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TREASURY DEPARTMENT,
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THE COLLECTION OF DUTIES.

TREASURY DEPARTMENT, *December* 7, 1885.

SIR: In the month of January, 1885, my excellent predecessor in this Department, Mr. McCulloch, had been constrained, by the conduct of certain Special Agents of this Department at the Port of New York, to order an investigation thereof. Three Special Agents of the Treasury were selected to make the necessary inquiries. Additional instructions were given to these Agents, and on the same topic, on February 25, 1885. The work being in progress when I came to the Department, I gave such other instructions, from time to time, as seemed needed to promote and accomplish the object. The reports made by those to whom the investigation was confided will be found in the accompanying documents, on pages 10 to 31.

In February, 1885, and on the suggestion of the Special Agents Division of this Department, my predecessor directed an inquiry to be made by the Special Agents who advised such inquiry, into undervaluations, damage allowance, drawbacks, and such other irregular practices at the Port of New York as might come under their notice. The result of that investigation will be found on pages 32 to 63 of the papers herewith transmitted.

On March 16, 1885, complaints having been made to me of improper conduct in reappraisements at the Port of New York, I directed the Special Agents to thoroughly examine the subject, whose report will be found on pages 74 to 99.

A short time thereafter I ordered an investigation by the Special Agents, and a report to me, of the manner in which the customs business was generally transacted in the several Collection Districts, and indicated one hundred and eleven points, or topics, about which I wished to be especially informed. The result thereof will be found herewith, on pages 100 to 128.

On June 27, 1885, one of the General Appraisers, together with two of the Special Agents, having been directed by me to investigate the entry, appraisement, and classification of imported merchandise at Boston, New York, Philadelphia, and Baltimore, made reports, which will be found on pages 63 to 74.

Subsequently, and in March and April, I sent a request to local officers in the Collection Districts, that each of them would inform me to

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what extent, in his opinion, the force employed in his District might be reduced without detriment to the public service. The replies received, together with tabular statements showing the reductions made subsequently by me in the size and expense of the customs service, will be found on pages 129 to 273.

Having reason to feel that such inquiries as had been set on foot by my predecessor, or myself, through the Special Agents of the Treasury might have been partial, or possibly controlled by prejudices, or preconceived theories, entertained by those Agents, and being desirous to satisfactorily ascertain the real relation existing, in the customs service, between those Agents and the Chief Officers at the more important of the several ports, and also wishing to obtain the opinion of those local officers respecting the character and causes of the present condition of the service,—I sent, in August last, to a large number of the last-named officers, including District Attorneys in the more important of the judicial districts, a Circular Letter of Inquiry. A copy of that Circular Letter accompanies (page 331) this report.

A part of my original purpose, in the preparation and use of this Circular Letter, was to get information and opinions from the local officers to aid me in working out conclusions which I could properly transmit to Congress for its appreciation, and possibly for its guidance in enacting new laws where required for improving, and strengthening, this most essential branch of the Government service. But, on a careful examination of the replies, and on a comparison of the conflicting views taken, not only by officers at the same port, but by officers at different ports, as well as in consideration of opposing opinions betwen Special Agents and local officers, it seemed to me better to transmit to Congress the text of each reply.

My endeavor has been to leave each officer quite free to frankly express his opinion as an officer, and to criticise the decisions of this Department, as well as the conduct of the superiors, or associates, at the several ports. To these 227 circulars of inquiry sent out by me, replies have been received excepting from the small number of 19. All but 25 of the replies are from officers who were in the customs service prior to March last.

The decision to send to Congress each one of the replies was somewhat influenced by the thought that a perusal of all of them by members of the legislative branch of the Government may throw light on the familiarity of those customs officers with the laws which they administer, their general intelligence, their fidelity and zeal. The character of the replies received from those who occupy the places of Exam-

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iners in the Appraising Department is especially noteworthy, as well as the tendency, more or less apparent, of so many of the local officers and the Special Agents, to allude to New York as the port where the larger part of the offences against the revenue laws have been and are committed, as well as the disagreement of opinion between the Collector, the local officers of certain ports, and Special Agents of the Treasury assigned to those ports.

In transmitting to the Senate and House this large body of information on customs affairs, coming from so many different sources, and from so many widely separated ports and places, and many of the opinions conflicting with one another, it will naturally be expected by Congress, and by the country, that I express my own conclusions on the matters wherein there is not a unison of opinion in the replies.

INVOICES, AND THEIR VERIFICATION.

The weakest point in the execution of the customs-revenue law has been, and is now, at the inception of the importation of dutiable merchandise. Perhaps such defect in administration is inherent in any tariff system that depends for its integrity on the correct ascertainment of foreign values. The difficulties are twofold. The first comes of the persistent unwillingness of shippers to tell the truth in invoices. The second comes of the ignorance, or inattention, or something worse, of our own Consular officers. This last is the more inexcusable, since quite four-fifths of the money that upholds, and keeps alive, our entire Consular system is derived from fees levied for the pretended Consular examination of invoices.

During nearly three-quarters of a century, our tariff laws have required shippers, and especially manufacturers, as a condition precedent of sending merchandise to this country, to disclose, and declare, the real value thereof. This will appear on a brief review of our legislation, and such a review is necessary now because of the idea that has recently been so industriously put about, that there is something modern, or novel, or unnecessarily exacting in the present requirements of Congress in that relation.

In 1789, the first law was enacted to regulate the *collection* of duties. Therein it was required that every person, having any merchandise on board any arriving vessel, make entry thereof with the Collector of the port where the same shall arrive, declaring *the net prime cost*, and produce to the Collector the original invoice, or invoices. One year afterward that law was repealed. Another was enacted to take its place,

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for which, on March 2, 1799, the elaborate enactment of that last-named date was substituted. It has remained to this day as the foundation and the frame-work of subsequent legislation for the taking possession of arriving merchandise, and the levying and collecting of duties thereon. The thirty-seventh section declared as did former laws, that the owner or consignee, or agent of the owner or consignee of merchandise, shall make an entry thereof in writing with the Collector, and shall therein specify, among other things, the "*prime cost.*" This law referred, it is to be assumed, only to *purchased* goods.

On April 20, 1818, the law of 1799 was amended, and new requirements made in respect to invoices, so that, in addition to the former oath under the law of 1799, the person making entry of merchandise subject to *ad valorem* duty, must declare that the invoice produced by him exhibits "*the true value*" of such merchandise, in its actual state of manufacture, at the place from which the same was imported. The eighth section declared that any dutiable merchandise, belonging to a person residing and being at the time of entry outside of the United States, shall not be admitted to entry unless the invoice shall be verified before an American Consul abroad. This is one of the earliest laws requiring the participation of Consular officers in the importation and entry of merchandise. The same section declared that, under the circumstances of ownership last described, the owner or owners, shall swear "whether he or they are the manufacturers, in whole or in part, of such goods, wares or merchandise, or are concerned directly or indirectly in the profits of any art or trade by which they have been brought to their present state of manufacture; and if so, he or they shall further swear that the prices charged in the aforesaid invoice are the current value of the same at the place of manufacture, and such as he or they would have received if the same had been there sold in the usual course of trade." This early law, it will be seen, distinctly regulated the entry of merchandise by foreign manufacturers consigning their products to this country for sale on their account and risk, which has recently created so much difficulty.

The law was again amended on March 1, 1823, when the distinction was made plain, which now exists in the law, between an invoice of merchandise purchased abroad and imported by the purchaser, and merchandise not actually purchased abroad in the ordinary mode of bargain and sale, but imported by the manufacturer. That law of 1823 required that the invoice of *purchased* goods shall contain "a true and faithful account of the actual cost thereof" and be accompained by an affidavit of the truth of such declaration administered by the Consul.

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or Commercial Agent, of the United States. If the merchandise be imported by one who has not acquired it in the ordinary mode of bargain and sale, or belongs to the manufacturer in whole or in part, then the invoice, verified by the oath of the owner, must contain "a true and faithful account of the said goods, wares or merchandise at their fair market value at the time and place when and where the same were procured or manufactured as the case may be." On March 3d, 1863, new requirements were added. Theretofore only a single legalized invoice was necessary, but, in 1863, all invoices were required to be made in triplicate. They must, at or before shipment, be produced to a Consular officer *nearest the place of shipment*, and have indorsed thereon, when so produced, a signed declaration setting forth that the invoice is in all respects true; that it contains, if the merchandise be subject to *ad valorem* duty and was obtained by purchase, a true and full statement of the time when and the place where the same was purchased and of the actual cost thereof; and, when obtained in any other manner than by purchase, the actual market value thereof at the time when and where the same was procured, or manufactured. This law (Rev. Stats., sec. 2855) also requires that the person producing the invoice shall, at the time of production, declare to the American Consular officer, the port in the United States at which it is intended to make entry, whereupon such officer shall indorse, upon each of the triplicates, a certificate stating that the invoice has been produced to him, with the date of such production and the name of the person producing it, and the port of entry. This last proceeding by the Consul is the consular *authentication* of the invoice, as distinct from the *verification* of the invoice by the owner. The Consular officer is required to deliver one of said triplicates to the shipper to be used in making an entry; file another in his office to be there preserved; and transmit the remaining one to the Collector of the port of entry. It will thus be seen that, ever since 1823, and even earlier, the law has imposed upon a shipper of *purchased* goods the simple task of honestly and truthfully declaring by his invoice, to the customs officers, the actual transaction by which he obtained the merchandise.

It will be inferred from an examination of the documents herewith transmitted that a large part of the frauds perpetrated on the revenue have been, and are accomplished by incorrect invoices of merchandise not obtained by purchase, but consigned hither by manufacturers for sale in this country by their agents on the account and risk of the owner. The requirement of the law in respect to the invoices of such merchandise has been so long in force in this country that the meaning of it ought to be, by this time, well established, and understood, both at home

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and abroad, by those concerned in importations to this country, and the existence of a "market value" of merchandise manufactured abroad, and extensively imported, and sold in this country, ought to be a fact easy of ascertainment at home or abroad. But, nevertheless, the existence of the fact appears to have been denied, and the difficulty of ascertaining the fact by our own Appraisers appears to have been so great, that the ninth section of the law of 1883 declared that when the fact cannot be ascertained, to the satisfaction of the Appraiser, "it shall then be lawful to appraise by ascertaining the cost or value, of the materials composing such merchandise at the time and place of manufacture, together with the expense of manufacturing, preparing and putting up such merchandise for shipment."

The Special Agents of the Treasury, and several of the local officers of the customs, express the opinion that the consignment of products to this country by foreign manufacturers for sale by their agents, has largely and injuriously increased during recent years, and that our tariff law has promoted the increase. Whether or not that opinion be correct, and whether or not our tariff legislation has increased such consignments relatively to the sum total of importations, I am not prepared to say. Nor am I prepared to say that such form of importation, by which foreign manufacturers present their merchandise in this country for sale, is an injury, provided the full rate and amount of duty prescribed by Congress be thereon uniformly levied and collected. That form of importation is not novel. After the enactment of the law of 1863, and twenty years ago, prosecutions were begun in California, and in New York, for the forfeiture of large shipments of Champagne Wines, Sherry Wines, Silk Ribbons and Silk Goods, all of which were sent to this country by the producers, or manufacturers, on consignment. The averment of the Government was that the invoices did not contain "the actual market value" as required by the law of 1863, but that the invoices were knowingly and with intent, made to evade the revenue by declaring a less value. A suit originally tried by a Court and jury at San Francisco, came by writ of error to the Supreme Court at Washington. (See Cliquot's Champagne, 3 Wallace Rep., p. 114.) That Court in its opinion considered, and finally adjudged, many of the questions which have been presented to me, in the documents herewith transmitted to Congress, as novel and obscure. The Court defined the distinction in our revenue law between "the actual cost" of purchased goods, and "the actual market value" of consigned goods, and, in the following language, declared the meaning of the last phrase as applied to invoices. It said:

"The inquiry therefore presents itself: What is the 'actual market value' in the sense of that (1863) statute? The market value of goods

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is, the price at which the owner of the goods, or the producer, holds them for sale; (2) the price at which they are freely offered in the market to all the world; (3) such prices as dealers in the goods are willing to receive, and purchasers are made to pay, when the goods are bought and sold in the ordinary course of trade."

Subsequently, and in 1868, the prosecution for the forfeiture of Sherry Wine, consigned in like manner by the manufacturers, came on for trial in the City of New York, before Judge Blatchford and a Jury sitting in the Federal District Court. The charge to the Jury of the learned Judge is given at length in the second volume of Benedict's District Court Reports, (page 249,) and deals in a most instructive and authoritative way with all the questions which appear to have recently so perplexed and confused the local customs officers at New York, and the Special Agents of the Treasury. During the next year, and in New York, a suit for the forfeiture of six cases of Silk Ribbons, involving similar questions, came on for trial before the same Judge and a Jury, where again the phrase "actual market value" was, for a third time, most clearly considered and defined in its manifold relations, together with the sources to which either the appraiser in determining dutiable values, or the jury in ascertaining invoice values were entitled then, and are entitled now, to look.

It is difficult to understand how an honest, and well-meaning manufacturer, consigning his products to this country for sale, can now have doubt about the meaning of the phrase "actual market value." He is to be presumed, as well as one of our own citizens, to know our laws. The laws themselves are printed, and judicial expositions of the meaning of the phrase "actual market value" have also been printed, and are accessible to the foreign manufacturer, as well as to our own citizens. Each one of those manufacturers, who has large transactions with this country, has most intelligent agents here who are his consignees. The manufacturer, or those agents, can always apply to this Department for information as to the meaning of obscure or doubtful phrases in the tariff law, or, if he or they prefer, they can apply to counsel learned in the tariff law who will adequately advise them. There can be no excuse, therefore, for ignorance, or misinformation. The plea of the foreign manufacturer is that, for his own purposes, he does not freely offer at the place of manufacture for sale and shipment to the United States, articles similar to those that he consigns to this country, and therefore, since they are not thus freely bought and sold at that place for the American market, there is no "market value" of them at that place within the meaning of our invoice law. But the Supreme Court of the United States anticipated the frivolous objection when it said that the "actual market value," in the sense of the statute, is such

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a price as manufacturers of the goods "are willing to receive." It is absurd for a foreign manufacturer to seriously contend that there is not a price, at the time and place of manufacture, that he expects to receive for the merchandise which he has manufactured year after year in such large quantities for consignment to the United States. It is probably true that the whole production of such manufacturer is not sent to the United States, but that a portion is sold to go to other parts of the world, and for such portion there is a price asked, and received, by the manufacturer, which should be evidence to his own mind of the "market value" of the portion sent to the United States. The net price which, during a longer or shorter period, the manufacturer abroad actually receives, as the result of his consignments to this country, should also offer evidence to his mind tending to show what is the "market value" of the merchandise at the time and place of manufacture. It is true that our law levies duties, not upon the *home* value in the United States, but upon the foreign value at the time of shipment, in the principal markets of the country of exportation, and evidence of this home value may not, in all cases, be relevant, according to strict rules of legal evidence, to the question of foreign value, but if a manufacturer takes orders from New York to deliver his merchandise in that city at a specified price, duty paid, that transaction ought to afford, and undoubtedly does afford, an honest manufacturer a satisfactory basis by which he can arrive at the "market value" at the time and place of manufacture. The real difficulty is believed to inhere in the fact that the manufacturer does not wish, or intend, to declare in his invoice to the customs officers of the United States, the true value prescribed by American law which he is bound to know, and does know. I can but think, therefore, that the difficulties suggested, by the Special Agents of the Treasury, and local officers, in the documents herewith transmitted, are more fictitious than real, and that they will, in a measure, disappear if there be more intelligence, vigor, and fidelity manifested by the consular, appraising and prosecuting officers of the United States in ascertaining invoice values.

That very extensive frauds have, during many years, been perpetrated upon the revenue by false invoice values, I cannot doubt. Many of them have been perpetrated by invoices of merchandise consigned by manufacturers. I appreciate the difficulties which surround the administration of our revenue law in that regard. But large frauds have also been perpetrated by invoices of goods obtained by purchase, and especially by invoices of merchandise obtained by purchase in the great cities of Europe. Sellers openly propose to buyers in those cities to make a fictitious invoice for use at the custom-house in this country

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American purchasers who dislike to directly participate in a fraud upon the revenue of their country, consent, I am told, that the articles shall be shipped hither by an agent in Paris to his agent in New York, (such agent being often an express company,) and to such agent in New York the agent in Paris sends a fictitious and fraudulent invoice upon which the goods may be entered and duty paid,—the buyer fancying that, although he perfectly understands the transaction, and that the law is to be violated, he will, nevertheless, be himself free from the taint of immoral and illegal conduct, and his property safe from condemnation. Merchandise entered under such circumstances would be liable to forfeiture under the law if the facts were known to the officers of the United States, and could be judicially established.

I have dwelt so much in detail upon the subject of invoices, because a true and correct invoice lies at the foundation of, and is essential to, an honest enforcement of the existing complicated tariff law. A false invoice, coming from a well-known dealer abroad of respectable repute, may poison the appraising system of this Government at its fountain, and for a long time mislead the Appraisers. The United States have the right, and the power, to prescribe the circumstances under which either their own citizens, or foreigners, may be permitted to bring merchandise into the country. Those requirements may, in the opinion of foreign manufacturers, be onerous, severe, and embarrassing, but, if ordained by our law, they must be complied with, or those manufacturers must abstain from the attempt to send their merchandise hither.

CONSULAR AUTHENTICATION OF INVOICES.

A large number of the accompanying replies from Special Agents, and local customs officers, refer to the imperfect and misleading manner in which consular officers execute the laws enacted to insure the presentation of correct and truthful invoices upon the entry of imported merchandise. My observation leads me generally to concur in the criticisms made. The work, as it has been, for some time past, and is now performed by too many of our Consular officers, in the verification and authentication of invoices, is really worse than worthless, because tending to mislead, and deceive, appraising officers. It has been seen that not until the law of April 20, 1818, were Consular officers required to participate in the verification of invoices. Difficulties were experienced in executing that law because certain foreign countries forbade American Consular officers to administer oaths to shippers not American citizens. Therefore the subsequent law of 1823 attempted a relief in that regard by permitting such foreigners to make oath before a magistrate of the country where the oath was administered, and then requiring the invoice to contain a certificate by an American Consular

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officer that the person administering the oath was a competent magistrate. Up to July 14, 1862, only such invoices needed to be thus verified, and certified, as covered merchandise, subject to *ad valorem* duty, the owner, or owners, of which resided out of the United States. The seventeenth section of the last-named law forbade any merchandise, no matter where or by whom owned, to be admitted to entry unless the invoice be verified by oath of the owner, or agent, to be administered by a Consular officer of the United States, or a magistrate of the country duly authorized. It is to be inferred that difficulties were again interposed, or consular officers represented that they were interposed, in the way of executing this requirement of an oath, because the subsequent law of March 3, 1863, instead of compelling the owner to make *oath* to his invoice, only required an indorsement thereon of a *declaration* signed by the proper person. Two years later, and on March 3, 1865, there was an enactment, containing only one section (Rev. Stats., sec. 2862) which authorized all Consular officers to require, before certifying any invoice under the law of March 3, 1863, "satisfactory evidence, either by the oath of the person presenting such invoices, *or otherwise*, that such invoices are correct and true: *Provided*, That in the exercise of the discretion hereby given, the said Consular officers shall be governed by such general or special regulations, or instructions, as may from time to time be established or given by the Secretary of State."

Nothing contained either in the enactment of 1863, or in any previous legislation, distinctly imposed upon consular officers the responsibility and duty of deciding whether or not the actual and true value had been declared in the invoice, but the law of 1865 did, more distinctly than before, put that responsibility upon Consular officers, and yet discretion was therein given to require, or not to require, an oath. They were, nevertheless, to be governed by such regulations, or instructions, as might be given by the Secretary of State, who did, immediately after the enactment of 1865, instruct all Consular officers in this language:

"It is therefore manifestly but proper that those officers be held responsible for any want of truth or correctness in the invoices certified by them, and they will be responsible accordingly. They will be expected to keep themselves informed as to the kinds, qualities, and market value of the merchandise exported from their respective districts to the United States, and to see that each invoice exhibits a fair and true description of the merchandise to which it relates, and contains a true statement of the prices of value thereof. For this purpose they may, *whenever they deem it expedient*, require the oath of the person presenting the invoices, or of the shippers, owners, or manufacturers of the merchandise, to their correctness; and may even, if necessary, examine

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under oath such persons or others whose statements would be of value, upon any matters calculated to satisfy the mind of the officers upon the general subject of inquiry. They were, however, admonished to embarrass or interfere with the course of legitimate trade as little as is compatible with the protection of the revenue and all honest traders against the practices of the unscrupulous; and they are therefore expected to observe great prudence and circumspection in their actions in order to avoid the just complaint of such interference." Section 1715 of the Revised Statutes declares that "no consular officer shall certify any invoice unless he is satisfied that the person making oath thereto is the person he represents himself to be, that he is a credible person, and that the statements made in such oath are true. He shall thereupon by his certificate state that he was so satisfied," and section 5442 punishes by fine and imprisonment any consular officer "who knowingly and falsely certifies to any invoice."

The law of 1823 declared that for each verification, *and* certificate of an invoice, by a Consular agent, the fee shall be two dollars and fifty cents, ($2.50.) That is now the law. The State Department regulations direct that the three triplicates be considered one invoice in that regard. That declaration is repeated in section 2851 of the Revised Statutes, which is supplemented by section 716 (enacted in 1869) which also declares that if any Consular officers shall demand or receive, for anything done in verification or certification of an invoice, or permit any clerk or subordinate to demand or receive any greater sum therein, than two dollars and fifty cents, ($2.50,) he shall be punished by fine and imprisonment, and removal from office. My inference is that neither the law of 1865, nor the instructions of Consular officers issued thereunder by the Department of State, contemplate an oath to be administered by any other than a Consular officer unless it should so happen that no such officer could be had. It is confirmed by the authority given in section 1750 of the Revised Statutes to every Consular officer "whenever he is required or deems it necessary or proper so to do," to administer, or take, from any person an oath, and to perform any notarial act which any notary public is required, or authorized, by law to do within the United States. Such oath is therein declared to be as valid, within the United States, as if administered therein, and that the offence of perjury can be predicated thereon.

Shortly after I came to the Treasury Department, my attention was called to complaints by shippers that in London, and elsewhere in Great Britain, they were compelled to pay for verification and certification of invoices a sum largely in excess of that prescribed by the Statute. I found on inquiry, that, after 1868–9, the practice had prevailed in

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our Consular offices in the United Kingdom of sending a shipper to a British notarial officer for the administration of an oath, and that the shipper was generally compelled to pay a sum not less, and often more than one dollar and twelve cents ($1.12) for such administration, in addition to the two dollars and fifty cents ($2.50) authorized by the Statute. It was represented to me that this additional large tax upon each shipment prevented the legalization of invoices, and inconvenienced the administration of the the customs revenue in New York, and other large ports. The law generally forbids any merchandise to be admitted to entry unless accompanied by a legalized invoice, but a discretion is vested in the Collector of the port, under the general instructions of the Treasury Department, to admit, nevertheless, merchandise of a relatively small amount, and under proper circumstances without a legalized invoice. The excessive tax demanded for consular verification and authentication naturally increased the number of importations without a legalized invoice, and thus not only was the revenue inconvenienced, but receipts from the regular consular fee of two dollars and fifty cents ($2.50) were diminished. With increasing facilities in this country for ordering small parcels of merchandise from European cities, and quickly bringing them to this country, the number of such relatively small importations increase, and it is obviously for the interest of the Government that they be accompanied by a formal and legalized invoice.

The circumstances under which the practice of levying this additional tax for an oath grew up in London and elsewhere, will be found exhibited (pages 352, 355, *et seq.*) in the accompanying documents. The relation of this excessive tax levied indirectly by certain Consular officers in Great Britain will be found significantly mentioned in an Ex. House Doc. No. 145, 3d Session XLII Congress. On May 19, 1881, a resolution of inquiry was presented in the Senate, asking the Department of State whether or not "any consul-general, consul or commercial agent, has been personally benefited thereby, and if so, to what extent." The reply of the Department of State, (Ex. Senate Doc. No. 122, 1st Session XLVII Congress) contains a full presentation of the general subject of consular fees for the verification and authentication of invoices, but omits to answer the most pertinent portion of the Senate inquiry.

The whole sum levied in the United Kingdom, in excess of the statute fee, has however been considered by one of the Special Agents of the Treasury (p. 353) in response to my specific inquiry, and it appears therefrom that there was levied on shippers to this country, during the fiscal year that ended on June 30, 1885, the great sum of eighty-three thousand five hundred and sixty-eight dollars and ten cents, ($83,568.10.) The total number of invoices certified at the London Consulate, during

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the four fiscal years from 1882 to 1885, inclusive, having been eighty-three thousand seven hundred and eleven, (83,711,) the total sum exacted was ninety-two thousand and eighty-two dollars and ten cents, ($92,082.10.) At Belfast, and its agencies, four thousand three hundred and sixty-two (4,362) invoices were certified last year. If the number of invoices certified at London, and in the United Kingdom, since 1868, was as indicated, an estimate can be made of the vast sums exacted, and of the benefit received by Consular officers on an arrangement like that reported as made at Bradford. Not a dollar of that large sum has really and appreciably benefited this Government, or been covered into its Treasury.

If the sum total of that large tax inflicted upon shippers, and ultimately paid by American consumers, could have been expended by the Treasury Department in the employment of experts at different points in Great Britain, to actually verify invoice values, something of good might possibly have been accomplished for the revenue, but under the notarial-oath system little has been accomplished for the revenue but injury. It appears from the Senate document last referred to, that generally on the Continent of Europe oaths are, for the reasons therein specified, not required by our Consuls on invoices.

I have been unable to discover a well-authenticated case of prosecution for perjury, or for a false oath, in the verification, or authentication, of invoices abroad, or indeed in our custom-houses at home. It is extremely doubtful whether in Great Britain a prosecution would be attempted, or would be successful if attempted. The crime of perjury would be, as I am advised, difficult to lay and prove in legal form, even if a foreign government would promote, or tolerate in its jurisdiction, a prosecution for an offence against the tariff law of the United States. But, while advising that the *notarial* oath be dispensed with, I would have Consular officers compelled to be more careful and vigilant in acquainting shippers with what our laws require an invoice to contain, and in admonishing them of the great perils that will await their merchandise in the United States if the invoice shall be found to be false in any essential particular. Excepting in a few places in which the manufacture of a limited number of products embraces the industry of the locality, it will be well nigh impossible for a Consular officer, no matter how alert and conscientious, to form a safe opinion in regard to the correctness of all invoices without an actual inspection of the merchandise. To rely upon samples presented by a dishonest shipper may be very misleading. In the large cities of Europe, where fifty, or seventy, or even an hundred invoices may in one day be presented to the Consul, covering every variety of merchandise it will of course be im-

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possible for Consular officers, no matter how expert in values, to adequately inspect the merchandise. It may well be doubted whether the foreign governments, that will not permit an oath to be administered by an American Consul, even although their own Consuls freely administer oaths in New York and in our jurisdiction, will tolerate a detention of merchandise by American Consular officers long enough for such a careful inspection thereof. Consular officers can, however, inform, instruct, admonish, and so somewhat deter shippers from making false invoices. That work they should be required to diligently perform, and not leave it to be done, in a perfunctory way, by subordinates, as is so much of Consular verification.

The Consular service of the United States is not, and cannot well be, under the immediate superintendence of the Treasury Department. The rights to be held, and the duties to be performed, by Consular officers in a foreign country, are regulated by treaty, or by international law. Our Consular officers are necessarily, therefore, under the immediate control abroad of our Diplomatic Agents. It is, for that reason, most fit and proper that the superintendence of Consular officers should be committed to the Department of State. But the legislation of Congress has not been quite logical, or consistent, in that behalf, inasmuch as while Consular officers are generally directed by law to make their reports to the Department of State, they are, here and there, as in section 1715 of the Revised Statutes, required to make reports to the Secretary of the Treasury. The sending abroad of Special Agents of the Treasury, to advise with and assist Consular officers, has not worked altogether satisfactorily, owing in part, perhaps, to the fact that the two classes of officers were subordinates of different Departments and thereby were naturally created inconvenient jealousies and rivalries.

I do not in what I now say, concern myself with any aspect of the Consular service excepting that which relates to the customs revenue, and to the interests of navigation which are especially committed to the Treasury Department, but in respect to the adequate protection of both of those interests I have a very decided conviction that our Consular service needs immediate reformation.

The whole cost of that service for the fiscal year ended June 30, 1885, was $870,183.10; the whole sum received for official fees during that period was $791,345.43, and thereof $699,852 were paid by shippers to Consular officers on the verification of invoices, exclusive always of the large sums paid as unofficial fees to British notarial officers on the same account. Thus it will be seen that the cost of our imperfect Consular service to the Treasury was $78,837.55 in 1885 in excess of its total

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receipts. During the fiscal year 1883, the total amount of Consular fees received amounted to nine hundred and twenty-six thousand and fifty-four dollars and ninety-five cents ($926,054.95) and the total cost was only $870,290.60; in 1884 to nine hundred and eight thousand nine hundred and thirty-two dollars and thirty-two cents, ($908,932.32,) and the total cost was only $872,345.08, but the receipts were in 1885 only seven hundred and ninety-one thousand three hundred and forty-five dollars and forty-three cents, ($791,345.43.) The large falling off may be accounted for by the fact that the fees for services to American vessels in 1884 were ninety-one thousand and thirty-one dollars and eighty-six cents, (91,031.86,) which class of fees was abolished by the law of June 26, 1884. There was also a diminution of consular fees for certifying invoices amounting to fifty-eight thousand nine hundred and thirty-seven dollars, ($58,937.)

The existing system of Consular fees works badly for the customs revenue in this sense: The tariff law requires that each invoice of merchandise shall be produced to a Consular officer "*nearest* the place of shipment" which place may not necessarily be the place where the merchandise, if imported from across the sea, is actually put on board ship, but the place where the merchandise has been prepared for exportation hither, and its journey is actually to begin. Thus the place of shipment of goods manufactured, or produced, at Manchester, in England, and put on board ship at Liverpool, is not Liverpool but Manchester, and to the American Consular office at Manchester the invoice should be produced. The purpose of the law is to subject the invoice to the scrutiny of a Consular officer "*nearest*" the place where it was manufactured, or actually purchased. The frequent violations by Consular officers of the distinct commands of Congress, and of the Department of State, in this regard, constrained, on January 20, 1881, the sending by that Department of a very peremptory circular letter of complaint and admonition, in which it was said that Consular officers became rivals of one another in obtaining invoices for authentication. There was a scramble for fees! The motive and inducement of this rivalry were those statute fees, or the notarial fees by which the Consular officers either directly or indirectly benefited. Whether or not it be feasible to remedy this evil which is now in existence, by any modification of the existing Statute, I respectfully submit to Congress.

I also especially invite the attention of Congress to the disclosures made in the accompanying documents (p. 425) in respect to the character of a part of the Consular service in the Dominion of Canada, and its relation to that long frontier which separates the two countries.

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In the Manual of Regulations and Instructions prescribed in 1881 for the information and government of Consular officers, there are (pp. 581, 582) forms of declaration to be made where merchandise has been purchased, and also where merchandise is consigned by a manufacturer. These two forms follow with perfect precision the language of the law. There is also the form (No. 140) of a certificate to be attached by the consular officer, and that certificate is required to declare "that the actual market value or wholesale prices of the goods, wares, and merchandise in the said invoice, in the principal markets of the country, and at the time of exportation, are correct and true." This certificate, it will be seen, does not relate to the same place nor to the same time as does the declaration to be made either by the purchaser or the manufacturer. The former relates to the time and place of *purchase;* the latter relates to the time and place of *manufacture;* but the consular certificate is made to relate to "the principal markets of the country and at the time of *exportation.*" The time of exportation may be different from the time of purchase, or the time of manufacture. This certificate of the Consul seems intended to cover the time and place which the Appraisers are to ascertain, instead of the time and place which the Statute requires in invoices.

My opinion is that one effect of the legislation by Congress, and the instructions by the Department of State, which placed such duties and responsibilities upon Consular officers in the verification and authentication of invoices, has been to lead shippers who are abroad, as well as appraising officers who are at home, to look, or to pretend to look, upon Consular officers as in effect Customs Appraisers in a foreign country, whose verifications of invoice values are to be received with a credit, and authority, which they really do not, and cannot, deserve. As it is now, the shipper misleads Consular officers, and they, in consequence, mislead Appraising officers, who return false values and classifications to the Collectors.

THE ENTRY OF MERCHANDISE.

The Consular verification of an invoice having been completed, and the Consular certificate attached thereto, and the document delivered to the shipper, the next step in the law of importation is the presentation of that invoice to the Collector of the port at which the merchandise is to be entered by the person authorized to make the paper, prescribed by the Statute, and defined as an "entry." The work of boarding arriving vessels when within the revenue jurisdiction of the United States; of presenting a manifest of the cargo by the Master; of unlading the

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cargo under the superintendence of the inspector; of warehousing; of keeping custody of the merchandise in the public stores; of sending designated packages to the appraisers for examination; of preliminary estimate of duties; of taking the money receivable therefor; and of final liquidation on the appraisers' report, appears to be now fairly well done, excepting the cartage on delivery orders. Whatever defective administration there may be does not require, it is believed, legislative action for its remedy, but is a subject for executive reform. The important and most essential business, however, of weighing, measuring, gauging and ascertaining actual tare, upon the wharves, or in public stores, is *not* satisfactorily done. But here again there does not appear, at present, to be need of additional legislation. What is needed are persons more vigilant, trustworthy and incorruptible in the ascertaining weights and measures on whose returns the Collector levies duty. At the larger ports, the Surveyor is, under the direction of the Collector, charged with the superintendence of inspectors, weighers, gaugers and measurers, but since the merchandise to be thus tested is scattered along the wharves, among so many widely-separated places, an actual, visual, supervision by him, or his Deputies, of each weigher, gauger and measurer, while ascertaining quantities, is of course physically impossible. If the Surveyor is active and thorough, and, for good reason, a weigher, gauger, or measurer, is unsatisfactory to him, the best, and indeed the only way, to maintain good conduct at that point in the customs service, is to make a prompt removal of the unsatisfactory person, even though the reasons for dissatisfaction may not be of a character to be adequately expressed in writing, or to be publicly exhibited. If a Surveyor is really alert and competent, an inspector, or weigher, or gauger, or measurer, should not be kept in office if the former, and the Collector, honestly suspect that such important work is dishonestly, or even carelessly done.

The declarations very recently made, in reply to my inquiries, by the Naval Officer at the Port of New York, in respect to the taking of gratuities from importers, or their agents, by persons employed in the Collector's department, have not escaped my attention. The practice, to which I shall again allude, is a vicious one in every aspect, and, if it exists, as it probably does, it must be arrested, if for no other reason, because the law forbids it. But here, as in so many other departments of the customs service, there is a difficulty in obtaining satisfactory evidence. Those who suffer by the practice are naturally unwilling to make representations to the chief officers unless they can feel that prompt punishment will be inflicted. And here again, I can think of no other efficient remedy, but the prompt dismissal from office of such

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inculpated persons, even though the dismissing officer may not make public the reason for the dismissal, or the evidence which compels it. A plea, or an excuse, for the taking of such gratuities by servants of the customs has been, and is, that the service is rendered, it may be, out of office-hours, in the liquidation of entries, or in the preparation of other papers, or in some other way. But even if that were literally true, the relation thus established between the Government servant and the importer, or customs broker, or attorney, is an improper and demoralizing one, which is intolerable in every aspect, and which I shall endeavor to bring to an end even if servants or officers, otherwise useful and valuable, are summarily expelled from the service. The practice of bestowing such gratuities in its application to clerks in the Auditor's office in New York, who are charged with the preparation of statements of refunds to be made upon protests to collectors and appeals to this Department, or in obedience to the judgments of courts, is especially dangerous and reprehensible.

