the bowels of the sickly!

Ad punctum: Tell me, if with nice sense
The Law of Revenue imposes
The tribute of a *peddler's license*
To such itinerant slops and doses?

If you should have a moment's leisure,
And chance to drop an Argus eye on't,
To solve the case would give me pleasure,
And quiet my cadaverous client.

Whatever, then, the judgment, by it
We will abide with best of feeling,
And honor your decisive *fiat*—
From which, thank God, their's no appealing!

Fraternally yours,

W. C. F.

DURING three days of last week counterfeit fifty-cent notes to the amount of $50 were offered at a store in Pittsburgh, Penn., and the dealer on the 13th secured the arrest of Dr. W. J. Smith, of Lawrenceville. Two packages of the counterfeits, amounting to $80, were found upon him.

SCHEDULE OF ARTICLES AND OCCUPATIONS SUBJECT TO TAX UNDER THE EXCISE LAWS OF THE UNITED STATES.

AS AMENDED MARCH 2, 1867.

[*These Rates are in force on and after March* 1, 1867.]

MANUFACTURES AND PRODUCTIONS.

1	Agricultural implements not specially exempted	5 per cent
3	Boilers, water tanks, and sugar tanks	5
4	Boots and shoes, including those made of India rubber; and shoe strings	2
5	Mouldings of wood not specially exempted	5
5½	Brandy made from grapes, per gallon	$1 00
6	Brushes	5 per cent
7	Bullion, gold, in lumps, ignots, or bars	½ of 1
8	Bullion, silver, in lumps, ignots, or bars	½ of 1
9	Candles	5
10	Carpetings made of wool, or of which wool is the chief component material, or component material of chief value	2½
10½	Carpetings not otherwise provided for	5
11	Carriages	5
12	Cars, railroad	5
13	Chemical productions, uncompounded, not otherwise provided for	5
14	Chocolate and cocoa, prepared, per pound	1½ cents
17½	Cigars, cigarettes, and cheroots of all descriptions, per thousand	$5 00
18	Clocks, clock movements, and cases	5 per cent
19	Cloth, and all textile, knitted, or felted fabrics made of cotton	5
21	Cloth, and all textile, knitted, or felted fabrics other than those made of flax or jute exclusively, and not elsewhere enumerated	5
22	Cloth, painted, enameled, shirred, tarred, varnished or oiled	5
23	Clothing, articles of, made from India-rubber or gutta percha	5
24	Clothing, articles of, not of wool, made by weaving, knitting, or felting, or from fur or fur skins	5
25	Clothing, articles of, made from fur, valued at $20 or less	2
26	Gloves, mittens, and moccasins, made by sewing	2
27	Coffee, roasted or ground, and all substitutes therefor, per pound	1 cent
28	Confectionery, valued at 20 cents per pound or less, per pound	2 cents
29	Confectionery, valued at over 20 cents per pound and not over forty cents, per pound	4 cents
30	Confectionery, valued at over 40 cents per pound, or when sold otherwise than by the pound	10 per cent
31	Copper, zinc, and brass tubes, nails, and rivets	5
32	Cotton, raw, per pound	3 cents
34	Cutlery	5 per cent
35	Diamonds, emeralds, precious stones, and imitations thereof, and all other jewelry	5
37	Fermented liquors, per barrel	$1 00
38	Fire-arms	5 per cent
39	Furniture	5
40	Gas, monthly product not over 200,000 cubic feet, per 1,000 cubic feet	10 cents
41	Gas, monthly product over 200,000 and not over 500,000 cubic feet, per 1,000 cubic feet	15 cents
42	Gas, monthly product over 500,000 and not over 5,000,000 cubic feet, per 1,000 cubic feet	20 cents
43	Gas, monthly product over 5,000,000 cubic feet, per 1,000 cubic feet	25 cents
44	Gas fixtures and chandeliers	5 per cent
45	Glass, manufactures exclusively of, other than window glass	3
48	Gun cotton	5
49	Gunpowder, blasting, in kegs or casks, per pound	½ cent
50	Gunpowder, sporting, in kegs, per pound	1 cent
50½	Gunpowder, canister, per pound	5 cents
51	Gutta percha, manufactures of, not elsewhere enumerated	5 per cent
53	Hats, caps, bonnets, and hoods of all descriptions	2
54	Hoop skirts	2
55	India rubber, manufactures of, not elsewhere enumerated	5
60	Iron castings not specially exempted, per ton	$3 00
61	Iron, cut nails and spikes, not including nails, tacks, brads, or finishing nails, usually sold in papers, per ton	$5 00
64	Iron, railings, gates, fences, and statuary	5 per cent
65	Iron, stoves, per ton	$3 00
66	Iron tubes, wrought, per ton	$5 00
67	Iron, manufactures of, not specially exempted and not elsewhere enumerated	5 per cent
68	Lamps and lanterns, other than magnesium lamps	5
69	Lead, sheet, lead pipes, and shot	5
70	Leather, of all descriptions, curried, finished, or oil dressed	2½
71	Leather of all descriptions, tanned or partially tanned in the rough	2½
72	Leather, patent, enameled, or japanned, and skins	2½
73	Machinery, including shafting and gearing, and mechanics' tools not specially exempted	5
76	Monuments of stone, valued at over $100	5
77	Oil, produced from petroleum, marking not less than 36 degrees nor more than 59 degrees Baume, per gallon	20 cents
78	Oil, produced from petroleum, marking more than 59 and not more than 70 degrees Baume, per gallon	10 cents
79	Oil produced from coal, shale, or other bituminous substances, marking not less than 36 nor more than 70 degrees Baume, per gallon	10 cents
80	Oils, essential, of all descriptions	5 per cent
81	Paper, not specially exempted	3
82	Paper collars, and all articles of dress made of paper	2
83	Photographs, or other pictures taken by the action of light, not specially exempted	5
84	Piano-fortes, and other musical instruments	5
85	Pins	5
86	Plated and britannia ware	5
88	Saddlery, harness, trunks, and valises	5
89	Safes, fire or burglar proof	5
91	Scales	3
92	Screws, commonly called wood-screws	5
93	Sewing machines	5
94	Silk, manufactures of	5
95	Silverware	5
96	Snuff, of all descriptions, per pound	40 cents
97	Soap, common brown, in bars, sold for 7 cents per pound, or over; salt-water soap, made of cocoanut oil; and soap valued at 3 cents per pound, not perfumed	½ cent
98	Soap, perfumed, per pound	3 cents
99	Spices, ground, dry mustard, and all substitutes therefor, per pound	1 cent
100	Spirits, distilled from apples or peaches, per gallon	$2 00
101	Spirits, distilled from other materials, per gallon	$2 00
102	Steam, locomotive, and marine engines	5 per cent
104	Sugar, per pound	1 cent
107	Sugar, refined	2 per cent
108	Thread	5
109	Tinware, other than for domestic or culinary purposes	5
110	Tobacco, chewing, per pound	40 cents
111	Tobacco, smoking, sweetened, stemmed, or butted, per pound	40 cents
112	Tobacco, smoking, not sweetened, stemmed, or butted, including that made of stems, or in part of stems, per pound	15 cents
113	Tobacco twisted by hand and not pressed, sweetened, or otherwise prepared, and fine-cut shorts, per pound	30 cents
114	Turpentine, spirits of, per gallon	10 cents
115	Watches and watch chains	5 per cent
117	Wine, produced by being mixed with other spirits, and not otherwise provided for, per gallon	50 cents
118	Wine, made in imitation of imported sparkling wine when put up in bottles containing not more than one pint, per dozen	$3 00
119	Wine, made in imitation of imported sparkling wine, in bottles containing more than one pint, and not more than one quart, per dozen	$6 00
120	Manufactured articles which are increased in value, by being polished, painted, &c., &c. on such increased value	5 per cent
121	Manufactures not elsewhere enumerated nor specially exempted	5
121½	Woolen cloth, and all fabrics or articles made of wool, or of which wool is the chief component material, or component material of chief value, not elsewhere enumerated	2½

GROSS RECEIPTS.

123	Bridges	2½ per cent
124	Canals	2½
125	Express companies	3
126	Ferries	2½
127	Insurance Companies	1½
128	Lotteries and lottery-ticket dealers	5
129	Railroads	2½
130	Ships, barges, &c.	2½
131	Stage coaches, &c.	2½
132	Steamboats	2½
133	Telegraph Companies	3
134	Theatres, operas, circuses, and museums	2

SALES.

135	Auction sales	one 10th of 1 per cent
136	Brokers, cattle, sales in excess of $10,000, per $1,000	$1 00
137	Brokers, commercial, sales of merchandise,	one 20th of 1 per cent.
138	Dealers, sales in excess of $50,000, per $1,000	$1 00
139	Dealers in liquor, sales in excess of $50,000, per $1,000	$1 00
139½	Apothecaries, butchers, confectioners, plumbers, and gas-fitters, sales in excess of $25,000, per $1,000	$1 00

SPECIAL TAXES.

140	Apothecaries, annual sales not over $25,000	$10 00
141	Architects and civil engineers	10 00
142	Assayers, annual assays not over $250,000 in value	100 00
143	Assayers, annual assays over $250,000 and not over $500,000	200 00
144	Assayers, annual assays, over $500,000	500 00
145	Auctioneers, annual sales not over $10,000	10 00
146	Auctioneers, annual sales over $10,000	20 00
147	Banks and bankers, capital not over $50,000	100 00
148	Banks and bankers, capital over $50,000, $2 for each additional $1,000, in addition to the $100	
149	Billiard rooms, for each table	10 00
150	Boats, barges, and flats of capacity exceeding 25 tons, and not exceeding 100 tons	5 00
151	Boats, barges, and flats, of capacity exceeding 100 tons	00
152	Bowling alleys, for each alley	10 00
153	Brewers, annual manufacture less than 500 barrels	50 00
154	Brewers, annual manufacture not less than 500 barrels	100 00
155	Brokers, cattle, annual sales, not over $10,000	10 00
156	Brokers, commercial	20 00
157	Brokers, custom-house	10 00
158	Brokers, land-warrant	25 00
159	Brokers, pawn, capital not over $50,000	50 00
160	Brokers, pawn, capital over $50,000, $2 for every $1,000, in addition to the $50	
161	Brokers, produce	10 00
162	Brokers, stock	50 00
163	Builders and contractors	10 00
164	Butchers, annual sales not over $25,000	10 00
165	Butchers who sell from carts exclusively	5 00
166	Circuses	100 00
167	Claim agents	10 00
168	Confectioners, annual sales not over $25,000	10 00
169	Conveyancers	10 00
170	Dealers, retail	10 00
171	Dealers, wholesale, annual sales not over $50,000	50 00
172	Dealers, retail liquor	25 00
173	Dealers, wholesale liquor, annual sales not over $50,000	100 00
174	Dentists	10 00
175	Distillers of coal oil	50 00
176	Distillers of spirituous liquors	100 00
177	Distillers of apples, grapes, or peaches, distilling 50 barrels and less than 150 barrels per year	50 00
178	Distillers of apples, grapes, or peaches, distilling less than 50 barrels per year	20 00
179	Eating-houses	10 00
180	Exhibitions, not otherwise provided for	10 00
181	Express carriers and agents	10 00
182	Gift enterprises	150 00
183	Grinders of coffee and spices	100 00
184	Horse-dealers	10 00
185	Hotels, yearly rental $200 or less	10 00
186	Hotels, yearly rental over $200, $5, for every $100 or fractional part thereof, in addition to the $10	
187	Hotels, steamers and vessels carrying and boarding passengers	25 00
188	Insurance agents, domestic, annual receipts not exceeding $100	5 00
189	Insurance agents, domestic annual receipts exceeding $100	10 00
190	Insurance agents, foreign	50 00
191	Intelligence-office keepers	10 00
192	Jugglers	20 00
193	Lawyers	10 00
194	Livery-stable keepers	10 00
195	Lottery-ticket dealers	100 00
196	Manufactures	10 00
197	Miners	10 00
198	Patent agents	10 00
199	Patent-right dealers	10 00
200	Peddlers, 1st class	50 00
201	Peddlers, 2d class	25 00
202	Peddlers, 3d class	15 00
203	Peddlers, 4th class	10 00
204	Peddlers of fish	5 00
205	Peddlers of dry goods in original packages, or jewelry	50 00
206	Peddlers of distilled spirits, fermented liquors or wines	50 00
207	Photographers	10 00
208	Plumbers and gas-fitters, annual sales not over $25,000	10 00
209	Physicians and surgeons	10 00
210	Real estate agents	10 00
211	Rectifiers of any quantity not exceeding 500 barrels	25 00
212	Rectifiers of any quantity exceeding 500 barrels, $25 in addition to the $25 for every 500 barrels rectified.	
213	Stallions and jacks	10 00
214	Theatres, museums, and concert halls	100 00
215	Tobacconists	10 00

INCOME.

216	Income exceeding $1,000	5 per cent
218	Bank dividends and additions to surplus funds.	5
219	Bank profits, not divided nor added to surplus	5
220	Canal companies' dividends, interest on bonds, and additions to surplus funds	5
221	Insurance companies' dividends and additions to surplus funds	5
222	Railroad companies' dividends, interest on bonds and additions to surplus funds	5
23	Salaries of United States officers, exceeding $1,000	5
225	Turnpike companies' dividends, interest on bonds, and additions to surplus funds	5

LEGACIES AND SUCCESSIONS

226	Legacies, lineal issue or ancestor, brother or sister	1 per cent
227	Legacies, descendants of brother or sister	2
228	Legacies, uncle or aunt, or descendant of same	4
229	Legacies, great uncle or aunt, or descendants of same	5
230	Legacies, stranger in blood	6
231	Successions, lineal issue or ancestor	1
232	Successions, brother or sister, or descendant of same	2
233	Successions, uncle or aunt, or descendant of same	4
234	Successions, great uncle or aunt, or descendant of same	5
235	Successions, stranger in blood	6

ARTICLES IN SCHEDULE A.

236	Billiard tables kept for use	$10 00
237	Carriages kept for use, for hire, or for passengers, and valued at exceeding $300 and not above $500, each, including harness used therewith	$6 00
238	Carriages of like description, valued at above $500 each	$10 00
239	Plate of gold, kept for use, per ounce, troy	50 cents
240	Plate of silver, kept for use, per ounce troy	5 cents
241	Watches, gold, composed wholly or in part of gold or gilt, kept for use, and not over $100 in value	$1 00
242	Watches, gold, composed wholly or in part of gold or gilt, kept for use, and valued at above $100, each	$2 00

BANK CIRCULATION AND DEPOSITS.

243	Bank deposits per month	one 24th of 1 per cent
244	Bank capital, per month	one 24th of 1
245	Bank circulation, per month	one 12th of 1
246	Bank circulation, exceeding 90 per cent. of capital, in addition per month	one 6th of 1
247	Banks, on amount of notes of any person, State bank, or State banking association, used for circulation, and paid out	10

PASSPORTS.

248	Passports, each	$5 00

The Internal Revenue Record
AND
CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 17. NEW YORK, APRIL 27, 1867. WHOLE NUMBER, 121.

TABLE OF CONTENTS.

REVIEW.

MUCH of our space is given this week to the publication, by particular request, of the text of the Bankrupt Law, from a certified official copy procured from the Department of State. The effect of this law on the industry of the country cannot be now estimated, and its operation forms a fruitful subject for conjecture and speculation. We would direct attention more particularly at this time to the provisions relating to preferred debts, and to what shall be considered as fraudulent transfers, inasmuch as certain transactions, which may now be made, or that shall have been made at any time within four months previous to the date at which the law shall go into operation, come within their scope. The law takes effect June 1, 1867.

Frequent frauds having been perpetrated by neglect properly to cancel beer stamps, and we publish a ruling whereby it will be perceived that brewers become liable to the penalty as well for neglecting to *cancel* the stamps, as for omission to *affix* them.

The sweepings of cotton presses and damaged cotton sold as paper stock, are subject to the tax imposed upon cotton by Section 1, Act of July 13, 1866. The proper tax upon all cotton of whatever grade, must be assessed.

Official bonds of Town and County Officers require a one dollar stamp in all cases. Any instrument or paper, unless properly stamped as required by law, is void and cannot be used in evidence.

Persons managing ferries, toll roads and bridges, are liable to tax on their gross receipts of every description.

Attention is called to an important opinion of the Department in relation to the claims of National Banks for return of taxes upon surplus, claimed to have been erroneously paid by them.

It is estimated that the balance sheet of the Government for the current fiscal year, will show an excess of receipts over expenditures of over 130 millions, notwithstanding the heavy reduction of the rates of taxation, and the falling off in the income tax.

The special Commissioner of Internal Revenue, Hon. David A. Wells, is busily employed in collecting and arranging matter relating especially to the tariff. Internal Revenue is not, however, neglected by him, and many inequalities will be considered and changes recommended, which will tend to improve the system, and render it more uniform in its operation.

BY official request we beg to remind Assessors and Collectors that much trouble and correspondence would be saved both to themselves and the 5th Auditor's office, if, in their letters relative to the adjustment of their accounts, they will always refer to them, or to any item in question, by the *number* of the adjustment in which the entry occurs. Let this be noted and remembered, and they will greatly facilitate the settlement of their accounts.

THE attention of our readers is called to the liberal offers made by this Journal to induce them to use their efforts to extend its circulation. The great advantages which accrue to individual tax-payers, as well as the Government, from exactitude and uniformity in assessing and collecting Internal Revenue, have often been demonstrated. Our Government is of the people and for the people. Those who defraud it of its revenue, defraud their neighbors, by shifting to the shoulders of others their proportion of the National burden. The same dishonor should attach which taints such in a breach of mercantile faith.

Many of the evasions of revenue are undoubtedly owing primarily to want of correct information of the obligations of tax-payers, and the revenue has been seriously injured by the lack of knowledge of the laws and decisions of the authorities. These defects may be corrected in a great measure by a more extended circulation of the RECORD, which is authority on the subject.

The time and labor to be expended in obtaining subscribers, are not asked to be given gratuitously. Ample rewards and compensations are offered. The annual subscription price is $5, or $2 50 for a half year, beginning with January or July of each year. It is worth nothing if not worth that amount to every tax-payer in the land. One dollar is offered, and will be allowed, any person who obtains and forwards a new yearly subscriber during the year 1867. The person who obtains the greatest number of new subscribers will be paid January 1st, 1868, *Two hundred dollars in gold!* Two hundred dollars in greenbacks will be faithfully paid to the person who forwards the next greatest number. The same to the next—the next—and the next! The conditions are stated in the published offer in another column.

Many active persons in several sections of the country are competing for the honor and profit. It is not too late for others to begin. Volume VI. will begin with July next, and the best opportunity is now presented to competitors. Samples will be sent on application.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

INCOME.

When Insurance is Deductible from Income.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, March 27, 1867.

SIR: I reply to yours of the 19th instant, that amounts paid for insurance should not be allowed as a deduction in estimating the amount of taxable income except where it is properly an expense of business.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

DAVID BRADEN, *Assessor, Indianapolis, Ind.*

Permanent Improvements and Betterments.—Repairs—Deductions from Income.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, April 7, 1867.

SIR: I reply to yours of the 30th ultimo, that the expression "permanent improvements" and "betterments," as used in section 117 of the Internal Revenue Law, are very nearly synonymous in meaning, and refer to that class of improvements which permanently increase the value of the property upon which they are made, while "repairs" are understood to be those improvements made, or work done upon property, which serve merely to prevent its becoming useless or depreciating in value.

Amounts expended in "improvements or betterments," as above defined, are not deductible in estimating the amount o taxable income, but "repairs," not exceeding those usually or ordinarily made, may be so allowed.

In ascertaining what amounts may be allowed for repairs, the Assessor must determine, according to the circumstances of the case, how much of the improvements made are to prevent the depreciation of the value of the property, and how much for the purpose of giving it permanent additional value.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

STAMP TAXES.

Use of Stamped Paper—Instruments imprinted by American Photograph Co.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, April 15, 1867.

SIR:—Instances having been brought to the notice of this office, in which instruments upon which stamps have been imprinted by your Company, have been used for purposes which subjected them to a higher rate of duty than that represented by the printed stamp, it becomes necessary to take such action as will prevent the public from being misled by this course.

It has been determined, therefore, that duplicate copies of each instrument, upon which persons may wish a stamp imprinted, shall be presented to this office, in order that the sufficiency of the stamp for the instrument may be considered. If the printing is approved, one copy will be forwarded to you, together with the customary order for printing.

The instruments which shall be hereafter stamped under this order, may be successively numbered, and such record will be kept as will enable persons desirous of procuring a second supply of instruments of the same form to avoid submitting the form a second time.

Very respectfully,
E. A. ROLLINS, *Commissioner.*

C. EIDLITZ, Esq.,
Manager of the Am. Photograph Co., N. Y. City.

Stamp Duty on Bonds of County Officers.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, March 26, 1867.

SIR:—I reply to your letter of the 20th instant, that the official bonds of Town and County officers require a one dollar stamp in all cases, as a bond for the due execution or performance of the duties of an office.

It is not lawful to record any instrument or paper required by law to be stamped, unless a stamp or stamps of the proper amount shall have been duly affixed and cancelled, and the record of such instrument is utterly void and cannot be used in evidence. The files of an office cons itute a part of the records, and the filing of a paper required only to be filed, is the record of it. * * * * * * *

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

THOMAS CUNNINGHAM, Esq.,
Acting Collector, 16th District, N. Y.

Affixing and Cancelling of Beer Stamps.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, April 5, 1867.

SIR:—I reply to your letter of the 27th ultimo, that the manner of affixing and cancelling beer stamps is prescribed in Section 53 of the Act of July 13, 1866, (149 of Compilation); and by the same section a penalty is imposed upon every brewer who refuses or neglects "to *affix and cancel* the stamp or stamps required by law," *in the manner* prescribed.

Both the affixing and the cancelling are required; and the omission of *either* by a brewer, renders him liable to a penalty and imprisonment.

THOMAS HARLAND,
Deputy Commissioner.

P. H. NEHER, *Assessor, Troy, N. Y.*

MANUFACTURES.

Cotton—Cotton Sweepings; &c.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington April 6, 1867.

SIR:—Your letter of March 27, relative to tax on "sweepings of cotton presses and damaged cotton," sold as "paper stock," from six to fifteen cents per pound, is received.

I reply, that I know of no provision of law under which such cotton is exempted from the tax imposed by Section 1, Act of July 13, 1866. I cannot, therefore, approve the custom of passing such cotton free of tax, but must direct that the proper tax be assessed upon all cotton, of whatever grade.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

JAMES READY, Esq.
Assessor, 1st Dist. New Orleans, La.

MISCELLANEOUS.

Tax on Gross Receipts.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, April 4, 1867.

SIR:—I reply to yours of the 30th ultimo, that by the decision of the Hon. Secretary of the Treasury, all persons, firms, companies, &c., engaged in the business of transporting passengers or mails (upon contracts made prior to August 1st, 1866) for hire, are liable upon their gross receipts accruing from such transportat on *after August* 1, 1866, whether using vessels which pay tonnage duties, or not.

Persons having the management of ferries, as well as persons having management of toll roads and bridges, are of course liable upon gross receipts of *every description.*

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

J. S. ELY, *Assessor, Norwich, Conn.*

Claims of National Banks for Return of Taxes upon Surplus.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington April 8, '67.

SIR:—I have examined a number of claims for refunding of taxes claimed to have been erroneously paid by the National Banks. These claims cannot be allowed, as they stand at present, for the following reasons:

As the statutes of 1864 and 1865 were construed by this office, the amount of undistributed earnings which were employed by the bank as capital, were held to be liable to the monthly tax of one 24th of one per cent., and as also liable to be included in the amount upon which the license of the bank was to be determined. Certain suits having been instituted in the Northern District of New York, it was held by Judge Nelson that this construction was erroneous, and that the banks were liable only upon the chartered capital. This decision was believed by this office, as well as by the Secretary, to be erroneous, and it was for some time in contemplation to take the question before the Supreme Court for revision. But it was subsequently decided by the Secretary not to take this course, but to yield the point to the banks, so far as the future assessments were to be affected, and this disposition, it was believed, would be satisfactory to the banks, and as in the nature of a compromise; so that I am not at liberty to refund any taxes which were paid prior to July 1866, in accordance with the construction then maintained by this office.

Several of the claims herewith returned purport to be claims of National Banks for the refunding of the monthly tax upon a portion of their capital. If these taxes were actually paid by National Banks and to this office, the claims are entitled to favorable consideration, as the monthly tax upon capital imposed by section 110 has never had application to National Banks.

Very respectfully,
THOMAS HARLAND,
Deputy Commissioner.

SHERIDAN SHOOK, *Collector,*
32d District, New York.

By request of numerous patrons, we publish the full text of the Bankrupt Law, from copy procured from the original on file in Department of State. ED.

[OFFICIAL.]

LAWS OF THE UNITED STATES,

Passed by the Thirty-ninth Congress at its Second Session.

[*Public—No.* 91.]

An Act to Establish a Uniform System of Bankruptcy throughout the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the several district courts of the United States be, and they hereby are, constituted courts of bankruptcy, and they shall have original jurisdiction in their respective districts in all matters and proceedings in bankruptcy, and they are hereby authorized to hear and adjudicate upon the same according to the provisions of this act. The said courts shall be always open for the transaction of business under this act, and the powers and jurisdiction hereby granted and conferred shall be exercised as well in vacation as in term time, and a judge sitting at chambers shall have the same powers and jurisdiction, including the power of keeping order and of punishing any contempt of his authority, as when sitting in court. And the jurisdiction hereby conferred shall extend to all cases and controversies arising between the bankrupt and any creditor or creditors who shall claim any debt or demand under the bankruptcy; to the collection of all the assets of the bankrupt; to the ascertainment and liquidation of the liens and other specific claims thereon; to the adjustment of the various priorities and conflicting interests of all parties; and to the marshalling and disposition of the different funds and assets, so as to secure the rights of all parties and due distribution of the assets among all the creditors; and to all acts, matters, and things to be done under and in virtue of the bankruptcy, until the final distribution and settlement of the estate of the bankrupt, and the close of the proceedings in bankruptcy. The said courts shall have full authority to compel obedience to all orders and decrees passed by them in bankruptcy, by process of contempt and other remedial process, to the same extent that the circuit courts now have in any suit pending therein in equity. Said courts may sit for the transaction of business in bankruptcy at any place in the district, of which place and the time of holding court they shall have given notice, as well as at the place designated by law for holding such courts.

SEC. 2. *And be it further enacted*, That the several circuit courts of the United States, within and for the districts where the proceedings in bankruptcy shall be pending, shall have a general superintendence and jurisdiction of all cases and questions arising under this act; and, except when special provision is otherwise made, may, upon bill, petition, or other proper process, of any party aggrieved, hear and determine the case as a court of equity. The powers and jurisdiction hereby granted may be exercised either by said court or by any justice thereof in term time or vacation. Said circuit courts shall also have concurrent jurisdiction with the district courts of the same district, of all suits at law or in equity which may or shall be brought by the assignee in bankruptcy against any person claiming an adverse interest, or by such person against such assignee, touching any property or rights of property of said bankrupt transferrable to or vested in such assignee; but no suit at law or in equity shall in any case be maintainable by or against such assignee, or by or against any person claiming an adverse interest, touching the property and rights of property aforesaid, in any court whatsoever, unless the same shall be brought within two years from the time the cause of action accrued, for or against such assignee: *Provided*, That nothing herein contained shall revive a right of action barred at the time such assignee is appointed.

OF THE ADMINISTRATION OF THE LAW IN COURTS OF BANKRUPTCY.

SEC. 3. *And be it further enacted*, That it shall be the duty of the judges of the district courts of the United States, within and for the several districts, to appoint in each Congressional district in said districts, upon the nomination and recommendation of the Chief Justice of the Supreme Court of the United States, one or more registers in bankruptcy, to assist the judge of the district court in the performance of his duties under this act. No person shall be eligible to such appointment unless he be a counsellor of said court, or of some one of the courts of record of the State in which he resides. Before entering upon the duties of his office, every person so appointed a register in bankruptcy shall give a bond to the United States, with condition that he will faithfully discharge the duties of his office, in a sum not less than one thousand dollars, to be fixed by said court, with sureties satisfactory to said court, or to either of the said justices thereof; and he shall, in open court, take and subscribe the oath prescribed in the act entitled, "An act to prescribe an oath of office, and for other purposes," approved July second, eighteen hundred and sixty-two, and also that he will not during his continuance in office be, directly or indirectly, interested in or benefitted by the fees or emoluments arising from any suit or matter pending in bankruptcy, in either the district or circuit court in his district.

SEC. 4. *And be it further enacted*, That every register in bankruptcy, so appointed and qualified, shall have power, and it shall be his duty, to make adjudication of bankruptcy, to receive the surrender of any bankrupt, to administer oaths in all proceedings before him, to hold and preside at meetings of creditors, to take proof of debts, to make all computations of dividends, and all orders of distribution, and to furnish the assignee with a certified copy of such orders, and of the schedules of creditors and assets filed in each case, to audit and pass accounts of assignees, to grant protection, to pass the last examination of any bankrupt in cases whenever the assignee or a creditor does not oppose, and to sit in chambers and despatch there such part of the administrative business of the court, and such uncontested matters as shall be defined in general rules and orders, or as the district judge shall in any particular matter direct; and he shall also make short memoranda of his proceedings in each case in which he shall act, in a docket to be kept by him for that purpose, and he shall forthwith, as the proceedings are taken, forward to the clerk of the district court a certified copy of said memoranda, which shall be entered by said clerk in the proper minute book to be kept in his office, and any register of the court may act for any other register thereof: *Provided, however*, That nothing in this section contained shall empower a register to commit for contempt, or to hear a disputed adjudication, or any question of the allowance or suspension of an order of discharge; but in all matters where an issue of fact or of law is raised and contested by any party to the proceedings before him, it shall be his duty to cause the question or issue to be stated by the opposing parties in writing, and he shall adjourn the same into court for decision by the judge. No register shall be of counsel or attorney, either in or out of court, in any suit or matter pending in bankruptcy in either the circuit or district court of his district, nor in an appeal therefrom; nor shall he be executor, administrator, guardian, commissioner, appraiser, divider, or assignee of or upon any estate within the jurisdiction of either of said courts of bankruptcy, nor be interested in the fees or emoluments arising from either of said trusts. The fees of said registers, as established by this act, and by the general rules and orders required to be framed under it, shall be paid to them by the parties for whom the services may be rendered in the course of proceedings authorized by this act.

SEC. 5. *And be it further enacted*, That the judge of the district court may direct a register to attend at any place within the district for the purpose of hearing such voluntary applications under this act as may not be opposed, of attending any meeting of creditors, or receiving any proof of debts, and, generally, for the prosecution of any bankruptcy or other proceedings under this act; and the travelling and incidental expenses of such register, and of any clerk or other officer attending him, incurred in so acting, shall be set[tled] by said court in accordance with the rules prescribed under the tenth section of this act, and paid out of the assets of the estate in respect of which such register has so acted; or if there be no such assets, or if the assets shall be insufficient, then such expenses shall form a part of the costs in the case or cases in which the register shall have acted in such journey, to be apportioned by the judge, and such register, so acting, shall have and exercise all powers, except the power of commitment, vested in the district court for the summoning and examination of persons or witnesses, and for requiring the production of books, papers and documents: *Provided always*, That all depositions of persons and witnesses taken before said register, and all acts done by him, shall be reduced to writing, and be signed by him, and shall be filed in the clerk's office as part of the proceedings. Such register shall be subject to removal by the judge of the district court, and all vacancies occurring by such removal, or by resignation, change of residence, death or disability, shall be promptly filled by other fit persons, unless said court shall deem the continuance of the particular office unnecessary.

SEC. 6. *And be it further enacted*, That any party shall, during the proceedings before a register, be at liberty to take the opinion of the district judge upon any point or matter arising in the course of such proceedings, or upon the result of such proceedings, which shall be stated by the register in the shape of a short certificate to the judge, who shall sign the same if he approve thereof; and such certificate, so signed, shall be binding on all the parties to the proceeding; but every such certificate may be discharged or varied by the judge at chambers or in open court. In any bankruptcy, or in any other proceedings within the jurisdiction of the court, under this act, the parties concerned, or submitting to such jurisdiction, may at any stage of the proceedings, by consent, state any question or questions in a special case for the opinion of the Court, and the judgment of the court shall be final, unless it be agreed and stated in such special case that either party may appeal, if, in such case, an appeal is allowed by this act. The parties may also, if they think fit, agree, that upon the question or questions raised by such special case being finally decided, a sum of money, fixed by the parties, or to be ascertained by the court, or in such manner as the court may direct, or any property, or the amount of any disputed debt or claim, shall be paid, delivered or transferred by one of such parties to the other of them either with or without costs.

SEC. 7. *And be it further enacted*, That parties and witnesses summoned before a register shall be bound to attend in pursuance of such summons at the place and time designated therein, and shall be entitled to protection, and be liable to process of con

tempt in like manner as parties and witnesses are now liable thereto in case of default in attendance under any writ of subpœna, and all persons wilfully and corruptly swearing or affirming falsely before a register shall be liable to all the penalties, punishments, and consequences of perjury. If any person examined before a register shall refuse or decline to answer, or to swear to or sign his examination when taken, the register shall refer the matter to the judge, who shall have power to order the person so acting to pay the costs thereby occasioned, if such person be compellable by law to answer such question or to sign such examination, and such person shall also be liable to be punished for contempt.

OF APPEALS AND PRACTICE.

SEC. 8. *And be it further enacted*, That appeals may be taken from the district to the circuit courts in all cases in equity, and writs of error may be allowed to said c rcuit courts from said district courts in cases at law under the jurisdiction created by this act when the debt or damages claimed amount to more than five hundred dollars, and any supposed creditor, whose claim is wholly or in part rejected, or an assignee who is dissatisfied with the allowance of a claim, may appeal from the decision of the district court to the circuit court for the same district; but no appeal shall be allowed in any case from the district to the circuit court unless it is claimed, and notice given thereof to the clerk of the district court, to be entered with the record of the proceedings, and also to the assignee or creditor, as the case may be, or to the defeated party in equity, within ten days after the entry of the decree or decision appealed from. The appeal shall be entered at the term of the circuit court which shall be first held within and for the district next after the expiration of ten days from the time of claiming the same. But if the appellant in writing waives his appeal before any decision thereon, proceedings may be had in the district court as if no appeal had been taken; and no appeal shall be allowed unless the appellant at the time of claiming the same shall give bond in man[ner] now required by law in cases of such appeals. No writ of error shall be allowed unless the party claiming it shall comply with the statutes regulating the granting of such writs.

SEC. 9. *And be it further enacted*, That in cases arising under this act no appeal or writ of error shall be allowed in any case from the circuit courts to the Supreme Court of the United States, unless the matter in dispute in such case shall exceed two thousand dollars.

SEC. 10. *And be it further enacted*, That the Justices of the Supreme Court of the United States, subject to the provisions of this act, shall frame general orders for the following purposes:

For regulating the practice and procedure of the district courts in bankruptcy, and the several forms of petitions, orders, and other proceedings to be used in said courts in all matters under this act;

For regulating the duties of the various officers of said courts;

For regulating the fees payable and the charges and costs to be allowed, except such as are established by this act or by law, with respect to all proceedings in bankruptcy before said courts, not exceeding the rate of fees now allowed by law for similar services in other proceedings;

For regulating the practice and procedure upon appeals;

For regulating the filing, custody, and inspection of records;

And generally for carrying the provisions of this act into effect.

After such general orders shall have been so framed, they or any of them may be rescinded or varied, and other general orders may be framed in manner aforesaid; and all such general orders so framed shall from time to time be reported to Congress, with such suggestions as said justices may think proper.

VOLUNTARY BANKRUPTCY—COMMENCEMENT OF PROCEEDINGS.

SEC. 11. *And be it further enacted*, That if any person residing within the jurisdiction of the United States, owing debts provable under this act exceeding the amount of three hundred dollars, shall apply by petition addressed to the judge of the judicial district in which such debtor has resided or carried on business for the six months next immediately preceding the time of filing such petition, or for the longest period during such six months, setting forth his place of residence, his inability to pay all his debts in full, his willingness to surrender all his estate and effects for the benefit of his creditors and his desire to obtain the benefit of this act, and shall annex to his petition a schedule verified by oath before the court or before a register in bankruptcy, or before one of the commissioners of the Circuit Court of the United States, containing a full and true statement of all his debts, and, as far as possible to whom due, with the place of residence of each creditor, if known to the debtor, and if not known the fact to be so stated, and the sum due to each creditor; also, the nature of each debt or demand, whether founded on written security, obligation contract or otherwise, and also the true cause and consideration of such indebtedness in each case, and the place where such indebtedness accrued, and a statement of any existing mortgage, pledge, lien, judgment, or collateral or other security given for the payment of the same; and shall also annex to his petition an accurate inventory, verified in like manner, of all his estate, both real and personal, assignable under this act, describing the same and stating where it is situated, and whether there are any, and if so, what incumbrances thereon, the filing of such petition shall be an act of bankruptcy, and such petitioner shall be adjudged a bankrupt; *Provided*, That all citizens of the United States petitioning to be declared bankrupt shall, on filing such petition, and before any proceedings thereon, take and subscribe an oath of allegiance and fidelity to the United States, which oath shall be filed and recorded with the proceedings in bankruptcy. And the judge of the District Court, or, if there be no opposing party, any register of said court, to be designated by the judge, shall forthwith, if he be satisfied that the debts due from the petitioner exceed three hundred dollars, issue a warrant, to be signed by such judge or register, directed to the marshall of said district, authorizing him forthwith, as messenger, to publish notices in such newspapers as the warrant specifies; to serve written or printed notice, by mail or personally, on all creditors upon the schedule filed with the debtor's petition, or whose names may be given to him in addition by the debtor, and to give such personal or other notice to any persons concerned as the warrant specifies, which notice shall state:

First. That a warrant in bankruptcy has been issued against the estate of the debtor.

Second. That the payment of any debts and the delivery of any property belonging to such debtor to him or for his use, and the transfer of any property by him, are forbidden by law.

Third. That a meeting of the creditors of the debtor, giving the names, residences, and amounts, so far as known, to prove their debts and choose one or more assignees of his estate, will be held at a court of bankruptcy, to be holden at a time and place designated in the warrant, not less than ten nor more than ninety days after the issuing of the same.

OF ASSIGNMENTS AND ASSIGNEES.

SEC. 12. *And be it further enacted*, That at the meeting held in pursuance of the notice, one of the registers of the court shall preside, and the messenger shall make return of the warrant and of his doings thereon; and if it appears that the notice to the creditors has not been given as required in the warrant, the meeting shall forthwith be adjourned, and a new notice given as required. If the debtor dies after the issuing of the warrant, the proceedings may be continued and concluded in like manner as if he had lived.

SEC. 13. *And be it further enacted*, That the creditors shall, at the first meeting held after due notice from the messenger, in presence of a register designated by the court, choose one or more assignees of the estate of the debtor: the choice to be made by the greater part in value and in number of the creditors who have proved their debts. If no choice is made by the creditors at said meeting, the judge, or if there be no opposing interest, the register shall appoint one or more assignees. If an assignee, so chosen or appointed, fails within five days to express in writing his acceptance of the trust, the judge or register may fill the vacancy. All elections or appointments of assignees shall be subject to the approval of the judge; and when in his judgment it is for any cause needful or expedient, he may appoint additional assignees, or order a new election. The judge at any time may, and upon the request in writing of any creditor who has proved his claim shall require the assignee to give good and sufficient bond to the United States, with a condition for the faithful perfo.mance and discharge of his duties; the bond shall be approved by the judge or register by his endorsement thereon, shall be filed with the record of the case, and inure to the benefit of all creditors proving their claims, and may be prosecuted in the name and for the benefit of any injured party. If the assignee fails to give the bond within such time as the judge orders, not exceeding ten days after notice to him of such order, the judge shall remove him and appoint another in his place.

SEC. 14. *And be it further enacted*, That as soon as said assignee is appointed and qualified, the judge, or where there is no opposing interest the register, shall, by an instrument under his hand, assign and convey to the assignee all the estate, real and personal, of the bankrupt, with all his deeds, books and papers relating thereto, and such assignment shall relate back to the commencement of said proceedings in bankruptcy, and thereupon, by operation of law, the title to all such property and estate, both real and personal, shall vest in said assignee, although the same is then attached on mesne process as the property of the debtor, and shall dissolve any such attachment made within four months next preceding the commencement of said proceedings: *Provided, however*, That there shall be excepted from the operation of the provisions of this section the necessary household and kitchen furniture, and such other articles and necessaries of such bankrupt as the said assignee shall designate and set apart, having reference in the amount to the family, condition, and circumstances of the bankrupt, but altogether not to exceed in value, in any case, the sum of five hundred dollars; and also the wearing apparel of such bankrupt, and that of his wife and children, and the uniform, arms and equipments of any person who is or has been a soldier in the militia or in the service of the United States; and such other property as now is, or hereafter shall be exempted from attachment, or seizure, or levy on execution by the laws of the United States, and such other property not included in the foregoing exceptions as is exempted from levy and sale upon execution or other process or order of any court by the laws of the State in which the bankrupt has his domicile at the time of the commencement of the

proceedings in bankruptcy, to an amount not exceeding that allowed by such State exemption laws in force in the year eighteen hundred and sixty-four: *Provided*, That the foregoing exception shall operate as a limitation upon the conveyance of the property of the bankrupt to his assignees; and in no case shall the property hereby excepted pass to the assignees, or the title of the bankrupt thereto be impaired or affected by any of the provisions of this act; and the determination of the assignee in the matter shall, on exception taken, be subject to the final decision of said court; *And provided further*, That no mortgage of any vessel or of any other goods or chattels, made as security for any debt or debts, in good faith and for present considerations and otherwise valid, and duly recorded, pursuant to any statue of the United States, or of any State, shall be invalidated or affected hereby; and all the property conveyed by the bankrupt in fraud of his creditors; all rights in equity, chooses in action, patents and patent rights and copyrights: all debts due him, or any person for his use, and all liens and securities therefor; and all his rights of action for property or estate, real or personal, and for any cause of action which the bankrupt had against any person arising from contract or from the unlawful taking or detention, or of injury to the property of the bankrupt, and all his rights of redeeming such property or estate, with the like right, title, power, and authority to sell, manage, dispose of, sue for and recover or defend the same, as the bankrupt might or could have had if no assignment had been made, shall in virtue of the adjudication of bankruptcy and the appointment of his assignee, be at once vested in such assignee; and he may sue for and recover the said estate debts and effects, and may prosecute and defend all suits at law or in equity, pending at the time of the adjudication of bankruptcy, in which such bankrupt is a party in his own name, in the same manner and with the like effect as they might have been presented or defended by such bankrupt; and a copy duly certified by the clerk of the court, under the seal thereof, of the assignment made by the judge or register as the case may be, to him as assignee, shall be conclusive evidence of his title as such assignee to take hold, sue for, and recover the property of the bankrupt, as hereinbefore mentioned; but no property held by the bankrupt in trust shall pass by such assignment. No person shall be entitled to maintain an action against an assignee, in bankruptcy for anything done by him as such assignee, without previously giving him twenty days' notice of such action specifying the cause thereof, to the end that such assignee may have an opportunity of tendering amends, should he see fit to do so. No person shall be entitled, as against the assignee, to withhold from him possession of any books of account of the bankrupt, or claim any lien thereon; and no suit in which the assignee is a party shall be abated by his death, or removal from office, but the same may be prosecuted and defended by his successor, or by the surviving or remaining assignee, as the case may be. The assignee shall have authority, under the order and direction of the court, to redeem or discharge any mortgage or conditional contract, or pledge or deposit, or lien upon any property, real or personal, whenever payable, and to tender due performance of the condition thereof, or to sell the same subject to such mortgage, lien or other incumbrances. The debtor shall also, at the request of the assignee and at the expense of the estate, make and execute any instruments, deeds and writings which may be proper to enable the assignee to possess himself fully of all the assets of the bankrupt. The assignee shall immediately give notice of his appointment, by publication at least once a week for three successive weeks, in such newspapers as shall for that purpose be designated by the court, due regard being had to their general circulation in the district or in that portion of the district in which the bankrupt and his creditors shall reside, and shall, within six months, cause the assignment to him to be recorded in every registry of deeds or other office within the United States where a conveyance of any lands owned by the bankrupt ought by law to be recorded; and the record of such assignment, or a duly certified copy thereof, shall be evidence thereof in all courts.

SEC. 15. *And be it further enacted*, That the assignee shall demand and receive from any and all persons holding the same all the estate assigned or intended to be assigned under the provisions of this act; and he shall sell all such unencumbered estates, real and personal, which comes to his hands, on such terms as he thinks most for the interest of the creditors, but upon petition of any person interested, and for cause shown, the court may make such order concerning the time, place and manner of sale as will, in its opinion, prove to the interest of the creditors; and the assignee, shall keep a regular account of all money received by him as assignee, to which every creditor shall, at reasonable times, have free resort.

SEC. 16. *And be it further enacted*, That the assignee shall have the like remedy to recover all said estate, debts and effects in his own name, as the debtor might have had if the decree in bankruptcy had not been rendered and no assignment had been made. If, at the time of the commencement of proceedings in bankruptcy, an action is pending in the name of the debtor for the recovery of a debt or other thing which might or ought to pass the assignee by the assignment, the assignee shall, if he requires it, be admitted to prosecute the action in his own name, in like manner and with like effect as if it had been originally commenced by him. No suit pending in the name of the assignee shall be abated by his death or removal; but upon the motion of the surviving or remaining or new assignee, as the case may be, he shall be admitted to prosecute the suit in like manner and with like effect as if it had been originally commenced by him. In suits prosecuted by the assignee a certified copy of the assignment made to him by the judge or register shall be conclusive evidence of his authority to sue.

SEC. 17. *And be further enacted*, That the assignee shall, as soon as may be after receiving any money belonging to the estate, deposit the same in some bank in his name as assignee, or otherwise keep it distinct and apart from all other money in his posseseion; and shall as far as practicable, keep all goods and effects belonging to the estate separate and apart from all other goods in his possession, or designated by appropriate marks, so that they may be easily and clearly distinguished, and may not be exposed or liable to be taken as his property or for the payment of his debts. When it appears that the distribution of the estate may be delayed by litigation or other cause, the court may direct the temporary investment of the money belonging to such estate in securities to be approved by the judge or a register of said court, or may authorize the same to be deposited in any convenient bank upon such interest, not exceeding the legal rate, as the bank may contract with the assignee to pay thereon. He shall give written notice to all known creditors by mail or otherwise, of all dividends, and such notice of meetings, after the first, as may be ordered by the court. He shall be allowed, and may retain out of money in his hands, all the necessary disbursements made by him in the discharge of his duty, and a reasonable compensation for his services, in the discretion of the court. He may, under the direction of the court, submit any controversy, arising in the settlement of demands against the estate, or of debts due to it, to the determination of arbitrators to be chosen by him and the other party to the controversy, and may under such direction, compound and settle any such controversy, by agreement with the other party, as he thinks proper and most for the interest of the creditors.

SEC. 18. *And be it further enacted*, That the court after due notice and hearing, may remove an assignee for any cause which, in the judgment of the court, renders such removal necessary or expedient. At a meeting called by order of the court in its discretion for the purpose, or which shall be called upon the application of a majority of the creditors in number and value, the creditors may, with consent of [the] court, remove any assignee by such a vote as is hereinbefore provided for the choice of assignee. An assignee may, with the consent of the judge, resign his trust and be discharged therefrom. Vacancies caused by death or otherwise in the office of assignee may be filled by appointment of the court, or at its discretion by an election by the creditors, in the manner hereinbefore provided, at a regular meeting, or at a meeting called for the purpose, with such notice thereof in writing to all known creditors, and by such person as the court shall direct. The resignation or removal of an assignee shall in no way release him from performing all things requisite on his part for the proper closing up of his trust and the transmission thereof to his successors, nor shall it affect the liability of the principal or surety on the bond given by the assignee. When, by death or otherwise, the number of assignees is reduced, the estate of the debtor not lawfully disposed of shall vest in the remaining assignee or assignees, and the persons selected to fill vacancies, if any, with the same powers and duties relative thereto as if they were originally chosen. Any former assignee, his executors or administrators, upon request, and at the expense of the estate, shall make and execute to the new assignee, all deeds, conveyances, and assurances, and do all other lawful acts requisite to enable him to recover and receive all the estate. And the court may make all orders which it may deem expedient to secure the proper fulfilment of the duties of any former assignee, and the rights and interests of all persons interested in the estate. No person who has received any preference contrary to the provisions of this act shall vote for or be eligible as assignee; but no title to property, real or personal, sold, transferred or conveyed by an assignee, shall be affected or impaired by reason of his ineligibility. An assignee refusing or unreasonably neglecting to execute an instrument when lawfully required by the court, or disobeying a lawful order or decree of the court in the premises, may be punished as for a contempt of court.

OF DEBTS AND PROOF OF CLAIMS.

SEC. 19. *And be it further enacted*, That all debts due and payable from the bankrupt at the time of the adjudication of bankruptcy, and all debts then existing but not payable until a future day, a rebate of interest being made when no interest is payable by the terms of the contract, may be proved against the estate of the bankrupt. All demands against the bankrupt for or on account of any goods or chattels wrongfully taken, converted or withheld by him may be proved and allowed as debts to the amount of the value of the property so taken or withheld with interest. If the bankrupt shall be bound as drawer, endorser, surety, bail, or guarantor upon any bill, bond, note, or any other specialty or contract, or for any debt of another person, and his liability shall not have become absolute until after the adjudication of bankruptcy, the creditor may prove the same after such liability shall have become fixed, and before the final dividend shall have been declared. In all cases of contingent debts and contingent liabilities contracted by the bankrupt, and not herein otherwise provided for, the creditor may make claim therefor, and have his claim allowed, with the

right to share in the dividends, if the contingency shall happen before the order for the final dividend; or he may at any time apply to the court to have the present value of the debt or liability ascertained and liquidated, which shall then be done in such manner as the court shall order, and he shall be allowed to prove for the amount so ascertained. Any person liable as bail, surety, guarantor, or otherwise for the bankrupt, who shall have paid the debt, or any part thereof, in discharge of the whole, shall be entitled to prove such debt or to stand in the place of the creditor if he shall have proved the same, although such payments shall have been made after the proceedings in bankruptcy were commenced. And any person so liable for the bankrupt, and who has not paid the whole of said debt, but is still liable for the same, or any part thereof, may, if the creditor fail or omit to prove such debt, prove the same either in the name of the creditor or otherwise, as may be proved by the rules, and subject to such regulations and limitations as may be established by such rules. Where the bankrupt is liable to pay rent or other debt, falling due at fixed and stated periods, the creditor may prove for a proportionate part thereof up to the time of the bankruptcy, as if the same grew due from day to day, and not at such fixed and stated periods. If any bankrupt shall be liable for unliquidated damages arising out of any contract or promise, or on account of any goods or chattels wrongfully taken, converted, or withheld, the court may cause such damages to be assessed in such mode as it may deem best, and the sum so assessed may be proved against the estate. No debts other than those above specified shall be proved or allowed against the estate.

SEC. 20. *And be it further enacted*, That, in all cases of mutual debts or mutual credits between the parties, the account between them shall be stated, and one debt set off against the other, and the balance only shall be allowed or paid, but no set-off shall be allowed of a claim in its nature not proveable against the estate: *Provided*, That no set-off shall be allowed in favor of any debtor to the bankrupt of a claim purchased by or transferred to him after the filing of the petition. When a creditor has a mortgage or pledge of real or personal property of the bankrupt, or a lien thereon for securing the payment of a debt owing to him from the bankrupt, he shall be admitted as a creditor only for the balance of the debt after deducting the value of such property to be ascertained by agreement between him and the assignee, or by a sale thereof, to be made in such manner as the court shall direct; or the creditor may release or convey his claim to the assignee upon such property, and be admitted to prove his whole debt. If the value of the property exceeds the sum for which it is so held as security, the assignee may release to the creditor the bankrupt's right of redemption therein on receiving such excess; or he may sell the property subject to the claim of the creditor thereon; and in either case the assignee and creditor, respectively, shall execute all deeds and writings necessary or proper to consummate the transaction. If the property is not so sold or released and delivered up, the creditor shall not be allowed to prove any part of his debt.

SEC. 21. *And be it further enacted*, That no creditor proving his debt or claim shall be allowed to maintain any suit at law or in equity therefor against the bankrupt, but shall be deemed to have waived all right of action and suit against the bankrupt, and all proceedings already commenced, or unsatisfied judgments already obtained thereon, shall be deemed to be discharged and surrendered thereby; and no creditor whose debt is proveable under this act shall be allowed to prosecute to final judgment any suit at law or in equity therefor against the bankrupt, until the question of the debtor's discharge shall have been determined; and any such suit or proceedings shall, upon the application of the bankrupt, be stayed to await the determination of the court in bankruptcy on the question of the discharge, provided there be no unreasonable delay on the part of the bankrupt in endeavoring to obtain his discharge, and provided, also, that if the amount due the creditor is in dispute, the suit, by leave of the court in bankruptcy, may proceed to judgment for the purpose of ascertaining the amount due, which amount may be proved in bankruptcy, but execution shall be stayed as aforesaid. If any bankrupt shall at the time of adjudication, be liable upon any bill of exchange, promissory note, or other obligation in respect of distinct contracts as a member of two or more firms carrying on separate and distinct trades, and having distinct estates to be wound up in bankruptcy, or as a sole trader and also [as] a member of a firm, the circumstance that such firms are in whole or in part composed of the same individuals, or that the sole contractor is also one of the joint contractors, shall not prevent proof and receipt of dividend in respect of such distinct contracts against the estates respectively liable upon such contracts.

SEC. 22. *And be it further enacted*, That all proofs of debts against the estate of the bankrupt by or in behalf of creditors residing within the judicial district where the proceedings in bankruptcy are pending, shall be made before one of the registers of the court in said district, and by or in behalf of non-resident debtors before any register in bankruptcy in the judicial district where such creditors or either of them reside, or before any commissioner of the Circuit Court authorized to administer oaths in any district. To entitle a claimant against the estate of a bankrupt to have his demand allowed, it must be verified by a deposition in writing on oath or solemn affirmation before the proper register or commissioner, setting forth the demand, the consideration thereof, whether any and what securities are held therefor, and whether any and what payments have been made thereon; that the sum claimed is justly due from the bankrupt to the claimant; that the claimaint has not nor has any other person for his use received any security or satisfaction whatever other than that by him set forth, that the claim was not procured for the purpose of influencing the proceedings under this act, and that no bargain or agreement, express or implied, has been made or entered into, by or on behalf of such creditor to sell, transfer, or dispose of the said claim or any part thereof, against such bankrupt, or take or receive, directly or indirectly, any money, property, or consideration whatever, whereby the vote of such creditor, for assignee, or any action on the part of such creditor or any other person in the proceedings under this act, is or shall be in any way affected, influenced or controlled, and no claim shall be allowed unless all the statements set forth in such deposition shall appear to be true. Such oath or solemn affirmation shall be made by the claimant, testifying of his own knowledge, unless he is absent from the United States or prevented by some other good cause from testifying in which cases the demand may be verified in like manner by the attorney or authorized agent of the claimant testifying to the best of his knowledge, information and belief, and setting forth his means of knowledge; or if in a foreign country, the oath of the creditor may be taken before any minister, consul, or vice consul of the United States; and the court may, if it shall see fit, require or receive further pertinent evidence, either for or against the admission of the claim. Corporations may verify their claims by the oath or solemn affirmation of their president, cashier, or treasurer. If the proof is satisfactory to the register or commissioner, it shall be signed by the deponent, and delivered or sent by mail to the assignee, who shall examine the same and compare it with the books and accounts of the bankrupt, and shall register, in a book to be kept by him for that purpose, the names of creditors who have proved their claims, in the order in which such proof is received, stating the time of receipt of such proof, and the amount and nature of the debts, which books shall be open to the inspection of all the creditors. The court may, on the application of the assignee, or of any creditor or of the bankrupt, or without any application examine upon oath the bankrupt, or any person tendering or who has made proof of claims, and may summon any person capable of giving evidence concerning such proof, or concerning the debt sought to be proved, and shall reject all claims not duly proved, or where the proof shows the claim to be founded in fraud, illegality, or mistake.

SEC. 23. *And be it further enacted*, That when a claim is presented for proof before the election of the assignee, and the judge entertains doubts of its validity or of the right of the creditor to prove it, and is of opinion that such validity or right ought to be investigated by the assignee, he may postpone the proof of the claim until the assignee is chosen. Any person who, after the approval of this act, shall have accepted any preference, having reasonable cause to believe that the same was made or given by the debtor, contrary to any provision of this act, shall not prove the debt or claim on account of which the preference was made or given, nor shall he receive any dividend therefrom until he shall first have surrendered to the assignee all property, money, benefit, or advantage received by him under such preference. The court shall allow all debts duly proved, and shall cause a list thereof to be made and certified to by one of the registers; and any creditor may act at all meetings by his duly constituted attorney the same as though personally present.

SEC. 24. *And be it further enacted*, That a supposed creditor who takes an appeal to the circuit court from the decision of the district court rejecting his claim in whole or in part, shall, upon entering his appeal in the circuit court, file in the clerk's office thereof a statement in writing of his claim, setting forth the same substantially, as in a declaration for the same cause of action at law, and the assignee shall plead or answer thereto in like manner, and like proceedings shall thereupon be had in the pleadings, trial and determination of the cause, as in an action at law commenced and prosecuted in the usual manner in the courts of the United States, except that no execution shall be awarded against the assignee for the amount of a debt found due to the creditor. The final judgment of the court shall be conclusive, and the list of debts shall, if necessary, be altered to conform thereto. The party prevailing in the suit shall be entitled to costs against the adverse party to be taxed and recovered as in suits at law; if recovered against the assignee they shall be allowed out of the estate. A bill of exchange, promissory note, or other instrument, used in evidence upon the proof of a claim, and left in court or deposited in the clerk's office may be delivered by the register or clerk having the custody thereof, to the person who used it, upon his filing a copy thereof, attested by the clerk of the court, who shall endorse upon it the name of the party against whose estate it has been proved, and the date and amount of any dividend declared thereon.

OF PROPERTY PERISHABLE AND IN DISPUTE.

SEC. 25. *And be it further enacted*, That when it appears to the satisfaction of the court that the estate of the debtor, or any part thereof, is of a perishable nature, or liable to deteriorate in value, the court may order the same to be sold, in such manner as may be deemed most expedient, under the direction of the

messenger or assignee, as the case may be, who shall hold the funds received in place of the estate disposed of; and whenever it appears to the satisfaction of the court that the title to any portion of an estate, real or personal, which has come into possession of the assignee, or which is claimed by him, is in dispute, the court may, upon the petition of the assignee, and after such notice to the claimant, his agent or attorney, as the court shall deem reasonable, order it to be sold, under the direction of the assignee, who shall hold the funds received in place of the estate disposed of; and proceeds of the sale shall be considered the measure of the value of the property in any suit or controversy between the parties in any courts. But this provision shall not prevent the recovery of the property from the possession of the assignee by any proper action commenced at any time before the court orders the sale.

EXAMINATION OF BANKRUPTS.

