

Exhibit 6

ize the purchase of coin, and for other purposes, returned from the Senate, with amendments, was taken from the Speaker's table and referred to the Committee of Ways and Means.

TAX BILL.

Mr. STEVENS. I move that the rules be suspended, and that the House resolve itself into the Committee of the Whole on the state of the Union. The motion was agreed to.

So the rules were suspended; and the House accordingly resolved itself into the Committee of the Whole on the state of the Union, (Mr. COLFAX in the chair,) and proceeded to the consideration of the special order, being the bill of the House (No. 312) to provide internal revenue to support the Government and pay interest on the public debt.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MORRILL, of Vermont. Mr. Chairman, it is my purpose, after a few observations upon the general character of the bill before us, to confine what I have to say to an explanation of its most important details, to give some reasons therefor, and conclude with an estimate of the amount of revenue it may be expected to produce. The extent of the bill, and the large number of objects included, leads me to hope the committee will indulge me for a few minutes beyond the allotted hour, if it should be necessary to complete the course I have marked out—otherwise I shall omit some things which I might prefer to place before the committee.

It is proper to say at the start that the Committee of Ways and Means will propose a few changes in the bill at the proper time, and among others to strike out the duty on flour, to reduce the duty on oxide of zinc and barytes; also, to change the provisions on petroleum and coal oil, and to transfer, perhaps, some articles from the specific to an *ad valorem* rate.

There have been issued in bonds and Treasury notes, authorized at the extra session of Congress, \$250,000,000. At the present session we have, under all forms, authorized the issue of United States securities to the amount of \$610,000,000. This, with our previous public debt, would make about \$950,000,000. The appropriations for 1862 have been \$514,984,067 31; and the bills already passed and reported show that if the war continues through 1863, our indebtedness will not be less, after deducting what receipts of the Treasury there may be, than nine or ten hundred millions of dollars. To pay the interest on this sum will require from sixty to seventy millions. Our ordinary expenses would not, under any circumstances, be less than \$60,000,000 per annum; and our military establishment after the close of the rebellion, will be likely to require \$25,000,000 beyond that sum for some years. We must pay all our ordinary expenses, the interest on all the public debt, and, over and above this, have a respectable sinking fund to retire some portion of the public debt annually, and this overplus must be sufficient to guard against all contingencies. It will be my purpose to show that the financial measures in contemplation guaranty even more than the amount of these large demands upon the Treasury.

Many years since one of the European Governments offered a reward to any person who should discover a new object of taxation, and it was bestowed, I believe, upon the discovery of the stamp tax upon paper. That is not by any means our condition. There is but little more than one source, that of imposts, which we have relied upon to any extent for revenue, and that source has not been pushed to its utmost capacity. Driven, however now, like Milton's Adam, from our untaxed garden, to rely upon the sweat of the brow for support, like Adam, we have "all the world before us where to choose." In doing this we have to be just. If it would not do to quarter the immense army of the Potomac on the District of Columbia alone, no more would it do to press any single interest with the entire burden that now weighs down upon the Treasury. The weight must be distributed equally—not upon each man an equal amount, but a tax proportionate to his ability to pay—equally, yet not one that will be in the exact ratio of population, but in a just proportion to the means and facility of payment. What could be easily sustained in one quarter of

the country might sink another in hopeless dishonor and repudiation. A heavy duty upon some articles would banish them from use, while upon others it would merely stimulate greater activity and industry to obtain them. A tax dependent upon the habits or vices of men is the most reliable of all taxes, as it takes centuries to change or eradicate one or the other. No matter what obstacles may be placed in the way of the introduction of opium, the Chinese will brave death itself rather than suffer the deprivation of their favorite stimulant. England taxes spirits enormously, but has her drunkards still. They raise, too, \$28,000,000 (or about one dollar for each inhabitant) of revenue from duties on tobacco, which proves that some of the Queen's subjects are not entirely immaculate as to those filthy expectations which so disgust English travelers in America.

In the preparation of the present bill it has been found proper to look at the condition of the several States, as well as the United States. Each of these have been compelled to assume, or have voluntarily assumed, heavy burdens, moved thereto by the profoundest attachment to the General Government, and will all have largely to increase their tax rolls in order to meet State engagements. It is a question of vital importance to them that the General Government should not absorb all their taxable resources—that the accustomed objects of State taxation should, in some degree at least, go untouched. The orbit of the United States and the States must be different and not conflicting. Otherwise, we might perplex and jostle, if we did not actually crush, some of the most loyal States of the Union. It has not been possible, so multifarious are the systems of State taxation, and so large our wants, to wholly succeed in carrying out this idea; but it has been attempted in two modes; the first, by the avoidance of any tax or duty on live stock, and by declining to increase the direct tax on real estate—a very moderate one—levied at the last session of Congress; and the second, by a selection of new objects of taxation, and such others as for many reasons can sustain even the double taxation to which they may be for the time subjected.