The law of 1842, (Rev. Stats., sec. 2901,) requires a Collector, when an invoice is presented to him on entry, to designate on the invoice at least one package, and one package at least of every ten, and a greater number should he deem it necessary, to be sent to the public stores for examination, to be opened, examined and appraised as a fair sample of all the merchandise contained on the invoice of that class. Heretofore frauds upon the revenue have been committed by collusion between the importer and the Collector's office in designating packages for examination by the appraisers, which did not fairly represent the quality and value of the other packages which are described on the invoice as of a similar class. Of course it is impracticable to send to the Appraiser's stores for examination, as a general rule, all of the arriving packages. I am gratified to believe that an arrangement has been perfected, certainly at New York, by which dishonesty of that character cannot easily be successful.

APPRAISEMENT.

The weakest point at present in the customs-revenue service, and under the existing complicated tariff law, is, as I have already said, at the beginning of the process of importation, and in the preparation, verification, and authentication of invoices. That work is done in a foreign country. The next weakest point, at present, is, in my opinion, in the appraising branch of the service. The weakness at the former point is, however, more serious and injurious even than at the latter point, for so long as the existing law (Rev. Stats., sec. 2900) which forbids any

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Collector to assess duty "upon an amount less than the invoice or entered value" is in force, the customs revenues provided by Congress cannot be seriously impaired by appraisement, if no merchandise is admitted to entry without a true invoice, and if all invoices fairly and truly represent the actual cost of purchased goods, and the market value of merchandise consigned by the manufacturer, or producer.

The existing system of appraisement at the several ports has been one of slow growth, and has been subject to many legislative changes. Up to 1823, the invoice, accompanied by the oath of the person making entry, was generally accepted by the Collector as truly declaring the dutiable value. But in that year, after the increased duties imposed in 1816, and under the conviction that merchandise was often undervalued in the invoice, official appraisers were authorized and appointed to examine the merchandise and report the dutiable value to the Collector. By the law of 1823, the two Government Appraisers first fixed the value and then, on appeal, two merchants designated by the importer, were united with the same Government Appraisers; and, finally, on a second appeal, the Secretary of the Treasury closed the dispute. That law was modified, among other years, in 1828, 1830, 1832, 1842, 1851, 1865, and 1866. This last-named enactment of July 27, 1866, (14 U. S. Stats. at Large, 302,) has been distributed among different sections of the Revised Statutes, and is substantially to-day the law regulating appraisements at the Port of New York. Other sections of the Revised Statutes regulate such matters at the other ports; but the system, excepting in some instances the designation of officers, is substantially the same.

In the accompanying document (p. 287) will be found a concise tabulated statement of the manner in which classes of merchandise are distributed among different divisions of the Appraiser's office at the Port of New York, together with the designation, the number, and the salaries of the chief persons whose work it is to examine, appraise and report to the Collector.

In New York, when the Collector has designated on the invoices the packages for examination and appraisement, and has marked distinctly thereon the rate at which duties have been estimated in a preliminary way on the several articles therein specified, the invoice, together with necessary stamps and other indications thereon, is sent to the Appraiser, who, in turn, sends it to the proper assistant appraiser, who, in turn, sends it to the proper examiner, who directs persons, called openers and packers, to expose the merchandise to his view.

The accompanying documents clearly tend to establish the fact that, as a general rule in New York, and probably in the other large ports,

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the Examiner is the only officer who actually examines the merchandise, and is, therefore, in fact, the *appraising* officer. The law is specific that the Collector shall send for examination to the Appraiser not less than one package of every invoice, and one package out of every ten packages, and the inference therefrom clearly is, that to make a valid appraisement, the contents of each and all of those packages must be actually seen, and examined, by the proper appraising officer in order to make a valid appraisement. Congress has by the existing law on the subject authorized the appointment in New York of one Appraiser who is to "*direct and supervise*" the appraisement and "cause to be duly *reported* to the Collector the true value thereof as required by law." The number of invoices sent by the Collector to the Appraiser at New York in the year 1884, was two hundred and five thousand seven hundred and sixty-two, (205,762.) It was therefore a physical impossibility for the Appraiser to examine and appraise, in person, the merchandise covered by those invoices. Indeed the executive business of the Appraiser's office at that port which must be performed by the Appraiser in person is so vast, including correspondence with the Collector and with the Treasury Department, that the Appraiser can, in fact, be little more than a general director and supervisor of the business, and a reporter of values to the Collector which have been found by his subordinates. In appreciation of that fact, the law of 1866 authorized the appointment of not more than ten (10) Assistant Appraisers at that port, "who shall be employed in appraising goods according to law, under the direction and supervision of the Appraiser, and in reporting to him the true value thereof according to law." Such report is subject to revision and correction by the Appraiser, and, when approved by him, is to be transmitted to the Collector, and is to be taken to be the appraisement by the United States Local Appraiser of the District.

The second section of the appraisement law of March 3, 1851, (9 Stats. at Large, 630,) declared "that the certificate of any one of the Appraisers of the United States, of the dutiable value of any imported merchandise required to be appraised, shall be deemed and taken to be the appraisement of such merchandise required by existing laws to be made by such Appraiser." The quoted portion of that law was substantially in Rev. Stats., sec. 2950; and the Customs Regulations of 1884, issued by the Treasury Department, declared, (Art. 455,) that "the certificate of any one of the Assistant Appraisers at the port is to be deemed and taken to be the legal appraisement of imported merchandise required to be made by *such* Appraisers." If there were no assistant appraisers in 1851, the statutory source from which this article,

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making the certificate of an assistant to be a legal appraisement, is not apparent.

The fourth section of the law of 1866 enacted that in lieu of the *clerks* now employed in the examination and inspection and appraisement of merchandise at the Port of New York, the Secretary of the Treasury may, on the nomination of the Appraiser, appoint such number of Examiners as said Secretary may deem necessary, their compensation to be fixed by him, and not to exceed two thousand five hundred dollars ($2,500) per year for each. The duty of such Examiners is "to *aid* each of said Assistant Appraisers in the examination, inspection, and appraisement of goods, wares and merchandise according to law." By the same section, the Secretary of the Treasury was directed to appoint on the nomination of the Appraiser, the clerks, verifiers, samplers, openers, packers and messengers in the Appraiser's office, and to fix their number and compensation.

My own inference, from the language employed by Congress in this appraising law of 1866, is that the Assistant Appraiser must personally examine the articles he appraises, and the value of which he reports to the Appraiser. But the weight of the testimony in the accompanying documents seems clearly to indicate that, as a rule, it is only the Examiner who actually inspects the merchandise. To be sure the law says that the Examiner shall "*aid* each of said assistant appraisers in the examination, inspection and appraisement;" but did the law intend that the appraisement should be made on the inspection of the merchandise by the Examiner alone? Do the language of the law, the mode of appointment of such Examiners in contrast with the mode of appointment of the Appraiser and the Assistant Appraiser, and the limit of salary to be paid to such Examiners, indicate that such critical and delicate work is to be left to the unaided discretion and judgment of Examiners?

Without an actual inspection of the merchandise, there cannot be a true appraisement. If neither the Assistant Appraiser, nor the Appraiser, thus inspects, is the appraisement valid under existing law unless the importer waives the irregularity? I respectfully present this subject to the immediate consideration of Congress, with the suggestion that if such vast responsibilities are to be placed upon Examiners, the intelligence, the experience in foreign markets, and the character of the force of Examiners at the Port of New York need to be materially enlarged, strengthened and increased.

There are now seventy-three (73) Examiners in the Appraiser's office at New York, including sixteen (16) employed in the laboratory who

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make chemical examinations and assays of samples sent to them from the several divisions, and test sugars by the polariscope. Of the fifty, (50,) or thereabouts, who inspect and appraise merchandise, I find on inquiry that not one-half have been employed in the business of importation or in buying and selling articles similar to those which they examine. Many of those who have been promoted, either by competitive civil-service examination or otherwise, to be Examiners, and Assistant Appraisers, entered the service as clerks, or in a subordinate capacity, and have had no experience in importing, or jobbing, or even in the retail business. The few Examiners who may have been, many years ago, large dealers, or small dealers, in articles like those which they now appraise, cannot, if continually engaged in the appraising office at New York, have had experience at home, or abroad, in buying and selling. The law of 1866 declares that the Appraiser "shall be *practically* acquainted with the quality and value of some one or more of the chief articles of importation subject to appraisement." The qualification of each Assistant Appraiser is described in the same language. The Examiner must be "*practically* and *thoroughly* acquainted with the character, quality and value of the article, or articles, in the examination and appraisement of which he is "to be employed" to *aid* the Assistant Appraiser.

I have learned by inquiry respecting the range of salaries paid in New York by the large importing and jobbing houses in the city, that those who are deemed competent to successfully buy merchandise abroad, or at home, receive twice, or even three times, as much as is the range of salaries paid to Examiners in the New York Custom-House who examine similar articles. In addition, a few of the large houses pay a pension to those of their faithful clerks, or agents, who have become old, or physically incapacitated, in service.

If the existing complicated rates of duty now levied upon imported merchandise are not to be simplified and made easier of application, and if Examiners are to be the responsible appraising officers who alone inspect the merchandise, then there needs to be, I think, an *immediate* legislative reorganization of the Appraiser's office at New York, and the infusion of larger mercantile experience and more self-confidence in determining foreign values.

Under the existing system, the shipper and maker of the invoice have too much control in fixing the dutiable value of the importation, for their declaration of value is, as a rule, accepted by Consular officers, and their certificate is as a rule accepted by Examiners. The law (Rev. Stats., sec. 2902) distinctly declares that it "shall be the duty of

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the Appraisers to ascertain, estimate and appraise the true and actual market value and wholesale price, *any invoice or affidavit, thereto to the contrary notwithstanding*, of the merchandise at the time of exportation in the principal markets of the country whence the same has been imported into the United States." But by reason of the requirement that the Collector shall not levy duty upon less than the invoice or entered value, the habit began many years ago, as I am informed, of simply reporting to the Collector, "Value Correct," unless there be something to excite suspicion against the integrity of the invoice. The attention of neither the Assistant Appraiser nor the Appraiser seems to be called to an importation, unless under circumstances which induce the Examiner to advance, or raise, the invoice value; which is confirmation of the opinion that the value stated in the invoice practically controls the judgment, in nine cases out of ten, of the appraising officers. The strain of the responsibility, therefore, of detecting and of reporting fraud, undervaluation, or error in the invoices, is upon the subordinates instead of the chief officers in the Appraiser's department.

The Revised Statutes (Sec. 2922) empower the Appraisers to call before them, and examine upon oath, any person, touching anything material in ascertaining the market value, or wholesale price, of imported merchandise, and to require the production on oath of any letters, accounts, or invoices, in his possession, relating to the same, but, under the existing practice in New York, that process for ascertaining the truth would not be put in motion excepting upon the suggestion of one of the inferior appraising officers.

The accompanying documents will give to Congress satisfactory information, it is hoped, respecting the contention which raged at the Port of New York, last summer, between the agents and consignees of certain foreign manufacturers, and the Special Agents of the Treasury Department, who, it must be said, bore the burden of the contest in behalf of the Government, and in vindication of the law. Some of the aspects of the controversy I have already mentioned in what I have said about invoices,—their verification and authentication. While Congress has required that the invoice of merchandise consigned by the maker shall contain the "actual market value" thereof at the time and place when and where the same was procured or manufactured, the Appraisers are "to ascertain, estimate and appraise the true and actual market value and wholesale price at the time of exportation, and in the principal markets of the country whence the same has been imported into the United States." The shippers of the merchandise referred to, and their agents in New York, insisted that the merchandise had, at the time and place of manufacture, no "actual market value," for the

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reason that the manufacturers, or owners, refused to sell it to any one for shipment to the United States. The eighth section of the Tariff Law of 1818 has a phrase, used by the Congress of that day, which seems to anticipate this very contention set up nearly three-fourths of a century afterwards. By that section, the manufacturer, on making entry, was required to swear that the prices charged in the invoice "are the current value of the same at the place of manufacture, *and such as he or they would have received if the same had been there sold in the usual course of trade.*" The Supreme Court, in its opinion in *Cliquot Champagne*, modified the phrase by saying that the "actual market value" of the law of 1863 was the price which, it is believed, the manufacturer would have been willing to receive. As a way out of this apparent difficulty, Congress, in 1883, (22 Stats. at Large, 525,) declared that when the Appraiser (not an Assistant or Examiner) could not ascertain, to his own satisfaction, the true and actual market value, or wholesale price of merchandise, it shall then be lawful to appraise the same "by ascertaining the cost or value of the materials composing such merchandise, at the time and place of manufacture, together with the expense of manufacturing, preparing and putting up such merchandise for shipment, and in no case shall the value of such goods, wares or merchandise be appraised at less than the total cost or value thus ascertained." This modification is calculated to increase the efforts of manufacturers, and consignors, to conceal the price at which they really hold abroad the merchandise, and expect to receive as a result of the consignment to this country, and to compel the appraising officers to make investigation into the materials of manufacture, and cost, for which few of them have the necessary experience. A more conscientious and vigorous service by Consular officers abroad and by Appraising officers at home, aided, if the existing rates of duty are to be maintained, by adequate legislation calculated to deter shippers from the preparation and presentation of false invoices will, in my opinion, make more apparent the "market value and wholesale price," as that phrase is used in our revenue law.

There is somewhat of conflict of opinion between the Special Agents of the Treasury Department, and the Appraiser at New York, in regard to the fidelity and correctness with which values are now reported to the Collector. The differences between them may be reconciled by bearing in mind that, under the existing system, the opinions of the Appraiser are necessarily colored by the views of the Examiners.

I am quite willing to believe that much of the undervaluation that has existed at the port of New York, came of rivalry in buying and

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selling, rather than of a motive to defraud the Government. And yet one cannot well shut his eyes to the fact that good men, who are obedient to other laws, do sometimes deal as if they felt that evasion of the existing tariff law is pardonable. Why is it so? A very little evasion in the payment of money which ought to go to the Government as duties may, in the strife of buying and selling imported staple articles, make the difference between a profit on one hand or a loss on the other, and may enable a successful evader of duties to outstrip and outsell all rivals in the same line of merchandise. It will be to the discredit of the Government if importers doing business at the ports to which a certain description of merchandise is not consigned by manufacturers, and who endeavor to buy abroad, shall be injured, or driven out of their business of real importation, because of the failure of Congress, or of the Executive, to make dutiable values, and to levy and collect duties, uniform at all places and for all persons throughout the United States..

REAPPRAISEMENT.

I have already alluded to the investigations, set on foot by my immediate predecessor and myself, into the methods of reappraisal at the Port of New York. Congress has required the Executive to ascertain and fix the dutiable value of all imported merchandise subject to *ad valorem* duty. The law has authorized the appointment of officers to exercise that important function, and has (Rev. Stats., sec. 2949) empowered the Secretary of the Treasury to establish, from time to time, rules and regulations, not inconsistent with law, to secure a just, faithful and impartial appraisal of the actual market value or wholesale price. It has provided for what is called a "local appraisement," to which sufficient reference has already been made, and then, if the importer shall demand it, for a reappraisement to be made by a permanent general appraiser wherever practicable, and "a discreet and experienced merchant" to be selected by the Collector, wherever that is practicable, or two discreet and experienced merchants who are American citizens and familiar with the character and value of the goods in question. When the Appraiser has reported to the Collector an advance upon the entered value, the Collector is required to notify the importer of such advance. If the importer be dissatisfied therewith, and within twenty-four hours shall give written notice to the Collector of such dissatisfaction, the Collector is required to call on the Appraiser for a special report of the appraisement in due form, and notify him of the appeal. On the reception of that report, the Collector is required to

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select "a discreet and experienced merchant" to act with the General Appraiser and to notify both of them of the appeal, and of the time and place of reappraisement. The valuation having been determined, the reappraisers are required to report the same to the Collector according to a prescribed form, but if the reappraisers do not agree, they are required to make separate reports to the Collector who must "decide between them." The decision of the Collector, thus made, is final, and the duties are to be assessed accordingly. If the appraised value thus ascertained exceeds the entered value by ten (10) per cent. or more than ten (10) per cent., a duty of twenty (20) per cent., in addition to the regular duty, must be levied.

The irregularities and improper practices which have existed at the Port of New York in making reappraisements are so thoroughly exhibited in the accompanying documents that elaborate further reference to them on my part is unnecessary. It is difficult to understand how these irregularities and improper practices could have begun, and have resulted, as they did, in an unseemly scuffle between importers and appraising officers, Special Agents of the Treasury, and local officers at New York. The law, and the General Regulations of the Treasury, are clear and adequate.

It seems to me, after a careful examination of the reports, that nearly every question presented had been disposed of by my predecessors, from time to time during the last forty years, and the decisions published. I issued, however, on June 9, 1885, new instructions, (p. 98,) which accompany this report. After they had been published, elaborate written arguments were presented to me by legal counsel of importers who thought themselves aggrieved by my instructions. Therein it was asked:

(1.) That the importer be permitted to be present at the reappraisement; which permission had never been denied so far as I am aware.

(2.) That the importer be permitted to support his own oath on entry, and, within proper limits, to confront any opposing witness by testimony.

(3.) That he be permitted at the reappraisement to test the evidence offered to impeach the correctness of the value stated by him on the entry.

(4.) That he be permitted to be represented by a lawyer, and to cross-examine witnesses.

To the arguments, and the reference to judicial authorities, offered to sustain the contention of the importers, I gave careful attention, and took the opinions of competent experts in my Department, and at sev-

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eral of the Ports, the result of which was to confirm the correctness of my instructions of June 10, 1885. To those instructions I shall adhere until otherwise directed by competent legal authority.

It would be impracticable for the Executive to carry on reappraisements of the value of imported merchandise by the forms and methods of "*a law suit*," as those forms and methods are employed in judicial proceedings. In what relates to the commercial designation of imported articles, their classification for duty, and the rates of duties to be levied thereon, the importer has ample recourse to the judicial tribunals, but the ascertainment of dutiable values has, by the law, been wisely made purely an executive function, involving, it is true, the exercise of discretion and judgment, but not on that account a judicial function in the sense in which the Federal Constitution has distributed powers among Executive, Legislative, and Judicial Departments.

To aid the Collector in selecting "a discreet and experienced merchant," the Treasury regulations require the Appraiser to submit to the Collector the names of suitable persons, but it appears, from the reports made to me, that this important work was by the Appraiser delegated to an Examiner, and that the Collector, instead of himself exercising his most important function, was in the habit of committing it to a Deputy in palpable disregard of the obligations of official duty.

A wrangle took place at the Port of New York as to whether the "discreet and experienced merchant" must be an importer, or could be a jobber of merchandise similar to that under investigation. It was even seriously contended by importers, and apparently conceded by some local officers of the customs at New York, that it would not be possible to find in New York a "discreet and experienced merchant" competent to appraise a certain class of merchandise brought into that port and sold, in great quantities. The immediate predecessor of the present Collector, on instructions from this Department, took the selection of a merchant appraiser into his own hands.

In a system of *ad valorem* rates there are two critical points: One is dutiable value, and the other is rate of duty. The present rate of duty on certain silk goods is fifty (50) per cent. of the market value at the time of exportation in the principal markets of the country, or what is equivalent to one-half of the importation. If the law were so administered by the Treasury Department that on the importation of one importer, fifty (50) per cent. was levied, and on the importation of another importer forty (40) per cent., and on that of another importer thirty (30) per cent., there would be a general outcry. So there would be if an importer at New York was required to pay only thirty (30) per cent., and if of an-

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other at Buffalo was demanded forty (40) per cent., and of another at Chicago was required fifty (50) per cent. But a none the less illegal and intolerable result would follow if the dutiable value on one importation were fixed at one hundred dollars, ($100;) on another, by the same vessel, at eighty dollars, ($80,) and on another by the same vessel at sixty dollars, ($60,) the merchandise in all of the three being similar. If importers can illegally control dutiable values, they can control the amount of duties paid on the merchandise, although the *ad valorem* rate may be fixed and uniform for everybody and every port in the country.

A variance of opinion and practice having arisen among customs officers in the application of the seventh section of the tariff law of March 3, 1883, a conference of those officers was assembled in that year to consider the subject and those officers not having agreed in their views, my careful predecessor, Mr. Folger, applied to the whole subject his eminent learning and tried judicial experience, and prepared an elaborate opinion, dated September 27, 1883, wherein he decided:

"The dutiable value of the goods is the actual market value, or the wholesale price thereof in the condition of finish and preparation for sale in which they are finally offered by the foreign merchant to negotiating customers, and for which they will and do sell them, though that value or price be enhanced because of that finish and preparation, and though a part of the preparation consists in placing in or upon or about the goods, boxes, cartons, and paper cards or other like things."

The question was afterwards referred to the Department of Justice for examination, and on January 11, 1884, the Attorney-General gave an opinion, in which that officer substantially concurred in the reasoning, and in the conclusion, of the Secretary of the Treasury, and said:

"The cost of boxes or coverings with which goods are ordinarily prepared for sale in foreign markets, and in which they are usually sold and purchased there (the price paid for the goods including the box or covering which goes therewith to the purchaser) must be regarded as entering into, or as being an element of, the actual market value of the goods. Section 7 of the act of 1883 does not forbid the inclusion in the dutiable value of merchandise of that which forms a constituent of its actual market value. Hence the dutiable value of goods usually prepared for sale as above, and those usually sold in the foreign market, is their current or actual market value, or wholesale price, in such market, as enhanced in the preparation thereof for sale in the manner referred to."

On January 18, 1884, this Department published the opinion of the Attorney-General "for the information and guidance of Customs Officers."

On May 13, 1885, the Circuit Court of the United States for the District of Oregon decided that the value of barrels in which Portland

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Cement is imported cannot be added to the wholesale price of the latter as an element of its dutiable value.

On August 20, 1855, Judge Wallace, in *Oberteuffer et al.* vs. *Robertson*, (24 Federal Reports, 852,) in the Circuit Court of the United States for the Southern District of New York, decided that whenever goods are sold in the markets of the country of exportation, whether usually, or only occasionally, in boxes, cartons, or coverings of any kind, which make the goods attractive and desirable, and the boxes, cartons, &c., enter into the price there of the goods as merchantable commodities, the boxes, cartons, &c., are accessories of the goods; and actual market value includes them as an element of the value of the goods in the condition in which they are purchased.

The decisions and instructions of this Department in respect to the seventh section of the law of 1883, just alluded to, have resulted in a very large number of protests made, and suits begun, by importers, to recover money alleged by them to have been exacted in excess by Collectors in obedience to the requirements of this Department.

I commend this question to the immediate attention of Congress to the end that, by legislation, the question may be settled definitely for the future, and so prevent the continuance in the future of a large number of protests and suits which have been begun, or are likely to be begun, on account of the decision of the Department, which decision will be adhered to by me in the absence of legislation, unless the question be finally adjudged adversely to the Department by the Supreme Court of the United States.

The question presented by the seventh section of the law of 1883, has arisen in another form, and in connection with reappraisements. On importations of an article, commercially known as "Worsted Italians," there was an appeal to reappraisers, and the General Appraiser and the Merchant Appraiser disagreed upon the question whether a coarse cotton covering placed around the article should be included in the dutiable value. The General Appraiser decided in the affirmative, and the Merchant Appraiser in the negative. Under the statute in such cases, the question went to the Collector "to decide between them." That subject, which incidentally embraced other questions, was referred to the Solicitor of the Treasury for his opinion. On August 31, 1885, I decided that the question whether or not that coarse cotton covering known as "Tillots," and whether cartons, boxes or other coverings are elements of the dutiable value of any particular importation, is to be determined in each case by the appraising officers, subject to the general rule of decision in such cases laid down in section 2906 of the Re-

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vised Statutes, and the opinion of the Attorney General of January 11, 1884.

In the reply of the Chief Clerk of the Customs at New York contained in the accompanying documents, (p. 601,) that officer, in response to my invitation to freely criticise any decision of this Department, expresses the opinion that when the reappraisers shall disagree, and the Collector, by Revised Statutes, section 2930, "shall decide between them," that officer must adopt one or the other of the disagreeing opinions of the reappraisers, and that Article 470 of General Treasury Regulations of 1884 which declares that "the Collector is, however, not bound by the values fixed in the report of either the Merchant Appraiser or the General Appraiser, but will adopt such value as upon the testimony submitted may seem to him just," is in violation of law. The question may be of importance in customs administration by reason of the recent opinion of the Supreme Court in *Hilton* vs. *Merritt* (110 U. S. Rep., 97) where the Court, in the course of a very instructive opinion on the subject of reappraisals, and the relation of appraising officers to classification, rates and amounts of duty, refers to the questions suggested to me by the Chief Clerk of the Customs at New York, but without expressing an opinion thereon.

The instructions of this Department have not been uniform, for in the volume of Customs Regulations for 1874, Art. 427, it is said, referring to a disagreement of reappraisers, that "they will make separate reports to the Collector who will decide between them, adopting one or the other valuation as he may deem just." The question is not free from difficulty as is sufficiently intimated in the opinion of the Supreme Court of the United States, to which I have just referred. Aided by the law advisers and experts of this Department, I have given it a careful consideration, and am of the opinion that it was the intention of Congress to give, and that a fair construction of the language used by Congress does give, a full discretion to the Collector in the final determination of the values in controversy. A strictly literal construction of the words "decide *between* them" might exclude the finding either of the General Appraiser, or the merchant, and make an intermediate valuation obligatory, which valuation it may be fairly assumed would naturally be nearer the truth than that of either of the disagreeing reappraisers. I do not think that the conclusion need necessarily be that the Collector, when called upon to act as an umpire by the statute, is necessarily to be considered an appraising officer, bound by all the statute technicalities which environ those officers. And yet, the statute declares that "the *appraisal* thus determined (by the Collector) shall be

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final." The Collector need not take an oath of office as appraiser in each case, and it is within his discretion and judgment, upon all the facts, whether or not to make a personal examination of the merchandise. The Examiners, Assistant Appraisers, the Appraiser and the merchant reappraiser are assumed to be experts in the character, quality and value of the merchandise under consideration; while in the case of the Collector, it may be said that the statute did not assume that he would possess such expert knowledge. A reappraisement is, in my opinion, substantially the same proceeding as the original appraisement, inasmuch as the statute expressly prescribes that the reappraising officers shall proceed agreeably to the provisions made for the original appraisement. But the statute has made no such requirements of a Collector when deciding between disagreeing reappraisers. It seems to me that an interpretation of the statute which required the Collector to take one or the other of two disagreeing valuations might require him to make a decision that his own judgment did not approve. Congress evidently foresaw that as only two persons could sit on a reappraisement, disgreements between them might arise which must be decided by somebody, and the statute naturally and prudently, treated and disposed of such a contention by making the decision of the Collector, as Collector, final and conclusive.

I shall adhere to these views until otherwise controlled by the Supreme Court of the United States, or by statute, but, in the meanwhile, I respectfully submit the question to the consideration of Congress for such legislation, if any, as it may see fit to make.

It is proper for me to add that neither the decision of this Department, of August 31, 1885, nor any other Department decision on this subject, interferes with the functions of appraising officers in ascertaining the value of imported goods. I have only, in obedience to the requirements of Congress, defined and established a general principle, and rule, by which they are to be guided.

When the statute requires that on the disagreement of two reappraisers "the Collector shall decide between them" it imposes a most delicate and important task upon the Collector, which, there is reason to fear, has, in the past, been performed in an inconsiderate and perfunctory manner. The exercise of such discretion and judgment should never, by a Collector, be intrusted to any subordinate. The law, and the public welfare, demand that the decision shall, in every aspect, represent his own intelligence, integrity and reason.

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FINAL ASSESSMENT OF DUTY.

If a correct and truthful invoice of imported merchandise can be obtained by the Collector, and if the appraising and measuring officers are competent and watchful, the full amount of duty required by Congress to be paid will be levied, and collected, unless this Department, and the several Collectors, shall be at fault in making classifications, prescribing the rates, and in liquidations. There is now no reasonable ground for complaint of the manner in which classification is made, and rates levied. There are disputes in abundance between importers and Collectors in that regard, and difficult questions are presented by the local officers to this Department, but these difficulties are inherent in the existing tariff law rather than in administration. That many of the present rates of duty have been a long time in force does not prevent a daily increasing presentation of new questions, concerning commercial designation and classification, growing, in part, out of the production of new forms of manufacture by new combinations of materials, creating novel commercial designations. There are, in the present law, not only purely *ad valorem* rates, but specific rates, which vary according to the value of the article at the foreign port. The same article is, by the present tariff, made to pay duty by value, and by quantity. Cotton goods are dutiable according to the number of threads to the square inch. The satisfactory execution of such a law requires, in my opinion, an immediate and thorough strengthening of the appraising department of the several ports, and important changes elsewhere in the consular and customs service. I appreciate how important it is to the importing, manufacturing, and industrial interests of this country, that the tariff law shall be stable, permanent, and well understood, but those qualities can never inhere, in my judgment, in the present tariff law, no matter how long it is upon the Statute-Book, and for the reasons to which I have referred.

There are now 116 ports of entry in the United States with as many separate Collectors, at each and all of which a new article of manufacture may be presented for entry. It is of course impossible for the Secretary of the Treasury, any more than Congress, to anticipate every possible product of manufacture, and of importation, under the existing law. When, therefore, the article is presented for duty, the Appraising officers, and the Collector, at each port, levy such a rate as they think the law requires, but the result is that differing rates on precisely similar articles are, at first, levied at the different ports. In order to correct such errors, since it is impossible that each of several conflicting decisions can be correct, the law has wisely provided that

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the importer may protest against the exaction by a Collector of a rate or an amount of duty which he believes excessive. If the Collector adheres to his first ruling, then the law permits the importer to appeal therefrom to the Secretary of the Treasury. It is in the interest of the law, and of a good administration of the revenue, that importers be vigilant in making such protests and appeals whenever they feel aggrieved, for thereby the Secretary of the Treasury is informed of differing decisions in the several collection districts. If, when the Treasury Department has decided (as it has the authority to decide definitely and finally so far as the executive department is concerned) what the rate of duty shall be, and the importer is dissatisfied, he is then permitted by the Government to bring a suit against the Collector to test judicially the legality of the exaction. This suit must be prosecuted in a Federal Court of the Circuit wherein the exaction of the money was made, and, under defined circumstances, either party can, by writ of error, bring a question of law arising therein to the Supreme Court at Washington.

The present law (Rev. Stats., 2931) declares that the decision of the Collector, as to the rate and amount of duties, shall be "final and conclusive" unless a legal protest be filed within ten days "after the ascertainment and liquidation of the duties." There have been contradictory instructions by this Department, (See those of September 30, 1878, and July 8, 1879) in respect to the one of several possible ascertainments and liquidations referred to by the statute. The last instruction by this Department declares a protest may legally be within ten days after the *first* ascertainment and liquidation, although the final liquidation of the entire entry and account may not be, till afterwards. It is obvious that if a protest need not be, and cannot legally be, till ten days, and an appeal to this Department till thirty days, after the *final* liquidation of a warehouse entry on the last withdrawal, there having been a succession of withdrawals for consumption of a portion of the merchandise originally entered for warehouse and duty paid thereon,—then the protest may not be against a payment of money and within ten days, but only against a subsequent computing, or liquidation. It is important that the Collector be as quickly as possible informed of any illegality in his exaction of money that is set up by an importer. The law of protests, appeals, and suits needs revision by Congress in several particulars.

There have been from time to time, and here and there, suggestions, first, that the decision of the Secretary of the Treasury, in respect to the rate and amount of duty shall be final and conclusive as the decis-

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ion of the appraising department is final and conclusive as to dutiable value, or, secondly, if the importer shall be allowed an appeal to any other tribunal, it shall not be to the regularly established Federal Courts of the country, but to a special tribunal, either the present Court of Claims, or a single tribunal to be established elsewhere. In regard to the first suggestion, I have already expressed an opinion; and in regard to the second, I am equally clear that the use of a new tribunal like the Court of Claims, or any other to be established, would not be well. I am advised that the Constitution forbids the taking away from an importer of the right of trial by jury in a suit against a Collector which he has begun, and which is now pending, inasmuch as it is a "suit at common law." In probably nearly all such suits the value in controversy exceeds twenty dollars, ($20.) Congress could deprive importers in the future of the right to maintain a suit to revise the decision of the Secretary of the Treasury in respect to rates of duty, but such a proceeding would be unwise if it created additional hostility against the tariff law.

If a new tribunal shall be created where shall it sit? If there be more than one, there will be need of a supreme appellate tribunal to produce uniformity of decision. The larger part of the revenue on imports is collected at the Port of New York, and therefore, New York would naturally be the place chosen for the sitting of such a tribunal. But, if there is to be only one tribunal, and it sit either in New York, or in Washington, importers who live in distant parts of the country and on the Pacific Coast, will be greatly inconvenienced if witnesses must travel so far. The questions cannot always be adequately presented on written depositions. On all questions of fact, in dispute between an importer and the Government concerning rates of duty, both parties are entitled to a trial by jury if desired, and a trial by jury at the place where the levy was made. The present system secures that right, and it also secures the right of the importer and the Government to bring each and every question of law to the Supreme Court at Washington.

There have also been suggestions for the creation of an Executive Board to try and decide the questions concerning commercial designation, classification and rates of duty which are now tried and decided by the Treasury Department. The result of my own limited observation and experience in the Department is that if the existing system be efficiently worked, both by importers and local customs officers, and by this Department, there is no need of modification. But at several of the ports the system is not at present adequately worked. If the importer be dissatisfied, and file a protest against the liquidation, the Collector is to

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immediately reconsider the liquidation in the light of the protest. In practice, however, that important work of considering the protest, and of redecision of the question of rate of duty, is either assigned by the Collector to a subordinate, or is performed by him in a perfunctory manner. It is the practice in this Department when an appeal is received to ask a report from the local officers where the liquidation was made which is complained of, and if the reply be a thorough and conscientious one, both in regard to law and facts, this Department will have before it the contention of the importer, who is very sure to state his case clearly and strongly, and also the contention of the local officers. Upon such a preparation of each case, and upon a similar preparation of similar cases from the several ports, the Department ought to be in a condition to make a safe decision.

I am also of the opinion that the decision of these questions should be kept in hands where it can be subject to the suggestion of the President, inasmuch as those questions often involve the consideration of treaties and of the friendly relations of this Government with other governments.

It will be obvious that the labor and responsibility of deciding questions involving rates of duty, which is now devolved upon the Secretary of the Treasury, is onerous, and for his own peace and contentment of mind he would wish the responsibility placed elsewhere, but it is difficult for me to see how any executive commission, or board, can be permitted to decide that class of questions without a certain amount of responsibility of revision being finally devolved upon the Head of this Department, in order to secure uniformity at all the ports, and the obedience of each and all of the customs officers.