SEC. 26. *And be it further enacted*, That the court may, on the application of the assignee in bankruptcy, or of any creditor, or without any application, at all times require the bankrupt, upon reasonable notice, to attend and submit to an examination, on oath, upon all matters relating to the disposal or condition of his property, to his trade and dealings with others, and his accounts concerning the same, to all debts due to or claimed from him, and to all other matters concerning his property and estate and the due settlement thereof according to law, which examination shall be in writing, and shall be signed by the bankrupt and filed with the other proceedings; and the court may, in like manner, require the attendance of any other person as a witness, and if such person shall fail to attend, on being summoned thereto, the court may compel his attendance by warrant directed to the marshal, commanding him to arrest such person and bring him forthwith before the court, or before a register in bankruptcy, for examination as such witness. If the bankrupt is imprisoned, absent, or disabled from attendance, the court may order him to be produced by the jailer, or any officer in whose custody he may be, or may direct the examination to be had, taken, and certified, at the time and place and in such manner as the court may deem proper, and with like effect as if such examination had been had in court, The bankrupt shall at all times, until his discharge, be subject to the order of the court, and shall, at the expense of the estate, execute all proper writings and instruments, and do and perform all acts required by the court touching the assigned property or estate, and to enable the assignee to demand, recover, and receive all the property and estate assigned, wherever situated; and for neglect or refusal to obey any order of the court, such bankrupt may be punished and committed as for a contempt of court. If the bankrupt is without the district, and unable to return and personally attend at any of the times or do any of the acts which may be specified or required pursuant to this section, and if it appears that such absence was not caused by wilful default, and if, as soon as may be after the removal of such impediment, he offers to attend and submit to the order of the court in all respects, he shall be permitted so to do, with like effect as if he had not been in default. He shall also be at liberty, from time to time, upon oath to amend and correct his schedule of creditors and property, so that the same shall conform to the facts. For good cause shown, the wife of any bankrupt may be required to attend before the court, to the end that she may be examined as a witness; and if such wife do not attend at the time and place specified in the order, the bankrupt shall not be entitled to a discharge unless he shall prove to the satisfaction of the court that he was unable to procure the attendance of his wife. No bankrupt shall be liable to arrest during the pendency of the proceedings in bankruptcy in any civil action, unless the same is founded on some debt or claim from which his discharge in bankruptcy would not release him.

OF THE DISTRIBUTION OF THE BANKRUPT'S ESTATE.

SEC. 27. *And be it further enacted*, That all creditors whose debts are duly proved and allowed shall be entitled to share in the bankrupt's property and estate pro rata, without any priority or preference whatever, except that wages due from him to any operative, or clerk, or house servant, to an amount not exceeding fifty dollars, for labor performed within six months next preceding the adjudication of bankruptcy, shall be entitled to priority, and shall be first paid in full: *Provided*, That any debt proved by any person liable as bail, surety, guarantor, or otherwise, for the bankrupt, shall not be paid to the person so proving the same until satisfactory evidence shall be produced of the payment of such debt by such person so liable, and the share to which such debt would be entitled may be paid into court, or otherwise held for the benefit of the party entitled thereto, as the court may direct. At the expiration of three months from the date of adjudication of bankruptcy in any case, or so much earlier as the court may direct, the court, upon request of the assignee, shall call a general meeting of the creditors, of which due notice shall be given, and the assignee shall then report, and exhibit to the court and to the creditors just and true accounts of all his receipts and payments, verified by his oath, and he shall also produce and file vouchers for all payments for which vouchers shall be required by any rule of the court; he shall also submit the schedule of the bankrupt's creditors and property as amended, duly verified by the bankrupt, and a statement of the whole estate of the bankrupt as then ascertained, of the property recovered and of the property outstanding, specifying the cause of it being outstanding, also what debts or claims are yet undetermined, and stating what sum remains in his hands. At such meeting the majority in value of the creditors present shall determine whether any and what part of the net proceeds of the estate, after deducting and retaining a sum sufficient to provide for all undetermined claims which, by reason of the distant residence of the creditor, or for other sufficient reason, have not been proved, and for other expenses and contingencies, shall be divided among the creditors; but unless at least one-half in value of the creditors shall attend such meeting, either in person or by attorney, it shall be the duty of the assignee so to determine. In case a dividend is ordered, the register shall, within ten days after such meeting, prepare a list of creditors entitled to dividend, and shall calculate and set opposite to the name of each creditor who has proved his claim the dividend to which he is entitled out of the net proceeds of the estate set apart for dividend, and shall forward by mail to every creditor a statement of the dividend to which he is entitled, and such creditor shall be paid by the assignee in such manner as the court may direct.

[*To be concluded in our next.*]

PARTIES wishing EMERSON'S INTERNAL REVENUE GUIDE for 1867, can have them by applying at this office. Price, paper covers, $1.00, cloth, $1.25. Sent by mail, prepaid, on receipt of price

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ATTENTION is called to the omission in the original of Series 2, No. 11, (RECORD Vol. V., pp. 83-84) of several important words. On page 7 of the Pamphlet, (RECORD Vol. V., p. 84) after the word "by" and before the word "the," the words "itself and then by" should be inserted, so as to make it read, "Multiply this sum by itself and then by the height, and the product by .0034."—&c.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 18. NEW YORK, MAY 4, 1867. WHOLE NUMBER, 122.

TABLE OF CONTENTS.

REVIEW.

THE attention of Assessors and Assistant Assessors, in the Southern States particularly, is directed to Circular 62, which instructs them to make assessments against any National Bank, State Bank, Banker or Association, for the ten per cent. tax on the amount of notes of any *town, city*, or *municipal corporation* paid out by them after the first day of May, 1867.

The ruling in regard to the taxation of soap, is important in view of determining and enforcing a uniform practice. The tax accrues on common brown soap in bars, provided it be sold at over seven cents per pound, and on all soap other than common brown, in bars, if sold at over three cents per pound. The assistant assessor or assessor, and not the manufacturer, is the proper person to determine the taxability of any soap, and in order so to do, the manufacturer should make return of his sales of soap under oath, and the officer should carefully investigate the facts in each case in order to ascertain whether the returns are made in accordance with the decision of the Commissioner. Any neglect or carelessness may seriously injure the revenue, as the opportunities for *ignorant* and *innocent* evasion of the tax in these cases will not be unfrequent.

The decision respecting the stamp duty on bonds and mortgages is of great moment in its bearings on the issue of bonds by railroad and other corporations. Much uneasiness has been caused by the diversity of practice which has prevailed in the stamping of such instruments.

Assistant assessors will note two decisions on income, which are just promulgated. Though legacies and successions received in 1867 are not returnable as income, yet in the case of annuties, the annual payment is regarded as income, and should be returned for taxation.

IMPORTANT TO NEW APPOINTEES.—We have a few complete sets of the RECORD from April 15, 1865, containing the official regulations and decisions issued during that period. Price for volumes 1, 2, 3 and 4, bound separately in cloth, $10. Bound in 2 volumes, 1865–1866, $9; unbound, $8. These are invaluable to new Assessors and Collectors, and to Lawyers who have or seek Internal Revenue business.

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THE attention of our readers is called to the liberal offers made by this Journal to induce them to use their efforts to extend its circulation. The great advantages which accrue to individual tax-payers, as well as the Government, from exactitude and uniformity in assessing and collecting Internal Revenue, have often been demonstrated. Our Government is of the people and for the people. Those who defraud it of its revenue, defraud their neighbors, by shifting to the shoulders of others their proportion of the National burden. The same dishonor should attach which taints such in a breach of mercantile faith.

Many of the evasions of revenue are undoubtedly owing primarily to want of correct information of the obligations of tax-payers, and the revenue has been seriously injured by the lack of knowledge of the laws and decisions of the authorities. These defects may be corrected in a great measure by a more extended circulation of the RECORD, which is authority on the subject.

The time and labor to be expended in obtaining subscribers, are not asked to be given gratuitously. Ample rewards and compensations are offered. The annual subscription price is $5, or $2 50 for a half year, beginning with January or July of each year. It is worth nothing if not worth that amount to every tax-payer in the land. One dollar is offered, and will be allowed, any person who obtains and forwards a new yearly subscriber during the year 1867. The person who obtains the greatest number of new subscribers will be paid January 1st, 1868, *Two hundred dollars in gold!* Two hundred dollars in greenbacks will be faithfully paid to the person who forwards the next greatest number. The same to the next—the next—and the next! The conditions are stated in the published offer in another column.

Many active persons in several sections of the country are competing for the honor and profit. It is not too late for others to begin. Volume VI. will begin with July next, and the best opportunity is now presented to competitors. Samples will be sent on application.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

MANUFACTURES.

Fire Grates, Castings, and Increased Value.

Fire grates are not stoves within the meaning of the internal revenue laws. The castings of a grate constitute the principal part of it, and are to be regarded as the *grate;* and the sheet iron, wrought iron and soap-stone portions as additions more completely fitting it for use. The finished grate is taxable at the rate of five per cent. upon its value, less the cost or value of the taxed castings composing it.

Soap, Sold in Boxes.

Any soap, other than "common brown, in bars," sold at above three cents per pound, and "common brown in bars," if sold at over seven cents per pound, is taxable. The price at which soap is sold determines its liability. This price is the sum paid by the purchaser *for the soap*, without any deduction of expenses of sale, &c. If the box containing the soap is charged to the purchaser as a separate and distinct item in the bill, according to the custom of the trade, it would not be included in fixing the value of the soap for purposes of taxation. In such case the charge for the box must not exceed its cost or value, and an undervaluation of the soap, and overvaluation of the box, is to be regarded as an attempted fraud upon the revenue.

INCOME.

Legacies and Successions not Income.

Legacies and successions are not returnable as income; but when a legacy or succession consists of an annuity for a term of years, the annual payments constitute income, and should be taxed as such, although a succession tax or a legacy tax may have been paid upon the present worth of the annuity.

Income from Sale of Real Estate.

If part of a piece of real estate purchased since December 31st, 1863, was sold in 1866, the excess of the sum received therefor over the sum paid for the same portion, should be returned as income.

STAMP TAXES.

Bonds and Mortgage.

Whenever a bond or note is secured by a mortgage, but one stamp is necessary upon such papers, "provided that the stamp duty placed thereon shall be the highest required for said instruments or either of them." (Section 160.) A mortgage given to secure bonds which are to be issued from time to time as sales of them can be made, is valid so far as stamp taxes are concerned, though no stamps are affixed thereto if the bonds are properly stamped as provided in the section above mentioned, *as they are issued.*

[CIRCULAR No. 62.]

Concerning the Tax of Ten Per Cent. on the Notes of any Town, City, or Municipal Corporation.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, April 20, 1867.

The second section of the Act of March 26, 1867, enacts:

"That every National Banking Association, State Bank or Banker, or Association, shall pay a tax of ten per centum on the amount of notes of any town, city, or municipal corporation paid out by them after the first day of May, 1867, to be collected in the mode and manner in which the tax on the notes of State Banks is collected."

It is understood that there is a large amount of these notes in circulation, particularly in the Southern States, and the attention of revenue officers and others is hereby called to the foregoing section.

Assessors will instruct their Assistants to make assessments for said tax against any National Banking Association, State Bank, Banker, or Association, which shall pay out the notes in question after the first day of May, 1867.

THOMAS HARLAND,
Acting Commissioner.

SECRETARY'S OFFICE—CUSTOMS.

Circular Instructions to Collectors and other Officers of the Customs.

TREASURY DEPARTMENT,
Washington, Sept. 5, 1866.

The following regulations, prepared by the Department, are transmitted for the information and government of officers of the Customs.

H. MCCULLOCH,
Secretary of the Treasury.

The first section of the Act of Congress, approved July 28, 1866, provides:

"That on and after the first day of August, eighteen hundred and sixty-six, no segars shall be imported unless the same are packed in boxes of not more than five hundred cigars in each box; and no entry of any imported cigars shall be allowed of a less quantity than three thousand in each single package; and all cigars on importation shall be placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected and a stamp affixed to each box indicating such inspection, with the date thereof. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps and make all necessary regulations for carrying the above provisions of law into effect."

In order to carry this provision into effect the Department has provided for the furnishing of the requisite stamps, and made the following regulations:

Collecters of Customs, where they have sufficient accommodations in public stores, will order all importations of cigars to such stores, where they will be examined, appraised, inspected and stamped — the examination and appraisement to be made under the personal supervision of an Assistant Appraiser, under the direction of the Chief Appraiser; the inspection and stamping to be done by an officer of the customs designated as Inspector of Cigars, who shall stamp each box of cigars and enter, in a proper record book, an account of each importation, stating date of arrival, names of importers or consignees, name of vessel, number of packages, and number of boxes, with quantities and invoice values, an abstract of which he will make to the Collector of Customs at the close of each month, to be transmitted by the Collector with his monthly account of receipts and deliveries of stamps to this Department. If there be not sufficient accommodations in public stores, a bonded warehouse, on the recommendation of the Collector of the Port, will be designated by this Department, to which all importations of cigars will be ordered, and kept in a room separate from other merchandise until the examination, appraisement, inspection, and stamping shall have been properly done.

The inspector will be supplied with stamps by the Collector of the Port, who will take his receipts in duplicate, and charge and credit the Inspector's stamp account upon the rendition of his monthly account, which must show the number of stamps received from the Collector, the number used in stamping, which must agree with his monthly abstract of record, the difference being represented by stamps on hand.

For the purpose of speedy delivery of cigars already in warehouse, stamps similar to internal revenue stamps will be furnished for temporary use; they will be printed with red ink, and may be filled up by the Customs Cigar Inspector in such a manner as to distinguish them from the internal revenue stamp.

At ports where there are no Appraisers, the Customs Officers, authorized by law to act as Appraisers, shall perform the duties enumerated above.

Circular to Fishing Ports.

TREASURY DEPARTMENT,
April 6, 1867.

It is represented to the Department that vessels licensed for the fisheries frequently return from their voyages having on board a residue of the salt taken at the commencement of the voyage, which they desire to use on shore in completing the cure of the fish taken by the vessel. This salt is understood to be frequently saturated with moisture from the fish, or otherwise rendered of no value except for the purpose specified; and the Department sees no reason why, under such circumstances, permission may not be given, under proper restrictions, to use such salt on shore.

Collectors are therefore authorized to grant special permits, upon application, to enable such remaining portions of salt to be landed without forfeiture of the bond given under the regulations of September 17, 1866.

But the privilege can only be claimed by a vessel at the port from which the salt was taken, and where the bond is filed, and Collectors will be required to exercise great vigilance to satisfy themselves that no fraud is perpetrated or attempted, but that the salt is in fact used solely in curing the fish taken by the vessel landing the salt. The bond given when the salt was first taken will not be cancelled until all such residue has been used, or the duty upon it paid.

The evidence to cancel the bond must be in conformity with the regulations of September last, above referred to, and filed within the time limited by the bond.

Collectors will take care that the privilege is not abused so as to serve as a cloak for evading the duties; the salt must be carried on the voyage, to be used in curing the fish taken on that trip, and not taken on board simply to satisfy the words of the statute with a design of landing it at once to be used on shore.

Collectors must exercise a careful discrimination, issuing no permits and cancelling no bonds unless satisfied that there has been good faith throughout.

The oath and bond given upon the entry of the salt for withdrawal from bond for the purpose specified will be in the form appended hereto.

HUGH MCCULLOCH,
Secretary of the Treasury.

FORM OF OATH.

I do solemnly, sincerely, and truly swear that the salt described in the with n entry, now delivered by me to the Collector of Customs for the port of———, is truly intended to be used in curing fish taken on board said——— during the fishing season of eighteen hundred and———, and is not intended to be relanded within the United States without proper permit. I further swear that, to the best of my knowledge and belief, the said salt is the same in quality, quantity, and value, wastage and drainage excepted; So help me God.

—— ——

Sworn to this———day of——— 18—, before me.

—— ——

Collector.

FORM OF BOND.

Know all men by these presents, that we———, as principals, and —— and —— as sureties, are held and firmly bound unto the United States of America in the sum of —— dollars; for the payment whereof to the United States we bind ourselves, our heirs, executors, administrators, and assigns, jointly and severally, firmly by these presents; as witness our hands and seals this——— day of——— eighteen hundred and———.

The condition of this obligation is such that, whereas there has been laden on board the——— of which——— is master, to be used in curing fish taken by the said vessel, ———, net pounds of imported salt in bond, as appears by the certificate of the Inspector of Customs at the port of———, lodged in the office of the Collector of Customs for the District of———

If, therefore, the said salt shall be actually used in curing fish taken by the said vessel, according to the requirements of the regulations of the Treasury Department of the United States, and shall not be relanded in the United States without proper entry or permit at the port of withdrawal, agreeably to the aforesaid Treasury Regulations; and if the proofs required by the Secretary of the Treasury of the due consumption of the said salt in the manner herein specified shall be produced to the Collector of Customs for the time being of the port of———on or before the first day of January next after the date hereof, then this obligation shall be void and of no effect; otherwise of full force and virtue.

—— —— [SEAL.]
[Int. Rev. Stamp.] —— —— [SEAL.]
—— —— [SEAL.]

Signed, sealed, and delivered in presence of us—,

———
———

[CIRCULAR No. 1.]

To Collectors of Customs and Supervising and Local Inspectors of Steamboats.

TREASURY DEPARTMENT,
April 10, 1867.

SIR: In order to prevent embarrassment and needless expense in the transportation of Friction Matches, your attention is directed to Public Resolution No. 10, approved March 22, 1867, amending the Fifth Division of the Ninth Section of "Act to provide for better security of the lives of passengers on board of vessels propelled in whole or in part by steam, and for other purposes," approved August 30th, 1852, and providing "that inspectors may, in the license therein provided for, exempt a steamer from the obligation to carry in a safe, chest, or apartment composed of or lined with metal, compact packages of Friction Matches, securely packed in strong, tight, wooden chests or boxes, the covers of which shall be firmly fastened on by locks, screws, or other fastenings, and which shall be stowed in a safe part of the steamer, designated in their license by the Inspectors, and at a safe distance from any fire."

You are hereby directed to carry into effect the provisions of the above Resolution, and you will see that all packages in which Friction Matches are placed on board of vessels propelled wholly or in part by steam, comply in security with the terms of said resolution.

Very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

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TREASURY DEPARTMENT,
April 1, 1867.

The following Joint Resolutions, passed at the late session of the Fortieth Congress, are published for the information and guidance of officers of the Customs.

H. MCCULLOCH,
Secretary of the Treasury.

Joint Resolution to supply an omission in the enrolment of the "Act to provide increased revenue from imported wool, and for other purposes."

Whereas, in the enrollment of the bill entitled "An Act to provide increased revenue from imported wool, and for other purposes," approved March second, eighteen hundred and sixty-seven, the words "Canada long wools" were inadvertently omitted from the paragraph designated under the heading "Class 2, Combing wools;" and whereas said words are in the engrossed bill, and were intended as part of the act aforesaid, as passed by the Thirty-Ninth Congress: Therefore—

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the "Act to provide increased revenue from imported wool, and for other purposes," aforesaid, be, and is hereby, amended by inserting after the words "Down combing wools," in the paragraph headed "Class 2, Combing Wools," the words "Canada long wools."

Approved, March 22, 1867.

Joint Resolution providing for the importation into the United States of certain works of art, duty free, and for other purposes.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this joint resolution any object of art imported by any individual or association of individuals for presentation as a gift, to the United States government, or to any State, county, or municipal government, shall be admitted free of duty, under such rules and regulations as the Secretary of the Treasury may prescribe.

SEC. 2. *And be it further resolved*, That the Secretary of the Treasury be, and he hereby is, authorized to refund the duties paid on any steam agricultural machinery imported into the United States during the current fiscal year as models or for experimental purposes, and to remit the duties on any steam machinery of like description which may be imported for such purpose prior to the thirtieth of June, eighteen hundred and sixty-eight: *Provided*, That this section shall apply only to steam ploughs.

SEC. 3. *And be it further resolved*, That the Secretary of the Treasury is hereby authorized and required to discontinue the employment of any officer or person employed under the acts for the collection of direct taxes in insurrectionary districts within the United States, whenever, in his judgment, their service is no longer needed; and he is hereby authorized to devolve upon any officer or officers of Internal Revenue in said districts any portion of the duties imposed by said acts, who shall perform such duties without additional compensation.

Approved, March 26, 1867.

By request of numerous patrons, we publish the full text of the Bankrupt Law, from copy procured from the original on file in Department of State. ED.

[OFFICIAL.]

LAWS OF THE UNITED STATES,

Passed by the Thirty-ninth Congress at its Second Session.

[*Public—No.* 91.]

An Act to Establish a Uniform System of Bankruptcy throughout the United States.

[*Continued from page* 135.]

SEC. 28. *And be it further enacted*, That the like proceedings shall be had at the expiration of the next three months, or earlier, if practicable, and a third meeting of creditors shall then be called by the court, and a final dividend then declared, unless any action at law or suit in equity, be pending, or unless some other estate or effects of the debtor afterwards comes to the hands of the assignee, in which case, the assignee shall, as soon as may be, convert such estate or effects into money, and within two months after the same shall be so converted the same shall be divided in manner aforesaid. Further dividends shall be made in like manner as often as occasion requires; and after the third meeting of creditors no further meeting shall be called unless ordered by the court. If at any time there shall be in the hands of the assignee any outstanding debts or other property, due or belonging to the estate, which cannot be collected and received by the assignee without unreasonable or inconvenient delay or expense, the assignee may, under the direction of the court, sell and assign such debts or other property in such manner as the court shall order. No dividend already declared shall be disturbed by reason of debts being subsequently proved, but the creditors proving such debts shall be entitled to a dividend equal to those already received by the other creditors before any further payment is made to the latter. Preparatory to the final dividend, the assignee shall submit his account to the court and file the same, and give notice to the creditors of such filing, and shall also give notice that he will apply for a settlement of his account, and for a discharge from all liability as assignee, at a time to be specified in such notice, and at such time the court shall audit and pass the accounts of the assignee, and such assignee shall, if required by the court, be examined as to the truth of such account, and if found correct, he shall thereby be discharged from all liability as assignee to any creditor of the bankrupt. The court shall thereupon order a dividend of the estate and effects, or of such part thereof as it sees fit, among such of the creditors as have proved their claims, in proportion to the respective amount of their said debts. In addition to all expenses necessarily incurred by him in the execution of his trust, in any case, the assignee shall be entitled to an allowance for his services in such case on all moneys received and paid out by him therein, for any sum not exceeding one thousand dollars, five per centum thereon; for any larger sum not exceeding five thousand dollars, two and a half per centum on the excess over one thousand dollars; and for any larger sum, one per centum on the excess of five thousand dollars; and if at any time there shall not be in his hands a sufficient amount of money to defray the necessary expenses required for the further execution of his trust, he shall not be obliged to proceed therein until the necessary funds are advanced or satisfactorily secured to him. If, by accident, mistake, or other cause without fault of the

assignee, either or both of the said second and third meetings should not be held within the time limited, the court may, upon motion of an interested party, order such meetings, with like effect as to the validity of the proceedings as if the meeting had been duly held. In the order for a dividend, under this section, the following claims shall be entitled to priority or preference, and to be first paid in full in the following order:

First. The fees, costs, and expenses of suits, and the several proceedings in bankruptcy under this act, and for the custody of property, as herein provided.

Second. All debts due to the United States, and all taxes and assessments under the laws thereof.

Third. All debts due to the State in which the proceedings in bankruptcy are pending, and all taxes and assessments made under the laws of such State.

Fourth. Wages due to any operative, clerk or house servant, to an amount not exceeding fifty dollars, for labor performed within six months next preceding the first publication of the notice of proceedings in bankruptcy.

Fifth. All debts due to any person who, by the laws of the United States, are or may be entitled to a priority or preference, in like manner as if this act had not been passed: *Always provided*, That nothing contained in this act shall interfere with the assessment and collection of taxes by the authority of the United States or any State.

OF THE BANKRUPT'S DISCHARGE AND ITS EFFECT.

SEC. 29. *And be it further enacted*, That at any time after the expiration of six months from the adjudication of bankruptcy, or if no debts have been proved against the bankrupt, or if no assets have come to the hands of the assignee, at any time after the expiration of sixty days, and within one year from the adjudication of bankruptcy, the bankrupt may apply to the court for a discharge from his debts, and the court shall thereupon order notice to be given by mail to all creditors who have proved their debts, and by publication at least once a week in such newspapers as the court shall designate, due regard being had to the general circulation of the same in the district, or in that portion of the district in which the bankrupt and his creditorsshall reside, to appear on a day appointed for that purpose, and show cause why a discharge should not be granted to the bankrupt. No discharge shall be granted, or, if granted, be valid, if the bankrupt has wilfully sworn falsely in his affidavit annexed to his petition, schedule, or inventory, or upon any examination in the course of the proceedings in bankruptcy, in relation to any material fact concerning his estate or his debts, or to any other material fact; or if he has concealed any part of his estate or effects, or any books or writings relating thereto, or if he has been guilty of any fraud or negligence in the care, custody, or delivery to the assignee of the property belonging to him at the time of the presentation of his petition and inventory, excepting such property as he is permitted to retain under the provisions of this act, or if he has caused, permitted, or suffered any loss, waste, or destruction thereof; or if, within four months before the commencement of such proceedings, he has procured his lands, goods, money, or chattels, to be attached, sequestered, or seized on execution; or if, since the passage of this act, he has destroyed, mutilated, altered, or falsified any of his books, documents, papers, writings, or securities, or has made or been privy to the making of any false or fraudulent entry in any book of account or other document, with intent to defraud his creditors; or has removed or caused to be removed any part of his property from the district, with intent to defraud his creditors; or if he has given any fraudulent preference contrary to the provisions of this act, or made any fraudulent payment, gift, transfer, conveyance, or assignment of any part of his property, or has lost any part thereof in gaming, or has admitted a false or fictitious debt against his estate; or if, having knowledge that any person has proved such false or fictitious debt, he has not disclosed the same to his assignee within one month after such knowledge; or if, being a merchant or tradesman, he has not, subsequently to the passage of this act, kept proper books of account; or if he, or any person in his behalf, has procured the assent of any creditor to the discharge, or influenced the action of any creditor at any stage of the proceedings, by any pecuniary consideration or obligation; or if he has, in contemplation of becoming bankrupt, made any pledge, payment, transfer, assignment, or conveyance of any part of his property, directly or indirectly, absolutely or conditionally, for the purpose of preferring any creditor or person having a claim against him, or who is or may be under liability for him, or for the purpose of preventing the property from coming into the hands of the assignee, or of being distributed under this act in satisfaction of his debts; or if he has been convicted of any misdemeanor under this act, or has been guilty of any fraud whatever contrary to the true intent of this act; and before any discharge is granted, the bankrupt shall take and subscribe an oath to the effect that he has not done, suffered, or been privy to any act, matter, or thing specified in this act as a ground for withholding such discharge, or as invalidating such discharge if granted.

SEC. 30. *And be it further enacted*, That no person who shall have been discharged under this act, and shall afterwards become bankrupt, on his own application shall again be entitled to a discharge whose estate is insufficient to pay seventy per centum of the debts proved against it, unless the assent in writing of three-fourths in value of his creditors who have proved their claims is filed at or before the time of application for discharge; but a bankrupt who shall prove to the satisfaction of the court that he has paid all the debts owing by him at the time of any previous bankruptcy, or who has been voluntarily released therefrom by his creditors, s all be entitled to a discharge in the same manner and with the same effect as if he had not previou ly been bankrupt.

SEC. 31. *And be it further enacted*, That any creditor opposing the discharge of any bankrupt may file a specification in writing of the grounds of his opposition, and the court may in its discretion order any question of fact so presented to be tried at a stated session of the District Court.

SEC. 32. *And be it further enacted*, That if it shall appear to the court that the bankrupt has in all things conformed to his duty under this act, and that he is entitled, under the provisions thereof, to receive a discharge, the court shall grant him a discharge from all his debts except as hereinafter provided, and shall give him a certificate thereof under the seal of the court, in substance as follows:

District Court of the United States. District of . Whereas has been duly adjudged a bankrupt under the act of Congress establishing a uniform system of bankruptcy throughout the United States, and appears to have conformed to all the requirements of law in that behalf, it is therefore ordered by the court that said be for ever discharged from all debts and claims which by said act are made proveable against his estate, and which existed on the day of , on which day the petition for adjudication was filed by (or against) him; excepting such debts, if any, as are by said act excepted from the operation of a discharge in bankruptcy. Given under my hand and the seal of the court at , in the said district, this day of , A. D.

(Seal) Judge.

SEC. 33. *And be it further enacted*, That no debt created by the fraud or embezzlement of the bankrupt, or by his defalcation as a public officer, or while acting in any fiduciary character, shall be discharged under this act; but the debt may be proved, and the dividend thereon shall be a payment on account of said debt; and no discharge granted under this act shall release, discharge, or affect any person liable for the same debt for or with the bankrupt either as partner, joint contractor, endorser, surety or otherwise. And in all proceedings in bankruptcy commenced after one year from the time this act shall go into operation, no discharge shall be granted to a debtor whose assets do not pay fifty per centum of the claims against his estate, unless the assent in writing of a majority in number and value of his creditors who have proved their claims is filed in the case at or before the time of application for discharge.

SEC. 34. *And be it further enacted*, That a discharge duly granted under this act shall, with the exceptions aforesaid, release the bankrupt from all debts, claims, liabilities and demands, which were or might have been proved against his estate in bankruptcy, and may be pleaded, by a simple averment that on the day of its date such discharge was granted to him, setting the same forth in hæc verba, as a full and complete bar to all suits brought on any such debts, claims, liabilities, or demands, and the certificate shall be conclusive evidence in favor of such bankrupt of the fact and [the] regularity of such discharge: *Always provided*, That any creditor or creditors of said bankrupt whose debt was proved or proveable against the estate in bankruptcy, who shall see fit to contest the validity of said discharge on the ground that it was fradulently obtained, may, at any time within two years after the date thereof, apply to the court which granted it to set aside and annul the same. Said application shall be in writing, shall specify which in particular of the several acts mentioned in section twenty-nine it is intended to give evidence of against the bankrupt, setting forth the grounds of avoidance, and no evidence shall be admitted as to any other of the said acts; but said application shall be subject to amendment at the discretion of the court. The court shall cause reasonable notice of said application to be given to said bankrupt, and order him to appear and answer the same, within such time as to the court shall seem fit and proper. If, upon the hearing of said parties, the court shall find that the fradulent acts, or any of them, set forth as aforesaid, by said creditor or creditors against the bankrupt are proved, and that said creditor or creditors had no knowledge of the same until after the granting of said discharge, judgment shall be given in favor of said creditor or creditors, and th discharge of said bankrupt shall be set aside and annulled. But if said court shall find that said said fradulent acts and all of them set forth as aforesaid, are not proved, or that they were known to said creditor or creditors before the granting of said discharge, then judgment shall be rendered in favor of the bankrupt, and the validity of his discharge shall not be affected by said proceedings.

PREFERENCES AND FRADULENT CONVEYANCES DECLARED VOID.

SEC. 35. *And be it further enacted*, That if any person, being insolvent, or in contemplation of insolvency, within four months before the filing of the petition by or against him, with a view to give a preference to any creditor or person having a claim against him, or who is under any liability for him, procures any part of his property to be attached, sequestered, or seized on execution or makes any payment, pledge, assignment, transfer, or conveyance of any part of

his property either directly or indirectly, absolutely or conditionally, the person receiving such payment, pledge, assignment, transfer or conveyance, or to be benefited the eby, or by such attachment, having reasonable cause to believe such person insolvent and that such attachment, payment, pledge, assignment, or conveyance, is made in fraud of the provisions of this act, the same shall be void, and the assignee may recover the property, or the value of it, from the person so receiving it, or so to be benefited; and if any person being insolvent, or in contemplation of insolvency or bankruptcy, within six months before the filing of the petition by or against him, makes any payment, sale, assignment, transfer, conveyance, or other disposition of any part of his property to any person who then has reasonable cause to believe him to be insolvent, or to be acting in contemplation of insolvency, and that such payment, sale, assignment, transfer, or other conveyance made with a view to prevent his property from coming to his assignee in bankruptcy, or to prevent the same from being distributed under this act, or to defeat the object of, or in any way impair, hinder, impede, or delay the operation and effect of, or to evade any of the provisions of this act, the sale, assignment, transfer, or conveyance shall be void, and the assignee may recover the property or the value thereof, as assets of the bankrupt. And if such sale, assignment, transfer, or conveyance, is not made in the usual and ordinary course of business of the debtor, the fact shall be prima facie evidence of fraud. Any contract, covenant, or security made or given by a bankrupt or other person with, or in trust for, any creditor, for securing the payment of any money as a consideration for, or with intent to induce the creditor to forbear opposing the application for discharge of the bankrupt, shall be void; and if any credior shall obtain any sum of money or other goods, chattels, or security from any person as an inducement for forbearing to oppose, or consenting to such application for discharge, every creditor so offending shall forfeit all right to any share or dividend in the estate of the bankrupt, and shall also forfeit double the value or amount of such money, goods, chattels, or security, so obtained to be recovered by the assignee for the benefit of the estate.

BANKRUPTCY OF PARTNERSHIPS AND OF CORPORATIONS.

SEC. 36. *And be it further enacted*, That where two or more persons who are partners in trade shall be adjudged bankrupt, either on the petition of such partners, or any one of them, or on the petition of any creditor of the partners, a warrant shall issue in the manner provided by this act, upon which all the joint stock and property of the co-partnership, and also all the separate estate of each of the partners, shal be taken excepting such parts thereof as are hereinbefore excepted; and all the creditors of the company, and the separate creditors of each partner, shall be allowed to prove their respective debts; and the assignee shall be chosen by the creditors of the company, and shall also keep separate accounts of the joint stock or property of the copartnership and of the separate estate of each member thereof; and after deducting out of the whole amount received by such assignee the whole of the expenses and disbursements, the net proceeds of the joint stock shall be appropriated to pay the creditors of the copartnership, and the net proceeds of the separate estate of each partner shall be appropriated to pay his separate creditors; and if there shall be any balance of the separate estate of any partner, after the payment of his separate debts, such balance shall be added to the joint stock for the payment of the joint creditors; and if there shall be any balance of the joint stock after payment of the joint debts, such balance shall be divided and appropriated to and among the separate estates of the several partners, according to their respective right and interest therein, and as it would have been if the partnership had been dissolved without any bankruptcy; and the sum so appropriated to the separate estate of each partner shall be applied to the payment of his separate debts: and the certificate of discharge shall be granted or refused to each partner, as the same would or ought to be if the proceedings had been against him alone under this act; and in all other respects the proceedings against partners shall be conducted in the like manner as if they had been commenced and prosecuted against one person alone. If such copartners reside in different districts, that court in which the petition is first filed shall retain exclusive jurisdiction over the case.

SEC. 37. *And be it further enacted*, That the provisions of this act shall apply to all moneyed business or commercial corporations and joint stock companies, and that upon the petition of any officer of any such corporation or company duly authorized by a vote of a majority of the corporators at any legal meeting called for the purpose, or upon the petition of any creditor or creditors of such corporation or company, made and presented in the manner hereinafter provided in respect to debtors, the like proceedings shall be had and taken as are hereinafter provided in the case of debtors; and all the provisions of this act which apply to the debtor, or set forth his duties in regard to furnishing schedules and inventories, executing papers, submitting to examinations, disclosing, making over, secreting, concealing, conveying, assigning, or paying away his money, or property, shall in like manner, and with like force, effect, and penalties, apply to each and every officer of such corporation or company in relation to the same matters concerning the corporation or company, and the money and property thereof. All payments, conveyances, and assignments declared fraudulent and void by this act, when made by a debtor, shall in like manner, and to the like extent, and with the like remedies, be fraudulent and void, when made by a corporation or company. No allowance or discharge shall be granted to any corporation or joint stock company, or to any person or officer or member thereof: *Provided*, That whenever any corporation by proceedings under this act shall be declared bankrupt, all its property and assets shall be distributed to the creditors of such corporation in the manner provided in this act, in respect to natural persons.

OF DATES AND DEPOSITIONS.

SEC. 38. *And be it further enacted*, That the filing of a petition for adjudication in bankruptcy, either by a debtor in his own behalf, or by any creditor against a debtor, upon which an order may be issued by the court, or by a register in the manner provided in section four, shall be deemed and taken to be the commencement of proceedings in bankruptcy under this act; the proceedings in all cases of bankruptcy shall be deemed matters of record, but the same shall not be required to be recorded at large, but shall be carefully filed, kept and numbered in the office of the clerk of the court, and a docket only, or short memorandum thereof, kept in books to be provided for that purpose, which shall be open to public inspection. Copies of such records, duly certified under the seal of the court, shall in all cases be prima facie evidence of the facts therein stated. Evidence or examination in any of the proceedings under this act may be taken before the court, or a register in bankruptcy, viva voce, or in writing, before a Commissioner of the Circuit Court, or by affidavit, or on commission, and the court may direct a reference to a register in bankruptcy, or other suitable person, to take and certify such examination, and may compel the attendance of witnesses, the production of books and papers, and the giving of testimony in the same manner as in suits in equity in the Circuit Court.

INVOLUNTARY BANKRUPTCY.

SEC. 39. *And be it further enacted*, That any person residing and owing debts as aforesaid, who, after the passage of this act, shall depart from the State, district, or Territory, of which he is an inhabitant, with intent to defraud his creditors, or, being absent, shall with such intent, remain absent; or shall conceal himself to avoid the service of legal process in any action for the recovery of a debt or demand proveable under this act; or shall conceal or remove any of his property to avoid its being attached, taken, or sequestered on legal process; or shall make any assignment, gift, sale, conveyance or transfer of his estate, property, rights, or credits, either within the United States or elsewhere, with intent to delay, defraud, or hinder his creditors; or who has been arrested and held in custody under or by virtue of mesne process of execution, issued out of any court of any State, district, or Territory, within which such debtor resides or has property, founded upon a demand in its nature proveable against a bankrupt's estate under this act, and for a sum exceeding one hundred dollars, and such process is remaining in force and not discharged by payment, or in any other manner provided by the law of such State, district, or Territory, applicable thereto, for a period of seven days; or has been actually imprisoned for more than seven days in a civil action, founded on contract, for the sum of one hundred dollars or upwards; or who being bankrupt or insolvent, or in contemplation of bankruptcy or insolvency, shall make any payment, gift, grant, sale, conveyance, or transfer of money or other property, estate, rights or credits, or give any warrant to confess judgment, or procure or suffer his property to be taken on legal process, with intent to give a preference to one or more of his creditors, or to any person or persons who are or may be liable for him as endorsers, bail, sureties, or otherwise, or with the intent, by such disposition of his property, to defeat or delay the operation of this act; or who, being a banker, merchant, or trader, has fradulently stopped or suspended and not resumed payment of his commercial paper, within a period of fourteen days, shall be deemed to have committed an act of bankruptcy, and, subject to the conditions hereinafter prescribed, shall be adjudged a bankrupt on the petition of one or more of his creditors, the aggregate of whose debts provable under this act amount to at least two hundred and fifty dollars, provided such petition is brought within six months after the act of bankruptcy shall have been committed. And if such person shall be adjudged a bankrupt, the assignee may recover back the money or other property so paid, conveyed, sold, assigned, or transferred contrary to this act, provided the person receiving such payment or conveyance had reasonable cause to believe that a fraud on this act was intended, or that the debtor was insolvent, and such creditor shall not be allowed to prove his debt in bankruptcy.

SEC. 40. *And be it further enacted*, That upon the filing of a petition authorized by the next preceding section, if it shall appear that sufficient grounds exist therefor, the court shall direct the entry of an order requiring the debtor to appear and show cause at a court of bankruptcy to be holden at a time to be specified in the order, not less than five days from the service thereof, why the prayer of the petition should not be granted; and may also, by its injunction, restrain the debtor, and any other person in the meantime from making any transfer or disposition of any part of the debtor's property, not excepted by this act from the operation thereof and from any interference therewith; and if it shall appear that there is pro-

bable cause for believing that the debtor is about to leave the district, or to remove or conceal his goods and chattels or his evidence of property, or make any fraudulent conveyance or disposition thereof, the court may issue a warrant to the marshal of the district, commanding him to arrest the alleged [bankrupt] and him safely keep, unless he shall give bail to the satisfaction of the court for his appearance from time to time, as required by the court, until the decision of the court upon the petition, or the further order of the court, and forthwith to take possession provisionally of all the property and effects of the debtor and safely keep the same until the further order of the court. A copy of the petition and of such order to show cause shall be served on such debtor by delivering the same to him personally, or leaving the same at his last or usual place of abode; or, if such debtor cannot be found, or his place of residence ascertained, service shall be made by publication, in such manner as the judge may direct. No further proceedings, unless the debtor appear and consent thereto, shall be had until proof shall have been given to the satisfaction of the court, of such service or publication; and if such proof be not given on the return day of such order, the proceedings shall be adjourned and an order made that the notice be forthwith so served or published.

SEC. 41. *And be it further enacted*, That on such return day or adjourn day, if the notice has been duly served or published, or shall be waived by the appearance and consent of the debtor, the court shall proceed summarily to hear the allegations of the petitioner and debtor, and may adjourn the proceedings from time to time, on good cause shown, and shall, if the debtor on the same day so demand in writing, order a trial by jury at the first term of the court at which a jury shall be in attendance, to ascertain the fact of such alledged bankruptcy; and if upon such hearing or trial, the debtor proves to the satisfaction of the court or the jury, as the case may be, that the facts set forth in the petition are not true, or that the debtor has paid and satisfied all liens upon his property, in case the existence of such liens were the sole ground of the proceeding, the proceedings shall be dismissed and the respondent shall recover his costs.

SEC. 42. *And be it further enacted*, That if the facts set forth in the petition are found to be true, or if default be made by the debtor to appear pursuant to the order upon due proof of service thereof being made, the court shall adjudge the debtor to be a bankrupt, and, as such, subject to the provisions of this act, and shall forthwith issue a warrant to take possession of the estate of the debtor. The warrant shall be directed, and the property of the debtor shall be taken thereon, and shall be assigned and distributed in the same manner and with similar proceedings to those hereinbefore provided for the taken possession, assignment, and distribution of the property of the debtor upon his own petition. The order of adjudicat on of bankruptcy shall require the bankrupt forthwith, or within such number of days, not exceeding five after the date of the order or notice thereof, as shall by the order be prescribed to make and deliver or transmit by mail, post-paid, to the messenger, a schedule of the creditors, and an inventory of his estate, in the form and versified in the manner required of a petitioning debtor by section thirteen. If the debtor has failed to appear in person, or by attorney, a certified copy of the adjudication shall be forthwith served on him by delivery or publication in the manner hereinbefore provided for the service of the order to show cause; and if the bankrupt is absent or cannot be found, such schedule and inventory shall be prepared by the messenger and the assignee, from the best information they can obtain. If the petitioning creditor shall not appear and proceed on the return day, or adjourned day, the court may, upon the petition of any other creditor, to the required amount, proceed to adjudicate on such petition, without requiring a new service or publication of notice to the debtor.

OF SUPERSEDING THE BANKRUPT PROCEEDINGS BY ARRANGEMENT.

SEC. 43. *And be it further enacted*, That if at the first meeting of creditors, or at any meeting of creditors to be specially called for that purpose, and of which previous notice shall have been given for such length of time and in such manner as the court may direct, three-fourths in value of the creditors whose claims have been proved shall determine and resolve that it is for the interest of the general body of the creditors that the estate of the bankrupt should be wound up and settled, and distribution made among the creditors by trustees, under the inspection and direction of a committee of the creditors, it shall be lawful for the creditors to certify and report such resolution to the court, and to nominate one or more trustees to take and hold and distribute the estate, under the direction of such committee. If it shall appear to the court, after hearing the bankrupt and such creditors as may desire to be heard, that the resolution was duly passed, and that the interests of the creditors will be promoted thereby, it shall confirm the same; and upon the execution and filing, by or on behalf of three fourths in value of all the creditors whose claims have been proved, of a consent that the estate of the bankrupt be wound up and settled by said trusteees according to the terms of such resolution, the bankrupt, or his assignee in bankruptcy, if appointed, as the case may be, shall, under the direction of the court, and under oath, convey, transfer, and deliver all the property and estate of the bankrupt to said trustee or trustees, who shall, upon such conveyance and transfer, have and hold the same in the same manner, and with the same powers and rights in all respects, as the bankrupt would have had or held the same if no proceedings in bankruptcy had been taken, or as the assignee in bankruptcy would have done had such resolution not been passed; and such consent and the proceedings thereunder shall be as binding in all respects on any creditor, whose debt is proveable, who has not signed the same, as if he had signed it, and on any creditor whose debt if proveable, is not proved, as if he had proved it; and the court, by order, shall direct all acts and things needful to be done to carry into effect such resolution of the creditors, and the said trustees shall proceed to wind up and settle the estate under the direction and inspection of such committee of the creditors, for the equal benefit of all such creditors, and the winding up and settlement of any estate under the provisions of this section shall be deemed to be proceedings in bankruptcy under this act; and the said trustees shall have all the rights and powers of assignees in bankruptcy. The court, on the application of such trustees, shall have power to summon and examine, *or* [on] oath or otherwise, the bankrupt, and any creditor, and any person indebted to the estate, or known or suspected of having any of the estate in his possession, or any other person whose examination may be material or necessary to aid the trustees in the execution of their trust, and to compel the attendance of such persons and the production of books and papers in the same manner as in other proceedings in bankruptcy under this act; and the bankrupt shall have the like right to appoy for and obtain a discharge after the passage of such resolution and the appointment of such trustees, as if such resolution had not been passed, and as if all the proceedings had continued in the manner provided in tbe preceding sections of this act. If the resolution shall not be duly rep[illegible]sent of the creditors shall not be duly filed, or if, upon its filing, the court shall not think fit to approve thereof, the bankruptcy shall proceed as though no such resolution had been passed, and the court may make all necessary orders for resuming the proceedings. And the period of time which shall have elapsed between the date of the resolution and the date of the order for assuming proceedings shall not be reckoned in calculating periods of time prescribed by this act.

PENALTIES AGAINST BANKRUPTS.

SEC. 44. *And be it further enacted*, That from and after the passage of this act, if any debtor or bankrupt shall after the commencement of proceedings in bankruptcy, secrete or conceal any property belonging to his estate, or part with, conceal, or destroy, alter, mutilate, or falsify, or cause to be concealed, destroyed, altered, or mutilated or falsified, any book, deed, document, or writing relating thereto, or remove, or cause to be removed, the same, or any part thereof out of the district, or otherwise dispose of any part thereof, with intent to prevent it from coming into possession of the assignee in bankruptcy, or to hinder, impede, or delay either of them in recovering or receiving the same, or make any payment, gift, sale, assignment, transfer, or conveyance of any property belonging to his estate with the like intent, or spends any part thereof in gaming; or shall, with intent to defraud, wilfully and fraudulently concealfrom his assignee or omit from his schedule any property or effects whatsoever; or if, in case of any person having, to his knowledge or belief, proved a false or fictitious debt against his estate, he shall fail to disclose the same to his assignee within one month after coming to the knowledge or belief thereof; or shall attempt to account for any of his property, by fictitious losses or expenses; or shall, within three months, before the commencement of proceedings in bankruptcy under the false color and pretence of carrying on business and dealing in the ordinary course of trade, obtain on credit from any person any goods or chattels with intent to defraud; or shall with intent to defaud his creditors, within three months next before the commencement of proceedings in bankruptcy, pawn, pledge, or dispose of, otherwise than by *bona fide* transactions in the ordinary way of his trade, any of his goods or chattels which have been obtained on credit and remain unpaid for, he shall be deemed guilty of a misdemeaner, and upon conviction thereof in any court of the United States, shall be punished by imprisonment, with or without hard labor, for a term not exceeding three years.

PENALTIES AGAINST OFFICERS.

SEC. 45. *And be it further enacted*, That if any judge, register, clerk, marshal, messenger, assignee, or any other officer of the several courts of bankruptcy shall, for anything done or pretended to be done under this act, or under color of doing anything thereunder, wilfully demand or take, or appoint or allow any person whatever to take for him or on his account, or for or on account of any other person, or in trust for him or for any other person, any fee, emolument, gratuity, sum of money, or anything of value whatever, other than is allowed by this act, or which shall be allowed under the authority thereof, such person, when convicted thereof, shall forfeit and pay the sum of not less than three hundred dollars, and not exceeding five hundred dollars, and be imprisoned not exceeding three years.

SEC. 46. *And be it further enacted*, That if any person shall forge the signature of a judge, register, or other officer of the court, or shall forge or counterfeit the seal of the courts, or knowingly concur in using any such forged or counterfeit signature or seal, for the purpose of authenticating any proceeding or document,

or shall tender in evidence any such proceeding or document with a false or counterfeit signaure of any such judge, register or other officer, or a false or counterfeit seal of the court, subscribed or attached thereto, knowing such signature or seal to be false or counterfeit, any such person shall be guily of felony, and upon conviction thereof shall be liable to a fine of not less than five hundred dollars, and not more than five thousand dollars, and to be imprisoned not exceeding five years, at the discretion of the court.

FEES ANE COSTS.

SEC. 47. *And be it further enacted*, That in each case there shall be allowed and paid, in addition to the fees of the clerk of the court as now established by law, or as may be established by general order, under the provisions of this act, for fees in bankruptcy, the following fees, which shall be applied to the payment for the services of the registers:

For issuing every warrant, two dollars.

For each day in which a meeting is held, three dollars.

For each order for a dividend, three dollars.

For every order substituting an arrangement by trust-deed for bankruptcy, two dollars.

For every bond with sureties, two dollars.

For every application for any meeting in any matter under this act, one dollar.

For every day's service while actually employed under a special order of the court, a sum not exceeding five dollars, to be allowed by the court.

For taking depositions, the fees now allowed by law.

For every discharge when there is no opposition, two dollars.

Such fees shall have priority of payment over all other claims out of the estate, and before a warrant issues the petitioner shall deposit with the senior register of the court, or with the clerk, to be delivered to the register, fifty dollars as security for the payment thereof; and if there are not sufficient assets for the payment of the fees, the person upon whose petition the warrant is issued shall pay the same, and the court may issue an execution against him to compel payment to the register.

Before any dividend is ordered the assignee shall pay out of the estate to the messenger the following fees, and no more.

First. For service of warrant, two dollars.

Second. For all necessary travel, at the rate of five cents a mile, each way.

Third. For each written note to creditor named in the schedule, ten cents.

Fourth. For custody of property, publication of notices, and other services, his actual and necessary expenses upon returning the same in specific items, and making oath that they have been actually incurred and paid by him, and are just and reasonable, the same to be taxed or adjusted by the court, and the oath of the messenger shall not be conclusive as to the necessity of said expenses.

For cause shown, and upon hearing thereon, such further allowance may be made as the court, in its discretion, may determine.

The enumeration of the foregoing fees shall not prevent the judges, who shall frame general rules and orders in accordance with the provisions of section ten, from prescribing a tariff of fees for all other services of the officers of courts of bankruptcy, or from reducing the fees prescribed in this section in classes of cases to be named in their rules and orders.

OF MEANING OF TERMS AND COMPUTATION OF TIME.

SEC. 48. *And be it further enacted*, That the word "assignee" and the word "creditor" shall include the plural also; and the word "messenger" shall include his assistant or assistants, except in the provision for the fees of that officer. The word "marshall" shall include the marshal's deputies; the word "person" shall also include "corporation;" and the word "oath" shall include "affirmation." And in all cases in which any particular number of days is prescribed by this act, or shall be mentioned in any rule or order of court or general order which shall at any time be made under this act, for the doing of any act, or for any other purpose, the same shall be reckoned, in the absence of any expression to the contrary, exclusive of the first and inclusive of the last day, unless the last day shall fall on a Sunday, Christmas day, or on any day appointed by the President of the United States as a day of public fast or thanksgiving, or on the Fourth of July, in which case the time shall be reckoned exclusive of that day also.

SEC. 49. *And be it further enacted*, That all the jurisdiction, power, authority conferred upon and vested in the District Court of the United States by this act in cases in bankruptcy are hereby conferred upon and vested in the Supreme Court of the District of Columbia, and in and upon the supreme courts of the several Territories of the United States, when the bankrupt resides in the said District of Columbia or in either of the said Territories. And in those judicial districts which are not within any organized circuit of the United States the power and jurisdiction of a circuit court in bankruptcy may be exercised by the district judge.

SEC. 50. *And be it further enacted*, That this act shall commence and take effect as to the appointment of the officers created hereby, and the promulgation of rules and general orders, from and after the date of its approval: *Provided*, That no petition or other proceeding under this act shall be filed, received, or commenced before the first day of June, anno Domini eighteen hundred and sixty-seven.

Approved, March 2, 1867.

A true Copy,

R. S. CHEW,
Chief Clerk.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 19. NEW YORK, MAY 11, 1867. WHOLE NUMBER, 123.

TABLE OF CONTENTS.

REVIEW.

THE receipts from internal revenue are increasing, and the authorities are confident that the estimates for the current fiscal year will be very little out of the way. The increase is attributable to collections upon the list of annual, special, and income taxes.

Attention has been directed to a practice which has obtained to a considerable extent among banks and money dealers, whereby the revenue from stamps is seriously affected.

Instruments in the form of receipts are taken on money advanced, and stamped with two cent stamps, instead of appropriate stamps as promissory notes, which they are in point of fact. Thus, a party applies to a bank for a loan, and deposits stocks as security. Instead of giving a regularly drawn promissory note, he delivers an instrument like this: "Received of ——— Bank, $—— advance on United States bonds," to which he affixes only a two cent stamp. The paper is virtually a promise to pay, and as such is liable to stamp duty as a promissory note. The Commissioner has thus decided, and we understand that all National Bank Examiners have been directed not to recognize such instruments as valid where a two cent stamp only has been affixed.

The regulations for supplying distilleries with meters, and securing their proper attachment, are promulgated in Circular No. 63. It is of vital interest to those distillers who contemplate continuing operations after the 15th instant. It is not known within what precise period the meters can be supplied, but application therefor is required to be made before that date, or Collectors will not grant special tax receipts. The circular does not apply to distillers of apples, grapes, and peaches exclusively.

Numerous rulings on points of varied interest are presented for the guidance of assistant assessors. Their attention is directed in particular to those relating to income and to exemptions under the recent amendatory act; also the requirement for draymen to pay special tax when they run more than one dray, and whose gross receipts exceed $1,000 annually. It may be premised that the possession in the large cities of two or more drays, is *prima facie* evidence that the annual receipts are over the specified amount.

THE Commissioner of Pensions, in view of many applications having been received by him for information in relation to an alleged "Act granting pensions to the soldiers of the War of 1812, with Great Britain," said to have been approved December, 6, 1866, states that no act of that date or of the tenor specified, has been passed by Congress. There is no pension law for such soldiers, except for such as were disabled in the service.

THE PUBLIC DEBT.

The following is an official statement of the public debt of the United States on the 1st of May, 1867:

DEBT BEARING COIN INTEREST.		
5 per cent. bonds	$198,431,350 00	
6 per cent. bonds of 1867 and '68.	15,379,641 80	
6 per cent. bonds, 1881	283,746,200 00	
6 per cent. 5-20 bonds	1,031,146,150 00	
Navy Pension Fund	12,500,000 00	
		$1,541,203,341 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent. bonds	12,922,000 00	
3-year compound interest notes	134,774,510 00	
3-year 7-30 notes	549,419,200 00	
		697,115,710 00
Matured debt not presented for payment		11,982,540 32
DEBT BEARING NO INTEREST.		
U. S. notes	374,247,687 00	
Fractional currency	28,975,379 46	
Gold certificates of deposit	15,400,440 00	
		418,623,506 46
Total debt		2,668,875,098 58
Amount in treasury, coin	114,250,444 09	
Amount in treasury, currency	33,838,558 24	
		148,089,002 33
Amount of debt, less cash in treasury		2,520,786,096 25

The foregoing is a correct statement of the Public Debt, as appears from the Books and Treasurer's Returns in the Department, on 1st of May, 1867.

HUGH McCULLOCH,
Secretary of the Treasury.

ATTENTION is called to the omission in the original of Series 2, No. 11, (RECORD Vol. V., pp. 83-84) of several important words. On page 7 of the Pamphlet, (RECORD Vol. V., p. 84) after the word "by" and before the word "the," the words "itself and then by" should be inserted, so as to make it read, "Multiply this sum by itself and then by the height, and the product by .0034."—&c.

TAXATION OF NATIONAL BANKS BY STATES.

On the questions submitted to the Supreme Court of Maine, the following opinion has been given adversely to the bill, "An act providing for the taxation of the property and stock of National Banking Associations in the State of Maine," approved March 1, 1867. This opinion was received at the office of the Secretary of State, April 15. It is understood that Judges Dickerson and Tapley dissent from the majority of the Court, whose names we give below. The opinion of Judge Dickerson was received by the Secretary of State, March 27. No other opinion has been received.

BANGOR, March 11, 1867.

To the questions proposed by the order of the House of Representatives under date of Feb. 26, we have the honor to answer as follows:

By the act of Congress of June 3, 1864, "to provide for a national currency," and for the organization of national banking associations, by section 40, it is enacted "That the President and Cashier of every such association shall cease to be kept, at all times, a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office, where the business is transacted, and such list shall be subject to the inspection of all shareholders and creditors of the association, and the officers authorized to assess taxes under State authority, during business hours of each day," &c., &c.

The forty-first section of the same act, after making provision for taxation by the United States, proceeds as follows: "Provided that nothing in this act shall be construed to prevent all the shares in any of said associations, held by any person or body corporate, from being included in the valuation of personal property of such person or corporation in the assessment of taxes imposed by or under State authority at the place where such bank is located and not elsewhere," &c.

By reference to the sections just cited, it is obvious that the valuation of shares and assessment and collection of taxes thereon are to be made at the place where the bank is located and by the municipal officers severally appointed for these specific purposes. These sections regard the capital of the bank as located where its business is done—following the rule adopted in this State as established by Revised Statutes of 1857, chapter 6, section 11, rule 1.

The place referred to is the municipal corporation in which the bank is located, and where the valuation of the shares must be taken, the assessment thereon made and the amount assessed collected. It is one of the recognized incidents of taxation that the corporation by whose authority taxes are assessed and collected should expend the amount to defray its own necessary expenses and discharge its municipal obligations.

When the owner of shares resides at a place other than that where the bank is located, it is obvious that if the valuation of shares and assessment upon the same were made at the residence of such shareholder it would be done in the very teeth of the act, which in express terms prohibits their being done elsewhere. But that cannot be done indirectly, which if done directly, would be in clear violation of the act of Congress.

To the questions proposed, we answer:

1. The law of Congress creating National Banks and Banking Associations requires that all taxes assessed by virtue of State Law on the shares of such banks shall be applied to the use and benefit of the city and town in which the same is located, when shares in such banks are owned in some other city or town in this State.

2. The provisions contained in sections three and four of a bill entitled "an act providing for the taxation of the property and stock of National Banks and Banking Associations in the State of Maine," approved March 1, 1867, are not consistent with the existing law of Congress.

JOHN APPLETON,
JONAS CUTTING,
EDWARD KENT,
C. W. WALTON,
WM. G. BARROWS,
CHARLES DANFORTH.

Hon. EPHRAIM FLINT, Secretary of State, Augusta.

