The Daily Crescent Bee.

OFFICE 78 CHARTRES STREET. NEW ORLEANS, FRIDAY MORNING, MAY 4, 1866. Vol. XXVII—New Series. Vol. XVII—Whole—13,782

TAX ON COTTON.

There seems to be little hope that the tax of five cents per pound on cotton, reported by the Ways and Means Committee, will not be incorporated as one of the chief items in an amended Internal Revenue act to be adopted by Congress. It would be useless in behalf of the cotton-growing interest of the South to protest against the inequality and oppressiveness of such a measure. The spirit of injustice, selfishness and rapacity is one whose development is like the spread of fire and water, and instinctively tends in the direction of least resistance. This spirit in the same which so long struggled, to subjugate every interest in this country to the aggrandisement of special classes. In this form it was measurably held in check before the war, and the country at large proportionately prospered. One of the most disastrous results of the war has been the discontinuance of that check and the conversion of the whole revenue system into an instrument of private or sectional spoliation in the name of public taxation.

It is not difficult to conceive the general idea in which the proposed tax of five cents per pound on cotton had its origin. Great expectations have prevailed in the North as to the extent of succeeding crops of cotton in the South, and it doubtless struck the minds of the sectional partisans who mainly compose the Committee of Ways and Means, that cotton, of all agricultural products, could be heavily taxed with the highest promise of yielding a certain and large addition to the revenue which would not excite any popular complaint that could injure the party now in legislative power, but which, on the contrary, would go far to relieve Northern products of all kinds from taxation. In short, we may say that the key to the whole secret of the measure is in the fact that cotton in the United States is exclusively a Southern staple, while those who have in their hands the legislation for the United States deem themselves exclusively amenable to Northern interests and influences. Put wheat, or Indian corn, or pork, or beef, in the same sectional category as cotton occupies, and there would, beyond question, be the same alacrity on the part of the Committee of Ways and Means to impose on it a heavy and discriminating tax.

But the articles enumerated happen to be more Northern and Western than Southern, and precisely what that Committee aims at is to avoid a tax system that shall operate with equality in all the sections. Yet, in final effect, however the sectional legislators in Congress may wish their constituents to believe the contrary, the agricultural producers of the other sections would feel the weight of an oppressive tax on cotton hardly less than the planters of the South. This will become clear when we remember two facts. The first is, that every additional tax on a product is a proportionate addition to the expenses of producing it, and that this increased expense is expressed in the cost, and the cost is the enhanced price of the product in whatever form it may reach agricultural consumers in the North and West. The second is, that every addition to the expenses of producing cotton must have a proportionate tendency, not only to diminish its supply and increase its price, but also to divert the capital and labor of Southern planters to a larger production of Indian corn, wheat, pork, and other articles of food.

In the ratio that the five cents tax on cotton would detract from the net profits of their crops and thus lessen their ability to buy, they would seek to escape the necessity to purchase by supplying at home those articles which otherwise they would obtain from abroad. That this is not a mere economical abstraction, there is already evidence of a practical character to prove. Among other instances to a similar effect is the fact mentioned in a recent Georgia paper that an old and intelligent planter of that State, as soon as he heard of the projected tax, reduced the area of his cotton crop by one-half, and devoted to corn twice the quantity of ground at first intended. This enlarged cultivation of corn, or of other cereals, under the operation of such a tax, in face of a falling Liverpool market such as we now see, would unquestionably in time be extended over the entire cotton region of the South, and the aggregate enlargement of that species of agriculture would to that extent diminish the market and curtail the profits of Northern and Western producers of breadstuffs.

In certain commercial contingencies which are by no means improbable the tax of five cents per pound on cotton would be so burdensome as to drive thousands to abandon the cultivation of cotton altogether. Suppose, for example, that cotton in Liverpool should drop to 25 cents per pound. The present expenses of producing it in the South have been estimated at 15 cents per pound. This amount deducted from 25 cents would leave 10 cents. Deduct from that the tax of 5 cents, and there is the scant remainder of 5 cents to cover all extraordinary outlays, accidents and losses, to support the planter and those dependent upon him, and to pay, over and above all, a dividend on the total capital invested. It is needless to say, with most articles of necessary consumption going up or stationary while cotton is going down, that such a remainder would present rather a dismal prospect for the coming year in the contrast of profit and loss.