The law commands the Secretary of the Treasury to make lawful rules and regulations for the government of all customs officers, and section 2931 of the Revised Statutes declares that the decision of the Collector, at the port of importation and entry, as to the rate and amount of duties shall, as has just now been explained, be final and conclusive against all persons interested therein, unless a protest shall be filed and an appeal taken from the decision of the Collector as therein prescribed; and on such appeal the decision of the Secretary shall be final and conclusive, so far as the Executive Department is concerned. This Department, under these provisions of law, is therefore required, as I have already said, to make final decision, on actual importation, between any disagreeing collector and importer. This function is a most difficult and responsible one under all circumstances, and is one,

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the exercise of which, naturally excites criticism or condemnation. The difficulty inheres chiefly, when Congress, in the law which imposes rates of duty, has not spoken of an article in a clear and unambiguous manner. Different theories have heretofore prevailed, in years past in this Department, as I am informed, in respect to the rule of decision when Congress has not thus spoken with perfect precision in respect to the rate to be levied on a particular article. The article may not have been in existence, and commercially known, at the time the schedule of rates was fixed by Congress. Some of my distinguished predecessors in deciding such questions of rates of duty between collectors and importers have invoked the aid of the principle announced by Mr. Justice Story, in *Adams* vs. *Bancroft*, (3 Sumner, 387,) that laws imposing duties are never construed beyond the natural import of the language, and duties are never imposed upon the citizens upon doubtful interpretation, for every duty imposes a burden on the public at large, and is to be construed strictly, and must be made out in a clear and determinate manner from the language of the statute. The same principle was subsequently reannounced by that wisest of magistrates, Mr. Justice Samuel Nelson, in *Powers* vs. *Barney*, (3 Blatchford, C. C. Rep., 203,) where he said "that in cases of serious ambiguity in the language of the act, or doubtful classification of articles, the construction is to be in favor of the importer, as duties are never imposed upon the citizen upon vague or doubful interpretations."

The rule by which the Secretary shall be governed in this class of decisions, is the more important because the Supreme Court of the United States holds that in the trial of a suit to overthrow the decision of this Department, as to rates of duty, the presumption shall be that the decision was correct, and the burden is thrown upon the importer of satisfying the Court and Jury to the contrary.

What the Secretary of the Treasury has to do in this regard, as an executive officer, is to ascertain, as best he can, and enforce, the intention of Congress as defined and expressed in the language it has used, whether in declaring articles subject to duty or exempt therefrom. It is natural, and indeed is indispensable for the protection of the revenue, that the local customs officers in deciding questions of classification and rates, shall, in cases of perplexity and doubt, give to the Secretary of the Treasury, and the Government, the benefit thereof, first, because the Collector is responsible for levying and collecting the full rate of duty; and, secondly, because if less than the full rate is collected, it is possible (although the contingency under the existing system of ware-

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housing and of bonds taken on entry for consumption is remote) that security may pass out of the hands of the Collector before the error in rate can be presented to this Department and corrected.

In the tariff law enacted on March 3, 1883, there is a clause which has relation to this subject. It is to be found in section 5, p. 491, and is an addition to section 2499 of the Revised Statutes, which section as it stands in the revision is taken from the twentieth section of the Tariff Law of 1842, which is known as the "Similitude Section," which was considered by the Supreme Court of the United States in *Stuart* vs. *Maxwell*, (16 Howard, 150.) The additional clause enacted in 1883 is this:

"If two or more rates of duty should be applicable to any imported article, it shall be classified for duty under the highest of such rates: *Provided*, That non-enumerated articles similar in material and quality and texture, and the use to which they may be applied, to articles on the free-list, and in the manufacture of which no dutiable materials are used, shall be free."

The clause was not, as it seems to me, intended by Congress to declare that when the Legislative Department has used obscure, ambiguous or equivocal language in respect to an article, not fairly within the Similitude Section, there shall be levied the highest possible rate, but rather that the rule expressed by the two illustrious magistrates whom I have just quoted is the truer and better executive rule.

In another part of this report, I have alluded to the large number of suits now pending in different parts of the country, to recover money alleged to have been exacted in excess for duties. An interpretation which is the opposite of the one I have suggested as most conformable to the spirit of our institutions, and to the feelings of the people from whom money is taken by taxes, would largely increase the number of those suits; and so long as the existing law remains upon the Statute-Book which permits jurymen to decide questions of commercial designation and questions of fact, in such suits, and an independent magistracy to decide questions of law, it is not to be assumed that such suits will be finally disposed of upon the rule that in every case the citizen must be made to pay, when the law-makers have not spoken clearly and distinctly, the highest possible rate.

In respect to all the decisions, and the principle of the decisions, which have been heretofore made by my predecessors in respect to classifications and rates of duty, and to executive decisions which are now pending in the courts, I shall in no way interfere, excepting to take care, so far as I can, that the defence to be interposed by the several District Attorneys shall be thorough and adequate. Those suits have passed out of

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executive determination and are substantially in the hands, so far as the Executive is concerned, of the Department of Justice, and those of the Courts.

I deem it my duty to respectfully present to Congress the rule upon which, while, at the same time enforcing and protecting the Similitude Section, I shall act in all new questions as they may arise, and until otherwise directed by superior authority.

SPECIAL AGENTS OF THE TREASURY, AND CHIEF OFFICERS AT THE PORTS.

There has been, from time to time, especially during the last summer and in New York, criticism of the conduct of Special Agents of the Treasury, their employment, and interference with the collection of the revenue. When I came to this Department, I found there was in service under the Revised Statutes (sec. 2649,) as amended in 1876 and 1878, the full number of twenty-eight (28) Special Agents that can be employed in the customs service, and at an annual total cost, for the last fiscal year, of eighty-seven thousand four hundred and sixty-six dollars and forty-two cents, ($87,466.42.)

I also found a force of Special Inspectors, numbering forty-three, (43,) the entire expenditure for which in the last fiscal year was fifty-two thousand six hundred and seventy-two dollars and two cents, ($52,672.02.) These inspectors are assigned to duty under the Collectors and Special Agents.

I also found other persons employed on what was called the "*Fraud Roll,*" to the number on November 1, 1884, of fifty, (50,) under an appropriation of not exceeding one hundred thousand dollars, ($100,000,) which began in the Civil Appropriation Bill of 1879 "for the detection and prevention of frauds on the customs revenue," and has been annually continued thereafter. For the year ending June 30, 1880, the cost of this "Fraud Roll" was only twenty-three thousand three hundred and eighty-nine dollars and twenty-five cents, ($23,389.25,) but for the first three quarters of the last fiscal year of 1884–5 the expense was about sixty thousand dollars, ($60,000.) There are to-day only eight (8) persons on that "Roll" out of fifty (50) in November, 1884; the total annual cost is now at the rate of about eight thousand dollars, ($8,000,) and five (5) of the eight (8) are employed in Europe, as silk experts to aid our Consular Agents, from which service I have not yet withdrawn them. The persons on the "Fraud Roll," were, and now are, under the immediate supervision of the Special Agents' Division of the Treasury.

There is much obscurity in the origin of the employment of Special Agents of the Treasury in customs affairs; of the fund out of which they

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were paid before 1870; and of the authority therefor which appears not to have been distinctly given by Congress till the last-named date. (Sec. 2649, Revised Statutes.) The accompanying documents (pp. 274 to 286) give such information thereon as I have been able to gather.

The average annual expenditure during the last five years to employ Special Agents of the Treasury, Special Inspectors, and members of the "Fraud Roll" to aid, or supervise, the regular officers in executing the customs law has been $184,306.13. That sum I deem excessive, and I shall continue to make effort to prudently reduce it; members of the "Fraud Roll," have even been assigned to permanent work in the District Attorney's Office at New York.

In the present force of Special Agents, numbering twenty-three, (23,) there are useful servants of the revenue whose intelligence, zeal and fidelity cannot be justly, or successfully, called in question. Their work is incessant, responsible, delicate in character, and at times most vexing. The best among them are invaluable aids to the Head of this Department, whose services, or the services of others like them, it would be an injury to the customs revenue to lose. But yet, while I thus fully and cordially recognize the value of the Special Agents' Division, I also appreciate the danger there is that a force of men, so near the Secretary, and naturally believed by the local officers to represent his views and purposes, may, if not most judicious and discreet in conduct, and not most watchfully supervised, become an injury to the local service at the ports which they frequently visit as the especial representatives of this Department, by creating, or encouraging, among the officers of the ports, a feeling that the latter are relieved in some sense of the responsibility which the statute imposes on them, and especially if assigned to permanent work therein. I fear that such has already, and in times past, been one result, and that the Government is now feeling, throughout the country, the unfortunate consequences. The functions of Collectors, Naval Officers, and Surveyors, as well as their responsibilities, are clearly defined in the law, but yet it is easy for those officers to fall into the habit of thinking that if the Secretary of the Treasury does not, by the eyes of his Special Agents, see irregularities and needed reforms, then none exist.

If such a condition of dependence on this Department actually and generally exist, as I fear that it does, for supervision of the local work of a port, or of a place on the frontier, the process of restoring a condition of effective and responsible local administration, such as the law contemplates, will necessarily be slow. The average customs officer, who has been long in service, cannot be easily, and quickly, shunted

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upon a new track when reform is needed. The force of habit is strong with him.

In the administration of the customs law the Collector is the chief officer of the Port. The wise framers of the law of 1799 provided for local self-government under general supervision at the Federal Capital. The Surveyor is under direction of the Collector, and is the chief outdoor officer. The Naval Officer verifies and countersigns many of the more important acts of the Collector in estimating, levying and liquidating duties. It is through the Collector that chiefly flow the orders of the Department to the port. While the duties of the Naval Officer, Surveyor and Appraiser are clearly defined by law, it is, nevertheless, upon the Collector that the Department must depend for general superintendence, and a taking care that the law is executed at the port. It is the Collector who communicates with the District Attorney, and directs, or ought to direct at the outset, the instituting, and defending, of certain suits at law. It is manifestly improper that his authority or influence, be weakened, or impaired, by any subordinate Agents of the Treasury. The salary of the Collector at New York, which is larger than that of any Federal Officer, excepting the President, larger than that of the Chief-Justice of the Supreme Court, or any Head of a Department, may be taken as an indication of his responsibility and labor if both be adequately performed. At that port seven-tenths of the whole customs revenue, amounting last year to $181,471,939.34 is by him collected. He selects merchant appraisers, and with himself is often the sole and final decision. He decides, in the first instance, complicated questions of rates of duty. He should be, if any one man could be, a successful merchant, an experienced lawyer, a wise judge, and especially a controlling executive officer in the handling of subordinates. He requires, and should have, adequate assistance, but, in many most essential matters and controversies, the discretion, judgment and decision must be his own individual act, at the end of careful and wise investigation, or the customs revenue may suffer irreparable injury. Very much that is bad in the present condition of the customs service at New York, has come of the freedom given, by the Collector, to Deputy Collectors to execute the law in their own way, and even to exercise discretion in important matters, without adequate, constant, personal supervision by the chief officer of the port. What is true of New York is true of other ports in a measure and relatively to the business. As a rule, the way of doing the work by the chief officers of the collection districts is carefully prescribed by Statute and Treasury

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Regulations, but there is need of perpetual watchfulness by the Collector to keep the machinery from falling into infirmity and partial decay, as is to-day its condition in too many districts.

SUITS AGAINST COLLECTORS.

I respectfully ask the attention of the Senate and House to the several replies made to my inquiries by the Attorneys of the United States at Boston, New York, Philadelphia, and Baltimore; and especially to the reply of the Attorney of the United States for the Southern District of New York, in respect to suits now pending, and growing out of differences between importers and Collectors in respect to the rate and amount of duty levied by the latter. The number of such suits now pending in the Southern District of New York is reported to be about two thousand three hundred, (2,300.) It will arrest attention that about one hundred and ninety-five (195) of these pending and untried suits in the Southern District of New York arose under the Tariff Laws of 1846, 1851, and 1857.

It will, no doubt, be to Congress, as it was to me, a startling announcement that "of these suits no one is now" (October 19, 1885) "fully ready for trial" on the part of the defendant; that "the pleadings do not disclose the precise issues in controversy;" that "the issues can only be accurately determined from the plaintiffs' protests, which, with very few exceptions, are on file at the Custom-House," and have, as it is to be inferred, not been seen by the District Attorney's Office; and that there does not appear to be in the District Attorney's "Office *or elsewhere, within the control of the Government,* any note or memorandum as to what were the facts, on which the action of the Government officers was based, or what witnesses are available for the defence."

There is in the reply made by the District Attorney to my inquiries, a severe criticism of the conduct of the Collector of the Port in regard to those suits, but, conceding that criticism to be well founded, I am even then at a loss to understand how, or why, if the District Attorney has enforced, as was his duty, Section 3012 of the Revised Statutes, there is not in his office, as he says there is not, "any intimation of what the issue really is, or what is the Government's defence."

That enactment, requiring a detailed statement of the plaintiff's demand, and a "description of the merchandise," was made in 1866; and if such a "Bill of Particulars" be not served on the District Attorney, "a judgment of *non pros. shall* be rendered," says the law. One is naturally puzzled to understand how an adequate examination of each case could have been made by the District Attorney, even to prepare proper

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pleadings in defence, on such meagre facts as are described as now in that office. An inquiry was made by the Court in *Muser* vs. *Robertson*, (21 Blatch., C. C. Rep., 368,) as to the sufficiency of the information respecting "the precise points in controversy" in Collector's suits, afforded to the defendant, and his attorney, by the statutes, and to that opinion I respectfully invite the attention of Congress.

It is due to the present District Attorney at New York to say that these suits were begun, and put at issue, before his term of office began, and that the reply to me, of October 19, 1885, was made before any of the assistants so long in that office had been removed, or otherwise changed.

What sum of money may be involved in these twenty-three hundred (2,300) suits, the information accessible by me, either in the office of the District Attorney, or the Collector, does not enable this Department to form even a guess. It may be millions! Nor am I able definitely to ascertain why more of these suits have not been put to trial. I am told that during the three years ended April 6, 1885, only 105 days have been, by the Circuit Courts for the Southern District of New York, given to the trial with a jury of suits against Collectors, and, in all that period, only 58 such suits were tried. Since April 6, 1885, no Collector's suits have been tried with a jury.

I do not concur in the plan suggested by the District Attorney's Office (p. 619) to send the questions therein referred to, of law, or fact, or both, "to a Referee for his determination of the whole suit." If computations, or reliquidations, of duty are not to be made in presence of the Court and Jury, but are to be sent to a Referee, he should be the Collector of the Port, in order that they be done by the regular liquidating force of the Custom-House. Whatever questions he, and the Appraiser, cannot dispose of should, as a rule, and excepting in mere numerical calculations, if questions of fact, be decided by the Jury, and if of law, by the Court.

It will be remembered that by Section 827 of the Revised Statutes, the District Attorney may receive a fee, outside of his salary, for the defence of these suits. Immediately prior to 1877 the District Attorney at New York received, under that section, within three years, $40,490. On June 4, 1877, it was ordered by my distinguished predecessor, Mr. Sherman, that not more than four thousand dollars, ($4,000,) in any one year, be allowed to any one District Attorney, under that section, which rule is now in force, and that sum has since then been annually allowed to the District Attorney at New York, in addition

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to his salary of six thousand dollars, ($6,000,) and other sums. Immediately after the issue of that order, the District Attorney at New York asked this Department, on September 11, 1877, for an allowance of a sum of money to two additional law-clerks, which was granted, and since then this Department has, under Section 827, paid to the New York District Attorney six thousand dollars ($6,000) a year, in addition to his salary, for his own services in Collectors' suits, and for an allowance to two such law-clerks. What influence this new system of compensation has had on the defence of suits against Collectors, I am as yet unprepared to say. From the information gathered in this Department the following tabular statement has been prepared according to fiscal years, and it may throw light on the inquiry.

Year.	New suits.	Tried.	Settled without suit.	In favor of U. S.
1875	1,092	103	442	82
1876	463	64	387	47
1877	283	98	423	17
1878	351	30	384	30
1879	400	84	473	71
1880	496	7	369	3
1881	712	47	727	31
1882	936	31	660	27
1883	576	25	1,136	5
1884	565	35	654	4
1885	637	34	241	6
Totals	6,571	558	5,896	323
Average	597 10-11	50	586	29 4-11

It is to be added that this Department has also paid another annual salary of two thousand dollars ($2,000) to a member of the "Fraud Roll," who has been assigned to the New York District Attorney's Office as a lawyer, but whose services came to an end on the first of the present month. It should also be said that, by the general theory of our laws, and Sections 363 and 836 of the Revised Statutes, the number, and the compensation, of the assistants, or clerks, of District Attorneys are under the control of the Attorney-General, and that for the service of the necessary force in District Attorney's Offices there was, for this present fiscal year, appropriated three hundred and fifty thousand dollars, ($350,000.)

The confusion and embarrassment created in the Treasury Department by the several sections of the Revised Statutes which regulate the moneys and payments to be allowed to District Attorneys by the accounting officers, and the inconvenient division of responsibility in that regard between this Department and the Department of Justice,

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have been clearly set forth in a letter from the Secretary of the Treasury to the House of Representatives, dated December 14, 1878, Ex. Doc., No. 27, 45th Congress, 2d session. The Revised Statutes declare (section 772) that the District Attorney, for the Southern District of New York, is entitled to receive, "for *all* his services," a salary at the rate of $6,000 a year; but it has been the rule, in this Department, to pay, or allow, to that officer, other and additional sums for special services, by virtue of other sections referred to in the before-mentioned letter. For the last fiscal year the total sum paid, or allowed, to the District Attorney for the Southern District of New York, exclusive of sums received by him as fees, or costs, on the discontinuance of suits, or prosecutions, of which this Department has no record, was, as nearly as can be ascertained, $11,484. I earnestly advise that the law be amended so as to provide an adequate salary for that important officer, and for each of the other District Attorneys, which salary shall cover all services that such officers may, by their superior officers, be required to perform, and that each and every sum received by a District Attorney's office as costs, or fees, or percentages, shall be paid into, and accounted for with the Treasury Department.

I earnestly commend the 2,300 pending suits to the attention of Congress, together with an inquiry whether or not there be an adequate judicial force in New York to deal with those suits, and the new suits that are daily begun, which demand, in the interest of the Treasury, an immediate trial.

The sum which the plaintiffs in these Collector's suits is entitled to recover of the defendant as interest by way of damages, when there is a verdict in favor of the plaintiffs, will be large, and is a very serious matter for the Treasury. The legal rate of interest in New York is much above what the Government pays on its bonded debt. It was decided by the Supreme Court of the United States in *Ruskin* vs. *Van Arsdale* (15 Wallace, 75) that in such suits for the recovery of duties illegally exacted by Collectors of Customs, and paid under protest, the Jury is ordinarily entitled to add interest from the time of the illegal exaction complained of. But in a more recent case, *Redfield* vs. *Ystalyfera Iron Company*, (110 U. S. Reports, 174,) the Supreme Court rejected the item of interest in a judgment, upon the ground that the plaintiff had been guilty of laches in unreasonably delaying the prosecution of his claim. I have already directed, and shall require, that this very proper ruling of the Supreme Court be insisted upon in the future, and that the facts tending

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to show laches on the part of the plaintiff be properly presented, on the trial, to the Court and Jury if any such evidence exists.

The decisions of the Supreme Court within the last ten years, have so clearly and frequently expounded the general rules of law in respect to commercial designations, classification, burden of proof, and the respective functions of the Court and of the Jury in this class of suits, that there ought not to be difficulty in the true application thereof by the Circuit Judges, and a speedy determination of these untried suits, if there be adequate energy used on the part of the Attorneys of the United States in the several Districts where so many of these suits are pending and if a Court can be had. On all questions of fact, a verdict by a Jury in accordance with the weight of evidence, should be satisfactory to the Treasury Department, if the defence has been fully and adequately presented. And on all questions of law the legislation of March 3, 1875, has, in my opinion, indicated that the rulings and judgment of the trial court should be promptly acquiesced in by the Department if no error was made on the trial. When the District Attorney, defending against the suit, shall report an error of law made by the Judge to the prejudice of the defendant, the questions presented will be submitted to the Attorney-General for his advice. Although the second section of that law provides that the Secretary of the Treasury may, notwithstanding the advice of the Attorney-General, insist on a writ of error to the Federal Court of last resort, it is not probable that the Head of this Department will be called upon to resist the advice of the Attorney-General to whom has been confided by law the conduct of the suits in the Supreme Court in which the Government is directly or indirectly a party.

THE EXAMINATION OF THE BAGGAGE OF ARRIVING PASSENGERS.

The documents which are herewith communicated to Congress explain (pp. 290 to 330) the circumstances and reasons under which I was constrained to abandon for a time the use of the Barge Office, at the Port of New York, for the examination of the baggage of passengers. How soon that work may be resumed at the Barge Office will, in the absence of any legislation by Congress, depend on the facilities afforded to customs officers by steamship companies at their wharves, upon the safety of the revenue, and a proper regard to the convenience of travellers. The beginning of the use of the Barge Office had been so environed with improvident contracts, and the general arrangements therein had so inflamed public opinion against the Barge Office as then used, that it seemed to me, after a very careful consideration of the subject, that it

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would be wiser and safer for the revenue, to discontinue, temporarily at least, the use of the place. No injury to the revenue has, I am satisfied, thus far resulted from the change.

A very serious difficulty, in the examination of passengers' baggage presses upon the Department which is not to be relieved by any change in the *place* of examination so long as it is to be in a building upon the wharf where passengers are landed.

The last Tariff Law of March 3, 1883, (22 Stats. at Large, 521,) inserts in the free-list the following:

"Wearing-apparel in actual use, and other personal effects (not merchandise,) professional books, implements, instruments and tools of trade, occupation or employment of persons arriving in the United States. But this Exemption shall not be considered to include machinery or orther articles employed for use in any manufacturing establishment, or for sale."

This exemption from duty is a literal copy from section 2505 of the Revised Statutes, p. 489, which clause was interpreted by the Supreme Court of the United States, in the decision rendered in the case of *Astor* vs. *Merritt*, on April 7, 1884, (111 U. S. Reports, 202.) In that opinion, the Court so interpreted the clause as to declare that the articles exempted from duty shall be the following:

"Wearing-apparel owned by the passenger and in a condition to be worn at once without further manufacture; (2) brought with him as a passenger and intended for the use or wear of himself or his family who accompanied him as passengers, and not for sale, or purchase, or imported for other persons, or to be given away; (3) suitable for the season of the year which is immediately approaching at the time of arrival; (4) not exceeding in quantity, or quality, or value, what the passenger was in the habit of ordinarily providing for himself and his family at that time, and keeping on hand for his and their reasonable wants in view of their means and habits of life, even though such articles had not been actually worn."

Such a very liberal interpretation was made of the phrase "in actual use" as applied to wearing-apparel.

That interpretation is now the test, and guide, for customs officers in ascertaining what articles shall be on the free-list. It is essential that the articles be owned by an arriving passenger, that they accompany the passenger, and that they are not brought hither for the benefit of other persons, or be given to other persons, when landed. It is also essential, under the definition of the Supreme Court, that the articles be "actual wearing-apparel," including of course articles ordinarily used by a traveller; that the articles of wearing-apparel be in a condition to be worn immediately without further manufacture, and worn by the arriving passenger, or some member of his family who accom-

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panies him, suitable for the season of the year immediately approaching at the time of arrival; and not in quantity, or quality, or value, in excess of what the passenger would ordinarily provide for himself and family at that time, and keep on hand for use, even though the articles had not been actually worn.

Reasonable and fair execution of such a law, in the sense both of the Government and of the arriving passenger, cannot be easy under any circumstances of time or place. There must be an inquiry into questions of present ownership, of future intention, of the suitableness of clothing for the season of the year, and of the quantity which the arriving traveller is in the habit of providing. Even if the luggage were regularly entered with the Collector, as is imported merchandise, and sent to the Appraiser's stores for quiet and deliberate examination, the test required by the law would be difficult of correct and perfect application. But when large boxes, or trunks, containing the articles referred to, are to be examined, in a building on the steamer's wharf, at all seasons of the year, and sometimes at all times of day or night, in the hurry and confusion of the arriving of hundreds of passengers, surrounded by waiting friends, who are impatient of delay, the difficulty becomes most serious. The examination is made by discharging "Inspectors" whose pay is four dollars ($4) per day, and whose day of service is often long and tedious.

The articles, classified as wearing-apparel, when brought into the country by regular importation, pay generally a very high rate of duty, as high as fifty (50) or seventy (70) per cent., and even more. There is naturally a feeling of dissatisfaction on the part of manufacturers of clothing in our own country who are compelled to pay such high rates of duty on the imported material of manufacture, when they see, or think they see, travellers returning from Europe, who bring with them large quantities of new wearing-apparel fresh from a foreign shop. One of the most serious embarrassments in the way of the customs officers is a discrimination between those who bring such articles for sale, or gift to others, and those who bring them for their own use within the limitations defined by the Supreme Court.

The Chief Clerk of the Customs at the Port of New York (p. 586) says:

"I know of no law for the examination of baggage on the steamers' wharves. It is *permitted* by Treasury regulations only as a convenience to passengers."

Sections 2799, 2800, 2801 and 2802 clearly prescribe two methods of passing through the custom-house the baggage of arriving passengers. It may be passed by a formal entry, (section 2799,) as all other mer-

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chandise, but separate and distinct therefrom, and after an examination a permit may be granted for delivery to the owner of such articles as are exempt from duty. The chief thing to be done, it will be seen, is not to appraise and levy duty, but to separate dutiable articles (if any there be in the luggage) from the free articles and deliver the latter to the traveller. Another mode (section 2801) distinctly authorized by the Statute is for the Collector and Naval Officer, whenever they "think proper," to direct the baggage of any person arriving to be examined by the Surveyor, or by an inspector, who shall make a return of the same. If any articles are exempt from duty, they, of course, are to be delivered to the owner; and if any are dutiable "due entry" of them must be made and duties paid thereon. Section 2801 does not define the *place* in which either a Surveyor, or an inspector, shall examine passengers' luggage to ascertain what portion of it is, and what portion of it is not, exempt from duty. But the practice of examination on the steamers' wharves has long existed, and I cannot doubt that the practice is authorized by law. It would no doubt be a great convenience for customs officers at the Port of New York, and a great protection for the revenue, if the examination could be made in a more formal manner, and with more circumspection by the regular appraising officers, at their Government storehouse; but such formality and delay would certainly be a great hardship for arriving travellers.

There is, as I have said before, not only a difficulty growing out of the law which is to be applied in such a hurried way, in the *place* where it is to be applied, and the officers by whom the examination is to be made, but a difficulty that is, in my appreciation, quite as serious, grows out of the prevailing practice, by arriving passengers, of making payments of money to inspectors for services rendered, and it is to be assumed, in making the examination to decide whether the articles are fairly embraced within the free-list. My attention was called to this subject when I first came to this Department, and I invite the attention of Congress to the several orders and letters of instruction (pp. 328–330) which I issued and made public. As the evil and scandal of these payments in violation of law did not cease, I detailed Special Agents of the Treasury to supervise the examination of baggage, and report to me. From these reports, and from information received from other sources, I am convinced that the practice still exists, although so carried on, in part, under such circumstances of solicitation by the inspector after the passenger has left the wharf, as to make prevention difficult by any agency at present within my control. The large sums that are often paid, as I am told, by arriving passengers to the inspector who exam-

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ines their luggage, or afterwards to some one who represents him, make it impossible to believe that the money is paid merely as a recognition of proper civility, or courtesy, or patience, on the part of the examining officer.

The practice of asking and making such payments is one of long growth, and therefore well established; but the sums paid are represented to me as yearly increasing in size. How can it be prevented? The reply made by the Chief Clerk of the Customs at New York (p. 586) fairly represents the tenor of the replies contained in the accompanying documents. "By espionage," is one suggestion! Manifestly the espionage of the Collector and the Surveyor, in person, would be inadequate, in consideration of the number of steamers often arriving in New York on the same day, and at the same hour. The espionage of one local inspector over another local inspector does not hold out the promise of a good result. I have thoroughly tried the espionage of Special Agents from this Department, and, while I think somewhat has been accomplished in the way of reform, the evil remains. To require one class of officers to watch another class, in that kind of work, would, in the end, create a system that must break down by its own weight.

Another suggestion of remedy is "the sure dismissal and prosecution of the offending parties." The problem of "dismissal" is a large, difficult and complicated one. The public mind is just now, and very properly, sensitive and alert in regard to the removal of any, even the most subordinate servants of the customs revenue. The representatives of a political party, hostile, in the sense of "government by party," to the party which has so long held executive power, having recently been chosen or appointed to execute the customs law, there is a most natural suspicion that a dismissal from office has been inspired, and only inspired, by a desire to make a change in a party sense. Therefore comes, on each removal, a demand to know why the removal was made. If no reason be assigned, then the removing officer cannot expect to escape criticism. But in case of the examining inspectors of passengers' luggage now under consideration, if the evidence of receiving money under illegal circumstances is so clear as to permit its statement as a reason for removal, then there should follow a criminal prosecution of the offending parties. If, on the other hand, the evidence is not sufficient to warrant criminal prosecution, but is sufficient to raise a well-grounded suspicion against the integrity of the officer, then it would be manifestly unjust to the removed officer to announce bribery, and what in law is a misdemeanor, as a reason for removal.

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This habit of making gifts to customs officers is quite general in other parts of the service besides the examination of passengers' luggage. It prevails among the warehouses, and, as I am told, generally throughout the Port of New York. I can but feel that importers, and the persons concerned in the entry or the warehousing of merchandise, are quite as much to blame as are the servants of the Government who receive the money offered to them. The persons who make these gifts to customs officers would not tolerate such practices in their own business. No Bank would permit its depositors, or those in the habit of receiving loans therefrom, to make large "tips" to its Cashier, or its Receiving Tellers, or its Paying Tellers, or its Discount Clerks, for services rendered in the business of the Bank. Nor would a wholesale or retail dealer permit customers to make gifts of money to his clerks for courtesies extended in the making of sales, or the fixing of prices.

If it be asked why there is not an attempt at criminal prosecution of those who make, and those who receive, these gifts in violation of the spirit of the laws of Congress I refer to an extract (p. 557) from a communication made by Ex-President Arthur, when, in 1877, he was Collector at the Port of New York. He said, in relation to the subject of gratuities bestowed upon clerks by importers nominally for hastening the clearance of goods:

"The strict law now on the Statute-Book has proved practically inoperative for the simple reason that it has been found impossible to procure the evidence of a violation."

He adds in respect to the subject of bribing inspectors of passengers' baggage:

"I have read the remarks of the Surveyor as to the inspectors who are more immediately under his control, and concur in what he says. I may, in addition, call your attention to the fact that when last year a prosecution was instituted against inspectors who were alleged to have received money for passing passengers' baggage, it failed because it was necessary to prove not only the receipt of the money but that it was received as an inducement to do an illegal act, and, secondly, that there were dutiable goods in the baggage. The latter fact it is impossible to prove [in court] unless the baggage is seized on the spot, which, with the present facilities for examination of baggage cannot ordinarily be done in those cases where the payment of money can be detected."

I do not fail to appreciate the fact that removal from office of a suspected subordinate servant of the revenue is within my own discretion and power, whenever I have what seems to me reasonable ground of suspicion. Thus far I have felt it my duty to await the most careful and patient inquiries in regard to these and other matters in the customs

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service that it was in my power to make, before attempting to break up these pernicious practices by rapid removals of suspected persons.

My fear is that nothing less than sweeping and severe new criminal enactments will thoroughly exterminate these practices. I respectfully commend the subject to the attention of Congress with the suggestion that the good effect of new legislation will depend upon the decision by Congress of the question whether or not it is wise, in a public sense, to punish criminally the giving or taking of a gift made to one in the customs service without proof that such giving, or taking, was accompanied by an illegal intent; or in other words, whether or not the receiving by one in the customs service of any money, or thing of value, not authorized by law, can well and safely be defined and punished as a crime, if done in connection with the importation, storage, examination or delivery of imported merchandise, without the allegation, or proof, of an actual intent to violate the law, or injure the revenue.

DETERRENT LEGISLATION AGAINST FRAUDS ON THE REVENUE.

Neither my personal nor official experience has been such as to enable me, by observation of current events in the customs service immediately before or after 1874, to form an opinion of the effect of the legislation of that year known as the "Anti-Moiety Law." The documents herewith offered to Congress do, however, contain very decided opinions expressed by those who have had good opportunities for such observation. Whatever differences there may now be concerning the wisdom and safety of that legislation ten years ago, I think that Congress, and the country, should bear it in mind that the Executive, to-day,—although required to execute a tariff law quite as complicated, and quite as tempting, to smugglers and those who are willing to make false invoices and entries as was that of 1861–2, which made necessary the law of 1863,—has been deprived of the incentive to local customs officers and others to make seizures which existed from 1799 to 1874, and also of the power to compel the disclosure of evidence that was practically exercised during the same period. The same acts of commission, or omission, in respect to the customs revenue, are now, as from 1863 to 1874, defined and denounced as crimes to be punished by the criminal side of the Court, and as offences to be visited by deprivation of property by the civil side, but the power of the Executive and Judicial Departments to enforce the law, has been greatly impaired by the legislation of the last-named year. How serious that impairment is will appear by a

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glance at that legislation and a comparison of it with the legislation of 1799 and 1863.

From the early days of the Government, and down to 1874, Congress gave to the Executive exceptionally large power to compel the production of evidence disclosing the actual cost, or foreign market value, of imported merchandise. All persons were thereby invited to lay before the Executive evidence in their possession tending to show frauds upon the revenue, and the chief officers of the several ports were induced by the hope of large pecuniary reward to make seizures of suspected merchandise, and to promote suits to recover the value of merchandise illegally imported which had passed out of the hands of the Government. That legislation is a great part of it to be found in the laws of March 2, 1799, and of March 3, 1863. Up to the last-named date, as I am informed, the chief officers of the ports, or persons specially appointed by either of them, did, by obtaining a warrant therefor from a justice of the peace under section 68 of the law of March, 1799, enter private premises in order to seach for, and seize, merchandise, on which duties had not been paid, and, under the protection of the warrant, demand the examination of private books and papers purporting to relate to a suspected importation, and even carry the same away for inspection. By the seventh section of the law of March 3, 1863, that very extraordinary proceeding was regulated by requiring the application for a warrant to seize an importer's invoices, books, or papers to be made under oath, to a Judge of the Federal District Court. The Judge was authorized, if he saw fit, to issue his warrant, directed to the Collector of the Port, empowering him to seize and carry away for inspection invoices, books or papers, and retain the same for the use of the United States so long as necessary, subject to the control of the Solicitor of the Treasury. On July 18, 1866, and on March 2, 1867, the exercise of this dangerous prerogative was further restricted and controlled. Congress then ordained that the warrant be directed not to the Collector, but to the Marshal of the District, commanding the Marshal by himself or deputy, to seize and take possession of books or papers, and produce them before the Judge instead of the Collector of the Port. The Judge was authorized to permit the Collector to examine the same, but they were to be kept always subject to the disposition of the Judge, instead of the Solicitor of the Treasury. But by the first section of the law of June 22, 1874, all legislative authority to enter private premises, and seize private books and papers, in order to ascertain foreign values or to obtain evidence of frauds upon the revenue, either accomplished or intended, appears to have been swept away. Instead

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thereof, it was provided by the fifth section of the last-named law that, *after* suit for forfeiture had been actually begun, the Attorney representing the Government may make a written motion, particularly describing a book, invoice or paper, and setting forth the allegation that he expects to prove; and thereupon the Court in which the suit is pending, may, at its discretion, issue a notice to the defendant, or claimant, to produce such book, invoice, or paper in Court, at a day and hour to be specified in said notice, which notice shall be duly served by the Marshal, and if the defendant or claimant, shall fail, or refuse, to so produce, and the allegation stated in the motion shall be taken as confessed unless his failure, or refusal, to produce shall be explained to the satisfaction of the Court. If produced, then the Government Attorney shall be permitted, under the direction of the Court to examine the designated entries in said book, invoice or paper, and offer the same in evidence, but the owner of said books and papers, his agent or attorney, shall have the custody thereof, subject to the order of the Court. This proceeding, it will be observed, gives to the Executive no power to compel the production of books, invoices or papers, *before* a suit has been begun, in order to ascertain the truth in respect to foreign values, or any other fraud upon the revenue.