Communications, &c.

Editor of Internal Revenue Record.

In your "Review," dated April 27th, 5th paragraph, you say "Persons managing ferries, *toll roads*, and bridges are liable to tax on their gross receipts."

In the 34th section of the Act, approved March 2d, 1867, the opposite is published in regard to Toll Roads. As your Review is not marked "official," I presume it is incorrect. Please let me hear about it, for I have several Toll Roads in my division. AST. ASSESSOR.

The statement in the Review was in accordance with the ruling of the office of Internal Revenue, but we think the office must have overlooked the exemption in Section 34. The gross receipts from Toll Roads, from and after the passage of the Act, are clearly exempted from tax. The receipts from ferries and bridges are taxable, but no decision has yet been promulgated as to the receipts of bridges on toll roads. ED.

Editor of Internal Revenue Record.

SIR: Can an assistant assessor hold the office of Notary Public or Justice of the Peace in those States, where they are *appointed* by the General Assembly? By answering through the RECORD you will oblige many, ASSISTANT ASSESSORS.

An assistant assessor may, without violation of United States laws or regulations, hold the office and perform the duties of a Notary Public.—ED.

Editor of Internal Revenue Record.

Should a Deputy Collector sign his own name to a tax receipt, or sign the District Collector's name, per Deputy, like this

John Brown, Collector,
11th District, Ind.,
per Smith Jones, Deputy.

please answer in RECORD and oblige, J. W. P.

He should sign the name of the District Collector, as in the example cited. ED.

Editor Internal Revenue Record.

I have in my division several saw mills which saw barrels for customers, receiving pay for sawing, but making no sales of boards at all.

It is my practice to require the proprietors of these mills to pay a special tax as manufacturers in all cases where the value of the boards thus sawed exceeds $1,000 per annum.

I also require proprietors of grist mills grinding wheat into flour for customers, to pay the special tax where the flour thus ground exceed in value $1,000 per annum.

I understand that some other Assistants do not require this, holding that a manufacturers' sales must exceed $1,000 per annum in order to subject him to a manufacturers' special tax. I think my practice clearly right under the law. Please let me know how this is? AST. ASSESSOR.

Your practice is correct. Every proprietor of a grist or saw mill, the annual productions of which are worth over $1,000, is liable to special tax of $10 as manufacturer. ED.

Editor of Internal Revenue Record.

Are tin roofs and tin spouting for buildings, liable to 5 per cent. tax? J. H. C.

Tin roofing and roofs are exempt from tax as manufactures by decision of the Commissioner, but it does not appear that the exemption extends to tin spouting and spouts, which latter, in our judgment, [illegible]. ED.

New Publications.

The Bankrupt Law of the United States, 1867, with Notes to every section of the Act, and a collection of American and English decisions upon the Principles and Practice of the Law of Bankruptcy, adapted to the use of the Lawyer and Merchant. By EDWIN JAMES, of the New York Bar, and one of the Framers of the recent English Bankruptcy Amendment Act. New York, Harper & Brothers, Publishers.

This is an edition of the recent Bankrupt Law, which is by far the best which has been presented to the public. Its chief value consists in the full collection and convenient arrangement and digest of English and American decisions which elucidate the principles and practice of the law of bankruptcy. The value of these notes to the practitioner and merchant, as reliable authority, receive a satisfactory guarantee from the known ability and experience of the author.

The typography of the work, which contains 325 pages, filled mostly with notes of decisions, is unexceptional.

Price, in cloth, bevelled edges, $3.50; in law sheep, suitable for lawyers, $4.50.

Sent free by mail, on receipt of price at the office of Internal Revenue Record, 95 Liberty street, N. Y.

Tariff, or Rates of Duties payable on Goods, Wares, and Merchandise imported into the United States of America, in conformity with the Act of Congress of March 2d, 1867, the joint resolutions of March 22, 25, 26 and 29, 1867, and including acts of March 2, 1861, August 5, 1861, December 24, 1861, July 14, 1862, March 3, 1863, June 30, 1864, March 3, 1865, March 14, 1866, May 16, 1866, and July 28, 1866. Also, containing the Recent Circulars and Decisions of the Treasury Department relating to Commerce and the Revenue. Tables of Foreign Weights, Measures, Currencies, Etc., reduced to the United States standard, and Tables of Lineal Yards reduced to Square Yards. Arranged by E. D. OGDEN, Chief Entry Clerk, Custom-house, port of New York. New York: Published by Bogert, Kidder & Nexsen. 1867.

This is a new edition of the only thorough, reliable and convenient arrangement of the Tariff laws and Tariff of the United States. Its issue was made necessary by the recent important amendments of the last Congress to those laws. The experience of the veteran Customs expert, its compiler, Mr. E. D. Ogden, now, and for thirty years past chief entry clerk at the New York Custom House, guarantees its reliability. It is indispensable to importers, merchants, custom house brokers, and maritime lawyers.

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Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

MANUFACTURES.

Bonnet Frames.

Bonnet frames, for the purposes of taxation, are to be regarded as unfinished bonnets, and liable to an ad valorem tax of 2 per cent. under that clause of section 94 which relates to "hats, caps, bonnets and hoods of all descriptions."

Roofing Slates—School Slates.

By the Act of July 13, 1866, "building stone, including slate" &c., is exempted from internal tax. This exemption includes roofing slates, but slates for the use of schools are taxable at the rate of five per cent. *ad valorem.*

Molasses Candy, and Candy from Molasses and Sugar.

Candy made wholly of molasses is liable to a tax of five per cent. ad valorem under the general provision of the 94th section of the Act of June 30, 1864, as amended by the Act of July 13th, 1866. Candy made partly of molasses and partly of sugar, is taxable under the provision of said section which relates to sugar candy.

Wood Mouldings—Looking Glass, and Picture Frame Mouldings.

All wood mouldings, manufactured and sold, (except mouldings for looking glass and picture frames, which are exempt under the Act of July 13th, 1866,) are liable to an ad valorem tax of five per cent. under the general provision of section 94, regardless of their length or the uses to which they may be put.

Exemption of Manufacturers and Photographers, not making over $3,000 per annum, or $250 per month.

When the products of a manufacturer do not exceed the rate of 3,000 per annum, or $250 per month, they are exempt from taxation to the extent of the rate of $1,000 per annum, or $83⅓ per month. When they exceed the first named rate, the entire amount is taxable. Photographers are entitled to the same rate of exemption.

Hollow ware, Cast Iron Kettles and Boilers.

Cast iron kettles or boilers of whatever size or capacity, are to be regarded as hollow ware, and exempt from tax under the Amendatory Act of March 2nd, 1867.

Horse Blankets, Horse Covers, Sheets, &c.

The Act of March 2nd, 1867, exempts horse blankets made from cloth on which a tax or duty has been paid. This exemption applies to such blankets only as are generally made from woolen cloth, and are technically known as horse blankets. Articles made of linen, cotton, &c., and known as "horse covers," "horse sheets," &c., do not fall within the exemption, but are liable to an ad valorem tax of five per cent.

Repairs—Footing of Boot Legs taxable.

Repairs of articles of all kinds are exempt from the tax imposed upon manufactures; but boots made by footing old boot legs, are substantially new boots, and subject to tax as a new manufacture.

Tape Trimming and Ruffling—Constituent parts of Clothing.

Tape trimming and ruffling are not exempt as "articles of dress made by sewing" &c., but are liable to an ad valorem tax of five per cent. as articles for "trimming or ornamenting" dress, or as "constituent parts of clothing."

Wooden Tags—Cloth, Paper, and Metal Tags.

The exemption of tags for merchandise and direction, of cloth, paper or metal, does not extend to tags made of wood.

Manilla Paper, Paper Twine.

Manilla paper twine is exempt; but the paper from which it is made is subject to a tax of five per cent. ad valorem.

Rough Tanned Leather, Belting.

The tax upon leather tanned in the rough is 2½ per cent. ad valorem. When belting is made from such leather, the tax is not upon the increased value only, but should be assessed at the rate of five per cent. upon the entire value.

Castings for Thimble Skeins and Pipe Boxes.

The Act of July 13th, 1866, exempts thimble skeins and pipe boxes made of steel, and the Act of March 2nd, 1867, exempts them when made of iron. These articles are commonly made from castings. In their finished state they are exempt from tax, but the castings from which they are made are liable to a specific tax of three dollars per ton.

Milliners and Dress Makers—Articles of Dress for Women and Children's Wear.

The Act of July 13th, 1866, exempts "articles of dress made or trimmed by milliners or dressmakers for the wear of women and children." This exemption does not apply to articles made or trimmed by parties who merely carry on the business of manufacturing them, who furnish materials and employ others to do the work, but do not personally engage in the actual manual labor, nor to dealers in millinery goods who trim ladies' bonnets and hats. The Act of March 2nd, 1867, makes no change in the law in this particular.

Trimming and Finishing of Hats, Caps, Bonnets and Hoods—Increased Value.

Hats, caps, bonnets and hoods of all descriptions are liable to a tax of two per centum ad valorem. When a dealer purchases bonnets or hats upon which a duty has been paid, and trims and sells the same, he becomes liable to a tax on the increased value.

Pumps Taxable as parts of Engines.

Pumps are exempt from taxation when made and sold as such, but when they are incorporated into a steam engine, they become taxable as part of it.

Piano Pedals exempt from separate tax.

An independent tax should not be assessed on pedals for pianos.

Teapots and other Ware made of Tin and Britannia, taxable.

Teapots and other ware made in part of tin and in part of britannia, are not exempt from tax under the provision of the Act of March 2nd, 1867, exempting "tinware for domestic and culinary uses."

Everpoints or leads for Pencils, when exempt.

"Everpoints," or leads for pencils, if made exclusively of plumbago, are exempt faom tax.

Milk Cans—taxable.

Tin cans for transporting milk to cheese factories, to market, or from which milk is sold by milkmen, are not within the provision exempting "tin ware for domestic and culinary purposes."

Baggage and Express Wagons, exempt.

By the Act of March 2nd, 1867, "wagons, carts, and drays made to be used for farming, freighting or for lumber purposes," are exempted from tax. Baggage wagons and express wagons made for carrying freight exclusively, and not to be used as pleasure carriages, are exempt from tax under this provision.

Spindles, when exempt as parts of Machines, and when taxable.

OFFICE OF INTERNAL REVENUE,
Washington, March 22nd, 1867.

SIR: Your letter of the 16th inst. has been received, relative to the tax on spindles.

In answer, I have to say, that by the Act of July 13th, 1866, spindles are conditionally exempt from taxation. The evident intention of the law was to impose only a single tax on spindles, and that tax is to be paid in connection with the finished machine, the spindle being attached to, and made a part of the machine, when the machine itself is returned for taxation.

In all new machines, the spindles, whether made by the person who manufactures them, or purchased from persons who exclusively manufacture spindles, as a specialty, are to be taxed with and as a part of the machine.

Where spindles are made for general sale, and put upon the market for sale, the presumption is that they are to be used in the construction of new machines, which pay the tax assessed upon them. Under such circumstances it is not to be supposed that the manufacturer can know what use is to be made of them. When, however the manufacturer *does know* that the spindles which he makes are not sold or used for the purpose of becoming parts of new and taxable machines, he is bound to return them for taxation. They are not then exempt. It is desirable, if possible, to give the manufacturer the full benefit of the exemption to the extent which the law authorizes, but no further.

Yours respectfelly,

(Signed) THOMAS HARLAND,
Deputy Commissioner.

WM. A. PRICE, Esq., *U. S. Assessor,*
Johnston. R. I.

Knitted and Woven Articles Manufactured from Wool.

OFFICE OF INTERNAL REVENUE,
Washington, March 18, 1867.

SIR: Your letter of the 16th inst., has been received. You state that manufacturers of knit shirts and drawers who claim that wool is the component material of chief value in articles of their manufacture, are anxious to know whether their tax is to be five per cent. or two and one-half per cent. In reply I have to say that the amendment to section ninety-four, made by the act of March 2, 1867, which imposed on "manufactures of wool of which wool is the chief component material, or the component material of chief value" a tax of two and one-half per centum applies to knitted fabrics or articles, equally, as to articles or fabrics woven.

Yours respectfully,
THOMAS HARLAND,
Deputy Commissioner.

H. W. DANFORTH, *United States Assistant Assessor,*
Troy, N. Y.

Vault Lights—Increased Value.

OFFICE OF INTERNAL REVENUE,
Washington, April 8th, 1867.

SIR: Your letter without date in relation to vault lights manufactured by Lewis R. Case, Esq., has been received.

You represent that the iron, sash, and glass are both manufactured under a patent of which Mr. Case is the owner, by other parties for him; that these parties have paid the tax on the parts made by them, and that Mr. Case has paid tax on the value of the lights above that of the materials used in their manufacture.

You wish to know whether the vault lights should be taxed on entire value, and if so, whether Mr. Case should be required to pay an additional tax, with penalties, on vault lights which he has manufactured and sold.

In answer I have to say, that this office is of opinion that one tax only of five per cent. should be assessed under the present excise law, on the entire value of the vault lights as finished, including frame, sash and glass, and that no tax should be assessed on these separate parts as such.

For the past, if a tax was paid on the parts, and Mr. Case, not being otherwise instructed paid tax on the full value of the vault lights, less the value of the parts, I am not disposed to require an additional tax to be assessed.

Very respectfully,
(Signed) THOMAS HARLAND,
Deputy Commissioner.

HORACE E. DRESSER, Esq.,
390 *Broadway, New York City.*

INCOME.

Payments by Railroads on Account of Personal Injuries.

Money received from a railroad corporation on account of personal injuries is not taxable income.

Deductions, Losses on Stocks, Fire, Shipwrecks, and Losses in Business.

TREASURY DEPARTMENT,
Washington, April 12, 1867.

SIR: I reply to yours of the 11th inst., that no deduction can be allowed in any case for depreciation in the value of stocks, unless they are sold and a loss actually realized.

So long as the tax-payer possesses a title to the stocks, it cannot be predicated that he has lost anything by investing in the same.

It may be apparent that if he should sell his stocks at a given time he would experience a loss on his investment, but until he does sell such stocks, it is clear that no actual loss has been sustained.

It is always possible that the same stocks, which he now deems quite worthless, will suddenly or gradually appreciate, so much even as to exceed their original cost.

If the capital stock of a company has been entirely sunk and destroyed beyond hope of recovery, and a real loss of the same has been sustained beyond any reasonable doubt, such loss is a loss of capital, for the deduction of which from income, the law in force gives no authority.

The law allows for certain losses of capital, but *only* for losses by fire, shipwreck, and incurred in trade; and debts ascertained in 1866, to be worthless.

The loss of a stock company by fire or shipwreck, if such companies were liable to income tax, *would be deductible from the income of such companies* NOT from the income of the stockholders thereof.

The fact that such companies are not subject to income tax, makes a loss of this character, *none the less a loss of the company*; and you will therefore be careful not to allow such loss to any stockholder of such companies.

Very respectfully,
(Signed), THOMAS HARLAND,
Deputy Commissioner.

WILLIAM S. KING, *Assessor,*
3d District, Boston, Mass.

How to ascertain Losses on Stocks.

OFFICE OF INTERNAL REVENUE,
Washington, April 4, 1867.

SIR: I reply to yours of 26th ult. that when stocks are sold for less than cost, the difference between actual cost and the price at which the same are sold, must be allowed as a deduction from income of the year of sale.

I have come to this conclusion after due deliberation and with all respect to the sense of the Assessors in your State.

Various considerations, but more especially the fact that the tax-paying public have been led by previous rules of the office to anticipate this allowance, have led me to a adopt a system in the premises which is perhaps more conformable to the disposition of the late Congress, (which tended to favor the tax-payer), than to a strict construction of the act as amended.

Very respectfully,
(Signed), E. A. ROLLINS,
Commissioner.

CHAS. G. DAVIS, Esq., *Assessor,*
Plymouth, Mass.

Losses on Sales of Stocks, no Deductions on Account of Gifts.

OFFICE OF INTERNAL REVENUE,
Washington April 18th, 1867.

SIR: I reply to yours of 15th inst, by enclosing copies of letters of 4th inst., to Assessor Davis of Massachusetts, and letter of 12th inst. to Assessor King of that State.

You will see by the terms of the letter to Assessor Davis, upon what considerations the office has undertaken to allow *losses* on sales of stocks. There seems to be no cause for extending the benefits of this rule to a case of gift, and *you will not therefore allow* any *so called loss* incurred by *gift* of capital of *any kind.*

Very respectfully,
(Signed), THOMAS HARLAND,
Deputy Commissioner.

G. B. ARNOLD, Esq., *Assessor,*
Mount Vernon, Ohio.

SPECIAL TAX.

Manufacturers of Exempted Articles.

The exemption, or non-exemption, of articles produced, from a specific or ad valorem tax, does not effect the liability of the manufacturer thereof to a special tax.

Carmen, Draymen, and Common Carriers.

Any person employing more than one dray or team, in the transportation of any articles for pay, and whose *gross receipts* exceed the sum of $1,000 per annum, should be required to pay the special tax of ten dollars imposed by section 79, paragraph 50, of the act in force.

STAMP TAXES.

Contract for Sale of Land, or to make Title-Deed.

A contract for the sale of land, or to make a title-deed to the purchaser on the payment of the purchase money, requires a five cent stamp as an agreement for each sheet or piece of paper upon which it is written.

Canned Meats, Shell Fish, Fruits, Vegetables, &c.—Sardines, Fish, Sauces, Syrups, prepared Mustard, Jams and Jellies.

Under the Act of March 2nd, 1867, canned meats, shell fish, fruits, and vegetables, including pickles and preserves in glass packages, are exempt from tax. This exemption does not include fish, sauces, syrups, prepared mustard, jams or jellies. All sardines put up in packages are liable to stamp tax.

MISCELLANEOUS.

Notice of Payment of Monthly Tax—When Penalty accrues.

Unless notice is given and demand of payment is made prior to the day on which a monthly tax falls due, there is no liability to a penalty for non-payment.

No Drawback on Exportation of Engines and Boilers when built into a ship.

If a manufacturer exports engines or boilers, he is entitled to a drawback for the excise tax paid thereon; but if the engines and boilers are incorporated into and made part of a steamship built for, or sold to parties in a foreign country, no drawback can be allowed for taxes paid upon them, or for taxes paid upon any other parts or materials which enter into the structure of such ship.

State Certificate of Indebtedness—Circulating Notes of Corporations.

OFFICE OF INTERNAL REVENUE,
Washington, March 9, 1867.

SIR: I have received and carefully considered your communication of 20th ult., with its accompanying papers, in relation to the taxation by the Federal

Government of what you style "certificates of indebtedness of the State of Louisiana."

The language of the statute as quoted in my earlier communication to Assessor Ready, is such that there is no room for question about the liability of the State under the law to the tax in question, if it issues such paper as would be taxed if it were issued by a State banking association.

The only question, it seems to me, open to discussion, so far as this office is concerned is, whether or not the paper which is issued would be taxable by any party who should issue it.

In section 110 of the Act of June 30, 1864, it is provided that a tax shall be imposed upon the average amount of circulation, "including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or be used as money."

When the decision complained of was rendered, it was assumed that the paper under consideration was circulated as money, and passing freely from hand to hand without restriction."

The five dollar "certificate," or note, which accompanied your letter, and which is herewith returned, it seems to me, shows conclusively that my assumption was correct.

The note is printed from a steel engraving of such character as to show an evident intention to protect the Treasury of the State which distributes it from counterfeiting. It is of the size which experience has shown to be convenient for money, and is "payable to bearer." Indeed, its whole appearance is such as clearly to show an intention that it should be used and circulated as money.

I have submitted the whole case to the honorable Secretary of the Treasury, who agrees with me in the belief that the circulation is subject to taxation.

Very respectfully,

E. A. ROLLINS,
Commissioner.

Hon. J. MADISON WELLS,
Governor of Louisiana.

[SPECIAL NO. 54.]

Announcing the adoption of a Meter for Distilleries.

OFFICE OF INTERNAL REVENUE,
Washington, D. C., April 19, 1867.

Notice is hereby given that the Secretary of the Treasury has adopted and prescribed for use in distilleries, a meter invented by Mr. Isaac P. Tice, of New York, and that regulations for the use of such meter will be issued in a few days.

Each Collector will notify every distiller who applies to make payment of the special tax for the year ending May 1, 1868, that he will not be allowed to continue in operation after the fifteenth day of May, unless he shall, before that time, have made application for a meter, and accompanied his application with adequate security for the payment of the necessary expense, which will probably vary, according to the size of the distillery, from six hundred dollars to fifteen hundred dollars.

E. A. ROLLINS,
Commissioner.

[Circular No. 63.]

Regulations for Supplying Distilleries with Meters, and Securing their Proper Attachment.

OFFICE OF INTERNAL REVENUE,
Washington, April 26, 1867.

Under the fifteenth section of the Act approved March 2, 1867, the Secretary of the Treasury is authorized to adopt, procure, and prescribe for use such meters or other means for ascertaining the strength and quantity of spirits subject to tax, or for the prevention or detection of frauds by distillers of spirits as he may deem necessary; and under this authority the Secretary has adopted and prescribed for use the meter and system of attaching the same invented by Mr. Isaac P. Tice, of New York.

The statute further provides, that whenever the Secretary of the Treasury shall adopt and prescribe for use any meter or meters i shall be the du y of every owner, agent, or superintendent of a distillery to make application to the collector of his district for such meter or meters, to be used in his distillery; and the same shall be furnished and attached to the distillery at the expense of the distiller, whose duty it shall be to furnish all the pipes, materials, labor and facilities necessary to complete such attachment, in accordance with the regulations of the Commissioner of Internal Revenue, who is further authorized to order and require such changes of or additions to distilling apparatus, connecting pipes, pumps, or cisterns, or any machinery connected with or used in or on the distillery premises, or may require to be put on any of the stills, tubs, cisterns, pipes, or other vessels such fastenings, locks, or seals as he may deem necessary.

The system which has been adopted involves the use of a double meter at the end of the worm through which the entire product of the still will pass, he quantity of high wines being indicated upon one register and the quantity of low wines upon another. The second meter will be placed upon the doubler in such position as to register the quantity of low wines carried back to the doubler for redistillation. If the still is provided with such attachments that no low wines are produced, and the distiller is prepared to report as taxable the entire product of the still, the second metre will not be required.

Meters will be constructed of different capacities, the smallest ones being suitable for use in distilleries where the most rapid flow of spirits cannot exceed four gallons per minute, and the largest which it is now proposed to construct having a capacity for measuring forty gallons per minute, and there will be two intermediate sizes.

An arrangement has been made with the inventor, under which he undertakes to furnish the meters at prices to be determined by a committee of three persons, two of whom are to be designated by the government and one by himself. It is believed that the price of the set of instruments, when completed at the factory in New York, will be not more than six hundred dollars for each pair of the smallest capacity, and eight hundred, ten hundred, and twelve hundred dollars for pairs of the other three sizes, respectively.

Every owner of a distillery, in making his application to the collector of his district for a meter, must state the capacity of his still in cubic feet, and the utmost possible producing capacity per hour. The producing capacity here referred to must not be confined to high wines merely, but must show the entire quantity of spirits, whether high or low, which can be produced from the still within the time specified. The application must further show the cubic content of the doubler, and the outside diameter of the worm at its lower extremity, the height and diameter of the tank in which it is placed, and the material of which the still, doubler, and tank are constructed. The diameter of the main pipe leading from the still to the doubler, as well as of the charging and discharging or blow-off pipes, including the pipe used for discharging the doubler, must also be given. There is also required a descripton of the foundations upon which the still, doubler, and condenser are respectively supported. If the still is provided with collapse valves, their number and diameter must also be stated.

The collector receiving an application will, by himself or his deputy, make such examination as may be necessary to verify the correctness of the description given in the application, and will transmit the application to this Office, together with his certificate of its correctness. The collector will at the same time state the means of access to the distillery, whether by railroad, steamboat, or canal, and with what points the distillery is connected by either of these modes of communication. If there is any person carrying on the trade of coppersmith in the immediate vicinity, the collector will state the fact, and if not, he will state the distance to the nearest point at which the services of such artisan can be procured.

Every owner of a distillery will be required at the time of making application to deposit with the collector a sum, in money or in United States bonds, equal to the price named above for the size of meter required, with an addition of twenty-five per centum thereto, as a guarrantee of the good faith with which the application is made, and to secure the contractor prompt payment upon the completion of the work.

Meters will be attached under the joint supervision of the manufacturer and of an officer who will be specially detailed for that purpose. The doubler and condenser will be required to be supported upon blocks of glass of not less than six inches in height, unless the vessels are of such capacity as to render it more feasible to suspend them from above. The pipe leading from the still to the doubler will be required to be fitted with a valve which will open with the pressure of the steam, so that it will close when the still is not in operation, and the discharge pipe from the doubler will be fitted with another valve, so arranged as to open and close simultaneously with the valve upon the other pipe.

But one opening can be allowed into the doubler or into the condenser, and in every case this opening must be closed with a cover or door which must be locked, and the lock fitted with a seal to be inserted by the collector of the district who will retain the key. The doubler and condenser, as well as any auxillary vessels which may be used, must be so placed as to leave sufficient room on all sides to allow an officer to pass around and inspect the sides from time to time.

The work of constructing the meters will be pushed forward as rapidly as possible, and it is believed that a sufficient number to supply all distilleries continuing in operation will be completed before the first day of November. In the meantime, every distiller who has made application for a meter, and who has complied with all other requirements of the statute, will be allowed to continue until such time as the government is able to furnish a meter to be attached to his distillery; but no distiller will be allowed to continue after the fifteenth day of May, 1867, unless he shall before that time have made application in the manner prescribed. Should any distiller continue in operation after that date without having complied with this requirement, it will be the duty of the collector to take immediate measures for a condemnation of the distillery, and the enforcement of the penalties as provided by section twenty-five of the act of March 2, 1867.

As fast as the meters are successively completed, the distilleries to which they are to be attached will be designated by the Commissioner, and all necessary special instructions will be given.

Distillers of apples, grapes, and peaches, exclusively, will be exempted from the requirements of this circular.

E. A. ROLLINS,
Commissioner.

SECRETARY'S OFFICE—CUSTOMS.

TREASURY DEPARTMENT,
January 22d, 1867.

By the several acts of Congress approved July 13, 1861, May 20, 1862, March 12, 1863, and July 2, 1864, the Secretary of the Treasury was authorized and required to prescribe certain regulations for the government of commercial intercourse with and in States and parts of States declared to be in insurrection, and in portions of loyal States in dangerous proximity thereto: and by virtue of said authority, and in obedience to the requirements of law, the Secretary of the Treasury did prescribe such regulations as were deemed necessary for the mutual protection of public and private interests, which regulations remained in full force during the existence of armed insurrection, and, in a modified form, for several months immediately following the cessation of hostilities.

One of the conditions imposed by those regulations was, that all articles subject to excise duties which were removed from any of the rebellious States, should be accompanied with a permit from a competent officer of the Treasury Department, showing that the taxes had been paid, or secured to be paid; and it was also made the duty of Collectors of Customs at all northern ports to see that none of these articles were landed, unless they were accompanied with such permit.

But these regulations, in so far as they were applicable to articles subject to the payment of excise duties, were rendered unnecessary by the termination of the rebellion; and yet complaints continue to reach the Department that Collectors of Customs still refuse to allow articles subject to the payment of such duties to be landed, excepting it be under the conditions and restrictions named above.

It will be observed that the regulations prescribed by the Secretary of the Treasury (having been authorized and executed to meet the extraordinary contingency of war, and having had no force except in insurrectionary districts) have been entirely superseded by the suppression of the rebellion, and the consequent restoration of Federal and State laws; and that the only condition now imposed by the statutes upon persons doing business in the late insurrectionary States which are not exacted from persons doing business in other States, is in the case from cotton shipped from a cotton producing State, when it is required that such cotton shall be accompanied with a permit either from the Collector or Assessor of Internal Revenue.

The attention of Collectors of Customs and of Customs officials generally, is therefore called to the fact that, strictly speaking, *duty* would not require them to interfere in any manner whatever with the free introduction of articles from any State lately in rebellion, with the exception of the articles of cotton; especially not to demand the productions of permits of shipments before allowing the articles to be landed. But inasmuch as the inducements for defrauding the revenue are very great, as well as the manufacture and sale of distilled spirits, fermented liquors, tobacco, cigars, and coal oil, as in the production and sale of cotton, it is desired that all Customs officers will so far watch over and protect the interests of the United States as to prevent, as far as may be possible, the unlawful introduction of any of these articles into the market. To this end it will be expected that, while properly protecting the interests of the government, the rights of the merchant will be carefully guarded.

H. MCCULLOCH,
Secretary of the Treasury.

Caveats on Stolen Bonds and Treasury Notes.

TREASURY DEPARTMENT,
April 27, 1867.

In consequence of the increasing trouble, wholly without practical benefit, arising from notices which are constantly received at the department, respecting the loss of coupon bonds which are payable to the bearer, and of treasury notes issued and remaining in blank at the time of loss, it becomes necessary to give the public notice:

That the government cannot protect, and will not undertake to protect, the owners of such bonds and notes aginst the consequences of their own fault or mistortune.

Hereafter all bonds, notes, and coupons payable to bearer, and treasury notes issued and remaining in blank, will be paid to the party presenting them in pursuance of the regulations of the department, in the course of regular business, and no attention will be paid to caveats which may be filed for the purpose of preventing such payment.

H. MCCULLOCH,
Secretary of the Treasury.

[CIRCULAR TO COLLECTORS OF CUSTOMS.]

Tariff Joint Resolution of March 25, 1867.

The following Joint Resolution, approved March 25, 1867, is published for the information of officers of the Customs.

H. MCCULLOCH,
Secretary of the Treasury.

JOINT RESOLUTION fixing the rate of duty on umbrellas, and on wire spiral furniture springs.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this joint resolution there shall be levied, collected, and paid upon umbrellas, parasols, and sunshades, imported from foreign countries, when made of silk, no lower rate of duty than that now imposed upon piece and dress silks, namely, sixty per centum ad valorem, and when made of other materials than silk, the duty shall be fifty per centum ad valorem; and that wire spiral furniture springs, imported from foreign countries, manufactured of iron wire, shall be required to pay the same rate of duty as now imposed on iron wire, namely, two cents per pound and fifteen per centum ad valorem.

Approved, March 25, 1867.

2nd COMPTROLLER'S OFFICE.

Fees of Claim Agents and Attorneys.

SECOND COMPTROLLER'S OFFICE,
Washington, April 25, 1867.

Upon consultation with Auditors whose work is subject to the revision of this office, the following has been adopted as a scale of fees to be allowed claim agents or attorneys for the collection of back pay, bounty, prize money or other moneys due from the United States to persons who are or have been officers or enlisted men of the army, navy or marine corps of the United States or their heirs, except in case of colored claimants, for the collection of whose claims the amount of fees is prescribed in section 2, Act July 26, 1866, and joint resolution No. 25, approved March 29, 1867, viz:

For the preparation and prosecution of claims for and the collection and remittance of all sums not exceeding two hundred dollars, ten per centum; for all sums exceeding two hundred dollars and less than eight hundred dollars, ten per centum on the first two hundred dollars, and five per centum on the remainder thereof; and for all sums of eight hundred dollars and upward, fifty dollars; and said fees shall include all expenses incident to the collection of said claims, except the expense of the necessary notorial or other acknowledgments which shall be defrayed by the claimant; and [illegible]ent or attorney who shall charge, directly or indirectly, in any case, a greater sum for his services in preparing and prosecuting said claims, and collecting and remitting the amount due, shall be deemed guilty of malpractice, and upon satisfactory evidence of the fact of such overcharge being presented to the Second, Third, or Fourth Auditor, or to the Second Comptroller, said agent or attorney shall be suspended from further prosecution of claims of any kind in or through any or either of the above named offices.

J. M. BRODHEAD,
Comptroller.

Amendments relating to Wrapping Paper and Corporation Circulating Notes.

SEC. 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, from and after the passage of this act, wrapping paper, made of wood or cornstalks, shall be exempt from internal tax.

SEC. 2. *And be it further enacted,* That every national banking association, State bank, or banker, or association, shall pay a tax of ten per centum on the amount of notes of any town, city, or municipal corporation paid out by them after the first day of May, anno Domini eighteen hundred and sixty-seven, to be collected in the mode and manner in which the tax on the notes of State banks is collected.

SEC. 3. *And be it further enacted,* That wrapping paper made from any other material than that cited in the first section shall be also exempt from internal tax.

SEC. 4. *And be it furiher enacted,* That from and after the passage of this act, ladders made wholly of wood shall be exempt from internal tax.

Approved March 26, 1867.

Gazette.

ASSESSORS.

J. H. Veazie, 2d district, Baton Rouge, La., vice Henry L. Jones.

Robert B. Hathorn, 5th district, Newark, N. J., vice Conrad M. Zulick.

Wm. B. Mutchler, 11th district, Easton, Penn., vice Daniel H. Neiman.

George Meason, 2d district, Muskatine, Iowa, vice H. A. McKelvey.

Jonathan Biggs, 11th district, Salem, Ill., vice Stephen G. Hicks.

Richardson L. Wright, 5th district, Germantown, Penn., vice Harry R. Coggshall.

Alex. H. Morrison, 2d district, Niles, Mich., vice Cyrus O. Loomis.

G. Thomson Gridley, 3d district, Jackson, Mich., vice Joseph E. Beebe.

Benjamin F. Robinson, 4th district, Ridgewood, N. J., vice Wm. Douglass.

George B. Bingham, 1st district, Milwaukee, Wis., vice John B. Smith.

Samuel H. Almon, 13th district, Du Quoin, Ill., vice Robert R. Townes.

Elisha F. Rogers, 6th district, Kansas City, Mo., vice Richard E. Vaughan.

Eben F. Stone, 5th district, Newburyport, Mass., vice William C. Binney.

Joseph Hamilton, 7th district, Hendersonville, N. C., vice William W. Anderson.

Henry Raymond, 6th district, Bay City, Mich., vice Benjamin F. Partridge.

William McSherrey, 16th district, Littlestown, Penn., vice A. H. Coffrotte.

Mark J. Leaming, 5th district, Pleasant Hill, Mo., vice Garland C. Brodhead.

Jacob S. Bugh, 5th district, Wautoma, Wis., vice Adolph Sowenson.
Levi Bacon, Jr., 5th district, Pontiac, Mich., vice Judson S. Farrar.
William T. Tune, 4th district, Bedford, Tenn., vice Abner A. Steele.
James C. Strong, 30th district, Buffalo, N. Y., vice Alonzo Tanner.
Abraham H. Glatz, 15th district, York, Penn., vice Andrew J. Fulton.
Thomas H. Forsyth, 4th district, Philadelphia, Penn., vice John W. Stokes.
Thomas Welwood, 3d district, Brooklyn, N. Y., vice William E. Robinson.
John B. Warfel, 9th district, Lancaster, Penn., vice Davis A. Brown.
John H. Fox, 2d district, De Soto, Mo., vice James A. Greason.
John Van Lear, 4th district, Hagerstown, Md., vice Roger E. Cook.
Mark Flannigan, 1st district, Detroit, Mich., vice William P. Wells.

COLLECTORS.

Jeremiah Fenno, 4th district, Bangor, Me., vice James H. Butler.
Gillett V. Stevenson, 4th district, Aurora, Ind., vice John Ferris.
William J. Landrum, 8th district, Lancaster, Ky., vice Elisha L. Cockrill.
Robert Johnston, 3d district, Huntsville, Ala., vice John Thomas Tanner.
Charles M. Hammond, 6th district, Joliet, Ill., vice Abel Longworth.
Jacob Weart, 5th district, Jersey City, N. J., vice George W. Thorne.
Levi Blakeslee, 21st district, Utica, N. Y., vice Henry H. Fish.
William W. Wilson, 4th district, Urbana, Ohio, vice Joseph W. Trizelle.
Henry M. Lewis, 2d district, Madison, Wis., vice G. W. Hazleton.
John J. Randall, 1st district, Winona, Minn., vice Daniel Cameron.
James B. Steedman, 1st district, New Orleans, La., vice William P., Benton.
George W. Harrison, 4th district, Cumberland, Md., vice Somerset R. Waters.
John B. Headley, 4th district, Morristown, N. J., vice Daniel H. Winfield.
David Howe, 5th district, Lincolnville, Me., vice George W. Berry.
Robert Litt e, 3d district, Freeport, Ill., vice Frank Sackett.
George W. Brown, 2d district, Kingwood, West Va., vice Le Roy Cofrau.
Kent Jarvis, 17th district, Massillon, Ohio, vice John R. Miller.
Sluman S. Bailey, 4th district, Grand Rapids, Mich., vice Robert P. Sinclair.
James Armstrong, 2d district, Davenport, Iowa, vice Jacob W. Stewart.
William B. Allen, 2d district, Aurora, Ill., vice Sylvester S. Mann.
George W. Fish, 6th district, Flint, Mich, vice William B. McCreery.
Leonard F. Ross, 9th district, Avon, Ill., vice Silas Cheek.
James Craig, 6th district, St. Joseph, Mo., Vice James W. Black.
William O. Collins, 6th district, Hillsboro, Ohio, vice David Sanders.
John F. Wildman, 11th district, Anderson, Ind., vice James R. Slack.
Thomas Jones, jr., 18th district, Cleveland, Ohio, vice Henry N. Johnson.

THE attention of our readers is called to the liberal offers made by this Journal to induce them to use their efforts to extend its circulation. The great advantages which accrue to individual tax-payers, as well as the Government, from exactitude and uniformity in assessing and collecting Internal Revenue, have often been demonstrated. Our Government is of the people and for the people. Those who defraud it of its revenue, defraud their neighbors, by shifting to the shoulders of others their proportion of the National burden. The same dishonor should attach which taints such in a breach of mercantile faith.

Many of the evasions of revenue are undoubtedly owing primarily to want of correct information of the obligations of tax-payers, and the revenue has been seriously injured by the lack of knowledge of the laws and decisions of the authorities. These defects may be corrected in a great measure by a more extended circulation of the RECORD, which is authority on the subject.

The time and labor to be expended in obtaining subscribers, are not asked to be given gratuitously. Ample rewards and compensations are offered. The annual subscription price is $5, or $2 50 for a half year, beginning with January or July of each year. It is worth nothing if not worth that amount to every tax-payer in the land. One dollar is offered, and will be allowed, any person who obtains and forwards a new yearly subscriber during the year 1867. The person who obtains the greatest number of new subscribers will be paid January 1st, 1868, *Two hundred dollars in gold!* Two hundred dollars in greenbacks will be faithfully paid to the person who forwards the next greatest number. The same to the next—the next—and the next! The conditions are stated in the published offer in another column.

Many active persons in several sections of the country are competing for the honor and profit. It is not too late for others to begin. Volume VI. will begin with July next, and the best opportunity is now presented to competitors. Samples will be sent on application.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 20. NEW YORK, MAY 18, 1867. WHOLE NUMBER, 124.

TABLE OF CONTENTS.

REVIEW.

THE Commissioner of Internal Revenue has exercised the authority vested by Section 3, of the Act of March 2, 1867, and has established regulations (Series 3, No. 12), for the observance of Revenue officers, District Attorneys and Marshals, respecting suits arising under the Internal Revenue Laws, in which the United States is a party. These regulations require a material modification and change of practice on the part of those officers with respect to proceedings in such cases. All excise law matters are placed under the supervision of the Commissioner of Internal Revenue, to whom United States Attorneys, Marshals and Revenue Collectors must look for instruction.

The instructions to Collectors of Internal Revenue relating to the transportation of distilled spirits in bond, will restrict the movement of bonded spirits, and lessen the chances for defrauding the revenue by means of bogus bonds and removals. A rigorous effort, long sustained, with the zealous co-operation of subordinate officers, is perhaps requisite in order to demonstrate that it is not practicable to collect two dollars tax per gallon on spirits. It is not only in the large marts that whiskey is sold for less than the tax. Distillers and manufacturers of tobacco in the rural districts of the Southern States, are reported to have made large fortunes within the last two years.

The means of rapidly acquiring wealth is placed in the way of the unprincipled few by the excessive rates of tax on spirits and tobacco, and the temptation is too strong for resistance.

The instructions evince an unfaltering deteration of the Commissioner to prevent fraudulent practices in collecting the whiskey tax, if such a thing be possible.

We publish a very important decision in regard to castings, a subject which has always been troublesome to officers, and which has perplexed many since the passage of the Act of last March. The decision sets forth, in distinct terms, such castings as are exempt, and such as are taxable under existing laws.

Much space is devoted to Judge Casey's opinion in the Dorsheimer case, which involved questions of great interest and magnitude. The dissenting opinion delivered in the same case by Judge Nott, will be published next week.

PROMISSORY NOTES AND THEIR SUBSTITUTES.—It has been the practice with certain banks to take instruments in the form of a receipt instead of promissory notes. A. B. applies for a loan of $10,000, which he procures upon lodging United States bonds, &c., as collateral security. Instead of giving the bank his promissory note, he gives an instrument in substance as follows:

Received of —— Bank ten thousand dollars advance on $10,000 United States bonds.

To this he affixes a two cent stamp only. The Commissioner of Internal Revenue has decided that such an instrument is evidence of an amount of money to be paid, and as such, is liable to stamp tax at the same rate as a promissory note, and the Comptroller of the currency has directed all bank examiners not to recognize such an instrument with a two cent stamp only affixed, as valid and legal.

ARREST OF A DEPUTY INTERNAL REVENUE COLLECTOR.—Thomas Healey, Deputy Internal Revenue Collector for the First District, N. Y., was arrested on Monday morning by United States Marshal Nodyne, on a charge of having embezzled the sum of $7,376 in Revenue taxes from the Government, while acting as Collector from September 20th, 1862, to May 3d, 1867. He was taken before U. S. Commissioner Newton, when the charges were read to him by the U. S. District Attorney. In answer, Mr. Healey said, "Well, sir, that is true, I have either lost the money out of my pocket, or given credit to some parties in a larger amount of taxes than I could have collected."

The bail for the accused was fixed at $15,000.

IMPORTANT TO NEW APPOINTEES.—We have a few complete sets of the RECORD from April 15, 1865, containing the official regulations and decisions issued during that period. Price for volumes 1, 2, 3 and 4, bound separately in cloth, $10. Bound in 2 volumes, 1865–1866, $9; unbound, $8. These are invaluable to new Assessors and Collectors, and to Lawyers who have or seek Internal Revenue business.

PARTIES wishing EMERSON'S INTERNAL REVENUE GUIDE for 1867, can have them by applying at this office. The great popularity and usefulness of this work among Internal Revenue officers and business men, has already exhausted two editions, and a third is now in market. Over 400 pages, octavo. Price, paper covers, $1.00; cloth, $1.25. Sent by mail, prepaid, on receipt of price.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

[OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

INCOME.

Profits from Purchase and Sale of Underlying Coal, and of Mined Coal.

Coal, after it is mined, *i. e.* brought to the surface, is personal property, and a sale of underlying coal *to be paid for at a certain rate for each ton mined*, should be treated as a sale of personality. The miner's profit upon his sale of mined coal is the excess of the amount received for it over what it cost him. In determining the cost, the amount paid for the underlying coal may be included, but not the value of the personal services of himself or his family. The profit of the owner of the mine or coal lands is the excess of the sum received for the quantity sold over its estimated cost.

Losses from Fire.—Estimated Appreciations and Depreciations of Property.

The original cost of property destroyed by fire during the year 1866, less the amount received as insurance thereon, may be deducted from the income of that year, of the person to whom the loss occurred. *Estimated appreciations or depreciations* of property are in no case to be considered in ascertaining amounts to be taxed as income.

Owners of Homesteads Renting other Residences.

When a tax payer owns a homestead, the rental value of which is not returned as income, he should not be allowed to deduct the amount paid by him, "for the rent of the house or premises occupied as a residence for himself or his family" elsewhere.

Produce paid for use of Land regarded as Rent and Income.

When a freedman or other person cultivates the land of another under a contract, either written or verbal, to pay for the use of the same in the produce thereof, the produce thus paid is income, in the nature of rent to the party receiving it. The expenses of carrying on premises so leased are to be deducted from the income of the lessee only.

Deductions on Account of Taxes.

All National, State, County and Municipal taxes paid within the calendar year for which the income is being assessed, should be allowed as a deduction; but such taxes not actually paid until 1867 should not be deducted from the income of 1866, even though they may have been due and payable in the year last named.

SPECIAL TAX.

Newspaper Publishers Manufacturers.

The publisher of a newspaper is liable to a special tax as a manufacturer, if the papers sold by him either by subscription or otherwise, together with the job work performed in his office exceeds one thousand dollars per annum.

Manufacturers' Yearly Exemption of $1,000.

When a manufacturer is engaged the entire year in the production of a taxable manufacture, but on account of the character of the article or for other reasons his sales are not made monthly, he is entitled to the exemption of $1,000 per annum if his sales do not exceed $3,000 annually, though they may exceed $250 per month.

MANUFACTURES.

Repairs—Manufactures—New Work.

Repairs are not manufactures, and a person does not become liable to a special tax as a manufacturer on account of making them. Great care should be taken, however, not to class new work made of old materials under the head of repairs. One who is engaged in making both repairs and new work is liable to such tax if his new work exceeds one thousand dollars per annum in value.

Japan Varnish.

Japan or Japan varnish is to be regarded as a varnish and exempt under the act of March 2, 1867.

Barges, Gondoles, Row Boats and Open Sail Boats.

"Hulls of ships and other vessels" are exempt from tax; barges, gondolas, row-boats and open sail boats are not vessels within the meaning of the law, but are liable to a tax of five per centum ad valorem under the general provision of Section 94 as manufactures not otherwise provided for.

Yeast.

All yeast is exempt from tax.

Wrapping Paper.

By the act approved March 26, 1867, all wrapping paper from whatever material made is exempt from tax. (See INTERNAL REVENUE RECORD, Vol. V., page 150.) The term "wrapping paper" as used in said act applies to such paper only as is known to the trade by that name, such as is used by dealers for putting up their goods when sold. Paper manufactured and used, or sold for other purposes, such as bag paper, paper for twine, sand-paper stock, &c., does not fall within the exemption.

Cast Iron Sash Weights.

Cast-iron sash weights are taxable as castings at the rate of $3 per ton.

Copper Ware and Manufactures.

Copper ware (except copper bottoms for articles for articles for domestic and culinary purposes) is taxable at the rate of five per cent. on the entire amount for which it is sold by the manufacturer, even though a tax may have been paid on the materials from which it has been made.

Inspection Marks on Tobacco Packages.

The full date of inspection, i. e., *year, month and day* should appear on each package of inspected tobacco.

Castings of all kinds—Agricultural Machinery, Permanent Structures, &c.

TREASURY DEPARTMENT,
Office of Internal Revenue,
WASHINGTON, May 10, 1867.

SIR:—I have received your letter of the 26th ult., in which you enquire if castings made for reapers, mowers, threshers, separators, wheat drills and cultivators are exempt from taxation under that clause of the act of March 2d, 1867, which exempts castings made for "machinery," &c.

In reply I have to say that under the law as amended by the acts of July 13th, 1866, and March 2d, 1867, the following classes of castings are exempt from taxation.

(1.) Castings made for particular articles, machines or structures, all of which are enumerated, as for instance, castings for locks, safes, looms, spinning machines, steam engines, hot air and hot water furnaces, sewing machines, cars and scales, and castings for iron bridges.

(2.) Castings of a particular kind or for a particular use, as malleable iron castings, unfinished, and castings for hollow ware.

(3.) Castings made for articles which are not enumerated, but which articles are liable to tax in a finished state.

(4.) Castings made for machinery.

All castings which are not exempt under one of the above heads, are liable to the specific tax of $3 per ton. These are the following, to wit:

(1.) Castings used for buildings or permanent structures, except castings for iron bridges.

(2.) Castings which are complete articles in themselves, and not made component or constituent parts of other articles, &c.

(3.) Castings which are intended for, and used as component or constituent parts of other articles, except such as are used in the manufacture of shafting or gearing (*machinery*); and of cars, scales, articles, machines, instruments, or engines on which a tax is assessed and paid in a finished state.

The agricultural implements or machines enumerated in your letter are all *exempt* from taxation in a finished state; the *castings*, therefore, used in their construction come under the third clause enumerated above of *taxable castings*, and not under either of the exceptional or exempted classes.

Yours respectfully,
(Signed), E. A. ROLLINS,
Commissioner.

Removal of whiskey in Bond—Instructions to Collectors of Internal Revenue.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, May 13, 1867.

SIR:—The continued low price at which distilled spirits can be purchased in the principal markets of the country makes it evident that there has been a failure on the part of the Revenue officers to exercise that vigilance which is called for in the suppression of fraud. The strongest provisions of the statute in relation to distillation are such that, if they were vigorously enforced in every collection district, and in all points, there can hardly be a doubt that but a very small proportion of the quantity manufactured could escape taxation.

The adoption of the meter which was announced in Special Order No. 54, (See RECORD Volume V., page 149), and the requirement that no distiller shall continue in business after the 15th day of the present month, unless he shall have made application for a meter, will, it is believed, lessen the number of those authorized to distil, and thus, to some extent, render

easier the suppression of fraud. The enforcement of the law in this particular, in your district, depends largely upon your exertions, and you are expected to leave untried no means which may promise to be of avail. The greatest energy and watchfulness is required to see that no distiller is allowed to run who has not paid the special tax, or, after the prescribed time, who has not made application for a meter. If any distillery is found thus illicitly in operation, you should make immediate seizure, and report the facts to the District Attorney. If the reports from any lawfully established distillery do not show a production equal to the probable capacity of the distillery, you should consider it your duty, as fully as that of the Assessor to cause immediate investigation.

Your attention is also especially called to the enforcement of the regulation concerning the transportation and storage of spirits in bond. The regulation published in Series 2, No. 9, on page 9, (See RECORD, Volume IV., pages 178–188), provides that distilled spirits may be transported from the distillery to any general bonded warehouse, Class B, or from the bonded warehouse in which they are first deposited to any other bonded warehouse, Class B. For the purpose of facilitating trade, this regulation was so construed as to allow any number of removals in bond. It was not anticipated that this privilege would be abused to the detriment of the Government, but experience has demonstrated that it has not only operated to delay the payment of taxes on spirits, but has been prostituted to the perpetration of enormous frauds.

It is therefore deemed absolutely necessary, in order to protect the public interest, to return to a strict and literal construction of the law of 1866, and the a oresaid regulation. Hereafter, therefore, no withdrawal of spirits from a general bonded warehouse will be allowed for transportation in bond, except to the Pacific States, the only withdrawals allowed being for exportation, for redistillation or rectification, and upon payment of the tax. Where a general bonded warehouse is substituted for a distillery warehouse in accordance with the provisions of the recent statute, transportation will be allowed to any other general bonded warehouse.

Before accepting any bond for any purpose, you will require such proof of the identity and sufficiency of the parties executing the same, as will satisfy you that it is entirely safe for the Government to rely upon the bond. Unless the principal and the sureties are known to you personally, you should require the sureties to make affidavit, and before accepting the bond you should make investigation into the truth of the representations.

Your special attention is also directed to the thorough enforcement of the twenty-first section of the act of March 2, 1867, which relates to the selling of distilled spirits at a less price than the tax imposed by law. This applies to any spirits whatever, whether distilled, redistilled or rectified.

You will bear in mind that the tax imposed by law is two dollars per proof gallon, when the spirits are above proof, or two dollars per wine gallon when below proof, and any sales or pretended sales, or offers to sell for a less price than this tax, come within the law, and are to be taken and deemed as *prima facia* evidence that the tax has not been paid. Selling or offering to sell for a sum greater than the tax, with fifty per cent. off, or any other rate per cent. off, which brings the sum actually paid below the tax, is a mere evasion, and should be treated as a violation of the law. Your utmost vigilance in discovering infractions of this section, and in enforcing its penalties, is expected and required.

Every violation of law which comes to your knowledge should be immediately reported to the District Attorney, accompanied by such evidence as you may have, and your special attention should be paid to the enforcement of the criminal provisions of the statute.

So great is the demoralization which has resulted from the lax administration of the revenue law in relation to distilled spirits, that there is the most urgent necessity for a change; and I am instructed by the Secretary of the Treasury to say that in any district in which these frauds continue, he will consider it his duty to see that such changes are made in the officers of the district as may give promise of greater energy and fidelity.

E. A. ROLLINS, *Commissioner.*

To ——— *Collector of Internal Revenue,*

——— ———.

[SERIES 3, No. 12.]

UNITED STATES INTERNAL REVENUE.

Regulations for the Observance of Revenue Officers, District Attorneys, and Marshals, Respecting Suits arising under the Internal Revenue Laws, in which the U. S. is a Party.

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, April 13, 1867.

Pursuant to the act of Congress, approved March 2, 1867, entitled "An act to amend existing laws relating to internal revenue, and for other purposes," the following regulations have been established by the Commissioner of Internal Revenue, with the approbation of the Secretary of the Treasury, for the observance of district attorneys, marshals, and officers of Internal Revenue in the United States.

By section third of said act, it is made the duty of the Commissioner of Internal Revenue to control, and to keep record of, all suits arising under the internal revenue laws, and consequently the above-mentioned officers will hereafter look to the Commissioner for instructions in such cases, and make all reports to him in a similar manner to that hitherto required by the Solicitor of the Treasury. Reports will be made to this office *in all cases now pending*, and all instructions concerning such cases will be issued by the Commissioner of Internal Revenue.

DISTRICT ATTORNEYS.

1. Each district attorney will procure a well-bound docket and letter-book, labelled as follows: The property of the United States." Internal Revenue cases," each being provided with a suitable index.

These books will be carefully preserved, and handed to the successor of such officers. Full and minute entries will be made in these dockets of the time of issuing and receiving papers and process, and of whatsoever is done by said officers in United States internal revenue cases of all kinds, with correct dates. The letter-book will contain full and true copies of all letters written by them officially, concerning internal revenue suits, or matters relating thereto, in which the United States are interested.

2. All official letters relating to cases under the internal revenue laws, received by district attorneys, will be preserved as public property, and delivered to their successors. Whenever such letters accumulate sufficiently to make a volume, the officer having them in possession will cause the same to be indexed and bound according to their dates.

All papers and documents used by, or coming to the possession of, any district attorney, during the progress of a suit, and relating thereto, must be properly filed and kept in a bundle with the other papers relating to the cause, and delivered by him to his successor.

3. No district attorney will commence a suit, or proceeding in court, arising under the internal revenue laws, in the name or for the benefit of the United States, without instructions from the Commissioner of Internal Revenue, or by direction from some person or court authorized by law so to direct.

4. Whenever a district attorney shall, in any manner, become possessed of information which shall lead him to believe that a trespass upon the property of the United States, (of which possession is held by virtue of the internal revenue laws,) or an infraction of the internal revenue laws has been committed, he will immediately report such information to the collector of internal revenue for the district in which the offence was committed, and if the collector shall agree as to its propriety, suit shall be immediately commenced. If the collector shall not so agree the district attorney will immediately report the circumstances of the case to the Commissioner of Internal Revenue and await his instructions.

5. On the receipt of papers on which to commence suit the district attorney will closely examine and see if there is any defect in them, or if any explanation is wanted; and if so, he will immediately report the same to the person from whom the papers were received, with such suggestions as shall seem to him proper. If, before the commencement or during the progress of a cause, questions shall arise in the mind of the district attorney in relation to which it may, in his opinion, be desirable that he should take counsel, he will state such questions to the Commissioner of Internal Revenue, with the authorities bearing upon them, and also his own views.

6. The commencement of all suits must be reported by district attorneys, on Form 112, to the Commissioner immediately after process shall be issued, and at the end of every term of the district and circuit courts they will make a general report on form 113, containing a list of all internal revenue suits commenced by them since the close of the last preceding term of such court, with a full statement of the cause of the action and all the proceedings therein; and also of all proceedings since the close of the last preceding term in causes previously commenced, so as to furnish to the Commissioner a full history of what has been done in all causes since the previous term, including any trial, verdict, decision, or judgment, and the issuing of any execution, with the time when issued.

7. When a suit shall have been commenced, either by direction of a public officer or otherwise, it will be the duty of the district attorney having such suit in charge to press the same to a judgment at as early a day as possible, consistent with the interest of the United States. Where a cause shall have been continued, the district attorney will, in his next return to the Commissioner, state upon whose motion and on what grounds the continuance was directed. No district attorney will discontinue a suit, or consent to a dismissal or continuance thereof, or suspend proceedings, or agree that a judgment or decree shall be taken for a less amount than the United States is entitled to claim in view of the violations of law committed by the defendant, without express instruction from the Commissioner, except that when such attorney shall be of opinion that the suit has been improperly brought, that an error has been committed in the pleadings or proceedings which may be fatal or hazardous to the interests of the government, or that the evidence in his power to produce is insufficient to support the action, and there shall not be sufficient time to communicate with and receive instructions from the Commissioner, he may consent to suspend proceedings, or to a continuance. In all such cases the district attorney will immediately report the facts and his reasons for his action to the Commissioner.

8. As early as practicable after the perfecting of judgment, execution will be placed in the hands of the marshal by the district attorney, who will take dupli-

cate receipts therefor—one of which he will transmit to the Commissioner of Internal Revenue. At the commencement of every term of court the district attorney will carefully examine and ascertain whether the marshal has properly returned all process placed in his hands, the return of which is due.

If he shall find that the proper return has not been made, it will be his duty to take prompt and efficient measures to compel a return; in which case he will report the steps taken and their result to the Commissioner.

9. All records of cases in error or on appeal to the Supreme Court, together with the points of both parties, the brief of the district attorney, the authorities cited by the opposing counsel, and the opinion of the judge when it can be obtained, whether intended for the Attorney General, the clerk of the Supreme Court, or the Commissioner, must be enclosed to the Commissioner, when the proper disposition of the papers will be made.

10. In case of any change of the fee bills or rules of court in either of the districts, the proper district attorney is requested to advise the Commissioner of such alteration.

11. After process is placed in the hands of a marshal, district attorneys will not attempt to control or interfere with the execution of the same, as therein commanded, without special directions from the Commissioner.

MARSHALS.

1. Marshals will each procure a well-bound docket, day-book, ledger, and letter-book, labelled and marked as follows: "The property of the United States." "Internal Revenue Cases," with suitable index for each. These books will be carefully preserved by the marshals, and handed to their successors. They will make minute entries in their dockets of the time of receiving and serving papers and process, and of whatever is done by them in cases arising under the internal revenue laws, with correct dates. The letter-books will contain full and true copies of all letters written by such officers officially, relating to such suits or matters in which the United States are interested.

In the day-books and ledger full and accurate accounts will be kept of all moneys received and paid out for the United States, on account of these cases.

The entries in dockets and account books will be so full, clear, and definite that they can be easily understood.

2. All official letters relating to United States internal revenue cases received by marshals, not needed by them as vouchers for the payment of money, will be preserved as public property, and delivered to their successors.

Where the originals are essential to them as vouchers, they will leave copies in their places. Whenever such letters accumulate sufficiently to make a volume, the officer having them in possession will cause the same to be indexed and bound according to their dates.