But it is also quite supposable that in Liverpool cotton should drop to 20 cents per pound, from which we would have to deduct expenses, 15 cents per pound, and the tax of 5 cents per pound. There would be no remainder what ever, and cotton growing in the South would soon be approaching to the same result of the above process of subtraction, that is to *naught*. Very little, if any, Southern cotton could be shipped to Europe when its average cost at home would be as much as its price in Liverpool. The addition of freight would, of course, be a general prohibition of its foreign shipment. Only the finest and rarest qualities could find their way to a foreign market. The rest would remain for the New England manufacturers to purchase at their leisure and convenience, and they, the moment cotton in Liverpool should fall some cents lower than the sum of expenses of cultivating cotton in the South added to the tax of five cents per pound, would look to Europe for their ordinary supply of cotton, and would thus leave the mass of Southern cotton growers without a market on either side of the Atlantic. A small quantity of the finest and rarest qualities—such as are thought to be peculiar to the cotton region of the United States—might still be produced. But, in all events, the general tendency of the tax would be to drive the common grade of Southern cotton from market and from cultivation, and to encourage commensurately its production in other countries, especially in Brazil and British India.

Additional Mexican Correspondence.

Washington, April 27.—The official documents on the subject of the evacuation of Mexico by the French have just been printed by the Government Printing Bureau. The principal papers appeared in the newspapers last Tuesday morning. But in addition to that information it may be interesting to learn that M. Drouyn de Lhuys informed Minister Bigelow in January that the French government had no intention to take possession of any part of Mexico, but that it adhered entirely to the policy heretofore announced to our minister on that subject.

On Mr. Bigelow's asking him if he could give any reason for the sudden change which he had obtain from Mexico, Mr Drouyn de Lhuys replied they did not, of course, expect to get the money owing them, but they hoped for something which they might regard as equivalent; that, however, was a matter of negotiation between them and Mexico.

Mr. Bigelow says: "I then asked whether it would not be possible in some way to arrest the useless and demoralizing war. It was carried on in Mexico between Maximilian and the Juarista, at least while these negotiations were going on; that is, while the French occupation should last. He said he wished there was; that the atrocities practiced were really to dreadful too speak of, but he did not know that he could do anything to discourage them, and asked if I had anything to suggest. I said that I supposed that if the Juaristic were sure that the French were intending to leave, they would be more willing to negotiate reasonable terms, and that they would then have a fair chance of trying conclusions with Maximilian's party, they would be willing to wait. He seemed pleased by this, and thought that if Prince or Maximilian had any indirect means of coming to such an understanding with Juarez, it might render the situation less embarrassing to the Emperor. His Excellency intimated that he would be very glad, if that were practicable, as it would enable them to leave the country so much the sooner, but they had no means of communicating with Juarez; and he asked me if I could suggest any mode of accomplishing what I proposed. I replied that we had relations of no kind with Juarez, and that I knew of no means by which we could communicate with him, but afterwards declined, and threw the responsibility upon the English Minister, who declined to act in the premises. Count Rogers tried to bring about an accommodation but without success.

Frank P. Blair's nomination as Collector of Internal Revenue for the St. Louis District has been rejected.

In the Senate, Mr. Trumbull's amendment to the Postoffice appropriation bill was adopted, and the bill passed.

The Niagara ship canal bill from the House was referred to the Committee on Commerce.

The army appropriation bill was taken up. Mr. Wilson's amendment was adopted appropriating $146,000 for fire proof buildings at the Schuylkill Arsenal, Philadelphia, for Government store-houses.

Vicksburg, May 3.—Passed down, Emerald at 1 and Indiana at 4 P. M. Heavy rains are falling and the river is rising.

Washington, May 3.—*Senate.*—Mr. Chandler from the Conference Committee on the Union Telegraph line, has made a report which was agreed to.

A bill passed granting John Ericsson $14,000 for services in planning the war steamer Princeton.

House.—The bill passed providing a temporary government for Montana.

A bill passed enlarging the boundaries of Nevada, by including part of Utah and Arizona.