Up to 1874, and by the seventy-first section of the law of March 2, 1799, on a trial of a suit to forfeit any merchandise that had been seized for a fraud upon the revenue, the *onus probandi* of proving the innocence of the merchandise was upon the claimant thereof, provided a probable cause for such prosecution has been shown, to be judged by the Court before whom the prosecution is held. But, by the sixteenth section of the law of June 22, 1874, it was made the duty of the Court on the trial of any suit for forfeiture, or for value, to submit to the jury, as a distinct and separate proposition, whether or not the alleged acts were done with an *actual* intention to defraud the United States, and to require upon such proposition a special finding by such jury. I respectfully invite the attention of Congress to a letter on this subject (pp. 870) which the Associate Justice of the Supreme Court of the United States, assigned to the Second Federal Circuit, has been kind enough to write to me in reply to my inquiry respecting his own very large judicial practice in the Southern District of New York on trials of suits for forfeiture, or for value, which took place before him under the laws of 1863 and 1874.

Down to 1874, the law also gave, after deducting all proper costs and charges, one moiety of the proceeds of Custom-House forfeitures to the Federal Treasury, and divided the other half in equal portions between

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the Collector, Naval Officer and Surveyor, excepting when such forfeiture was recovered in pursuance of information given to the Collector by any person other than the Naval Officer and Surveyor, and then one-fourth of the net proceeds were given to such informer, and the remaining one-quarter distributed among the three chief officers of the Port. That inspiration and inducement to the chief officer of the Port to make seizures, and to other persons to give information to the Collector of frauds upon the revenue, were taken away by the law of 1874, which directed that the entire proceeds shall be paid into the Treasury, and left it with the Secretary of the Treasury to make suitable compensation, out of a specific sum to be annually appropriated by Congress, to officers, or persons, seizing smuggled goods, or to any informer of perpetrated or contemplated customs revenue frauds, who shall not be an officer of the United States. The sum to be paid to such informer could not exceed in any one case five thousand dollars, ($5,000.)

Up to 1874, when any line, or item in an invoice was made with intent to evade the payment of duty legally chargeable, the whole invoice, and all merchandise described therein, was liable to forfeiture, but under the twelfth section of the law of 1874, the forfeiture "shall only apply to the whole of the merchandise in the case or package containing the particular article or articles to which such fraud or alleged fraud relates; and anything contained in any act which provides for the forfeiture or confiscation of an entire invoice in consequence of any item or items contained in the same, being undervalued, be, and the same is, hereby repealed."

There will be found on page 628 of the accompanying documents a significant tabular statement of the number of suits or proceedings, begun in the Southern District of New York, for forfeiture, or for value, on account of revenue frauds, in the ten years between 1863 and 1874, and also the number of such suits, or proceedings, begun in the ten years between 1874 and the present date. In the former period, there were nine hundred and fifty-seven (957) suits, or proceedings, on which the large sum of three million six hundred and ninety-six thousand two hundred and thirty-two dollars and fifty-three cents ($3,696,232.53) was paid into the Registry of the Court and in the last-named period, only two hundred and fifty-four (254) suits were begun, and thereon only three hundred and ninety-three thousand seven hundred and seventy-four dollars and seventy-two cents ($393,774.72) have been paid into the Registry of the Court. It will not, I suppose, be claimed that the legislation of 1874 was of a character to increase the integrity of invoice valuations, or to diminish custom-house frauds.

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But, nevertheless, the law of 1874 appears to have been necessary, at the time of its enactment, on account of the conduct of Special Agents of the Treasury, and the intolerable scandals it created. Ten years have, however, elapsed since that legislation, which probably required and contemplated, for its full fruition, that the Tariff Law, should at the same time, be simplified, and made easier of executive administration.

It must be borne in mind that under the Federal laws there cannot be a libel or information filed, or other suit begun in a Federal Court to forfeit merchandise for a fraud upon the revenue, unless at the time there is a good and subsisting seizure thereof either by an executive officer or by an individual. Since 1874 there has been no one with a sufficient personal motive to take the risk and responsibility of seizing merchandise and depriving the owner of the control thereof. Previous to 1874, an informer, or one of the chief officers of the Port was naturally willing to encounter that risk, which might involve very serious pecuniary consequences for himself if the Judge, at the time of trial of the forfeiture, decided that there was no reasonable ground for the seizure. The accompanying opinions of the customs officers sufficiently disclose the difficulties, which, in their appreciation, the law of June 22, 1874, has interposed in the way of a verdict by a jury in favor of the United States.

In addition to this, the District Court for the Southern District of New York decided in March, 1884, (19 Federal Reporter, p. 893,) which decision was affirmed on appeal, by the Circuit Court, on May 5, 1884, that the legislation of June 22, 1874, covered the whole ground of frauds on the revenue by the entry of imported goods at the custom-house embracing punishment of importers criminally, as well as indemnity to the Government, and, therefore, superseded by implication sections 2839 and 2864 of the Revised Statutes on the same subject, so that there is at present no law authorizing a suit for the *value* of the merchandise which has been withdrawn from the custody of the Government, although the merchandise has been tainted by a fraud in its importation and would have been liable to condemnation if the prosecution had been *in rem*. I respectfully suggest to Congress the immediate enactment of legislation to remedy such an interpretation of the law of 1874 which could not, I assume, have been intended by Congress.

I do not make a recommendation to Congress for the restoration of the "old Moiety system," and the statutory inducement to informers, or the law concerning intent and burden of proof, which existed from 1799 to 1874. And I do not so recommend for the reason that the purpose

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of the House and Senate, in respect to the simplification of the rates of duty and a prudent enlargement of the application of specific rates, is necessarily unknown. Should some such last-named change be not made, I have little faith that the existing power of the executive, and of the courts, will be adequate to secure honest invoices, and full appraisement.

It is to be assumed that during the present and next fiscal year quite one hundred and fifty millions of dollars must annually be raised by duties on merchandise. The necessity of correct invoices, measurements, weights, classifications and appraisements will exist, under any practicable and possible reform of a tariff to raise that large sum, but the peril to the Government of false valuation in invoices need not be so great as now. Certainly the Government should not return to that system of inquisitorial executive and judicial procedure, by the seizure of books and papers, that existed in 1863–7 unless the revenue is in peril, and also unless the moral sense of the country will be behind such legislation to uphold it. That false invoices, and the evasion of duties legally chargeable on merchandise, inflict definite evils upon the Government and those who make true invoices and pay full duties, cannot be denied. The law which denounces those acts, as crimes, or offences, to be punished, ought not to be a dead letter, as it is now. But the real difficulty is, I fear, in the fact that so large a portion of the people of the country disapprove of the present tariff rates, and would condemn any adequate punitive and deterrent legislation, like that of 1799 and 1863, intended to uphold those tariff rates, or would only support such legislation because obedience to all law is, among right-minded people, a general obligation. But yet if the existing rates of duty are to stand, and if those compound rates wherein even specific rates depend on foreign values are hereafter to be inflicted, there will be need, I think, of new deterrent legislation which will more surely and swiftly imperil the property on which foreign manufacturers, and shippers, seek to evade payment of duty which they know the law imposes, and which duties those who present truthful invoices must pay, since the Collectors cannot levy *ad valorem* rates on less than the invoice or entered value.

DANIEL MANNING,
Secretary of the Treasury.

The Honorable
The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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APPENDIX.

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INVESTIGATION OF SPECIAL AGENTS AT NEW YORK.

No. 1.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., January 17, 1885.

GENTLEMEN: In the recent trial at New York, N. Y., of the suit of Liddell against Dodge *et al.*, Judge Shipman in his charge to the jury severely reflected upon the management of the office of the special agents at New York.

It is charged that twenty-two invoices of linens imported by Messrs. Watson & Girdwood were under investigation in the special agents' office about January, 1884, but that no report thereon was made to the Department, the district attorney, or the collector, notwithstanding the fact that the goods embraced in the invoices referred to were undervalued, and that the proof thereof was easily attainable.

The facts in the case are fully set forth in a communication, dated the 19th ultimo, from the United States district attorney, and which, with other papers on the subject, are herein enclosed.

I desire that a thorough investigation be given to the subject, and hereby appoint you a commission to proceed to New York for that purpose. I also desire that the manner in which the business generally at the special agents' office at New York has been conducted for the past two years shall receive attention; and, in order to afford the fullest opportunity for a thorough investigation, you are hereby authorized to exercise your discretion as to the methods and extent of the examination.

Upon the conclusion of your labors, which it is hoped will be pushed to an early termination, you will please submit a written report, in which you will embody such recommendations as, in your judgment, the ascertained facts and the interests of the Government demand.

Very respectfully,

H. MCCULLOCH,
Secretary.

MESSRS. GEO. C. TICHENOR, JAMES W. DAVIS, O. L. SPAULDING.

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No. 2.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., January 24, 1885.

GENTLEMEN: Referring to the communication addressed you on the 17th instant, appointing you a committee to investigate the special agents' office at New York, I transmit herewith, for your information and such action as you may deem proper, copy of a letter from Mr. Fred. Wallroth, dated New York, January 16, 1885, in which he makes charges against said office relative to irregularities in the importation of certain tin-plate at that port; also, copy of a letter from Mr. John H. McKinley, dated New York, the 20th instant, alleging malfeasance in office on the part of Special Agent Brackett.

I also enclose copy of an anonymous communication, dated New York, January 19, 1885, bearing on the same subject as above.

The gentlemen named have been notified of the reference of their letters to you.

Very respectfully,

CHAS. E. COON,
Assistant Secretary.

Messrs. GEO. C. TICHENOR, J. W. DAVIS, O. L. SPAULDING,
New York, N. Y.

—

[Enclosure.]

NEW YORK, 81 *Nassau Street, January* 16, 1885.

SIR: I respectfully suggest that the name of A. K. Tingle, a special agent, be omitted from the commission which you are about to appoint to investigate the special agents' office and hear complaints from citizens of New York and other places. There should be *no* whitewasher on the committee, but men of the class of Capt. C. C. Adams, (with whom, likewise Capt. Brackett, I have been acquainted during many years,) whose honesty is unimpeachable, and whose integrity is *away above* that of your two Assistant Secretaries, because Capt. Adams would *never* have ignored, and *has* never ignored, a complaint made to him against any one believed to have defrauded the Government, where it was his duty to investigate; whereas your two Assistant Secretaries, when acting as Secretaries, *refused* to investigate a charge made by me against one John S. Dickerson, and, although paid public servants, did not (perhaps dared not) even acknowledge the receipt of communications from me to the Department, which every citizen had a right to demand.

Some years ago I notified the Government that large frauds were being committed in the importation of "tin-plate" by the firm in which said J. S. Dickerson was a partner, and by others in the trade. Several special agents were appointed to investigate. One of them was Capt. Brackett, and, at my expense, we weighed "tin-plate" on the docks and in the importers' stores and investigated weighers' returns. In one case we found boxes on the docks weighing 300 pounds and invoiced at 30 pounds. This little matter Mr. Tingle *arranged* with the importer. In another case we found *exactly* 100,000 pounds difference against the Government between the invoice weight and the weighers' returns in one shipment. What report to your Department was made on this investigation? I have been told that Mr. Tingle has said that it amounted to nothing. Whose fault was it, if it did not? It is the most ungrateful task a person can do to expose a Government thief or bribe-taker, but *I may* appear before the commission you will appoint and tell what I know of frauds against the Government, and if I should give to the press some papers not very complimentary to your two Assistant Secretaries, they

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would have themselves only to blame if I retaliate on them for calling me a "crank," which I have been told they have been doing.

Believe me, your faithful servant,

FRED. WALLROTH.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury, Washington, D. C.

No. 3.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., January 31, 1885.

SIR: I beg to invite the attention of the Department to the enclosed slip, cut from the New York "World" of the 30th instant. In regard to the case of undervaluation mentioned in the article, it is proper for me to state that it was disposed of upon appraisement before I went to New York, under Department's instructions of the 3d instant, to investigate the undervaluation of silks. It may be also pertinent to say that the firm alluded to is one that receives large consignments of silks, which, according to the reports of the consuls and the statements of the examiners, are, as a rule, undervalued in the invoices. I make no comment upon the extraordinary statements attributed to Deputy Collector Bartram, except to say that the only fragment of truth in the article, so far as it relates to myself, is that, at the request of Assistant Appraiser Kent, I politely inquired of Mr. Bartram how it happened that he had appointed a merchant appraiser in the case referred to whose name was not upon the list furnished by the appraiser. No profane or violent language was uttered by me on that occasion. Mr. Bartram readily showed me the papers in the case, and explained that he had taken the name of the gentleman appointed from a list furnished for another reappraisement. One of the chief obstacles to the just appraisement of silks has been the practice at New York of appointing as merchant appraisers members of firms engaged in the business of receiving consignments from European manufacturers.

There appears to have been a tacit understanding among the firms that they would protect each other from advances upon invoices involving penal duties. With one of these importers as merchant appraiser, and others as swift witnesses to swear to a low valuation, invoices have seldom been advanced 10 per cent. or over. In view of these facts, the collector at New York has recently taken the appraisement [appointment] of merchant appraisers into his own hands.

Very respectfully,

A. K. TINGLE,
Special Agent.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

No. 4.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 2, 1885.

SIR: Your attention is invited to the enclosed publication from the "New York World" of the 30th ultimo, containing statements, said to have been made by Deputy Collector Bartram, reflecting upon the

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officers of this Department. You are requested to call upon Mr. Bartram for an explanation of these statements, and such evidence as he may have tending to establish the alleged conspiracy set forth in said article. You will find herein enclosed, for your information, copy of a report upon the subject from Special Agent Tingle.

Very respectfully,

H. McCULLOCH,
Secretary.

COLLECTOR OF CUSTOMS, *New York City.*

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No. 5.

CUSTOM-HOUSE, *February* 5, 1885.

SIR: In reply to your indorsement upon a letter from the Hon. Secretary of the Treasury of date February 2, 1885, I have the honor to report as follows:

Some time about the middle of January, Mr. Tingle came to my desk in the rotunda and asked me who appointed the merchant appraisers. I replied that I did. He then asked how it was that in appointing a merchant appraiser in the case of Megroz, Potier & Grosse some time since, I did not take a name from the list furnished by the appraiser. I replied that I had no recollection of not having done so, but to settle the matter I would get up the appeals. Upon looking at the papers for that date, we found that there were five reappraisements called for that day—two for Schroeder and three for Megroz, Potier & Grosse. On the appeals for Schroeder, Mr. Lewis, of Lewis Bros., headed the list furnished by the appraiser, and the name of C. Lambert, of Messrs. Dexter, Lambert & Co., headed the list furnished for Megroz, Potier & Grosse. As the goods in each case were similar, and the reappraisements were called for the same day, I followed a common practice by designating Mr. Lewis to act on all the cases. I made this explanation to Mr. Tingle. He replied that Mr. Kent, the appraiser, was greatly enraged because I had not appointed Mr. Lambert. I asked him what was the trouble with Mr. Lewis, and he replied that he imported the same line of goods that were under examination. I said to Mr. Tingle that, in my opinion, that was the very best reason that could be given for his appointment, the statute requiring the collector to appoint a merchant "*known to be well qualified, and believed to be disinterested and free from bias,*" and in no way binding him (the collector) to the names furnished by the appraiser. I then asked Mr. Tingle how it was that Mr. Lewis was considered a proper man in Schroeder's case and an objectionable one in the case of Megroz, Potier & Grosse. He replied that Mr. Kent said that Mr. Lewis had had an invoice raised not long ago himself, and he thought that he (Lewis) would like a chance to get square. This statement astounded me, and I expressed myself as forcibly, yet courteously, as I could upon the subject. I told Mr. Tingle that, in my opinion, it amounted to a conspiracy upon the part of the appraiser against the importer; that, in my opinion, when the appraiser had advanced an invoice his duties were completed therewith, and that the matter on appeal then passed to the hands of the United States general appraiser, and that in justice to the merchant, and in accordance with the statutes, the collector was bound to appoint a merchant to act with him (the United States general appraiser) in

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the final reappraisement. I said to him that I have never been requested by but one person to appoint a named merchant appraiser, and that was by Captain Chalker, who, upon my remonstrating with him for making such a request, modified it by asking me to give him "a good man," and acknowledged the impropriety of his request. Mr. Tingle replied, "Oh, Chalker is a d——d fool." I told him I failed to see any difference in his position from that of Chalker, and asked him if he did not think he had better go a little slow. I expressed to him the great respect I had always entertained for him as an honorable and efficient officer, and he replied that he intended to do no man an injustice. Before Mr. Tingle left I said to him, "How is it that in all these cases the United States general appraiser has agreed with the merchant appraisers? He is a sworn Government officer, and should have looked out for the interests of the Government. Is he corrupt, or is he incompetent?" His reply was, "Oh, he likes generally to agree with the merchant appraiser;" which seemed to me puerile. Our conversation was earnest, but courteous; and after some further remarks upon the unfortunate and complicated turn affairs were taking, he left. Mr. Tingle makes the assertion in his letter to the Secretary that the chief obstacle of the just appraisement of silks has been the practice of appointing merchant appraisers from members of firms engaged in the business of receiving consignments from European manufacturers, and then follows with a general charge against the importers of combining to protect each other as witnesses and merchant appraisers. He closes with this sentence: "*In view of these facts*, the collector has recently taken the appraisement [appointment] of merchant appraisers into his own hands." In regard to the terrible charge against the merchants of New York it may perhaps not become me to speak, (they are abundantly able to plead their own cause, and it strikes me the time has now arrived for them to begin;) but I may be permitted to say that the difference between the views of a manufacturer like Mr. Lambert and an importer like Mr. Lewis arises from the different directions in which they set out to ascertain the foreign market value.

Mr. Lambert claims, as I was informed by Mr. Tingle, that it is impossible to ascertain the foreign market value of consigned silks, and that therefore they should be appraised under section 9 of the act of March 3, 1883, at the cost, &c. Mr. Lewis claims that silks are a standard article, whose appraisement is not contemplated under section 9, act of March 3, 1883, and that the foreign market value is fixed by the price at which the manufacturer is willing to dispose of large lots of his goods, and that to prove undervaluation it must be shown that the exporter receives more for his goods than the invoice price. With two classes of merchants, differing so radically, it becomes apparent at once that the merchant appraiser (with a United States general appraiser "who likes to agree with him") becomes a very important factor in settling the dispute.

Your attention is invited to a report of the chamber of commerce on this question, a copy of which, I have no doubt, has been received by you. Two or three days before my conversation with Mr. Tingle you sent for me and said, "Colonel, there appears to be a great deal of excitement just now on the subject of undervaluation. The special agents are on here to investigate the matter, and I will appoint the merchant appraisers myself for awhile. I want nothing done in our office on which the slightest suspicion can be hinged." No reference was made to any particular case, and I said to you that in making the appoint-

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ments I had followed your instructions in regard to protests, viz., "that when a merchant, having appealed to a reappaaisement and protested in advance against the appointment of certain merchants as merchant appraisers, that appeal was to be respected, as there were plenty of reliable merchants in New York, and it was not desirable that litigation should be invited by appointing merchant appraisers who had been protested."

You expressed no dissatisfaction with my action, and informed me that Mr. Tingle had no authority from you for the statement made in the last sentence of his letter. In regard to the character and standing in this city of Mr. W. H. Lewis, of the firm of Lewis Bros., whose appointment was so distasteful to Mr. Tingle, I would refer the honorable Secretary of the Treasury to the President, to whom Mr. Lewis is well known.

I would respectfully suggest to the Secretary, in view of the fact that the merchant appraiser is the only man outside of a Government office who has any voice in deciding upon the fairness of an importer's invoice, that it would be a pertinent inquiry as to whether any appraiser has ever been approached by any special agent with the purpose of having any names of merchants to be submitted to the collector as merchant appraisers placed upon his list.

A few words in regard to the alleged interview by the "World" reporter, and I am through. I must respectfully decline to be held responsible for the sayings of the average New York reporter. As I was walking away from my desk one afternoon, at the close of business, I was accosted by a young gentleman, who informed me that he was a "World" reporter, and desired to know the name of the merchant appraiser appointed by me in the Megroz, Potier, & Grosse case. I informed him that Mr. Lewis was the man, and that his appointment did not seem to have been satisfactory to the special agents. For the rest of the article this young man drew upon his imagination. Mr. Tingle called at my desk next day, and, when I made this explanation to him, he said that almost every day the reporters had something to say from him, whereas it was his practice to have nothing to say to reporters. I little thought that he would call the attention of the Department to the matter; but I thank him for so doing.

In conclusion, I beg to call attention to the inclosed clipping from the "Chicago Tribune" of January 31, embracing the statements of Special Agents Swift and Keefe, and to say that I never met either of these gentlemen in my life, and that I have no knowledge of the fact that they had been in New York on business until I so lately learned through the papers discussing this matter. It will be seen that, in their opinion, among their duties is that of recommending names for merchant appraisers to the collector. Also, that they do not hesitate to stamp me as an interested, if not a guilty, party. I respectfully request that they be given an opportunity to establish my interest or guilt in the matter of appointing merchant appraisers.

Very respectfully, your obedient servant,

N. B. BARTRAM.

P. S.—I learn to-day that two reappraisements of Megroz, Potier, & Grosse, which were under the special superintendence of Mr. Tingle, were decided yesterday, in which the collector appointed Mr. Constable, of Arnold, Constable & Co., as merchant appraiser. The invoices were

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advanced in one case to $27\frac{68}{100}$ per cent.; the reappraisement resulted in an advance of $4\frac{2}{10}$ per cent. In the other case the invoice was advanced $17\frac{64}{100}$ per cent.; the reappraisement fixed the advance at $2\frac{7}{10}$ per cent. I presume Mr. Tingle will have some scurrility to advance concerning Mr. Constable.

N. B. B.

Hon. WM. ROBERTSON,
Collector.

No. 6.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., January 24, 1885.

GENTLEMEN: I enclose herewith, for your consideration in connection with the investigation of the special agents' office at New York, copy of a communication, dated the 23d instant, from Mr. Oscar Hesse, of Red Bank, N. J., in which he prefers charges of irregularities on the part of special agents at New York. It is suggested that Mr. Hesse, who has been notified of the reference of his communication to you, be invited to appear personally before the commission.

Very respectfully,

H. F. FRENCH,
Assistant Secretary.

MESSRS. GEO. C. TICHENOR, J. W. DAVIS, O. L. SPAULDING.

[Enclosure.]

RED BANK, MONMOUTH CO., N. J.,
January 23, 1885.

DEAR SIR: Your favor of the 22d instant is at hand, and I herewith hand you further details.

In 1871 I had positive information in regard to frauds upon the customs duties and fraudulent damage allowance by the importer, H. Seggermann, of New York city. I communicated with the Treasury Department in the spring of 1872, which Department placed the matter in the hands of the special agents. I met Special Agents Chalker and Lee at the Astor House, and was informed that in case of a successful termination the amount recovered would be divided as follows: One-half to the Government, one-fourth to the surveyor of the port, one-fourth to the *special agents'* office, and that the latter one-fourth would have to be divided between Brackett, Chalker, Lee, and myself.

The books of the importer were seized by Chalker and Lee in the spring of 1872, and the amount recovered by the Treasury was a little over $10,800. In the fall of 1872 I wrote to the Treasury that my reward was not forthcoming. A very short time after this complaint was made by me, Special Agent Chalker came to me one evening and took me to Captain Brackett's private residence, who gave me a check on a banking house in Pine street, I believe. The amount of this check was within a small amount of $675, which is all the money I ever received from this case. In having given my information directly to the Treasury, in order to be the sole informant, my just reward fell $2,000 short of what it should have been. I had no remedy. I was directed by the Treasury to impart my information to the special agents, and I did so, and they kept $2,000. Not knowing how far-reaching their influence was in thus boldly appropriating the above amount, I have patiently waited for a favorable opportunity to present my case.

Your letter indicates that I may be called upon to testify before the committee, but, before I do, please inform me if on due investigation this amount will be returned to me.

Awaiting your reply, I remain, yours, respectfully,

OSCAR HESSE.

Hon. H. MCCULLOCH,
Secretary of the Treasury, Washington, D. C.

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No. 7.

NEW YORK, *February* 18, 1885.

SIR: Referring to the Department's letter of the 26th ultimo, transmitting copy of a communication dated the 23d ultimo, from Mr. Oscar Hesse, of Red Bank, N. J., preferring charges of irregularities on the part of special agents of the Department at this port, we have the honor to report as follows:

Upon our invitation, Mr. Hesse appeared before us on the 28th ultimo, and made the affidavit herewith enclosed, marked "A." From this document it will be seen that, while acknowledging the receipt from the special agents of one-sixteenth of the full amount of moiety accruing to the officers in the case, and admitting that he was told by Agent Chalker, when he gave the information, that such would be his share, he acquiesed therein in ignorance of his rights in the premises, and claims now that he was entitled to receive one-fourth of the amount distributed as moieties.

Mr. Hesse again appeared before us, on the 12th instant, at the request of Special Agent Brackett, and expressly stated to us that Agent Brackett was not the person referred to in his affidavit as having given him the bank-check, he having been mistaken in his identity, and he fully acquitted him of the charge he had made against him.

On the day following we received from Mr. Hesse the letter herewith enclosed marked "B," and on the succeeding day the letter and enclosure herewith marked "C."

Special Agent Brackett expressly denies that he gave Mr. Hesse the check in question, or that he ever met him, to know him, until the 12th instant. He (Brackett) also declares that he had nothing whatever to do with the management of the Seggermann case, and did not share in the distribution of moieties therein.

We find from the letter-press copy-books in the special agents' office, copy of a report, dated June 20, 1872, from Special Agent Wm. G. Lee to Frank E. Howe, special agent in charge here at that time, from which it appears that the case of Henry Seggermann was managed by Agents Lee, Brush, and Chalker.

The records of the custom-house here show that the sum of $10,810 was recovered in the Seggermann case, of which sum $2,612.65 was distributed as awards to F. E. Howe, J. S. Chalker, W. G. Lee, and A. A. Brush, special agents, in the month of November, 1872. From the affidavit of Mr. Hesse, enclosed, it would seem he received one-fourth of the amount thus distributed within a short time after such distribution was made, such share being in accordance with the understanding had with Agent Chalker at the time he (Hesse) gave his information to that officer.

Very respectfully,

GEO. C. TICHENOR,
O. L. SPAULDING,
Special Agents.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

[Enclosure.]

A.

Mr. OSCAR HESSE, of Red Bank, N. J., appeared before the commission on the 29th day of January, 1885, and made the following statements:

My name is Oscar Hesse. I reside at the town of Red Bank, State of New Jersey. My age is forty years.

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In the early part of the year 1872, I think in the month of January, I informed the Secretary of the Treasury, by letter written from New York city, that I was in possession of information to the effect that certain importations of merchandise were being undervalued and certain fraudulent claims for damage to imported merchandise were being allowed at the port of New York, in which certain customs officers were implicated.

I received a letter from the Treasury Department, requesting me to report my information to Special Agent Lee, at New York, whereupon I met Agent Lee, who referred me to Special Agent Chalker, to whom I immediately gave a list of the undervalued invoices and all my information concerning the same, and he at once undertook the investigation of the case.

These invoices were five or six in number, and embraced orange and lemon candied peel, imported by Henry Seggermann, and were undervalued about 30 per cent. About six weeks after I gave Agent Chalker this information, I informed him of the receipt by Mr. Seggermann of another invoice of about $3,000 worth of goods, and, within a day or two afterwards, the books and papers of Mr. Seggermann were seized by Special Agents Chalker and Lee and the United States marshal, but the last-mentioned invoice was not found and seized, and was destroyed by Mr. Seggermann after the officers left, and Agent Chalker informed me no recovery was made on it. According to my recollection, this seizure was made about the last of March or first of April, 1872. Subsequently, at Agent Chalker's request, I assisted him in examining and arriving at an understanding of the account books of Mr. Seggermann at his (Chalker's) house in Jersey City.

Some time in the summer of 1872, Agent Chalker informed me that the case had been settled, and the sum of $10,800 recovered from Seggermann; and it was not until then that I learned from him that the $3,000 invoice above mentioned had not been seized, and, in consequence, no amount of money was recovered on the same. At this time, and upon repeated occasions afterwards, I applied to Agent Chalker for my share as informer, but I received only evasive answers from him.

Finally, in October or November of that year, 1872, I made complaint in writing to the Secretary of the Treasury, in which I gave the amount stated to have been recovered, and asked that the amount due me as informer should be paid me. Within a few days after I wrote the Secretary, Agent Chalker called in a carriage at my house in Jersey City and took me to Special Agent Brackett's private residence in New York city. This was about 9 o'clock at night, and I was there introduced to Captain Brackett, who gave me his individual check on a bank in New York city for the sum of six hundred and some seventy dollars, the same being, as stated to me, one-sixteenth of the amount recovered in the case. I handed this check to Agent Chalker to collect from the bank, and by arrangement he met me on the following day and gave me the money; at the same time he represented to me that as he had had a great deal of work and trouble in the case, he thought I ought to give him a part of the amount, which I declined to do, handing him, however, $10, which I said would only cover his carriage hire.

After I had given the information to Agent Chalker concerning Mr. Seggermann's undervalued invoices, he (Chalker) told me my share as informer would be one-sixteenth of the amount recovered, and he gave me a written memorandum to that effect, which I then acquiesced in, not at the time being informed as to my rights in the premises. I have since learned, and now claim, that, having given the original information to the Government in my letter to the Secretary of the Treasury, I was entitled to the full amount awarded as informer's share, and that the portion thereof not paid me was wrongfully withheld from me.

At the same time I gave information respecting the undervalued invoices I reported to Agent Chalker that Mr. Seggermann had secured damage allowances on certain importations of chiccory through certain false and fraudulent representations and connivance of customs officers. Agent Chalker informed me afterwards, however, that nothing was recovered from Mr. Seggermann on that account.

OSCAR HESSE.

Subscribed and sworn to before me, this 28th day of January, A. D. 1885.

GEO. C. TICHENOR,
Special Agent.

[Enclosure.]

B.

RED BANK, *February* 13, 1885.

DEAR SIR: I am very glad that I called on Brackett yesterday, as a few minutes' conversation with him and Chalker has reminded me of several points, their barefaced lying notwithstanding. I hope you understood me when I stated that Brackett did not *hand*

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me this check. Hand me is all I release *him of*. The check bore his signatures; and no introduction being given me to the party who handed me this check in Bleecker street when Captain Chalker took me there, I naturally supposed, by the signature, that it was Brackett, being furthermore told by Chalker that Brackett was to receive one-fourth of the informer's one-fourth, and the balance to Lee, Chalker, and myself.

Please ascertain, if possible, *if Brackett was in the habit of signing checks coming from the special agents' office*, located at that time at 45 or 47 Broadway, *in the fall of* 1872; and get this check-book, if possible, because the more I recall this check to my mind, the more I am convinced of Brackett's signature, and the printed matter on the check identifying it as coming from the special agents' office on a bank in Pine street.

Respectfully, yours,

G. C. TICHENOR, Esq., *New York*. HESSE.

C.

[Enclosure.]

Copy of answer to C. N. Brackett.

RED BANK, *February* 14, 1885.

DEAR SIR: Your letter of the 13th is at hand. Your request I cannot grant. Although I have never met you before last Thursday, still your name is written in indelible ink in my memory in connection with this case. I have simply released you before the commission as the party who handed me the check in Bleecker street. How this happened I have fully explained now to the commission. Your vindication rests with yourself; I cannot do it.

Respectfully, yours,

HESSE.

No. 8.

NEW YORK, *February* 18, 1885.

SIR: Referring to Department letter of the 24th ultimo, transmitting copy of a communication from Mr. Fred. Wallroth, dated the 16th ultimo, containing serious reflections upon certain officers of the Department, also upon the special agents' office here, in connection with alleged irregularities in the importation of certain tin-plate, we have the honor to report, as follows:

Mr. Wallroth, at our invitation, appeared before us on the 31st ultimo, and represented that a number of officers of the Government, including ex-Secretary Folger, ex-Commissioner of Internal Revenue Raum, Commissioner Evans, ex-Solicitor Raynor, Internal-Revenue Collector M. M. Blake, and Special Agent Tingle, had been guilty of official misconduct in failing to take proper action upon information he had furnished, at different times within a great many years past, with respect to the non-payment of proper income-tax by Mr. J. S. Dickerson, of this city.

It appearing to us that the matter had had the attention of the proper officers of the Government, as well as of Congress, and that it did not relate in any way to the special agents' office here, we informed Mr. Wallroth that we were not authorized or disposed to make it a subject of investigation. Whereupon he declined to enter into the subject of the alleged irregularities in the importation of tin-plate referred to in his letter.

It will be seen from the copy of a report, dated December 1, 1878, from Special Agent Brackett, enclosed herewith, that the matter of tin-plate in question was thoroughly investigated by him, in conjunction with Mr. Wallroth, without results.

Very respectfully,

GEO. C. TICHENOR,
O. L. SPAULDING,
Special Agents.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

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No. 9.

NEW YORK, *February* 19, 1885.

SIR: We duly received the Department's letter of the 17th ultimo, with twelve enclosures, appointing us, with Special Agent James W. Davis, since deceased, a commission to investigate the action of the special agents of the Department at this port with respect to certain invoices of linen goods of Messrs. Watson & Girdwood, and also the manner in which the business generally of the special agents' office here has been conducted for the past two years, and have the honor to submit the following report:

We have given the subject of our instructions thorough and patient investigation, inviting all testimony tending to throw light upon the conduct and management of the office, and have accepted, when offered, voluntary statements of parties claiming to possess knowledge affecting it.

As Special Agent Brackett, late chief of the office, was especially concerned in the charges preferred, we advised him fully of them, and extended to him opportunity to reply and to cross-examine witnesses. We forward herewith the testimony taken by us, and return the enclosures accompanying our instructions, which have been considered by us and form the basis of this report.

The Watson & Girdwood linen case was the leading one presented, and the one to which our instructions particularly referred. The facts in the case, so far as important to its understanding, are briefly these: Watson & Girdwood are, and since 1879 have been, the New York agents and consignees of William Liddell & Co., manufacturers of linen goods in Belfast.