3. On the receipt of every process, mesne and final, in United States internal revenue cases (except subpœnas,) marshals will notify the Commissioner thereof on forms 114 and 115, respectively, stating the title and nature of the suit, the name of the process, and if an execution, distress warrant, or otherwise requiring the collection of money, or the sale or seizure of property, the amount of the debt, or a description of the property to be sold or seized, and the amount of the costs, with the time from which they are directed to collect interest. They will also give to the district attorney duplicate receipts expressing the above particulars.

4. Where a marshal, in an United States internal revenue case, makes a seizure or levy, he will report to the Commissioner, giving a full description of the property seized or levied upon, in whose possession found, where, how, and by whom, and upon what terms kept, and how long it will be necessary to keep it. If at the time of sale, no one bids to the amount of the execution, or one-half the cash value of the property offered, he will postpone the sale, and give notice to the Commissioner—except in cases where by such postponement the lien would be lost, or the interest of the government seriously jeopardized. In the latter case, if he shall deem it necessary to save the debt, he will consider the United States as bidding such an amount not greater than one-half the cash value of the property as he shall deem proper for their interests. Should the United States become the purchasers of the property, the marshal will take care of the same, and will make an immediate report of his action in relation thereto to the Commissioner.

This regulation is to be obeyed except in cases where it will be inconsistent with section 27, act March 2, 1867, as follows:

"SEC. 27. *And be it further enacted*, That no distilled spirits which have been forfeited to the government in accordance with law shall be sold for a price less than the amount of tax required thereon by law at the time of such sale. And if the officer having such spirits in charge shall have been unable, for a period of ninety days, to sell the same for the price equal to the tax, such spirits shall be destroyed, under such rules and regulations as the Commissioner of Internal Revenue may prescribe."

5. When real estate shall be purchased at a marshal's sale by or for the United States, the marshal will immediately transmit to the office of the Commissioner his certificate of sale, according to the law and usages in his district; and when the purchaser shall be entitled thereto, such marshal shall execute his deed for the property to the United States, and cause the same to be placed on record, and immediately thereafter he will transmit such deed to the Commissioner.

6. On the return of process in cases arising under the internal revenue laws, marshals will report in writing to the district attorney, and also to the Commissioner of Internal Revenue, what they have done on each.

In cases where the marshal returns in substance, "no property to be found," he will also specially report to Commissioner and district attorney the situation, residence, and circumstances of the party against whom the process was issued, and whether the debtor has any means within or out of the district which can be reached by the United States, or whether the debt is valueless.

7. In all the cases where the money is made by the marshal on execution, or where it shall come into his hands in any other manner, he will pay the entire gross proceeds into the registry of the court, and will immediately report to the district attorney and to the Commissioner, on form 116, fully and particularly stating when, from whom, and on what account the same was received.

8. On the first day of March in each year, marshals will report to the Commissioner the situation of all judgment debtors of the United States under the internal revenue laws within their respective districts, so far as they have any knowledge upon the subject, and will advise such proceedings in the premises as they shall deem proper.

9. All property seized by marshals where it is practicable to do so, will be stored and kept in the United States warehouse or warehouses, class B, used and occupied under the internal revenue laws by the officers of the government.

Documents, books, and papers relating to internal revenue cases, coming into the possession of district attorneys and marshals, must be kept separate and distinct from those relating to other cases and matters in which the United States are interested.

COLLECTORS OF INTERNAL REVENUE.

1. Each collector will keep a record or docket of the seizures made in his district, and showing the date of the seizure; at whose instance it was made; kind, quality, and estimated value of the property; name of the informer, if any; name and address of owner of the property; the reason for such seizure; where stored, or by whom taken care of; the nature of the proceedings instituted, and the final disposition of the case. On making a seizure, the collector will at once notify the Commissioner, on form 117, stating all the facts pertaining to the same then in his possession.

2. Where small seizures made by collectors shall be appraised at less than three hundred dollars, district attorneys will not proceed against them, but collectors will sell such articles in the manner prescribed by law.

3. All property seized by collectors, or transferred to them, where practicable, will be stored and kept in the United States warehouse or warehouses (class B) used and occupied under the internal revenue laws by the officers of the government.

4. When a collector of internal revenue directs the commencement of a suit for any cause, he will do so in writing, addressed to the proper district attorney. If it is for a fine, penalty, or forfeiture he will communicate all the facts which he expects to be able to prove, and the names and residences of the witnesses by whom such facts can be shown, and the name of the informer, if any. He will distinctly state what law he believes has been violated, and the amount of the penalty claimed.

In cases of seizure, he will state what property has been seized and for what cause; also, how and upon what terms the property so seized is kept. A copy of such direction and communication the person ordering the suit will immediately send to the Commissioner.

MISCELLANEOUS.

1. District attorneys, marshals, and collectors of internal revenue will report to the Commissioner the existence and situation of any property belonging to the United States, by reason of violation of the internal revenue laws, which is not in the care of any officer or agent of the government, to the end that it may be protected and preserved. If either of them shall discover that any claim in favor of the government, not in his hands, can be collected, he will report to the Commissioner and recommend the best mode of proceeding. They will also report immediately to the Commissioner any default of a district attorney, clerk, marshal, or collector, or other person engaged in the collection of any debt due to the United States under the internal revenue laws, or in the disbursement of any money collected in such cases. All reports will be made substantially in the form furnished from the Commissioner's office, which will be exclusively used when applicable.

2. Whenever any suit shall be brought against any officer of the United States in the internal revenue service for any act by him done or omitted in his official capacity, and in the defence of which he may desire the aid of the district attorney, or by the determination of which, the interests of the United States may be in anywise affected, such officer shall, as soon as practicable, transmit to the district attorney the process served upon him, together with a clear statement of the circumstances out of which the suit shall have arisen; whereupon the district attorney will either assume the defence of such suit, or apply for instruction in relation thereto to the Commissioner, as may be required by the nature of the case.

3. Every officer (other than a collector of internal revenue in his own district) who makes a seizure will at once report the fact to the collector of the district in which the seized property is located, and turn over the same to the said collector as soon as possible, forwarding to the Commissioner, at once, a report embodying all the facts concerning the same which are then known to him.

4. The receipt of all communications from the office of the Commissioner will be acknowledged by the first mail.

5. In all cases where receipts, notices, returns, or other papers are required to be sent to the office of the Commissioner, they must be forwarded at the earliest practicable moment.

6. In all cases, when desired, triplicate receipts for moneys or papers received will be executed by the party receiving them.

7. Letters to the Commissioner will be on ordinary sized letter paper, with an ample margin on all sides. All letters will be enclosed in envelopes, and each distinct subject will be communicated within a separate letter.

All letters will be endorsed on the back with the name of party writing, official designation, residence, date of letter, brief of contents.

8. None of the foregoing instructions to district attorneys, marshals, collectors, and other officers of internal revenue, are to be deemed to apply to any cases except those arising under the internal revenue laws.

E. A. ROLLINS,
Commissioner.

Approved.
H. MCCULLOCH,
Secretary of the Treasury.

SECRETARY'S OFFICE—CUSTOMS.

Circular to Collectors of Customs Relating to Commerce with France.

TREASURY DEPARTMENT,
January 5, 1867.

SIR: I transmit herewith for your information and guidance a copy of a Proclamation of the President of the United States, dated the 28th day of December, 1866, relative to discriminating duties on French vessels.

Very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

To Collector of Customs
at.....

By the President of the United States of America.

A PROCLAMATION.

WHEREAS satisfactory evidence has been received by me from his Imperial Majesty the Emperor of France, through the Marquis de Montholon, his envoy extraordinary and minister plenipotentiary, that vessels belonging to citizens of the United States entering any port of France or of its dependencies on or after the first day of January, one thousand eight hundred and sixty-seven, will not be subjected to the payment of higher duties on tonnage than are levied upon vessels belonging to citizens of France entering the said ports:

Now, therefore, I, ANDREW JOHNSON, Pre ident of the United States of America, by virtue of the authority vested in me by an act of Congress, of the seventh day of January, one thousand eight hundred and twenty-four, entitled "An Act concerning discriminating duties of tonnage and impost," and by an Act in addition thereto of the twenty-fourth day of May, one thousand eight hundred and twenty-eight, do hereby declare and proclaim that on and after the said first day of January, one thousand eight hundred and sixty-seven, so long as vessels of the United States shall be admitted to French ports on the terms aforesaid, French vessels entering ports of the United States will be subject to no higher rates of duty on tonnage than are levied upon vessels of the United States in the ports thereof:

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, this twenty-eighth day of December, in the year of our [SEAL.] Lord one thousand eight hundred and sixty-six, and of the Independence of the United States of America the ninety-first.

ANDREW JOHNSON,

By the President:
WILLIAM H. SEWARD,
Secretary of State.

Law Reports.

DORSHEIMER'S CASE.

PHILIP DORSHEIMER AND OTHERS *vs.* THE UNITED STATES.

On demurrer.

A large amount of distilled spirits, and the distillery and appurtenances where the same was manufactured were seized at the instance of, and upon information furnished by officers of the internal revenue. Judicial proceedings were instituted to have the spirits declared forfeited. During the pendency of these suits, and before condemnation, the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, compromised the case, the claimants of the property paying the amount of taxes due on the spirits, and a specific sum as penalties.

1. The act of the 30th of June, 1864, § 44, authorized the Commissioner and Secretary to make the compromise.
2. That in agreeing to such compromise it was competent for them to make the payment of the taxes due the United States a part of such compromise.
3. That the amount so received for duties, on such compromise was not reserved as a forfeiture out of the property, but paid as a tax, and the informers were not entitled to participate in such sum.

Nott, J., dissenting.

CASEY, C. J., delivered the opinion of the court.

This case comes before us on a demurrer, which admits the facts as stated in the petition of the claimants, but alleges they are not sufficient in law to maintain their action. We need not, therefore, recite the facts.

The solicitor contends, in support of the demurrer, that the compromise of the suit by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, as set forth in the claimants' petition, is binding upon them, and conclusive of their rights in the premises. That the act of 30th June, 1864, § 44, which conferred upon the Secretary and Commissioner the right to compromise all suits relating to internal revenue, is broad enough in its provisions and scope to embrace this case. That until the actual receipt of the money, and while proceedings remain in *fieri*, the Secretary and Commissioner may interpose their authority and defeat the forfeiture by remitting the penalty or compromising the suit.

The claimants' counsel contend that when the property was seized for violation of the excise law it was no longer liable for tax as such, but subject to forfeiture only; and, therefore, that in the alleged remission of the forfeiture or compromise of the suit, whatever sum was obtained by such arrangement, could only be so much reserved out of the forfeiture as a penalty and not as a tax.

If these sums were really penalties or forfeitures and not taxes, it is admitted the claimants are entitled to share equally in their amount with the government. The internal revenue law gives one moiety of these to the informer. If, on the other hand, the amount in dispute was received by the government as taxes due from the party whose property was seized, and the officers had a right to so compromise the suit, then these claimants have no right to participate in the amount representing such taxes or duties.

The claimants rely on the ruling of the Supreme Court of the United States in the case of McLane *vs.* the United States, 6 Pet., 404, as decisive of this controversy. That case arose out of the seizure of a cargo of goods imported into the United States, in violation of the non-intercourse laws, about the month of April, 1812. They were libelled, and a decree of condemnation passed. Congress then, on the 29th of July, 1813, authorized the Secretary of the Treasury to remit the forfeiture on payment of the duties which would have been payable by law on such goods, &c., if legally imported after the 1st of July, 1812. An act of congress of that date had rendered such goods liable to a double duty. The Secretary of the Treasury, proceeding under this special act, remitted the forfeiture upon the conditions prescribed therein. The money was paid into court, where the forfeiture had been declared, and the collector, Mr. McLane, claimed a moiety, and prayed that it might be decreed to him. His prayer was refused, and he appealed to the Supreme Court of the United States.

Mr. Justice Story, after reciting the leading facts of the case, states the questions presented in the following concise and lucid manner: "The question then arises in what light the reservation and payment of the double duties as conditions upon which the remission is granted, are to be considered? Are the double duties to be deemed a mere payment of lawful duties, or are they to be deemed a part of the forfeiture reserved out of the proceeds of the cargo? If the latter be the true construction, then the collector is entitled to a moiety; if the former, he is barred of all claim."

The claim of the collector was sustained on the ground that the goods when imported and seized were not liable to duties at all, they were simply subject to forfeiture. And the object of the act of 1813, authorizing the Secretary to remit on payment of double duties, was a mere means of determining the extent to which the forfeiture should be enforced. The goods not having been subject to any impost or tax, it could not be retained as a duty, but must be regarded as a forfeiture. The government in that case admitted the right of the collector to participate in one half the sum received, regarding the single duty as a tax and the residue as forfeiture. But the court held the entire proceeds to be a forfeiture, and decided that the collector was entitled to a moiety of the whole sum.

Now the claimants maintain that after this property was seized and libelled it was no longer subject to tax; that the only way in which the government could get any sum out of it in lieu of the taxes, the payment of which had been evaded by the manufacturer, was by a decree of condemnation and sale, or by reserving so much out of it, on releasing the property or compromising the suit, by way of forfeiture; that from the time of seizure till the close of the case the interests of the government and the informer are identical and mutual, and they are entitled to share alike in all that may be obtained out of the property seized, whether by compulsion or compromise. They admit the power of the Secretary to remit the forfeiture, but say it

must be an entire remission. He may not remit the part to which the informer is entitled, and retain the government's share or any part of it.

The right of an informer in the property seized is an inchoate right, and which, under our system of revenue laws, is liable at any time before the receipt of the money to be defeated by the intervention of the discretionary powers vested by law in the officers of the Treasury Department.

In the case of the United States *vs.* Morris, 10 Wheat., there had been judgment on the forfeiture, a decree of condemnation, and also judgment on the bond given by the claimant for the release of the property, a part of the money paid and distributed, a *fieri facias* levied on the goods of the defendants for the residue, and a *venditioni exponas* in the hands of the marshal to sell the same. At this juncture an application was made to the Secretary of the Treasury, who remitted the forfeiture, and his right and power to do so were the questions discussed and decided by the court.

Mr. Justice Thompson, in delivering the unanimous judgment of the court, says:

"It is not denied that custom-house officers have an inchoate interest upon the seizure, and it is admitted that this may be defeated at any time before condemnation. But if this is not the limitation put upon the authority to remit by the act giving the power, it is difficult to discover any solid ground upon which such limitation can be assumed. If the interest of the custom-house officers before condemnation is *conditional* and subject to the power of remission, the judgment of condemnation can have no other effect than to fi. and determine that interest as against the claimant. Those officers, although they may be considered parties in interest, are not parties on the record; and it cannot with propriety be said that they have *vested rights* in the sense in which the law considers such rights. Their interest still continues conditional, and the condemnation only ascertains and determines the fact on which the right is consumated should no remission take place." And on page 291, speaking of the statute which gives the Secretary of the Treasury the power of remission in cases of forfeiture he says: "But the plain and obvious interpretation is, that the right does not become fixed until the receipt of the money by the collector."

The object of the law is doubtless to secure the payment of the tax and not to produce forfeitures. The wide discretion vested in the officers is intended to assist them in collecting the duties and taxes, and to compel parties to deal justly by the government. The 48th sect. of the act June 30, 1864, 13 Stat., 240, enacts "That all goods, wares, merchandise, articles, or objects on which duties are imposed by the provisions of law, which shall be found in the possession or custody, or within the control of any person or persons for the purpose of being sold or removed by such person or persons in fraud of the internal revenue laws, or with design to avoid the payment of duties, may be seized by any collector or deputy collector who shall have reason to believe that the same are possessed, had, or held for the purpose or design aforesaid, and the same shall be forfeited to the United States." The 41st sect., 13 Stat., 239, provides, "and where not otherwise or differently provided for, one moiety thereof shall be to the United States and the other moiety thereof to the use of the person, to be ascertained by the judgment of the court, who shall first inform of the cause, matter, or thing whereby any such fine, penalty or forfeiture was incurred." The 179th sect., 305, makes t the duty of the several collectors of internal revenue, within their respective districts to prosecute for the recovery of fines, penalties, and forfeitures imposed by the act, and that all such sums may be sued for and recover in the name of the United States in any appropriate form of action before any circuit or district court of the United States for the district within which the fine, penalty, or forfeiture may have been incurred or any other court of competent jurisdiction. And where not otherwise provided for "one moiety shall be to the use of the person who, if a collector or deputy collector, shall first inform of the cause, matter, or thing whereby any such fine, penalty, or forfeiture shall have been incurred, and the other moiety to the use of the United States."

The 44th section of the act, 13 Stat., 239 and 240, enacts, "that the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, shall be, and is hereby, authorized, on appeal to him made, to remit, refund, and pay back all duties erroneously or illegally assessed or collected, and all duties that shall appear to be unjustly assessed or excessive in amount, or in any manner wrongfully collected, and also repay to collectors or deputy collectors the full amount of such sums of money as shall or may be recovered against them, or any of them, in any court for any internal duties or licenses collected by them, with the costs and expenses of suit, and all damag s and costs recovered againt assessor, assistant assessors, collectors, deputy collectors, and inspectors in any suit which shall be brought against them, or any of them, by reason of anything that shall or may be done in the due performance of their official duties; *and also compromise such suits and all others relating to internal revenue.*"

The 1st sect. of the act of 3rd March, 1797, 1 Stat., 506, it is admitted, confers full power upon the Secretary of the Treasury to remit any forfeiture incurred in cases like the present. But the act requires that the application for the remission shall be made to the judge of the district where the forfeiture accrued, who, upon notice to the district attorney, and the person claiming the forfeiture, &c., hears the application in a summary manner and reports the facts to the Secretary of the Treasury; the latter, if satisfied that the penalty or forfeiture was incurred without any wilful negligence or intention of fraud may mitigate or remit it, or any part of it. This act can have no bearing on the present case, because the mode prescribed was not pursued, and without that he could not proceed under it.

The case depends, therefore, entirely and squarely upon the construction to be given to the provision in the 44th section of the act of 30 June, 1864, authorising the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, to compromise all suits relating to internal revenue.

The statutory interest of an informer or prosecutor in a penalty or forfeiture under the revenue laws is only an inchoate and a contingent interest, and never vested and indefeasible until the money is actually received by him. This is the understanding and tacit ag eement under which he enters upon the prosecution of the case. His individual interests must yield to the general policy and convenience of the government; the only limitation upon this, is that he shall be admitted to share equally with the government, in the penalty or forfeiture recovered or reserved, in the final disposition of the case. Such are the results of the cases settled by the highest judicial authority, the Supreme Court of the United States. This, then, narrows the question in our case down to the simple inquiry whether the sum of one hundred and ninety-five thousand one hundred and two dollars, purporting to have been received on this compromise in payment of taxes due on the liquor manufactured, was really received as a tax or as a forfeiture. And this again depends upon the right and power of the officers under that 44th sec[illegible] they intended to receive it as a tax, and if they had a right to do so, if they might lawfully claim the payment of the tax out of the property seized, or from the manufacturer or party claiming the property, then it is clear it was a tax and not a forfeture. We think that Congress, in conferring this authority to compromise all suits, intended that the officers charged with the supervision of the assessment and collection of the internal revenue and the enforcement of the law imposing it, should possess the fullest power and widest discretion. Instead, therefore, of the act enumerating and specifying the particular things which they might do, and to which their authority in that event would necessarily have been limited, they confer a power and right of control as broad and as extensive as the subject itself. It was of course apparent to Congress that in the workings of such complicated and vast machinery as that necessary for the assessment and collection of the internal duties imposed by the act of 1864, that no human sagacity or foresight could provide beforehand for the adjustment of the innumerable difficulties that would arise in any other way than in the most general terms. And while they were imposing on the Secretary of the Treasury and the Commissioner of Internal Revenue a most onerous duty they intended to confer all the power necessary to perform it efficiently. It was apparent that much litigation would necessarily arise; that multitudes of suits embracing every variety of judicial controversy, must ensue. That the subject-matter and complexion of this litigation would be as diversified in its aspects and character, in its facts and principles, as the endless variety and almost infinite number of objects and human transactions upon which the law was made to operate. To specify, to enumerate powers and functions applicable to such a subject, was simply impossible. The only thing that could be done to meet such exigencies as must arise was to confer the power in the broadest and most general terms. This, we apprehend, was the intention when Congress conferred the power to compromise all suits relating to internal revenue.

Compromise is defined to be "an agreement between two or more persons, who, to avoid a law suit, amicably settle their differences on such terms as they can agree upon."—(1 Bouv. L. Dict., 109.) Lexicographers define it in the same way. Webster says compromise is an amicable agreement between parties in controversy to settle their differences by mutual concessions." To compromise: "To adjust and settle a difference by mutual agreement, with concessions of claims by the parties—to agree, to accord."

The suit compromised related to internal revenue. It grew directly out of, and was founded upon, the internal revenue law, and was a part of the machinery devised to enforce compliance with its provisions, as well as to punish for disobedience of its mandates. We have no doubt the power conferred embraced the right to compromise the suit in question, and being a matter of discretion vested by law in public officers, it is not re-examinable here. For a corrupt exercise of the power vested in them the officers would be liable to removal or impeachment. But no review of their action or appeal from their decision is given to any other tribunal. Therefore whether it was a wise and judicious settlement, whether in accordance with sound policy and for the best interests of the service, are questions which do not arise in the case. Then, having made the comp omise and received a large sum in payment of the taxes admitted to be due, are the informers entitled to a share of those taxes? Does the seizure of the property and the pending suit for the forfe.ture constitute such a partnership that the government must divide with them this sum paid to it expressly as taxes? The law confers upon them one-half of the forfeiture—no part of the taxes, yet if a party comes voluntarily forward after seizure, and pays the taxes, the gove.nment could surely receive

them; suppose that occurs—they are paid over into the treasury of the United States, The suit for the forfeiture is still pending. The subsequent payment of the taxes does not condone the offence and operate as a release of the property; but the officers at some subsequent period, agree to compromise with the owner upon the payment of a certain penalty, in lieu of the forfeiture, and restore to him the property. Does the act of compromise relate back to the receipt of the taxes, and make that a reservation out of the forfeiture which was in fact and in law, when made, a payment of taxes, and so regarded by the owner and the officers of the law? In such case the officers could receive the taxes—they were due as such, and if offered to be paid they could not be justified in refusing to receive them. But the receipt of those taxes does not take away or abridge their right to compromise the pending suit. That remains intact. And so far as that suit is concerned, their power over it is plenary and complete. They may reserve one dollar, or one hundred thousand, as a forfeiture or penalty. But whatever they reserve as such they must divide it with the informer. But that which is voluntarily paid to them as taxes goes into the public treasury, and the informer has neither lot nor part in the amount.

Between this case and McLane *vs.* the United States, 6 Peters, 404, there is a marked and wide distinction. In that case the goods never were liable to any tax or duty. They were subject to forfeiture and to that alone. The United States could receive nothing from the owner or out of the property as a tax, for neither the one or the other owed any such. They had been brought into the country in violation of an act of Congress forbidding it, and rendering them liable to seizure and forfeiture; nothing else. His honor, Mr. Justice Story, states this as one of the grounds upon which the case rested: "In point of law, no duties, as such, can legally accrue upon the importation of prohibited goods. They are not entitled to entry at the custom-house, or to be bonded. They are *ipso facto* forfeited by the mere act of importation. The *Good Friend*, then, having arrived in April, 1812, long before the double duties were laid, and her cargo being prohibited from importation, it is impossible, in a legal sense, to sustain the argument that the importation could be deemed innocent, and the government entitled to duties as upon a lawful importation. It was entitled to the whole property by way of forfeiture and to nothing by way of duties."

Thus it will be seen that this whole case proceeds upon the ground that these goods never had been liable to any tax or duty. Not, as contended for by the claimants, in this case that, by the seizure, they only became amenable to forfeiture, and that fact took away the right of the government to insist upon the payment of the tax. If that cargo had been liable to duties, and their amount had been paid to the Secretary of the Treasury, as a condition without which he would not entertain the application, I do not doubt that the decision would have been different, and his right to do so sustained; nor would the collector have been entitled to participate in their amount. The seizure of this property at the instance of the claimants did not release the owner from the payment of the duties. It did not absolve him from liability to punishment for his attempted fraud upon the revenue and evasion of the taxes. They remained a lien by the express provisions of the 55th section of the act of 1864, upon the distillery, the lot of land upon which it is situated, and all its appurtenances. *These* were subject to distraint and sale. *They* were seized and held by the government at the time of this compromise. The property thus held *exceeded in value* the amount of taxes received in that compromise, provided we include in our estimate the seventy-five thousand gallons of whiskey which the United States had manufactured out of the material on hand.

It would appear to me as a most lame and impotent conclusion, that with this vast power of remitting forfeitures under the act of 1797, and the still larger authority of compromise conferred by the act of 1864, that Congress should have denied to the officers of the revenue the power of compelling the owner or party claiming the property to do simple justice to the United States by exacting as a condition precedent the payment of the taxes due.

Take a case under the act af 1797. The goods seized were legally subject to a duty of 40 per cent. Upon a proper case presented, the Secretary is of opinion that the forfeiture was incurred without any wilful negligence, or any intention to defraud. But the goods were liable to a duty of forty per cent. of their value. So much is fairly and legitimately due to the United States. No punishment ought to be inflicted on the owner, because the mistake was neither wilful nor fradulent; yet the government ought to be paid the duties legally and fairly due. According to the theory of the claimants, if the officer receives the taxes the informer is entitled to half of them; and the only way, therefore, they can get what is due the government is to make the owner pay eighty per cent. Either he is to be punished for an offence of which he is not guilty, or the government must lose one-half of what is admitted to be its just dues, for the benefit of the informer. But the law expressly says the Secretary may cause the prosecution for the recovery of the forfeiture "to cease and be discontinued upon such terms and conditions as he may deem reasonable and just." A payment of a tax or duty due from the applicant upon the very goods would be a most reasonable and just condition. And if he can do so under this act, he can under the 44th sect. of the act of 1864. For the very power to make compromises *must ex vi termini*, imply the right to fix, arrange, and agree to the terms and conditions of the settlement or adjustment of the suit. Looking then to the whole purpose and scope of these enactments, and regarding them as a part of a great revenue scheme, which can only be made effectual by vesting the largest power and broadest discretion in the principal officers entrusted with the administration and execution of the system, we think the power claimed and exercised in this case in making the compromise was fairly within the meaning and purview of the law; that the Commissioner and Secretary had a right to compromise this as a suit relating to internal revenue; that in agreeing to such compromise they had the right, and it was their duty to require as a condition of it, that the taxes due the government on the property seized should be paid; that such sum was paid and received as taxes, and not as a sum reserved out of the forfeiture. And being taxes pure and simple, the claimants have no right to any part or portion of them; but that their right is limited to one-half the penalties or forfeiture reserved by the compromise as such. As upon the face of the petition the claimants have shown no cause of action, the demurrer is sustained and the petition is dismissed.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

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NOTICE TO OUR READERS.

PATENT FILE FOR THE RECORD.—We would respectfully call the attention of the readers of the RECORD to our Patent Files for preserving each number in book form. Each issue may be inserted in the file in a moment by an ingenious but simple arrangement, and be preserved as safely and conveniently as if bound. Sent free on receipt of the price which is only one dollar.

We have already sold large numbers and have recently had several thousand made. We assure our patrons that if they wish to keep the RECORD for reference, we know of no better or easier method than to supply themselves with one of our files.

Files for letters and for all the weekly pictorial papers, periodicals and newspapers, and for music, kept constantly on hand. Prices proportionate to size.

REVIEW.

SEVERAL rulings of importance are promulgated this week. That relating to the exemption of druggists and chemists from taxation in recovering alcohol, and, of consequence, from the requirements of the laws and regulations governing the distillation of spirits, may open a wide door to fraud, unless officers act with more than their ordinary care and caution. No meter is required by such chemists and druggists.

The ruling in regard to manufacturers of stills, and distilling apparatus, giving notice to the Collector of his district before removal thereof from the factory, is especially appropriate, in view of the lax enforcement of the provisions of that section.

It may now be regarded as well settled practice that only one transportation of distilled spirits in bond to a general bonded warehouse is authorized. The point came up last week before Judge Benedict, of the Eastern district New York, in the case of the U. S. *vs.* 508 Barrels Spirits. The District Attorney objected to the admission in evidence of certain permits for transportation of spirits given by Collector Pratt of the Third District, New York, on the ground that the spirits had been once removed from the distiller's bonded warehouse to a general bonded warehouse, and a second removal to another bonded warehouse was not authorised by law. The Judge held the law to be as claimed, but admitted the permits in evidence on other grounds.

Immense frauds have been perpetrated under cover of removals in bond, and though a rigid enforcement of the provision may work hardship in individual, cases, where contracts have been made by dealers based on the power to transport in bond, hitherto allowed by regulations, but now discontinued, the measure is yet indispensably necessary for the protection of the revenue.

FORFEITURES FOR VIOLATION OF THE INTERNAL REVENUE LAWS IN CALIFORNIA.

[Communicated.]

JUDGE DEADY'S decision in the case of the United States *vs.* 46 casks of California grape brandy, G. Sanguinette claimant, contains some points of interest and importance regarding the construction to be placed on certain portions of the Internal Revenue law. Upon the facts proved in this case a question of law arose as to whether the forfeiture denounced by section 68 of the Internal Revenue act of June 30, 1864, takes effect at the time the forfeiture occurs or not until the seizure is made. The claimant maintains the latter alternative, and rests his right to a return of the brandy on that ground. He is a purchaser between the commission of the cause of forfeiture and the seizure. That the goods were forfeited to the United States, or liable to be so forfeited, so far as the original owner and manufacturer is concerned, is not questioned by any one. They were by the manufacturer received from the distillery to the cellar where they were seized, without being gauged or inspected as required by law. The brandy was stored in this cellar, when purchased by the claimants, and at the time the casks which contained the spirits bore no mark or evidence that the contents had been gauged or inspected. As to the manufacturer, the goods were also for-

feited or liable to forfeiture, because such manufacturer refused or neglected to make true and exact entry of the spirits distilled by him during the time this brandy was his property. In the language of Judge Ballard in United States *vs.* 46 barrels of whiskey: "The decisions are uniform both in England and the United States, that when a statute denounces a forfeiture of property as the penalty for the commission of crime, if the denunciation is in direct terms, and not in the alternative, the forfeiture takes place at the time the offense is committed, and operates as a statutory transfer of the right of property to the Government." Numerous precedents are quoted in support of the statement.

When the forfeiture is not denounced in the alternative, as of the goods *or* their value, the rule of construction is too well settled to admit of argument or controversy, that the forfeiture takes place at the time of the commission of the cause of forfeiture, and operates to transfer the property in the thing forfeited to the Government so as to avoid all intermediate sales made between the commission of the act and the judicial sentence of condemnation. Indeed, the learned counsel for the claimant does not deny this doctrine, but seeks to avoid the effect or application in this case, on the ground that the forfeiture denounced in Section 68 is in the alternative. To maintain this position, counsel rely upon the proviso to Section 68, which reads as follows: "Provided that such seizure be made within 30 days after the cause for the same shall have come to the knowledge of the Collector or Deputy Collector, and that proceedings to enforce said forfeiture shall have been commenced by such collector within 20 days after the seizure thereof."

Judge Deady discusses the proposition at considerable length, and says, "The proviso does not *prevent* the forfeiture. It does not except the goods mentioned from the previous words of the section, which declare a direct and present forfeiture. It only operates, as the books say, to avoid the forfeiture by way of defeasance or excuse. In this case, by the terms of the proviso, such defeasance or discharge can only occur where it is shown that the seizure was not "made within thirty days after the cause for the same shall have come to the knowledge of the collector or deputy collector," and that legal proceedings were commenced thereon within the farther time limited for that purpose.

As it appears from the facts found in this case that the seizure and subsequent proceedings took place within the time prescribed by the proviso, it follows that the forfeiture which occurred prior to the purchase from the distiller by the claimant, was never discharged or defeated, and that consequently the claimant took nothing by his purchase, the brandy being already the property of the United States. Judge Deady holds that the purchaser ran the risk of the title of the vendor, and whatever may be his hardship it is not a question before the Court. Judge Deady says: If, then, there was any question as to the true construction to be given to section 68, as qualified by the proviso thereto, it would be the duty of the Court to reject the construction sought for by the claimant. Such a construction would put it in the power of every dishonest distiller to evade the payment of the taxes due upon his manufactures, by means of private sales to third persons. No seizure would be made but a claimant would be found alleging that he was a purchaser in good faith, and whether he was or not, and most likely if he was not, he would come into Court fortified with bills of sale and all the formal evidence of purchase and possession.

It would be impossible for the government to remove or penetrate the exterior seeming of legality and apparent honesty with which avarice and unscrupulousness would envelope and disguise the most deliberate and gross attempts to defraud the revenue, and, in the end, the law imposing a tax upon the distillation of spirits would become inoperative and of no effect.

As to the question of good faith in the present case, Judge Deady recites numerous points in the evidence tending to show that the claimant was not suffering as severe hardship as he represented, and that he had ample opportunity to know that the manufacturer was defrauding the government before the purchase was made. Judge Deady concludes his opinion as follows "At the time of the purchase the goods were the property of the United States. Judgment must be given accordingly, and against the claimant for the costs from the time of his intervention and which were caused thereby."

Gazette.

COLLECTORS.

Thomas E. Smith, 8th district, New York City, N. Y., vice George P. Putnam.

Thomas Moonlight, Leavenworth, Kansas, vice Edward Carroll.

George Q. Erskine, 1st district, Milwaukee, Wis., vice Rufus Cheney.

Benjamin C. Gunn, 5th district, Utica, Mich., v ce Seymour Brownell.

Joseph Barnsley, 5th district, Doylestown, Penn., vice Algernon S. Cadwallader.

Cloys B. Wilson, 5th district, Findlay, Ohio, vice Shelby Taylor.

Thomas O'Callaghan, 9th district, New York City, N. Y., vice Thomas W. Egan.

Theophilus C. Callicott, 3d district, Brooklyn, N. Y., vice Calvin E. Pratt.

William H. Wiley, 9th district, Lancaster, Penn., vice Matthew M. Strickler.

Frederick W. Curtemeus, 2d district, Kalamazoo, Mich., vice Charles W. Nash.

Charles Abel, 1st district, Philadelphia, Penn., vice Albert B. Sloanaker.

Caleb E. Wright, 12th district, Wilkesbarre, Penn., vice Jasper B. Stark.

Henry A. Guernsey, 18th district, Williamsport, Penn., vice John R. Campbell.

Adrian R. Root, 30th district, Buffalo, N. Y., vice Nelson K. Hopkins.

Chauncey H. Millen, 3d district, Ann Arbor, Mich., vice Andrew De Forest.

James T. Abernathy, 2d district, Knoxville, Tenn.

David E. Harbaugh, 1st district, Detroit, Mich.

Communications, &c.

Editor of Internal Revenue Record.

The question frequently arises in legal and commercial transactions, whether the party giving or the party receiving a receipt should stamp it. T. T. C.

The law requires the party who makes, signs, or issues a receipt, to stamp and cancel it. If he neglects so to do, he becomes liable to a fine. The receipt is given of course for the benefit of the party who takes it. If it is not stamped by the party issuing it, the receiver can make it good and protect himself by affixing a proper stamp at the time of taking it. But this act will not relieve the giver from the fine incurred. The law by implication points clearly to the giver of a receipt as the party to pay for the stamp. It expressly requires him to affix it, and denounces punishment for his neglect. It goes further, and prevents him from doing direct injury to other parties by withholding stamped receipt, and gives power to the receiver to protect himself and perfect the receipt by affixing the proper stamp at the time of receiving it, but not afterwards. ED.

Editor of Internal Revenue Record.

During the month of March I assessed several parties as retail Liquor Dealers, and on the 1st of May they concluded to discontinue dealing in liquors, and now retail dry goods. Now they wish to have (15) fifteen dollars, the amount in excess of a Retail Dealer's License, refunded, as they had a license until the first of May, 1867. I refused to take their claim, as they signed the application as Liquor Dealers.

Hoping you will instruct me upon what course to pursue through the columns of the RECORD, I am, very respectfully, AST. ASSESSOR.

If the parties entirely discontinued business in liquors before the 1st of May, and have made no sales thereof since that date, and do not intend to recommence the sales thereof during the current year, they are not retail liquor dealers, but retail dealers, and are liable as such to special tax of $10 only. Their signing applications for special tax as retail liquor dealers, does not estop them from claiming an abatement. You should carefully investigate the facts of each case in person before certifying any claim, and satisfy yourself of the truth of the facts averred. ED.

Editor of Internal Revenue Record.

Miners of coal or coal companies, as a general thing, build, rebuild, and repair their own cars and drift cars. New work is taxable, we know; but they refuse to pay a tax on cars when there is any part of the old car used in the construction of what might be called a new car. They call it repairs. Before a car is taxable, must it be constructed of *all* new material, or what is the ruling of the Department in regard to it? There is considerable of that kind of business done in my division and also in adjoining divisions, and I should like to be sure before I go ahead. Be kind enough to answer through your columns.

ASST. ASSESSOR.

It is not necessary that a car should be made entirely of new material in order to become taxable. It is often difficult to draw the line between manufactures and repairs. The rule uniformly adhered to by the Department, looks in principle to the identity of the article as far as

possible in determining the question. If the identity of the car is preserved, the work thereon will be a repair; but if it is broken up, the use of the old materials in constructing another car will not exempt the new car from tax under the head of repairs. Much is necessarily left to the discretion of the Assistant, who, in cases of doubt, should write for instructions to his Assessor or the Department, stating clearly all the *facts* and circumstances, but making no argument. ED.

Editor Internal Revenue Record.

Please give your opinion on the following question; Shall Gins that take toll for ginning cotton, pay special tax as Grist Mills and Flouring Mills do? L. S.

No decision has yet been issued by the Commissioner upon the liability of proprietors of cotton gins to special tax as Manufacturers. Our individual opinion would exempt them. We consider the ginning of cotton to be no more of a process of manufacture than the winnowing of wheat. ED.

Editor of Internal Revenue Record.

There is being sold in this portion of the country (Alabama and Georgia), an article of distilled spirits called "*Rum.*" It is made from sugar cane at, or near New Orleans, and is sold here at about $1.50 @ $1.75 per gallon. The agents who sell it claim they have a "special exemption" for that class of spirits, whereby they only pay about $1 tax per gallon.

Will you please let us know if this is a fraud that is being practiced, and oblige G. W. P.

It is unquestionably a fraud. The tax on all distilled spirits is two dollars per proof gallon, and pro rata when the spirits are above proof. On *Brandy* made from grapes exclusively the tax is one dollar per proof gallon. ED.

Please inform me if an Assistant Assessor works *fifteen hours* in one day, he is entitled pay for one and one-half days, the day being ten hours?

Perhaps this question has been asked before and answered in your paper, but I have never seen it. G. A. J.

He is entitled to *one* days' pay only, and he cannot be allowed additional pay for the extra five hours. ED.

I would respectfully inquire whether I am correct in supposing that the owner of a planing mill who buys his lumber in the rough, and planes it himself before selling it, is not liable for a special tax as a dealer?

Are not printers of newspapers deem manufacturers? S. D. W.

The planing of boards has not been considered a manufacture, and the party doing the business specified is a dealer, and should pay taxas such. If he bought the logs and sawed the samo, converting them into lumber, he would be liable as a manufacturer. Printers are liable as manufacturers, if doing a business of over $1,000 per annum. See ruling in official cnlumns. ED.

Are castings of iron, copper, or brass, made for machinery, exempt when made exclusively for repairing machinery? AST. ASSESSOR.

See RECORD, Vol. V., p. 154. ED.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

DISTILLED SPIRITS.

Recovery of Alcohol by Druggists or Chemists.

It is provided "That no tax shall be imposed for any still or stills or other apparatus used by druggists or chemists for the recovery of alcohol for pharmaceutical and chemical or scientific purposes, which has been used in those processes." It is not essential, however, that the recovery be made at the druggists' shop or place of business.

Manufacturers of Stills, Boilers and Apparatus for Distilling Spirits.

By Section 25 of the Act of July 13, 1866, every person who manufactures any still, boiler, or other vessel to be used for the purpose of distilling, is required under a heavy penalty, before the same is removed from the place of manufacture, to notify the Collector where such still, boiler, or other vessel is to be used or sent, or by whom it is to be used, and of its capacity, and the time when the same is to be sent or set up. He should therefore inform himself of the use for which each boiler or other vessel is designed, or he may notify the Collector in every case indiscriminately.

Liabilities of Sureties on Distiller's Bonds.

The sureties are liable upon the bond of a distiller for his failure to pay the compensation due the distillery inspector.

Inspectors and Storekeepers of Distiller's Bonded Warehouses.

The office of distillery inspector was abolished by the Act of March 2d, 1867. If the distiller continued to run his bonded warehouse after that date, and the person who had been inspector performed the usual duties of storekeeper therefor, the distiller is required to pay him the compensation due to a regularly appointed storekeeper, from and after March 2, 1867.

Recovery of Alcohol not Distilling—No Meter.

The *recovery* of alcohol is not regarded by the law as distillation, and no meter is required therefor.

STAMP TAXES.

Receipts, Checks, Memorandums, &c., Money to be Paid.

Every "memorandum, check, receipt or other written or printed evidence of an amount of money to be paid upon demand or at a time designated," is subject to stamp tax at the same rate as a promissory note. When a loan is obtained upon collateral security, and an instrument substantially as follows is given: —— Received of —— Bank, Ten Thousand Dollars advance on $10,000 U. S. Bonds, it should be stamped at the rate of five cents for each one hundred dollars or fractional part thereof.

Notes and Bonds given in Purchase of Realty.

A note or bond given for a part of the consideration for realty sold and conveyed, is not relieved from stamp tax by the fact that a lien to secure the payment thereof is retained in the conveyance.

MANUFACTURES.

Woolen Cloth from Untaxed Yarn or Warp.

Woolen cloth manufactured from untaxed yarn and warp, when sold, is taxable on the full amount for which it is sold; when used, or delivered to others than agents of the manufacturers, the tax is to be paid upon its market value.

SPECIAL TAX.

Publisher of Books and Newspapers not Printed by him.

A publisher who does not himself print the books or newspapers published and sold by him, is liable to special tax as a dealer and not as a manufacturer.

SECRETARY'S OFFICE—CUSTOMS.

Night Landings of Merchandise from Steamers on Northern Lake Frontiers.

[*Circular to Collectors of Customs.*]

TREASURY DEPARTMENT,
May 15, 1867.

As it seems to be desirable that the privilege of unlading at night should be extended to a class of steamers engaged in the coasting trade, in regular established lines along the lakes of the Northern Frontiers of the United States, between ports in the United States east of Niagara Falls, and ports west of the same, which are compelled to pass the Welland Canal, and thus touch at foreign places, the regulations of February 18, 1867, are, with respect to such steamers, so far modified, as to authorise the unlading of cargo from them at night, by virtue of a special permit from the Collector, or other chief officer of customs, under the immediate *personal supervision of an Inspector*, and without requiring the oath prescribed by the aforesaid regulations of February 18.

H. MCCULLOCH,
Secretary of the Treasury.

Circular to Collectors of Customs.

TREASURY DEPARTMENT,
May 21, 1867.

A Deputy Collector has been appointed to reside at Duncan City, Mich., for the purpose of receiving and certifying manifests of vessels entering Lake Michigan through the Straits of Mackinaw; and so much of the 10th section of additional regulations of the Treasury Department of the 18th of October, 1866, (See RECORD, Volume IV., page 157), as requires vessels from any port or place in Canada, destined to any place or port in Lake Michigan to report at the port of Mackinaw, is hereby so modified as to authorise such vessels to make the requisite reports to the Deputy Collector at Duncan City, and Collectors at ports on Lake Michigan will regard the said Deputy's official acts as authoritative.

H. MCCULLOCH,
Secretary of the Treasury.

SOLICITOR'S OFFICE.

The following circular, issued by the Solicitor of the Treasury, is reprinted for the information of all parties concerned:

Circular to District Attorneys, Clerks of Courts, and Marshals of the United States.

TREASURY DEPARTMENT,
Solicitor's Office,
April 20, 1867.

The attention of the district attorneys and marshals of the several judicial districts of the United States is called to the third section of the act of Congress, entitled "An act to amend existing laws relating to internal revenue, and for other purposes," approved March 2, 1867, which is in the following words:

"SEC. 3. *And be it further enacted,* That in all suits or proceedings arising under the internal revenue laws, to which the United States is a party, and in all suits or proceedings against a collector or other officer of the internal revenue, wherein a district attorney shall appear for the purpose of prosecuting or defending, it shall be the duty of said attorney, instead of reporting to the Solicitor of the Treasury, immediately at the end of every term of the court in which said suit or proceeding is or shall be instituted, to forward to the Commissioner of Internal Revenue a full and particular statement of the condition of all such suits or proceedings appearing upon the docket of said Court: *Provided,* That upon the institution of any such suit or proceeding it shall be the duty of said attorney to report to said Commissioner the full particulars relating to such suit or proceeding; and it shall be the duty of the Commissioner of Internal Revenue (with the approval of the Secretary of the Treasury) to establish such rules and regulations not inconsistent with law, for the observance of revenue officers, district attorneys and marshals, respecting suits arising under the internal revenue laws, in which the United States is a party, as may be deemed necessary for the just responsibility of those officers, and the prompt collection of all revenues and debts due and accruing to the United States under such laws."

It being made the duty of district attorneys, by the above recited section, to report to the Commissioner of Internal Revenue, instead of the Solicitor of the Treasury, in suits therein mentioned, and the Commissioner of Internal Revenue being charged thereby with the duty of establishing rules and regulations for the observance of district attorneys and marshals respecting suits arising under the internal revenue laws, those officers are relieved from the duty of making the reports heretofore required of them, in that class of cases, and from other duties in relation thereto imposed upon them by regulations issued from this office.

Clerks of courts not being mentioned in said section, the regulations and instructions heretofore issued to them from this office will remain in force, and they will continue to make the reports and returns therein required, making, however, *separate* reports in all matters relating to internal revenue suits.

EDWARD JORDAN,
Solicitor of the Treasury.

GENERAL SICKLES has issued an order prohibiting the distillation of spirits from grain in the Second Military District. Offenders are declared liable to trial and punishment by millitary commission. The reasons assigned for the order are, that in the present scarcity of the supply of food in the Carolinas, it is seriously diminished by the large quantity of grain consumed in distilleries worked in defiance of the Revenue laws. That this unlawful traffic makes food dearer in places where large numbers are depending upon public and private bounty. That the government is defrauded of a large amount of revenue; that the authority of civil officers is brought into contempt, and that the mischief complained of tends to increase poverty, disorder and crime

Law Reports.

COURT OF CLAIMS.

MONDAY, JAN. 28, 1867.

Philip Dorsheimer et al. vs. The United States.

NOTT, J., dissenting.

From the statements made in the petition, I think these three chief and controlling facts appear.

1st. That all of the seizures were made and all the proceedings *in rem* were instituted by the government upon information given exclusively by the claimants, and that the claimants did first inform the officers making the seizure and instituting the proceedings "*of the cause, matter, or thing whereby the forfeiture of the property aforesaid was incurred,*" and that they were "*the first to discover and ascertain that said Joseph A. Rhomberg,*" "*was engaged in the fraudulent practices,*" of which he confessed himself to be guilty.

2d. That the property seized for forfeiture and relinquished in the compromise and settlement was worth the sum of $350,000.

3d. That the government received in settlement and compromise, of the seizures and proceedings instituted on the information of the claimants' the sum of $220,102, and that such sum of $220,102 was received exclusively as the direct consequence of the said seizures and proceedings, and was entirely the consideration of the said compromise.

In the case of *McLane vs. The United States,* 6 Peters 426, Mr. Justice Story sets forth the law of seizures and forfeitures as it existed then, and is admitted still to exist, thus:

"The duty of the collector in superintending the collection of the revenue, and in making seizures for supposed violations of law is onerous and full of perplexity. If he seizes any goods it is at his own peril, and he is condemnable in damages and costs if it shall turn out, upon the final adjudication, that there was no probable cause for seizure. As a just reward for his diligence, and a compensation for his risks, at once to stimulate his vigilance and secure his activity, the laws of the United States have awarded to him a large share of the proceeds of the forfeiture. But his right by the seizure is but inchoate; and although the forfeiture may have been justly incurred, yet the government has reserved to itself the right to release it either in whole or in part, until the proceeds have been actually received for distribution; and in that event and to that extent, it displaces the right of the collector." "But whatever is reserved by the government out of the forfeiture is reserved as well for the seizing officer as for itself, and is distributable accordingly.

The case of *McLane* differs from the case at bar in this: The vessel and cargo "*were forfeited for a violation of the non-intercourse acts.*" But the act of 2d January, 1813, allowed the Secretary of the Treasury to remit the forfeiture on the "*payment of the duties which would have been payable by law on such goods, &c., if legally imported.*" The Secretary accordingly remitted the forfeiture "*upon payment of the double duties imposed by the Act of the 1st July, 1812.*" Upon these facts the Supreme Court held that "*without question these acts of Congress were directory and mandatory to the Secretary,*" but that nevertheless "*in point of law no duties* AS SUCH, *can legally accrue upon the importation of prohibited goods,*" and that "*the double duties are referred to* [by the act] *as a mere mode of ascertaining the amount intended to be reserved out of the forfeiture; and not as a declaration on the part of the government that they were to be received as legal duties upon a legal importation.*" The case, therefore, turned upon the construction of the act of 1813, and is not a case absolutely in [illegible] If the Supreme Court had been of the opinion that Congress inten duties to be reserved "*as such,*" and forfeiture, they would have doubtless gi statute, and held that it changed the pecting the share of the collector. B case is not a case absolutely in point, involved a construction of the act of forth a clear and unequivocal declarat of persons making seizures under United States, and a positive judicial the policy of the government towar which is that "*whatever is reserved out of the forfeiture is reserved as well cer as for itself.*"

The case at bar does not involve the act of 1813, or of any similar a within the general principal annun preme Court, and does show that th lector and his associate officers we entitles him to the benefit of the lib policy which has been pursued b toward its officers, and to the remu government has always accorded to its executive department, and th to those whose acts it has adopted, labors it has succeeded. These clearly in the report of the Secret to Congress, February 5, 1866, wh ference a part of the petition. The [illegible] Internal Revenue says, (report, Jan. 25, 186[illegible]

"Early in April, 1865, it was discovered that [illegible] quantities of distilled spirits were passing through Buffalo, shipped from some point or points west, to New York city, under circumstances which induced the belief that the law was being in some way evaded. The attention of Collector Dorsheimer and Assessor Presbrey, of the thirtieth district of New York, was called to the matter, and after examination they deemed it their duty to proceed to New York city to make the necessary investigation and ascertain the facts in the case.

"On the 17th of April Messrs. Dorsheimer and Presbrey reported from New York that they had found in the hands of A. L. Rowe & Co., 112 barrels, and in those of A. B. Warner, 56 barrels; that a lot had also been found in possession of David Dows & Co., and 176 barrels on the dock. They added that all this property had been seized by Collector Dorsheimer, and under the advice of the United States district attorney, passed over to the United States marshal. A large quantity was stated by them to be still on the way between Buffalo and New York, which would be seized upon its arrival.

"Messrs. Dorsheimer and Presbrey expressed the opin on that a fraud had been committed, but that it would require a thorough investigation at Dubuque, and advised that some one be sent there at once.

"Mr. Presbrey was thereupon directed by telegraph to proceed to Dubuque and to make the necessary investigation.

"On the 24th of April, Collector Dorsheimer seized at Buffalo, 11 barrels of alcohol. * * *

"April 28, Mr. Presbrey reported that he had obtained satisfactory evidence of the fraud; that the deputy collector had seized the distillery with its appurtenances; about 50,000 bushels of shelled corn," &c., &c.

These facts show that the collector and his associates embarked time, money, and ultimate risk in the seizure, and that they did so on the faith of the general policy of the United States, to which, as I think, the 179th section of the internal revenue act conforms, and of which it is intended to be in furtherance. The petition then shows that the distiller confessed his guilt, and that the owners paid to the government for the relinquishment of this very property, and the dis

ıtinuance of the proceedings instituted for its forure, the sum of $220,102, but the government did divide this sum with the claimants, and, on the trary, appropriated all but $12,500 to its exclusive

This division was based upon what was termed compromise" of the suit or proceedings wherein ,102 were said to be received as taxes on a part ıe property relinquished, and $25,000 as forfeiture rved of the same property. The remainder of roperty, it may be noted, was released because it been illegally seized, being liable to distraint and o forfeiture.

this disposition can be made of the avails of the eedings *in rem*, based upon the collector's seizures information, it is, I feel warranted in saying, irst case in the history of our revenue laws where ct good faith has not been kept with the officers ıg the seizures; and where the government has ed a greater share of the proceeds or result of izure than the party who instituted it, and at risk and through whose diligence it was prose-

That such a distribution must rest on some-nore substantial than the Secretary's calling the s, which he has retained, by one name instead her is not disputed; but neither the reasons ed nor the authorities cited afford, in my judgsufficient ground to sustain the doctrine confor; and I am compelled, therefore, to dissent ne conclusion of the court.

The case of the the *United States vs. Morris*, 10 Wheat., 246, is cited by the defendants. It decides nothing more than this: that the authority to remit the forfeiture is not limited to the period before condemnation or judgment, but that "the authority to remit is limited only by the payment of the money to the collector for distribution." So Mr. Justice Thompson also says: "*If the government refuse to adopt his* [the informer's] *acts, or waive the forfeiture, there is an end to his claim; he cannot proceed to enforce that which the government repudiates.*" Whence I infer that the SupremeCourt believed that if the government *did adopt* his acts, and did *not* waive the forfeiture, nor repudiate his proceedings, but, on the contrary, reaped a great and direct benefit from them, that then and in such a case the informer would be entitled to recover his share of that which the government received by and through the adoption of his acts, and the proceedings upon his information.

In the case now at bar, there was an action instituted by the government upon and as the direct consequence of the collector's proceedings. Whether that action was prosecuted to judgment and the money was paid for distribution upon the judgment, or whether it was ended by compromise and the money was paid for distribution under the compromise, I deem to be immaterial. Whether that action was righfully brought and the government might have recovered ultimately if it had proceeded, or whether it was brought wrongfully and the defendants to be rid of it, paid their money voluntary and foolishly, I also deem to be immaterial. The only question for me to consider, in my opinion, is whether the money received was the fruit of the action. The petition very clearly shows that it was. No other action or proceeding was pending against Rhomberg to which the compromise could be extended; no other information had been given which could be deemed the basis, in whole or in part, for that action. Through the proceedings of the collector the government received a large sum; without the proceedings of the collector it would have received nothing. The money was the avails of the action, and the action was to enforce the forfeiture. If any further circumstance were needed to establish this, it is found in the fact that the suit was not discontinued first and the taxes paid afterward; nor were the taxes paid voluntarily and the suit discontinued afterward; but the money paid was exacted by the suit and by it alone, and the consideration which the government gave for this money so paid was not a receipt for taxes, but a relinquishment of the property which was held for forfeiture.

It was thought by the Secretary of the Treasury that the government had a lien upon the property for its unpaid taxes. That might be so; yet it is most certain that the action in the district court was never instituted to enforce that lien. That was an action in which the government and collector were jointly and equally interested, brought to recover property which the law declared forfeited for the fraud confessed of the manufacturer. Whatever was received through and in consideration of its discontinuance, was received for the use and benefit of the parties jointly interested, and was to be divided and apportioned as the law determines the extent of their respective interests. If the suit had been discontinued, and the agreed forfeiture paid, and the property given up to the defendants, and if the government had then proceeded with knowledge acquired through the informer's discoveries to enforce its lien for taxes by another proceeding, then it might be held correctly that the informer's rights were gone. But when the government never trusted the defendant for an hour, nor gave up possession of the property until the money was paid, but used the suit brought on the claimant's information as its only engine for coercing payment, how can we call that a payment of taxes which was in fact a consideration given for the discontinuance of a suit and the surrender of property seized, and subject, or supposed to be subject to forfeiture?

It is also thought by a majority of my brethren that the power given to the Commissioner, by the 44th section, "*to compromise all suits relating to internal revenue*," gave to him a new power over the rights of the collector, and an authority to distribute the proceeds of the suit in a manner different from that which the law had previously determined. This word "compromise" has a common and well known signification, and always imports a mutual concession; but it must be, as I think, a concession between the parties to the "*suit.*"

Now here we have a proceeding in which the government is the plaintiff, and the owner of certain property is the defendant. The "compromise" referred to is a settlement between these parties, and not between the plaintiff and third persons, strangers to the record. The statute speaks of a "compromise" of the "*suit*" and not of a right or claim growing out of the seizure, and relating solely to one who is no party to the "suit." It was no concern of the defendant what was to be done with the money which he paid to be clear of his own wrongful acts. All that he was interested in was in recovering back the property against which the suit was brought. There could be no compromise where there was no controversy. As between the claimants and the government there was no controversy, for they were interested only in its forfeiture or its avails; and as to them, the law determined how they should be apportioned. To extend the signification of this word, so far as to infer from it a power in the Secretary to compromise more than the "*suit*," and an authority to rea portion the avails in a manner different from that which the law had already done, or which a court might do, if the proceeding went to judgment, seems to me to be carrying the meaning of the word beyond the bounds of fair construction, and beyond the intent and policy of the law.

There is, as I understand the facts, no doubt but that the claimants would have been entitled to the moiety of this sum of $195,102, if the Secretary had not called it by the name of taxes. All that there was of the compromise was that the owners paid $220,102, and received back this property worth $350,000, with a discontinuance of the suit. As to the imaginary parts of which this sum of $220,102 was composed, it rested entirely within the breast of the Secretary to say what they should be. He had indeed determined within his own mind that the compromise should consist in his receiving a sum equal to the taxes on a part of the property, and another sum, fixed arbitrarily, which he called the forfeiture. If, after the money had been paid, he had reconsidered his determination, and called the $195,102 forfeiture instead of taxes, the claimants would have been entitled to one-half of this, and the defendant in the other suit would have been neither injured nor affected; and if, on the contrary, he had reconsidered his determination, and called the $25,000 taxes on some other portion of the property relinquished, the claimants would have been entitled to nothing, and the defendant in the other suit would have been neither benefitted nor affected. Now the plain English of this is, that the Secretary had not only a power to compromise the suit, but an absolute right of distribution over the proceeds. The record indicates, and I understand the fact to be, that no express or stipulated compromise was ever entered into between the government and the owners, which provided for or affected the distribution of the moneys received. A bond was indeed given upon the release of the property for the costs, taxes, and $25,000 in lieu of penalties; but the $25,000 in lieu of penalties was not to be paid as a separate and distinct sum; and on the contrary, the bond was conditioned for the payment of three instalments, "$50,000 *in one month, and the balance in two equal payments, one-half in three months, and the other in five months.*" This was equivalent to the payment of a sum in gross, and made the $195,102, called taxes, as completely a part of the sum "*reserved by the government out of the forfeiture*" as the $25,000 called "*in lieu of penalty;*" and "*whatever is reserved by the government out of the forfeiture,*" says the Supreme Court, "*is reserved as well for the seizing officer as for itself.*"—*(McLane, vs. The United States, p. 426.)*

The conclusions to which I have come are these:

1. The sum of $220,102 was, in the language of the Supreme Court, "*a gross sum*" reserved by the government "*out of the forfeiture as a condition of the remission,*" (6 Peters, 427;) and calling it money received for taxes could not alter its character, nor impair the collector's rights.

