

Revision of the Taxation System—Proposed Re-establishment of the Old Arrangement of Taxes—News from the Interior.

The steamship *De Soto*, which arrived here yesterday, brings the latest news from Cuba, Porto Rico and the West India islands. The purser's favors are hereby acknowledged.

Suppression of the Direct Contributions—Revival of the Old System of Taxation—General Features of the Latter—Campaign in the Camaguey—Valmaseda Going to Puerto Principe—Items of the Insurrection—Movements of Mr. Seward and Party.

HAVANA, Jan. 25, 1870.

An extra of the *Official Gazette* of the 23d announces an abolition of the direct contributions, so-called, which was at the foundation of the complaints made by those who inaugurated the present revolution in this island. While following the revolution in Spain there is no doubt these taxes would in any case have been abolished or greatly modified. The action of the government under the circumstances may be regarded as a repetition of the course pursued by the British Parliament in repealing the Stamp act during the American Revolution, and, like that famous measure, it comes too late to satisfy rebels in arms.

These contributions were, from the first, ill advised and calculated to excite discontent, and at the same time it is well settled that they have not afforded to the government so large a revenue as was obtained under the old system. Among the commissions which proceeded to Spain to advise with the authorities upon a revision of the method of taxation in this island were some prominent Cubans, and it has been charged that they advised the onerous method adopted, with the view of exciting a discontent which should lead to revolt. Far more than the method displaced it bore upon the poor, and the arbitrary manner in which its enactments were enforced by the Spanish officials, who sometimes seized the last domestic animal of the poor laborer, excited the people almost to frenzy. By this decree of the Regent the old system is re-established. It imposed a rustic tax of two and a half per cent. on the net product, and an additional two and a half per cent for the Church. On city property, four per cent on net income. Industry and commerce were subjected to a special tax on income, varying from one to four per cent, imposed by the *Ayuntamientos* for municipal purposes. Also a tax on purchase and sale of property of six per cent on price, and if the buyer paid this tax under terms of sale, two and one-half per cent on the amount of six per cent additional. These were the main features. Under authorization from the home government, General de Rodas decrees that the change shall take effect from the 1st of April. The decree is preceded by a long preamble, argumentative and explanatory, but without interest beyond the island.

News from the insurrection comes in but slowly, and presents little of interest and importance. Attention is centred in the Camaguey, where, as predicted in these despatches long before any movement was inaugurated, the decisive campaign of the season is about to take place. By telegram from Cienfuegos the *Foz de Cuba* professes to learn that a grand celebration in honor of the pacification of the Eastern Department has taken place in Santiago de Cuba, and that Valmaseda was preparing to depart for Puerto Principe. It adds that a party of the *Contraguerrillos* de Valmaseda had arrived at Santiago, having as prisoners the insurgent Generals Luis Marciano and Pedro Figuerdo, with the family of the latter. The *Foz de Cuba* has this news exclusively, and it should therefore be taken *cum grano salis*, as its information of that character generally turns out false.

In reference to Puello the journals here, often two or three days behind in publishing news, owing to the fact that it is withheld by the government, have nothing. They state that Goyeneche left Puerto Principe on the 18th, with eight days' rations, in the direction of the mountains of Najara, to combine with Puello. The *Diario* has from the captain of the *Pelayo* that a person in authority in Nuevitas stated that Puello was besieging the principal encampment of rebels in the mountains mentioned, and this is all. Much anxiety is felt here concerning him, and there are rumors afloat that his column has been cut to pieces and himself killed.

The *Diario* has correspondence from the force of Goyeneche descriptive of the march from Ciego de Avila to Puerto Principe. The troops encountered many obstacles, owing to the roughness of the way, but no insurgents, until shortly before arrival, when the vanguard surprised a party of armed Chinamen, who instantly fled. One of their number was taken prisoner and tried by summary court martial.

The *Pelayo* brought dates from Gibara to the 19th, but they contain nothing of interest.

Yesterday evening arrived here the Mayor of Remedios, bringing information that the Chief *Mugica* and 100 of his party had presented themselves to the authorities for pardon.

Dates from Trinidad to the 21st and Cienfuegos to the 23d report encounters and various attempts at destruction of estates, the details of which are of no interest.

On the morning of Saturday, the 22d, went to sea the gunboats *Go'dado* and *Rapido*, recently from New York, having on board the Spanish Admiral and two foreign engineers, for the purpose of testing machinery and general condition of vessels. These were pronounced eminently satisfactory.

The United States flagship *Severn*, Rear Admiral Poor, and the monitors *Dictator* and *Saugus* left here yesterday evening for Matanzas.

A grand parade of the volunteers of Havana, followed by a review in honor of Mr. Seward, took place on Sunday. A heavy rain storm came on while the line was forming, amid which the Captain General and staff arrived on the ground, and, in despite of which, conducted the ceremonies to a close. Mr. Seward occupied a carriage, which effectually secured him from the rain.

To-day Mr. Seward and party proceed to the estate "España," near Bemba, where they will remain one day; thence they will proceed to the estate of Mr. Richland, situate near Cardenas, where they will remain about ten days and then return here. Ramon Williams, a merchant of Havana, accompanies them.

A very life-like plaster cast of Mr. Seward has been taken by an artist here since his arrival.