In January, 1882, complaint was made to the United States district attorney in New York that linen goods consigned by Liddell & Co. to Watson & Girdwood were undervalued. The informer was referred to Special Agent Adams, then in charge of the New York special agents' office. The latter called up the later invoices of this firm, and obtained from the Department's agent abroad price-lists of several manufacturers of linen goods, including that of Liddell & Co., and certain samples of linens. Whatever investigation was undertaken by Special Agent Adams was not concluded when he was relieved by Special Agent Brackett, in the December following. In July, 1883, the informer, Byrne, presented the case anew to Mr. Brackett, who procured from Mr. Adams, at Philadelphia, through the Department, such invoices, price-lists, &c., as the latter had taken with him when transferred to his new station. On their receipt, Mr. Brackett assigned the case to Special Agent Chalker for investigation and report, procuring from the Department's agent abroad, and referring to Mr. Chalker, further price-lists and samples. The informer, aiding Mr. Chalker in the investigation, advised him he could locate none of the goods then in Watson & Girdwood's store by case numbers, or as belonging to any given invoice, but he did know them by their list numbers. It was, however, concluded to await a new arrival of goods to this firm before action. On December 13, 1883, an invoice of linen goods from William Liddell & Co., consigned to Watson & Girdwood, arrived by the steamship "State of Georgia," and entry was made the next day. By request of Mr. Chalker the entire invoice was ordered to public store for examination. Upon appraisement the invoices were variously ad-

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vanced by Examiner Dutcher, resulting in an average advance of 9.51 per cent., and was returned to the collector so advanced without the knowledge of the appraiser, though it bore his approval stamped upon it. Assistant Appraiser Birdsall and Examiner Dutcher united in the opinion, after a careful and thorough investigation, (page 2,) that no further advance than this was warranted. Mr. Chalker believed the advance should be greater; and, at his request, the appraiser recalled the invoices, and the goods were re-examined. The appraiser directed the invoice to be advanced 15 per cent., which was done, and an additional duty and penalty was paid by Watson & Girdwood, who also advanced 15 per cent. upon entry two other importations then in general order. The advance, as explained to us, was brought about by an agreement between the appraiser and R. D. Jackson, representing the importers, that the appraiser should advance the "State of Georgia" invoice 15 per cent., and the importers should enter the two other importations at a like advance. Mr. Chalker, the assistant appraiser, and Watson & Girdwood supposed this was to be accepted without appeal, while the appraiser states it was done with a view to an appeal and a reappraisement. It was established upon the examination that the goods were standard goods, identified and known to the trade by certain numbers, which also appeared in twenty-two invoices of Liddell & Co. to Watson & Girdwood, then in the hands of Mr. Chalker, and which had arrived between January 16 and November 3, 1883.

Attention is now directed to a peculiar and noticeable transaction. The entry of December 14 was made by Girdwood, his partner, Watson, then being *en route* from Europe. Samuel Houston, of the firm of Dodge & Houston, the custom-house brokers of Watson & Girdwood, soon after the entry told Girdwood of the Government claim of undervaluation, advising him also that serious trouble was to be apprehended. After the recall of the invoice by the appraiser, Houston told Watson, who had assumed active control of the matter for his firm, that he could be of no further service, and advised the employment of R. D. Jackson, also a custom-house broker, versed, as he said, in customs law and possessed of exceptional influence with Treasury officials. Jackson came into the case through Houston about January 10, 1884, upon Watson sending him his individual check of $1,000. Jackson sought no evidence from Watson & Girdwood to disapprove undervaluation, but told the appraiser his clients were willing a 15 per cent. advance should be made on the "State of Georgia" invoice, and that they would voluntarily advance to the same amount the two following invoices just arrived. He then sought to dissuade Special Agents Brackett and Chalker from action upon the twenty-two invoices entered within the year preceding. He had frequent interviews with them, and on the last of January was advised by Mr. Brackett that nothing further would be done with those invoices. (See enclosure "A.") The special agents deny that he influenced this decision, but if he did not it is certain he magnified his services to his clients, for he at once, through Houston, demanded the payment of $4,750 additional for his services and disbursements, with the condition that it be paid in currency and not by check. Watson, without the knowledge of Girdwood, received from his bank a certified check upon another bank, and being identified there obtained $6,800 in currency, and drew individually upon William Liddell & Co. for that amount. He paid this money to Houston in the hall of the building in which Dodge & Hous-

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ton had their office. It was to be applied as follows: $4,750 to be paid to Jackson, $500 to be paid for a purpose Houston would not disclose, $500 to be retained by Houston for his services, and $50 to be paid to his clerk. The remaining $1,000 was the sum Watson had previously paid by his own check, and Houston then returned this to him by his check. Both the $500 paid to Houston and the $50 paid to his clerk were voluntarily paid by Watson, who then believed unusual service had been rendered his firm in passing the goods. Early in February two invoices of the Liddell goods, just arrived, were advanced by Watson & Girdwood on entry 8 per cent., and further advanced by order of the appraiser 7 per cent. Watson appealed, contrary to the advice of Jackson, and upon reappraisement the entered value was sustained. From this time forward Liddell & Co. invoiced goods of the qualities of those imported per the "State of Georgia" 15 per cent. higher than that invoice.

On March 7, Mr. Brackett forwarded to the Department Mr. Chalker's report of that date of the action taken on the "State of Georgia" and the four following invoices; but no reference was made to the twenty-two preceding invoices, and no report was thereafter made to the Department or to the collector or to the district attorney touching these or other back invoices, until explanation was asked by the Department of Special Agents Brackett and Chalker, under date of January 6, 1885.

On Monday morning, February 11, 1884, Examiner Dutcher handed to Girdwood, in the office of Watson & Girdwood, $100, stating it was given to him by Houston, and requesting it to be paid to the persons entitled to it. Mr. Dutcher is entitled to the benefit of his statement to us, that he took the money from Houston on the previous Saturday afternoon, to escape his importunities to accept a present, with the intention of giving it to Watson & Girdwood at the earliest opportunity. Girdwood, who up to that time was ignorant of the payment of money by Watson, handed the money to the latter on his coming to the office a few minutes later, repeating to him Dutcher's statement, with the expression of his own belief that Watson had been imposed upon by Houston and Jackson. Watson at once sought Houston, charged him with improper use of the $100, and demanded what disposition he had made of the $500 he had received for an unexplained purpose. Houston then admitted the payment of the $100 to Dutcher and the deposit of the remaining $400 in bank to his own account. The next day he returned it to Watson. Early in the summer Girdwood wrote to Supervising Special Agent Martin, inquiring if the money which he had then learned his partner had paid to Jackson in compromise had gone into the Treasury. He was informed it had not; that the only money paid in was the additional duties on the "State of Georgia" and subsequent invoices. This fact he made known to Watson and Liddell, and the latter brought suit against Dodge & Houston and Jackson for the recovery of the money early in August, 1884. From February until after this suit was brought Watson & Girdwood experienced no opposition to the passing of their Liddell consignments.

The attention of United States District Attorney Root having been called to the matter by the commencement of this suit on September 4, he asked the collector for the twenty-two invoices before referred to, and upon examination finding five of them still within the year in which back duties were recoverable, procured their return to the appraiser.

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From the foregoing statement of facts it is seen that the investigation of the twenty-two invoices ceased about the last of January. They had been the subject of investigation for months. They contained numbers found in the "State of Georgia" invoice. It was shown that these numbers represented standard goods well known to the trade by such numbers, and the importers admitted their undervaluation. The importers themselves had completed the case for the Government. *At the point where success was probable the case was dropped.* The important and leading subject of investigation had been these invoices. The "State of Georgia" case, while important in itself, was an incident to and had been relied upon in aid of the main investigation, but it was made the subject of a report to the Department, while the original and main case dropped out of sight. The Department was not informed of it, nor was it reported to the collector or to the United States attorney for such action as he might deem proper. *In our opinion this should have been done.* The information came originally from the district attorney's office; but aside from this the law imposed an imperative duty upon the special agents. Here was a confessed violation of the customs laws, and section 15 of the act of June 22, 1874, expressly makes it "the duty of any officer or person employed in the customs-revenue service of the United States, upon detection of any violation of the customs law, forthwith to make complaint thereof to the collector of the district, whose duty it shall be promptly to report the same to the district attorney in which such frauds shall be committed." It was the duty of the special agents to have reported the case; they were not to anticipate what other officers might think fit to do. Even if a prosecution of the firm was not advisable, (and the United States attorney should have been consulted upon this point,) it is certain that the year in which back duties might be collected had not expired, and steps ought to have been taken to recover them. It will be noted that the district attorney, when the invoices came into his hands in the September following, did take steps to recover the back duties on the five invoices yet falling within the year. It is to be presumed if the facts had been reported to him in January he would then have taken similar action upon all of them. Special Agents Brackett and Chalker say the recovery of back duties did not occur to them; but they were officers of long service and experience, and precedents for such action were to be found at this and other ports. Such action was not unusual. Appraiser Ketchum says that with the information before him derived from the "State of Georgia" importation, had his attention been called to the twenty-two back invoices, he would have felt in duty bound to call the collector's attention to them, (pages 53–55 testimony;) and Chief Clerk Wright, of the law office of the custom-house, says that had all the facts been laid before him, he should have advised sending the case to the district attorney for his action. (Page 169.)

By reference to the testimony of Deputy Collector Palmer, (page 59,) it will be seen that his advice to Mr. Brackett, to which the latter refers in his report of January 10, 1885, had reference to the invoices first called up by Special Agent Adams. It should be remembered that the decision in the Auffmordt case, to which Mr. Palmer refers in his testimony, was subsequent to the investigation of the twenty-two invoices by Messrs. Brackett and Chalker.

We believe Messrs. Brackett and Chalker omitted a plain duty, but positive evidence is lacking to prove that this was brought about by

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corrupt influences. It is clear that Mr. Jackson procured from Watson a sum of money much larger than his legitimate services were worth. He first received $1,000, and when assured that the special agents would not act on the back invoices, he demanded and received a further sum of $4,750 in currency, a total of $5,750, most of which must have been received for services touching the back invoices, for it appears he suggested or readily acquiesced in the 15 per cent. advance on the "State of Georgia" invoice, and thereby put in peril the back invoices and furnished damaging evidence to the Government. He may have kept the entire $5,750; but it is so extravagant and unconscionable a fee for a service, a part of which is open to the criticism of being hostile to his clients, that it casts a suspicion upon the motives and actions of any officer who contributed to results he was seeking.

The dropping of the case being so nearly coincident in time with the payment of this money, is unfortunate for the reputation of the officers, however blameless they may be.

The procuring by Brackett from Jackson of a written statement that he had paid no money to any one in the special agents' office, because of a mere office rumor, suggests haste in meeting a charge before it is made, but is not inconsistent with innocence.

Mr. Girdwood says that in June he was told by Mr. Brackett, with a confirmation from Chalker, that the special agents' office received some $3,000 of this money. This was in response, he testifies, to his demand for a voucher for moneys paid the Government in the matter of the back invoices. (Page 246.) Brackett and Chalker, upon a second examination upon this point, say that if there was a conversation about money, and they think there was, it referred to the money collected on the "State of Georgia" and subsequent invoices. (Pages 143, 162, 289, 305.) While we give them the benefit of this statement, it is improbable that Girdwood should ask about this money, as he already knew its amount, and that it had gone into the Treasury.

On the trial of the case of Liddell *vs.* Dodge & Houston and Jackson, the judge, in his charge to the jury, pointedly called attention to the payment of this large sum of money in currency and the unusual and suspicious circumstances surrounding it. (See charge, with enclosures, returned herewith.)

Oscar E. Finke testifies that on the day, as he remembers it, that this charge was given, Mr. Brackett came from the court-room to his office somewhat excited, and dispatched him for Mr. Jackson, who returned word that he would call on his way home; that Brackett again sent for Jackson, who then came in and had a long private interview with Brackett and Chalker. (Pages 186, 187.)

If a part of the money had gone to the special agents, such an interview would not be unlikely in view of what the judge had just said, but Brackett says he remembers no such interview. Chalker testifies to an interview between the three, but gives the Boyd glass case as the subject of conversation. This must have occurred earlier than the date fixed by Finke, as Jackson had retired from the Boyd case early in July, These circumstances reflect unfavorably upon the decision as to the back invoices, but are not necessarily connected with it.

While, as we have before said, we find both of these officers omitted a plain duty, the evidence does not convince us that this came about through corrupt influences.

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During the progress of our investigation the following resolution of the United States grand jury, adopted February 6, 1885, was handed us by United States Attorney Root.

"*Resolved*, That we respectfully call the attention of the United States attorney to the fact that the goods of Watson & Girdwood have, according to their statements, been unreasonably detained in the custom-house since last September." (See enclosure "B.")

We deem it our duty to consider this complaint, as it was found to reach the special agents' office. We found that the goods of this firm had been held for months by the customs authorities, and that their business had been injured thereby, but good reasons for this action were not apparent. While the Government should have its customs revenue, it owes it to the importer that collection should be made without unnecessary annoyance or delay. A mere statement of the facts in the case referred to is, in our opinion, a criticism of the action taken.

It should be remembered that on the advance of the "State of Georgia" invoice by the appraiser, the importers advanced two other invoices 15 per cent. on entry. Like goods thereupon were invoiced abroad at this advanced value, and they passed the custom-house unchallenged until September.

On the 16th day of August, evidences of renewed activity appeared in the special agents' office. Special Agent Brackett on that day asked the appointment of Lawrence J. Byrne, and on September 24 he was appointed by the Treasury Department to assist Special Agent Chalker in investigating the importations of this firm. The first entry of their goods after this appointment was after the commencement of the suit of Liddell *vs.* Dodge *et al.*, and on September 29, when an invoice of seventy-seven lines or qualities of linen goods arrived by the steamship "City of Berlin." The invoice did not reach the examiner until October 8, (page 310,) after the importers began asking the reason of delay. It was returned advanced on eighteen articles from 8 to 16⅔ per cent., and an appeal was taken October 31. Fifty-nine qualities were not advanced. The reappraisement was postponed from time to time, on the part of the Government, until December 17, when the appraiser recalled the invoice from the reappraisement board, and advanced it, as to all articles not before advanced, in various amounts, and returned it December 26. From this second advance the importers appealed to a merchant appraisement; but, though early action was urged by the importers, the merchant appraiser was not sworn until January 17, 1885. The reappraisement was concluded on February 9, and resulted in advancing only seven qualities in the entire invoice, an increase of but 2.3 per cent. upon the entered value. Nearly four months and a half had been consumed in reaching this result. In the mean time $25,000 worth of the importers' goods had been piled up in public store and in general order, and they were unable to pass them and fill orders taken on the faith that the United States Government would not unnecessarily embarrass private business. The question was not a new one. The investigation had continued since July, 1883—indeed, since January, 1882. The importers had acquiesced in the advance made on the "State of Georgia" invoice; had advanced subsequent invoices to the figure named by the appraiser; had offered the customs officials access to their books and papers; and it would seem that abundant opportunity and time had been afforded for an intelligent and final decision.

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It should be remembered in this connection that the importers, by their attorney, unsuccessfully appealed to the general appraiser for the delivery of the goods in his possession, which had not been advanced by the appraiser, offering to leave samples and to furnish the securities required by the customs regulations in such cases. (Page 320.) It was soon after this that the invoice was recalled from the reappraising board, an unusual proceeding, and all the goods advanced.

Another case, known as the Bahmann & Hoehn "glass-eye case," was called to our attention. We found the facts to be briefly these: In August of last year, a man calling himself "James Ferguson" informed Captain Brackett, by cable from abroad, that Bahmann, who was then on his return from Europe to New York, would attempt to smuggle a quantity of artificial eyes. Agent Brackett put the case in the hands of Inspector G. Frank Moseman, who called to his aid Inspectors Swayze and Hussey. On the arrival of Bahmann in New York, the goods were found concealed upon the person of his wife, and were seized. In examining his baggage certain papers were found in the German language, which, upon translation by Oscar Finke, showed fraudulent importation of other goods, which it was found had gone into stock and could not be identified by the customs officers. A search-warrant was sworn out and the store was placed in charge of officers of the special agents' force, and the business of the firm suspended from the 26th of August until the 11th of September. Bahmann and Hoehn were young Germans, speaking our language imperfectly, and ignorant of their legal rights. Mr. R. D. Jackson was employed by the firm. He demanded of them $3,000, of which they paid $400 from their own resources, and the balance was borrowed from their friends. Soon after he demanded of them an additional sum of $5,500, which they were unable to and refused to pay. About this time they substituted their broker, Mr. Baese, for Jackson, and the latter, upon the request of Baese for the money in his hands less a reasonable fee for his services, returned $2,000. Mr. Dudley F. Phelps, who had been retained in the case as attorney by Jackson, was continued by Baese. In the fraudulent importation case no defence was interposed by Bahmann & Hoehn, and it was settled by their payment to the Government of its claim of $3,571.98. (Page 363.) Bahmann pleaded guilty to the charge of smuggling, and paid a fine of $250. The full amount of money paid by them appears as below:

To Jackson	$1,000 00
In settlement of the fraudulent importation case	3,571 98

Account of Baese rendered as follows:

Suit United States *vs.* Bahmann & Hoehn, district New York; suit United States *vs.* Fred. Bahmann, "Ems," New Jersey:

To attorneys' fee, our fee, fine, and expenses	$2,125 00
To attendance at marshal's and services	25 00
	2,150 00

It will be seen that while the Government received $3,571.98, private parties received $2,900, indicating that the laws of the United States are not always invoked for the sole purpose of subserving the public interest. It came out through the voluntary statement of Inspector Moseman to us, (page 147,) that upon the settlement of the cases he received $200 from Baese through Phelps. Moseman's understanding seems to have been that Baese was to pay $250, to be divided

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equally between himself and Brackett, but that Brackett had previously borrowed $50 of Baese, which, being deducted from the $250, left but $200 to come into his hands, and of which he paid $75 to Brackett. This Brackett denies, and we should give him the benefit of the doubt raised by evenly-balanced testimony were it not for the circumstance to which we shall now allude. Mr. Baese, who testified reluctantly, said that during the progress of the cases he called at the special agents' office to inquire about them, and in an interview he then had with Brackett, at the latter's request he loaned him $50, but took no evidence of indebtedness therefor; that when the cases were ended, understanding that $250 was to be paid to Brackett and Moseman, he left that sum, less his loan of $50, with Phelps for that purpose. (Page 221.) He supposed the matter settled until FEBRUARY 3, *when Brackett called upon him and paid him the* $50, taking his receipt for it. Brackett says he borrowed the money in November, to be paid in a short time, or when he should get his check, (page 295,) but did not repay it, nor speak to Baese about it, until February 3, *during the pendency of this investigation.* Mr. Phelps, who, prior to this date, had been informally before us, testifies that he told Brackett of his interview with us, and that he had related to us the fact of this money transaction; that Brackett replied that the $50 was a private matter, and that he intended to pay it. He appears at once to have sought Mr. Baese and paid him $50, taking his receipt therefor. We are satisfied from Baese's testimony that he never expected the return of this money, and we are confirmed in this opinion by the surprise expressed by Baese to Phelps immediately after its payment. (Pages 205, 206.) It appears, also, from Brackett's own testimony, that he never borrowed money of Baese at any other time. (Page 363.)

In view of all the testimony, we are compelled to *accept Moseman's statement as true, that he divided this money with Brackett.* In this case we also find that *Oscar E. Finke*, who translated the German papers, *received* $100 *voluntarily paid him* by the firm after the release of the store. He had acted as an interpreter between them and the officers and aided them in other ways. As an expression of their gratitude for his kindness, they offered to him and he accepted this money, but without intent of either party to violate the law.

Some time after the settlement of the Bahmann & Hoehn cases, Special Agent Brackett certified to the Department an application made over the signature of "James Ferguson" for award as informer in the fraudulent importation case. (Page 214.) It coming to our knowledge that this was an assumed name of the person giving the information as to the intended smuggling of glass eyes, and the question having been raised that he was not entitled to an award in the fraudulent importation case, such information having been derived from the discovery and translation by Oscar Finke of the papers found in Bahmann's baggage, we addressed a communication to the Department suggesting that action be deferred with respect to the award. Special Agent Brackett contends that as the cablegram led to seizure of the trunk and the discovery of the papers, the person sending the cablegram gave the original information in the case. In our opinion, the facts do not warrant this conclusion; on the contrary, it appears that the original information in the fraudulent importation case was obtained by Oscar Finke from the papers taken from Bahmann's baggage.

We again refer to Mr. Moseman's testimony, and call attention to his

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statement that in May, 1884, Inspector *John R. Lawrence*, an *attaché* of the special agents' office, and himself seized at the works of the Barbour Flax-Spinning Company, at Paterson, N. J., certain flax imported from Canada and claimed by the customs officers to have been fraudulently entered at frontier-ports as tow. After the seizure of it, in compliance with Mr. Barbour's request that they give it no publicity, he handed Moseman $200 at his store in New York to be divided equally between *Lawrence* and himself. While Moseman positively asserts this to be true, Lawrence, when he was before us, while not denying it, replied, when asked if he received any of that money, "I don't admit anything." (Page 274.) We have no doubt the money was paid as Moseman states.

In this connection we invite attention to the testimony of M. Fox (page 207) and Charles J. Fox, (page 210,) in which they charge Inspector Lawrence with proposing to them to assist one Graves, a partner of said M. Fox, to smuggle a quantity of precious stones into the United States, Graves being then about to return from a visit to Europe. Lawrence virtually admits making the proposition, but says it was made for the purpose of learning when and upon what ship Graves was expected, and whether he had precious stones in his possession which he intended to smuggle. (Page 274.) Whether Lawrence made this proposition with intent to join in an unlawful enterprise, or from an over-zeal for the service, we express no opinion. In the most favorable view which can be taken of the transaction, the officer subjected himself to criticism and deserved censure.

The testimony we have taken discloses instances of unsuccessful efforts to obtain money, made sometimes by customs officers and sometimes by private parties claiming to have exceptional influence at the custom-house and at the Treasury Department. An instance is cited in the case of Henry Matier & Co., as appears in the testimony of Mr. Mark Finlay. (Page 175.)

A notable instance is found in the case of D. A. Lindsay, against whom a claim was made up for $144,000, at the instance of the special agents' office. Mr. Lindsay was not only subjected to the expense and annoyance of a vexatious inquiry into his business affairs provoked by this claim, which was subsequently abandoned by the Government upon the advice of the district attorney, but his importations were stopped for some ten months, resulting in business embarrassments and seriously affecting his commercial and social standing. (Page 229, testimony of William Heartt.)

About August 1, 1884, (page 225,) thefts of merchandise from the public stores were reported to Mr. Brackett, who detailed Inspectors Lawrence and Hussey to investigate them. (Page 266.) They reported evidence looking to the guilt of certain Government employés, but Mr. Brackett was of the opinion that it was not sufficient to warrant their arrest. (Pages 267, 330.) This might be true. But this did not relieve him of the clear duty of pressing a sharp and vigorous investigation. It was of the last importance that these depredations cease and at once, and he should have seen to it that no rest be taken until the guilty parties were found and punished. He seems, instead, to have dropped it when suspicion pointed to certain persons, one of whom, while under this cloud, received *promotion in the appraiser's department.* Later on, by the efforts of another officer, the suspected parties were found to be the guilty ones, and upon their arrest the depredations ceased.

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A practice is found to prevail in the special agents' office at this port which we suggest would be more honored in the breach than in the observance. We refer to the signing of seizure reports by the special agent in charge when not making the seizure in person, to the exclusion sometimes of subordinates who actually took part in the seizure, and to what seems to have been an invariable rule, that the *subordinate divide his moieties*, however insignificant, *with his chief*. In our opinion, the seizure reports should be signed by the seizing officer, and no other. The report would then be true in fact, and give credit to the proper person. If he be a subordinate, his chief, it is presumed, will not leave the Department in doubt how far he himself contributed to a successful result when he comes to make a formal report. The acceptance by the chief officer of a part of a moiety earned by his subordinate is possibly *matter of taste;* but it seems to us that the self-respect of both parties and the discipline of the force would be best maintained by leaving to each the money he is recognized by the law to have earned.

In addition to the sterling price-list for 1882 of Wm. Liddell & Co., Special Agent Adams had received, and had in his possession at the time the Watson & Girdwood case came to Mr. Brackett's attention, price-lists and certain samples of John S. Brown & Sons, Henry Matier & Co., The Ulster Spinning Company, and of other manufacturers of linens at Belfast. These came into the hands of Mr. Brackett, who subsequently received from the Department's agent abroad a large number of price-lists, special quotations, and samples from different manufacturers of linens in Ireland and Scotland whose products come to this country consigned either to their agents or to purchasing importers. This information was important, and had been obtained with much effort, and at considerable expense to the Government. It was all referred to Special Agent Chalker, who does not seem to have utilized it to the extent even of placing it in the hands of the appraising officers. Nevertheless, it appears that the consignments of certain of these manufacturers, notably of John S. Brown & Sons, were found by Assistant Appraiser Birdsall and Examiner Dutcher to have been greatly undervalued, and advances made by them were sustained on reappraisement.

Mr. Chalker excuses his apparent dereliction of duty in this regard on the ground that he was not allowed proper opportunity to attend to the same; in fact, that his time was so occupied and his attention so constantly distracted by other work assigned him, as to prevent his giving proper attention even to the Watson & Girdwood case.

Mr. Brackett seeks relief from responsibility in the management of the Watson & Girdwood case, and in the use of the other information named, because he had intrusted it to Mr. Chalker. He also claims justification for apparent neglect of other matters coming to his office, especially those relating to undervaluation, for the reason that his time and attention as well as that of his assistant agents, Chalker and Gray, was necessarily and largely occupied in supervising the work and endeavoring to utilize the services of an unnecessarily large, partially inexperienced, and more or less inefficient force of subordinates, most of whom had been assigned to him unasked, and the discharge or transfer of a number of whom he had recommended to the Department without success.

Without indorsing this explanation of Mr. Brackett as sufficient, we feel bound to report that the force of subordinates assigned to him was largely in excess of the needs of the office, and many of them un-

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qualified for the service to be performed. Notwithstanding the recent reductions made by the Department, we believe that a further reduction ought to be made at once of at least 50 per cent. of the special agency force at this port.

Messrs. Brackett and Chalker are old and experienced officers of the Department. Their records of long service are not without evidences of earnest, faithful, and useful endeavors in the interest of the Government, which have in times past commended them to the confidence of the Department and their associate officers. In reviewing their acts which have been the subjects of this investigation, due weight should be given to these considerations; and if duties and responsibilities have been imposed upon them beyond their ability to properly discharge, such fact should also be considered in measuring their accountability.

The duties of special agents of the Treasury Department, as defined by law and regulations, are of a delicate and responsible nature, requiring for their efficient and proper discharge a high order of intelligence, integrity, and business training, united with good habits and gentlemanly bearing.

Holding the relation of confidential officers to the Secretary, who is often obliged to rely upon their information and advice, and being often the medium of communication between the Department and the chief officers of customs, they should be thoroughly informed in customs laws and regulations and qualified to consider and report upon all questions affecting the administration of the customs laws. It is peculiarly their duty to aid the Department and the administrative officers of the customs in correcting abuses in methods of conducting the public business and in the detection and prevention of frauds upon the revenues. While it may be necessary in instances for them to obtain information by indirect means, what are commonly known as "detective methods" should not be resorted to, as they are unnecessary and incompatible with their service. To do their work effectively, they should be familiar with the provisions of the tariff and competent to investigate and consider questions of classification constantly arising.

The prevailing custom of under valuing merchandise subject to ad valorem duties makes it necessary that they should give special study and attention to the subject, but it is equally their duty to refrain from all attempts at administrative functions, while they should freely advise with, and fully communicate to, the Department and the proper officers of the customs the result of their investigations. They have no right or color of authority to obstruct the course of public business, either by interference with the prerogatives of other customs officers or by the detention of importations. When they conspire or join hands with brokers or others in misleading, intimidating, or improperly favoring importers, they violate their official trust and deserve condemnation.

Very respectfully,

GEO. C. TICHENOR,
O. L. SPAULDING,
Special Agents.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

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No. 10.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 24, 1885.

GENTLEMEN: Referring to that portion of your report of the 19th instant, on the investigation of the special agents' office at New York, in which it is stated that the force of subordinate officers assigned to the office in question is largely in excess of the needs of the service, and that many of them are disqualified for the duties to be performed, I have to request that you submit at once a list of the names of persons employed under the direction of the special agents at New York whose services, in your judgment, may be dispensed with without detriment to the interests of the Government.

Very respectfully,

H. McCULLOCH,
Secretary.

Mr. GEORGE C. TICHENOR and Mr. O. L. SPAULDING,
Special Agents, P. O. Box 1920, *New York City.*

No. 11.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, February 25, 1885.

SIR: Acknowledging receipt of the Department's letter of the 24th instant, directing us to "submit at once a list of the names of the persons employed under the direction of the special agent at New York, whose services," in our judgment, may be dispensed with without detriment to the interests of the Government, we have the honor to report as follows:

Having conferred with Special Agent Ayer and other officers whose opportunities enable them to correctly judge of the character, qualifications, and the necessity of the employment of the persons now on duty with the special agent in charge of the second special agency district, we now submit the following list of persons whose services may be dispensed with, viz:

Secial inspectors of customs.—John Ramsay, John R. Lawrence, James A. Dodge, Samuel W. Swayze.

Paid from fraud appropriation.—Matthew Stewart, Geo. M. Storrs, J. W. Wilson.

Inspector G. Frank Moseman is an active and intelligent officer. Were it not for the facts reflecting upon his character which appear in our report of the 19th instant, we should advise continuing him in the service. Whether his voluntary statement to us of the official misconduct of himself and other officers warrants his retention we express no opinion.

Inspector James R. O'Beirne for the past year and a half has been on independent duty at the public stores by authority of the Department. We are not prepared now to express an opinion as to the value of his services.

In addition to the names appearing on the list enclosed with the Department's letter, we find that Inspectors John M. Wilson, T. J. Don-

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ohue, and Thos. Brown, from the surveyor's office, and Watchman Oscar Requa, from the collector's office, are detailed for duty at the special agents' office. Of these we are of the opinion that Mr. Requa's services can be dispensed with, and recommend that he be ordered back to the collector's office.

Concerning the value and need of the services of Michael Harrigan and of Inspectors O'Donohue and Brown, we withhold our opinion pending an investigation which will be the subject of an early report; meantime we deem it important that they be retained in the service.

Owing to the absence from the city of Special Agent Fox, we have not thought proper to report as to the force employed under his direction at this time.

Very respectfully,

GEO. C. TICHENOR,
O. L. SPAULDING,
Special Agents.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

No. 12.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, March 2, 1885.

SIR: Referring to our letter of the 25th ultimo, relating to the force of subordinate officers and employés attached to the special agency service at this port, we have the honor to submit the following suggestions:

The names of the following employés of the special agents' office here are carried upon what is commonly called the "fraud roll," viz: H. A. Moore, at $6; T. J. O'Sullivan, at $6; J. C. Cummings, at $4; D. B. Harrison, at $4; W. Kryzanowski, at 4; Matthew Stewart, at $4; George M. Storrs, at $4; Michael Harrigan, $3, aggregating $39 per diem; making a total annual disbursement on this account at this port alone of $14,235.

These men are permanently employed, not on account of any particular information possessed by them respecting frauds upon the customs revenue, but merely because of their qualifications for clerical and other routine work, or at the instance of personal or political friends. The law relied upon for their employment simply authorizes the expenditure of a sum not exceeding $100,000 per annum "for the detection and prevention of frauds upon the customs revenue."

We think it is clear that if the statute contemplates the employment of persons, it is for temporary service only, and where some particular fraud is to be detected or prevented, under the direction of customs officers, and not the regular and constant employment, clerical and otherwise, upon a similar footing with officers especially authorized by law.

The leading idea of the law undoubtedly is to reward parties for specific information as to frauds, either contemplated or perpetrated.

Persons so employed have no official status, and no authority to make seizures or perform other official acts devolving upon customs officers. We are of the opinion that all permanent employés should be officers known to the customs laws, and should be paid from appropriations specifically made for that purpose.

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If it is deemed necessary to retain in the service any of the persons above named or others of their class, we respectfully recommend that they be dropped from the "fraud roll" and made officers.

We also call attention to the fact that the special-agency force here is divided into three independent and more or less rival detachments, viz: Special Agent Ayer, with the major part of the force at the custom-house; Special Agent Fox, with several subordinates at the district attorney's office; and Mr. O'Beirne at the public stores.

In our opinion, these should be consolidated under a common chief. If this were done, the aggregate permanent force could be considerably reduced, harmonious action secured, and better results achieved.

Very respectfully,

GEO. C. TICHENOR,
O. L. SPAULDING,
Special Agents.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

No. 13.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 6, 1883.

GENTLEMEN: I transmit herewith for investigation and report thereon a communication, dated the 2d instant, from Thomas Brown, night-inspector of customs at the port of New York, wherein he prefers charges against Mr. Wm. Hussey, an employé under the direction of Special Agent Geo. H. Fox, at the port of New York.

Please return the enclosure with your report.

Very respectfully,

H. MCCULLOCH,
Secretary.

Messrs. GEO. C. TICHENOR, A. K. TINGLE, and O. L. SPAULDING.

[Enclosure.]

NEW YORK, *March* 2, 1885.

SIR: I have respectfully to request that an investigation be made by the special agents' commission now sitting in New York in reference to the character, employment, and present status of Mr. William Hussey, an employé of the special agents' office at New York, and acting with and under the direction of Special Agent George H. Fox.

I ask that this investigation be made for the following reasons, and am prepared to furnish witnesses of *unimpeachable* character to prove all that is charged against him from the date of his first appointment, and have to submit the following in connection therewith:

1. Wm. Hussey was appointed night-inspector November 4, 1869; removed April 25, 1870.
2. Reappointed June 18, 1870.
3. Again removed August 2, 1871.
4. Again appointed October 7 or 12, 1871.
5. Suspended December 17, 1874.
6. Again removed February 15, 1875.
7. Employed in special agents' office, under Special Agent Brackett. Again removed. Employed in special agents' office again, under Gen. N. M. Curtis. Again removed. Employed in special agents' office again, under Special Agent Adams, and again removed.

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The causes of these frequent removals are not known to me, but will no doubt be found on file in the Department.

Just previous to his present appointment in the special agents' office, the New York papers stated that Mr. Hussey had been indicted for keeping a gambling-house at Hunter's Point.

January 9, 1879, Hussey and Donohue were detailed by Special Agent Curtis, on information that a quantity of cigars were to be landed from the steamship "Niagara" from Havana, about this date. In accordance with instructions, they secreted themselves in the cabin of a schooner lying next to the steamship to watch the same. About seven o'clock in the morning they discovered a row-boat with two men in it approaching the steamer, and in a few minutes two bags of cigars were lowered in to the row-boat, when Inspector Donohue called Hussey's attention to the same, and he, Donohue, went out and demanded the men, under cover of a revolver, to pull back with the cigars, which they did, while Morris Stack, a saloon-keeper at No. 18 West street, who is and has been known for years to be a smuggler, stood on the pier, ordered the men off and to pay no attention to Donohue. However, Inspector Donohue got the cigars, at the risk of being thrown overboard by Morris Stack, who had threatened to do so. Hussey, who is a friend of Morris Stack, did not leave the cabin or come to Donohue's assistance.