2. The government and the collector were in effect partners in the enterprise; the government had a controlling right to abandon the adventure, but had no right to remit its partner's share and retain its own, nor to apply, upon an individual indebtedness, moneys received through the joint enterprise.

3. The 44th section of the internal revenue act 30th June, 1864, authorized the Commissioner of Internal Revenue to compromise with the owners of the forfeited property, but did not authorize him to compromise with the collector. The moneys received from such a compromise, and in consideration of a release of the forfeited property were, in legal effect, moneys reserved from the forfeiture and the fruit of an action, in which the collector was jointly and equally interested with the government.

4. The acts of the collector in the case at bar came within the general policy of the United States; which is, that whenever the government adopts the acts of the informer, and proceeds upon his discoveries and to his risk, it will share equally with him whatever may be received through his proceedings; which policy has never been departed from since the establishment of this government, and has been clearly indicated by its statutes, and solemnly and repeatedly pronounced by its highest judicial tribunal.

Important Revenue Case—Only One Transportation of Spirits—Bonded Warehouse System.

UNITED STATES CIRCUIT COURT—EASTERN DISTRICT.

[Before Judge BENEDICT and a Jury.]

The United States vs. *Five Hundred and Eight Barrels of Spirits.*

This was an action to forfeit the spirits for alleged violation of the Internal Revenue Law. The matter was before the Court once before, under an exception interposed on behalf of the government to the claim made by Hubbell & Tallent, who represented themselves to be the owners of the spirits. The Court decided to allow the claim to stand and now the cause came on for trial on the merits.

The testimony for the government showed that the goods were seized on the 7th of January last in the cellar of No. 68 Water street. No. 66 Water street was then a bonded warehouse, and between the cellars of No. 66 and No. 68 an archway had been cut in the wall through which the barrels had manifestly been rolled from No. 66. In the cellar of No. 66 were found some stencil plate brands with paint and brushes, and shavings as if the tops of barrels had been scraped for rebranding. One hundred and ninety-eight of the barrels were branded as follows: "Highwines. M. D. Brice, Inspector, First District. Illinois, Oct, 5, 1866. Northwestern Distillery Co., Chicago, Ill. U. S. Bonded Warehouse. For transportation to Thirty-second District, N. Y."

The remaining 310 barrels were branded "F. A. Stevens, Government Inspector, Thirty-Second Collection District, New York, Dec. 27 and 31, 1866. French Spirits, rectified by C. Smith, New York."

Mr. Stevens was Inspector of the Thirty-second District in December, but was not Inspector of the Third District, yet it appeared that he branded the barrels at No. 66 Water street. There was no such rectifier as C. Smith in the Thirty-second District, but the brand with his name was one of those found in the cellar, and the brands had the appearance of having been recently used. There were five entrances to No. 66, and one of them, the cellar grating in the back yard, had on a Government lock. No. 65 Water street was used as a warehouse by Mr. Crogan, who was also the lessee of No. 66, the bonded warehouse.

The testimony for the defence showed that Mr. Boyd, the agent in New York of Shufeldt & Co., who were the Northwestern Distillery Company in Chicago sold 1,000 barrels of spirits to the claimant; that he got permission from the Collector at Chicago to transport them to the Thirty-second Collection District of New York; that they all arrived and 800 of them were put in a bonded warehouse in that District; that application was then made to the Collector for their removal to the Third District, which was refused, whereupon Boyd sent his permits back to Chicago and obtained new ones to send the liquor to the Third District, and it was sent accordingly to No. 66 Water street—500 barrels arriving before Nov. 15 and the other 500 soon after.

It also appeared that in October an application was made to Collector Pratt, of the Third District, to make No. 66 a bonded warehouse, and approved by him, and bonds given, but that the application was not approved by the Secretary of the Treasury till Dec. 29, subsequent to which time no entries had been made of any spirits for that warehouse.

It appeared, however, that in November the goods were entered in No. 66 as a bonded warehouse, and bonds given; that afterward transportation bonds were given at the Collector's office of the Third District for 500 barrels at one time from No. 66 Water street to California, and afterward similar bonds for 500 more, and that the Collector in November appointed a man named Keith storekeeper for the place.

Keith's testimony showed that the 508 barrels seized were part of the 1,000 barrels; that after the transportation bonds were given he authorized the cutting of the hole between the cellars and had not reported it till after the seizure, and that he had sometimes left parties in the building alone for hours together; that he had store-keepers' books, which were produced by the District Attorney, but he would not swear that he had not made the entries in them all at one time and since the seizure, but they were taken from memorandums kept at the time.

On the close of the testimony, District-Attorney Tracy claimed that the goods were forfeited, and that the Court should direct the jury to render a verdict of forfeiture.

First—They were forfeited under the 38th section of the Internal Revenue Act of July 13, 1866, because there had been placed upon them counterfeit and spurious brands. The brand purporting to have been put on by Stevens was spurious because he had no right to brand outside of his district, and the brand "Rectified by C. Smith" was spurious because there was no such rectifier. Moreover, the brands tended to show that the spirits were rectified and branded in the Thirty-second District of New York, while they were rectified in Chicago.

Second—They were forfeited under the forty-fifth section of the same act, because they were found elsewhere than in a bonded warehouse, not having been removed therefrom according to law, because *(a)* it did not appear that they were removed from Chicago according to law. The evidence showed a permit, but did not show that the proper bonds were given. *(b)* They were illegally removed from the bonded warehouse in the Thirty-second District. Having been received there the Collector at Chicago had no right to issue a new permit to the Third District. *(c)* They were not branded for removal to the Third District, but to the Thirty-second District.

(d) No. 66 Water street was not a bonded warehouse when they were placed there.

(f) They never were within the jurisdiction of Collector Pratt, never having been legally in bond in the Third District.

(g) Conceding all the prior steps to be legal, Collector Pratt had no authority to authorize their transportation from the Third District to California, because the law gives no authority to transport spirits in bond, except from the distillers' bonded general warehouse to a general bonded warehouse.

The District-Attorney also referred to section 29 of the act of July, 1866, and to section 48 of the act of June 30, 1864, as amended by the act of 1866.

An important question came up during the testimony, as follows: The defendants offered in evidence permits given by Collector Pratt for the transportation of these spirits from No. 66 Water street to California. The District-Attorney objected to them on the ground that the spirits having been once removed from the distiller's bonded warehouse to a general bonded warehouse, the law did not allow of a second removal to another bonded warehouse, and that the permits therefore gave no authority for the removal.

The Court, after hearing argument, held that the law was as claimed by the District-Attorney, but admitted the permits as evidence of the intent undre which the parties were acting in the removal of the spirits.

Mr. Sidney Webster, in reply, rapidly reviewed in order each of the sections 38, 45 and 48th, upon which the District-Attorney relied, and, in respect to the forfeiting clause of the 49th section claimed (1) that this section only applied to spirits distilled subsequent to July 13, 1866, and that there was no evidence in the case on that point; (2) that the removal denounced was either from the distillery or the distillery bonded warehouse, and no other, and there was no evidence of such illegal removal in this case; (3) that the phrase "proper name or brand" referred only to commercial designation, as for example, calling spirits petroleum; and (4) that the forfeiture depended on prior criminal conviction of the offender.

Under the thirty-eighth section, Mr. Webster contended that there was no evidence that "inspectors' brands or plates" had been used with "fraudulent intent," and that the phrase "counterfeit or spurious brands or plates" in the second clause referred only to brands or plates defined, prescribed and required by law, and not to mere trade marks, as substituting the words "French spirits" for Cologne spirits, or *vice versa*. He also claimed that this section applied only to spirits distilled subsequent to July 13, 1866, and the prosecution must in any event satisfy the jury of intent to evade the tax, and not an honest intent. This was for the jury and not for the Court.

He further claimed that the forty-fifth section referred only to spirits which, unlike those in controversy, had never been in a *general* bonded warehouse, as distinguished from a bonded warehouse; that under this section, spirits which have never been in a general warehouse, if found elsewhere than in a distillery warehouse, and proved to have been illegally removed and tax not paid, may be prosecuted for condemnation in Court, or seized by the Collector and sold under rules of distraint for taxes; and when the latter mode is elected, and not otherwise, is the burden of proof on the claimant to show the taxes paid, and that the forty fifth section does not, in any case, apply to spirits on which taxes are secured by transportation bonds.

Mr. Webster claimed that under section 48, of 1864, as amended in 1866, the case could not, on the evidence, be taken from the jury; that, under this section, the prosecution must prove:

1. That taxes had been imposed on the spirits in controversy.

2. That the spirits were found in the control of certain persons identified and described.

3. That such person had at the time of such finding a purpose to sell and remove in fraud of law, and a design to avoid payment of taxes proved to have been imposed prior to the seizure, and that issue under this section is one of fact for the jury.

To the point made by the District-Attorney that the law of 1866 permitted but one removal to a general bonded warehouse, Mr. Webster cited the contrary decision of the Department, its long acquiescence in it, its leading the public to suppose that any number of transportations could be made, and its recent sudden change of opinion. He contended that up to Jan. 16, 1867, the Department had induced everybody to believe that transportation bonds could be canceled on payment of the tax, and that after a bond was accepted the owner could do what he pleased with the property therein described.

Mr. Webster also contended that under the doctrines laid down by the Supreme Court in *The Favorite* (4 Cranch, 347) and Three Hundred and Fifty Chests of Tea (12 Wheaton, 586) spirits cannot be forfeited by acts done by other person than the owner or some person trusted by him, nor condemned for any removal proved in this case, made while taxes were secured by warehouse bonds, and added, that in no case is the burden of proof cast on the owner till the prosecution

has established affirmatively an illegal removal or possession.

The Court—I do not propose in disposing of this motion to touch upon many of the questions argued; they may be, and perhaps are, all of them equally important in the case. I feel bound to put the case at present on the 45th section of the Act of July 13, 1866. In my judgment the burden of proof under this statute is upon the claimants, and I think that that applies to all cases coming under the 45th section. That being so, I am of the opinion that there are no questions of fact which can go to the jury. It is my present opinion that the whole case must be held subject to review, when it may be argued more fully before a full Bench; that this property was found outside of a bonded warehouse; that the claimants have not assumed the burden which the law casts upon them, and that the property must be forfeited under the 45th section. I think that is the wiser way of disposing of this case, in order that all those points may come up and be fully argued, and then disposed of by a full Bench. If the views I entertain of section 45, or the views entertained by the District-Attorney of the other sections are erroneous, then, after a fuller investigation of the law, the case can be tried before a jury.

Mr. Webster—Does your Honor take the case away from the jury also under the forty-eighth section?

The Court—I do not put it under the forty-eighth section at all; I leave that out of the case; I do not order judgment upon the forty-eighth section; I base my opinion upon the forty-fifth section. My present impression is it will have to go to the jury under the forty-eighth section. It must be a question of law under the other sections, and I will leave the District Attorney the opportunity to sustain his verdict upon all the sections he can, except the forty-eighth section—under that he cannot sustain it.

Mr. Webster—I ask your Honor to instruct the jury that upon the first averment of the information in regard to the seizure there is no evidence before them sufficient to warrant the forfeiture of the property; that there is no evidence that the seizure of this property had been legally made. The first averment of the libel is that the Deputy Collector seized the following described property. That being the averment of the libel a legal seizure must be proved as an affirmative fact like any other proposition. There is no evidence that a legal seizure has been made, sufficient to go to the jury.

The Court—I will rule against you on that point.

Mr. Webster excepted.

Mr. Webster—Also that upon the evidence Dailey, the Deputy Collector, had no authority to seize.

The Court also refused this, and Mr. Webster excepted.

The Court—Gen'lemen, in the aspect in which this case has turned, the claimants have failed to raise any question of fact for your disposition. The case turns upon a question of law. I, therefore, direct you to find a verdict for the Government, condemning the goods.

The Court then allowed the claimants twenty days to make a case, or bill of exceptions, to be presented to the full Court.

Exchange of Coupon Five-Twenties of 1862

TREASURY DEPARTMENT,
Office of Comptroller of the Currency,
Washington, May 20, 1867.

SIR: In response to your verbal inquiry, I have to state that under the National Currency act of February 25, 1863, national banking associations were authorized to deposit with the Treasurer of the United States any certificates of the funded debt of the United States, whether coupon or registered, as security for the redemption of circulating notes. Under this act about $17,500,000 of coupon five-twenties of 1862 were so deposited.

The act of June 3d, 1864, provided that registered bonds only should be received and held as security for such notes. After the passage of this act, all banks having coupon bonds on deposit with the Treasurer were notified that they would be expected to have such bonds converted into registered bonds, and this was done to a very general extent. Subsequently, those banks which had neglected to comply with these requirements, were notified that the Department objected to having the custody of coupon bonds as security for circulation; that it was the object and intention of the law that registered bonds only should be held by the Treasurer for that purpose, and they were requested to take immediate steps for the conversion of their coupon bonds under the penalty of having the payment of interest suspended until it was done.

Within a few months past a number of these banks made application to have their 5-20s. of 1862 returned to them in coupon bonds. In consideration of the fact that they were converted into registered bonds under compulsion, and that the banks should not be compelled to suffer pecuniary loss by the action of the Department, I recommended, as an act of justice, that they should be permitted to withdraw their 5-20s of 1862, and that clean coupon bonds should be issued to them in lieu of the registered bonds into which their coupons had been converted. Upon the representation of the facts in the case, and also upon the statement of the Register of the Treasury that he had a limited amount of coupon 5-20s of 1862 on hand that had never been issued, you consented that the exchange should be made, upon condition that the banks should furnish 7-30s of the first series for conversion into consolidated 5-20s at the Treasury Department, without the agency of brokers or the payment of any commissions by the government for such conversion.

The total amount of coupons of 1862 thus issued to the present date, is $2,872,500. I am informed by the Register of the Treasury that he has but $2,447,100 remaining, and as you stated at the time the arrangement was made that you would have no additional bonds printed for that purpose, I presume these exchanges will be limited to the amount now on hand.

Very respectfully,
H. R. HURLBURD,
Comptroller.

Hon. HUGH MCCULLOCH, *Secretary of the Treasury.*

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 22. NEW YORK, JUNE 1, 1867. WHOLE NUMBER, 126.

TABLE OF CONTENTS.

NOTICE TO OUR READERS.

PATENT FILE FOR THE RECORD.—We would respectfully call the attention of the readers of the RECORD to our Patent Files for preserving each number in book form. Each issue may be inserted in the file in a moment by an ingenious but simple arrangement, and be preserved as safely and conveniently as if bound. Sent free on receipt of the price which is only one dollar.

We have already sold large numbers and have recently had several thousand made. We assure our patrons that if they wish to keep the RECORD for reference, we know of no better or easier method than to supply themselves with one of our files.

Files for letters and for all the weekly pictorial papers, periodicals and newspapers, and for music, kept constantly on hand. Prices proportionate to size.

THE ASSESSMENT OF TAX ON "SUCCESSIONS."

ASSISTANT ASSESSORS have found great difficulty in the practical application of this branch of the Internal Revenue Law, and it is the purpose of the writer, so to simplify and explain it, that every officer may see his duty clearly, and thus overcome the reluctance which many are obliged to feel in dealing with a subject at present nearly incomprehensible to all but the professional mind. The honorable, conscientious Assistant is not satisfied to receive the liberal wages of the government, when he knows that the services required of him are not performed to the fullest extent; he desires the information, the want of which prevents him from earning his own self-approbation. He knows that his duties are but imperfectly performed so long as a single object of taxation remains undiscovered and unappropriated to the purposes of the revenue. Yet he has to acknowledge, that with an honest determination to meet all the responsibilities of his position, he has been compelled to shrink from the assessment of successions, for no other reason than the intrinsic difficulties of the subject. The devolution of title to real estate, the present values of life estate, to be ascertained by reference to the Carlisle Tables, &c., meet the honest inquirer at the threshold, and he turns discouraged from a task, which he has not been fitted, by the ordinary opportunities of education, to accomplish. It is the purpose of the writer to simplify and explain the inherent difficulties of the subject so as to reduce it within the comprehension of the general reader, and more particularly to recommend it thereby to renewed efforts of Assistant Assessors, so as to subject this prolific source of revenue to the purposes of the government, from which it has so generally been withheld. The more immediate object of the writer is to communicate with the assistant assessors in his own district, and give an impetus to the assessments on successions there. In the prosecution of which, the columns of the INTERNAL REVENUE RECORD presents a most tempting opportunity as a medium, reaching not only the officers of a particular district, but disseminating all the advantages to be derived from the explanations submitted, over the whole area of its circulation, thereby making the benefits to be realized general, as well as particular. If to this be added the very important consideration that any inaccuracies of the writer will be subjected to the criticism of the learned editor, the mind becomes relieved of the apprehension that error will be

propagated, and that any may be misled by the crudities of the views therein presented.

In the prosecution of this purpose it will first be considered—What is a succession? It is a disposition of real estate, by will, deed, or laws of descent, by reason whereof any person shall become beneficially entitled, in possession or expectancy, to any real estate or the income thereof, upon the death of any one dying, &c.

What is "real estate"? The term includes lands, tenements, and hereditaments. For the purposes of the assistant assessors, "lands" may be sufficiently expressive without the concomitants of "tenements and hereditaments." Most of the successions which occur are of "lands," in the simplest sense of the term, and this is sufficiently intelligible, where the land itself passes from one person to another. But there may be other cases, in which it shall be necessary to inquire what a "tenement" is? Whilst "land" signifies the surface of the earth, "tenement" is a word of still greater extent, signifying everything that may be holden by a tenure—that is, held of another, on specified conditions. "Hereditament" is the largest and most comprehensive word, including not only lands and tenements, but whatever may be inherited, that is, may pass from the ancestor to the heir, by the laws of descent.

With tenements and hereditaments as distinct from land, it may not often be the duty of an officer to interfere. The business of the revenue will be mostly with "land," as we see it; the land itself or interests created in or arising out of it. Assistant Assessors may therefore safely direct their attention to land, and interest created in or arising out of it, as the practical definition of "real estate," so far as the duties of their offices are concerned. When they are in doubt as to the character of the interests in real estate which a party may have, they should consider it necessary to consult their assessor before surrendering the possible rights of the government to an assessment. Shares in Land Companies, in navigable canals, in the navigation of a particular river, are all interests which must be assessed as real estate, provided the State laws do not make such funded property personalty and as such interests are various, and in many cases not clearly defined, or easily understood, the assessor should be consulted, and be furnished with a copy of the instrument under which the interest arises.

So much, briefly, for an explanation of what is meant by "real estate." a succession being a disposition of real estate, &c. C. W. D.

THE attention of officers is particularly directed to that portion of Series 3, No. 10, RECORD, page 172, concerning the collection of cancelled stamps with the design of removing the cancelled marks, and using them a second time in fraud of the revenue. The penalties denounced by the law are severe, and the Department instructs assistant assessors and other officers to give the matter their special attention, and to acquaint all persons with the penalties which they may incur for the offence of aiding and abetting collectors of once used revenue stamps, who, it is more than probable, intend to use them in violation of the law.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

STAMP TAXES.

Conveyances of Partenership Realty to Corporations.

When the members of a business firm obtain an Act of Incorporation and the partnership realty is conveyed to the corporation, each partner receiving stock therein to the amount of his partnership interest, the deed from the firm to the corporation should be stamped like ordinary deeds at the rate of fifty cents for each five hundred dollars or fractional part of five hundred dollars of the consideration or value.

Conveyance or Deed of Realty and Personalty Combined.

When a deed covers both realty and personalty it should be stamped at the rate of fifty cents for each five hundred dollars or fractional part of five hundred dollars of the consideration or value of the realty, and as a contract or agreement on account of the personalty.

Powers of Attorney and other Papers, in Recovering United States Pay, Pension and Bounties.

No stamp duty is required on "powers of attorney, or any other papers relating to applications for bounties, averages of pay, or pensions, or to the receipt thereof from time to time." This exemption applies to those papers only which relate to *United States* bounties, pensions, &c., and does not extend to those relating to state, county and town bounties, &c. A power of attorney to endorse the official check of a United States Disbursing Officer, issued for money to be applied in payment of a United States bounty or pension, or in discharge of a claim against the United States for what is technically known as averages of pay, is a paper relating to the receipt of such pension bounty, &c., and is therefore exempt from stamp tax.

MANUFACTURES.

Castings of Curves for Railroad Tracks.

Railroad iron, railroad iron re-rolled, and wrought iron railroad chairs are exempt from tax; but castings, such as those used to form the curves of railroad tracks, are taxable at the rate of three dollars per ton.

Horse Nets—Full Value—Increased Value.

Horse nets when manufactured from untaxed materials are subject to a tax of five per cent. *upon their entire value;* when made from thread, yarn or warp, upon which a tax has been paid, the tax is on the *increased value.*

Bar Iron—Rough Forgings.

The exemption of bar iron by the Act of March 2d, 1867, covers rough forgings of all kinds where the iron is wrought under the hammer into forms for axles or other articles, *but not advanced in condition beyond bar iron.*

SPECIAL TAX.

Blacksmiths and Stencil Cutters.

Blacksmiths and stencil cutters should be required to pay special taxes as manufacturers if the articles manufactured by them exceed one thousand dollars per annum in value.

Theatrical Companies and Exhibitions.

The proprietor of a theatrical company is liable to a special tax under paragraph 38 of section 79, for *each and every State* in which he exhibits, in any other places or edifices than those the proprietors of which have been taxed under paragraph 37 of the same section.

SECRETARY'S OFFICE—CUSTOMS.

Rules and Regulations to Govern the Importation of Works of Art.

TREASURY DEPARTMENT,
MAY 25, 1867.

SIR: In order to carry out the provisions of the first section of the joint resolution, approved March 26, 1867, entitled "A joint resolution providing for the importation into the United States of certain works of art, duty free, and for other purposes," the following rules and regulations are hereby adopted, viz.: The individual or association of individuals importing any object of art for presentation as a gift to the United States Government, or to any State, county, or any municipal Government, is required to make an application in writing to the Department, requesting such free entry, which shall contain a description of the work of art imported, and the name of the branch of the United States Government, or of the State, county, or municipal Government to which the presentation is intended to be made, such application to be accompanied by a letter or other evidence from the chief officer of the branch of the United States Government or the State, county, or municipal Government, signifying the acceptance of such work of art as a gift. On the receipt of the application and accompanying papers, as herein prescribed, the Department will duly make such orders as the case presented would be entitled to under such provisions of the law.

I am very respectfully,

H. MCCULLOCH,
Secretary of the Treasury.

To ——
Collector of Customs.

Gazette.

ASSESSORS.

James Fishback, 10th district, Jacksonville, Ills., vice Issac J. Ketchum.

COLLECTORS.

Wm. Kellogg, 5th district, Peoria, Ills., vice John H. Bryant.
Eugene Tisdale, 3rd district, Monroe, La., vice L. B. Collins.
John M. Sullivan, 23d district, Alleghany City, Penn., vice W. G. McCaudless.
John Crane, 5th district, Greensboro', N. C., vice William H. Thompson.
Wm. H. Smith, 1st District, Easton, Md., vice J. T. McCullough.
Martin Keary, 2d district, Vicksburgh, Miss., vice F. S. Hunt.
Albert Head, 6th district, New Jefferson, Iowa, vice W. C. Stanbery.
Wesley J. Rose, 17th district, Johnstown, Penn., vice Samuel J. Royer.
Charles W. Ashcom, 16th district, Hopewell, Penn., vice Rufus C. Scope.

(SERIES 3, No. 10.)

UNITED STATES INTERNAL REVENUE.

STAMP DUTIES, B AND C.

Laws and Regulations concerning the Purchase and Use of Internal Revenue Stamps.

MAY 10, 1867.

Schedule of Stamp Duties on and after March 1, 1867.

	Stamp Duty.
Accidental injuries to persons, tickets or contracts for insurance against	exempt.
Affidavits	exempt.
Agreement or contract not otherwise specified: For every sheet or piece of paper upon which either of the same shall be written	$0 5
Agreement, renewal of, same stamp as original instrument.	
Appraisement of value or damage, or for any other purpose: For each sheet of paper on which it is written	5
Assignment of a lease, same stamp as original, and additional stamp upon the value or consideration of transfer, according to the rates of stamps on deeds. (*See* Conveyance.)	
Assignment of policy of insurance, same stamp as original instrument. (*See* Insurance.)	
Assignment of mortgage, same stamp as that required upon a mortgage for the amount remaining unpaid. (*See* Mortgage.)	
Bank check, draft, or order for any sum of money drawn upon any bank, banker, or trust company at sight or on demand	2
When drawn upon any other person or persons, companies or corporations, for any sum exceeding $10, at sight or on demand	2
Bill of exchange, (inland,) draft or order for the payment of any sum of money not exceeding $100, otherwise than at sight or on demand, or any promissory note, or any memorandum, check, receipt, or other written or printed evidence of an amount of money to be paid on demand or at a time designated: For a sum not exceeding $100	5
And for every additional $100 or fractional part thereof in excess of $100	5
Bill of exchange, (foreign,) or letter of credit drawn in, but payable out of, the United States: If drawn singly same rates of duty as inland bills of exchange or promissory notes.	
If drawn in sets of three or more, for every bill of each set, where the sum made payable shall not exceed $100 or the equivalent thereof in any foreign currency	2
And for every additional $100, or fractional part thereof in excess of $100	2
Bill of lading or receipt (other than charter party) for any goods, merchandise, or effects to be exported from a port or place in the United States to any foreign port or place	10
Bill of lading to any port in British North America	exempt.
Bill of lading, domestic or inland	exempt.
Bill of sale by which any ship or vessel, or any part thereof, shall be conveyed to or vested in any other person or persons:	
When the consideration shall not exceed $500	50
Exceeding $500, and not exceeding $1,000	1 00
Exceeding $1,000, for every additional amount of $500, or fractional part thereof	50
Bond for indemnifying any person for the payment of any sum of money: When the money ultimately recoverable thereupon is $1,000 or less	50
When in excess of $1,000, for each $1,000 or fraction	50
Bond-administrator or guardian, when the value of the estate and effects, real and personal, does not exceed $1,000	exempt.
Exceeding $1,000	1 00
Bond for due execution or peformance of duties of office	1 00
Bond, personal, for security for the payment of money. (*See* Mortgage.)	
Bond of any description, other than such as may be required in legal proceedings, or used in connection with mortgage deeds, and not otherwise charged in this schedule	$0 25
Broker's notes. (*See* Contract.)	
Certificates of measurement or weight of animals, wood, coal, or hay	exempt.
Certificates of measurement of other articles	5
Certificates of stock in any incorporated company	25
Certificates of profits, or any certificate or memorandum showing an interest in the property or accumulations of any incorporated company; If for a sum not less than $10 and not exceeding $50	10
Exceeding $50 and not exceeding $1,000	25
Exceeding $1,000, for every additional $1,000 or fractional part thereof	25
Certificate. Any certificate of damage or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such	25
Certificate of deposit of any sum of money in any bank or trust company, or with any banker or person acting as such: If for a sum not exceeding $100	2
For a sum exceeding $100	5
Certificate of any other description than those specified	5
Charter, renewal of, same stamp as an original instrument.	
Charter party for the charter of any ship or vessel, or steamer, or any letter, memorandum, or other writing relating to the charter, or any renewal or transfer thereof: If the registered tonnage of such ship, or vessel, or steamer does not exceed 150 tons	1 00
Exceeding 150 tons, and not exceeding 300 tons	3 00
Exceeding 300 tons, and not exceeding 600 tons	5 00
Exceeding 600 tons	10 00
Check. Bank check	2
Contract. Broker's note, or memorandum of sale of any goods or merchandise, exchange, real estate, or property of any kind or description issued by brokers or persons acting as such: For each note or memorandum of sale	10
Bill or memorandum of the sale or contract for the sale of stocks, bonds, gold or silver bullion, coin, promissory notes, or other securities made by brokers, banks, or bankers, either for the benefit of others or on their own account: For each hundred dollars, or fractional part thereof, of the amount of such sale or contract	1
Bill or memorandum of the sale or contract of the sale of stocks, bonds, gold or silver bullion, promissory notes, or other securities, not his or their own property, made by any person, firm, or company not paying a special tax as broker, bank, or banker: For each hundred dollars, or fractional part thereof, of the amount of such sale or contract	5
Contract. (*See* Agreement.)	
Contract, renewal of, same stamp as original instrument.	
Conveyance, deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value does not exceed $500	50
When the consideration exceeds $500, and does not exceed $1,000	1 00
And for every additional $500, or fractional part thereof, in excess of $1,000	50
Conveyance. The acknowledgment of a deed, or proof by a witness	exempt.
Conveyance. Certificate of record of a deed.	exempt.
Credit, letter of. Same as foreign bill of exchange.	
Custom-house entry. (*See* Entry.)	
Custom-house withdrawals. (*See* Entry.)	
Deed. (*See* Conveyance—Trust deed.)	
Draft. Same as inland bill of exchange.	
Endorsement of any negotiable instrument	exempt.
Entry of any goods, wares, or merchandise at any custom-house, either for consumption or warehousing: Not exceeding $100 in value	$0 25
Exceeding $100 and not exceeding $500 in value	50
Exceeding $500 in value	1 00
Entry for the withdrawal of any goods or merchandise from bonded warehouse	50
Gauger's returns	exempt.
Indorsement upon a stamped obligation in acknowledgment of its fulfillment	exempt.
Insurance (life) policy: When the amount insured shall not exceed $1,000	25
Exceeding $1,000, and not exceeding $5,000	50
Exceeding $5,000	1 00
Insurance (marine, inland, and fire) policies, or renewal of the same: If the premium does not exceed $10	10
Exceeding $10, and not exceeding $50	25
Exceeding $50	50
Insurance contracts or tickets against accidental injuries to persons	exempt.
Lease, agreement, memorandum, or contract for the hire, use, or rent of any land, tenement, or portion thereof: Where the rent or rental value is $300 per annum or less	50
Where the rent or rental value exceeds the sum of $300 per annum, for each additional $200, or fractional part thereof in excess of $300	50
Legal documents: Writ, or other original process, by which any suit, either criminal or civil, is commenced in any court, either of law or equity	exempt.
Confession of judgment or cognovit	exempt.
Writs or other process on appeals from justice courts or other courts of inferior jurisdiction to a court of record	exempt.
Warrant of distress	exempt.
Letters of administration, (*See* Probate of will.)	
Letters testamentatory, when the value of the estate and effects real and personal, does not exceed one thousand dollars	exempt.
Exceeding one thousand dollars	5
Letter of Credit. Same as bill of exchange, (foreign)	
Manifest for custom-house entry or clearance of the cargo of any ship, vessel, or steamer, for a foreign port:	
If the registered tonnage of such ship, vessel, or steamer does not exceed 300 tons	1 00
Exceeding 300 tons, and not exceeding 600 tons	3 00
Exceeding 600 tons	5 00
[These provisions do not apply to vessels or steamboats plying between ports of the United States and British North America.]	
Measurer's returns	exempt.
Memorandum of sale, or broker's note. (*See* Contract.)	
Mortgage of lands, estate, or property, real or personal, heritable or moveable, whatsoever, a trust deed in the nature of a mortgage, or any personal bond given as security for the payment of any definite or certain sum of money; exceeding $100, and not exceeding $500	50
Exceeding $500, and not exceeding $1,000	1 00
And for every additional $500, or fractional part thereof, in excess of $1,000	50
Order for payment of money, if the amount is $10, or over	2
Passage ticket on any vessel from a port in the United States to a foreign port, not exceeding $35	50
Exceeding $35, and not exceeding $50	1 00
And for every additional $50, or fractional part thereof, in excess of $50	1 00
Passage tickets to ports in British North America	exempt.
Pawner's checks	5
Power of attorney for the sale or transfer of any stocks, bonds, or scrip, for the collection of any dividends or interest thereon	25
Power of attorney, or proxy, for voting at any election for officers of any incorporated company or society, except religious, charitable, or literary societies, or public cemeteries	10
Power of attorney to receive or collect rent	25
Power of attorney to sell and convey real estate, or to rent or lease the same	1 00

	Stamp Duty.
Power of attorney for any other purpose.....	$0 50
Probate of will, or letters of administration; where the estate and effects for or in espect of which such probate or letters of administration applied for shall be sworn or declared not to exceed the value of $1,000.....	exempt.
Exceeding $1,000, and not exceeding $2,000	1 00
Exceeding $2.000, for every additional $1,000, or fractional part thereof, in excess of $2,000.....	50
Promissory note. (*See* Bill of exchange, inland.)	
Deposit note to mutual insurance companies, when policy is subject to duties..	exempt.
Renewal of a note, subject to the same duty as an original note.	
Protest of note, bill of exchange, acceptance, check, or draft, or any marine protest...	25
Quit-claim deed to be stamped as a conveyance, except when given as a release of a mortgage by the mortgagee to the mortgagor, in which case it is exempt; but if it contains covenants *may* be subject as an agreement or contract.	
Receipt for satisfaction of any mortgage or judgment or decree of any court.....	exempt.
Receipts for any sum of money or debt due, or for a draft or other instrument given for the payment of money; exceeding $20, not being for satisfaction of any mortgage or judgment or decree of court (*See* Indorsement.)	2
Receipts for the delivery of property.....	exempt.
Renewal of agreement, contract, or charter, by letter or otherwise, same stamp as original instrument.	
Sheriff's return on writ, or other process.....	exempt.
Trust deed, made to secure a debt, to be stamped as a mortgage.	
Warehouse receipts.....	exempt.
Warrant of attorney accompanying a bond or note, if the bond or note is stamped....	exempt.
Weigher's returns.....	exempt.
Official documents, instruments, and papers issued by officers of the United States government.....	exempt.
Official instruments, documents, and papers issued by the officers of any State, county, town, or other municipal corporation, in the exercise of functions strictly belonging to them in their ordinary governmental or municipal capacity.....	exempt.
Papers necessary to be used for the collection from the United States government of claims by soldiers, or their legal representatives, for pensions, back pay, bounty, or for property lost in the service,	exempt.

Cancellation.

In all cases where an *adhesive* stamp is used for denoting the stamp duty upon an instrument, the person using or affixing the same must write or imprint thereupon *in ink* the initials of his name, and the date (the year, month, and day) on which the same is attached or used. Each stamp should be separately cancelled. When stamps are printed upon checks, &c., so that in filling up the instrument, the face of the stamp is, and must necessarily be written across, no other cancel ation will be required.

All cancellation must be distinct and legible, and except in the case of proprietary stamps from private dies, no method of cancellation which differs from that above described can be recognized as legal and sufficient.

Stamping of Instruments by Collectors.

Any person having an instrument about to be issued, may present it to the collector, who, under the authority conferred upon him by section 162, will so stamp it as to place the sufficiency of that particular instrument beyond all question so far as stamp duties are concerned. *The provisions of the section can in no case be applied to an instrument after it has been issued or used.* The collector should decline to stamp or impress an instrument, under this section, until the stamp duty with which *he* thinks it chargeable has been paid. In cases of reasonable doubt he is recommended to obtain the opinion of this Office before affixing his stamp, unless immediate action is essential to the interests of the parties concerned.

Any person who has made, signed, or issued an instrument subject to stamp duty unstamped or insufficiently stamped, or any person having an interest therein, may present it to the collector of the proper district, who, upon payment of the price of the proper stamp required by law, a penalty of fifty dollars, and, where the whole amount of the tax denoted by the stamp required exceeds fifty dollars, on payment also of interest at the rate of six per centum from the day on which such stamp ought to have been affixed, is required by law to affix the stamp and to note upon the margin of the instrument the date of his so doing, and the fact that such penalty has been paid. This duty is obligatory upon the collector, and he has no legal right to refuse to perform it.

When there is a difference of opinion respecting the stamp proper to be affixed, the collector should affix such a one as the applicant prefers: the applicant takes the risk of the validity of his instrument. In such cases, however, it is advisable to refer the question to this Office.

When an instrument is presented to a collector to be stamped, under the provisions of section 158, he is authorized to remit the penalty if it shall be proven to his satisfaction that such instrument was issued without the necessary stamp by reason of accident, mistake, inadvertence, or urgent necessity, and without any willfull design to defraud the United States of the duty, or to delay or evade the payment thereof; *provided* such instrument is presented to him for that purpose, and the stamp tax chargeable thereon is paid within twelve calendar months after the first day of August, 1866, or within twelve calendar months after the making or issuing thereof.

An instrument stamped by the collector in conformity with the foregoing instructions is valid to all intents and purposes (except as against rights acquired in good faith before such stamping and the recording of instrument, if a record be required) as if properly stamped when made and issued.

When the originals are lost, the necessary stamps may be affixed to copies in all cases which fall under section 158.

Each collector will keep a record of all instruments stamped or impressed by him under the provisions of sections 158 and 162, in which must be given the names of the parties to each instrument, the date of its execution, and a sufficient description of its nature to show the reasons for impressing or affixing the particular stamp. A certified copy of this record will be transmitted to this Office at the close of each month. When none have been stamped during the month that fact should be reported.

The following is a suitable form for such record, and for the sake of uniformity should be adopted by all collectors:

Number.	Names of parties.	Date of instrument	Description of instrument.	When stamped.	How stamped.	Penalty remitted or amount collected.

The names of all the parties should be entered. The description of each instrument should be accurate and full, giving all the facts essential to a determination of its liability; the number of sheets or pieces of paper in a contract; the amount of a promissory note, and if it were issued under the act of March 3, 1863, *i.e.*, subsequent to March 2, 1863, and prior to August 1, 1864, the time it was to run, the consideration of a conveyance of reality, the amount secured by a mortgage or trust deed, the rent or rental value in the case of a lease, &c., &c. If an instrument is presented for insufficiency of stamp, the amount upon it, when presented, should be stated. Under "how stamped" should appear the amount of adhesive stamps (if any) affixed; and if impressed "stamp duty paid," or "not subject to stamp duty," the proper entry should be made in this column. Collectors should be cautious not to impress instruments thus unless presented before they are issued.

The whole amount of penalties paid to collectors for validating unstamped instruments should be returned on form 58, with other unassessed penalties, and the money should be deposited to the credit of the treasury of the United States with other collections.

That part of the act of July 1, 1862, which relates to stamp duties upon certain instruments therein specified, took effect October 1, 1862. The stamp laws have been amended and changed from time to time since that date, viz: by the amendatory act of March 3, 1863, which took effect upon its passage; by the act of June 30, 1864, which, so far as pertains to stamp duties upon instruments, took effect October 1, 1864; by the amendatory act of March 3, 1865, which took effect upon its passage; by the amendatory act of July 13, 1866, which, so far as regards such duties, took effect August 1, 1866; and by the amendatory act of March 2, 1867. Instruments should be stamped according to requirements of the law in force at the time they were made, signed, or issued, and collectors, when affixing stamps to instruments which were issued unstamped, should bear this fact strictly in mind.

A person who holds an unstamped conveyance founded upon a "confederate currency," consideration will be allowed to affix such stamp thereto as he may think sufficient, and no prosecution will be instituted by direction of this Office for the recovery of a penalty for failure to stamp it according to the nominal *amount* of such consideration. If the parties interested elect to stamp it according to the actual *value* of the consideration in United States currency at the date of its delivery, they will be allowed to do so, *taking their own risk of the sufficiency of the stamp.*

The validity of a deed is a question for the courts. It is one of importance to the parties, but not to this Office, any further than the insufficiency of the stamp may affect the revenue.

The foregoing is applicable to other instruments as well as to deeds.

Penalties.

A penalty of fifty dollars is imposed upon every person who makes, signs, or issues, or who causes to be made, signed, or issued, any paper of any kind or description whatever, or who accepts, negotiates, or pays, or causes to be accepted, negotiated, or paid, any bill of exchange, draft, or order, or promissory note, for the payment of money, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, cancelled in the manner required by law, with intent to evade the provisions of the revenue act.

A penalty of two hundred dollars is imposed upon every person who pays, negotiates, or offers in payment, or receives or takes in payment, any bill of exchange or order for the payment of any sum of money, drawn or purporting to be drawn in a foreign country, but payable in the United States, until the proper stamp has been affixed thereto.

A penalty of fifty dollars is imposed upon every person who fraudulently makes use of an adhesive stamp to denote the duty required by the revenue act, without effectually cancelling and obliterating the same in the manner required by law.

Attention is particularly called to the following extract from section 155, of the act of June 30, 1864, as amended by the act of July 13, 1866:

"If any person shall willfully remove or cause to be removed, alter or cause to be altered, the cancelling or defacing marks on any adhesive stamp, with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or wilfully sell or buy such washed or restored stamps, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same or prepare the same with intent for the further use thereof, or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamps, which have been removed from any vellum, parchment, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and wilfully aiding, abetting, or assisting in committing any such offence as aforesaid, shall, on conviction thereof, * * * be punished by a fine not exceeding one thousand dollars, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court."

It is reported that persons in various parts of the country, and under various pretexts, are collecting cancelled stamps, and, as it is believed, for the purpose of removing the cancelling marks therefrom and preparing them for further use.

All revenue officers are expected and hereby directed to give this matter their special attention; to acquaint the people with the true object for which such stamps are collected, and with the penalties incurred by all who in any way knowingly and wilfully aid, abet, and assist in the commission of the offence. It is believed that many stamps are gathered from persons who are ignorant of the use to which they are to be put, and innocent of all intent to defraud the revenue.

The fact that a person is collecting stamps which have once been used is sufficient to arouse strong suspicion, and calls for an immediate investigation; and the possession of washed, restored, or altered stamps is *prima facie* evidence of guilt. No pains should be spared to insure the detection and punishment of guilty parties.

It is not lawful to record any instrument, document, or paper required by law to be stamped, or any copy thereof, unless a stamp or stamps of the proper amount have been affixed and cancelled in the manner required by law; and such instrument or copy and the record thereof are utterly null and void, and cannot be used or admitted as evidence in any court until the defect has been cured as provided in section 158.

All wilful violations of the law should be reported to the United States district attorney within and for the district where they are committed.

General Remarks.

Revenue stamps may be used indiscriminately upon any of the matters or things enumerated in Schedule B, except proprietary and playing card stamps, for which a special use has been provided.

Postage stamps cannot be used in payment of the duty chargeable on instruments.

The law does not designate which of the parties to an instrument shall furnish the necessary stamp, nor does the Commissioner of Internal Revenue assume to determine that it shall be supplied by one party rather than by another; but if an instrument subject to stamp duty is issued without having the necessary stamps affixed thereto, it cannot be recorded, or admitted, or used as evidence, in any court, until a legal stamp or stamps, denoting the amount of tax, shall have been affixed as prescribed by law, and the person who thus issues it is liable to a penalty, if he omits the stamps with an intent to evade the provisions of the internal revenue act.

The first act imposing a stamp tax upon certain specified instruments took effect, so far as said tax is concerned, October 1, 1862. The impression which seems to prevail to some extent, that no stamps are required upon any instruments issued in the States lately in insurrection, prior to the surrender, or prior to the establishment of collection districts there, is erroneous.

Instruments issued in those States since October 1, 1862, are subject to the same taxes as similar ones issued at the same time in the other States.

No stamp is necessary upon an instrument executed prior to October 1, 1862, to make it admissible in evidence, or to entitle it to record.

Certificates of loan in which there shall appear any written or printed evidence of an amount of money to be paid on demand, or at a time designated, are subject to stamp duty as "promissory notes."

When two or more persons join in the execution of an instrument, the stamp to which the instrument is liable under the law may be affixed and cancelled by either of them; and "when more than one signature is affixed to the same paper, one or more stamps may be affixed thereto, representing the whole amount of the stamp required for such signatures."

No stamp is required on any warrant of attorney accompanying a bond or note, when such bond or note has affixed thereto the stamp or stamps denoting the duty required; and, whenever any bond or note is secured by mortgage, but one stamp duty is required on such papers—such stamp duty being the highest rate required for such instruments, or either of them. In such case a note or memorandum of the value or denomination of the stamp affixed should be made upon the margin or in the acknowledgment of the instrument which is not stamped.

Particular attention is called to the change in section 154, by striking out the words "or used;" the exemption thereunder is thus restricted to documents, &c., *issued* by the officers therein named. Also to the changes in sections 152 and 158, by inserting the words "and cancelled in the manner required by law."

The acceptor or acceptors of any bill of exchange, or order for the payment of any sum of money, drawn or purporting to be drawn in any foreign country, but payable in the United States, must, before paying or accepting the same, place thereupon a stamp indicating the duty.

It is only upon conveyances of realty *sold* that conveyance stamps are necessary. A deed of real estate made without valuable consideration need not be stamped as a conveyance; but if it contains covenants, such, for instance, as a covenant to warrant and defend the title, it should be stamped as an agreement or contract.

When a deed purporting to be a conveyance of realty sold, and stamped accordingly, is inoperative, a deed of confirmation made simply to cure the defect, requires no stamp. In such case, the second deed should contain a recital of the facts, and should show the reasons for its execution.

Partition deeds between tenants in common need not be stamped as conveyances, inasmuch as there is no sale of realty, but merely a marking out, or a defining, of the boundaries of the part belonging to each; but where money or other valuable consideration is paid by one co-tenant to another for equality of partition, there is a sale to the extent of such consideration, and the conveyance, by the party receiving it, should be stamped accordingly.

A conveyance of lands sold for unpaid taxes, issued since August 1, 1866, by the officers of any county, town, or other municipal corporation in the discharge of their strictly official duties, is exempt from stamp tax.

A conveyance of realty sold subject to a mortgage should be stamped according to the consideration, or the value of the property *unencumbered*. The consideration in such case is to be found by adding the amount paid for the equity of redemption to the mortgaged debt. The fact that one part of the consideration is paid to the mortgagor and the other part to the mortgagee does not change the liability of the conveyance.

The stamp tax upon a mortgage is based upon the amount it is given to secure. The fact that the value of the property mortgaged is less than that amount, and that consequently the security is only partial, does not change the liability of the instrument. When, therefore, a second mortgage is given to secure the payment of a sum of money partially secured by a prior mortgage upon other property, or when two mortgages upon separate property are given at the same time to secure the payment of the same sum, each should be stamped as though it were the only one.

A mortgage given to secure a surety from loss, or given for any purpose whatever, other than as security for the payment of a definite and certain sum of money, is taxable only as an agreement or contract.

The stamp duty upon a lease, agreement, memorandum, or contract for the hire, use, or rent of any land, tenement, or portion thereof, is based upon the *annual* rent or rental value of the property leased, and the duty is the same whether the lease be for one year, for a term of years, or for the fractional part of a year only.

Upon every assignment or transfer of a mortgage a stamp tax is required equal to that imposed upon a mortgage for the amount remaining unpaid; this tax is required upon every such transfer in writing, whether there is a *sale* of the mortgage or not; but no stamp is necessary upon the indorsement of a negotiable instrument, even though the legal effect of such indorsement is to transfer a mortgage by which the instrument is secured.

An assignment of a lease within the meaning and intent of Schedule B, is an assignment of the *leasehold*, or of some portion thereof, by the *lessee*, or by some person claiming by, from, or under him; such an assignment as subrogates the assignee to the rights, or some portion of the rights, of the *lessee*, or of the person standing in his place. A transfer by the *lessor* of his part of a lease, neither giving nor purporting to give a claim to the leasehold, or to any part thereof, but simply a right to the rents, &c., is subject to stamp tax as a contract or agreement only.

The stamp tax upon a fire insurance policy is based upon the *premium*.

Deposit notes taken by a mutual fire insurance company, not as payment of premium nor as evidence of indebtedness therefor, but to be used simply as a basis upon which to make ratable assessments to meet the losses incurred by the company should not be reckoned as premium in determining the amount of stamp taxes upon the policies.

When a policy of insurance properly stamped has been issued and lost, no stamp is necessary upon another issued by the same company to the same party, covering the same property, time, &c., and designed simply to supply the loss. The second policy should recite the loss of the first.

An instrument which operates as the renewal of a policy of insurance is subject to the same stamp tax as the policy.

When a policy of insurance is issued for a certain time, whether it be for one year only or for a term of years, a receipt for premium or any other instrument which has the legal effect to continue the contract and extend its operation *beyond that time* requires the same amount of revenue stamps as the policy itself; but such a receipt as is usually given for the payment of the monthly, quarterly, or annual premium, is not a renewal within the meaning of the statute. The payment simply prevents the policy from expiring, by reason of non-performance of its conditions; a receipt given for such a payment requires a two-cent stamp, if the amount received exceeds twenty dollars, and a two-cent stamp only. When, however, the time of payment has passed, and a tender of the premium is not sufficient to bind the company, but a new policy or a new contract in some form, with the mutuality essential to every contract, becomes necessary between the insurer and the insured, the same amount of stamps should be used as that required upon the original policy.

A permit issued by a life insurance company changing the terms of a policy as to travel, residence, occupation, &c., should be stamped as a contract or agreement.

A bill single or a bill obligatory, *i. e.*, an instrument in the form of a promissory note, *under seal*, is subject to stamp duty as written or printed evidence of an amount of money to be paid on demand or at a time designated, at the rate of five cents for each one hundred dollars or fractional part thereof.

A waiver of protest, or of demand and notice, written upon negotiable paper and signed by the indorser, is an agreement, and requires a five-cent stamp.

A stamp duty of twenty-five cents is imposed upon the "protest of every note, bill of exchange, check or draft," and upon every marine protest. If several notes, bills of exchange, drafts, &c., are protested at the same time and all attached to one and the same certificate, stamps should be affixed to the amount of twenty-five cents for each note, bill, draft, &c., thus protested.

When a subscription is for a purpose in which there is a community of interest among the subscribers, the list should be stamped as a contract, or agreement, at the rate of five cents for each sheet or piece of paper upon which it is written.

When there is no community of interest, and the subscription is conditional, each signer executes a separate contract, requiring its appropriate amount of stamps; this amount depends upon the number of sheets or pieces of paper upon which the contract is written.

When each of the subscribers contracts to pay a certain and definite sum of money on demand, or at a time designated, the separate contract of each should be stamped at the same rate as a promissory note.

When, as is generally the case, the caption to a deposition contains other certificates in addition to the jurat to the affidavit of the deponent, such as a certificate that the parties were or were not notified, that they did or did not appear, that they did or did not object, &c., it is subject to a stamp duty of five cents.

When an attested copy of a writ or other process is used by a sheriff or other person in making personal service, or in attaching property, a five-cent stamp should be affixed to the certificate of attestation.

A marriage certificate issued by the officiating clergyman or magistrate, to be returned to any officer of a State, county, city, town, or other municipal corporation, to constitute part of a public record, requires no stamp; but if it is to be retained by the parties, a five-cent stamp should be affixed.

The stamp tax upon a bill of sale, by which any ship or vessel, or any part thereof, is conveyed to or vested in any other person or persons, is at the same rate as that imposed upon conveyances of realty sold; a bill of sale of any other personal property should be stamped as a contract or agreement.

An assignment of real or personal property, or of both, for the benefit of creditors, should be stamped as an agreement or contract.

Written or printed assignments of agreements bonds, notes not negotiable, and of all other instruments the assignments of which are not particularly specified in the foregoing schedule, should be stamped as agreements.

No stamp is necessary upon the registry of a judgment, even though the registry is such in its legal effect as to create a lien which operates as a mortgage upon the property of the judgment debtor.

When a "power of attorney or proxy for voting at any election for officers of any incorporated company or society, except religious, charitable, or literary societies or public cemeteries," is signed by several stock holders, owning separate and distinct shares, it is, in its legal effect the separate instrument of each, and require stamps to the amount of ten cents for each and every signature; one or more stamps may be used representing the whole amount required.

A notice from landlord to tenant to quit posession of premises requires no stamp.

A stamp tax is imposed upon every "manifest for custom-house entry or clearance of the *cargo* of any ship, vessel, or steamer for a foreign port." The

amount of this tax in each case depends upon the registered tonnage of the vessel.

If a vessel clears in ballast and has no cargo whatever, no stamp is necessary; but if she has any—however small the amount—a stamp should be used.

A bond to convey real estate requires stamps to the amount of twenty-five cents.

The stamp duty upon the probate of a will, or upon letters of administration, is based upon the sworn or declared value of all the estate and effects, real, personal, and mixed, undiminished by the debts of the estate, for or in respect of which such probate or letters are applied for.

When the property belonging to the estate of a person deceased lies under different jurisdictions and it becomes necessary to take out letters in two or more places, the letters should be stamped according to the value of all the property, real, personal, and mixed, for or in respect of which the particular letters in each case are issued.

Letters *de bonnis non* should be stamped according to the amount of property remaining to be administered upon thereunder, regardless of the stamps upon the original *letters*.

A *mere* copy of an instrument is not subject to stamp duty unless it is a certified one, in which case a five cent stamp should be affixed to the certificate of the person attesting it; but when an instrument is executed and issued in duplicate, triplicate, &c., as in the case of a lease of two or more parts, each part has the same legal effect as the other, and each should be stamped as an original.

Schedule of Stamp Duties upon Articles in Schedule C, and in the Amendments thereto.

	Stamp Duty.
Proprietary Medicines and Preparations.—For and upon every packet, box, bottle, pot, phial or other enclosure, containing any pills, powders, tinctures, troches, lozenges, sirups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences, spirits, oils, or other medicinal preparations or compositions whatsoever, sold, offered for sale, or removed for consumption and sale, by any person or persons whatever, where such packet, box, &c., with its contents, does not exceed, at retail price or value, the sum of twenty-five cents	1 cent.
Exceeding twenty-five and not exceeding fifty cents	2 cents.
Exceeding fifty and not exceeding seventy-five cents	3 cents.
Exceeding seventy-five cents and not exceeding one dollar	4 cents.
Exceeding one dollar, for every additional fifty cents, or fractional part thereof in excess of one dollar	2 cents.
Officinal preparations, and medicines mixed or compounded specially for any person according to the written recipe or prescription of any physician or surgeon	exempt.
Perfumery and cosmetics.—For and upon every packet, box, bottle, pot, phial, or other enclosure containing any essence, extract, toilet-water, cosmetic, hair-oil, pomade, hair-dressing, hair restorative, hair dye, tooth-wash, dentrifice, tooth-paste, aromatic cachous, or any similar articles, by whatsoever name the same heretofore have been, now are, or may hereafter be called, known, or distinguished, used or applied, or to be used or applied as perfumes or applications to the hair, mouth, or skin, sold, offered for sale, or removed for consumption and sale, the same rates per package, &c., as for medicines and preparations.	
Friction matches.—For and upon every parcel or package of 100 or less	1 cent.
More than 100 and not more than 200	2 cents.
For every additional 100, or fractional part thereof	1 cent.
Wax tapers, double the rates for friction matches.	
Cigar lights, made in part of wood, wax, glass, paper, or other materials, in parcels or packages containing twenty-five lights or less in each parcel or package	1 cent.
When in parcels or packages containing more than twenty-five and not more than fifty lights	2 cents.
For every additional twenty-five lights, or fractional part of that number, one cent additional.	
Playing-cards.—For and upon every pack not exceeding fifty-two cards in number, irrespective of price or value	5 cents.
Canned meats, &c.—For and upon every can, bottle, or other single package containing fish, sauces, sirups, prepared mustard, jams, or jellies, contained therein, and packed or sealed, made, prepared, and sold, or offered for sale, or removed for consumption in the United States, on and after the first day of October, 1866, when such can, bottle, or other single package, with its contents, shall not exceed two pounds in weight	1 cent.
For every additional pound or fractional part thereof	1 cent.

Cigar lights and playing cards, in the hands of manufacturers and dealers, should be stamped according to the rates fixed by the law now in force. The fact that they were manufactured prior to August 1, 1866, and are stamped in accordance with the law in force at the time of manufacture, does not relieve them from payment of the increased rates by affixing additional stamps.

No stamp tax is imposed upon any uncompounded medicinal drug or chemical, nor upon any medicine compounded according to the United States or other national pharmacopœia, or of which the full and proper formula is published in any of the dispensatories now or hitherto in common use among physicians or apothecaries, or in any pharmaceutical journal now issued by any incorporated college of pharmacy, unless sold or offered for sale or advertised under some other name, form, or guise than that under which they are severally denominated and laid down in such pharmacopœias, dispensatories, or journals.

No stamp tax is imposed upon medicines sold to or for the use of any person, which may be mixed and compounded for said person according to the written recipe or prescription of a physician or surgeon. But all medicinal articles, whether simple or compounded by any rule, authority, or formula, published or unpublished, which are put up in a style or manner similar to that of patent or proprietary medicines in general, or advertised in newspapers or by public handbills, for popular sale and use, as having any special proprietary claim to merit, or to any peculiar advantage in mode of preparation, quality, use, or effect, whether such claim be real or pretended, are liable to the tax.

Stamps appropriated to denote the duty charged upon articles named in Schedule C, and in the amendments thereto, cannot be used for any other purpose; nor can stamps appropriated to denote the duty upon instruments be used in payment of the duties upon articles enumerated in this schedule.

When proprietary stamps from a private die are used, if they are so affixed to the boxes, bottles, or packages that, in opening the same, or in using the contents thereof, they shall and must be unavoidably and effectually destroyed, no cancellation is necessary; but if they cannot be so affixed, they should be cancelled in the ordinary manner by writing or imprinting thereon the initials and date. When general proprietary stamps are used, they must be cancelled by writing or imprinting thereon the date and the initials of the party using or affixing them.

When proprietary medicines and preparations, perfumery, and cosmetics are stamped according to their retail price or value in the immediate vicinity of the place of manufacture, no additional stamps are necessary upon them, whatever may be the price at which they are offered.

Any person who offers or exposes for sale any of the articles named in Schedule C, or in any of the amendments thereto, whether they are imported or of foreign or domestic manufacture, is to be deemed the manufacturer thereof, and subject to all the duties, liabilities, and penalties imposed by law in regard to the sale of domestic articles without the use of the proper stamp or stamps for denoting the tax paid thereon. The stamp tax upon such articles imported or of foreign manufacture is in addition to the import duties; but when such imported articles, except playing cards, lucifer or friction matches, cigar lights, and wax tapers, are sold in the original or unbroken packages in which the bottles or enclosures were packed by the manufacturer, no penalty is incurred for want of the proper stamp. When the packages are opened stamps should be affixed.

Regulations for the Purchase of Stamps.

Revenue stamps may be obtained from this office in amounts of not less than fifty dollars. Purchasers desiring smaller amounts should make application to a collector of internal revenue, or deputy collector, assessor, assistant treasurer of the United States, postmaster, or other dealer in stamps. Payments to this office should be made in the form of a *duplicate* certificate of a United States assistant treasurer or designated depositary of a deposit made on account of stamps. Revenue stamps may likewise be obtained of any national bank which is a designated depositaries at the rates of commission at which they are furnished from this Office. They will also be deposited with the assistant treasurers and designated depositaries other than national banks.

General Stamps.

The following commission, *payable in stamps*, will be allowed in purchases of common stamps.

On purchases of $50 or more, 2 per centum.
On purchases of $100 or more, 3 per centum.
On purchases of $500 or more, 4 per centum.
On purchases of $1,000 or more, 5 per centum.