The bill to admit Colorado was considered and subsequently passed by a majority of 20 without amendment.

Memphis, May 3.—The city remains quiet up to 9 o'clock to-night. The negro soldiers frequently mustered out have been paid off at Fort Pickering to-day. They threaten to burn the city to night. Great uneasiness is felt. They are kept in the fort by a portion of the 16th regulars. Gen. Stoneman this afternoon served a notice upon the mayor, the council and the county officers, forbidding the assembling of any bodies of armed men, black or white, except the police. So far the police are relied on to preserve the peace. A large number of negroes were arrested to day and found heavily armed.

The towboat Tigress exploded both boilers near Fulton last night, killing the Captain, his wife, the first engineer, the second engineer and three deck hands, and scalding several others.

New York, May 3.—Messrs. Fort, Edward, Howland, Palmer and Company's paper mill near the battery, has been burned to-day with a large quantity of stock. The loss is estimated at $50,000.

New York, May 3.—Cotton closed steady at 24c. Flour advanced 10c. Whisky, $2 27½@ Coffee dull. Sugar firm at 10½ to 12¾. Meats of Pork decidedly lower at $32 50@. Money steady at 5 per cent. Sterling exchange firm at 109. Gold closed at 127¾. Freights to Liverpool dull. Stocks strong but hesitating and unsettled. Government stocks quiet, except 10-40's which are favorably affected by the new loan bill.

New York, May 3.—The action of the Spanish arals in bombarding and burning Valparaiso is very generally deprecated by the press. It is thought to the Civilian Government is about $10,000,000. The French and other citizens lose $15,000,000, the United States interest being small.

The British residents especially condemn British Admiral Denman, whom they charge with prevarication and detaching of his ships to guard Spanish commerce. It is understood all the accessible parties are to have their share of the bombardment.

New York, May 3.—Rosa, the forger, is still at large. The amount of his forgeries is fixed at $500,000.

Another woman has died of cholera in Mulberry street.

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Louisville, May 3 — Sales of tobacco, 185 hogsheads at full rates; market active at prices ranging from $40 to $60. Flour, superfine, $7 75. Corn 65c. Oats 47c. Mess Pork firm, at $30. Bacon Shoulders 13c. Clear Sides 18c. Cotton—Middling—36c. Whisky $2 22. Lard 20c.

Cincinnati, May 3.—Flour firm—superfine $8 50. Wheat in good demand at full prices. Oats dull at 43c. Whisky dull and unchanged. Mess pork $29. Bulk meats in good demand at 11½ to 14½c. Lard 20½c.

(Associated Press Dispatches)

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New York, May 3.—Rio Janeiro advices to April 2, have reached us. It is believed the issues of the Bank of Brazil will be increased, the Government guaranteeing it, and the ten millions in gold in its vaults will be withdrawn to meet the expenses of the war.

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ARRIVAL OF THE YEMURI.

Southwest Pass, May 3.—The British bark Yumuri, Thompson, master, fifty-five days from Liverpool, with general cargo, has arrived.

The South and the Next Presidency—Suggested Combination of Northern and Southern Democrats in the Election of a President Regardless of Congressional Reconstruction.

[From the New York Times, April 28.]

We copy from the Auburn *Advertiser* a brief article which presents considerations worthy of attention concerning the probable drift of political events. The writer has the sagacity, more just now, of looking at things as they are, and not as he would like to have them. If more of our public men would bring themselves into this frame of mind, we should have a better chance of reaching a beneficial solution of the sorely vexed political problems of the day.

The writer in the *Advertiser* points out the failing of the Alps and suggestions which seem to have prospected public notice on the subject of Southern security. He proposes that the Southern people should unite with the Democrats of the Northern States in a movement which shall be so powerful as to compel the Republican party to which the Southern people are opposed, to make terms with them. The writer says:

"Recently attention has been directed to the subject of a Southern Convention, to be composed of representatives from the Southern States, to consider the question of the relation of the South to the Union, and to adopt measures for the protection of Southern interests. The idea has been discussed in the Southern papers, and it is said that a Convention will be held in Nashville, Tenn., on the 22d of May. The Convention will be composed of representatives from the Southern States