About the latter part of September, 1880, on the arrival of the steamship "Santiago de Cuba," from Havana, there was landed from said steamer while she was lying in lower quarantine about 25,000 cigars. This was after daybreak in the morning, and they were lowered into a row-boat occupied by two men. At the stern of the steamship, from where this action on the part of the smugglers could easily be observed, was another row-boat, with two Government officials in, viz., George H. Fox and William Hussey, and also an oarsman. They saw the cigars lowered into the boat, and the boat pull away, and never even attempted to stop or pursue them.

In the spring of 1880, the steamship "Santiago de Cuba" arrived from Havana with a lot of cigars on board to be smuggled ashore. Donohue and Hussey had the ship under surveillance. While Donohue was relieved by Hussey, to go to breakfast, Hussey, Stack, and a friend of theirs, by the name of Grady, landed and carried the cigars up the dock, and took them into a liquor store on Rector street.

On New Year's morning, the steamship "Newport" was on her way up from Havana, and in the lower bay. She was moving along rapidly, while Harrington and myself were in a row-boat waiting and watching the movements of three men in a row-boat some distance off. We were concealed behind the dock at Fort Wadsworth. We saw a man stand up in the other row-boat and wave his hat three times, so that the smugglers on board the ship could not fail to notice it. Immediately after, they threw off four bags containing about 5,000 cigars, and opposite Fort Wadsworth three bags more were thrown off, containing about 600 bundles cigarettes and about 5,000 cigars, making in all seven bags. The three men in the other boat immediately pulled for the bags, with all the three men rowing. We also pulled for the bags and got there first, and picked up the three bags, then went in pursuit of the others, which we also secured. These men were armed with shot-guns or rifles, and boasted afterwards that if they could have gotten near us they would have shot us. Special Agent Brackett did not know we were going down the bay after these cigars, or that we had gone.

Now, in regard to this seizure, I have to state that I was informed by Special Agent Brackett, the next morning at the office, (he being then in charge,) that on Sunday, the day immediately preceding the seizure, a man came to his house, and also on Monday, New Year's day, the day of the seizure, and complained to him that we were in complicity with the smugglers, and were afraid to go down the bay after them. I have every reason to believe that the man who made this complaint to Captain Brackett was Wm. Hussey, and that he made the charge out of enmity to us. Captain Brackett refused then and refuses now to furnish us with the name of this man.

When Mr. Hussey was reappointed to the special agents' office, under Special Agent Brackett, last spring, he (Captain Brackett) stated that Hussey made the remark that he was going to "break us up"—meaning Donohue, Harrigan, and myself. This remark was repeated afterwards by him, and has proved true, to the extent that his employment in the office has prevented us from making seizures that we otherwise could have made had it not been for him, as for instance: Inspector Donohue had information to the effect that the steamship "City of Merida," arriving from Havana about May or June last, would have a large quantity of cigars on board. Hussey also claimed to have information on the same vessel. In consequence of these two statements of Donohue and Hussey to Captain Brackett, it was determined by Captain Brackett to send Officers Hussey and Harrison down the bay to watch the ship, that

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nothing could be thrown off, and Donohue, Harrigan, and myself were detailed by him to board the vessel when she reached her dock at Pier 3, N. R., to search her. We were at the dock when the vessel arrived; Hussey immediately proceeded to go ashore. When Donohue spoke to him and told him we would work the place on the ship, that he had information against, Hussey refused to assist, on the plea of having been up all night, and would not tell us the location of the place where his informant said the cigars were concealed, and then went off the dock. Harrison was still on board. While Hussey was away, we learned, from an employé on board who was friendly to us, that six or eight bags of cigars had been thrown overboard in the lower bay. We had every reason to believe this statement to be true, from the fact that Mr. Hussey's son was also an employé on the vessel. Hussey afterwards told Donohue, when questioned by him as to the cigars presumed to be on board, that they had been thrown off down the bay, but "not to say anything about it." Consequently, we did not search the ship.

Without wishing to detail further particulars in this direction at the present time, I am fully prepared to submit further evidence upon an investigation; and when called upon by the commission, if this should be referred to them, will submit a list of witnesses to prove all the charges made.

I have respectfully to request an acknowledgment of the receipt of this communication.

Very respectfully,

THOMAS BROWN,
Night-Inspector.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

No. 14.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 21, 1885.

GENTLEMEN: On the 6th instant the Department transmitted to you, for investigation and report thereon, a communication, dated the 2d instant, from Mr. Thomas Brown, night-inspector of customs at the port of New York, wherein he preferred certain charges against William Hussey, now employed as an inspector of customs under the direction of Special Agent Geo. H. Fox. I transmit herewith another communication, dated the 16th instant, and its enclosure, from Mr. Brown, further in relation to the subject. You will please give immediate attention to this matter and report the result to the Department.

Mr. Brown has been informed of the reference of his communication to you. Please return the enclosures.

Very respectfully,

C. S. FAIRCHILD,
Assistant Secretary.

Messrs. GEO. C. TICHENOR, A. K. TINGLE, O. L. SPAULDING,
Special Agents, New York, N. Y.

[Enclosure.]

NEW YORK, *March* 16, 1885.

SIR: I respectfully state that I forwarded a communication to the Department, under date of the 2d instant, making certain charges against Mr. William Hussey, an employé or inspector in the customs service in this city, who is acting with and under the direction of Special Agent Geo. H. Fox, and showing Mr. Fox's intimate and improper connection with him, with request that they be referred for investigation to the special agents' commission now sitting in this city. I have further to submit, for the consideration and action of the Department, the following statements in relation thereto:

One of the causes which led to the dismissal of Mr. Hussey from the special agents' office, while Special Agent Adams was in charge, is as follows: A smuggler by the

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name of Cantlin had some cigars seized by certain officers of the special agents' office. Mr. Cantlin offered $25 to Mr. Hussey if he would find out "who gave him away," which Hussey promised to do. After Hussey was dismissed, Mr. Fox, who was then an inspector in the office of Special Agent Adams, told Captain Adams that *he* (Fox) and not Hussey was the one who offered to furnish Cantlin the name of the informer. I understand from Special Agent Adams that he told Mr. Fox it looked as if he wanted to cover Hussey up.

In a recent interview with the Hon. Elihu Root, United States district attorney in this city, to whom I submitted a copy of my former communication to the Department, he informed me that he had already called the attention of the special agents' commission, while investigating Special Agent Brackett's office, to the character of Mr. Hussey, and this before Mr. Hussey had been transferred from the fraud roll to an inspector of customs.

It appears that Special Agent Fox, with whom Mr. Hussey is so closely and intimately connected, was interested in a tobacco investigation at Detroit in 1879 or 1880, while he was an inspector, after which Special Agent Spaulding made a report to the Department reflecting severely on Mr. Fox's action in the case. I am also informed that Mr. Jno. D. Bartlett, then an inspector of customs, now superintendent of the Kennebec Ice Company at Washington, D. C., was also detailed upon the case.

If Special Agent Spaulding's report be referred to, and Mr. Bartlett's testimony in the case be taken, it will, without doubt, show the methods employed by Mr. Fox as a Government officer.

I would respectfully request an acknowledgment of the receipt of this and my former communication.

Very respectfully,

THOMAS BROWN,
Night-Inspector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 15.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, April 3, 1885.

SIR: Respectfully referring to Department letter of the 6th ultimo, covering charges preferred by Inspector Thomas Brown against Inspector William Hussey, and to a letter from the Department, dated the 21st ultimo, enclosing charges preferred by Inspector Brown against Special Agent George H. Fox and Inspector Hussey, instructing us to investigate and report thereon, we have the honor to submit the following:

Before the receipt of these letters, upon the suggestion of District Attorney Root, we had commenced the investigation of complaints made to him that Inspectors Brown, Donohue, and Harrigan, attached to the special agents' office, and engaged in examining the Havana steamers for smuggled cigars and other articles, habitually neglected their duty, if they were not in actual collusion with smugglers; and that while they made an occasional seizure, they made no arrests. It was further made a subject of complaint that while the steamship companies were trying to suppress smuggling, they were not assisted by the customs officers, but were annoyed by the bringing of vexatious suits against the masters and their vessels.

We continued this inquiry in connection with the investigation of the charges made by Inspector Brown, as they appeared to be intimately connected. Indeed, the latter charges, which point to alleged official misconduct of some years ago, seem to have been inspired by Brown's belief that they would serve in the defence of himself and associates against complaints for which he thought Fox and Hussey responsible.

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It is probable that the attention of the Department would never have been called to these charges were it not for the fact that Inspector Hussey is on duty with Special Agent Fox at the district attorney's office, while Inspectors Brown, Donohue, and Harrigan report to Special Agent Ayer at the custom-house.

There is not good feeling between the offices of these two special agents, and this prevents them from working together in the best interests of the public service.

We learn from the steamship companies that they find no ground for complaint because of legal proceedings during the last year and a half, but they desire a discontinuance of what they deem vexatious suits brought prior to that time and now pending. Regarding these suits we have made no inquiry, as they are within the control of the district attorney.

A list of seizures made by Inspector Brown and associates was handed to us, with the statement that they were not accompanied by arrests. This charge was evidently made through misapprehension, as the evidence shows a considerable number of arrests and the punishment of the guilty parties. This misapprehension may have arisen from reports of a number of seizures of articles not on the manifest which were found by the officers in searching the ship. In such cases no person could be held for smuggling. The records, however, also show that no seizures were made by these officers from August 21 to December 24, 1884, a period of four months, while it is in evidence that the smuggling of cigars was going on during that time. (See testimony of John Collins, page 3.)

The claim of the steamship companies that they make every effort to stop smuggling by their employés, but are not supported by the customs officers, is met by the statement that certain of their officers, notably pursers, are retained in their employ, although engaged in illicit trade. It is not clear, however, that knowledge of this has been brought home to the responsible officers of the companies.

We believe Inspectors Brown and Donohue to be efficient officers, who have rendered good service to the Government. Officer Harrigan is said to have been a smuggler some years ago, when employed upon the steamers; but if this were true, and without discussing the policy of his employment, we are not convinced that he has failed in his duty during his service in the customs. He is skilful in the management of a boat, and it is in this capacity, in the lower bay, where cigar-smuggling is chiefly carried on, that he has done good work.

Inspector Hussey has a variegated record of appointment to and dismissals from the customs service, running through more than fifteen years. His appointments seem to have been political, as were some of his removals. In one instance, however, he says he was dismissed for bringing ashore for his own use four gallons of gin without payment of duty, an act for which he claims abundant warrant in the practice in those days of his superior officers. His latest removal was made upon the recommendation of Special Agent Adams, who states that he dispensed with Hussey's services because of his general bad character and of a specific charge which was not proved. (See testimony, page 38.)

Hussey is an energetic officer, with considerable detective ability, which he has used on occasion for the benefit of the service. A notable instance of this kind is found in his seizure, in January last, aided by Inspector Keely, of a quantity of cigars, smuggled from the steamer

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"Newport" by one Cantlon, a notorious smuggler, who was promptly arrested and convicted. It appears from the testimony, (pages 77 and 86,) that on the same day, and before the cigars left the vessel, she had been searched by Officers Brown and Harrigan.

The charges of official misconduct of Special Agent Fox at this port we think are not proved. We are unable to investigate his official acts at Detroit some years ago; and of this there is no need, as all the facts relating to the matter mentioned in Mr. Brown's charges are presumed to be of record at the Department.

In closing the report, we beg to call attention to what we believe to be a needed change in certain administrative practices. The ispectors above named do not report direct to the collector, who is the chief officer of the port, but to different chiefs, neither of whom is an administrative officer. In our opinion, the officers upon the duty named should be under the general supervision of the collector. It is no part of the duties of special agents to maintain administrative departments independent of the collector. The latter is responsible for the due enforcement of the customs laws at his port, and this responsibility implies that he has control of subordinate officers, and that their reports should come to him. A skilled and intelligent special agent will find much work at hand of more importance than the supervision of a corps of inspectors engaged in searching vessels and the detection of petty smuggling. We take occasion to renew the suggestion made in a former report, that the special agents' force at this port be consolidated under one competent and responsible head. It will then be freed from existing jealousies; there will be less working at cross purposes, and the public service will be the gainer. We also recommend that Officers Brown, Donohue, Harrigan, and Hussey be relieved from duty at the special agents' offices, and ordered to report to the collector for assignment to duty.

If employés of the steamship companies are found engaged in or abetting smuggling, the latter should be at once advised by the collector of the offence, and the name of the offender. If such employé is then retained by the companies, they will have no reason to complain if suits are brought against the masters of their vessels. It is presumed, however that the Government and the officers of the steamship companies, thus brought together and inspired with mutual confidence, will be found working together to enforce the law.

We return the charges of Mr. Brown and enclose the testimony taken in the case.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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INVESTIGATIONS AT NEW YORK BY SPECIAL AGENTS INTO UNDERVALUATIONS, DAMAGE ALLOWANCES, AND DRAWBACK.

No. 1.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, February 21, 1885.

SIR: At the time of and directly following our assignment, under Department letter of the 17th ultimo, as a commission to investigate matters relating to the special agents' office here, it was prominently announced in the public press of our principal cities that our instructions contemplated a wide field of inquiry, affecting the different departments of the customs service at this port.

Such prominence was given to the announcement that our investigations would relate chiefly to the administrative measures and methods here respecting the undervaluation and improper classification of imported merchandise, and to irregularities as to damage allowances, as to lead to general discussion of these subjects in the public prints and trade circles of the country, and to some extent abroad. In consequence of such publications and discussion during the progress of our investigations, forming the subject of our report of the 19th instant, both consular and customs officers, the United States district attorney here, as well as importers and other private parties, here and elsewhere, have in person, privately and otherwise, sought to bring to our attention and action many matters of consequence affecting the administration of the customs laws at this port, the conduct of customs officers, &c.

The investigation of these matters not being authorized by our instructions, we have deemed it proper to indicate to you their general character, for such action as may be deemed proper by the Department, viz:

United States Attorney Root has called our attention to matters indicating laxity on the part of certain customs officers in reporting to him cases against masters of vessels on which unmanifested cigars and other articles have been seized, and where, it is thought, proper steps have not been taken to secure the proofs necessary, as well as to secure the arrest and punishment of the parties actually guilty of smuggling.

The district attorney has also called our attention to information indicating collusion on the part of certain customs officers with smugglers, and has suggested that we make the matter the subject of early and thorough inquiry.

It has been reported to us by an officer of the Department that an officer from the collector's office on duty at the Barge office devotes much of his attention, on the arrival of passenger-steamers from foreign ports to exchanging our currency for foreign money, at large discount, with arriving passengers, including immigrants.

Information giving rise to suspicion of irregularities in connection with allowances for drawback on exported bags has come to us from a source deemed reliable.

We enclose herewith a communication, dated the 5th instant, with two enclosures, from the United States consul at Bradford, England, containing serious charges against Assistant Appraiser Wickham, and conveying information he has communicated from time to time with respect to undervaluations, and suggesting inquiry as to the action which has been taken upon the same.

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Private letters from other consular officers have come to us with similar suggestions as to the treatment of information they have communicated either to the collector, appraiser, or special agents.

It has been represented to us that serious irregularities have prevailed in allowances for damage to imported merchandise.

Importers of certain classes of merchandise have complained to us that competing houses have been allowed to pass their importations at gross undervaluation, notwithstanding they have furnished the proper officers irrefragible proof to that effect.

It has been stated to us that the same identical class of goods has been classified widely different for dutiable purposes when coming to different importers.

We are of the opinion that our inability to take up and investigate certain of these and other matters brought to our notice has inspired some, at least, of the many unfriendly criticisms of the Department and of ourselves, with respect to our assignment, which have recently appeared in the public press of this city.

Very respectfully,

GEO. C. TICHENOR,
O. L. SPAULDING,
Special Agents.

Hon. HUGH MCCULLOCH,
Secretary of the Treasury.

No. 2.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 24, 1885.

GENTLEMEN: You are instructed to continue the investigation of irregularities in the customs service at the port of New York, and will report to the Department as soon as practicable the result of your inquiries in regard to undervaluations, fraudulent damage allowances, drawbacks, and such other irregular practices at said port as may come to your notice. You will submit separate reports as soon as convenient upon each subject examined.

Special Agent A. K. Tingle has been instructed to co-operate with you in this investigation.

Very respectfully,

H. McCULLOCH,
Secretary.

GEO. C. TICHENOR, O. L. SPAULDING,
Special Agents, New York, N. Y.

No. 3.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 24, 1885.

SIR: You are hereby instructed to join Special Agents Tichenor and Spaulding in the investigation of undervaluations, damage allowances, drawbacks, and other irregularities at the port of New York, in accordance with instructions to those officers contained in Department letter of this date.

Very repectfully,

H. McCULLOCH,
Secretary.

Mr. A. K. TINGLE,
Special Agent, Treasury Department.

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No. 4.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, March 21, 1885.

SIR: We have the honor to transmit herewith a communication addressed to us, under date of the 9th instant, by Messrs. Wm. Pickhardt & Kuttraff, importers of this city, complaining of the action of the appraiser's department at this port with respect to the rate of duty assessed upon their importations of so-called "alizarine assistant" or "oleate of soda," as well as of delay in passing recent importations of such merchandise.

Deeming the matter within the scope of our instructions of the 24th ultimo, we, upon receipt of the above communication, called Appraiser Ketchum's attention thereto, and were informed by him that upon conference with Assistant Appraiser Gregg, previous to our visit, he had taken the matter into his own hands for action, and would at once pass the merchandise in accordance with the Department's recent decision upon the subject.

We at the same time conferred with Assistant Appraiser Gregg, who was quite decided in his opinion that the article in question was not entitled to classification as a chemical compound under the provisions of the existing tariff, but was liable to duty as castor-oil, under section 2499, Revised Statutes. He described the article as a "chemical mixture," composed of sulpho-recinoleate of soda and castor-oil, and held that when these constituents were combined positive conversion did not occur, the castor-oil being simply dissolved and remaining in such condition as that it could be reclaimed by the simple process of boiling with a weak acid, although he did not contend that when so reclaimed it would have all the characteristic traits of the castor-oil of commerce.

Dr. H. M. Baker, chemist in the laboratory attached to the appraisers' department, informed us that he had made numerous analyses of the articles, and had given the same careful study within the year past and recently, that he was clearly of the opinion that it *was* a chemical compound, and that it would be utterly impossible, by any known process, to recover the castor-oil used in its preparation in condition to be available for use as castor-oil of commerce.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 5.

NEW YORK, *March* 23, 1885.

SIR: Among other irregular practices claiming our attention at this port, the system of payment of drawbacks upon exported bags has been carefully examined, and we now have the honor to submit the following report thereon:

Section 3019 of the Revised Statutes provides that "there shall be allowed on all articles wholly manufactured of materials imported on which duties have been paid, when exported, a drawback equal in amount to the duty paid on such materials, and no more, to be ascertained under such regulations as shall be prescribed by the Secretary of the Treasury. Ten per cent. on the amount of all drawbacks so allowed

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shall, however, be retained for the use of the United States by the collectors paying such drawbacks respectively."

The general regulations of 1884 (article 967) require that the entry in such cases, describing the goods by marks, numbers, description, quantity, and value, shall be filed with the collector at least six hours before lading any of the merchandise on board the exporting vessel. Article 968 provides that the proceedings after entry is filed shall be the same as in cases of withdrawal from warehouse for exportation. These proceedings are set forth in article 750 of the Regulations, which prescribes the form of permit for inspection of the goods and the lading on board the exporting vessel, as well as the form of the return of the inspector whose duty it is to examine the goods and certify to their identity with the description set forth in the entry, and to the fact that they were actually laden under his supervision on board the exporting vessel. This certificate implies that the statements it contains as to the character, quality, and quantity of the goods, as well as the lading, were all within the personal knowledge of the inspector.

When dutiable goods are imported they are not allowed to pass from the custody of the Government until the duties are paid. When exported in the original packages, for benefit of drawback, they are subject to certain restrictive regulations, and the law especially provides (section 3025) that no return of duty shall be allowed on the export of any merchandise after it has been removed from the custody and control of the Government, except in certain cases, one of which is provided for in section 3019, under which drawback on bags made of imported burlaps has been claimed and allowed.

When it is found that the regulations applicable to the importation of merchandise, and the collection of duties thereon, and the exportation of merchandise from warehouse are necessary, and none too restrictive for the protection of the Government, it would seem that the exportation of manufactured goods upon which money is paid from the Treasury by way of drawback should be made under regulations not less guarded and restrictive.

The Department has, upon application of interested parties, modified the drawback regulations in certain particulars applicable to the exportation of bags.

A large proportion of these drawbacks are claimed and allowed upon bags containing flour exported from western States upon through bills of lading to Europe. The shipments arrive at New York and other Atlantic ports at irregular and unstated intervals, and it was found that it was often impossible to determine six hours in advance of lading upon what vessel they were to be exported or in what quantity. The amount of drawback upon a single shipment was so insignificant that the owners of the flour were not usually disposed to incur the trouble and expense involved in making a drawback under regulations.

The difficulties in the way of a strict compliance with the regulations led to their modification and to the establishment of the following practice:

Custom-house brokers, who had neither ownership of the flour nor the bags, were allowed to make entry as exporters of the bags upon the presentation at the custom-house of duplicate bills of lading unindorsed and marked across the face "for custom-house purposes only," such bills of lading being the through bills to European ports. Thus, it would occur that, while the manifest of the exporting vessel showed that a certain number of bags of flour had been shipped by certain par-

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ties, there would be nothing on the manifest to indicate that the bags on which the drawback was claimed had been exported by the party claiming and receiving the drawback. The broker was allowed to take the exporter's oath, when, in point of fact, the article was exported by another person, as shown by the custom-house records. The entry in these cases was made for a larger number of bags than it was expected would be shipped. The form of entry used by the brokers usually had printed in it "five thousand bags—7,500 yards of burlaps." Upon filing the entry, which was often done some days prior to the arrival of the flour from the West, an order to inspect and superintend the lading was issued and delivered to the inspector. Upon the arrival and shipment of the merchandise, return was made to the drawback bureau of the number of bags shipped, which was then inserted in the entry in lieu of the number originally entered. When it occurred, as it frequently did, that the goods were not shipped by the vessel or to the port originally named, the entry in this particular was changed, by consent of the drawback entry clerk, who put his check upon the altered paper bearing the signature of the deputy collector, who, however, was not cognizant of such change. The affidavit of the exporter was also changed by inserting the name of a different vessel or port from that set forth in the original oath, and no new oath was administered, thus destroying its validity, and resulting in the exportation of merchandise and payment of drawback without an exporter's oath. This practice is one of long standing, and continued at the time of our investigation. An examination of seventeen drawback entries of flour-bags made on one day showed that eight of the affidavits had been thus changed. A like practice was found to a limited extent in the exportation of sugar and tin cans, it appearing that the brokers and the officers immediately in charge of drawback entries regarded these changes in completed papers as immaterial.

Other modifications of the regulations affecting the exportation of bags for drawback permit the shipment of the merchandise upon inspection orders in advance of entry, and the combining by a broker of a number of claims of several parties in one entry within thirty days after the sailing of the exporting vessel or vessels.

Another modification dispenses with the requirement that the manufacturer's affidavit covering proof of manufacture of the merchandise from duty-paid materials shall accompany each entry, and allows the filing of such affidavit in the custom-house, or the certificate of a collector of another port that such affidavit is on file in his office, the shipments being checked off against the importations covered by these affidavits or certificates as they occur.

The surveyor's department is charged with the work of supervising the inspection and shipment of all merchandise exported for drawback, and there is a separate division in his office, called the "debenture bureau," through which all export orders pass. The drawback orders are entered upon a register, and are issued to the several inspectors assigned to debenture duty in turn as the orders come in. It appears, however, that the four inspectors hitherto employed on this work have divided between themselves the several classes of drawback entries, and that for the last eighteen months, under this arrangement, Inspector W. S. Copland has practically made all the returns of the examination and lading of exported bags.

A full inquiry into the methods of this officer disclosed the fact that he has not, as a rule, actually examined the merchandise or supervised

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the lading thereof, but that he has been in the habit of obtaining the information from which his returns were made up from clerks of the transportation companies after the shipment of the goods.

The materials from which these bags are made vary in quality and price, and no proper examination is made to determine the number or quality of the exported articles, or whether they are of domestic or foreign manufacture; nor are the bags so marked that they may be identified in case of reimportation. Although the form of entry prescribed by the regulations indicates that marks, numbers, and descriptions must be therein set forth, the entry and inspection order contain no information of this character, except the number of bags proposed to be shipped, and this is always suppositious.

One instance came to our notice of an entry for drawback at the port of Baltimore of cotton bags containing flour, entered for drawback as bags made of foreign burlaps. The fact that the material was cotton could only have been discovered by actual inspection, which we find is not usually made at this port. It appeared in another case that entry was made and drawback collected some weeks after the exportation of the goods. In another case the entry was made and the inspection order issued on June 17, 1884, some days before the goods were actually shipped from the West. From an examination of the return of the inspector, it appears that it was first made on June 19, before the goods left Chicago and St. Louis, and afterwards changed to July 19. These instances are cited to illustrate the danger of dispensing with any of the safeguards provided by the general regulations, and the necessity for absolute fidelity on the part of the officers intrusted with the duty of inspection and shipment.

Burlaps made of jute are imported in large quantities, and are used for wrappings of all kinds. We are informed that but a small proportion of the whole quantity imported are used for flour-bags. Large numbers of bags which have been exported are reimported free as of American origin, or as having been originally imported duty-paid. Some bags so reimported are known to have contained flour on exportation. These bags go into consumption in this country, and many of them are in a condition to be, and we are told are, again used for the exportation of flour.

It appears from the records of the custom-house that no duties are ever paid on returned bags. A few instances have occurred where duties were exacted, but a refund was subsequently ordered by the Department.

There are a number of jute-mills in this country engaged in the manufacture of burlaps, much of which is made into bags. Being of the same material, they cannot be distinguished from bags made of imported burlaps.

The form of drawback entry prescribed by the regulations contains an affidavit of the proprietor and foreman of a bag factory, showing that the materials entering into the manufacture of the bags described in the entry were imported and made into bags at such factory, giving also full particulars as to marks, numbers, description of material, by whom imported, name of vessel, date and port of importation, whence imported, and quantity. The oath of the exporter corroborates this affidavit and states that duties were paid on such material, and that no part of such duties have been refunded. When the entry is presented at the custom-house, the import entry referred to in the affidavit is

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examined and the fact ascertained that such importation was made. This chain of evidence, the affidavits being accepted as true, is sufficient *prima facie* proof in cases where articles manufactured from foreign materials are exported direct from the factory, and the affiants have the means of knowing that the goods are the identical articles manufactured under their direction; but in the case of bags which have been sold to third parties, have been transported thousands of miles and filled with flour, having thus virtually gone into consumption in this country, it is impossible that the manufacturers can know that they are the same bags sold by them months before. If they made actual inspection of the bags exported, which they do not, the persons who make these affidavits could not know that the bags were made at their factory unless there was some distinguishing mark upon them, which is not always the case, as some of the flour manufacturers will not buy bags with such marks. It is obvious, therefore, that as the proprietor and foreman do not see the bags after they leave their factory, they cannot know that the bags entered for export were manufactured by them from imported burlaps, or that they were not made from domestic burlaps. It will be readily seen that the officers of the drawback bureau, who did not regard an alteration in an affidavit after it had been signed and sworn to as material, would not be apt to inquire as to the means of knowledge possessed by the persons making such manufacturers' affidavits.

By the modified regulations, the proof of manufacture from foreign materials, and the identification of these materials with the exported articles, may be filed at the custom-house prior to the entry. In these cases—and this is now the usual practice—the affidavit covers an importation of foreign burlaps and identifies them with bags sold to parties named, usually the miller shipping the flour. The miller who knows whether the bags used for the shipment are those bought from this particular manufacturer, and who is the owner and exporter, is the only person really entitled to make entry for drawback, is not required to complete the chain of evidence by his oath, or other competent testimony. The affidavit of the manufacturer is regarded as sufficient, and the drawback clerk checks off the shipments as they come in, until the number of bags embraced therein is exhausted.

If it were a fact that all export bags are made from foreign burlaps, it might be urged that the identity of the bags shipped with any given importation of burlaps was not necessary for the protection of the Government, but when it is considered that large numbers of export bags are made from domestic burlaps, it is evident that the present practice invites fraud.

Imported jute bags pay a duty of 40 per cent. ad valorem. One of the largest European manufacturers of this article, we are informed, is the firm of Morrison, Anderson & Butchart, of Dundee, Scotland. They bring the jute from India to Dundee and there manufacture burlaps and bags. Since the present modified regulations have been in force this firm has transferred to this country the finishing process in making bags for sale in the United States. They import the burlaps manufactured by them in Scotland, paying a duty of 30 per cent. thereon, have them made up into bags at a trifling additional cost, and sell the bags to the millers for consumption as well as export. Upon those exported they obtain a drawback of the duties paid, less 10 per cent., so that the duty paid on the bags thus sold for export is only 3 per cent. ad valorem. They are thus placed in a position of great advantage so far as the con-

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trol of the sale of bags in the United States is concerned. While they have clearly this right under the law as it has been heretofore construed, it is the duty of the officers of the Government, charged with the protection of its interests, to see to it that the regulations under which these drawbacks are paid are not so loosely drawn and administered as to imperil those interests as well as to defeat the object of the drawback law. It is worthy of consideration whether the bags have not already gone into consumption when filled with flour which may be sold at home as well as abroad. They are a mere envelope of the principal article, are not then merchandise but an incident employed as a convenient means of transportation. The wear and tear of bags begin the moment the flour is put into them, and if exported they have already been in use in the United States for weeks and perhaps months before shipment abroad. In this view of the case, it may be doubted whether they come within the intent of the drawback law in the absence of specific mention. Is not the law properly construed by limiting its application to articles shipped abroad to be sold as merchandise in the condition in which they are manufactured?

In regard to the practical administration of the drawback regulations at this port, it should be stated that besides the acceptance by the drawback bureau of entries and affidavits altered by erasure as hereinbefore mentioned, the inspector has been in the habit of delivering to brokers making entries his orders for inspection and lading. His return is filled up by the broker, with the particulars as to the number and size of bags shipped, from information obtained from the transportation companies, either direct or through the inspector, so that the entire transaction, so far as it governs the amount of drawback paid, is carried through by the brokers receiving such drawback.

The officers in the several departments of the custom-house responsible for the long continuance of the irregularities shown in this report cannot be held blameless. Some of them appear to be more zealous in the interests of the brokers obtaining these drawbacks than to protect the Government from illegal payments.

We have called the attention of the collector, naval officer, and surveyor, to these irregularities and to the conduct of the officers responsible therefor in the several departments.

The oral testimony taken in this matter relates also in some degree to drawbacks on articles other than bags, notably sugar. We expect further evidence as to drawbacks on sugar, as well as other merchandise, and will submit all the testimony taken with a general report on drawbacks as soon as practicable, unless it is desired by the Department that the testimony taken as to bags shall be forwarded at once. We regard the irregularities developed in this branch of the subject of so flagrant a character as to demand an immediate report.

Very respectfully,

GEO. C. TICHNOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 6.

NEW YORK, *April* 10, 1885.

SIR: Continuing the investigation of the methods of conducting the customs business at this port, we have given careful consideration to the subject of undervaluation. While there is no doubt that the invoices of all classes of merchandise consigned to the United States for sale on foreign account are as a rule undervalued, this is notably true as to silk goods. During the past ten years since the repeal of former restrictive and penal provisions of the revenue laws, a system of successful evasion of duties on silks has been gradually built up and established. This system of evasion has been a subject of frequent investigation and report at home and abroad. It is a matter of common notoriety in official and mercantile circles. No one familiar with the silk trade here or in Europe will contend for a moment that consigned silks are honestly imported into this country.

Many efforts have been made to secure the proper and uniform appraisement of silks, but with only partial and temporary success. With the exception of occasional purchases of novelties in the European markets, all imported goods of this character come consigned to commission merchants, either for sale on foreign account or for delivery to a purchaser who has bought them abroad at what is known as a "dollar price"—that is, a price in United States currency—the goods to be delivered here, duties, freight, and charges paid, as distinguished from a price in the currency of the country where the goods are purchased. Manufacturers who ship their products regularly to this country, while they refuse to name what is known as a "franc" price to American buyers, will readily take orders for delivery here in the manner stated. American importing firms of the highest standing and credit cannot buy silks for cash in the foreign markets and import them on their own account.

An essential feature of the consignment system is the concealment of the actual foreign market value, so that customs officers may have no standard by which to make appraisements. The greatest care is exercised in Lyons, Zurich, and other principal silk markets to prevent the prices at which sales are made to European buyers from becoming known to any one who might possibly disclose them to persons connected with the American customs. So universal is this practice of concealment that there is no longer any such thing known to American buyers or customs officers as the actual market value or wholesale price of silk goods in the principal markets of the countries of production; and this, to a great extent, is true also of kid gloves, laces, embroideries, and other articles, which are almost exclusively imported by consignment instead of purchase.

The only foreign values known are those nominal values expressed in the invoices which are made up and used for customs purposes only. These values seldom cover the cost of the materials and labor used in producing the goods. The knowledge of invoice values is confined to shippers, their American agents, and the Government officials through whose hands the papers pass. The great body of American houses dealing in these goods and on whom the appraising officers would naturally depend for correct information of actual values, know nothing of the subject beyond the selling prices in our markets, and these they are reluctant to disclose. The home market value, when it can be ascertained,

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has therefore become an element for consideration in appraisements, instead of the foreign market value which is the legal basis for the assessment of duties. Even the home value is concealed from the appraising officers as far as practicable.

In a recent case, where an invoice of silk goods had been ordered by a New York merchant for delivery here at a dollar price, the commission merchant who was the medium through whom the delivery was to be made, and who entered the goods at a manifest undervaluation, refused to disclose the "dollar price," although so required by the appraiser, under the provisions of section 2922 of the Revised Statutes.

The extent to which specific invoices are undervalued depends upon the audacity of the shipper and the degree of confidence he has in the ability of his New York agent to pass the goods through the appraiser's office without incurring penal duties. The only risk to be apprehended under the law as it has been administered for years past is the advance of value upon appraisement.

Foreign shippers and their New York agents do not appear to regard this method of evading duties as in any degree unlawful. We enclose a list (marked A) of invoices advanced beyond 10 per cent. for the months of December, 1884, January, and a part of February, 1885. None of these cases have been referred to the district attorney for such action as he might deem proper. It is the practice of the collector's office, in case of advances to a penalty, to waive a seizure and accept additional duty. The importer has thus come to understand that in undervaluing his merchandise he runs neither the risk of criminal prosecution nor of losing his goods. His object appears to be to enter his merchandise as low as possible and escape a 10 per cent. advance. But if such advance is made, he is sure of no punishment beyond the 20 per cent. additional duty.