Some gentlemen, and even some States, have manifested a solicitude that any taxes incident to the present rebellion should be levied in such a way as to allow the several States to assume, assess, and collect them, or, if not to include the assessment, at least to assume and collect after an assessment by the United States. If this were practicable, it might be very desirable. In the direct tax of August last this feature was introduced, and there has appeared as yet no serious national difficulties in the practice. In fact, all, or nearly all, of the States have assumed and will pay the tax. If there be any exceptions, both the States and amounts are too small to be worthy of notice. If State officers could be employed, and the increase of Federal patronage avoided by not creating a new corps of office-holders, a great point would be gained.

According to the Constitution, direct taxes must be apportioned, and all other taxes must be uniform. It would appear almost superfluous to say that nothing but a direct tax can be assumed by a State, and yet the contrary opinion has been so prevalent that it seems proper to notice it. We provide in the present bill that the duties, if not paid at the proper time, shall be hereafter collected in the now rebellious States. Authorize the States to assume and collect, and then suppose South Carolina to set about it. How much revenue so farmed should we be likely to obtain? It would be for the interest of all State officials to collude and pay as little as possible. It is not too much to suppose some would improve the opportunity.

This idea is wholly impracticable as may be seen by any one who looks at the scope of the bill, with its fingers spread out in all directions, ready to clutch something to buoy up the sinking credit of a nation which has hitherto generally sheltered its capital and its labor from all tax gatherers, except through the indirect process of the customhouse. It is not enough to know that a debtor has means; he must exhibit the will to pay, otherwise there must be some law to coerce the will. In this emergency, we cannot afford to return to the pusillanimity of the old Confederation, and request the States to make their contributions, and shiver in the wind if any should fail to do so, or declare

war upon them for delinquency. The Government of the United States—the most parental and benign of all earthly governments—in its hour of need has the right to demand whatever may be the measure of its necessities to sustain the public credit—our honor and existence as one people. That the Government is the property of the people is not more true than that the property of the people for public use belongs to the Government. If the power of taxation gives the right to take three per cent., it gives to the extent of ninety-nine per cent. just as much; but it would be an abuse of power justifying a revolution if it exacted anything beyond its reasonable and urgent necessities.

This bill is not a little budget that a town or county tax collector might take under his arm, as a little extra business that would not retard his progress in the ordinary discharge of his duties, but quite the reverse; and the United States collectors might, perhaps, with rather more propriety, accept local tax bills for collection as not a large additional burden. The rebellion must be so ended as that the principal performers can never reappear in a secession tragedy—never reappear at all; but unfortunately internal duties and taxes must reappear. Our brave men of to-day must shed their blood with no other reward than to set their names as jewels in the history of the times—and they ask no more—but a generation must be annually taxed for this parricidal attempt to destroy the Government of our fathers. Taxation for many years, I fear, must be the rule, and have a place in our statutes as a part of our ordinary legislation. It is indispensable that the Government shall have within its own control—responsive to it at regular and stated periods—the means of meeting all its vast engagements. This can only be secured by its own agents under its own laws. Even where the States are allowed, as they are in the direct tax, fifteen per cent. for assuming and collecting a tax, when all assume it, there is no advantage gained. The effect is to require the tax to be put fifteen per cent. higher than would otherwise be called for; and the General Government can collect the amount at a much less expense.

That the bill is perfect the committee are far from supposing. To us at best it is but an experiment, and the wisdom of Congress, now and hereafter, will judge how much of it should be permanently retained and what part must be dropped out. It is no personal or party measure, but one imperiously demanded—sharp as may be the medicine—for the general welfare. The committee which has reported it, as has already been stated, gave it their united approval, with no dissenting voice. No party groans or croaks were there tolerated. Catholic and suggestive criticism, for the purpose of real amendment, is to be invited—nay, will be treated with hospitality; but that fault-finding which lurks in ambush, ready to take advantage of anything which may turn up, with no courage or virtue but to do pleasing things, objecting but offering no valid substitute, is so nearly allied to cowardice in the field and to the cause of our enemies, that I am persuaded an intelligent people will never stop to make or mark any distinctive difference.

The time in which and the materials from which to prepare such a bill have been too stinted to warrant sanguine predictions as to the result. A disposition to be just to every interest, and to all parts of the country, I think will not be questioned. The correspondence of the committee, added to that of many members of the House and Senate, kindly thrown into their hands, has been very voluminous and of considerable value. Gentlemen engaged or interested in very many branches of industry—many of them of much intelligence, enterprise, and weight of character—have been before the committee to give such facts and information as were deemed important, touching nearly the whole range of objects concerning which we are called upon to legislate. I feel it is due to those gentlemen to say that in few instances have any of them asked to be exonerated or exempted from their proper share in sustaining the Government. It is true that some were willing, perhaps, to see pilgrims by their side bearing up a larger pack than they felt to be wise or prudent for their own backs, but all were willing and even anxious to contribute what appeared to them to be just and reasonable; and some were willing to contribute much more, on the ground that, if