If any revenue stamps for which the owner may have no use are returned to this Office in good order and free of expense, others will be given in exchange, at a discount of one per cent. Stamps that have been improperly or unnecessarily used and cancelled, when returned to this Office for exchange, should be attached to the instruments on which they were used, and accompanied by an affidavit setting forth the facts, when other stamps will be given for them, at a discount of one per cent. The papers to which the stamps are affixed will be retained by the Office. If the papers cannot be sent, the fact and the reasons for it must appear by the affidavit, and there must be certificates from both the assessor and the collector that they each made *personal* examination of the case, and find the facts to be as stated. Stamps spoiled in transportation, or rendered useless by any modifications of the law, will be exchanged free of charge. When the affidavit is made before a person who has no official seal, his authority to administer oaths generally should be certified to by the clerk of a court of record under the seal of the court.

Where the facilities for procuring and distributing stamps are deemed insufficient, the Commissioner of Internal Revenue will, on application, furnish to a collector or assessor, assistant treasurer, designated depositary, or postmaster of the United States, a suitable quantity for the supply of the proper district, and will allow the highest rate of commissions allowed by law to any purchaser of common stamps for cash. Such stamps will be furnished under section 170 of the excise law; and the officer applying to be furnished with such stamps will give bond, with three sufficient sureties, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment, monthly or otherwise, according to instructions, for all quantities and amounts sold or not reported as remaining on hand. No bond will be accepted for a less sum than five hundred dollars.

Persons to whom stamps shall be furnished under this section will be expected to conform to the following rules:

Agents for the sale of stamps will make return by oath to this Office on Form 55, on the first day of each month, of the amount of stamps sold during the preceding month, and of the amount actually on hand and unsold, in each case making separate statements of the amounts of proprietary and general stamps.

Each collector will supply his deputies with adhesive stamps, and sell them to other parties within his district who may make application therefor, allowing the same commission as specified above. The collector may require such security from his deputies as he sees fit for the stamps placed in their hands, as he alone is responsible, and is to make returns and payment for them to this Office.

Orders may be made from time to time for such stamps as are desired, in no case to exceed three-fourths of the penal sum designated in the bond.

Every agent will be charged upon the books of this Office with the stamps furnished him, and credited with the amount of each remittance for the sale of stamps, and five per cent. commission on the same.

Stamped Paper.

An arrangement has been made with the American Phototype Company, of New York, to print internal revenue stamps upon bank checks and other instruments which may be furnished them by various parties for that purpose. Persons ordering will send to this Office, as heretofore, the duplicate certificate of deposit in some designated depositary, stating what kind

of stamps they desire; an order then will be sent to the phototype company for the amount, adding the same commission as upon general stamps. The price which the company shall charge to the publ c for printing such stamps is to be such as may be agreed upon between themselves and the parties ordering the same; but is not to exceed one cent for each impression containing not more than six stamps, excepting clearing-house rece.pts, and other documents which ordinarily contain more than six stamps.

A contract has also been made with Messrs. Butler & Carpenter, of Philadelphia, to furnish similar stamps, to be printed on bank checks and other instruments, from steel plates. The extra expense in the latter case is to be arranged between Butler & Carpenter and the purchasers, subject to the decision of the Commissioner of Internal Revenue in case of dissatisfaction with the rates charged. The documents to be stamped should be furnished in *sheets*, as the stamps could not be conveniently printed in a bound book.

All stamps will hereafter be forwarded by express, unless ordered by mail, at the expense of the person ordering the same, under a contract with the Adams Express Company, at the following rates viz.: Between any two points in the territory of the Adams Express Company, and reached by it, twenty-five (25) cents. per one thousand dollars; between any two points in the territorty of the Southern Express Company, except to points within the States of Arkansas and Texas accessible as aforesaid, thirty-five (35) cents per one thousand dollars, it being understood that the territory of the Southe.. Express Company includes the States of North and South Carolina, Georgia, Alabama, Mississippi, Lousianna, Texas, Arkansas, Tennessee, and that part of the State of Virginia lying South of Richmond and west of Lynchburg;) between any two points in the State of Texas or in the State of Arkansas, or between any two points severally in those two States respectively, reached by the lines of the Southern Express Company, in manner aforesaid, fifty (50) cents per one thousand dollars; between any two points in the territory of another express company than the Adams and the Southern Express Companies, reached as aforesaid, thirty-five (35) cents per one thousand dollars; between any two points, one of which is in the territory of one express company and the other within the territory of another express company, reached as aforesaid, excluding herefrom the States of Texas and Arkansas, sixty (60) cents per one thousand dollars; between any two points, one of which is in the State of Texas or Arkansas and the other in any of the other States, eighty-five (85) cents per one thousand dollars. The above amounts in all cases to be computed on the *face value* of the stamps, and any fractional part of one thousand dollars shall be paid as for one thousand dollars.

Proprietary Stamps—Schedule C.

Any proprietor of an article named in Schedule C may furnish a design for a stamp, which, if approved, will be engraved by the government engravers at the cost of the proprietor.

In such case the proprietor will be entitled to the commission specified in the 161st section of the excise law, viz.: On amounts purchased at one time of not less than fifty nor more than five hundred dollars, five per centum; on amounts over five hundred dollars, ten per centum.

If the designs do not exceed in superficial area thirteen-sixteenths of an inch for the denominations of one and two cent stamps, or sixty-three sixty-fourths of an inch for the denomination of three and four cent stamps, these being the sizes established by the Office for the above specified denominations, there will be no additional charge to purchasers. If, however, proprietors desire to increase the size of the stamps or the denominations above mentioned, then an additional charge will be made for the additional cost of paper and printing. This additional charge will be ten cents per thousand for stamps of 3⅛ inches superficial area, and in the same proportion for other sizes.

All dies and plates will be retained by and be under the exclusive control of the government.

The general stamp must be cancelled by writing or printing thereon in ink the initials of the proprietor of the stamped article, and the date, *day, month, and year* of cancelling; *while the private stamp must be so affixed on the package that in opening the same the stamp shall be effectually destroyed.*

Where printing in more than one color is desired, the additional expense must be borne by the proprietor.

Each stamp must bear the words, or a proper abbreviation of them, "United States Internal Revenue;" also, in words and figures, the denomination of the stamp.

Manufactures of friction or other matches, cigar lights, or wax tapers, who desire to avail themselves of the provisions of the 161st section of the law, and receive stamps on a credit of not exceeding sixty days, will be furnished, on application to this Office, with a blank bond in proper form, to be filled up and executed by them.

Manufacturers of proprietary artices will be required to use the general proprietary stamps until stamps are furnished from their own design.

All stamps denoting duties under Schedule C, excepting those from private designs, may be used indiscriminately upon proprietary articles.

Every correspondent is requested to give the State, as well as town and county, of his res dence.

E. A. ROLLINS,
Commissioner.

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NOTICE TO OUR READERS.

PATENT FILE FOR THE RECORD.—We would respectfully call the attention of the readers of the RECORD to our Patent Files for preserving each number in book form. Each issue may be inserted in the file in a moment by an ingenious but simple arrangement, and be preserved as safely and conveniently as if bound. Sent free on receipt of the price which is only one dollar.

We have already sold large numbers and have recently had several thousand made. We assure our patrons that if they wish to keep the RECORD for reference, we know of no better or easier method than to supply themselves with one of our files.

Files for letters and for all the weekly pictorial papers, periodicals and newspapers, and for music, kept constantly on hand. Prices proportionate to size.

REVIEW.

THE ruling of most importance promulgated this week is that relating to the taxation of railroad cars repaired, or made over, or reconstructed, or made entirely new. In difficult questions which involve the determination of refined distinctions, such as this of where repairs end and new work begins, much is necessarily left to the judgment of Assistant Assessors, who should therefore investigate and examine into the precise nature of the work performed, and thereby be better enabled to classify it for taxation.

In order to constitute repairs, the *identity* of the article must be preserved. In making repairs, many articles are made, used and consumed, which, if sold, would undoubtedly be liable to tax. These are not necessarily exempt because used in repairs, and Assistants would do well to look carefully into this matter of repairs, for no doubt exists that considerable revenue is lost to the Government by a want of a proper understanding of the subject.

The attention of Assistant Assessors is particularly directed to the ruling which holds brewers, distillers, and manufacturers to tax as dealers, where they continue to sell their productions at the place of production, after the expiration of the licenses or special tax receipts as distillers, brewers or manufacturers. Thus, a manufacturer cannot sell his own goods at his place of production unless he holds a special tax receipt *in force*, as a manufacturer or dealer.

The decision relating to the rate of tax on manufactures from shoddy and wool, will be noted as modifying the practice materially in taxing such productions. Shoddy is now equal to the genuine wool in fixing the basis of tax.

The detected culprits in the Brooklyn whisky frauds of last Fall, Devlin, Levan, Tappan and Phillips, have been allowed to plead to the indictments found against them, notwithstanding judgment was given by Judge Nelson for the Government on demurrer, that the acts charged were not a legal offence. The District Attorney moved for sentence on the first and second counts of the indictment, which were for misdemeanors, because the defendants had demurred to an indictment for misdemeanors, and it had been decided against them; they should not therefore be allowed to plead over, but judgment absolute should be rendered. Judge Nelson, however, allowed them to plead. We sincerely trust that if these parties are found guilty, they will be punished severely.

Communications, &c.

Editor of Internal Revenue Record.

We have been in the habit of taxing oars as a manufacture; our oar-makers state that oars are treated as lumber in places that supply the New York market, and pay no tax. Will you have the kindness to inform me if such is the case, for if it is, we put an extra burden on the oar-makers of our city. ASST. ASSESSOR.

Oars are undoubtedly a manufacture and liable to tax as such. They cannot, without violence to the law as well as common sense, be regarded as *lumber*. We are unaware of their being exempted under that name. If the oar-makers in Baltimore know of any such exemption, let them report to you, and advise us. ED.

Editor of Internal Revenue Record.

1st. Is a person who buys butter and eggs from house to house, and after he has a load of the same sells his load by wholesale, considered a peddler or produce broker? Assistants appear to differ in assessing them.

2nd. Mr. A. resides in Division No. 1, and has his factory in Division No. 2, to which of the asst. assessors of said divisions ought he to make his return? Either of them may do, but who is the proper assistant assessor to call upon Mr. A. for his license and returns?

3d. Is the footing of boots considered new work. ASST. ASSESSOR.

(1st.) He is liable to special tax as a produce broker, provided he has not paid special tax as a dealer or peddler; but a dealer's special tax will cover the business specified.

(2d.) Mr. A. should make return and pay tax in the division in which his factory is situated.

(3d) The Commissioner has ruled that the footing of new boots to old legs is a manufacture and not a repair. ED.

Editor of Internal Revenue Record.

There is a difference of opinion here in regard to cancelling stamps. Some merchants have erased with cross marks, and others with the initials, but no date. Please inform me which is the correct way of erasing the stamp?

ASST. ASSESSOR.

The law is explicit in requiring the stamp to be cancelled by writing or imprinting thereon the initials of the party making or signing the instrument, together with the date of use. ED.

Boards are exempt, but where a planing mill takes boards in the rough and planes them, and makes flooring, siding, &c., they are increased in value. Are they liable to 5 per cent. tax, the flooring, siding, &c., or not. If they are, is it on increased value after planing, &c. ASST. ASSESSOR.

The planing of boards is not regarded as a manufacture, and productions from planing alone are exempt from ad valorem tax. ED.

Editor of Internal Revenue Record.

Is a man who does not prosecute claims in the Departments, but gets them up for other claim agents, and receives compensation therefor from the claimants, liable to the special tax of ten dollars? G. W. H.

If he prepares papers to be used in such claims, he is liable as a conveyancer. ED.

THE PUBLIC DEBT.

The following is an official statement of the public debt of the United States, on the 1st of June, 1867:

DEBT BEARING COIN INTEREST.		
5 per cent. bonds	$198,431,350 00	
6 per cent. bonds of 1867 and '68.	15,352,641 80	
6 per cent. bonds, 1881	283,746,350 00	
6 per cent. 5-20 bonds	1,092,640,600 00	
Navy Pension Fund	12,500,000 00	
		$1,602,643,941 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent. bonds	13,722,000 00	
3-year compound interest notes	130,030,240 00	
3-year 7-30 notes	511,939,525 00	
		655,691,765 00
Matured debt not presented for payment		9,713,020 32
DEBT BEARING NO INTEREST.		
U. S. notes	733,209,737 00	
Fractional currency	28,458,075 46	
Gold certificates of deposit	17,323,980 00	
		418,991,792 46
Total debt		2,687,040,519 58
Amount in treasury, coin	98,758,477 61	
Amount in treasury, currency	72,666,164 98	
		171,424,582 59
Amount of debt, less cash in treasury		2,515,615,936 99

The foregoing is a correct statement of the Public Debt, as appears from the Books and Treasurer's Returns in the Department, on 1st of June, 1867.

HUGH McCULLOCH,
Secretary of the Treasury.

By comparing the above statement with that made on May 1, it will be seen that the debt-bearing coin interest has increased $61,440,600; the debt bearing currency interest has decreased $41,423,915; the matured debt not presented for payment has decreased $2,219,520, and the debt bearing no interest has increased $368,286.

The amount of coin in the Treasury has decreased to the extent of $15,492,026 48; the currency balance has increased $38,827,606 74—while the amount of debt less cash in the Treasury shows a decrease of $5,170,159 26.

REVENUE FRAUDS.

INSPECTOR HARVEY closed two cutting manufactories at Greenpoint, L. I., last week. With the five reported in our last, these two make seven establishments seized within the past ten or twelve days. At the request of the officers in charge, we withheld the names of the parties arrested in New Jersey, New York, and Brooklyn, in order to enable them to continue their investigations with more secrecy. We now, however, feel at liberty to publish not only their names, but those also of the two arrested at Greenpoint. The factory seized in Elm street, this city, is said to belong to a Mr. Teckelbery; the one in Brooklyn to Messrs. Buckner & Day; those at Keyport, N. J., to Bonnell & Co., Mr. Creary and Mr. Warren. As was stated in our previous issue, Inspector Harvey had for some time been suspicious that all was not as it should be among the cutters at Keyport. He was led to this conclusion by the discovery of thirty-nine barrels of tobacco in this city which bore the brand of an inspector at Keyport, and which purported to have been inspected all on one day. Of this lot thirty-one barrels belonged to Messrs. Bonnell & Co. Deputy Inspector Lichtenhein was at once despatched to Keyport to work up the case. Calling upon the Inspector at that place, Mr. Lichtenhein inquired how many barrels he had inspected for Bonnell & Co. on the day in question. After a little hesitation and a reference to his book, the Inspector answered "[illegible]" leaving sixteen barrels branded by him on the same day wholl unaccounted for, and proving, if there is any reliance to be placed in evidence, that he had been acting in concert with the proprietors. Mr. Lichtenhein next referred to the books in the collector's office, and found only fifteen barrels charged to Bonnell & Co. Mr. Bonnell disclaims all connection with the affair, and declares that he is neither an owner in the factory nor a partner in the crime. An investigation into the affairs of Mr. Warren and Mr. Creary at the same time, induced Mr. Lichtenhein to take possession of their places, and place a couple of guardians over them.

It is thought that the deficiency in these three establishments will amount to about fifty thousand dollars, a single one of them, as mentioned by us on a former occasion, being in default to the extent of twenty-two thousand dollars. Revenue matters have been so singularly arranged at Keyport, that it appears the customary bonds were not required of these parties until about a month ago, although manufacturing for a year past. A Mr. H. Ghurt and a Mr. Dreyfous are the reputed owners of the places seized at Greenpoint. One of these parties, it is said, professed, when arrested, to have sold out his factory some time ago, and the other was acting as a Government Inspector, having recently received his appointment to that position.

From these examples it it apparent that illicit manufacture is enormously on the increase, notwithstanding the commendable efforts of the revenue officers to suppress it. What should be done under the circumstances, it is difficult to determine; but that something must be done, and that speedily, is manifest. It has been suggested that legitimate cutters would conserve their own and the Government's interests by purchasing the cutting-machines that have been confiscated, it being assumed that fraudulent manufacturers seldom, if ever, go to the expense of procuring new machinery when once they have lost the old. But besides being uncertain in its effect, this plan has the objection of imposing additional expense upon men who are already heavily burdened with liabilities of one kind or another. If any good can be accomplished by the purchase or destruction of these machines, it would seem that, of all others, the Government itself could best afford to be the instrument of their disposal, as it obtains possession of them without any outlay farther than the effort to capture them. It will be well, however, in case the Government will not intervene, if it can be shown that their permanent withdrawal will be conducive to the end sought, for trade to consider the matter, and if deemed advisable, find means for securing all of them that are offered for sale. Ten years in State Prison to each and every manufacturer and inspector caught robbing the Government, would be the best remedy we can think of.—*Tobacco Leaf.*

PERSONAL EFFECTS FROM ABROAD.

Appraiser McElrath has addressed a communication to the Editor of the *N. Y. Times*, giving very useful and interesting information respecting the rights and privileges of the many American citizens now abroad, in bringing home personal effects, clothing, jewelry, &c., on returning from their travels. The Appraiser says:

The large number of families belonging to the United States now travelling or absent in Europe, suggests the importance of calling attention to an erroneous impression which prevails, even among well-informed merchants, as to the right of bringing in certain kinds of personal effects free of duty. There is no law which authorizes any one to bring in articles which they have purchased or procured abroad, unless on payment of the regular duties. The fact that these articles are for personal or family use, and not merchandise, makes no difference except in certain specified cases. There will probably be not less than 10,000 persons returning to the United States within the present year, who will bring with them, on an average, $200 worth of new clothes, silks in the piece, or fancy articles, the regular duties on which will amount to nearly or quite one million of dollars. It is just as well that the parties interested should know beforehand that every dollar of these duties will be exacted and must be paid, before their trunks and packages can get through the hands of the Customs officers.

The following articles, with the restrictions mentioned, are admitted free:

Paintings and statuary, the production of American artists residing abroad, provided the same be imported in good faith as objects of taste and not of merchandize.

Wearing apparel in actual use, and other personal effects, not merchandise, professional books, implements, instruments, and tools of trade, occupation or employment, not machinery. The term "wearing apparel" embraces articles either used or ready for use, such as it would be supposed the station in life of the party in possession would entitle or require him or her to make actual use of. And such articles not obviously excessive in quantity or quality, when satisfactorily shown that they have been in actual use by the owner, may be admitted free of duty. Other personal effects, not merchandise, are understood to be such articles as either sex have occasion to make use of, such as combs, brushes, and other articles of the toilet. Professional books, implements, and tools of trade, occupation or employment, are understood to embrace such books or instruments as would naturally belong to a surgeon, physician engineer or scientific person returning to this country, or immigrants from abroad coming to the United States to settle.

The exemption of household and personal effects from duty extends only to household effects which have been in use in the family for at least one year, and to such only of the personal effects as have been in actual use prior to the shipment from the foreign port.

Jewelry, when worn, and of such a description and quantity as befits the station of the possessor, may be admitted free of duty.

Plate and other household effects must have been in use abroad one year to entitle them to free entry, and the initials or other marks are not to be considered as proof of its having been so used.

Presents, other than such as are exempted by law from duty, or paintings and statuary imported as objects of taste, are liable to duty.

Passengers returning in any of the regular steamers, who wish to avoid detention or trouble, will do well to have a list of all the dutiable articles which they may have in their trunks carefully made out with the cost of each separate article. They will usually be met on the wharf by Custom-house officers, and on handing them such an inventory, the goods can be appraised, the amount of duties quickly ascertained, and they can be paid on the spot. The duties will usually not vary much from fifty per cent. on the value of the articles. Silks pay sixty per cent. and woolens something more; other goods generally from thirty-five to fifty per cent. These duties must be paid in gold.

The Collector and Surveyor of the port will do everything in their power to facilitate the passage of the personal effects of passengers. But the passengers themselves must do their part if they wish to avoid annoyance or detention.

Alterations and Additions to the Navy Regulations.

NAVY DEPARTMENT,
Washington, May 20, 1867.

The following alterations and additions are hereby made to the regulations published for the government of all persons attached to the United States naval service, under date of April 18, 1865, and will be obeyed accordingly:

Every person subject to the control of the Navy Department will preserve this circular in his book of regulations.

1. The flag of the Admiral is a rectangular flag of blue color, with four white stars in the centre, forming a diamond, and is to be worn at the main of vessels, and in the bow of his barge or tender. The admiral's salute shall be seventeen guns; all other honors and ceremonies the same as now authorized for the vice admiral.

2. The flag of a Commodore is a swallow-tailed broad pendant of blue color, with one white star, and is authorized to be worn by officers of that grade at the main, and in the bows of boats, when in command of single ships other than the flag ship; and if in command of shore stations, on board the receiving ship, or if there be no such vessel, to hoist it at the usual place in the yard for displaying a flag.

3. Passed Assistant Paymasters and First Assistant Engineers will rank with lieutenants; second Assistant engineers, with masters; third assistant engineers, with midshipmen who have graduated at the Naval Academy; and cadet engineers, with midshipmen who have not graduated at the Naval Academy.

4. Paragraph 19 of regulation Circular No. 2, prohibiting officers from visiting the District of Columbia without the permission of the Secretary of the Navy, is rescinded.

5. So much of paragraph 15 of regulation circular No. 3 as makes it obligatory upon the authority convening a court-marshal to detail an officer to assist the accused, is rescinded. The court may, upon the request of the accused, select some officer within reach to defend him.

GIDEON WELLES,
Secretary of the Navy.

CHIEF JUSTICE CHASE has completed the nominations of registers of bankruptcy in all the States and Territories. It may become necessary to make other nominations hereafter in cases where United States District Judges decline to appoint the nominees of the Chief Justice. The latter has addressed a circular letter to the District Judges, which gives directions as to the qualifications of registers, and sets forth that the law requires the Chief Justice to *nominate*, but appointment or confirmation rests with the District Judges.

THE NEW ORLEANS SUB-TREASURY DEFALCATION.—Our difficulties are thickening. The authorities at Washington have sent instructions here to investigate into the sufficiency of the bonds of some of its officials. Sub-Treasurer Whittaker's principal bondsmen are T. P. May, A. S. Man field, and United States Marshal Herron. They are security for $125,000. May and Mansfield borrowed of Whittaker $400,000 of Government money to pay Oakes Ames. Marshal Herron's bondsmen are T. P. May and Watson. Herron borrows money of May, President of the First National Bank, $200,000 for contingent expenses. On the bond of Col. Tisdale, Collector of Internal Revenue for the Third District, are found the same Herron and a Mr. Galinski, clerk in the Treasury Department at Washington, on a salary of $100 per month, and others equally responsible. Charley Case's bond for Receiver of the First National Bank, is signed by Wm. B. Little, Special Agent here to investigate the whisky frauds, Pat. Gallagher and John Henderson, distillers. Little also figures as bondsman for some of Stedman's Deputies.—*Cor. N. Y. Times.*

DEPUTY Commissioner Messmore, with the sanction of the Internal Revenue Department, has issued the subjoined order:

NEW YORK,
May 28, 1867.

Hereafter all seizures of distilleries or rectifying establishments, and the seizure or detention of distilled spirits, made by revenue inspectors or special agents within the Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, and Thirty-second Districts of New York, and the Fifth District of New Jersey, will be immediately reported to the collector of the district within which said seizure was made, and also to Wm. L. Hillyer, Internal Revenue Agent, at No. 83 Cedar street, New York, together with the cause of said seizure or detention, as well as a brief description of the property so seized, and if, after such seizure or detention, said property so seized or detained should be released by such inspector or special agents, the same shall be sufficient cause for removal of such officer from the position he may occupy in the revenue service. Such officers who have been heretofore especially directed to report to the United States attorneys, will, in addition to their report to them, report as herein above directed.

J. C. MESSMORE,
Deputy Commissioner.

Gazette.

COLLECTORS.

Alexander Cummings, 4th district, Philadelphia, Penn. vice John Hancock.

Bernard Zwart, 2nd district, Ironton, Mo., vice Wm. M. Hamilton.

Peter A. Wilkinson, 3rd district, La Fayette, Tenn., vice Asa Faulkner.

John M. Cashman, 3rd district, La Grand, Mo., vice John M. Glover.

Franklin Travis, 7th district, Huntington, Tenn., vice Henry T. Blanton.

William Johnson, 5th district, Appleton, Wis., vice George C. Ginty.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

SPECIAL TAX.

Proprietors of Rice Mills.

The proprietor of a rice mill should pay a special tax as a manufacturer, if he hulls or grinds rice to an amount exceeding one thousand dollars per annum.

Painter furnishing Paints, &c., in Excess of $1,000 per annum.

A painter who furnishes paints or other materials to persons employing him, to an amount exceeding one thousand dollars per annum, is liable to special tax as a dealer, wholesale or retail, according to the amount thus furnished.

Retail Liquor Dealers and Eating House keepers.

A person who keeps an eating house is not relieved from the special tax imposed upon the keeper of an eating house by reason of having paid a special tax as liquor dealer; but his sales of spirits, wines, ale, beer and other malt liquors, should not be taken into consideration in determining his liability as the keeper of an eating house.

Dyers Regarded as Manufacturers.

A dyer is to be regarded as a manufacturer, and should be required to pay a special tax as such, if the value of his products exceeds one thousand dollars per annum.

Glass Ware Cutters and Finishers.

A person whose business it is to cut glass ware, such as tumblers, decanters, &c., is a manufacturer within the meaning of the excise law, and should be required to pay a special tax as such, if the value of the work performed by him exceeds one thousand dollars per annum.

MANUFACTURES.

Cotton Batting from Waste or New Cotton.

Cotton batting is regarded as a manufacture, and is liable to a tax of five per centum upon its entire value, whether made wholly of "waste" or partly of "waste" and partly of new cotton or entirely of new material.

Cap Fronts, Cap Straps, and Bonnet Wire.

Cap fronts and straps, and covered bonnet wire are liable to a tax of five per cent. ad valorem.

Shoddy used in Woolen Manufactures—Rates of Tax on Product.

Shoddy manufactured from woolen rags is to be regarded for the purposes of taxation under the Excise Law as amended by the Act of March 2, 1867, as a manufacture from wool, and taxable at the rate of 2½ per centum ad valorem. Cloths, fabrics, and articles manufactured from shoddy are taxable at the rate of 2½ per cent. or five per cent., according to the relative value of the wool (whether genuine or shoddy wool) when compared with the value of the other material.

Coffins and Burial Cases—Castings.

Coffins and burial cases are exempted from tax by the Act of March 2, 1867. The two castings composing a burial case are regarded as the case when cast, even though much work should subsequently be done upon them, and are not taxable as castings.

Manufacturers, Distillers, and Brewers—when liable as Dealers.

A manufacturer, distiller or brewer who has ceased to manufacture, and who after the expiration of the time specified in his license or special tax receipt as such, sells his manufactures at the place of manufacture, becomes liable to special tax as dealer or liquor dealer, wholesale or retail, according to the amount of his annual sales.

Repairs of Old, and Manufacture of New Cars by R. R. Companies and others.

OFFICE OF INTERNAL REVENUE,
Washington, May 29th, 1867.

SIR: Your letter of the 26th ult., submitting a series of rules for the consideration of this office relative to the mode of taxing cars, &c., has received due attention.

The Act of July 13th, 1866, exempts from taxation repairs of articles of all kinds. This exemption leaves the question of taxation of cars precisely where it was prior to the Act of June 30th, 1864, with these exceptions; the present law exempts car wheels from taxation, but prior to June 30th, 1864, the tax paid on car wheels was allowed to be deducted from the tax assessed on the finished car, and the present law imposes a tax of 5 per cent. ad valorem, while the act of July, 1862, imposed only 3 per cent. ad valorem. Under the Act of July, 1862, this office ruled that every new car or locomotive must be regarded as a manufacture, and taxable as such, even though it be made to take the place of a car or locomotive which is worn out and thrown aside.

An old car or locomotive would not be liable to an ad valorem tax on account of any repairs made thereon; but all articles used in such repairs, or new parts furnished, which have in themselves a commercial value, and which would be liable to tax if sold, or removed from the place of manufacture for sale, are equally liable to tax when made for and used in the repairs of old cars or engines.

This ruling is believed to have been strictly in accordance with the law in force at that time, and I know of no reason why it is not entirely and strictly in accordance with the provisions of the law now in force.

It is believed to be impracticable to determine what is new work and what are repairs by adopting as a rule the relative per centage which the new and the old bear to the finished car or engine. Repairs, however great, which do not destroy the identity of the article or thing repaired, are still repairs and not taxable.

But when a car or an engine is substantially new, though containing some part or pieces which have been more or less used in other cars or engines, they are to be taxed on their entire value, less such deductions as the law allows.

Car bodies and trucks when made by different persons, firms or companies, are considered as separate and distinct manufactures, and each is to be assessed upon its value, but no additional tax will be assessed upon them when put together, unless they shall be increased in value, by painting, varnishing, or by being otherwise more completely finished or fitted for use or sale, in which event they will be liable for an additional tax of 5 per cent. upon the amount of increased value.

Where a new car body is made for an old truck, or new truck for an old car body, the car body or trucks are to be taxed as new work.

Cars which are re-constructed by placing bodies which have been in use and on which a tax has been paid on trucks, which have in like manner been in use and subject to tax, are not liable to any additional tax, and trucks which are reconstructed from materials selected from two or more trucks which have been in use, will not be considered new manufactures, but repairs only.

Wheels and other castings of iron, copper or brass, which are in themselves separate and distinct manufactures, made for cars or used in the repairs of cars, prior to March 2, 1867, were not exempted from tax. But by the Act of March 2d, 1867, all castings for cars are exempt whether used in the construction of new work, or in repairs.

Railroad companies are not required to pay a special tax for any machine shops where only repairs are made.

Yours respectfully,
E. A. ROLLINS,
Commissioner.

W. S. C. OTIS, Esq.,
Cleveland, Ohio.

SECRETARY'S OFFICE—CUSTOMS.

Looked Safety Valves.

TREASURY DEPARTMENT,
Saturday, June 1, 1867.

In order to remove all cause of complaint, and secure uniformity among the several Inspection Districts in respect to locked safety valves, the commission convened by order of the Department to examine and report upon the life saving inventions, have examined such safety valves as were brought to their notice, and have approved the five hereinafter specified as meeting in the highest degree yet attained the requirements of the law. The results attained by the commission in this direction have been submitted to the Board of Supervising Inspectors convened in special session in Washington, and by it unanimously approved by a majority of the members of the board being present. At their request, the Department now announces that henceforth any one of the valves herein specified may be used in any inspection district at the option of the steamboat owners, subject, of course, to the usual inspection and tests applied by the local inspectors, and to examination and approval, or disapproval, for special reasons, by the supervising inspectors. It is to be distinctly understood that these valves, though in their general character approved, are yet to be subjected to the most careful and exact scrutiny as to the quality of material and workmanship; and their sufficiency in each particular case to meet the demands of the law. It is also to be understood that this enumeration is by no means designed to exclude other valves equally meritorious, that may be presented, but that supervising inspectors are required to afford to all such a thorough and impartial examination, and accept any that are found to possess

merit equal to those now selected. The valves which have been chosen are: First, the American high and low pressure; second, the Robinson high and low pressure; third, the Farrar high and low pressure; fourth, the Mason high and low pressure; fifth, the McMurchy.

H. McCULLOCH,
Secretary of the Treasury.

Law Reports.

Bonding Property Seized in Warehouse—Valuation.

UNITED STATES DISTRICT COURT—SOUTHERN DISTRICT.

[Before Judge Blatchford.]

OPINION OF THE COURT.

The United States vs. *Four Cases, Sarasin & Co.*, 1,208 1,210, 1,211, 1,213, *Silk Ribbons.*

This is a petition by Sarasin and Co., of Basle, Switzerland, the owners and claimants of the goods proceeded against in this suit, praying for an order that the goods be appraised at their cash value in the City of New York, less the duties legally chargeable thereon; and that, upon filing such appraisement, and a certificate from the Collector and Naval Officer of the port of New York that the duties on the goods have been paid, or secured to be paid, the goods be delivered to the claimants, on their executing to the United States a bond, with sureties, according to the statutes in such case made and provided. The goods were imported in Augus , 1866, and entered for wareh use under the acts of August 6, 1846, (9 U. S. Stat. at Large, 53) March 28, 1854, (10 Id. 270,) and March 14, 1866, (14 Id. 8.) The general provisions of those acts are, that goods entered for warehouse may remain in warehouse, under bond, for a limited time without the payment of duties, subject to withdrawal for consumption on payment of duties, and to withdrawal for re-exportation without payment of duties. The bond under which the goods are warehoused, is a bond to secure the proper duties and expenses, to be ascertained on the entry for warehousing. (Act of August 30, 1842, Sec. 12, as amended by Act of August 6, 1846, Sec. 1, 9 U. S. Stat. at Large, 53.) In the present case, such bond was given. Afterward, and in October, 1866, the goods, while still in warehouse, were seiz d by the Collector, as forfeited, under the provisions of the fourth section of the Act of May 28, 1830, (4 U. S. Stat. at Large, 410,) and the first section of the Act of Mareh 3, 1863, (12 Id 737.) A libel of information was filed, and the goods were attached by the Marshal, and are now in his custody. A claim to the goods has been filed by the petitioners. This application is founded on the eighty-ninth section of the Act of March 2, 1799, (1 Id. 696,) which provides that on the prayer of any claimant of goods so seized and prosecuted, for their delivery to him, the goods shall be appraised; and if on the return of the appraisement, "the claimaint shall, with one or more sureties, to be approved of by the Court, execute a bond in the usual form to the United States, for the payment of a sum equal to the sum at which the * * * * goods * * * so prayed to be delivered are a praised, and, moreover, produce a certificate from the Collector of the district * * * and of the Naval Officer thereof, if any there be, that the du'y on the goods * * * so claimed have been paid or secured in like manner as if the goods * * * * had been legally entered, the Court shall by rule order such * * * goods * * * to be delivered to the said claimant." The statute merely provides that the goods sha l be appraised, and that the bonds shall provide for the payment of a sum equal to the sum at which the goods are appraised. The claimants insist that the Court shall order the goods to be appraised at their cash value in the City of New York, less the duties legally chargeable thereon; and that the bond shall be a bond for the payment only of such cash value, less such duties. The District-Attorney, representing the Government, insists that the goods shall be appraised at their cash value in New York, without any deduction of such duties, and that the bond shall be given accordingly. The question to be determined by the Court is, which is the proper course of procedure. It is made known to the Court, that under instructions from the Treasury Department, the officers of the Customs have been for about six months past, and are now, requiring appraisements and bonds, in cases like the present one, for the value of the goods, without any deduction of the duties. Such procedure is said to be generally acquiesced in by the claimants of property seized, but the present application is brought before the Court for the purpose of obtaining an adjudication as to the correct practice. The question has heretofore been presented to this Court in at least two cases, in which orders for bonding were made in accordance with the views urged by the claimants. One of the cases was that of the *United States* vs. 1,406 *Boxes of Sugar, marked L. V. H. & Co.*, in which, Feb. 25, 1862, an order was made by this Court (Judge Betts) that the property be bonded at its market value, less the duties. But no minutes of any argument of the question before the Court and no written opinion are found. The second case referred to was that of the *United States* vs. 1,382 *Hogsheads of Sugar*, Charles Luling claimant, in which, March 22, 1862, an order was made by Judge Betts, that the goods seized be bonded by the claimant at their appraised value in this market, exclusive of the duties. In an opinion delivered in this court, by Judge Smalley, in that case, in June, 1862, on a motion made by the United States to set aside an order releasing the goods from custody, it is stated that the question decided by Judge Betts, by the order of March 22, 1862, was argued before him, and that, after full consideration, he held that the bond should be for the value, less the duties. But in that case, as in the other, no minutes of the argument of the question before Judge Betts are found, nor does the subject appear to have been disposed of by him in a written opinion. The motion before Judge Smalley in the case turned upon other points than the one now presented for consideration. This Court is, therefore, now asked to review the subject, and settle the course of practice for this district. Under the acts on which the libel in this case is founded, the penalty imposed is the forfeiture of the goods. If the goods are not warehoused, but are entered for consumption and the duties on them are paid, and they are when seized, in the hands of the importer, he loses, if the goods are forfeited, the duties which he has paid, and the goods also. As the duties on the goods have been paid, those duties enter as an element into the value of the goods at the time of their seizure; and the Government, in availing itself of the provisions of the ninetieth section of the act of March 2, 1799, in case the goods are condemned and not delivered on bond to a claimant, and selling the goods at auction to the highest bidder, receives the market value of the goods, of which value the duties form a part. The Government receives just what the importer loses. If, after the Government, under such circumstances, seizes the goods for forfeiture, they are bonded at their market value, then, in case they are condemned, the Government receives and the importer loses the same amount as if they were not bonded—that is, the duties which have been paid, and the value of the goods in market, into which value the duties enter as a constituent part. If the duties on the goods have not been paid, and the goods are, when seized, in warehouse under the Warehousing Acts, with a bond to secure the duties, the property is in a very different situation from that which it is in when it is not warehoused, but is seized in the hands of the importer, after a consumption entry and after the payment of duties. The interpretation uniformly given to the 89th section of the Act of March 2, 1799, is that the sum at which the property seized is to be appraised is its value as of the time and place of seizure. The theory is, that the Government is entitled, on a forfeiture and condemnation, to the value of the property as it stood at the time of the seizure—at the time it thus came into the hands of the Government. When the property is not warehoused, but is seized a'ter a consumption entry, and after the duties on it have been paid, and is then condemned, this theory is carried out by causing the importer to lose and the Government to receive, either by a sale of the property, or by a suit on the bond given to procure its release after arrest, what was its value as it came into the possession of the Government at the time of its seizure. It is true, that, under such circumstances, the Government receives, on the consumption entry, the duties on the property, and that afterward those duties enter into the price or value which the Government receives for the property after it is condemned, and thus, according to a form of speech, the Government may be said to receive, and the importer to pay, the amount of the duties twice. But this is a fallacy. The duties are first paid as duties on the consumption entry, and then the property becomes part of the common stock of the country, and enters into its markets, and has a merchantable value, composed of all the elements which go to make up such value, such as cost of manufacture, freight, commissions, duties, mercantile profits and other items. That value it is, which, when the property is seized under such a state of facts, passes from the importer to the Government; and the importer necessarily loses the the duties he has pa d, and the money value of the property, which otherwise would have gone into his own pocket—no more and no less. But when the property is in warehouse, under a bond to secure the duties, it is there subject to withdrawal for consumption, on payment of duties, or to withdrawal for re-exportation without payment of duties. If seized, while so in warehouse, it has, at the time of seizure, a value composed of very different elements, so far as the que tion now under consideration is concerned, from those which compose its value, when it it is not in warehouse, but is seized in the hands of its importer, after a consumption entry and after the payment of duties. If sold by the importer while so in warehouse under bond, the duties do not form an element of its price or value. The purchaser pays to the importer the value of the property, not including any duties, and afterward pays the duties on withdrawing the property for consumption, or re-exports it without paying duties. The property cannot, while in warehouse under bond for the duties, be put into the market for consumption, so as to have the duties enter as an element into its value; and if it is withdrawn for re-exportation, the duties can never enter into its value in any market in this coun ry under its existing importation. These views show that when property in warehouse under bond for duties is seized, the duties form no part of its value at the time it is seized. Now, applying the remedies which the law gives to the Government in this state of facts, these consequences follow. I the Government enforces the forfeiture, and the property is not released on bond, but is sold, the Government receives for it, by putting it into market, a price into which the duties enter as a component part, (the property, when sold, being put into competition with other property of the same kind which has paid duties,) and thus the Government receives not only what was the value of the property to the importer at the time of the seizure, but also an

additional value representing the amount of duties. Thus, the Government virtually receives the duties on the property, and also its value at the time of seizure. It receives what the importer ought to lose, namely, the value of the property to the importer at the time of its seizure; and it also practically receives the duties, by receiving the same price for the property which it would bring if it had paid duties. It also claims the right to enforce against the importer the bond for duties given on the entry for warehouse. If it should be allowed to enforce that bond, then, in such case, as in the case where the property was condemned and sold on being seized, while not in warehouse, but while in the hands of the importer, after a consumption entry and after the payment of duties it would seem to receive the amount of the duties twice. But this again is specious. The bond for duties given by the importer, if enforceable, would be enforced by reason of the voluntary act of the importer in giving it. The transaction of giving such bond, and any rights of the Government under it, are separate and distinct from the rights acquired by the Government, by virtue of any fraud which justifies the seizure of the property. As to what the Government receives as representing duties when it sells the property in market, it receives that as an incident of sovereignty. The property has virtually been imported by the Government itself, and it has the right to put it into the market, and all it receives for it as representing duties on like property, is clear gain. But such gain arises from the principle that the Government pays no duties on articles imported by itself. If the Government imports property which is afterward sold by it, it receives on the sale, a price into which the amount of duties on like property, when imported by an individual, enters as a constituent part, and the gain thereby accruing to Government is an inherent incident of its sovereign right. But although the course of proceeding in the case of a sale on forfeiture where the goods are in warehouse under bond, may bear the semblance of giving to the Government the amount of the duties on the property twice, in addition to the value of the property to the importer at the time of its seizure, yet the importer loses nothing but what was the value to him of the property at that time; and if the bond given by him for the duties is enforced, he loses those also. At this stage comes up the question now presented for decision. If the property proceeded against in this suit is released on a bond such as the Government insists on—namely: a bond for the value of the property when seized, including the duties—and the property is condemned in the suit, the Government will receive, under such bond, not only the value of the property to the importer at the time of seizure, but also an additional value, representing the amount of the duties; and, besides that, it will receive the duties imposed by the Collector, in case the goods are withdrawn for consumption. It will thus receive, in all, just what it would receive in case the property were condemned and sold, on its seizure while not in warehouse, but while in the hands of the importer, after a consumption entry and after the payment of duties. And it will not receive that full amount if a bond for the value, less the duties, is given. But it has been already shown that the warehousing system introduces a change, to the full benefits of which the importer is entitled. Where the property is not warehoused, the Government receives the duties; and if it afterward seizes and condemns the property it receives its full market value. If the property is warehoused, and then seized, condemned and sold, without being delivered to the claimant on bond, the Government acquires a title to the property, and sells it in like manner as if it had itself imported it. But in case such a bond as the Government claims to receive in the present case is given, the importer will, as we have seen, lose, if the property is condemned in the suit, not only what was the value to him of the property in warehouse, at the time of its seizure, but, in addition, a sum equal to the amount of the duties legally chargeable thereon; and if, after thus bonding the property, he withdraws it for consumption, he must pay the duties on it in cash to the Collector, notwithstanding the amount of them has been included in such delivery bond. He will thus, in case of condemnation, lose more than he would if the property were not delivered to him on bond, but were to remain in the hands of the Government, and be sold by it. In each case, the same offense is charged and has been committed, for which the property is forfeited. In each case, the property is in warehouse, under bond for the duties. The merchandise is equally guilty in each case; but, if the claimant seeks to avail himself of the privilege of bonding his property when it is seized while in warehouse, he cannot do so, according to the views urged by the Government, without imposing upon himself a liability, in case the property is condemned, which he will not incur if he leaves the property in the hands of the Government. Such a result is opposed to the spirit and intent of the 89th section of the act of March 2, 1799. One of the principal points involved in the case before referred to, decided by Judge Smalley, was, whether the bonding system, provided for cases of seizure by the eighty-ninth section of that act, applied to property seized while in warehouse. He decided that it did so apply, and that it was the intention of Congress that the merchant should have the full benefits and advantages of the warehousing system. To require from him such a bond as the Government claims, would be to deprive him, practically, of the benefit of bonding warehoused property seized and prosecuted while in warehouse. But if the property is delivered to the claimant on a bond for its value when seized, not including the duties, then, if the property is condemned in the suit, the importer will lose the same amount as if he had not bonded the property, and no more; and will thus have the full benefit of the privileges of the warehouse system, and the full benefit of the system of bonding provided by the 89th section of the act of 1799.

It is claimed by the Government that this view is contrary to the decision of Judge Cadwalader, in the District Court of Philadelphia, in the case of the U. S. *vs.* Cigars, Mayoz and others, claimants, (16 Legal Intelligencer, 388, 3 Philadelphia Reports, 517.) It does not appear, in the report of that case, that the property seized was in storehouse. The question before the Court for decision, as stated in the opinion, was whether the amount of regular duties payable on the property, if legally entered, was to be deducted by the appraisers in ascertaining the value for which the delivery bond should be given; or, in other words, whether, in case of condemnation, the claimant should lose the amount of those duties, as well as the value of the property forfeited. The Court does not, in its opinion, allude to the warehousing acts, or discuss the question in reference to property seized while in warehouse. It lays down the principle, that if the property is to be delivered to the claimant, on substituting for it a bond, under the 89th section of the act of 1799, that bond should be a substitute for the full value of the property. Such full value the Court, in that case, held to be the market value, without a deduction of the amount of the duties. Where property is seized in the hands of the importer, after a consumption entry, and after the duties are paid, the full value of the property to the importer, at the time of the seizure, necessarily includes the duties, as we have seen. But where property in warehouse under bonds for duties is seized, the full value of the property to the importer at the time of the seizure does not include the duties. The delivery bond is intended to be a substitute for the full value of the property to the importer at the time of seizure, and for nothing more. Uniformity of principle and equal justice to the importer in all cases of seizure can be carried out only by varying the basis of appraisement in the manner indicated, in cases of delivery bonds on seizures of property in warehouse. It is said by Judge Cadwalader, in his opinion, that the circumstances that the duties have not been paid when the proceedings to forfeit the property is instituted, is, in reason, attended with no difference in favor of the importer. This is very true. But it is equally true that the circumstance that he has availed himself of the provisions of the warehousing acts, and given a bond for the duties, instead of paying them, ought not to work a difference against him. Such a difference is manifestly worked if he is compelled, as a condition of obtaining a release of his property from seizure, to give such a bond as the Government claims in this case. While I regret to seem to differ from so experienced and able a jurist as Judge Cadwalader, I am satisfied, after thorough reflection, that the principle laid down by Judge Betts, and always adhered to by him, in regard to the amount of the bond to be required in cases of seizures and prosecutions for forfeiture of property in warehouse under bond for duties, was correct. Such will continue to be the ruling of this Court in like cases, until varied by superior authority.

The prayer of the petition is granted.

Mr. Courtney and Mr. Simons, for the United States; Mr. Sidney Webster for the claimants.

The Brooklyn Whiskey Frauds.

UNITED STATES CIRCUIT COURT, EASTERN DISTRICT.

Before Judges Nelson and Benedict.

The United States vs. *John Devlin, T. T. Levan, F. H. Tappan, and A. J. Phillips.*

In this case, which was one of several indictments found against the defendants arising out of the great frauds in distilled spirits last Summer, the defendants demurred to the indictment on the ground that the statute had not constituted the acts charged an offence.

The demurrers were argued last week by Mr. Evarts for the defendants, and by District-Attorney Tracy for the United States.

Judge Nelson rendered an oral decision, overruling the demurrer as follows:

In this case we have looked into the question raised by the demurrer, argued by counsel on both sides, and have satisfied ourselves that the demurrer is not well taken, and it will be overruled.

The first two counts in the indictment charge substantially these defendants with having put an Inspector's brand upon barrels of whiskey or distilled spirits, the brand being, "Manufactured prior to Sept. 1, 1866. A. J. Phillips, Inspector, New York;" with having put this Inspector's brand upon large numbers of barrels or casks of distilled spirits, which brand imports in the judgment of law that the tax upon the whiskey has been paid; has been paid by the manufacturer. That is the import of the brand, whereas the defendants knew that the liquor was manufactured subsequent to the 1st of September, 1866. They knew at the time that the taxes had not been paid, and that this brand was put on with the intent to defraud the Government. That is the charge substantially of the first two counts in the indictment.

The third count charges these defendants with having put upon their casks of distilled liquor a counterfeit brand—a false and counterfeit brand of the Inspector—with the intent to defraud the Government.

Now, the act of July 13, 1866, thirty-eighth section, contains this provision: "Any person who shall with fraudulent intent use any Inspector's brands, or plates upon any cask or package containing, or purporting to contain distilled spirits, or who shall knowingly make or use any counterfeit brand or spurious brand, or plate, upon any cask or package of distilled spirits, shall be deemed guilty of a felony, and upon conviction thereof shall be fined $1,000, and imprisoned not less than two nor more than five years." Any person who shall with fraudulent intent use any Inspector's brand, or who shall use a counterfeit brand, knowing that it was a counterfeit brand, with the intent to defraud the Government, will be subject to this penalty. Our opinion is, that the first and second counts come within this portion of the thirty-eighth section.

An attempt has been made to confine this section to cases where the Inspector himself is concerned in the perpetration of the fraud. In the previous part of the section there is an offence described of that kind. But this clause covers all offenses committed by any person, and therefore embraces these defendants as well as, probably, an Inspector himself. A clause in the same section, in relation to the using of counterfeit brands or marks, embraces the third count of the indictment.

We are also inclined to think that the indictment is brought, at least the first and second counts would be brought, within the forty-third section. The forty-third section, among other things, provides, "that any person owning any distilled spirits intended for sale, manufactured prior to the time when this act takes place, exceeding fifty gallons altogether, shall notify, in writing, the Collector of the district where such spirits may be stored, held or owned, within sixty days thereafter, to gauge and prove the same; and upon receipt of said notice the Collector shall cause said spirits to be gauged and proved, and the casks or packages containing the same to be marked by the Inspector in the following manner: "Manufactured prior to ——, 186—, District —— Inspector," this mark or brand to be put upon these casks or barrels. Another clause of that section has this provision: "And any person who shall so brand any package containing spirits, knowing the taxes thereon have not been paid, shall forfeit such spirits, and be deemed guilty of a misdemeanor."

Now the charge in these counts is that certain brands described are placed upon certain casks by these defendants, knowing at the time that the taxes had not been paid; knowing also that the brand imported that they had been paid; that it was put on fraudulently and with the intent to defraud the Government. There is undoubtedly a question on the statute itself—a matter of construction, which involves the only doubt in connection with the case, arising from the fact that in the subsequent part of the section another brand is referred to and made the subject of an offence.

The argument is that the last clause does not embrace the previous matter described in the section.

We are inclined to think that it was meant to embrace the false brand referred to in the previous part of the section.

Our opinion is, that the indictment may well be sustained on all counts first, second and third, under the thirty-eighth section. We are inclined to think that the first and second counts may be sustained under the forty-third section.

We must, therefore, overrule the demurrer and give judgment for the Government.

On the rendering of this decision the District-Attorney moved the Court that judgment be entered in favor of the United States against the defendants on the demurrer, and that the Court proceed to sentence them on the first and second counts of the indictment, which were based on the forty-third section of the act of 1866, the offence under which was only a misdemeanor, for where a defendant demurs to an indictment for a misdemeanor, if it is decided against him, he is not allowed to plead over, but judgment absolute is rendered against him.

Mr. Evarts said that if that was the law, it was the defendant's counsel who ought to go to prison rather than the defendants.

The District-Attorney said that such was certainly the law settled by the Court of Errors of this State in the case of *The People* vs. *Taylor*, in 3d Denio, and by the Courts of Connecticut, in a case which he cited from the Connecticut reports.

Judge Nelson said that he would not hold the defendants to any technical rule in the matter. The questions might just as well have been raised by a motion to quash as by a demurrer, and he thought on the whole the defendants better be allowed to plead.

They were accordingly notified to plead to the indictment.—*N. Y. Times.*

The Internal Revenue Record AND CUSTOMS JOURNAL.

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NOTICE TO OUR READERS.

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REVENUE FROM TOBACCO.

THE revenue derived from the article of tobacco, constitutes a very important source of the public income. There are, perhaps, but few persons, comparatively speaking, who are informed of the real extent of the production and the commercial value of this staple, and the revenue which is reaped from it by the general treasury. The records on file at Washington, relating in detail, to this source of internal income, exhibit many instructive and interesting facts, and induce profitable reflections upon the subject of the cost, in the aggregate, of those luxuries which are indulged in by a nation, at small expense perhaps to an individual, and which are commonly regarded as trifling in importance by a community.

The receipts from cigars and cheroots, for the fiscal year of 1866, was nearly three and a half millions of dollars, against three millions for the previous year, and one and a quarter millions for that of 1864. The revenue realized from chewing and smoking tobacco for the fiscal year 1866, amounted to more than twelve and a third millions, which is an increase of over four and a third millions over the receipts from the same source for the fiscal year 1865, and five and a quarter millions more than those for the fiscal year 1864. The taxes returned upon snuff for the fiscal year 1866, reached seven hundred thousand dollars. This amount may seem trifling, but it really represents a large valuation of this branch of the tobacco manufacture.

An adequate idea of the extent of the growth of this great staple, within the limits of the United States, may be formed from the fact that the taxable tobacco produced in the fiscal year 1864, was more than sixty millions of pounds, being a very large increase over the crop of the previous year, which returned for tax a little over twenty-three and a half millions of pounds. In following years, however, this prosperous yield very largely declined, and the entire crops for the fiscal years 1865 and 1866, did not equal the excess even of the crop of 1864 over that of 1863, which amounted to about thirty-five millions of pounds.

These figures embrace all forms of manufactured tobacco, such as cavendish, fine-cut chewing, twisted, smoking, snuff-flour, &c. So prolific did the Committee of Ways and Means deem this specific source of revenue, that in framing the tax-law of June 30, 1864, it increased the rate upon smoking tobacco from five cents to twenty-five cents per pound, which will indicate the strength of this trade in successfully bearing

such a heavy and sudden enlargement of the weight upon it. At the same time, fine-cut chewing and plug tobacco, which had previously sustained a tax of fifteen cents per pound, were subjected to the advanced rate of thirty-five cents, up to March, 1865, when the rate was still further advanced to forty cents.

Tobacco yielded about four per cent. of the aggregate collections for the fiscal year 1866, and about three and three quarters per cent. of those for the year 1865.

As we have already remarked, the crops of 1865 and 1866 fell short, and the Government failed to realize the amount of revenue estimated from this source for those years. Present reports upon the subject, encourage the belief that there will be a full crop this year; and if this should be the case, it is probable that the receipts derived therefrom by the Government, will much exceed those for any previous year. Instead of the Government receiving twenty-five millions from tobacco last year, it received about sixteen and a half millions.

These figures will serve to show our people from whence the revenue of the country comes. They will also exhibit the extent of indulgence, and the trade-value of one of our many national luxuries.

TAX ON SUCCESSIONS.—Continued.

THE definition having been pursued to the point that successions are interests in real estate, it will next be considered in what manner they are created. The answer is by will, deed, or laws of descent. The interest is to be beneficial, and to be gratuitously conferred, in contradistinction to accessions of property by purchase or otherwise. The successor, being supposed to have derived a benefit from the liberality of another, is prepared by his good fortune to contribute a fraction of it for the purpose of relieving the Government to that extent, of the heavy oppression of debt incurred for his protection. He receives the accession of property without any cost to himself, and is only expected to devote a part to the public, in a ratio corresponding with the extent of his own good fortune.

In last wills and testaments, the testator generally intends to confer a benefit, without any incumbrance, although he has a right to attach conditions to his donations, and sometimes does, which operate as incumbrances to a greater or less extent. Still, he intends there shall be a benefit, over and above any conditions he may impose, and so far he confers a succession. The reader is supposed to understand what a "will" is, a last will and testament. In general, it may be defined to be a disposition of property, which the owner desires to take effect after his death. A will of real estate must be in writing, executed in the presence of subscribing witnesses. A "deed" is an instrument of writing, sealed and delivered, not necessarily pointing to the death of the grantor, as the period of its taking effect, in the enjoyments of the interest conveyed to the grantee. In the State of South Carolina, two subscribing witnesses are required to a valid deed, for the conveyance of real estate. Between strangers a consideration generally passes, as the inducements to the transaction, but deeds are sometimes made without any consideration at all, that is to say, without any money or other valuable equivalent furnished by the grantee. These, only, are properly cases of succession, donees and not purchasers. A gift may be made by deed, as well as by a last will and testament, and no matter what the writing may claim as a business transaction, if the fact really be made to appear that the grantee paid nothing for the beneficial interest in real estate, or the income thereof, which has been conferred upon him, he is liable to be taxed for such accession to his property, according to its actual value.

Again, real estate acquired by the laws of descent, is also a succession; that is, where the owner dies, having made no deposition of it in his lifetime, by will or deed, and leaves it to be transmitted to those persons, who are declared by the laws of the State where it is situated, to be entitled to it, by proximity of relationship.

Having seen that beneficial interest in real estate, or the income thereof, may be acquired by will, deed, or laws of descent, we will next inquire, how is the Assistant Assessor to obtain the information as to what persons have been benefitted by either of these channels of transmission? And here begins the field of operations in which he should be most diligently employed. In whatever office in his division wills are required by law to be filed and recorded, he should procure admission—should examine the papers, and ascertain for himself thereby, precisely what real estate has passed in that manner, to the objects of the testators' bounty. When he has prosecuted his search, unaided, as far as he can, (for he ought not to depend entirely upon others for information), let him then inquire of the officer having custody of the wills for the aid he can render. In this way he may ascertain all the devisees who are entitled to benefits under the last will of testators, who have died within the limits of his division. But, a testator may have resided elsewhere at the time of his death—and, if so, the will would be recorded in the proper office, at the place where he so resided. Hence, it will be necessary to explore other sources of information. He must *inquire* by what kind of title individuals obtained their lands—whether by gift or purchase—by payment of a consideration, or as a gratuity—for, no matter where the donor lived, the land is a succession, wherever found in the possession of the donee. The revenue officer must familiarize himself, to some extent, with the title of all the owners of land within his jurisdiction—so far, at least, as to be able to know with certainty, whether they bought, as purchasers, or obtained it as a donee or by descent. He must ask questions, and what may seem impertinent questions, if necessary, to obtain the proper information. It will be in vain to expect the tax payers to furnish it voluntarily—many of them do not know they are liable to pay a tax for benefits so acquired—and it is not reasonable to suppose that all those who are better informed would choose to invite an assessment that might be avoided by a prudent silence. Notices, according to a printed form furnished by the departments, are to be served on those who may be supposed liable to make returns, but this should not be the end of the investigation. The officer should explore every corner where information can be obtained, so as to put himself fully in possession of all the facts connected with the case. This requires both industry and intelligence, and the officer engages to furnish both when he accepts the office. If he cannot enter vigorously into the spirit of the business confided to his care, he ought not to be willing to accept a compensation, which can be earned in no other way, and he ought to resign. He cannot divide his attention and do justice to the Government at the same time—he should therefore occupy his thoughts entirely with his business—constantly endeavoring to improve upon the past so as to leave nothing undone in his division by which the public interest could be promoted. With this, as the ruling motive, his official life will be one of unceasing activity—never suspending his labors until he has made himself thoroughly acquainted with the people and their business.

For deeds he will inquire of the officer, whose duty it is to record them, and ascertain from him whether, by the terms of any, a beneficial in real estate has been confered as a donation.

He will pursue the same plan of inquiry to ascertain what successions have been devolved by the laws of descent. The office of the Ordinary, and the Commissioner in Equity, and like offices are the depositories of the records which will furnish the desired information on this point. In whatever cases partition has been made, the precise extent of the distributees' interest so acquired may be ascertained from an inspection of the proceedings had for that purpose—from conversations with individuals appointed by the court to make partition—or, with the executor, administrator, or with the distributees themselves—and, indeed, with any one else who knows anything upon the subject.