Attention is called to the frequent recurrence of undervaluations by the same importers; the advances range from 12 per cent. to more than 100 per cent. We also invite attention to Schedule B, showing advances of less than 10 per cent. during the months of October and November, 1884, and to the frequent repetition of the names of the same importers on this list. A remarkable feature of these advances is that so many of them are just a shade under 10 per cent. For example, in eighteen invoices of one firm the advances ranged from 9.02 to 9.99 per cent., showing that the appraising officers, in passing the goods, apparently made careful computations with special reference to the penalty line, and this, too, on goods about which the best experts rarely agree within 5 per cent. of the value. During the three months ending December 31, 1884, more than twenty-two hundred invoices were advanced on appraisements, two-thirds of which were invoices of forty of the leading houses receiving consigned goods, chiefly silks, for sale on foreign account.

The act of June 22, 1874, provides "that it shall be the duty of any officer or person employed in the customs-revenue service of the United States, upon detection of any violation of the customs laws, forthwith to make complaint thereof to the collector of the district, whose duty it shall be promptly to report the same to the district attorney of the district in which such frauds shall be committed."

It is not claimed that the advance of an occasional invoice indicates fraudulent intent of the importer, but when he persistently and uniformly enters his goods at an undervaluation, it is evident that he is

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not deterred from an unlawful practice by the possible addition of penal duty. In such cases the law should be invoked, and the habitual undervaluer made to know that the practice endangers, not only his property, but his personal liberty and his reputation. Such action, if taken, would, it is believed, be more effectual than any other means which could be adopted to break up the practice. The courts are open and the law is plain. If, for any reason, it fails in its practical administration, that is not for the customs officer to consider. That these cases have not been reported is probably due to the belief of the customs officers that, owing to the provisions of section 16 of the act referred to, successful prosecutions could not be maintained. But, in our opinion, the collector should follow the plain letter of the law in making his report, leaving the consequences to the district attorney and the courts.

Whenever, as at the present time, undervaluations have become so flagrant as to call for special inquiry by the Department, the agents of foreign shippers, while defending with vigor the integrity of particular invoices in which they have an interest, frankly admit the general practice of undervaluing and deplore its demoralizing and injurious effect upon trade. They profess a desire for the adoption of some measure for the suppression of the evil—the means generally suggested being specific instead of ad valorem duties—so that all foreign manufacturers sending goods here for sale may be placed on equal footing. Under the present system, they say, the manufacturers are always cutting each other's throats. No matter how low one may invoice his goods, and thus be enabled to lower his selling price to the extent of the duties saved, another can undersell him by simply invoicing his goods a few centimes lower. The 50 per cent. duty imposed by law on silk goods affords the European shipper a convenient sliding scale, by which he may measure his prices up or down, according to the conditions of trade and the competitive undervaluation of his neighbors.

As a measure towards the correction of values, the consuls at Lyons, Zurich, and Horgen have been authorized to employ experts to examine and report the cost of labor and materials used in producing the goods shipped from their districts. These reports are made regularly; those from Horgen and Zurich include all the invoices certified by the consuls. Only a small proportion of the invoices sent from Lyons are reported upon in detail as to cost of production; but when this is not done, the consul reports the market value. An examination of these reports shows clearly that invoice prices are fixed arbitrarily by the shippers, without reference to market value or cost of production. The difference between invoice prices and the cost of labor and materials varies largely, reaching in some cases 50 per cent., while in others it may be as low as 1 per cent. There is no approach to uniformity of value of goods of the same quality from different manufacturers. As one Swiss manufacturer expressed it, "the invoicing is largely a matter of conscience." No sales being made, the shipper invoices his goods at whatever price he pleases.

Honest merchants, excluded from the foreign markets by the operations of this system, are emphatic in denouncing such methods, but they are powerless to remedy the evil. Not only are they prevented from importing, but they are forbidden, by an unwritten but inexorable law, laid down by the agents of foreign shippers, to disclose to Government officers the prices paid for goods, or other information which might aid in determining the actual values of merchandise. If a merchant, know

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ing the iniquities of the system, gives information whereby an invoice is advanced, and the source of such information becomes known, he is boycotted by the firm involved, and loses caste with all the commission houses in the same line of business. He is made to feel that, so far as such houses are concerned, he is not entitled to ordinary business courtesies. The merchant who thought to preform a duty as a good citizen, by exposing the methods by which the Treasury is robbed by foreigners, and honest merchants crowded out of business, finds himself embarrassed and annoyed in his business, and suffers pecuniary loss. One such lesson is sufficient to prevent a repetition of this business indiscretion, and thus an important avenue of information is closed to the officers of the Government. So it is when a merchant, acting as merchant appraiser, in good faith advances an invoice, or when as a witness on reappraisement he gives testimony as to values resulting in the imposition of penal duties. He is reproached by the importer with having done him an injury, and his business relations with all the undervaluing houses are disturbed. It will be seen from the foregoing that the task of the officers charged with the duty of appraising these goods is not an easy one. It is certain that under the system, or want of system, which has long prevailed in the appraiser's department, full values of consigned goods have not obtained. The enclosed abstracts of the consuls' reports (Enclosures C to K, inclusive) upon silks shipped from Lyons, Horgen, and Zurich, and the appraised values of the same, in the month of October, November, and December, 1884, present, in our judgment, a fair indication of the average undervaluation of silks. It appears from the reports that the—

	Francs.
Total invoice value of silks shipped from the consular districts of Hogen and Zurich during the said period was	4,484,051.35
The importers' additions on entry were	190,825.47
The appraisers' additions to make market value amounted to	198,369.01
The cost of labor and materials was	5,022,369.00
To this should be added 10 per cent. to cover waste insurance, interest, and incidental expenses to reach actual cost of production, namely	502,236.90
Making the total cost of production	5,524,605.90
The difference between the cost of production and invoice value is (equal to about 23 per cent.)	1,040,554.55

The additions by the importer and appraiser to make market value are about 8½ per cent., leaving 14½ per cent. of this difference upon which no duty was paid.

Applying these percentages to the entire importations of silk at this port for the year 1884, the following appears to be a fair statement of the case:

The entered value, including additions by importers, as shown by statistical reports, was	$30,494,797 00
The cost of production would be	$35,979,473 00
Invoice value	29,251,604 00
Difference	6,727,869 00
Additions by importer and appraiser	2,486,388 00
Excess of cost of production over amount on which duty was paid	4,241,481 00

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If we add no more than 5 per cent. to the cost of production for the manufacturer's profit, we will have	$1,798,969 00
Making an undervaluation of	6,040,450 00
And a loss in duties of	3,020,225 00

Since the passage of the tariff act of 1883, the appraising officers have had ample power to measurably arrest undervaluations by appraising the goods at not less than cost of production, as provided by section 9 of said act, but they do not appear, except in rare instances, to have exercised this power. The consular reports have come regularly to the appraiser during the last eighteen months. They have furnished a fair basis for the proper ascertainment of the cost of production, but they have not been given full credit by the examiners. While errors have been discovered in some of the reports from Lyons, the correctness of those from Zurich and Horgen has been successfully disputed. Well-informed domestic manufacturers, to whom the calculations of these experts have been submitted, have pronounced them too low; they are known to be made upon a conservative basis, the benefit of every doubt being given to the shipper. There would seem to be no valid reason, therefore, for the failure of the appraising officers to avail themselves fully of the information thus furnished; but they appear to have given greater weight to the representations of interested parties, and to have appraised goods at less than the cost of production.

One of the chief difficulties in the suppression of undervaluations is found in the method of reappraisement prevailing at this port. The list of five names sent by the appraiser to the collector, from which selection is made of a merchant appraiser, is composed in part, sometimes wholly, of firms engaged in the consignment business whose invoices are habitually undervalued. It is true that the names of domestic manufacturers and importers who do not receive consigned goods are also included in these lists, but the majority of the names are those of houses above described. The deputy collector who, previous to January last, made the appointments of merchant appraisers, states that he regarded it as unfair to select a domestic manufacturer to appraise imported goods; besides, he had received formal protests from the importers against such appointments, and these he regarded as sufficient reason for ruling out domestic manufacturers. He appears, however, to have considered it no impropriety to appoint the agents of foreign manufacturers whose invoices of like goods were constantly undervalued and subjects of reappraisements.

When it is understood that the general appraiser possesses little or no expert knowledge of the quality or value of merchandise, that the merchant appraisers usually appointed are agents of foreign manufacturers, and the witnesses called are usually in the same business, and therefore interested in maintaining the consignment system, it is not surprising that so little progress has been made towards reaching true values upon reappraisements. Proper results in these cases largely depend upon the prompt, vigorous, and intelligent action of the general appraiser. All advances upon invoices of 10 per cent. or more are, as a rule, appealed from. The examiners making the advances are usually better informed than any one else as to the actual value of the merchandise. The merchant appraiser, appointed to act with the general appraiser

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under the provisions of section 2930 of the Revised Statutes, must be a merchant in business on his own account. Gentlemen who are partners in large firms are usually selected. Many of these have little or no expert knowledge of the merchandise to be appraised, they depend for information upon the testimony adduced. The goods advanced by the appraiser are almost always consigned, not purchased. The merchants receiving them do not profess to have definite knowledge of the foreign market values. Their ideas of such values are based upon the invoice prices and the value in the New York market. These houses do not buy the goods abroad, and do not own them; they simply sell them on foreign account for what they will bring. The employés of these firms called to testify to market values do not hesitate to fix prices at or near the invoice prices, and these prices are generally furnished to them beforehand by the importer whose invoice is under reappraisement. When questioned, they are generally found to possess no actual knowledge of foreign market value. The same witnesses appear almost daily and give similar testimony. There are, in many cases, reports from the consuls showing the cost of production, and in some instances this has been supplemented by the testimony of domestic manufacturers and experts. This testimony has in repeated instances been submitted to the reappraising board, and has been disregarded, while the testimony of employés of houses receiving consigned goods, presumably always undervalued, has beeu accepted and the goods appraised at less than cost of production, notwithstanding the provisions of the law. This, however, does not always occur. When the merchant appraiser happens to be a person not himself engaged in the consignment business, or one who is not tied up by intimate business relations with firms of that character, due credit is given to the testimony adduced on behalf of the Government, and examiners advances are sustained. In either case, the general appraiser and his associate rarely differ.

The practical result of reappraisements as they have been generally conducted is that the consignee and his business friends, each of whom expects return favors from his associates, virtually fix the market value. The idea seems to have been lost sight of that a reappraisement is to be conducted in practically the same way as an original appraisement, and that reappraising officers are not to rest their decisions upon testimony obtained after the manner of law courts, regardless of their own expert knowledge or facts procured "by all reasonable ways and means in their power."

We are informed that it is not unusual for the merchant appraiser to be known to the appealing party before taking the required oath and entering upon duty, and that he and witnesses are visited before the hearing by interested parties and furnished with the invoice prices. Rumors have reached us that the person selected as a merchant appraiser has been known to declare at these preliminary meetings the decision he intended to give in the case. Whatever truth there may be in these rumors, the fact that they obtain currency is a striking commentary on existing practices.

When there are several cases set for appraisement the same day, it is the practice to have them all in progress at the same time. The importer and his witnesses gather about the merchant appraiser, who, when he reaches a conclusion, consults with the general appraiser, and the decision is

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made known in the presence of the importer and witnesses. If this is not satisfactory to the importer, he is allowed to protest and reargue the case, with a view to the modification of the finding, in which he is often successful. This condition of affairs suggests the wisdom and necessity of a return to the old and legal methods of reappraisement outlined in a circular letter of Secretary Robert J. Walker, of December 26, 1848, a copy of which is enclosed, marked L.

Examiners who endeavor to do their duty faithfully by advancing invoices become discouraged after repeated failures of the appraisers to sustain their action. In recent cases, when values have been determined upon reappraisement in the manner stated, the examiners have been directed by the appraiser to pass subsequent invoices in accordance with the values so found. They are thus compelled to subordinate their own judgment to the findings of a reappraising board on previous invoices, reappraised in some cases months, and even years, before.

There is always a reluctance on the part of appraising officers to advance values to the 10 per cent. limit, or, as it is expressed in the common parlance of the appraiser's store, to "put the importer to a penalty." This idea runs through the entire proceeding, and, according to the expressed opinion of the appraiser, is inseparable from it. The ascertainment of the true value of the goods, and the appraisement thereof, is thus coupled with the consideration whether a penalty will be involved; if so, a strong effort will be made to reduce the appraisement, in whole or in part, so that the advance will be a shade under 10 per cent. This tenderness towards importers—this disposition of officials to shield them from the legal consequences of undervaluation—has tended to encourage and establish the practice.

Successful undervaluations have prevailed for so many years that the belief has generally obtained that nothing short of legislation will suppress them. That legislation is needed in this direction, no one will dispute. The adoption of specific duties wherever practicable would be a long step towards securing correct and uniform collection of duties, and remedial laws are needed to enable the Government to enforce the tariff; but we are satisfied that much of the existing condition of affairs is due to faults of administration that may be corrected.

There is need of a thorough reorganization of the appraising department. The appraiser should devote all his time and energies to the great business institution under his charge, and this requirement should extend to all of the employés of the department. When it is considered that three-fourths of the importations of foreign merchandise coming to this country is entered at the port of New York, the importance of the careful administration of the appraising department cannot be overestimated. Not only are the revenues of the Government endangered by faulty or corrupt methods, but business interests are disturbed, and in some cases destroyed, by the failure of the appraising officers to make full, uniform, and prompt appraisements of imported merchandise. It is a serious question whether the existing business depression is not more or less due to loose and unbusiness-like methods of appraisement, whereby one merchant pays more duties upon the same article than another.

The ease with which undervalued invoices have passed the appraisers has invited and encouraged excessive consignments from Europe. The tariff laws, if impartially and absolutely enforced, would prevent impor-

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tations at unequal and undervalued prices, and would regulate and restrict the introduction of foreign merchandise in accordance with the healthy demands of trade.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

L.

Circular No. 30.

TREASURY DEPARTMENT, *December* 26, 1848.

Differences of practice existing in the several ports relative to the appraisement of merchandise, the following additional instructions are issued for the government of collectors, appraisers, and other officers of the customs, under the twenty-fourth section, act 30th of August, 1842, which is in these words: "That it shall be the duty of all collectors and other officers of the customs to execute and carry into effect all instructions of the Secretary of the Treasury relative to the execution of the revenue laws; and in case any difficulty shall arise as to the true construction or meaning of any part of such revenue laws, the decision of the Secretary of the Treasury shall be conclusive and binding upon all such collectors and other officers of the customs."

The interests of the country and of fair and honorable merchants require that this Department should, by every means in its power, secure not only the revenue against loss, but should maintain such merchants in their business against sales of imported articles at diminished rates, arising from fraud or undervaluation.

To appraisers the Government looks for correct valuations of foreign imports. On these officers, more than any other, does the success of the ad valorem system depend. Their responsibilities are great, and it is expected that their efforts will not be relaxed to check every undervaluation or fraud upon the revenue, by whomsoever attempted. In the strict and faithful performance of their duty, at times necessarily disagreeable, their judgment should have great weight with other officers of the revenue service, and especially with the collectors of ports, who should in all cases render them every aid and co-operation in their power.

The intent of the seventeenth section of the act of 30th of August, 1842, in the appointment of merchant appraisers is evidently to give the merchants an opportunity to appeal from one class of appraisers to another. But it is clear that Congress did not design to relinquish the power in the Government to select the merchant appraisers to whom the case might be referred, nor to give the parties appealing any more

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voice in the selection of such appraisers than of any other Government officers. To consult the parties concerned, or allow them a voice in the selection of merchant appraisers, would soon result in permitting the importers to control the appraisement of their own goods, and it is presumed is not permitted at any port.

Merchant appraisers should be particularly instructed that when acting in that capacity they are to be governed by the same rules and regulations as provided by law for the direction of regular appraisers, and are to act upon the principle that the invoice price, or even the price actually paid for an article of merchandise, is by no means a true criterion of the fair market value as prescribed by law. Adopt a contrary principle, and one who is so fortunate as to have a quantity of merchandise given him would be entitled to receive it free of duty, or at a nominal duty, if purchased at nominal prices, and different rates would often be assessed by appraisers on articles of the same value. The fair market value intended by law is the general or ruling price of the article "in the principal markets of the country from which the same shall have been imported." The Treasury circular of August 7, 1848, declares that "forced sales in foreign markets at reduced prices, under extraordinary or peculiar circumstances, cannot be taken as the true market value of such goods."

To secure uniformity of action at the different ports, the merchant appraisers are to be selected and their appraisements made in the following manner: When the appraisers all concur, they may designate five names, or, when such concurrence does not exist, the appraiser making the advance may designate five names of impartial merchants, citizens of the United States, familiar with the value of merchandise, and of the highest credit for integrity and fair-dealing, from whom it is recommended that the collector select two as the merchant appraisers, to act under the law, who shall be duly sworn as provided for in the Treasury instructions of July 6, 1847, omitting in the oath the name of the importer. In the notice to be sent to the appraisers selected as provided in the same instructions the name of the importer is also to be omitted. The names of the merchant appraisers selected shall also be withheld from the importers until such appraisers assemble for the performance of their duty, as it is important that no *ex parte* statements be permitted, the sole object being to obtain a fair and disinterested examination and valuation of the merchandise. When the collector has fixed the time and place for the merchant appraisers to assemble, he will notify the importer of such time and place, but not the names of the merchant appraisers. Such importer may be present if he desires, and every proper facility should be given him for a thorough examination and ascertainment of values.

To facilitate collectors in settling their accounts, this reappraisement should take place immediately, or at all events not be delayed beyond six days from the time the reappraisement is demanded, unless in the opinion of the merchant appraisers there are extraordinary circumstances requiring an analysis, or proof not to be procured within that period. Should such delay extend beyond ten days, a statement of the case by the collector must be forwarded to this Department for its examination. The collector, in such cases, shall also call on the regular appraisers for a statement, and transmit it to the Department. In all

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cases where the merchant appraisers assess a lower value than the regular appraisers, the collector will report to the Department a full statement of the case, to be recorded here, together with the names of the merchant appraisers. He will also transmit at the same time to this Department for record here a statement which he will obtain of the case from the regular appraisers.

In case the merchant appraisers are at variance with each other in their appraisements, and the collector compelled, according to law, to decide between them, it is expected that he will without delay, or within five days from the time the reappraisement is made, decide the question of value, and if he adopts the lowest appraisement made he will give the reasons for the same in his statement to be forwarded to this Department for record as directed above.

This Department earnestly invites the co-operation of collectors, appraisers, and other officers of the customs in enforcing correct valuations, and will also be glad to receive information and assistance from all honorable merchants and citizens who desire to protect the revenue, to guard the rights of the honest trader, and to insure the faithful execution of the laws. The selection of "merchant appraisers" should not be confined exclusively to those connected with foreign imports, but, when the requisite knowledge exists, should be extended so as to embrace domestic manufacturers and producers and other citizens acting as merchants, although not dealing in foreign merchandise.

In all cases where the advance by the regular appraisers is short of the penalty, they shall report to this Department the names of the importer, consignee, and consignor, together with the invoice value and rate advanced.

The law requiring importers to give notice "forthwith" to the collector of a demand for reappraisement, no such reappraisement shall take place unless notice is given to the collector, in writing, of such demand within a period not longer than the day succeeding the notice of such appraisement, which the regular appraisers shall give in all cases as soon as the appraisement is made.

In all cases where the goods are advanced by the regular appraisers 20 per cent. more than the invoice and no reappraisement is called for, the said appraisers, on ascertaining that fact, shall report to the collector, in writing, whether the interests of the Government will best be promoted by taking the duty with the penalty, as prescribed by the law, or by taking the duty in kind, as authorized by the eighteenth section of the act of 30th of August, 1842, as enforced by the circular of this Department of the 28th of November, 1846, and if the appraisers advise the duty to be required in kind, it shall so be taken by the collector. In all such cases, also, when the goods are advanced by the regular appraiser 20 per cent. above the invoice value, and a reappraisement is made by the merchant appraisers, the collector shall make a statement of the duty thus ascertained and fixed by him, including the penalty, if any, to the regular appraisers, who shall thereupon report in writing to the collector whether it is the interest of the Government to take the duty thus ascertained or require the duty in kind, and if the regular appraisers advise the duty to be required in kind, it shall so be taken by the collector.

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In all cases where the duty is taken in kind it is to be thus assessed under the law, according to the several schedules, viz: If the duty be 100 per cent., the whole of the goods shall be taken; if 40 per cent., two-fifths; if 30 per cent., three-tenths; if 25 per cent., one quarter; if 20 per cent., one-fifth; if 15 per cent., three-twentieths; if 10 per cent., one-tenth; if 5 per cent., one-twentieth; and the goods so taken in kind are to be sold as provided in Treasury circular of 28th of November, 1846.

These regulations, whilst protecting the revenue against fraud or undervaluations, will insure correct invoices, inducing a compliance, where necessary, with the eighth section of the act of 30th July, 1846, and guard the interests of the fair and honorable merchant.

Whenever it is found necessary by the regular appraisers or merchant appraisers to guard against fraud or undervaluation, they will carry into effect the following provisions of the second section of the act of the 10th August, 1846, declaring that "in appraising all goods at any port of the United States heretofore subjected to specific duties, but upon which ad valorem duties are imposed by the act of the 30th of July last, entitled 'An act reducing the duty on imports and for other purposes,' reference shall be had to values and invoices of similar goods imported during the last fiscal year, under such general and uniform regulations for the prevention of fraud or undervaluation as shall be prescribed by the Secretary of the Treasury," as enforced by circular instructions of the 11th of November, 1846, and 26th of November. 1846. "The last fiscal year" designated in this section intended by Congress was "the last fiscal year" preceding the enactment of that law, which was the fiscal year ending the 30th of June, 1846, to which reference is required by the law to values and invoices of similar goods when necessary to prevent fraud or undervaluation.

Where goods are advanced in price by appraisement, the estimates of the percentage advance, to ascertain whether the same are liable to the penalty as provided for in the eighth section of the act of the 30th of July, 1846, must be made only on the article so raised in price, and such additional duty and penalty must be so levied and collected. In no case will the advance be estimated on the entire invoice, except where the goods are the same in quality, description, and value, and the same advance of price is made on the whole.

R. J. WALKER,
Secretary of the Treasury.

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No. 7.

NEW YORK, *April* 13, 1885.

SIR: In the course of our examination of the appraiser's office at this port, our attention has been called to a practice, which is common, of recalling invoices "for further consideration" after the report of appraisement has been made to the collector.

Warrant is claimed for this practice in various decisions of the Department and in article 470 of the Regulations of 1884, but, in view of its rapid growth, the number of invoices recalled being 1,709 in 1884, against 667 in 1880, and its tendency to unsettle the law of appraisements, we deem it a proper subject for special report.

The right of the appraiser to recall invoices for the correction of manifest clerical errors before liquidation of the entry has always been recognized. Formerly, the specific reason for recall was expressed in the requisition upon the collector for the invoice, but, in December 1881, a form of requisition was adopted in which the general term "for further consideration" is used, and no specific reason given. Under this requisition the invoice is returned to the appraiser as a matter of course, and he holds it competent to reconsider the invoice and reduce advanced values, although no appeal has been taken, and to change classifications as well as to correct clerical errors.

These reconsidered appraisements are often made upon retained samples or samples furnished by the importer, the goods having been delivered, or they are made to conform to former reappraisements of similar goods.

While it is not denied that the invoice may be returned to the appraiser for the correction of a manifest clerical error, it is submitted that in the absence of appeal the importer is concluded by the first appraisement. There must be some time when the appraiser's authority over the invoice is determined. The law provides that the result of a reappraisement shall be final and conclusive, and the regulations made an original appraisement unappealed equally final and conclusive against the importer. This seems a fair construction of the statute, and works no harm to the importer. His remedy by appeal is saved to him, and there is no valid reason why, neglecting this, he may resort to a remedy of doubtful legality, often resting in the discretion of a subordinate appraising officer. The importer is presumed in law, and is known, in fact, to be vigilant in the defence of his legal rights, which are amply assured to him. The law is plain, and there is no pretence that it fails in its manifest purpose.

The claim is made, particularly in the silk division, where the practice is most frequent, that reconsidered appraisements are in the interest of equity to the importer, and that, where an invoice has been advanced slightly beyond 10 per cent., it is no more than right that the importer should be relieved from payment of the 20 per cent. additional duty if possible. But when it is considered that he has himself disregarded his legal remedy of appeal, and when the statement of the appraising officers is also considered that nearly 90 per cent. of imported silks are undervalued on entry, and that, too, intentionally, the reasons for equity intervention are not apparent. The appraising officers are not to assume to do equity, of which there is likely to be a varying standard, but they are to appraise the goods at the time and in the manner prescribed by law. It may be suggested that there would be no occa-

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sion for this assumption of equity jurisdiction if the merchandise was entered at its proper value.

We are unable to find any authority for the recall of an invoice, and the change of value by the appraiser, except in cases where the proceedings have been kept open by appeal. Pending an appeal a recall seems to have the sanction of the courts, but it is difficult to conceive of a case where such action by an appraiser would be necessary or justifiable.

Any new information received by the appraiser may be laid before the reappraising officers, who are a legal board of appraisement. They have acquired control of the invoice, and it is competent for them to sustain the original appraisement or to advance or reduce the values in accordance with their own judgment. They should not only be permitted, but should be required, to complete and report the reappraisement. If the appraiser withdraws the invoice and reduces his valuation, it should be returned to them, that they may advance it in the interests of the Government, if, in their opinion, justice demands it. An appeal being taken, it should not then be recognized as within the control of the importer. He ought not to be permitted to withdraw it pending reappraisement, at least without the consent of the Secretary of the Treasury.

We invite attention to two cases as examples in which the importers withdrew their appeals, giving as a reason that the appraiser had recalled the invoice and reduced values to their satisfaction or below a penalty.

It is fairly gathered from these cases that the goods were entered at an undervaluation in anticipation of an advance within 10 per cent.; but as the advance exceeded 10 per cent., an appeal was taken and abandoned upon a satisfactory change by the appraiser. There appears to have been no good reason for the recall. The reappraising board should have been allowed to complete its work, and not been made a convenience pending negotiations with the appraising officers.

We cite other cases illustrative of the practice. On November 1, 1884, the appraiser recalled eight invoices of one firm, entered at various times in July, August, and September previous, and reduced the appraisements by allowing discounts previously disallowed by the examiner after full investigation of the subject at the time of appraisement. This was done at the request of an importer who had neglected his appeal.

In August of last year two invoices of kid gloves imported, respectively, by G. Bossange and Passavant & Co. were advanced and went to reappraisement. In the one case the merchant appraiser was a reputable merchant and a dealer in gloves. In the other the merchant appraiser neither imported nor dealt in the goods; his name was not on the list sent by the appraiser to the collector with the appeal, and the deputy collector who appointed him could give no reason for his action except a possible one, which was found inconsistent with the facts.

The two reappraisements ran together for some days, the same witnesses being examined in each case. Although the amount of duties involved was not large, the importers were represented by legal counsel, with a view, presumably, of fixing as low values as possible to control future importations. In the case in which the merchant appraiser was not a dealer in gloves (that of Passavant & Co.) the examiner's advance was stricken off. This result was apparently due, in a measure,

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to the intervention and influence of the appraiser, who personally appeared before the reappraising board and opposed the advance, which was apparently warranted by the testimony of expert witness. He gives as a reason for his action that he had reappraised the same make of gloves when he was general appraiser, and was satisfied that the values then reached, which were the same as the entered values, were correct.

The other invoice, which embraced gloves of a different make and quality, was then recalled by the appraiser from the reappraising board, and the value reduced, although the reappraisers were prepared to make their report and objected to this action of the appraiser. There is no reason to doubt that had they been permitted to make their report they would have sustained the advance in accordance with the expert testimony in the case.

The valuations fixed for the gloves, imported by Passavant & Co. still remain as the standard of appraisement for those gloves, and large importations have been made upon that basis. These values appear from the testimony to be less than the prices at which similar gloves are purchased and entered by other importers. It should be stated that in both of the cases described, and the subsequent importations, the goods were consigned, not purchased.

The prices fixed by the appraiser upon the Bossange invoice remained as the standard for those goods until some time in January last, when the examiner advanced another invoice, a reappraisement was had, the the same reputable merchant and dealer in gloves acting as merchant appraiser, and the examiner's advance was sustained. In this instance also the appraiser was appealed to to interfere, and he recalled the invoice, but upon investigation decided to send it back to the reappraising board for their action, upon the ground that the gloves in question were superior to those of the former invoice. On the other hand, the examiner and merchant appraiser state that the qualities were the same in both cases.

Another case mentioned in the testimony is noticeable for two recalls, one after liquidation, when 20 per cent. was deducted by order of the appraiser from the invoice and entered value, as not an element or dutiable value. This amount is represented in the invoice by the word "majoration," which, it is now claimed, fifteen months subsequent to entry, was intended to cover transatlantic insurance, although the term itself, as we are advised, has no such meaning, but relates to value.

If it is held that the appraiser may recall invoices and reduce values, it should not be done upon samples. The law requires him to open, examine, and appraise the merchandise, and if he may reconsider his former appraisement, the interests of the revenue demand as full examination as is required in the first instance. The goods should be subject inspection. The Government is denied an amended appraisement upon samples; the importer should have no better nor higher right. He has no ground of complaint when, upon his own election, the goods have passed from Government control.

A new appraisement, made to correspond to a former reappraisement, is especially objectionable. A reappraisement only settles the value of the invoice under consideration; it should go no further. When the methods of conducting reappraisements are considered, it will be understood that it is not wise to adopt them as inflexible standards for subsequent appraisements. The law contemplates the appraisement of every invoice, and the examiner cannot lawfully subordinate his judgment to that of a reappraising board.

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Authority for amended appraisements is claimed under Decision 3774, and the accompanying opinion of Assistant Secretary French, who cites with approval the then existing practice in New York, and the case of Passavant & Co., where the Department, by letter to the collector at New York under date of February 29, 1876, permitted the reappraising board to review its action.

Reference is also made to Decisions 4269 and 6563, to Department letter to the collector at Philadelphia of May 28, 1883, and to letters of the Department to the collector at New York, dated, respectively, December 8 and 11, 1879; September 8, 1884; and January 3, 1885.

If these decisions are held to be of binding force, we suggest that their application should not be left to the discretion of the appraising officers, nor should they be extended to authorize recalls, unless for correction of clerical errors, except upon express authority of the Secretary of the Treasury.

After an invoice has been advanced, and the importer, having been notified has neglected his appeal, it is too late for him to complain. It is not decent for him to personally importune the appraising officer for a review, nor is it proper for the latter to listen to such appeals.

When it is understood that these requests are often made to examiners, whose suggestions for the recall are always recognized, the danger of the practice as affecting the interests of the Government and the integrity and reputation of the officers is not likely to be overestimated.

It will be noticed, by reference to the testimony, that the practice is condemned by several of the assistant appraisers and examiners.

Whether the practice is one which may be permissible under the law or not, we think the statements made and the examples cited furnish ample grounds for condemning it as inconsistent with the interests of the revenue, and as tending to demoralize the public service.

We submit that an appraisement should be carefully made in the first instance, and all errors of judgment as to values should be left to the correction of a reappraisement, either upon the order of the collector, under section 2929, or upon appeal of the importer, under section 2930 of the Revised Statutes.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 8.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, April 20, 1885.

SIR: Respectfully referring to our report of the 23d ultimo, relating to drawbacks on bags, we beg to submit the following additional information and suggestions on the subject of drawbacks:

As shown by the tabular statement herewith enclosed, (marked A,) the total amount of drawbacks on manufactured articles exported at this port during the calendar year 1884 was $4,372,880.84. Of this amount, $3,289,658.77 was paid on refined sugar.

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We find that the regulations as to the inspection, sampling, and lading of sugar exported for benefit of drawback are not fully complied with. They require that samples shall be taken from at least one package in ten, either at the refinery or at the place of lading, and that the merchandise shall be transported forthwith, under the supervision of an inspecting officer, to the export vessel on bonded lighters or trucks. In practice, the inspector takes only an occasional sample of the sugar, and leaves the packages in the possession and control of the exporter, to be sent to the exporting vessel at his own option and convenience, often on a day subsequent to inspection and sampling. If convenient, the inspector is present at the ship at the time he is informed by the exporter that the sugar is to be laden, but he does not remain and supervise the lading, nor does he know that it is sugar that is put on board, or, if sugar, that it is the same previously inspected by him. When it is not all taken by the ship to which it is sent, as sometimes occurs, the remainder is left nominally in the custody of the district officer, but really in the charge of the exporter or transportation company. Packages thus left over are subsequently taken up on another export entry, but no new inspection is had, nor are they laden under the supervision of an inspector. In any case his report is based upon the statement of the receiving clerk of the vessel that a certain number of packages have gone on board. One of the inspectors states that he has no knowledge of the contents of the packages at the time of lading, "whether it is sugar or sand."

It is to be presumed that the leading houses exporting refined sugar are above and free from corrupt practices; but in a vast business, so important as to be regulated by specific and detailed instructions, it should not be left to the discretion of a subordinate officer to modify or disregard them, thus opening a door for fraud.

Although, as a matter of fact, the officer does not properly inspect, sample, or supervise the lading of the goods, his formal certificates in this regard accord with the regulations. It is claimed that, owing to the small number of officers assigned to debenture duty, it is impossible to comply literally with the regulations.

It is, however, submitted that, inasmuch as the honesty and good faith of the exporters constitute, under the present practice, the principal safeguard against fraud, it would be better to accept their statements as sufficient proof of exportation than to require or permit sworn officers of the Government to make official certificates in form which are not true in fact.

Although information has come to us that the present drawback rates on refined sugar are excessive, we have not fully considered the subject, as we are advised that the Department has the matter already under investigation. We venture to call attention, however, to the fact that the present allowance of drawback on hard refined sugar appears to be greater than the duty paid on importation. Sugar pays duty according to its saccharine strength as shown by polariscopic test. If an imported raw sugar was absolutely pure, testing 100 degrees, it would pay no more than 2.40 cents per pound duty, whereas, upon hard refined sugar which cannot test higher than 100 degrees, there is allowed a drawback of 2.82 cents per pound. The law provides that there shall be allowed on all articles wholly manufactured of materials imported, upon which duties have been paid when exported, a drawback equal in amount to the duty paid on such material, *and no more.* Drawbacks on sugar are subject to a deduction of 1 per cent. for the use of the Government.

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Except upon the theory that there is a loss of crystallizable sugar in the process of refining, (and we are informed that there is no such loss,) it is not easy to understand how it is possible that more that $2.40 duties could have been collected upon the raw sugar entering into the manufacture of 100 pounds of refined sugar.

The present drawback rates appear to have been established upon the average duty paid on all imported sugars and the estimated product of refineries of the different grades of sugar and of sirup. We are informed that these estimates are not based upon actual knowledge of the relative proportions of the different grades of sugar produced, as refiners have declined to give information on that subject. Whatever may be the basis of the present rates, it is obvious that there can be no such thing as stable and definite proportions of the various grades of sugar produced. A refiner will make more or less hard sugar, as it may seem to him profitable. Some will make a greater proportion of hard sugars than others. Some may use high grades of raw sugars, while others may use low grades. The proportions of the different grades produced are wholly arbitrary and subject to frequent change.