In this way, and in this way only, can the officer ascertain fully whether any persons own lands, or the income of real estate, in his division, who ought to respond to the Government, in the form of a tax upon successions. The Clerk of the Court, Commissioner in Equity, and the Ordinary, can throw much light upon his investigations, and with the various means above stated at command, there can be no good reason why any proper case should be overlooked.

C. W. D.
1st Dist., S. C.

Alleged attempt to Bribe a Revenue Officer.—David Stern, proprietor of a bonded warehouse, in the Seventh Congressional District, was arrested and taken before the Commissioner charged with attempting to bribe a revenue officer. The evidence went to show that the prisoner offered $2,000 to the complainant if he would surrender the keys of the place to him and go away, so that a large quantity of whisky then in the store might be surreptitiously removed to another building. The defence is that the offer was made for the purpose of testing the officer's honesty and that there was no intention on the part of the accused to do anything wrong in the matter. The Commissioner held him to await the action of the Grand Jury.

It is a great piece of injustice to suppress the name of the revenue officer who refused to take $2,000. A splendid chance for him to become famous is ruthlessly destroyed by withholding his name.

SECRETARY McCULLOCH'S FINANCIAL LETTER.

This letter, crowded out of the issue of last week, is published as part of the financial history of the times. The situation from the standpoint of the Secretary is gloomy, and was lightened but little by the June statement of the public debt. This or that financial measure is not so desirable as *certainty*. This, among other reasons, moved us strenuously to oppose the contraction policy. It was not when initiated in the *power* of the Government, the Secretary, or of any living person to reach and preserve the specie standard in the time conjectured, two or three years. The prosperity of the nation could be wrecked, trade paralyzed, business prostrated, but the happy day of coin and paper equality would be far removed. It was worse to make the attempt and fail than not to have made it at all. Because of the *uncertainty* of the policy in its effects it was to be condemned.

Precisely the present depressed condition of commercial affairs was foreseen as the inevitable result of a policy of forced contraction. Mr. Carey, Mr. Eleazar Lord, and many other independent advocates of an American system of finance adapted to our own national and peculiar wants, the one which carried the Government triumphantly through the great struggle, warned Congress and the country against a reduction of the circulating medium, the life blood of commerce.

Conceding for argument the prosperity of the country to have been "artificial," that values were "unreal." The building of houses, construction of roads, enlarged cultivation of lands, increased crops, establishment of manufactories, every act that was done under the stimulus of the "artificial prosperity," to bring into existence wherewith to supply the wants of men, things that did not before exist, produced true, real, tangible wealth, whether estimated in coined gold or coined paper. Such productions possessed a real intrinsic value that no theory of currency could dissipate. Earn more and spend less is a trite saying. Merchants will learn from a bitter experience that people are enabled to earn more in proportion to their ability to exchange the produce of their labor. The only instrument of exchanges is money, in the United States, paper money. Any reduction of its volume increases the difficulties of exchange, retards production, and depletes the wealth of the country.

The following is the Secretary's letter :—

GENTLEMEN :—Your favor of the 30th ultimo, inviting me, in case I should visit New England, to come to Boston and give you an opportunity to meet me at a dinner to be given at such a day as I might designate, would have received an earlier reply but for the pressure of official duties.

I regret to be under the necessity of saying that I shall not be able to visit New England during the present season, as I had contemplated. I must therefore decline your very kind and complimentary invitation. In doing so, it is proper for me to remark that nothing could be more gratifying to my feelings than the appreciation you express of the manner in which I have conducted the affairs of the Treasury Department. The endorsement of so many of the leading merchants, manufacturers, and professional men of Boston, the city in which, in early life, many of my happiest days were spent, and which, in common with all New Englanders, I regard with pride and affection, is an honor which would be highly appreciated under any circumstances, and for reasons not necessary to be alluded to, is an honor especially grateful to me at the present time.

I need not assure you, gentlemen, that it shall be my earnest purpose to continue to so administer my office as to justify the confidence you have so generously given me. You must not expect, however, that our monthly statements for the rest of the present and the early part of the next fiscal year will be as satisfactory as they have been for many months past. *The donations of bounties to soldiers, preparations for a threatening Indian war, even if the war itself should be avoided, and very liberal appropriations of a miscellaneous character, will cause unusually heavy drafts to be made upon the Treasury;* while, on the other hand, the general failure of the wheat crop and the partial failure of the corn crop last year, *slow progress in the restoration of the Southern States to their proper relations with the Federal Government*, the dullness of trade throughout the country—partly the result of a decrease of production, and partly of the natural re-action which always follows periods of excitement and speculation—together with reduced taxes, will very considerably affect our revenues. This combination of adverse circumstances, may retard a return to specie paymen s, and with large issues of bonds to be made to the Pacific railroad and its branches or divisions, will prevent for a brief season a reduction of the public debt, *and may even render a temporary increase of it unavoidable*, but it will not weaken my faith in our ability to move on again in the right direction at an early day. On the contrary, I believe that this check to our progress will lead to improvements in our revenue laws and to an increase of efficiency in their execution, hasten the representation in Congress of the Southern States, and secure greater economy in all branches of the public service.

Some surprise may exist that I have not for some months past reduced the circulation of the United States notes according to the authority conferred upon me by Congress, and an inf rrence may be drawn from it that my opinion upon the subject of contraction has undergone a change. Permit me to say, therefore, that I am as much persuaded as ever of the importance of an early return to specie payments, and of a reduction of the currency, as a means of checking extravagance and speculation, and of increasing production without which all efforts to restore permanently the specie standard will be ineffectual. What the country needs, in order that specie payments may be resumed and maintained, and real prosperity secured, is an increase of industry and a restoration of our former habits of economy. As a people, am ng ourselves we must earn more and spend less. In ou: trade with foreign nations we must sell more or buy less. Any different prescription for existing financial evils is, in my judgment, quackery. That contraction will tend to bring about this desirable condition of things I have never doubted, but I have nevertheless suspended the reduction of the United States notes, and for the following reasons, eithe of which would perhaps have justified my course, and all of which have had more or less influence in determiuing it ;

First.—The views of a majority of members of Congress, as indicated by a number of votes last winter, were adverse to immediate contraction, and I have not felt at liberty to place myself in practical opposition to the law-making branch of the Government, without whose support I must be powerless.

Second.—There have existed for some months past anxious forebodings of financial troubles ; and while they continued I have been apprehensive that a contraction of the currency—the object and effect of it being misunderstood or misinterpreted—might produce a panic in the commercial cities, which, extending over the country and beyond the speculative interests, would injuriously effect legitimate business and the revenue dependent upon it.

Third.—Large amounts of interest-bearing notes are to be paid or converted with the present and next fiscal year, to which it seemed prudent for me first to direct my attention, leaving the question of a curtailment of the circul ting notes to be determined from month to month, by the condition of the country and of the Treasury.

Fourth.—Anticipating that the failure of the crops and the other circumstances alluded to would seriously affect business, I have considered it important the public mind should not be diverted, by the criticisms and complaints of those who are opposed to contraction, from the real causes of trouble ; that a sound policy should not be but in peril by being the "scape goat" for evils resulting from different causes.

You will not infer from what I have written *that I am not hopeful in regard to our financial future.* It has been my constant aim so to manage the national finances as to aid in bringing the country to a healthy financial condition without being subjected to the severe disasters which many judicious persons have supposed a large debt, and the derangement of business, and the diminution of industry, occasioned by the war, and a redundant currency, would render inevitable. My faith that this can be accomplished is unshaken. The causes which are now operating against us are exceptional and temporary. The prospect of a good crop of winter wheat was neve: better. More spring wheat has been sowed, and more corn has or will be planted this season than ever before. The people are beginning to comprehend again this important truth, which seems to have been disregarded for some years past, that prosperity is the result of labor ; that industry and economy are indispensable to national as well as to individual wealth. I shall be grievously disappointed if another year does not witness a large increase of industry, of enterprise, and o f revenue, decided progress towards a resumption of specie payments, and a steady re uction of the public debt.

Please pardon me for writing so long a letter, and believe me to be, with sentiments of the highest regard, your obedient servant,

H. McCULLOCH.

Hon. *William Gray* and others.

BROKEN BANK CIRCULATION.—The reports in circulation that the Secretary of the Treasury and Comptroller of the Currency are connected with any of the efforts whereby the circulation of suspended banks is returned, and new circulation issued to the banks returning it, are officially denied. The Comptroller of the Currency regards all circulation retired in the same light as new or unissued circulation, and whenever he has a margin unissued he will distribute it according to the merits of the applications on file, without regard to who may return the circulation. If parties purchase the circulation of retired banks at a premium, they do it at their own risk, and the Comptroller knows of no way of preventing it ; but that fact entitles no party to any special privileges in the issue of new circulation.

PASSPORTS for travelers may be procured without trouble on application to A. C. Willmarth, Notary Public, U. S. Court Buildings, 41 Charmber St. (Office of Clerk in Bankruptcy). Native citizens must be accompanied by a citizen who can testify as to their identity, &c. Naturalized citizens must produce Certificate of Naturalization, which will be returned with Passport.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

STAMP TAX.

Foreign and Inland Bills of Exchange—Duplicates.

A foreign bill of exchange or letter of credit drawn in but payable out of the United States, if drawn singly, or otherwise than in sets of three or more, according to the custom of merchants and bankers, is liable to the same stamp tax as an inland bill of exchange, *i. e.* if drawn at sight or on demand, it is liable to a tax of two cents; if drawn otherwise than at sight or on demand, it should be stamped at the rate of five cents for each hundred dollars or fractional part thereof. Duplicates require the same amount of stamps as their original.

Receipts by Endorsement on Leases, or Stamped Instruments.

A receipt by endorsement upon a stamped obligation in acknowledgment of its fulfilment, is exempt from stamp tax. Fulfilment as used in this connection in Schedule B, is understood to mean completion, accomplishment, *entire* fulfilment. No receipt is subject to a stamp tax *unless it is issued.* When a receipt for an *instalment* of rent is written upon that part of a lease held by the tenant and issued to him, a two cent stamp should be affixed to it, if the amount received exceeds twenty dollars.

SPECIAL TAX.

Policy Fees paid to Agents not part of Gross Receipts of Insurance Companies—Basis of Insurance Agent's Special Tax.

A policy fee paid in the ordinary manner by the party insured to an insurance agent for his services in making a survey of the premises to be insured, is not to be included as part of the taxable gross receipts of premium by the company; it is, however, a part of the receipts of the agent, and should be taken into consideration in determining the extent of his liability to special tax.

Peddlers Selling by Original Packages.

A peddler who sells gloves or any articles in packages as they come from the manufacturer or wholesale dealer, should pay the special tax of fifty dollars imposed by the first proviso to paragraph 32 of Section 79.

INCOME.

Loss of Capital Paid for Good Will of a Business.

The amount paid for the "good will" of a business is capital invested, and not a loss to be deducted from income.

Deductions of Travelling Expenses in Business.

The expenses of conveyance necessarily incurred in travelling from place to place in the prosecution of business, may be deducted in making a return of income; but no deduction should be made on account of hotel bills and other expenses of living.

MANUFACTURES.

Deductions on account of Bullion in Manufactures.

The Act of June 30, 1864, exempted from taxation the value of bullion used in the manufacture of silverware, and silver bullion rolled or prepared for plater's use exclusively: the Act of July 13, 1866, extends the exemption to the "value of bullion used in the manufacture of *wares*, watches and watch cases." Manufacturers of silver-ware, wares, watches and watch cases, in making their returns, are entitled to a deduction of the cost of the bullion used by them from the gross amount of their actual sales.

Shutters taxable—Doors, Sashes and Blinds Exempt.

Doors, window sashes, blinds, &c., are exempted from taxation by the Act of March 2, 1867; but the exemption does not extend to shutters.

Deductions of Manufacturers on Expenses of Sales, Commission, &c., on Sales of Manufactures.

OFFICE OF INTERNAL REVENUE,
Washington, June 1st, 1867.

GENTLEMEN: Your letter of the 28th ult., addressed to the Honorable Secretary of the Treasury, and referred by him to this office for a reply, has been received.

You state that you are manufacturers of cotton goods in the centre of the State, and sell the same yourselves in the city of New York, and that the assessor of the district where your factory is situated requires you to pay taxes on gross sales, allowing no deductions for commission, freight, cartage, storage, insurance or any expense whatever which may be incurred in the disposition of your goods, and you inquire substantially if you are liable to be taxed on the full amount of sales, without any deductions, whether your sales are made at the factory or in New York City, California, or Oregon.

In reply I have to state that by the 86th section of the Act of June 30, 1864, as subsequently amended, any person, firm, company or corporation, manufacturing or producing goods, &c., upon which taxes are imposed by law, is required to render an account of the full amount of actual sales made by the manufacturer, producer or agent thereof. If the goods are used or consumed, then the market value of the same at the time of such use or exemption. If the goods are shipped for a foreign port, then a return is to be made according to the value at the place of shipment. If removed for use or consumption, or consigned to auction or commission merchants other than agents of the manufacturer or producer, then they are to be returned according to value at the place of manufacture or production.

It will be observed that the law provides for two cases; the one where the tax accrued before an actual sale has been made of the goods; and the other where no tax accrues until after a sale has been effected.

In the first case, market value, either at the place of shipment, or at the place of manufacture or production, according as the goods are shipped to a foreign port or consigned to auction or commission merchants other than agents, is taken on the basis of value on which the tax is to be assessed; and in the second case, actual sales constitute such basis of value.

Prior to July 13th, 1866, the law allowed the manufacturer or producer of goods, &c., when making his sales at places other than the place of manufacture or production, to deduct from his gross sales, freight, a reasonable commission not exceeding three per cent. and other expenses of sale *bona fide* paid. But the act above referred to, amended section 86, by striking out all that part of it which authorized any deductions whatever from the actual sales or market value of goods, &c., which had become liable to tax and on which the tax had accrued.

Under the law now in force no deductions are allowed for commission, freight, storage, cartage, insurance, or any other expense which may be incurred in effecting the sale of goods, &c.

When the goods are sold by the manufacturer or producer or his agent or agents, the gross amount of *actual sales* is to be returned, and the tax assessed thereon without any deductions whatever, regardless of the place where the sales are made.

When the goods are shipped to a foreign country, no sales having been made, they are to be returned at their market value at the place of shipment. And when consigned to auction and commission merchants, other than agents of the manufacturer or producer, they are to be returned at their market value at the place of manufacture or production.

Such, in my opinion, are clearly the requirements of the Excise law now in force, in relation to the question submitted in your letter to the Honorable Secretary for his views.

Very truly yours,
(Signed) E. A. ROLLINS,
Commissioner.

MESSRS. RALPH CLARK, & Co.,
No. 83 Reade St.,
New York City.

To all Collectors, Deputy or Acting Collectors, or other officers or agents of the United States, engaged in collecting, depositing, or transmitting public moneys derived from internal revenue, as well as to all national bank depositaries, or other depositaries of the United States who receive the same.

TREASURY DEPARTMENT,
June 1, 1867.

The Secretary of the Treasury finds it necessary to prescribe the following regulations for your guidance, based upon specific provisions of law, for violations of which penalties of a severe character are provided, and to announce that failure to comply with these regulations will, in each instance brought to his notice, be met with such action as the law and the necessities of the public service imperatively require.

In special instances it may at times be advisable to modify, in some respects, these regulations, but this will be done, when necessary, only by letter from the Department. In no event, however, will the placing of public moneys *to the credit of a private account be tolerated.*

REGULATIONS FOR DEPOSITING INTERNAL REVENUE MONEYS.

1st. A collector, deputy collector, or agent living in the same city or town with a United States depositary must deposit his entire receipts at the close of each day.

2d. Where he lives away from a United States depositary, and daily deposits, for that reason, are impracticable, he shall forward funds for deposit as

often as he receives one thousand dollars, ($1,000,) and at least once in each month irrespective of the amount received.

3d. The distribution or division by any financial officer of deposits among depositaries not required for the interests of the government, and at its expense, for the alleged purpose of giving each deposit bank "its share," will not be allowed; and any such practice must be entirely discontinued. All collections must be deposited in a depository nearest to the point of collection. When two or more depositaries are in the same city or town, the officers will distribute their deposits according to special instructions from this Department.

4th. The Department will encourage the practice of deputy collectors or agents depositing directly with a United States depositary to the credit of the Treasurer of the United States, on account of and in the name of their principal, believing that greater economy and despatch will thereby be attained.

5th. All officers charged with the collection, reception, or safe-keeping of United States moneys, are hereby, and by law, forbidden to deposit the same, or any portion thereof, in any United States national bank depository, or in any State or private bank, or with private individuals or bankers to their private credits, or to the credit of what is known as a "collector's account."

All collectors and their deputies or agents are hereby required, whenever they place moneys received for public dues in a United States depository, to cause the same to be credited forthwith to the account of the Treasurer of the United States, and take proper certificates of deposit therefor, and forward the same at once to this Department; and the prohibition of keeping a "collector's account" is extended to all depositaries and depositary banks of the United States.

Deputy collectors or agents, or acting collectors, when depositing, will take certificates of deposit in the name of the collectors whose agents or deputies they are, or for whom they are acting as depositors.

All moneys derived from compromises of frauds upon the internal revenue, must be disposed of as directed in Circular No. 38, dated January 20th, 1866, (See RECORD, Vol. III., page 29) issued by the Commissioner of Internal Revenue. The same prompt depositing of these moneys is required as hereinbefore indicated.

All moneys advanced from the Treasury to a collector in his capacity as disbursing agent of the United States, must be deposited to his official credit as such disbursing agent, and drawn upon only in such capacity. Deposits of such moneys must be made either with the Treasurer or some one of the Assistant Treasurers, or regular designated depositaries of the United States, or with a National Bank depositary, when specially authorized by the Secretary of the Treasury for that purpose under the Act of June 14, 1866, and not otherwise.

Reference is hereby made to the Secretary's Circular of October 1st, 1866, (RECORD, Vol. IV., p. 124), relative to the transportation of public moneys by express, when such transportation is necessary to carry out the foregoing requirements.

H. MCCULLOCH,
Secretary of the Treasury.

SECRETARY'S OFFICE—CUSTOMS.

Examination and Appraisement of Merchandise.

TREASURY DEPARTMENT,
June, 1867.

SIR: The Department is informed that importations of certain descriptions of merchandise are permitted to be removed by importers or owners to places remote from your port before examination and appraisement. If such is the fact the practice should be discontinued. Section 330 of the Treasury Regulations of 1857 requires that importations of merchandise be examined and appraised at the first port of entry; and its provisions being imperative on collectors, they cannot be departed from without special authority from this Department. It is also desirable that the examination shall take place, as required by article 321 of the Treasury Regulations 1857, at the public store, or if too bulky, at the wharf, or in a bonded warehouse, whenever it is practicable to do so. Circumstances may arise, however, wherein it might become necessary or expedient, in order to properly ascertain the dutiable value of certain descriptions of merchandise, such as fine or heavy machinery, that such merchandise be removed from the wharf or landing to some convenient point or place, where the packages may be opened without risk of injury and the machinery arranged for the purpose of such examination and appraisement. In all such cases, as well as in cases of articles imported for the personal use of the importer, to which your attention is hereinafter directed, applications for such removals will be submitted by collectors to this Department for its decision thereon. In this connection your attention is especially directed to article 374 of the General Regulations of the Department now in force, which provides that articles imported for the personal use of the importer, and not as merchandise, which might be exposed to injury in process of opening, examining, and repacking in the public store, but which nevertheless ought not to be allowed to be delivered without examination, in such cases, the collector if he thinks it expedient, will report the case to the Department, and if authorized, direct the proper officer of the customs to examine the package or packages at the residence of the owner, or at such other proper place at the port as he may designate. In no case, however, can such examination be omitted, or so made without the special permission of the Department.

I am, very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

To H. A. SMYTHE,
Collector of New York.

Law Reports.

Seizure under the 48th Section—Excise Law—Burden of Proof.

UNITED STATES DISTRICT COURT—EASTERN DISTRICT, NEW YORK.

[Before Judges Nelson and Benedict.]

The United States vs. *One Still, &c.*

NELSON, J.—The property seized in this case was on premises situated in Brooklyn, on the corner of Morrell and Scholes streets, consisting of a dwelling house, lager-bier saloon, two distilleries, and appurtenances, all inclosed within a high-board fence. The seizure was in the night of the 18th of January, 1867. Barrels of whisky were found in several of the different rooms, or apartments of the building on the premises, including the brewery. One of the distilleries was in operation, and the other recently stopped, as was apparent from the heat of it—the wooden one in an upper loft. This was heated by the same engine and boiler that were used to supply steam to the brewery, and the engine and boilers occupied a part of the same room in which was the copper still in operation. There was, also, a communication between this room and the brewery.

Andrew Staats, the claimant, insists that he occupied only a portion of the premises, and was engaged exclusively in making lager bier; this portion consisted of the brewery, the engine and boiler room, malt room, stable and hay loft; and that he had no connection with the other parts of the building occupied for the distillation of whisky, and he produced a lease of the particular part occupied by himself. The revenue officers seized not only the stills, whisky and property connected therewith, but also the brewery of Staats and all the personal property appurtenant thereto. No one appeared to claim the stills, whisky, &c., which, as is said, were occupied by one Smith, under a lease from George Staats, the father of the claimant, who owned the premises, and had leased to the latter the portion he occupied.

The question is, whether or not the officer was justified in the seizure of the property connected with the brewery.

Section forty-eight of the Act of 1864, as amended in the ninth section of the 13th July, 1866, is as follows, so far as relates to the present case: "That all goods, wares and merchandise, articles or objects on which taxes are imposed by the provisions of law, which shall be found in the possession or custody, or within the control of any person or persons for the purpose of being sold or removed, by such person or persons in fraud of the Internal Revenue Laws, or with design to avoid payment of said taxes, may be seized by the Collector or Deputy Collector of the proper district, or by such other Collector or Deputy Collector as may be specially authorized by the Commissioner of Internal Revenue for that purpose; and the same shall be forfeited to the United States; and also all raw materials found in the possession of any person or persons intending to manufacture the same into articles of a kind subject to tax, for the purpose of fraudulently selling such manufactured articles, or with a design to evade the payment of said tax; and also all tools, implements, instruments, and personal property whatsoever in the place or building, or within any yard or inclosure, where such articles or such raw materials shall be found, may also be seized by any Collector or Deputy Collector, as aforesaid; and the same shall be forfeited as aforesaid; and the proceedings to enforce said forfeiture shall be in the nature of a proceeding *in rem*, in the Circuit or District Court of the United States," &c.

This section is very comprehensive, and, as is obvious, was so designed. It embraces, first, all goods, articles or objects on which taxes are imposed by law found in possession or within the control of any person for the puspose of being sold or removed in fraud of the internal revenue, with intent to avoid payment of the taxes; second, all raw materials found in like possession or control intended to be manufactured into articles of a kind subject to taxes with the intent to sell the same in fraud of the revenue, or to evade the payment of the tax; and third, all personal property whatsoever found in the place, or building or within the yard or inclosure where the articles or raw materials previously referred to were found or seized. The reason for the seizure of the articles enumerated in the first and second class is obvious enough; it is for the fraudulent intent of the person in the possession or control of them, that is an intent to defraud the public revenue by evading the tax. The seizure of the articles in the third class stands on different grounds, namely, association with the guilty classes or articles. The fraudulent intent or purpose of the person in the possession, or having the control of the articles do not constitute the element of the offence or ground of forfeiture.

The reason for embracing this latter class is said to be, that personal property thus situated was frequently used to facilitate the accomplishment of the frauds provided against in the fore part of the section—for example, it is said distilleries were established

in the rear of a livery stable, the latter used not only as a blind, but was conveniently employed in the fraudulent removal of the distilled products.

The seizure of the property connected with the brewery in the present case was made under this section, the Government claiming that they were within the same building and inclosure within which were found the guilty articles, namely, the still, whisky, &c.

The evidence in this case left no doubt of the fact, and, hence, *prima facie*, at least, this property fell within the clause in section 48, and called for explanation on the part of the claimant. This he undertook by attempting to establish that his business was wholly independent of the business of distilling whisky, and that he occupied premises di tinct and separate from those of Smith, the distiller. But the testimony is conclusive to show that in respect to several parts of the premises they were occupied in common, and that the engine and boiler of the claimant for carrying on his brewery, were used for working a distillery in an upper loft to which access could be had only through the apartments which it is admitted he occupied.

This provision of the law concerning articles of themselves innocent, but associated with guilty articles, is so specific and unqualified, it might with great plausibi ity be contended, that, if found in the bui ding, yard or inclosure, no explanation would be admissible. We do not, however, concur in this conclusion. The condition is penal, and necessarily implies some degree of guilt in the condition of the property subjected to forfeiture. If the condition, however, in which it is found, brings it within the words of the clause in the section, the onus is upon the claimant to make out to the satisfaction of the Court and jury that the situation of the property was consistent with his entire innocence.

It was very strongly argued that t e forty-eighth section did not embrace the article of distilled spirits, and that other portions of the act, from section twenty-three and onward, provide for this article. But we find nothing in these sections inconsistent with or repugnant to the section in question; and the article falls strictly within its words.

It was also argued that the Court should have submitted the question as one of fact to the jury, whether the articles claimed were within the place, or within the building, yard or inclosure, where the distilled spirits and raw materials for making them were found and seize . But the evidence was all one way on this point, and no question of fact could be raised upon it. The Court rightfully disposed of it.

We perceive no ground for granting a new trial either upon the law or the evidence. New trial denied.

For the United States, District Attorney Tracy; for claimants, Mr. Hollis.

Burden of Proof in Seizure Cases.

U. S. DISTRICT COURT—EASTERN DISTRICT, NEW YORK.

[Before Judges Nelson and Benedict.]

The United States vs. *Five Hundred and Eight barrels of Distilled Spirits.*

NELSON, J.—The 508 barrels of distilled spirits were seized in this case on premises No. 68 Water street, Brooklyn, on the 8th of January, 1867. The charge in the information under which a verdict in favor of the Government was found, is as follows: "That the said spirits where removed from t e place where the same was distilled, otherwise than into a bonded warehouse as provided by law; and further, that the said spirits were found elsewhere than in a bonded warehouse of the distiller of the said spirits, the same not having been removed from such warehouse according to law, and the tax imposed by law on the same not having been paid."

The 45th section of the act of July 13, 1866, provides: "That any person who shall remove any distilled spirits from the place where the same are distilled, otherwise than into a bonded warehouse as provided by law, shall be liable to a fine of double the amount of the tax imposed thereon, or to imprisonment for not less than three months. All distilled spirits so removed, and all distilled spirits found elsewhere than in a bonded warehouse, not having been removed from such warehouse according to law, and the tax imposed by law on the same not having been paid, shall be forfeited to the United States, or may immediately upon discovery be seized, and after assessment of the tax thereon may be sold by the Collector of the tax and the expenses of the seizure and sale." And in another part of the section it is provided as follows: "And the burden of proof shall be upon the claimant of such spirits to show that the requirements of the law in regard to the same have been complied with."

The twenty-ninth section of the act requires that an inspector shall be appointed for every distillery established according to law, who shall inspect gauge and prove all the spirits distilled, and shall take charge of the bonded warehouse attached to the distillery which shall be in the joint custody of the Inspector and owners.

The thirtieth section requires the inspection, gauging and proving of the liquor after the same has been drawn off into casks, &c., and the marking or branding the casks, or barrels, in a particular manner; and no cask or barrel is to be taken from the warehouse unless branded in the manner prescribed.

The fortieth section provides that distilled spirits, inspected, proved, gauged, marked or branded may be removed without payment of the tax, from the bonded warehouse, owned by the distiller, upon the execution of transportation bonds or other security; and may be transported to any general bonded warehouse used for storage of distilled spirits, established under the Internal Revenue Laws; and immediately after the arrival of such distilled spirits at the district of the Collectors to which it has been transferred, it shall be again inspected and placed in the bonded warehouse. The distilled spirits may be withdrawn from the bonded warehouse after being inspected, &c., and after payment of the tax; and, when so delivered, shall be branded "U. S. Bonded Warehouse Tax paid;" and may be removed from said warehouse without the payment of the tax, for the purpose of being exported, or for the purpose of being rectified, &c.; but the removal for rectification, &c., shall be allowed but once, and all spirits thus removed shall be returned to the same warehouse and again inspected.

The 508 barrels in the present case, were removed, as claimed on the part of the defence, from the bonded warehouse of the distiller in the City of Chicago, to a general bonded warehouse in the Third District of New-York, C. C. Pratt, Collector, viz., the general bonded warehouse owned by John Crogan in said district.

The counsel for the claimant gave in evidence the permit of the Deputy Collector of Chicago for the transportation of the whiskey from the bonded warehouses of the distillery to the general bonded warehouse in the Third District, New-York, and insisted, that it furnished evidence of the regularity and sufficiency of all the preliminary teps to justify the removal. The prerequisites to a removal are: 1. The casks or barrels must be inspected, gauged, proved and marked or branded, as prescribed by law; and 2. The execution of a transportation bond or other security, as may be prescibed.

We are inclined to think that upon the seizure of the goods for alleged violation of law, if the claimant relies upon a conformity with it as a defence, he is bound to establish the affirmative by proof; and that it would be unreasonable and not consistent with the rules of evidence to call on the Government to establish the negative. The means of furnishing the evidence is in the possession of the claimant. All the steps to be taken in order to justify a removal, as well as the removal itself, have been under his direction, or within his cognizance; and especially we are bound to so hold, under the 45th section, which declares that the burden of proof shall be upon the claimant to show that the requirements of the law have been complied with.

It was strongly argued that the officer who seized the whiskey was not competent to seize within the particular district in which the article was found. But without examining or deciding whether this be so or not, we are satisfied that the adoption of the seizure by the Government cures any defect that in this respect may have existed. Any person may make the seizure, as in the case of seizures under the customs, as the direction in this statute is no more specific than that one to an officer of the customs being required to make the seizure in case of a forfeiture under those laws.

The claimant failed wholly to show that he had complied with the repuirements of the act, which he was bound to do under the forty-fifth section, and the Court was therefore right in disposing of the case as involving simply questions of the law.

There are other grounds upon which the verdict might be sustained, but we prefer placing the decision upon the one stated.

We feel bound to say that the mode of taking the testimony in this case, or rather of making up the record of the evidence with a view to a motion for a new trial, is very objectionable. The whole of the testimony is taken by way of question and answer, and is carried along in detached parts without much order, system or connection, so that it is exceedingly difficult to make out of it the questions presented in the case. If the testimony at the Circuit is taken in this way, it should be reduced to the form of a narrative in the case made to be used on the motion for a new trial. In the Southern District, I have refused to hear such a motion in the form in which this case is presented. I mention this that the error may not hereafter be repeated.

Motion for new trial denied.

For the United States, District Attorney Tracy; for claimants, Messrs. Webster & Craig.

THE Internal Revenue Department, since the commencement of the vigorous enforcement of the new Whiskey Law, now about sixty days, has seized condemned and forfeited 97,200 gallons of whisky, and has about 250,000 gallons additional under seizure not yet forfeited.

Well informed traders estimate the annual production of distilled spirits in the United States to be not less than 80 millions of proof gallons, or over 1½ millions per week. In sixty days thirteen million gallons have been produced, and of this 347,000 gallons have been seized, making one detected fraudulent gallon out of every 38 gallons produced. The result of this "rigorous" effort to collect the tax is astounding—marvelous! Where can be the 25 million dollars tax on the rest of the spirits distilled during that period? Judging from the diminished receipts the treasury has not been enriched.

Important Pension Decision.

Soon after the passage of the act of July 25, 1866, increasing the pension of widows and orphans, and for other purposes, the Commissioner of Pensions, Hon. Joseph H. Barrett, made a report to the Secretary of the Interior, giving his construction of the third section of said act. The Commissioner decided adversely to the applications of those pensioners under acts passed prior to July 14, 1862, who claimed an increase of their pensions to the rate allowed by the last-named act. The Commissioner in his report. after citing the law, says :

This language appears to recognize only claims already adjudicated under previous acts, and to contemplate merely an *increase* specifically provided for, such as in the case of the loss of both hands, or both feet, or of total loss of eyesight, or of the amputation of a limb, or of a widow having children under sixteen years of age, or of minor children entitled to be pensioned, when there are more than one of the same deceased soldier. But this granting of an increase, specifically set forth in terms, is entirely different from that constructive change of rates in all cases, deduced from the general phraseology cited from the act of July 25, 1866. I think this phraseology, limited in the manner before indicated, can properly cover only *specific increases*, and not a general change of the rates of pensions as correctly adjudicated under the laws as they existed at the time.

The Hon. O. H. Browning, Secretary of the Interior affirms the decision of the Commissioner in the following language :

The applicant for increase was pensioned a number of years ago under a law which gave her a pension of half the monthly pay her husband was receiving at the time of his death, viz : $3 50 per month, which she is still enjoying. Her attorney says that under the third section of the act of July 25, 1866, she is entitled to have her pension increased to $8 per month. You have decided that said section three is not of such general application as to embrace cases of this character, and I am inclined to think your decision correct.

At all events the question is involved in so much doubt that it is deemed best to limit the operation of the act of July last in the manner you have done until Congress shall give a legislative construction to it.

IMPORTANT TO NEW APPOINTEES.—We have a few complete sets of the RECORD from April 15, 1865, containing the official regulations and decisions issued during that period. Price for volumes 1, 2, 3 and 4, bound separately in cloth, $10. Bound in 2 volumes, 1865–1866, $9 ; unbound, $8. These are invaluable to new Assessors and Collectors, and to Lawyers who have or seek Internal Revenue business.

PARTIES wishing EMERSON'S INTERNAL REVENUE GUIDE for 1867, can have them by applying at this office. The great popularity and usefulness of this work among Internal Revenue officers and business men, has already exhausted two editions, and a third is now in market. Over 400 pages, octavo. Price, paper covers, $1.00 ; cloth, $1.25. Sent by mail, prepaid, on receipt of price.

The Internal Revenue Record AND CUSTOMS JOURNAL.

A Weekly Register of Official Information on Internal and Customs Revenue.

VOL. V.—No. 25. NEW YORK, JUNE 22, 1867. WHOLE NUMBER, 129

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NOTICE TO OUR READERS.

PATENT FILE FOR THE RECORD.—We would respectfully call the attention of the readers of the RECORD to our Patent Files for preserving each number in book form. Each issue may be inserted in the file in a moment by an ingenious but simple arrangement, and be preserved as safely and conveniently as if bound. Sent free on receipt of the price which is only one dollar.

We have already sold large numbers and have recently had several thousand made. We assure our patrons that if they wish to keep the RECORD for reference, we know of no better or easier method than to supply themselves with one of our files.

Files for letters and for all the weekly pictorial papers, periodicals and newspapers, and for music, kept constantly on hand. Prices proportionate to size.

THE DIFFERENT KINDS OF SUCCESSIONS.

FIRST.—Where real estate is subject to any charge or interest, which diminishes the value of it to the owner, then, whenever that charge or interest is removed, there is an increased value to him, and this increased value is a succession, provided the determination of that charge or interest was made to depend upon the death of any person, or at a period ascertainable only by reference to death.

To illustrate: A, by his will, devises his lands to B, subject, however, to the payment of one hundred dollars to C annually, for and during the term of his natural life. This, then, is a charge upon the lands, to continue as long as C lives, and determinable by his death. When he dies, the estate of B is relieved to the extent of the oppression of such on incumbrance, and this relief is a succession.

So, also, where real estate is devised to A, subject to an estate for life in a part of the same to B, upon the death of B, the estate of A is so relieved that he then has the full enjoyment, and this enlargement of his interest is a succession.

The case of the widow's dower in the real estate of her deceased husband, furnishes a very plain illustration of this species of succession. By the common law she is entitled to one-third of the lands owned by her husband, at the time or after his marriage, which she is to enjoy for and during the term of her natural life. After her decease, this interest expires, and consequently the incumbrance is removed, and the advantages thus accruing to the owner of the land, is a succession.

So that, whenever any disposition of real estate is subject to a charge or incumbrance, which is to determine at the death of any person, the assistant assessor will proceed immediately after such determination, to require a return to be made of this increase of value. To discharge this duty effectually, he is supposed to have informed himself particularly, whether such charges, estates, or interests incumber any titles in his division; and from this he will perceive the necessity of a close examination. It requires industry, and serves to show how little time that officer has to dispose of in other than official duties, if they are conscientiously performed. He will consider it necessary to inform himself in detail, as to every tract of land, town lot, or building within the bounds of his division, and keep a record of those as to which the complete title is incumbered in any way by charges or interest, that are to determine at the period of any one's death. Not

necessarily the death of the person entitled to the beneficial interest in the charge or incumbrance, but at a period ascertainable by the death of him, or of any other person, as where an interest in real estate is given to one for the life of another.

Secondly.—Where a joint interest in a succession is given to two or more persons, and afterward by the death of either the interests of the decedent devolves upon the survivors, thereby increasing the value of their estate, such enlargement of their interest is also a succession, derived from the predecessor, from whom the joint title proceeded. Cases like these arise, where the predecessor has expressly directed, by the terms of the instruments employed, to convey the joint estate, that the right of survivorship shall exist, or it may arise by mere operation of law, as an incident of a joint tenancy, unless controlled by some statutory provision, directing it to descend to his heirs, as is the case in the State of South Carolina. This accession of interest from the death of a joint tenant, renders the estate of the survivors more valuable, as now there being fewer proprietors, their dividends will be larger. Devolving upon the survivors by the death of one of them, it fulfils the condition of the definition pointing to the death of a person, as the period at which the enjoyment of a beneficial interest is to begin. As before stated, however, this new succession is not to be considered as derived from the deceased joint tenant, but from the predecessor, from whom the joint title was originally derived.

The conscientious assistant assessor will feel it his duty to know whether there be any such joint estates in his division. The mode of acquiring this knowledge has already been indicated; it can be done only by a persistent effort, a never-tiring vigilance, that allows nothing that can be seen or heard upon the subject, to escape his attention. If this be difficult and laborious, the reward is proportionally compensatory. For such an officer will earn a most enviable reputation, by a becoming diligence in the discharge of his official duties; and, better than all, will preserve his own self-respect, arising from the conviction that he has honestly met all the responsibilities of his position. And he need not be discouraged by the apparent magnitude of the task, as he will find that others have already succeeded in accomplishing it. Members of the bar, officers of courts, and tax collectors, generally acquire this information, and without it would not be able to discharge the duties which they respectively owe to the public. Thus much of successions from survivorship.

Thirdly.—There is another species where, in a disposition of real estate, the grantor reserves a benefit to himself for a period ascertainable by reference to death; as, for his own life, or for the life of another. Being a burden upon the estate, and diminishing the beneficial interest of the owner whenever it is removed by the happening of the event upon which it was to determine, that interest fs increased thereby, to the extent that it was diminished by the burden. The grantor may reserve to himself or confer upon another, the use of a part of the premises granted, or contract for some other benefit to himself, or to a third person, for such a period, during the continuance of which the successor has not the full enjoyment of the beneficial interests intended for him. But, when the contingency happens, upon which the continuance of the reservation was made to depend, then it is increased, and he acquires a succession equal in annual value to the yearly amount, or yearly value, of such reservation or charge, and it should be assessed accordingly.

C. W. D.

INTERNAL INCOME FOR 1867.

THERE can no longer be a doubt, that the revenue derived from internal sources by the Government for the present fiscal year, to expire on the thirtieth instant, will exhibit an aggregate for the period much below the official estimate—all the encouragement held out to expect a more favorable result, to the contrary, notwithstanding. The estimate was for two hundred and seventy-five millions from internal revenue, and the law of last July was framed upon that basis. In making the reduction of rates and the additions to the exemption list, recommended in the bill offered and passed, the Committee of Ways and Means gave due consideration to the unexpectedly prosperous experience of the preceding year, which yielded a total revenue from all sources which has no parallel in the financial records of nations. In that year there was a large excess over the excess already allowed for in various specific branches, and there was every reason to believe that the same result would be experienced this year, although the sources themselves might be different. It was believed that peculiar compensating influence would adjust these differences which might arise from decrease of trade consequent upon the termination of the war. And so the Committee proceeded upon the same estimate which helped to govern the rates of the law of June 30, 1864, and the Amendatory Act of March 3, 1865. It is true that the general trade of the country exhibited great depression at the time that the bill of last July was presented to the House; and viewing the case from the stand-point of the condition of things at that moment, nothing but discouragement could be felt and a serious deficit be expected, if the recommendations offered by the Committee were adopted. But it was believed that the depression was but temporary, and that the approaching Fall would restore business to a prosperous condition. This conclusion held good in certain sources too unimportant in character to affect the revenue to any great extent, but it failed in some of the branches which were most looked to for support.

But even allowing for the decrease that was unexpected, it is not unreasonable to suppose that the total for this year would have reached two hundred and ninety millions, had not the Act of March 2, 1867, passed Congress, the exemptions and reductions in which, contributed to seriously affect the receipts for the year. Some of the exemptions were made to relieve the respective trade-interests as much as could be effected through this medium, from the prostration under which they labored. Several millions of revenue were yielded by this law upon manufactures and productions alone. The change of rates, however, which most importantly affected the revenue for the year, was the increase of exempted income from six hundred dollars to one thousand dollars, and the reduction of tax of ten per centum on incomes exceeding five thousand dollars to the uniform rate of five per centum. The measure of influence to be experienced by the revenue from this source, may be appreciated when we state, that the receipts from income solely, for the fiscal year 1866, was over sixty millions, and Congress yielded sixty-six and two-thirds per centum at a stroke. When we consider this result, together with the results in the cases of the other exemptions and the reductions in that law, it is a justifiable conclusion that, in their absence, the total for this year, would not have been very far behind that of last year.

Amid all the depression manifested, and the actual loss that he was satisfied had occurred to specific interests, the Commissioner of Internal Revenue, in preparing his annual report last Fall, felt willing to declare that after a careful examination of all the data within his reach, he estimated that the receipts for this year would reach two hundred and eighty-five millions; that is, ten millions above the estimate sent in to the Committee of Ways and Means for its government.

In viewing this subject, we are led to expect that the receipts for the year will exhibit a deficit of ten millions. One estimate provides for these sudden and unaccountable increases of the daily receipts which have been noticeable in the closing days of every one of the fiscal years since the establishment of the internal revenue system, and by which the receipts of some days in June have swelled to millions, when the per diem average was but half a million; which result has already been experienced on the first three receiving days of the present month, when the receipts were respectively, $1,168,690; $1,899,470; and $1,026,032.

The receipts up to the 15th inst. amounted to about two hundred and fifty-six millions, and the grand total for the year will probably not exceed two hundred and sixty-five millions, as compared with nearly three hundred and eleven millions for last year.

It is our belief that the law of last March worked a decrease of the revenue of twenty millions, at a moderate estimate; and that the law of last July, worked a decrease of more than that amount.

In view of the forty-five or more millions difference between the receipts for this year and last year, against the public treasury, we can scarcely believe that Congress will make any further reductions of rates or additions to the exemption list during the next session. It is not probable, on the other hand, that any increase will be made anywhere, for it is fair to suppose, that the rates which yield two hundred and sixty-five millions this year, under the prostration of business manifested throughout the country, will yield from fifteen to thirty millions more next year, under larger crops and a sure restoration of general trade to a more prosperous condition, the afflicting causes which have so long depressed it, having worn away.

OUR next issue will close the present volume. A good chance for new subscribers.

DEFICIT OF REVENUE—INCREASED TAXATION NECESSARY.

[Communicated.]

IT is now apparent to all persons familiar with the Internal Revenue Law, that the present rate and rule of taxation will prove insufficient for the wants of the Government, and that unless a change is made in the manner and amount of taxation, the value of government securities must evidently depreciate.

When Congress became satisfied that the fiscal affairs of the Government could be safely managed with forty millions less revenue, they might have seen that that result would be reached through the decline of business without any change in the rate of taxation; but overlooking this fact, they yielded to the persuasive arguments of agents of the different interests, and will learn by December next that some new rule of taxation will become necessary in order to sustain the credit of the Government.

The people would have been better satisfied and had more confidence in the wisdom of Congress, if they had continued the tax as it was, rather than to take it off one year and replace it the next.

It seems probable that more money will be needed than can be obtained by the present rate of taxation, and the question is, how can the Government realize the desired amount with the least inconvenience to the people.

The question will have to be met, and I regard your paper the most suitable organ to sound the key note.

I would suggest as preliminary to the equalization of taxation, that a very considerable number of articles now exempt be placed in the list of taxable articles, so that on a fair scale of taxation, every interest should bear its just proportion.

When asked the reason why clothing is exempt and certain other articles taxed, we simply say "We did not make the law, we might have made it better but probably much worse; we must take it as it is." The cause of such enquiries should be removed.

The people regard equity in taxation of more importance than the rate. Having adjusted this, and ascertained the probable amount that the Government would realize from such scale of taxation, the deficiency can be made up by an additional tax on sales, which is the easiest, most equitable and efficient, and the one which appears the most feasible to sustain the credit of the Government A. R. H.

STAMP DUTY ON RECEIPTS.

THE following letter was addressed to the Editor of the *New York Tribune* by the Honorable Commissioner of Internal Revenue in order to correct certain mis-statements made by that widely circulated Journal, respecting the stamp-tax on receipts, and therein of the obligations of tax-payers.

The communication simply confirms rulings which have formerly been published in the RECORD, and as we regularly furnish the *Tribune* each week with a copy of the same, *gratis*, there is really no excuse on this occasion for the ignorance of the Philosophers. Nor are the Ancients of the *Journal of Commerce* less blamable for misleading its readers in regard to the dealers tax on sales at auction—for we as faithfully forward the RECORD every Saturday to them, and to the *Herald*, the *World*, and the *Times*.

The snub that these grandiose pretenders to special and technical knowledge have received from Commissioner Rollins in the following corrective, has been richly deserved.

We reprint the letter because it covers the subject of the tax in question, in concise terms, and because, further, there seems to be an ever present necessity for hammering away at the noddles of some assistant assessors and tax-payers in order to make them remember and perform the commonest and plainest duties. With stupidity on the one hand, and knavery on the other, the authorities at Washington find it indeed a difficult task to secure the just dues of the revenue.

Mr. Rollins says his attention had been called to this item in the *Tribune:*—

"What constitutes a receipt?" A correspondent proposes the following questions:

"1. Is the man who acknowledges the receipt of a check in the shape of a letter, according to law, required to put a stamp on the receipt? 2. Is the party who pays the money required to furnish the stamp for the receipt he gets?"

"To answer the last question first, we believe there is no law compelling a person to give a receipt. It is an accommodation and a safeguard for the payer of money. The receiver of money can decline to give a receipt until it is stamped, and as a receipt is for the protection of the payer, he is expected to furnish the stamp. The following extract of a letter from the Commissioner of Revenue at the time it was written, contains the answer to the first of the above queries:"

TREASURY DEPARTMENT,
Office of Internal Revenue,
Washington, Jan. 20, 1865.

The law requires all receipts for the payment of any sum of money, or for the payment of any debt due exceeding $20, or for the delivery of any property to be stamped, excepting receipts for the satisfaction of any mortgage or judgement, or decree of any Court, which are exempt.

* * * * * * * * * *

A credit on an account or pass-book, or on a bill without a signature is not a receipt and is not subject to stamp duty. A letter acknowledging the payment of a debt due is, to all intents and purposes, a receipt, and subject to stamp duty as such; but the acknowledgment of a note, check, or draft is not a receipt for money, nor yet of property in the ordinary acceptation of the term, and is not subject to stamp duty, unless specified to have been received in payment of a debt due exceeding $20.

JOSEPH J. LEWIS."

He thinks it proper to call attention to certain material changes in the law since the letter from which the above extracts were made was written. By the act of July 13, 1863, which so far as stamp taxes are concerned took effect August 1, 1866, the tax as removed from receipts for the delivery of property; the words "the payment of" were stricken out of that part of schedule B which related to "receipts for the payment of money," and it was provided that "the term money," as used in schedule B, in relation to receipts, "shall be held to include drafts and other instruments given for the payment of money." Under the law, as it now stands, the written or printed acknowledgment of the receipt of a note, check, or draft, exceeding $20 in amount, requires a two cent stamp, when signed and issued. The Internal Revenue law does not designate which of the parties to an instrument shall furnish the necessary stamp, nor does this Office assume to determine that it shall be supplied by one party rather than by another; but if an instrument subject to stamp duty is issued without having the necessary stamps affixed thereto, it cannot be recorded or admitted or used as evidence in any Court until a legal stamp or stamps denoting the amount of tax, shall have been affixed as prescribed by law, and the person who thus issues it is liable to a penalty if he omits the stamps with an intent to evade the provisions of the Internal Revenue act.

TAX ON BANKS, BANKERS, BROKERS, &c.

Under authority, Assistant Assessor W. E. Boardman, of the 32d District, has recently been detailed to supervise and attend to the assessment of the tax on Banks, Bankers, Money and Stock Brokers, in the 32d District, which embraces all that portion of the metropolis lying south and east of Division, Chatham, Broadway, and Liberty Streets.

Mr. Boardman has prepared with care a circular which we give below, containing specific instructions respecting the liabilities of persons engaged in the Banking and Broking business under existing laws and regulations. It will be found by assistant assessors and bankers to be very useful.

The detail in each district of an assistant assessor to take charge of special branches of taxation operates with great advantage to the revenue. The Commissioner, by such action, secures immediate responsibility from an officer, who is constrained by mere force of circumstances to become an expert, and who is made to establish within his district that uniformity in assessments so difficult otherwise to obtain, (notwithstanding the supervision of the assessor,) existing in the large districts more in theory than in practice.

The Commissioner thus acts according to law, and sterling maxim of economy, and secures a more perfect and systematical division of labor in the estimating, fixing, and *assessment* of taxes, by far the most important and difficult part of the revenue machinery. We look to see the principle still further applied, by assigning assistants to other branches than banking, successions, and distilled spirits; such as the assessment of wholesale dealers, commercial brokers, of gross receipts, stamp duties, and of different branches of manufacture. Assessors in districts where the interests are such as to justify a detail of an assistant to look after a particular business, should apprise the Commissioner of the circumstances, and ask authority to make the assignment. This, during most of the year, can be done without an increase of force, by giving to a brother assistant the charge of two divisions.

The circular above referred to is as follows—

WHO ARE TO BE REGARDED AS BANKS OR BANKERS.

(Act of June 30, 1864, section 79, sub-division one.)—Every incorporated or other bank, and every person, firm or company having a place for the transaction of one or more of the following kinds of business, is to be regarded as a bank or banker.

(1.) Receiving deposits or collecting money subject to be paid on draft, check or order.

(2.) Loaning or advancing on stocks, bonds, bullion, bills of exchange or promissory notes.

(3.) Receiving for discount or for sale of stocks, bonds, bullion, bills of exchange or promissory notes.

WHO ARE TO BE REGARDED AS BROKERS.

(Section 79—Sub-division nine.)—Every person

firm, or company whose business it is to negotiate purchases or sales for themselves or others, of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes or other securities, are to be regarded as brokers.

TAXES REQUIRED OF BANKS AND BANKERS.

(Section 79—Sub-division one.)—1. Annual. Every bank or banker, except savings banks, provident associations, &c., is required to pay an annual special or license tax, if their capital employed is not over $50,000, of $100, and $2 per thousand in addittion upon the excess of their capital over $50,000.

(Section 110)—2 Monthly. Every bank or banker employing capital or receiving depo its is required to pay a monthly tax of one-twenty-fourth of one per cent. on (1.) The whole amount of their capital, deducting therefrom so much as they have invested in United States bonds, and (2.) The average amount of deposits held, (3.) And every bank issuing circulation is required to pay a monthly tax of one-twelfth of one per cent. on the average amount of circulation; and one-sixth of one per cent. on the average amount in circulation in excess of ninety per cent. of capital; and one-sixth of one per cent. on the highest amount of circulation at any time during the month in excess of the average circulation for six months preceding July 1, 1864.

(Act of March 26, 1867, section 2.)—4. And every national banking association, State bank or banker, or association, is required to pay a tax of ten per cent. on the amount of notes of any city, town or municipal corporation, paid out by them after May 1, 1867.

(Section 120)—3. On dividends and surplus. Every bank or corporate banker, trust or other company making dividends or distributions of profits, is required to reserve from the amount divided or distributed, whether to stock-holders, depositors or parties whatever, including non-re idents, whether citizens or aliens, five per cent., and pay the same as a tax. And also to pay five per cent. on all undistributed sums, or sums made or added during the year, to their surplus and cont ngent funds.

(Section 121)—4. On profits, in case of neglect to make dividends or distribution. Every bank legally authorized to issue notes as circulation, neglecting or omitting to make dividends or additions to its surplus or contingent fund, as once in six months, is required to pay a semi-annual tax of five per cent. on profits.

EXCEPTIONS.

(Act June 30, 1864, section 110)—1. Savings banks, &c., having no capital and doing no other business than receiving deposits to be loaned or invested for the sole benefit of depositors, without profit to the bank, association or company, are exempt from tax on so much of their deposits as they have invested in securities of the United States, and on all deposits less than $500 made in the name of any one person.

(Section 110)—2. National Banks are exempt from the monthly tax required by section 110, but are required by the National Bank law to pay its equivalent in a semi-annual tax of one-quarter of one per cent., directly to the Commissioner of Internal Revenue.

TAXES REQUIRED OF BROKERS.

(Section 79—Sub-division nine.)—1. Annual. Every person, firm, or company in business as a broker, is required to pay an annual special or license tax of $50, unless paying as a banker, which covers both the business of banker and broker.

(Section 99.)—2. Stamp tax on all transactions. Every broker is required to pay in stamps, one cent on each $100 of his sales or contracts, whether of gold or silver bullion, co n, prommissory notes, bonds or other securities.

HOW BANKS AND BANKERS ARE REQUIRED TO PAY THEIR TAXES.

(Section 11, amended March 2, 1867.)—1. They are required to make the following returns for tax to the assessor or assistant assessor of the district in which their p ace of business is located.

(1.) An annual return for special or license tax, on or before the first day of March, for the year commencing with the first day of May following.

(Section 110.)—(2.) A monthly return for tax on capital deposits and circulation, or either one or more of them as specified above.

(Section 120.)—(3.) A semi-annual return of dividends and surplus.

(Section 121.)—(4.) In case of neglect to make dividends or other disposition of profits, or any part of them, a semi-annual return of profits or earnings, if they are legally authorized to issue circulation.

After making returns as above from time to time, banks or bankers are to await notifica ion from the collector of the district, and then make payment at the time and place specified by him.

HOW BROKERS ARE REQUIRED TO PAY THEIR TAXES.

(Section 11, amended March 2, 1867.)—1. Annual. They are to make returns to assessor or assistant assessor of the district on or before March 1, for special tax or license for the year commencing the first day of May fo lowing.

(Section 99.)—2. Stamp Tax. A bill or memorandum of sale, or contract of sale is required in every instance to be made and stamped with lawful stamps at the rate of one cent for each one hundred dollars or fractional part of one hundred dollars sold or contracted.

PENALTIES.

(Section 14.)—1. For refusal or neglect to make any return required, except in case of sickness or absence when the time may be extended by the assessor not more than thirty days; fifty per cent. in addition to the tax, and one hundred per cent for fraudulent return.

(Section 110.)—2. For refusal or neglect of a bank or banker to make the required monthly returns in each case in addition to the above, $200 fine.

(Section 99.)—3. For doing business as a bank, banker or broker, without making return for special or license tax, a fine of not less than $10, nor more than $500, beside the special license tax, and fifty per cent. added thereto for neglect.

Sales or contracts for gold or silver bullion, coin, promissory notes, stocks, bonds or other securities not their own, by any person, firm or company not paying special or license tax, are required to be stamped with legal stamps at the rate of five cents for each $100 of the sums sold or contracted.

(Section 99.)—4. For neglect to affix stamps as required by law, or for del vering or receiv ng any sum or sums without bill of sale, memorandum or contract duly stamped according to law, the party neglecting is required to forfeit and pay a penalty of $500 for each offence where the tax so evaded or attempted to be evaded does not exceed $100, and a penalty of $1,000 when the tax exceeds $100, and costs of suit in United States Court.

According to the ruling of the Commissioner of Internal Revenue, money borrowed or received by a bank or banker on interest, and employed in his business must be considered as capital and taxed accordingly.

All money, therefore, thus borrowed or received and used in banking, not in brokering as margins upon which tax is paid by stamps, is required to be included in monthly returns of capital.

All who have neglected to make returns for any portion of the time for any tax required since the law came into force, June 30, 1864, are required to make returns for such time for whatever tax. If not made at once, the assessment with the penalty added, will be made.

N. B.—All applications for special tax (license), and all returns of whatever kind by banks, bankers or brokers in the Thirty-second collection district of New-York, should be made at the Assessors office, 83 *Cedar street.*

Treasury Department,

OFFICE OF INTERNAL REVENUE.

OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

MANUFACTURES.

Cut Nails and Spikes from untaxed Material.

Cut nails and cut spikes unless "manufactured from iron upon which the tax of three dollars per ton has not been levied and paid," are subject to a tax of five dollars per ton, but if manufactured from iron upon which such tax has been paid, they are subject to a tax of two dollars per ton only.

STAMP TAX.

Checks drawn upon a Bank by its Cashier, and Check drawn by individual upon himself.

A check drawn by an individual upon himself, or drawn upon a bank by its cashier, in his official capacity, and in the discharge of his official duty, is in its legal effect "written or printed evidence of an amount of money to be paid on demand or at a time designated," and should be stamped like a promissory note, at the rate of five cents for each hundred dollars or fractional part thereof.

SPECIAL TAX.

Manufacturers of Various Kinds.

A manufacturer is declared to be "any person, firm, or corporation who shall manufacture by hand or machinery any goods, wares, or merchandise, not otherwise provided for, exceeding annually the sum of one thousand dollars, or who shall be engaged in the manufacture or preparation for sale of any articles or compounds, or shall put up for sale in packages with his own name or trade-mark thereon, any articles or compound, shall be regarded as a manufacturer." The non-liability of persons to special tax as manufacturers, whose manufactures do not exceed one thousand dollars per annum, does not extend to those described in the last part of the paragraph; but each and every person who is engaged in the manufacture or preparation for sale of any articles or compounds, or who puts up for sale in packages with his own name or trade-mark thereon any articles or compounds, should be required to pay a special tax as a manufacturer, regardless of the amount manufactured, prepared or put up by him.

MISCELLANEOUS.

Sale of Naptha and Illuminating Oils.

Section 29 of the act of March 2nd, 1867, although contained in a statute relating to internal revenue, bears no such relation to the public revenue as to call for its interpretation by the Internal Revenue Office.

Special Tax of Commission Merchants.

OFFICE OF INTERNAL REVENUE,
Washington, June 14th, 1867.

GENTLEMEN: Your letter of March 8th, was duly received, and has been considered as promptly as the business of the office would allow.

You urge that you ought not to be subjected to special tax on your sales, on commission, of the manufactures of certain manufacturing corporations, inasmuch as you are the selling agents of those corporations.

My views of that portion of the law which decides the question raised by you, and the conclusion which I have reached in your case, herewith follow. The proviso to Section 74 of the Act of June 30, 1864, cited by yourself as relieving you from tax in its present form, contains the following :—

"But nothing herein contained shall require a special tax for the storage of goods, wares, or merchandise in other places than the place of business, nor for the sale by manufacturers or producers of their own goods, wares and merchandise, at the place of production or manufacture, *and at their principal office or place of business, provided no goods, wares or merchandise shall be kept except as samples, at said office or place of business.*"

1. The section, the meaning of which is limited and restrained by this proviso, is that which describes the facts which shall be stated in a receipt for the payment of a special tax. Among those facts, must be set forth the place where is to be carried on the business for which the payment, witnessed by the receipt, is to be made. Immediately after the mentioning of this particular of place, follows the proviso, the terms of which relate especially to that particular, namely, the place where business may be carried on under payment of a special tax. Excepting certain specified occupations, it directs that in all other cases, payment of a special tax shall cover only business done *at the place named in the receipt.* All business done elsewhere is left liable to further tax.

It is a part of this requirement, and in an exceptional enlargement thereof, that the proviso under consideration is found as a part of the law. It provides with reference to manufacturers that the previous requirement, to wit, that their place of business, of manufacture shall be stated in the receipt to be given for the payment of their special tax ; and the accompanying prohibition against such payment covering business, done elsewhere, "shall not require a special tax for the sale by manufacturers or producers of their own goods, wares and merchandise, at the place of production or manufacture, and at their principal office or place of business, provided, &c."

All this is with reference to specification thirty-one, where manufacturers are made subject to special tax, and thus are brought within the effect of the terms of a special tax receipt. The law, these two portions being taken together, stands thus : Manufacturers shall pay ten dollars ; they can then manufacture at the place named in the receipt ; they can also sell their manufactures there, and at one other place under certain conditions.

The clause under consideration, the enlargement of the local privileges of certain classes of special taxpayers, does not touch specification two. That stands as in its own terms ; and by those terms whosesoever business it is on commission, to sell any goods, wares or merchandise, whose annual sales exceed twenty-five thousand dollars, is liable to special tax as a "wholesale dealer."

That in this case you sell on commission goods to an amount sufficient to constitute you wholesale dealers, is not disputed. But it is urged that the compact, understanding or agreement, between you and certain parties, for whom you sell on commission, do, so far as those sales are concerned, take you out of your own well known and legal status as commission merchants, and make you a manufacturer, or rather enable you to become several manufacturers, as many as the different persons, firms or corporations for whom, under such arrangement, you sell on commission.

Can this transformation be effected? Can it be made without disregarding terms and ignoring distinctions to be found in specification two? For this specification, laying, as it does, the tax on wholesale dealers, and declaring what constitutes a wholesale dealer, must be not departed from, but consulted, whenever applicable in questions of exemption from a wholesale dealer's tax.

And this defines a wholesale dealer as one whose business it is to sell. 1. For himself ; 2. On commission. Here, then, are two classes of sales known to this law.

1. For one's self.
2. On commission, for others.

There can be no doubt as to which of these classes of sales is referred to in the exemption raised by the proviso to section 74, urged by the claimants as relieving them from taxation. It is a sale by the manufacturer of his own manufactures, his own goods, still his own. It is what the law defines as a sale for himself ; not a sale on commission for others. How could it be the latter ? Could a manufacturer sell his own goods on commission? Commission to be paid by whom? Yet, if the manufacturer in this case does not sell, the sale is not exempt from taxation. And the opening of the letter presenting these sales for exemption, shows that the sellers are not the class to which alone the law gives the exemption. The writers introduce themselves to this Office, with words like these : "We are the selling agents of several manufacturing corporations." When, to bring themselves within the reach of the exemption which they claim, it is necessary that they should say, "We are the manufacturers of all the goods for the sale of which we claim exemption from tax."

Such a description of themselves never, it is safe to say, occurred to the writers as natural or truthful. And it is not easy to see, that it could be truthful within the meaning of the law. Yet, until claimants can describe themselves as manufacturers, as the manufacturers of the goods which they sell, they cannot be exempted from taxation, by virtue of the proviso in question. And by the terms of the law, a manufacturer is a person of one class, and a commission merchant selling the manufactures of several manufacturing corporations, is a person of another class. The first can sell his own manufactures for himself, under certain conditions, and be exempt from special tax for such sale. The latter cannot sell his own manufactures for he manufactures none ; he sells only for others ; sells on commission ; and there is no exemption from taxation of sales by other than the manufacturer, to be found in the proviso to section 74.

For confirmation of this view, see the closing proviso to the specification (two) under consideration, where it is enacted that sales made by one wholesale dealer *on commission*, shall not be *again* estimated as the sales *of the party for whom they are made.* Why not? Because they are to be *once* estimated as the sales of the party *by whom* they are made. In other words, so far as the tax upon wholesale dealers is concerned, sales on commission are to be estimated as the sales of the commission merchant by whom they are made ; and under this proviso, as not the sales of any other party.

If it be urged that corporations (and manufacturing is largely carried on by corporations), can only act by representatives either in buying or selling, and therefore that the sales of such representatives must be taken to be the sales of their principles, and as such exempt from taxation under the proviso to section 74, then I reply, the principle thus cited is of force, as far as it fairly extends, no further. I respect it as thus stated, within, not beyond its limits ; those of the necessity which creates it. The exemption may be to sales made by such agents of a manufacturing corporation, as are absolutely and legally necessary to enable it to make any sales whatever : to sales made by officers, servants, agents of corporations in the ordinary sense of those designations. But to this class of agents commission merchants do not belong in contemplation of law, the general law, or internal revenue law. And to their case, this principle applies, viz. :— *Cessat ratio, cessat lex.* They are beyond the necessity and thus beyond the rule. And further, I observe in restriction of what has just been stated, that if it were otherwise, the result in this case could not be different ; for neither office, service, nor agency is sufficient to relieve a commission merchant from tax as a wholesale dealer. He who sells on commission is liable to that tax no matter by what appointment, contract or agreement, transient or permanent, he is employed to make his sales. An arrangement to sell all the goods manufactured within a year is of no more legal effect towards exemption from special tax than a letter of consignment accompanying a single parcel. The law knows and taxes sales on commission, without exemption allowed on any of these distinctions.

2. A further essential to the claim presented in this case, is that the sale should be made at the "principal office or place of business" of the manufacturer.

If the commission merchant is not the manufacturer, the office of the former cannot be the principal office or place of business of the latter. But aside from this objection, the view urged by the claimants is not free from serious difficulties.

In the first place in admitting the office of the commission merchant to be that of the manufacturer, this office loses all satisfactory rules for determining in particular cases, whether such is the principal office or not. In the case presented, merchants sell *all* of the productions of their principals ; they keep *all* their books for sales. But suppose that instead of selling *all*, a portion say one-eighth is sold by another commission merchant, upon precisely the same terms and relations with the manufacturers as the other seven-eighths are sold. Here, then, is a distinction without a reason for difference, between two commission merchants, if the office of the one making the larger amount of sales is held to be the principal office of the manufacturer, and the other is not. The rule supposed becomes less satisfactory as the sales of any manufacturer are divided more equally or among a larger number of commission merchants. If divided equally, or so as not to give to any one a large plurality or absolute majority, no one office can be treated as principal ; and the exemption ceases. Thus the practical result would be that those commission houses which sell all or nearly all of the manufactures of a manufacturer, will be exempt from the special tax on sales which other commission merchants are compelled to pay ; a rule causing a distinction between different commission houses, and between different manufacturers, which I cannot believe that the law intended to create, or indeed has created. The law generally has more satisfactory tests for the applications of its provisions, than are found under the foregoing hypothesis ; and in this instance, if the intent of the statute be adhered to from the begining, if the true meaning of the words, "of the manufacturer" be followed, the other word "principal" will not be meaningless nor incapable of application. And these words "office of the manufacturer" are to be taken in their ordinary sense, meaning not as in the present instance an office hired, occupied and controlled by another party, but an office used and controlled directly by the manufacturer, an office opened not as a place of sale, for the storage and sale of goods, but for those general purposes of a manufacturer which

make an office necessary to him as a manufacturer. Naturally there would be but one such office of any one manufacturer; and lest, under the exempting proviso, the privilege should be abused by the establishment of more than one office, for the very purpose of evading a tax upon sales, the privilege is limited to one office by the insertion of the word "principal." The adjacent expressions thus construed, this word looses all obscurity and difficulty of application. In this view, the principal office of a manufacturer is where are kept not merely the books of sales as in the present case, but the general books of the manufacturer, where usually in case of a corporation may be found the Treasurer, and where the officers meet and the corporation centres and acts.

Intending to exempt from the dealer's tax such sales only as are necessarily incident to the business of a manufacturer, and not such sales as constitute a business by themselves, it intends by the words "office of the manufacturer," an office incidental to the business of a manufacturer, and not an office of a wholesale dealer, though he might deal wholly in manufactures.

In this connection is brought out another fact in your case which throws light back upon the main question of the identity of the commission merchant as the manufacturer. The hiring and occupation of your office do not appear to be your acts *as agents* of any one or all of the corporations whose selling agents you are. You hire and occupy as principals, in your own right, for your own use, and then require manufacturers whose goods you store to pay rent for the privilege of such storage. The manufacturer has no right as tenant in your office, the same being wholly under your control.

3. It is required in order that sales should be exempt from special tax under the proviso in question, that no goods should be kept at the place of sale, except as samples. Why a wholesale dealer should be exempted from tax on a portion of his sales, merely because the goods sold were not kept at the place of sale, is difficult to perceive. It is, however, easy to see why a sale by manufacturers of their own goods, such a sale as is necessarily incidental to their business as manufacturers, should not by being accompanied with storage at the place of sale, be allowed to work exemption of the business of a wholesale dealer. This requirement, thus considered, strengthens the opinion arrived at in the first point.

For present consideration, it is sufficient to say that the construction of this requirement claimed by the applicants cannot be acceded to by this Office. "A large portion of these manufactures (you state,) are stored in our storehouse attached to our office." This "attachment," in my opinion, constitutes the storehouse and the office, in contemplation of the law laying special taxes, one place, and makes goods stored in the storehouse to be goods kept at the office where sales are made.

Holding these views of the requirements of the law, it hardly seems necessary for me to add in conclusion, that desirous as I am to relieve you from all excessive taxation, I cannot rule that the special tax complained of, does not apply in your case.

Very respectfully,
E. A. ROLLINS,
Commissioner.

MESSRS. GARDNER BREWER & CO.,
Commission Merchants.
Boston, Mass.

Law Reports.

UNITED STATES SUPREME COURT.

DECEMBER TERM, 1866.

The Act of July 13, 1866, takes away from United States Courts the jurisdiction of suits between citizens of one State and citizens of the same State in Internal Revenue cases, conferred by the Act of March 2, 1833, and the Internal Revenue Act of June 30, 1864.

The Merchants' Insurance Company, Appellants, vs. *Thomas Ritchie.*

This was an appeal from a judgment of the Circuit Court of the United States for the district of Massachusetts, dismissing a bill in equity filed by the appellants against the Assessor and Collector of the Third Collection District of Massachusetts, praying that those officers be enjoined from the distraint and sale of the complainants' property in the collection of a tax assessed and levied upon an extra dividend of $100,000, paid in January, 1865, by the complainants to their stock-holders, being a part of a certain sum received by the Company as one of the stockholders in the Suffolk Bank. The complainants averred that this dividend had already been subjected to the same tax against the Suffolk Bank, at the time it was declared by that bank, and that it was also made up in part of profits accumulated before the existence of any Internal Revenue Law of the United States, and in part of sums realized by the bank from the sale of real estate purchased before the existence of such laws.

The defendants demurred, for the reason that the bill disclosed no grounds for equitable relief, and the demurrer was sustained and the case now comes up the appellants contending that the Act of 1833, chap. 57, section 2, confers upon the Courts of the United States general jurisdiction in all cases arising under the revenue laws, for which other provisions are not already made by the statute of the United States, and which would, upon settled principles, be cognizable in equity; and that the same section, by necessary implication, provides that where property is taken or distrained illegally, but in professed execution of the laws, a party injured may, by bill in equity, apply to the Courts of the United States for the remedy sought in this case. That if the second section of that act does not provide this remedy for the redress of illegal taxation, nevertheless a Court of equity, under the principles which govern its jurisprudence, will afford the injured party relief by injunction, where by reason of the mistaken legislation of the United States the injured party has been deprived of the redress which the law would otherwise afford. But if it shall be determined that by reason of such legislation or otherwise, the injured party cannot be said to have been deprived of all redress; nevertheless, looking to the inadequacy of all the remedies, and to the consequences which must flow from the distraint and sale of the company's property, the cloud it would cast upon the title to the real estate, and its tendency to produce numerous suits to determine the same principle, the case presented is one in which a court of equity, upon its established doctrines, should interfere by injunction.

The Government submits that the company has a plain, adequate and complete remedy at law, and for that reason alone an injunction will not issue. It may avert that threatened injury to its property by paying the assessed tax, and then, by placing itself in a position to show that the payment was involuntary—as by making protest against the exaction at the time of payment—its right to recover the money, if the tax is illegal, is clear under the common law and the Internal Revenue Acts, 1864, 1865, 1866.

The jurisdiction of Courts of Equity to control, by injunction, the action of officers of this description, has been denied and repudiated as often as it has been attempted to be invoked, and it is believed that no case of authority can be found, in either English or American Equity reports, where the jurisdiction was controverted in which the Court enjoined a tax or revenue officer from proceeding to collect a tax illegally assessed, on the ground of equity alone presented by the bill. There are two cases in which this Court interposed the authority of equity for the protection of parties against trespasses on the part of collectors of taxes, but they were cases in which relief was sought against State officers who were proceeding to execute State laws judicially determined to in violation of the Constitution of the United States, and therefore void, and consequently laws incapable of affording any protection to those attempting to carry them into execution. (Osborn, *vs.* United States Bank, 9 Wheat., 816; Dodge *vs.* Woolley, 18 How., 331.) Until after the passage of the Internal Revenue laws it was never assumed by any that the act of 1833—the Force Bill—conferred the authority contended for here, and it is submitted it does not.

There is no well-considered case to be found in which a public officer was restrained by injunction from doing an act within the line and within the exercise of the duties confided to him by law. The Company complain of being overrated. The remedy is by appeal to the Commissioner of Internal Revenue.

CHASE, C. J.—We meet upon the threshold of this cause a question of jurisdiction. The record discloses a suit in equity by the Merchants' Insurance Company, a corporation under the laws of Massachusetts, having its place of business in the City of Boston, against James Ritchie and Edward L. Pierce, Assessor and Collector of Internal Revenue in the Third Collection District of the Commonwealth. The corporation, constructively, and Ritchie and Pierce actually, are citizens of Massachusetts, and the question is whether this suit, as a revenue case, can be maintained by a citizen of Massachusetts against citizens of the same State. The Judiciary Act of 1789 limited the jurisdiction of National Courts so far as determined by citizenship to "suits between a citizen of the State in which the suit is brought, and a citizen of another State." And, except in relation to revenue laws, this limitation has remained unchanged. In 1833 an attempted nullification of the laws for the collection of duties on imports led to the enactment of a law, one of the provisions of which conferred on the Circuit Courts jurisdiction of "all cases in law or equity arising under the revenue laws of the United States for which other provisions had not been already made." (4th U. S. Statutes, 632.) Until the passage of this act no original action by a citizen of any State against a citizen of the same State could be maintained in a national Court of law or equity for injuries arising from the illegal exaction of duties by collectors of revenue. Redress of such injuries could be obtained only in the State Courts, and the revisory jurisdiction of this Court could be invoked only under the twenty-fifth section of the Judiciary Act. The act of 1833 made the right of action depend not altogether, as previously, upon the character of the parties as citizens or aliens, but also on the nature of the controversy, without regard to citizenship or alienage. Under that act citizens of the same State might sue each other for causes arising under the revenue laws. A citizen injured by the proceedings of a collector might have an action against him for the injury, though a citizen of the same State with himself. And the third section of the same act gave the right to collectors or others who might be sued in any State Court on account of any act done under the revenue laws to remove the action by a proper proceeding into a national Court. The right to remove causes from State into national Courts had been long before given by the Judiciary Act, but it was limited to certain classes of cases which did not include those arising under the laws for the collection of duties. After the act of 1833 many suits brought in the State Courts against Collectors were removed into the Circuit

Courts. The cases of Elliott *vs.* Swartwout, (10 Peters 137,) and Bund *vs.* Hoyt, (13 Peters 267,) were of this description. They were suits originally instituted in the Superior Court of New-York, but removed to the Circuit Court of the United States for the Southern District to recover from collectors of the port of New-York duties alleged to have been illegally exacted. Under that act suits in equity in proper cases, as well as actions at law, might have been maintained against Collectors of Customs by citizens of the same State, and upon the enactment. under the exigencies created by civil war of the existing internal revenue laws, it became a question whether the general provisions of that act giving jurisdiction of cases under the revenue laws extended to cases under the new enactments. This question was resolved by the internal revenue act of 1864, in the fiftieth section of which it was provided that the provisions of the act of 1833 should extend to all cases arising under the laws for the collection of internal duties, (13 U. S. Stat. 241.) It was while this section of the act of 1864 was in force, that the suit on the present record was brought. Had it been suffered to remain in force the question of jurisdi tion now under consideration could not have arisen. But it was repealed by the act of 1866 (14 U. S. Stat. 172,) without any saving of such causes as that before us. And not only was there no such saving but it was expressly provided that "the act of 1833 shall not be so construed as to apply to cases" arising under the act of 1864, or any amendatory acts "nor to any case in which the validity or interpretation of such act or acts shall be in issue." The case before us is a case under the act of 1864. It is a case of which, because of the fact that the appellants and appellees are citizens of the same State, we have no jurisdiction except under the act of 1833. And the act of 1866 declares that the act of 1833 shall not be construed so as to apply to such a case. This is equivalent to the repeal of an act giving jurisdiction of a pending suit. It is an express prohibition of the exercise of the jurisdiction conferred by the act of 1833 in cases arising under the Internal Revenue laws. It is clear that when the jurisdiction of a case depends upon a statute, the repeal of the statute takes away the jurisdiction. (Rex *vs.* Justices of London, 3d Burr, 1,456; Morris *vs.* Crocker, 13 Howard 429.) And it is equally clear that where a jurisdiction, conferred by statute is prohibited by a subsequent statute, the prohibition is, so far, a repeal of the statute conferring the jurisdiction. It is quite possible that this effect of the act of 1866 was not contemplated by Congress. The jurisdiction given by the act of 1833 in cases arising under the customs revenue laws is not taken away or affected by it. In these cases suits may still be maintained against collectors by citizens of the same State. It is certainly difficult to perceive a reason for the discrimination between such suits and suits under the Internal Revenue laws; but when terms are unambiguous we may not speculate on probabilities of intention. The rules of interpretation settled and established in the construction of statutes deny to us jurisdiction of the controversy in the second, because it is a suit between citizens of the same State, and the jurisdiction of such suits in internal revenue cases, conferred by the acts of 1833 and 1864, is taken away by the act of 1866. The appeal in this cause must, therefore, be dismissed for want of jurisdiction.

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The Internal Revenue Record AND CUSTOMS JOURNAL.

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NOTICE TO OUR READERS.

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REVENUE FROM RAW COTTON.

THIS staple has rapidly assumed place as an important source of public income, and last year it yielded the second largest amount received from one source, on the list of manufactures and productions. During the war, of course, but little cotton could be reached on which tax could be levied and collected, and it is, therefore, not surprising that the aggregate receipts for 1866, on cotton, exhibited an increase over those for the preceding year, amounting to over seventeen hundred per cent.

Presenting, as it does, a most profitable and proper source for revenue, the attention of Congress was directed to the subject as early as the year 1862, and the law of 1st of July of that year provided, that "on and after the first day of October, eighteen hundred and sixty-two, there shall be levied, collected, and paid a tax of one-half of one per cent. per pound, on all cotton held or owned by any person or persons, corporation or association of persons."

In imposing this low rate it was probably believed that a much larger quantity of the article would be reached than was reached. The amount of revenue collected under this rate between October 1, 1862, and June 30, 1863, was not much more than three hundred and fifty-one thousand dollars, which represents something above seventy millions pounds. The same rate of tax prevailed throughout the fiscal year 1864, during which over a million and a quarter was returned by cotton, representing over two hundred and fifty million pounds. The law of June 30, 1864, however, increased the tax to two cents per pound, and the total receipts on the staple for the fiscal year 1865, amounted to considerably more than one and three quarter millions, representing about eighty-eight and a half million pounds. The last named rate continued in force during the entire fiscal year, 1866, but during that year the war having terminated and the whole Southern section of the country being accessible, allowing the establishment of the excise officers therein, the revenue upon the entire crop was collected, realizing to the Government nearly eighteen and a half millions. This was yielded, too, by a partial crop; cultivation of the product having been seriously impeded by the lack of implements and laboring hands.

The law of 13th of July, 1866, declares "that on and after the first day of August, eighteen hundred and sixty-six, in lieu of the taxes on unmanufactured cotton, as provided in 'an act to provide internal revenue to support the Government, to pay interest on the public debt, and for

other purposes,' approved June thirtieth, eighteen hundred and sixty-four, as amended by the act of March third, eighteen hundred and sixty-five, there shall be paid by the producer, owner or holder, upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of three cents per pound, as hereinafter provided; and the weight of such cotton shall be ascertained by deducting four per centum for tare from the gross weight of each bale or package."

It will be seen from this, that while the rate of tax was advanced from two cents per pound, to three cents per pound, an allowance of four per cent. for tare was granted, which was but just and proper, and which undoubtedly should have been conceded from the beginning of the system.

Of the eighteen and a half millions paid into the public treasury last fiscal year, Louisiana contributed four and three-tenth millions; Alabama, three and three-quarter millions; Georgia, three and a half millions; Tennessee, two and a seventh millions; Texas, one and four-tenth millions; Mississippi, seven hundred and fifty-six thousands; South Carolina, seven hundred and thirty-two thousands; Missouri, two hundred and forty-seven thousands; North Carolina, two hundred and twelve thousands; Arkansas, two hundred and three thousands: Kentucky, one hundred and twenty-one thousands; Florida, ninety-eight thousands, and the balance by other States.

The estimate for this source for the current year was probably twenty-five millions, and much more would have been collected had the crop of last year been even a half crop, but it only averaged a one-third crop, in consequence of the ravages of the wet and the worm and other causes.

Last November it was estimated by commission merchants and cotton planters in some quarters, that the year's crop would amount to a million and a quarter bales, averaging five hundred pounds to the bale. Others were assured the yield would reach two million bales. But the official estimate made at the Department of Agriculture, based upon careful county estimates received from all the cotton producing States is, in our opinion, entitled to most consideration for accuracy and reliability. This estimate provided for one and three-quarter million bales, of four hundred pounds to the bale. This crop would be worth, at the New York prices, over two hundred and thirty-five millions, allowing four per cent. tare which is unnecessarily liberal, the true tare being about two and a half per cent. Allowing for this latter tare the crop would be worth nearly two hundred and thirty-nine millions.

According to the accounts which are being received from all quarters, there is encouragement to believe, that the crop for this year will be a very favorable one. We are led to hope that every acre of cotton soil which could possibly be cultivated with chances for successful yield, was planted with the staple, and that the coming crop will make a heavy total.

It has been stated that planters in some quarters of the South, discouraged by the results of last year and the losses they sustained, announced their determination to put in corn to a large extent in the soil devoted to cotton. We hope that these statements were unfounded in fact, and that the South will never entertain even a course that must prove so suicidal to her best interests.

The present condition of her affairs is the consequence of a violent disturbance that would have entirely broken up any other country. It is fast becoming improved, much faster than the majority of the people believed practicable.

Let her in justice to herself give her sincere efforts and attention to the establishment of a satisfactory labor system, and produce by that system crops that will be much more profitable than those under her old system, and speedily restore her ancient state of plenty, comfort and wealth. The garden spot of our country, she enjoys advantages of soil and clime that place within her hands the power to raise crops with one-third of the actual labor which is demanded by cultivation in less favored regions of our land. She should rise to a full comprehension of the vast interests at stake, and remember that every day lost by her, is one gained by India, Egypt and Brazil. Those great rivals whom she so successfully competed with before the war, have not been idle during her long absence from the markets of Europe. Stimulated by the high prices prevailing, they have made gigantic efforts to secure an advantageous position in all markets; and Egypt, who furnished Great Britain in 1860, with but nearly thirty-nine million pounds, supplied that country in 1864, with one hundred and sixteen million pounds, for which she received over sixty-six millions of dollars. And East India, whose supply to Great Britain in 1860, was sixty-six millions of pounds, actually furnished that kingdom in 1864, with two hundred and sixty-nine million pounds, receiving therefor one hundred and seven and a half millions of dollars. These figures will indicate something of the efforts put forth by these two nations.

But all this the South need not fear. She can without any doubt regain her former control, as soon as she is able to throw into the English and Continental markets the bulk of the cotton that is required for consumption. Past experience teaches this fact—Egypt can never raise a very large crop owing to the scarcity of labor. She is limited, and could only go beyond a certain amount of cotton production by importing bread stuffs of which she was once a large exporter, before all available soil and labor was turned to cotton cultivation. India has disadvantages of soil and climate.

The South has every advantage that could be desired, and the promise of a most prosperous future. Let her look to it, that no exertions may be wanting on her part to ensure the early fulfillment of that promise. The result is one of vital moment to her.

TAX ON BANKS, BANKERS, BROKERS, &c.—We direct attention to the circular on this subject published last week. On page 196, in the paragraph headed "exceptions," the semi-annual tax therein mentioned as required to be paid by National Banks, should, according to section 41, of the National Currency Act of June 3, 1864, be paid direct to the Treasurer of the United States, and not to the Commissioner of Internal Revenue. Payment of taxes by Banks and Corporations directly to the Commissioner was discontinued by the provisions of the Amendatory Act of July 13, 1866, and payments of semi-annual taxes by *National* Banks are and have always been payable to the Treasurer of the United States.

THE establishment of a Metropolitan Revenue Board, the duties of which appear to be more of a supervisory than of an executive nature, is a measure that is confidently believed will prove of great benefit to the revenue. The character, standing, and official position of the gentlemen designated to compose it, give weight to the determination which Commissioner Rollins has expressed to enforce the laws in such a way as shall secure the Government its just dues, and to prevent in future such extensive frauds as the public believe have been perpetrated in this city and vicinity against the revenue. There are obstacles in the way of the smooth working of the new Board, which will doubtless be overcome by the resolution of the Commissioner, and the indomitable energy of Deputy Commissioner Messmore, on whom will apparently fall the chief labor of putting it in operation. The appointment of the board also shows that the administration of the Internal Revenue laws is in progressive hands. If the tax cannot be obtained by one method, others will be tried, until the right one is adopted. Nothing short of complete success will satify the authorities, who have the power, and are resolved to triumph over all difficulties. It is useless for tax-payers to struggle against the inevitable. Other countries collect the whisky tax, and so can the United States.

THIS issue completes the fifth volume of the RECORD. The Index, with title page, will be forwarded to all subscribers in a few days. All patrons whose subscriptions expire with this volume, are requested to forward their subscriptions for the coming year, if they desire to continue the RECORD.

ARRANGEMENTS have been made to publish in the RECORD reports of proceedings of the United States Courts in Bankruptcy, which will be made an important feature of the Journal, thereby increasing its usefulness to merchants, lawyers, and others. The RECORD, though devoted to subjects that are usually regarded as dry and uninteresting, steadily increases its subscription list The reason is plain. It gives reliable information on matters which touch the vital interests of every tax-payer. Few merchants and lawyers can afford to be without it.

THE Treasury Department has approved the bonds of John S. Walton, Assistant Treasurer at New Orleans, and notified Special Agent Knox to turn over the money, books and papers, and upon the arrival of special Treasury Agent Bell, to return to Washington.

TREASURER SPINNER decides that the redemption of the mutilated bills of defunct National Banks come under the same rule as the redemption of the mutilated Treasury notes—viz., reduction in proportion to the mutilation of the note.

Communications, &c.

Manufacturer.—The Department cannot be held responsible for the stupidity or ignorance of an assistant assessor in giving unauthorized instructions, in cases where the tax-payer is, in point of fact, more correctly informed, and if a tax-payer neglects his duties, he does it on his own responsibility.

The rulings on the questions submitted are as follows;—

"The Act of July 13, 1866, imposed a stamp duty upon canned meats, fish, shell-fish, fruits, vegetables, sirups, prepared mustard, and jams or jellies."

"The Act of March 2, 1867, exempts canned and preserved meats, shell-fish, fruits, and vegetables. The exemption does not include sauce, sirups, fish, prepared mustard, and jams or jellies. These articles are liable to stamp duty. Sirups made from fruits are liable to stamp duty."

Patentee.—The practice has, in this as in other branches of the law, been diversified. It was originally decided that the patentee, even though he did not furnish any materials, and did no work in producing articles under his patent, should nevertheless be held liable for the tax on the full value of the article, including, of course, the value of the royalty, inasmuch as this was the general market value, or if sold by him, the sale value. By this method tax was to be secured on the royalty, which under other circumstances might be avoided by the actual maker of the articles returning and paying on the sale value to the patentee, exclusive of the general market value which includes the royalty. This practice has not, however, been always rigidly adhered to, and the actual makers of articles for patentees, have been held for the tax; sometimes, we are informed, on the sales price, and sometimes on the general market value, as established by known sales and prices of the patentee. We have always considered the practice of holding the patentee for the tax, instead of his maker or virtual workman, to be correct in principle.

You would act wisely to have the matter determined before you conclude your contract. If the assessors in the two districts disagree, submit the question with a full and clear statement of the facts to Commissioner Rollins at Washington, and act in strict accordance with his instructions. You will then be saved from all harm or interference. The last ruling we know of bearing on the subject was made on the enquiry whether a manufacturer of patented articles is bound to return the full price at which they are sold, including the patent fee, or whether he should be allowed to deduct said fee. You will observe that no distinction was here drawn between the patentee and the maker of the articles.

The Internal Revenue Office on this holds that "whenever a patent enters into the combination of an article or machine, giving additional value to the same, and enhancing its cost or price to the purchaser, such patent becomes an element of value, and cannot be separated any more than any other element of value. The actual sales price, including royalty, must be returned for taxation." ED.

Brewer.—A ruling which seems to cover your case was published last week. You cannot sell beer without a license or special tax receipt in force. You must have either a brewer's license or special tax receipt, or pay special tax as a liquor dealer. Under this latter you have a right to sell other merchandise, the total sales not to exceed $25,000 per annum, including sales of beer. Payment of special tax as liquor dealer does not authorize you to keep an eating house. The business of furnishing lunches and meals, renders you liable to an additional special tax of $10 per annum, provided such business averages over $83 per month. We reprint a ruling which will give you more detailed information.

"A brewery not operating, and not liable as such during May, June, July and August, according to the statement of the assessor, should be assessed for only the *balance* of the special tax year as *brewer*.

If the party on the expiration of his special tax receipt as brewer, transacts business as liquor dealer, he should be assessed as liquor dealer. The manufacturer of fermented liquor may thus elect to pay as brewer for the *whole* year, or pay in the two capacities of brewer and liquor dealer.

Brewers paying special tax at the rate of fifty dollars only, under proviso of paragraph 17, section 19, should be assessed "for a ratable proportion of the amount to be brewed, as well as for a ratable proportion of the tax to be assessed."

For example, a brewer of this class liable from the 1st of September, (as stated) pays $33 33 (the two-thirds of $50), with liberty to manufacture any quantity less than the two-thirds of 500 barrels. If, in one or two months, or one or two weeks, etc., he reaches this limit, his special tax receipt is exhausted, and thenceforth he should be assessed at the rate of $100 per annum, as a brewer manufacturing at a greater rate than 500 barrels per year, as per said proviso, and decision 127, still in force."

Asst. Assessor.—The rulings recently published in the RECORD, explain the subject, but as you seem to be uncertain, we refer you to the following ruling, wherein it is laid down that "a printer is liable to the special tax as a manufacturer if the articles he prints exceed in value when printed $1,000 per annum.

"A printer is understood to be any person or firm whose business it is to take impressions from type, or engraved surfaces, upon paper or other materials.

"The exemption of manufactured articles from specific or *ad valorem* duties in no way affects the liability of the maker thereof to the special tax as a manufacturer.

"Proprietors of publications who do not print the works they publish, are not liable as manufacturers in respect thereof, but are liable as dealers if their sales exceed $1,000 per annum." ED.

JUDGE GILES, in the United States Circuit Court of Baltimore, on the 17th inst., is reported by the *Baltimore Sun*, to have decided in a case growing out of the failure of the Merchant's National Bank of Washington, wherein the stockholders had been sued that, under the act of Congress, they are only liable when *it is necessary to pay the debts of the association.* That is, liable when the whole debts and assets are ascertained, and only to the extent of making up the debts which the assets cannot meet and liquidate. Now, this cannot be ascertained until the assets are collected by the receiver, paid into the treasury, and the comptroller has (in the mode pointed out in the law) brought all the creditors, with the proof of their claims, before him, and has audited and stated his account of such insolvent institution.

Interior Department.

Homestead Settlements.

DEPARTMENT OF THE INTERIOR,
General Land Office,
May 18, 1867.

SIR: In reply to your letter relative to alleged abuses of the homestead law in Dakota, and your inquiries as to those who can avail themselves of the benefit of that act, and also as to what is required under the law, I have to state:

1. That any person, male or female, who is the head of a family, or has arrived at the age of twenty-one years, and is a citizen of the United States, or has declared his or her intention to become such, is entitled to make a homestead entry under the provisions of the Act of May 20, 1862.

2. After making an entry at the district office, the party must proceed with diligence to build his house and get upon the land with his family, and commence the cultivation and improvement of the same.

3. The fifth section of the act makes the abandonment of the land, or a change of residence for more than six months at any time, a cause of forfeiture.

Under this clause of the law you state that many persons claim the right to go upon the land once in every six months, remain thereon for a day or two, and then leave it again. That interpretation of the law will not be supported by this office.

Those parties certainly could not show in the final proof their actual residence and home had been upon their homestead entries; but, on the contrary, the evidence would indicate that the land had only been the place of temporary abode; hence such *quasi* settlers could have no cause of grievance, if, upon presentation of the facts, their entries should be declared invalid.

In brief, the acts of the settlers must be such as to show an intention fully to comply in good faith with the requirements of law, and make the land what the act intends it to be—his actual residence, with such improvement and cultivation of the soil as his means and strength will allow.

An exception to this requirement is made for "an adjoining farm"—homesteads. In such cases the party is not required to build and reside upon the adjacent homestead entry, but he must prove residence on the "original farm" to which the homestead tract adjoins, and also cultivation and improvement of the adjoining tract.

I am, sir, very respectfully,

JOS. S. WILSON,
Commissioner of Land Office.

Treasury Department,

OFFICE OF INTERNAL REVENUE.

OFFICIAL.]

☞ *All rulings and decisions published under this heading are* OFFICIAL, *and exchanges and officers are requested to give them as wide a publicity as practicable.*

MANUFACTURES.

Re-cutting of Files, Repairs, &c.

Under the present law the re-cutting of files is to be regarded as repairs, and therefore exempt from taxation.

$1,000 Exemption of Manufacturers of Jewelry.

The exception in paragraph 93 relates not to manufactures from gold and silver, but to the production of bullion or the product of the assayer. Manufacturers of jewelry are entitled to the exemption of one thousand dollars, in the same manner and under the same circumstances as the manufacturers of other articles.

Ratable Exemption of Manufacturers—Repairs.

When the products of a manufacturer do not exceed the rate of $3,000 per annum, or $250 per month, they are exempt from taxation to the extent of the rate of $1,000 per annum, *i. e.* to the extent of $83⅓ per month. When they exceed the first named rate, the entire amount is taxable. Photographers are entitled to the same exemption. Repairs are not taxable, and are therefore not to be taken into consideration in determining the manufacturer's right to this exemption.

Tin Cans, Condensed Milk Cans.

The Act of July 13th, 1866, exempts "tin cans used for preserved meats, fish, shell-fish, fruits, vegetables, jams, jellies, paints, oils, and spices," and the Act of March 2nd, 1867, exempts "tin ware for domestic and culinary purposes." Cans for condensed milk fall within neither of these exemptions, but are subject to a tax of five per cent. ad valorem.

Cloths Dyed, Printed and Bleached, and Re-dyed or Re-printed and Increased in Value.

The Act of June 30th, 1864, as amended by the Act of March 3d, 1865, imposed a tax of six per cent. on the increased value of all cloths dyed, printed, or bleached, on which a duty or tax had been paid. By the Act of July 13th, 1866, the rate was reduced to five per cent. The Act of March 2nd, 1867, provides that "no tax shall be imposed upon the *re*-dyeing or *re*-printing of cloths or other materials." This provision of the Act of March 2nd, is simply restrictive. It does not exempt the several processes of dyeing, printing and bleaching from taxation, but merely limits the imposition of the tax to the original processes. The value added to cloths and other articles by dyeing, printing or bleaching, is to be included and taxed as part of the original sales value of the goods when they are dyed, printed or bleached, before any sale of them is made, and as increased value when the dyeing, &c. is done after a sale has been effected; but no tax is imposed upon the *re*-dyeing or *re*-printing of them.

Increased Value of Flannel, or Woolen Fabrics Dyed, Printed or Bleached.

The tax upon the increased value of flannel and other manufactures of wool, or of which wool is the chief component material or the component material of chief value when dyed, printed or bleached, is to be assessed at the same rate as that imposed upon the original or brown goods, viz., at the rate of 2½ per cent.

Cut Nails and Spikes from untaxed Material.

Cut nails and cut spikes unless "manufactured from iron upon which the tax of three dollars per ton has been levied and paid," are subject to a tax of five dollars per ton, but if manufactured from iron upon which such tax has been paid, they are subject to a tax of two dollars per ton only.

The above ruling is reprinted from last week, to correct an error which crept into the official abstract.

STAMP TAX.

Powers of Appointment and Attorney—National Banks.

Section 25 of the act commonly known as the National Currency Act, is as follows:—

And be it further enacted, That it shall be the duty of every banking association having bonds deposited in the office of the Treasurer of the United States, once or oftener in each fiscal year, and at such time or times during the ordinary business hours as said officer or officers may select, to examine and compare the bonds so pledged, with the books of the Comptroller and the accounts of the Association, and, if found correct, to execute to the said Treasurer a certificate, setting forth the different kinds and the amounts thereof, and that the same are in the possession and custody of the Treasurer at the date of such certificate. Such examination may be made by an officer or agent of such Association, duly appointed in writing for that purpose, whose certificate before mentioned shall be of like force and validity as if executed by such president or cashier; and a duplicate signed by the Treasurer shall be retained by the Association."

The written appointment mentioned in said section is a power of attorney for a purpose not particularly mentioned in Section B, and is subject to a stamp tax of fifty cents.

Certificate to Capacity of persons administering Oaths.

The Act of March 2nd, 1867, relieves all affidavits from stamp taxes, but the certificate of the Clerk of a Court or of any other person concerning the official character of the person who signs the jurat, the genuineness of the signature and the authority of that person to administer oaths, is still like every other certicate, subject to a stamp tax of five cents.

[CIRCULAR No. 64.]

Regulations respecting Appeals to the Commissioner of Internal Revenue under section 19 of the Act of July 13, 1866.

OFFICE OF INTERNAL REVENUE,
Washington, June 13th, 1867.

Section 19, of the act of July 13, 1866, provides that "no suit shall be maintained in any court for the recovery of any tax alleged to have been erroneously or illegally assessed or collected until appeal shall have been duly made to the Commissioner of Internal Revenue, according to the provisions of law in that regard and the regulations of the Secretary of the Treasury established in pursuance thereof, and a decision of said Commissioner be had thereon, unless such suit shall be brought within six months from the time of said decision, or within six months from the time this act takes effect: *Provided*, that if said decision shall be delayed more than six months from the date of said appeal, then said suit may be brought at any time within twelve months from the date of such appeal; and no suit for the purpose of restraining the assessment or collection of tax shall be maintained in any court."

Section 44 of the act of June 30, 1864, provides, "that the Commissioner of Internal Revenue subject to regulations prescribed by the Secretary of the Treasury, shall be and is hereby authorized on appeal to him made, to remit, refund, and pay back all taxes erroneously or illegally assessed or collected, all penalties collected without authority, and all taxes that shall appear to be unjustly assessed or excessive in amount, or in any manner wrongfully collected."

The mode of making appeals under the last quoted section is regulated by Circular No. 21.

Under the foregoing provi ions, appeals may be made—

1st. From the decision of an assessor, when the person feels aggrieved by the assessment. This appeal may be presented on Form No. 47 for the abatement of the tax.

2d. For refunding, on Form 46, under section 44, above referred to.

In either case the applicant should specify the date of the assessment—if monthly, for what month or months; if annual, the year or part of year for which the assessment was made; the subject-matter upon which the assessment was imposed; and, in cases for refunding, the date of payment. Then the claimant should give a clear and concise statement of the facts upon which he bases his application. When he refers to correspondents with the Office of Internal Revenue, the date and subject of the letters should be given, with the name of the writer, if to the office, or of the person addressed, if from the office to facilitate the finding of the correspondence; or copies of all such letters, or the originals, may be furnished when in the power of the applicant.

Claims for abatement, on Form 47, must be certified to by the Assistant Assessor, who made the assessment, and the Assessor and Collector will certify thereto on Form 48.

In claims for refunding, the certificates of all those officers are required on Form No. 46. Before certifying, it is expected that each officer will personally and carefully examine the case, and certify from personal knowledge of the truth of the statement, or belief of the same based upon satisfactory evidence. Should an officer disagree with the applicant as to the facts, it is no reason why he should decline to make any certificate; but it is his duty to aid this office by presenting what he knows or believes to be the facts of the case. It is not desirable that any one should be driven into the courts of law for a redress of grievances; and, whether the amount claimed to be large or small, it is important that a just decision be made, which cannot be done without a full knowledge of the facts.

When the application is properly prepared, the Collector will forward it to the Commissioner of Internal Revenue, as required by Circular No. 21.

E. A. ROLLINS,
Commissioner.

Approved June 7, 1867.

H. MCCULLOCH,
Secretary of the Treasury.

Order Establishing a Metropoltian Revenue Board.

TREASURY DEPARTMENT,
Washington, June, 21, 1867.

For the purpose of aiding the Internal Revenue Bureau in the prevention, detection and punishment of fraud upon the Internal Revenue, and with a view to a more stringent enforcement of the law, Isaac E. Messmore, Deputy Commissioner of Internal Revenue; H. H. Van Dyck, Assistant Treasurer at New-York; Samuel G. Courtney, United States Attorney Southern District of New-York; A. Q. Keasbey, United States Attorney for the District of New-Jersey, and B. F. Tracy, United States Attorney for the Eastern District of New-York, are hereby, with their consent, constituted a Board, to be known as the Metropolitan Revenue Board.

All revenue inspectors, revenue agents, general inspectors of spirits, and special agents of the Treasury Department in the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth and Thirty-second Districts of New-York, and the Third, Fourth and Fifth Districts of New-Jersey, will immediately report to said Board for duty, and will hereafter act under the direction of said board.

Such Revenue officers as may be designated by said Board will be specially authorized by the commissioner of Internal Revenue to make seizures within said districts, and are hereby required to report all seizures immediately to the said Board, and also to the Collector of the District in which any seizures are made, and all special authority heretofore conferred on any officer to seize property within the said districts, or either of them, is hereby revoked.

Immediately upon the seizure or detention of any property within said Districts, the said Board will investigate the causes thereof. If in the opinion of said Board the property so seized is not liable to forfeiture or for any sufficient reason ought not to be held for forfeiture, if the value thereof does not exceed $3,000, the said Board is hereby authorized to direct the seizing officer to release the same,

If the value thereof is over $3,000, and in the opinion of the Board the same should be released, the facts of the case together with the opinion of the Board thereon, will be reported to the Commissioner for his action.

Hereafter no Collector in said Districts will approve any distiller's bond, or bond for bonded warehouse, or bond for transportation or rectification, redistillation or change of package of any spirits, or tobacco manufacturer's bond until after the same shall have been transmitted to said Board for investigation and report as to the responsibilities of the sureties thereto. No Collector or Assessor will consider himself in any manner released by the creation of said Board from the performance of any of the duties imposed on him by law or regulation.

Said Board shall have the power with the approval of the Secretary of the Treasury, to make all necessary rules and regulations for the transaction of its business and the execution of the powers hereby or hereafter conferred.

(Signed) H. MCCULLOCH,
Secretary.

(Signed) E. A. ROLLINS,
Commissioner.

Two indictments for malfeasance in office have been found against William James, Collector of Internal Revenue at Richmond, who has been suspended.

SECRETARY'S OFFICE—CUSTOMS.

Consular Fee not a Dutiable Charge.

SECRETARY'S OFFICE,
Washington, June 17, 1867.

SIR: The Department has had under consideration the following question: "Is the usual fee of $2 50 for a Consular certificate to an invoice of imported goods a proper dutiable charge?" This question arises under the Act of July 28, 1866, section 9, which contains the latest statutory rule for determining the dutiable value of merchandise. I have carefully considered the question, and am of the opinion that said fee is not a proper dutiable charge. It is a charge imposed by the Government itself, and required to secure the entry of goods at the United States Custom-Houses, and in no way adds to the value of the goods. You will hereafter disregard it altogether in computing the the dutiable value of imported merchandise.

I am, very respectfully,
H. MCCULLOCH,
Secretary of the Treasury.

To H. A. SMYTHE, ESQ.,
Collector of New-York.

Currency Bureau

Certification of Checks on National Banks—Issue of Cashier's Checks.

Office of the Comptroller of the Currency,
WASHINGTON June 5, 1867.

DEAR SIR:—I notice by Mr. Callender's report of his examination of your Bank two points to which I desire to call your attention. I refer to the certification of brokers' checks in excess of actual balances, and to the issue of cashiers' checks. The first I presume to be an abuse of a practice which has grown to be a necessity in the transaction of business in New York. Probably you would reject without hesitation a proposition to certify in this way for your depositors without discrimination, and very few outside of a particular class would have the imprudence to demand the privilege of overdrawing their accounts. How it happens that brokers alone claim this extraordinary indulgence, I am not prepared to explain. Why they cannot trust each other instead of requiring each other to put forward his bank as the responsible party in all transactions, I will leave you to explain. It only seems to me that the demand is utterly unreasonable and one that the banks would not only be justified in rejecting, but one that prudence would require them to repudiate. I do not say this as bearing particularly upon your particular case, but upon the practice in general; and I am much gratified to learn from Mr. Callender tha you have expressed a readiness to lend your co-operation to some practicable remedy.

As to the second point, I ground my objection to the issue of cashiers' checks upon the law. A National Bank can borrow money in either of three different ways—by issuing bills of exchange, by receiving deposits, and by the issue of circulating notes. I find no other method authorized in section eight of the law which defines your corporate privileges. If a cashier's check is issued in payment of a depositors check, it is paid out in lieu of the money called for by the depositor, and as such would be prohibited by the last clause of section twenty-three

If the depositor has the money to his credit, he is entitled to receive it; if he has not, you are under no obligation to pay the check at all. In a personal interview with you I could talk of these things in a way that would not be objectionable; in a letter there is necessarily more of formality, and what I say may seem more dictatorial. I only wish you to understand that my only desire and study is how best to promote the interest entrusted to my charge, and I am confident that with the assistance and co-operation of the New York banks the national banking system can be made all that its most ardent friends could desire. But the New York bankers must take the lead—must give tone and hearty support. It rests with them to direct, control and perfect the system. If they would realize how much depends upon them, I should have no fears for the future.

Very respectfully,
H. R. HURLBURD,
Comptroller.

HON. E. HAIGHT,
President National Bank of the Commonwealth,
New York city.

No Recent Pensions for Soldiers of the War of 1812.

DEPARTMENT OF THE INTERIOR,
Pension Office, June 6, 1867.

SIR: I have received your communication of the 4th inst., calling my attention to an advertisement which represented that "Soldiers of the war of 1812 or their widows can now obtain a Government pension of $8 per month. In reply I have to state that *such representations are wholly unwarranted*, no law having ever been enacted by which pensions are granted either to the soldiers of the war of 1812 or their widows, except—as provided more than fifty years since—to invalids and to the widows of those dying of wounds or disease incident to the service.

In view of the many inquiries made on the subject, it may be proper to add that the bill for granting pensions to soldiers of the war of 1812, and to their widows, failed to pass either branch of the Thirty-ninth Congress. The unanimous adverse report of the Pension Committee of the last House of Representatives thereon, leaves little room to expect that with the present heavy burden of the national debt, this increase so earnestly pressed upon every Congress during the last eight or ten years, will ever become a law. Our pension system has been liberal beyond that of every other nation; but it extends no further than to provide some partial compensation for the *casualties* of war. It never contemplated life annuities to men who left the service unharmed, or to the widows of such as have once served for a few months or years, and afterward died from causes entirely disconnected with the war. The proposed enactment would have added to our pension list nearly or quite as many, in all probability, as the whole number already enrolled by reason of the casualties of the late war. If pensions are granted by reason of mere service in the war of 1812, like claims might as equitably be urged on behalf of those who served in the war with Mexico, and of all those who on land or sea, aided in suppressing the recent rebellion. Whether the country can afford to increase on so liberal a scale, a pension list already swelling beyond $30,000,000, per annum, I will not discuss. The improbability of any such legislation at least is manifest. So delusive a hope ought not to be encouraged; and much less does it seem to me that the representations to which you have kindly called my attention, should be regarded as merely an innocent mistake. Their effect is injurious and not the least so on the worthy class of persons whose hopes and interests are thus trifled with.

Very respectfully yours,
(Signed), JOS. H. BARRETT,
Commissioner.

Law Reports.

Debts due Citizens of Loyal States not Discharged by Payment under the Sequestration Act of the Confederate Government.

U. S. CIRCUIT COURT—NORTH CAROLINA.

[Before Chief Justice Chase and Judge Brooks.]

Shortridge et al vs. *Macon.*

OPINION.

CHASE, J.

This is an action for the recovery of the amount of a promissory note with interest. There is no question of the liability of the defendant to the demand of the plaintiffs unless he is excused by coerced payment of the note sued upon under an act of the self-styled Confederate Congress, passed August 30, 1861, entitled "An act for the sequestration of the estates of alien enemies," and an amendatory act passed February 15, 1862. It is admitted that the plaintiffs were citizens of Pennsylvania; that the defendant was a citizen of North Carolina; that the note sued upon was made by the defendant to the plaintiffs; and that the defendant was compelled by proceedings instituted in the Courts of the so called Confederate States to pay the amount due upon it to the receiver appointed under the sequestration acts.

Upon these facts, it is insisted that the defendant is discharged from his liability to the plaintiffs. It is claimed that while it existed, the Confederate Government was a *de facto* government; that the citizens of the States which did not recognize its authority were aliens, and, in time of war, alien enemies; that, consequently, the acts of sequestration were valid acts; and, therefore, that payment to a Confederate agent of debts due to such citizens, if compelled by proceedings under those acts, relieved the debtors from all obligations to the original creditors. To maintain these propositions the counsel for the defendant rely upon the decisions of the Supreme Court of the United States, to the effect that the late Rebellion was a civil war in the prosecution of which belligerent rights were exercised by the National Government and accorded to the armed forces of the Rebel Confederacy; and upon the decisions of the State Courts during and after the close of the American war for Independence, which affirmed the validity of confiscations and sequestrations decreed against the property of non-resident British subjects and the inhabitants of Colonies or States hostile to the United Colonies or United States.

But these decisions do not, in our judgment, sustain the propositions in support of which they are cited. There is no doubt that the State of North Carolina, by the acts of the convention of May, 1861, by the previous acts of the Governor of the State, by subsequent acts of all the departments of the State Government, and by the acts of the people at the elections, held after May, 1861, set aside her State Government and Constitution, connected, under the National Constitution, with the Government of the United States and established a Constitution and Government connected with another pretended Government set up in hostility to the United States, and entered upon a course of active warfare against the National Government. Nor is there any doubt that by these acts, the practical relations of North Carolina to the Union, were suspended, and very serious liabilities incurred by those who were engaged in them. But these acts did not effect, even for a moment, the separation of North Carolina from the Union, any more than the acts of an individual who commits grave offenses against the State by resisting its officers and defying its authority, can separate him from the State. Such acts may subject the offender even to outlawry, but can discharge him from no duty nor relieve him from any responsibility.

The National Constitution declares that "treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort." The word "only" was used to exclude from the criminal jurisprudence of the New Republic the odious doctrines of constructive treason. Its use, however, while limiting the definition to plain overt acts, brings these acts into conspicuous relief, as being always and in essence treasonable. War, therefore, levied against the United States by citizens of the Republic under the pretended authority of the new State government of North Carolina, or the new central Government which assumed the title of the "Confederate States," was treason against the United States.

It has been supposed, and by some strenuously maintained, that the North Carolina ordinance of 1861, which purported to repeal the North Carolina ordinance of 1789, by which the Constitution of the United Stated was ratified, and to repeal also all subsequent acts by which the assent of North Carolina was given to amendments of the Constitution, did, in fact, repeal that ordinance and those acts, and thereby absolved the people of the State from all obligations as citizens of the United States, and made it impossible to commit treason by levying war against the National Government. No elaborate discussion of the theoretical question thus presented seems now to be necessary. That question, as a practical one, is at rest, and is not likely to be revived. It is enough to say here, that in our judgment, the answer which it has received from events is that which the soundest construction of the Constitution warrants and requires. Nor can we agree with some persons, distinguished by abilities and virtues, who insist that when rebellion attains the proportions and assumes the character of civil war, it is purged of its treasonable character, and can only be punished by the defeat of its armies, the disappointment of its hopes, and the calamities incident to unsuccessful war.

Courts have no policy. They can only declare the law. On what sound principle, then, can we say judicially that the levying of war ceases to be treason when the war becomes formidable? That though war levied by 10 men or 1,000 men is certainly treason, it is no longer such when levied by 10,000 or 1,000,000? That the armed attempts of a few attended by no serious danger to the Union, and suppressed by slight exertions of the public force, come unquestionably within the Constitutional definition; but attempts by a vast combination controlling several States, putting great armies in the field, menacing with imminent peril the very life of the Republic, and demanding immense efforts and immense expenditures of treasure and blood for their defeat and suppression, swell beyond the boundaries of the definition, and become innocent in the proportion of their enormity?

But it is said that this is the doctrine of the Supreme Court. We think otherwise. In modern times it is the usual practice of civilized governments attacked by organized and formidable rebellion, to exercise and concede belligerent rights. Instead of punishing rebels when made prisoners in war, as criminals, they agree on cartels for exchange and make other mutually beneficial arrangements; and instead of insisting upon offensive terms and designations in intercourse with the civil or military chiefs, treat them as far as possible, without surrender of essential principles, like foreign foes engaged in regular warfare. But these are concessions made by the legislative and executive departments of Government in the exercise of political discretion, and in the interest of humanity, to mitigate vindictive passions inflamed by civil conflicts, and prevent the frightful evils of mutual reprisals and retaliations. They establish no rights except during the war.

It is true that when war ceases and the authority of the regular Government is fully re-established, the penalties of violated law are seldom inflicted on the many. Wise Governments never forget that the criminality of individuals is not always or often equal to that of the acts committed by the organizations with which they are connected. Many are carried into rebellion by sincere though mistaken convictions, or hurried along by excitements due to social and State sympathies and even by the compulsion of a public opinion not their own. When the strife of arms is over, such Governments, therefore, exercising still their political discretion, address themselves mainly to the work of conciliation and restoration, and exert the prerogative of mercy rather than that of justice. Complete remission is usually extended to large classes by amnesty, or other exercise of legislative or executive authority; and individuals not included in these classes with some exceptions of the greatest offenders, are absolved by pardon, either absolutely or upon conditions prescribed by the Government.

These principles, common to all civilized nations, are those which regulated the action of the Government of the United States during the war of the Rebellion, and have regulated its action since Rebellion laid down its arms. In some respects, the forbearance and liberality of the nation exceeded all example. While hostilities were yet flagrant, one act of Congress practically abolished the death penalty for treason subsequently committed, and another provided a mode in which citizens of rebel States maintaining a loyal adhesion to the Union could recover, after the war, the value of their captured or abandoned property. The National Government has steadily sought to facilitate restoration with adequate guarantees of union, order and civil rights.

On no occasion, however, and by no act have the United States ever renounced their constitutional jurisdiction over the whole territory, or over all the citizens of the Republic, or conceded to citizens in arms against their country the character of alien enemies, or to their pretended Government, the character of a *de facto* Government. In the prize cases the Supreme Court simply asserted the right of the United States to treat the insurgents as belligerents, and to claim from foreign nations the performance of neutral duties under the penalties known to international law. The decision recognized, also, the fact of the exercise and concession of belligerent rights, and affirmed as a necessary consequence, the proposition that during the war all the inhabitants of the country controlled by the rebellion, and all the inhabitants of the country loyal to the Union, were enemies reciprocally each of the other. But there is nothing in that opinion which gives countenance to the doctrine which counsel endeavor to deduce from it; that the insurgent States, by the act of rebellion, and by levying war against the nation became foreign States, and their inhabitants alien enemies.

This proposition being denied, it must result that in compelling debtors to pay to receivers for the support of the rebellion debts due to any citizen of the United States, the insurgent authorites committed illegal violence, by which no obligation of debtors to creditors could be cancelled, or in any respect affected.

Nor can the defence in this derive more support from the decisions affirming the validity of confiscations during the war for American independence. That war began, doubtless, like the recent civil war, in rebellion. Had it terminated unsuccessfully, and had English tribunals subsequently affirmed the vali-

dity of colonial confiscation and sequestration of British property and of debts due to British subjects, those decisions would be in point. No student of international law or of history needs to be informed how impossible it is that such decisions could have been made. Had the recent rebellion proved successful, and had the validity of the confiscations and sequestrations actually enforced by the insurgent authorities been afterward questioned in Confederate courts, it is not improbable that the decisions of the State courts made during and after the revolutionary war might have been cited with approval. But it hardly needs remark that those decisions were made under widely different circumstances from those which now exist. They were made by the courts of States which had succeeded in their attempt to sever their colonial connection with Great Britain, and sanctioned acts which depended for their validity wholly upon that success; and can have no application to acts of a rebel Government seeking the severance of constitutional relations of States to the Union, but defeated in t he attempt, and itself broken up and destroyed.

Those who engage in rebellion must expect the consequences. If they succeed, rebellion becomes revolution, and the new Government will justify its founders. If they fail, all their acts hostile to the rightful Government are violations of law, and originate no rights which can be recognized by the Courts of the nation, whose authority and existence have been alike assailed. We hold, therefore, that compulsory payment under the sequestration acts to the rebel receiver of the debt due to the plaintiffs from the defendant was no discharge.

It is claimed, however, that whatever may be the right of the plaintiffs to recover the principal debt from the defendant, they cannot recover interest for the time during which war prevented all communication between the States in which they respectively resided. We cannot think so. Interest is the lawful fruit of principal. There are, indeed, some authorities to the point that the interest which accrued during war between independent nations cannot be afterward recovered, though the debt, with other interest, may be. But this rule, in our judgment, is applicable only to such wars. Nor do we perceive anything in the Act of the 13th of July, 1861, which suspended for a time all intercourse between the loyal and insurgent portions of the country, that warrant its application to the case before us. Legal rights could neither be originated nor defeated by the action of the central authorities of the late Rebellion.

The plaintiff must have judgment for the principal and interest of his debt without deduction.

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