For the purpose of fixing drawback rates, it is not difficult to arrange the proportions of grades produced and to adjust a drawback not to exceed the entire duty paid in such a way as to give an excessive rate on hard sugars and an insufficient rate upon the lower grades. In such an adjustment, if the entire output were exported, the Government would pay no more than the law contemplates; but if the exportation were limited to the hard sugar, it is evident that it would result in actual loss to the Government. Whether the present drawback rates have been properly adjusted or not, it is a fact that of the 126,026,964 pounds of sugar exported in 1884, 125,674,303 pounds was hard sugar, paying the highest rate of drawback.

The export of bituminous coal with benefit of drawback, to be used as fuel upon steamers, is permitted by law. The regulations governing such exports are found in practice to be inadequate to the protection of the revenue. They do not contemplate continuous customs supervision of duty-paid coal from time of importation to exportation, and the officers charged with inspection and weighing are unable to distinguish foreign from domestic coal by its appearance. Illustrations of the difficulties and uncertainties attending the administration of this law are found in the two cases named below.

An export entry of 200 tons of bituminous coal, to be used as fuel on the steamer "Viceroy," imported per "State of Indiana," was made on the 28th day of January, 1885. The weigher's return of February 3, 1885, showed the weighing of 219 tons; and the inspector, February 7, 1885, certified that he had examined the coal, and that it had been laden under his supervision on board the steamer "Viceroy." It was subsequently found that of this amount but 107 tons was foreign duty-paid coal. The coal was brought alongside the steamer in two canal-boats, one of them containing about 107 tons. It is now understood that the coal in the other boat was domestic; but to the officers it presented no different appearance, and they acted in good faith, supposing it to be foreign coal covered by the entry and their orders. They had just as much proof as to the foreign origin of the one as the other. Had not the exporter advised the collector of the mistake in this case, the drawback would have been paid on the quantity entered.

In another case an export entry was made for 263 tons of coal on

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March 3, 1885. The proper officer refused to certify to its shipment, because he was not notified of the arrival of the coal in his district until after it had been laden on the exporting vessel, and he had no opportunity to inspect it, and for the further reason that he was informed by the engineer of the vessel that it was domestic coal. It was subsequently learned from the shippers of the coal that they delivered to the vessel 459 tons, of which, as they state, only 62 tons was foreign.

In view of the fact that the officer, by inspection, cannot distinguish foreign from domestic coal, and that in these cases grave mistakes were made, which might frequently occur without discovery, it is evident that the present regulations do not stand in the way of, but rather invite, fraud.

We can see no way of insuring the protection of the Government in this matter, except to refuse the allowance of drawback on coal which has passed from the control or cognizance of the customs officers.

As to drawbacks on manufactured articles, there is an inherent weakness in the chain of proof connecting the imported materials with the manufactured article exported when those materials have passed from the custody and knowledge of the customs officers. This weakness becomes more apparent when the manufacturer has no actual knowledge of the importation of the articles used, or when the exporter has no actual knowledge of the importation or manufacture, as is often the case.

We respectfully recommend that the regulations relating to drawbacks on articles manufactured from duty-paid materials be so amended as to require an unbroken chain of positive evidence, resting upon the actual knowledge of persons making the affidavits, identifying and tracing such materials from the importation thereof to the manufacture and exportation of the goods in question.

Where the proof of such identity rests only upon the information and belief of the affiants, as is now the practice, there must always be a doubt as to whether duty has been paid upon the identical articles upon which drawback is allowed.

The testimony taken in regard to drawbacks is herewith enclosed.

Very respectfully

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 9.

NEW YORK, *May* 18, 1885.

SIR: We respectfully submit the following report in regard to allowances for damage on imported merchandise at this port:

Section 2927 of the Revised Statutes provides that, "in respect to articles that have been damaged during the voyage, whether subject to a duty ad valorem or chargeable with a specific duty, either by number, weight, or measure, the appraisers shall ascertain and certify to what rate or percentage the merchandise is damaged, and the rate of

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percentage of damage so ascertained and certified shall be deducted from the original amount subject to a duty ad valorem, or from the actual or original number, weight, or measure on which specific duties would have been computed."

Articles 575 to 595, inclusive, of the General Regulations, prescribe in detail the mode of procedure by which damage is to be ascertained.

Examinations of merchandise for allowance of damage are under the supervision of the assistant appraiser in charge of the first division of the appraiser's department, pursuant to the provisions of section 2943 of the Revised Statutes. Certain examiners are assigned to this duty, who inspect the merchandise claimed to be damaged wherever it may be, either on the docks, at the merchants' stores, or in bonded warehouse. The amount of duties remitted on account of damage allowances at this port, as shown by the enclosed statement, marked A, was in 1881, $568,635.11; in 1882, $468,598.25; in 1883, $313,333.34; in January, February, March, and April, 1884, $112,160.21.

We were unable to obtain statistics from the custom-house covering the time subsequent to April, 1884.

Statement B, herewith submitted, shows in detail the various articles upon which allowances were made in 1883, and the rate per cent. of damage to the amount of duty collected on each article.

The principal articles on this list are as follows: Almonds, 8¼ per cent.; almonds, shelled, 4.1 per cent.; nuts, dutiable at 2 cents per pound, 10.4 per cent.; currants, 3.4 per cent.; chiccory, 2.4 per cent.; dates, 4.9 per cent.; filberts and walnuts, 10.8 per cent.; figs, 3.8 per cent.; fire-crackers, 10.4 per cent.; grapes, 2.9 per cent.; oranges, 8.1 per cent.; prunes, 5½ per cent.; preserved fruits, (citron, &c.,) 2½ per cent.; raisins, 2.3 per cent.

There are a number of persons known as damage brokers, who make it a business to obtain damage allowances, and whose compensation depends upon the amount allowed. Importers have come to understand that these brokers can secure more favorable action from the examining officers than could be obtained by the merchants without their interposition. For this reason, the practice of employing them to "put through" damage claims has become general. These brokers seek to cultivate intimate relations with the examiners, and, as we have reason to believe, have in most cases excercised undue influence over them. They are usually present and advising at the examinations of the merchandise upon which damage is claimed. They have endeavored to induce importers to make application for damage allowance upon sound goods, and upon the refusal of the merchant to become a party to such a fraud have threatened to use their influence with the appraising officers to his prejudice. There is no doubt that the less scrupulous importers have yielded to the importunities of the brokers, and through them have obtained allowances upon goods which had sustained no damage upon the voyage of importation.

The records of the custom-house show that of various importers receiving fruits and nuts during the months of October, November, and December, 1884, certain of them obtained damage allowances, while it is a fact that others, receiving the same kind of goods at the same time by the same vessels, not only made no claim for damage, but said their goods were sound.

As the law limits allowances to damage which occurred on the voyage of importation, the question whether the goods were sound when shipped

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is an important one for the consideration of the appraising officers. So far as we can learn, it has not been their usual practice to make searching inquiry on this point, although their reports always contain the formula "satisfactory evidence of sound shipment." The return of the officers in some cases recites the cause of the damage allowed as "unknown." In such cases the officer arbitrarily assumes that the damage occurred on the voyage of importation, when he is ignorant of the cause and has no evidence on the subject.

The Regulations (article 586) require actual inspection and examination of the goods upon which damage is claimed, and prescribe that it must be a substantial and actual damage received during the voyage. If the articles be contained in packages, each package upon which damage is claimed, except as to certain classes of goods, must be opened and examined. The excepted classes are green and dried fruits, articles in sealed packages, soda-ash and caustic-soda, sugar in bags and mats, and rice in bags. These may be examined by opening 10 per cent. or more of the packages. These provisions of the regulations have been disregarded. Not only have the examiners failed to open and examine all the packages where the regulations so require, but they have not examined 10 per cent. of the goods within the excepted classes. The practice appears to have been to open one or two packages of an importation, and from the appearance of the contents to make up a judgment as to the whole, giving an average allowance on all or a portion of the goods for which claim is made, in plain violation of article 590 of the Regulations.

One case came to our notice where the broker, in the interest of the importer claiming the damage allowance, in company with an examiner, called upon the purchaser of a part of the importation and demanded permission to see the goods; and although such permission was refused, with the statement that the goods were sound, they were returned as damaged, and an allowance made to the importer. Another instance is shown by the testimony where an allowance was made upon twenty cases of crockery, one of which had already been shipped from the city. The time occupied by the examiner in making this examination was said to have been only ten minutes, less time than would be required for the unpacking and examination of a single case.

One of the damage returns examined by us, as originally made, showed no damage allowed on thirty cases of chestnuts. This return was cancelled, and an allowance of 35 per cent. made upon the same merchandise by order of the appraiser upon samples, although the examiner stated that he did not know that the samples represented the nuts, which he declared were in fine order and in no way damaged when originally examined by him.

Another return, as originally made, disallowed damage on one hundred bags of filberts. This return was cancelled by the assistant appraiser, evidently upon the solicitation of the broker, and a re-examination ordered, whereupon a return was made allowing a damage of "3 per cent. on fifty bags, the other fifty not being found." This return was also cancelled by the assistant appraiser, and another return made by different examiners, who made an allowance of 12½ per cent. upon the whole lot of one hundred bags. It is evident that these officers could not have examined the whole lot, as the previous return showed only fifty bags remaining in the warehouse. The testimony is clear that in this case the merchandise was in sound condition, and had received no damage whatever on the voyage of importation.

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It appears to be the practice of some importers of merchandise liable to damage upon the voyage of importation, presumably upon the representations of the brokers, to make application for allowances, and to take the oath prescribed by the regulations, that the affiant has personally inspected and examined the merchandise described in the application, and that the same has sustained damage on the voyage of importation, without any actual knowledge of the condition of the goods. In one case, where the application and the oath had been made in due form, and the appraiser had made an allowance of 10 per cent. damage, there was found indorsed upon the return a waiver of damage by the importer, as the goods were sound.

It is represented that damaged have been substituted for sound goods in warehouse before examination, and an instance is given where the same lot of damaged nuts served to procure allowances on several subsequent importations. If this can be done, as we believe it has been, the opportunity and temptation for such fraud are greater when the goods have been for some time in possession of the importer, and are examined at his store.

Having become satisfied, by personal examination of a large number of importations of fire-crackers remaining in warehouse, upon which damage had been allowed, that such allowances were, in some cases, wholly unwarranted, and in others excessive, we reported the facts to the collector, who ordered reappraisements for damage, by three merchants, under authority of section 2929 of the Revised Statutes. More than forty importations were thus re-examined, upon which the damage allowance was either disallowed entirely or greatly reduced. A schedule, marked C, is herewith submitted, showing the original allowances, and the action of the reappraising merchants in each case. In one instance only the merchants made an allowance greater than that of the damage examiners.

We also reported to the collector fifteen importations, comprising dried fruit, nuts, and chiccory remaining in warehouse, upon which we believed excessive damage had been allowed. In these cases he also ordered reappraisements by the principal appraiser, under section 2929, resulting in the disallowance of the damage upon ten of the fifteen importations referred to, no change being made in the others.

We are satisfied that the inferiority in quality of goods when shipped has been made the basis of damage allowance through ignorance or dishonesty of the appraising officers, when no damage had occurred on the voyage of importation. Mistakes of this kind are liable to be made by skilled and honest experts, especially as to nuts or fruits which are of a perishable nature, but it is an unwarranted assuumption that all unsoundness and imperfection found in these articles result from the voyage of importation, as seems to have been generally accepted by the officers at this port. The examiners seek for defects not considered by dealers in these articles as necessarily resulting from the voyage, and make allowances upon a different principle from that recognized in business transactions, and the fact, as stated by those competent to judge, that nine-tenths of this class of goods returned damaged are sold for a sound price is thus accounted for.

We are convinced that the interests of the revenue and of honest importers demand a repeal of the law permitting allowances for damage. The law is equitable in itself, but its proper administation is impracticable. No better proof of this can be cited than the fact that the im-

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porters who scruple to make improper claims for damage are being crowded out of business in certain classes of goods upon which allowances are usually made by the competition of firms of comparatively small capital and inferior advantages as buyers in the foreign markets.

The discontinuance of these allowances by law would work no hardship, as the importer can protect himself by insuring for the full value of the goods, duty paid, instead of the foreign value, as is now the practice. We believe the general sentiment of the business community to be favorable to this view. The chamber of commerce of this city recently adopted a report favoring the abolishment of damage allowance, from which we extract the following:

"From investigations in marine insurance circles, your committee are able to state that the insurance of the duties on goods which it is proposed to deprive of damage allowances would be a very simple operation and an inexpensive charge; and, although in so far as such insurance is additional expense it is open to objection, the small outlay would be infinitely preferable to the demoralization which damage allowances, as now made, work all around."

We have laid the facts herein set forth before the appraiser, who has given the subject his attention, and has taken steps to correct the abuses in the damage department, so far as practicable.

The conclusions stated in this report are based upon our personal investigation of a large number of importations on which damage allowance has been made upon goods still in bonded warehouse, as well as upon the testimony herewith submitted.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 10.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, May 19, 1885.

SIR.: Respectfully referring to Department letter of the 8th instant, covering a report from Special Agent Ayer, with enclosures, in regard to the action of the appraising officers at this port upon an invoice of embroideries imported by A. Rappard & Co., in January last, we beg to report as follows:

The statement contained in the report of Special Inspector Harrison, accompanying Mr. Ayer's report, that the examiners who make advances from which appeals are taken are "excluded" by the general appraiser from reappraisements, is not in accordance with the facts. General Appraiser Perry states that the examiners are present as a rule, and that if they are not, and he needs their advice or assistance in reaching the facts, he always sends for them.

While it is doubtless the intention of the general appraiser in all cases to have the examiner who makes the advance present at the reappraisement to explain his action and give the reasons why it should be sus-

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tained, yet invoices have been reappraised, and in the hurry and confusion with which business has been transacted the absence of the examiner has not been noticed, and he has been given no opportunity to be heard.

We have suggested to the general appraiser that he make it a rule to notify the assistant appraiser of the division in which the goods were passed and the examiner of the merchandise of the time when the reappraisement is to be held, so that they may always be in attendance.

With respect to the failure of the appraising officers in the case of Rappard & Co. mentioned to take action upon the report of undervaluation made by the Government expert at St. Galle, we have heard the statement of Examiner Fitch, who passed the invoice. He claims that, in view of that report, he gave the goods upon that invoice an unusually thorough examination, but was unable, after carefully counting the stitching in many patterns, to confirm the values reported by the expert, and that he therefore passed the invoice as correct. He admits, however, that he did not examine the goods represented by the particular patterns upon which the expert reported.

The mode of appraising consigned invoices of embroideries at this port and Philadelphia appears to us to be faulty in the extreme. It was adopted in 1878, upon the recommendation of the board of general appraisers, at the suggestion of the appraiser at Philadelphia, and has received the *quasi* sanction of the Department.

The value of the goods in the gray plus the cost of stitching is ascertained, and to this is added 10 per cent., to represent manufacturer's profit. To the sum of these items is added the cost of bleaching and finishing. The value thus obtained is considered the proper dutiable value. We think it clear that if these goods are to be appraised on the basis of the cost of production, the items to be included to make up such cost should be (1) cost of the muslin in the gray, (2) cost of stitching, (3) cost of bleaching and finishing, (4) interest and general expenses, say, 10 per cent., (5) at least 10 per cent. for manufacturer's profit. This would bring the value of consigned goods as nearly equal to that of purchased goods as practicable by this method of valuatiou. But each item of cost must be fully given. There is reason to believe that the cost of stitching, which is the principal element of value in embroideries, has been understated in the invoices of certain houses receiving consigned goods, as well as the cost of bleaching and finishing, and that the examiner, although advised of the correct figures by the consular reports, has failed to advance the invoices, but has taken as his guide the importer's statement as to such cost, rather than the official report of the consul.

It appears that about one-half in number of the invoices of cotton embroideries imported here are of goods actually purchased, the others, embracing fully two-thirds of the value of all of such importations, being consigned to houses here by their branch houses in St. Galle.

It would seem that with the means of ascertaining market values afforded by the purchased invoices, the examiner should have no difficulty in appraising consigned goods. But it appears that no comparison of the two classes of invoices is made for the purpose of appraisement. Consigned goods are invariably passed upon what is known as the "stitch basis," above described. The examiner states that he considers himself bound to pass the goods in this way, in accordance with the long-established practice, which is understood to have the approval of

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the Department, and this, too, notwithstanding the fact that he found purchased goods tested by the same rule to be invoiced invariably higher, in some cases exceeding the consigned prices as much as 100 per cent.

It is easily seen that with different standards of valuation for purchased and consigned goods there will be manifest inequality in the rates of duty collected, and one class of importers will profit at the expense of the other, resulting in demoralization of trade and loss to the revenue.

Serious complaints have been made to us by representatives of H. B. Claflin & Co., E. S. Jaffray & Co., Arnold, Constable & Co., Marshall Field & Co., Morrison, Herriman & Co., and others of the prevailing methods of appraisement, whereby they are driven out of trade by what they deem dishonest competition.

We have brought this matter to the attention of the appraiser, and are assured that he will spare no effort to correct the evil complained of.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

INVESTIGATIONS AT SEVERAL PORTS INTO APPRAISEMENTS AND CLASSIFICATION.

No. 1.

INVESTIGATION BY MESSRS. COOMBS, HINDS, AND LAPP.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., June 27, 1885.

GENTLEMEN: You are hereby instructed to investigate the entry, appraisement, and classification of imported merchandise at New York, Boston, Philadelphia, and Baltimore, for the purpose of securing uniformity of valuation and classification, and correcting such errors and irregularities as may be discovered.

You will make careful inquiry as to persons employed at the several ports in connection with the business mentioned, and will report the names of all officers and employés found to be unfit for the proper performance of official duty, whether by reason of incompetency, indolence, intemperance, or other cause. Upon this branch of your inquiry, you will consult with the several appraisers, but you will not be governed by their views unless they accord with your understanding of the facts. The object of these investigations is to promote the efficiency of the public service, and you will submit any suggestions you may deem proper to that end.

In the course of your labors under these instructions, you will consult and co-operate with Special Agents Tichenor and Tingle, who are assigned to the investigation of these subjects generally, and are instructed to give you such assistance and advice as they may find practicable from time to time.

The four general appraisers have each been directed to obtain samples

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of textiles and other merchandise of which samples may be taken, which may be imported into the several ports after the 30th instant, to be scheduled, arranged, and classified, and brought together at the board of general appraisers at New York for examination and comparison.

At a time to be hereafter designated, it is desired that you will meet the board of general appraisers and Agents Tichenor and Tingle, for the purpose of examining and comparing such samples with those which may be obtained by you in the course of your inquiries.

A copy of the instructions addressed to the general appraisers, is enclosed for your information and guidance as to retention, classification, and arrangement of samples.

I am, very respectfully,

DANIEL MANNING,
Secretary.

H. W. COOMBS, *General Appraiser.*
B. H. HINDS and CHAS. H. LAPP, *Special Agents.*

No. 2.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., August 3, 1885.

GENTLEMEN: In carrying out the Department's instructions of the 27th of June last, so far as relates to the port of Boston, it is desired that you co-operate with Special Agent Bingham in making and reporting the regular examination of the manner in which the customs business is done at that port.

It being important that this examination be made at an early date, you are directed to proceed to the port of Boston for that purpose with the least possible delay.

Very respectfully,

DANIEL MANNING,
Secretary.

Messrs. COOMBS, HINDS, and LAPP,
U. S. Appraiser's Stores, New York, N. Y.

No. 3.

OFFICE OF THE BOARD OF U. S. GENERAL APPRAISERS,
Corner of Washington and Hubert Streets,
New York, August 5, 1885.

SIR: We have the honor to report that, in obedience to instructions, the commission appointed by Department letter of June 27 convened at this port on the 7th ultimo, for the investigation of the subjects specified therein.

It became evident to us early in our investigation that the abuses resulting from the use of *pro forma* invoices had grown to such magnitude as to demand our first attention. We have, therefore, made an exhaustive inquiry into the matter, and desire in this preliminary report to lay before the Department the facts as developed.

Previous to the act of June 22, 1874, an entry on *pro forma* invoice could be made only on the authority of the Secretary of the Treasury, under the provisions of the act of March 3, 1863. It was, moreover, required that the *pro forma* invoices so presented should have been

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made by the shipper of the goods, and should correspond in all respects with the certified invoice, for the production of which bond was required to be given.

Under the act of June 22, 1874, the privilege of entering merchandise valued at more than $100 on *pro forma* invoices was enlarged, and the importer was allowed to use such invoice, or "statement in the form of an invoice," without application to the Secretary of the Treasury, by simply making affidavit as to the reason why it was impracticable to produce a certified invoice, and by conforming to certain requirements of said act. This privilege was, no doubt, extended to the importer by Congress because experience had shown that shipments of goods were frequently arriving from points remote from consulates or consular agencies, under circumstances that rendered it practically impossible for the importer to procure a certified invoice, or a formal invoice of any kind, before the arrival of the goods.

From the passage of the act of June 22, 1874, to October, 1878, an entry by *pro forma* invoice was treated, as to its liability to penal duty, in all respects the same as under the act of March 3, 1863, (section 2858, Revised Statutes,) and precisely the same as though the entry had been made on a certified invoice.

It does not seem to have been understood that the enlargement of the privilege of entering on *pro forma* invoice, or statement in the form of an invoice, relieved the importer from any of the other requirements or penalties bearing on the entry and appraisement of merchandise. It simply left it optional with him to make entry of his goods in the manner prescribed, or to allow them to be sent to the general-order warehouse. Under the opinion of the Attorney-General dated October 4, 1878, however, and subsequent decisions by the Department based thereon, no penal duty has been exacted on entries by *pro forma* invoices, when a bond has been taken for the production of a certified invoice, although the value found by the appraiser may have been more than 10 per cent. in excess of such invoice or entered value.

It is the opinion of all the prominent officials examined by us at this port, as will be seen by their statements submitted herewith, that the chief abuses growing out of *pro forma* invoices have their origin in this opinion of the Attorney-General and the subsequent decisions of the Department thereunder.

It has been clearly shown, in the course of this investigation, that unscrupulous shippers and importers made haste to avail themselves of the loophole opened by that opinion, by abusing the privelege considerately extended by Congress, and through their ingenuity defrauding the revenue in the most shameless manner.

The number *pro formas* presented at this port during the year 1884 was nearly 30,000; of these, 7,266 covered goods valued at more than $100.

For the purpose of making a careful analysis of the *pro formas* now being presented at this port under circumstances that should excite suspicion, we examined and tabulated all those received at the appraiser's office from the 7th to the 13th ultimo, inclusive, and also called up all those amounting to over $100 received during the month of No-

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vember, 1884. We find that for the six days in July there were 523 such invoices, 165 covering amounts in excess of $100; of these 30 covered free goods, 60 goods bearing a specific duty, and 75 goods bearing an ad valorem rate of duty. Many of these invoices covering goods bearing a high ad valorem rate of duty, such as silks, gloves, laces, artificial flowers, feathers, brushes, woollens, &c., involved amounts varying from $1,000 to $15,000. The *pro forma* invoices or bills of these goods were in nearly every instance made on the bill-heads of the foreign shipping-house, and contained a full description of the goods, with all the particularity required on a certified invoice, and had evidently been forwarded by mail from the leading cities of Europe, where American consuls are stationed. In other words, these bills appeared to have been prepared by the foreign shipper in the same manner as a consular invoice, and the neglect to have them properly certified appears to us to have been intentional.

This conclusion is emphasized by the fact that certain importers, particularly consignees, are shown by the records of the custom-house to have been for several years habitual users of this form of invoice on goods bearing high ad valorem rates of duty, while other importers, purchasing or receiving the same class of goods from the same points of shipment, have uniformly made entry on certified invoices.

It will readily be seen of what advantage a *pro forma* invoice may be, under the rulings of the Department, to a shipper who consigns his goods for sale in this country below their true market value. He can in this manner, without fear of a penal duty, make an experiment as to the value at which his goods will be passed by the appraiser, and, should the invoice value be advanced on appraisement, his consignee at this port can advise him of the fact so that the certified invoice can be made to correspond with the figures of the appraiser.

Our examination of *pro forma* invoices for November, 1884, shows that 441, covering goods exceeding $100 in value, were received during that month; of these, 120 covered free goods, 119 specific-duty goods, and 202 ad valorem goods. These invoices showed a recurrence of the same names of importers and the same indications as to the improper and fraudulent use of this form of entry as in the July invoices.

We made also a careful examination of the bonds given at this port for the production of certified invoices from January 1 to July 1 of the present year. The number of bonds executed for this purpose during that time was 3,004, and, at the ratio found to exist between ad valorem and specific-duty goods, about 1,400 of these would cover importations of merchandise paying an ad valorem rate of duty.

While houses of the highest standing in this city, such as H. B. Claflin & Co., Arnold, Constable & Co., Lord & Taylor, Bates, Reed & Cooley, and hundreds of others who purchase their goods in the open markets of Europe, have rarely been obliged to resort to the use of *pro forma* invoices, other houses, and chiefly those which receive goods on consignment, use them rather as a rule than an exception. To illustrate this, we may say that during the first six months of the present year the following number of entries of goods valued above $100 have been made by some of these last-named houses on *pro forma* invoices:

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Lenisohn & Co., artificial flowers 36
Marx, Held & Co., artificial flowers 22
H. Bacharach, artificial flowers 17
Negroz, Portier, Gross & Co., silks 19
Auffmordt & Co., silks 16
Vietor, Achiles & Co., silks 13
Islin, Neeser & Co., silks 27
Mammelsdorf & Bro., laces 12
Muser Brothers, laces 15
Loeb & Schoenfeld, embroideries 16
Guggenheim's Sons, embroideries 14
L. Strauss & Sons, china and glass ware 18

Some of these invoices covered merchandise amounting to more than $18,000, and all of them were made out at the principal cities of Europe, where a certified invoice can easily be procured if desired. It is incredible that regular importers, having correspondents at all these points of shipment, should so frequently be unable to produce a certified invoice through accident, and much light is thrown on the probable cause of the failure by the fact that the market value of all the classes of goods covered by these *pro formas* was under investigation by the appraiser or special agents at the time these entries were made.

Undoubtedly much of the abuse resulting from the use of *pro forma* invoices is due to the careless and inefficient manner in which the act of June 22, 1874, has been administered by the officers charged with its execution at the custom-house. Sections 10 and 11 of that act provide for the examination under oath of the importer presenting such an invoice, and authorize the collector or his deputy to require him to "produce any letter or paper in his possession or under his control which may assist the officers of the customs in ascertaining the dutiable value of the importation or any part thereof." Such an examination properly conducted would in most cases determine whether the non-production of a certified invoice was due to accident or design.

We regret to state that no such examination has ever been made at this port, so far as we can learn. *Pro forma* invoices seem to have been taken as a matter of course and in the most perfunctory manner. The convenience of importers and the dispatch of business have been considered of paramount importance to the interests of the revenue. We have seen several *pro forma* invoices where the application to make entry contained nothing but the date, printed matter, and signature, no reason being assigned for the non-production of a certified invoice as required by the regulations.

The undervaluations and frauds successfully carried on under this form of entry have long been notorious, as will be seen from the statements of the customs officials herewith transmitted; and yet no serious effort has ever been made to check or control these abuses by subjecting even *suspected* importers to the examination provided for by law.

We beg leave on this point to call attention to the statement made by Deputy Collector Bartram, in charge of the fifth, or entry, division of the custom-house, on pages 43 to 48 of the accompany enclosure. It is claimed by him that the force of deputy collectors (five in numbers) who administer oaths on entries and designate packages is not suf-

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ficient to perform the other duties devolving upon them and at the same time properly investigate the reasons for the non-production of certified invoices.

While our observation convinces us that there is some force in this claim, we are, nevertheless, of the opinion *pro forma* that invoices have heretofore been treated with reprehensible neglect by the deputies receiving them. When it was found that such invoices could not be properly attended to by these deputies, some other provision should have been made to carry out the requirements and purposes of the law.

In our examination of the bonds for the production of certified invoices we discovered that almost the only sureties whose names appear thereon are custom-house brokers, who are "habitually employed" by the various importers. This is in direct violation of article 1055 of the Regulations of 1884.

Such brokers are also accepted as sureties on penal, warehouse, and other bonds at this port, and the aggregate amount for which some of them are liable on bonds of various kinds is simply enormous. On bonds to produce certified invoices alone some of them are sureties to the amount of $150,000 during the month of February of this year.

When this departure from the regulations was called to the attention of the officers charged with the execution of bonds, it was claimed by them, first, that the Department had on several occasions authorized the practice at this port; second, that these brokers were scrupulously particular about the default of bonds bearing their signature, as it would injure them in their business; and, third, that it would be a hardship to compel importers to bring business men to the custom-house during the busy part of the day merely to sign as sureties.

The facts are, however, that many of these bonds remain uncancelled at the time of their maturity, as will be seen by the statement of Mr. Rice, chief bond clerk, pages 71 to 75 of the testimony herewith submitted. This officer states that there are from one hundred to two hundred of these uncancelled bonds sent to the district attorney annually for suit, but that, for some reason, no suit has ever been brought on them. Mr. Rice entertains the opinion that these bonds have no validity under the law, and we apprehend that, in consequence of such an opinion, he is not sufficiently careful in respect to the financial responsibility of sureties or the proper execution of the bonds.

Many of the bonds examined by us were found to be defective and irregular. In some no penalty was expressed; in others the name of the surety in the body of the bond was different from the signature thereto; and in others the residence and address of the sureties were not stated at all, as required by article 1055 of the regulations; so that, even if the bond provided for by the regulations be a valid one in law, many of *these* would be worthless on account of informalities. Whether or not they can be enforced, it seems to us that so long as they are required by the regulations they should be taken in strict accordance therewith, and we have so advised the chief bond clerk.

We learn on inquiry that during the year 1884 ninety-two of these defaulted bonds for the production of certified invoice were reported by the collector for suit, and that during the first seven months of the present year one hundred thirty-seven have been so reported. Assistant

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District Attorney Hasbrouck, who has charge of such defaulted bonds, informs us that no suits have been instituted within his recollection to collect the penalties on such bonds, but that after their default has been officially reported by the collector, notices are sent to the principal and sureties, and in many cases the certified invoice is then produced or the bonds otherwise disposed of. Assistant District Attorney Clark informed us that 90 per cent. of the sureties on these bonds are custom-house brokers, and that 90 per cent. of *these* are wholly irresponsible.

In order that the abuse which we find to exist at this port through entry on *pro forma* invoices might be speedily corrected, we deemed it expedient to recommend to the collector that all such invoices be assigned to a deputy collector, who should be located in a room apart from the hurry and confusion of the rotunda, where the examination of the importers as to the cause of the non-production of the certified invoice could be properly made. He at once and heartily approved of the recommendation, and issued an order to carry it into effect. This action of the collector will tend to limit the number of such entries to the cases contemplated by the law, and will, to a great extent, prevent fraudulent and experimental entries on such invoices.

We believe that such an examination of importers will disclose the fact that in many cases no satisfactory reason can be given for the non-production of a certified invoice, and that he will use a discretion that has never before been exercised at this port in accepting *pro forma* invoices. While we believe that the new practice adopted by the collector will do much towards limiting the number of entries on *pro forma* invoices, we think that the evil cannot be entirely corrected by this means so long as such entries are held not to be subject to the additional duties prescribed by section 2900, Revised Statutes, and we would therefore respectfully recommend that this subject be again referred to the Attorney-General for his opinion as to the application of said section, in the light of the facts which have now been disclosed.

The commission, while not feeling warranted under their instructions in pursuing their investigation at the custom-house further than related to the entry of merchandise on *pro forma* invoices, discovered that the officers with whom they were brought in contact, with few exceptions, entertain the opinion that this port cannot be subjected to the same laws and regulations that are applicable to other ports, and, therefore, many of the regulations are not carried into effect, the convenience of importers or their brokers being first considered by these officers.

As an illustration of the careless manner in which business is dispatched, we found, during our examination of the *pro forma* invoices, one covering dolls, toys, and decorated china, each in separate packages, of which the only package sent to the appraiser's store was the one containing dolls; so that the appraisement of the toys and decorated china was made without any examination of these goods, and the invoice values were accepted and returned as the appraised value.

Assistant Appraiser Stearns, when it was called to his attention, expressed the opinion that the examiner was warranted under the law in making such return if the invoice value of the dolls was found correct, as that would establish the honesty of the invoice. The incon-

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sistency and danger of such practice is apparent when it is remembered that dolls pay duty at 35 per cent. ad valorem, and decorated china at 60 per cent. Different examiners pass the respective merchandise, and in this instance one examiner must have appraised the market value of the decorated china upon the statement of another that the invoice value of dolls was correct. In our opinion, such practice is in no case justifiable, as it is the duty of examiners to appraise merchandise from their expert knowledge, and not to pass upon the honesty of the importer.

Deputy Collector Bartram, when his attention was called to the fact that only one package of the merchandise above referred to had been ordered to the appraiser's store, stated that deputies had no time to properly examine invoices for the purpose of seeing whether they covered more than one kind of goods.

The irregularities that have come under our notice, and are herein reported, lead us to the belief that others of a more serious character may exist as the result of the haste and disregard of the regulations with which business is dispatched at this port. It seems clear to us that the interests of the revenue are constantly put in jeopardy by such methods, and that steps ought to be taken at once to correct these errors of practice. If the present force of deputy collectors and clerks is inadequate for the proper enforcement of the laws and regulations, more should be appointed, for it is a false economy to allow the business of this great port to be conducted in so hasty and hazardous a manner.

Very respectfully, your obedient servants,

H. WHEELER COMBS,
U. S. General Appraiser.

B. H. HINDS,
C. H. LAPP,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 4.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, October 12, 1885.

SIR: We have the honor to report that on the 26th ultimo Appraiser McMullen called upon us and requested us to assist him in arriving at a basis of values for cotton embroideries and Oriental and Egyptian laces, since the result of various reappraisements at this port decided on expert testimony had been unsatisfactory to the appraising officers and had produced great discontent on the part of importers.

It appears that in 1878 an investigation of this question was made by the board of general appraisers, with the sanction of the Department,

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and that an understanding was then arrived at to the effect that the only proper and equitable manner of determining the values of these goods was to take into consideration the cost of production and to add to such cost a manufacturer's profit. Since it appeared that in the usual course of trade these goods were sold at St. Galle to this and other markets in the gray or unbleached condition, (the cost of bleaching, finishing, &c., being borne by the purchaser,) it was decided at that time that the cost in the gray on the stitch basis should be adopted as the basis, and that a manufacturer's profit of 10 per cent. should be added thereto, and that to this sum should be added the *actual* cost of bleaching, finishing, and putting up for shipment.

This standard of valuation seems to have been tacitly adopted by the Department and appraising officers, but, so far as we can learn, it was never authoritatively promulgated by the Department. From 1878 until May of the present year, this standard was followed at the principal ports on goods purchased on the "stitch basis" or shipped by the manufacturers. The consul at St. Galle was directed to furnish to appraising officers, from time to time, the cost of stitching, and experts to count stitches were placed in the consul's office and in the offices of the appraisers.

In May last complaints were made to a commission, then sitting at this port, by several of the largest and most reputable importing houses of this city, such as H. B. Claflin & Co., Mills & Gibb, and others, to the effect that certain manufacturers and shippers of these goods at St. Galle were enabled, under the prevailing system of ascertaining market values, to undersell them in the markets of this country.

These merchants claimed that the 10 per cent. heretofore added to the cost of the goods in the gray was not a sufficient manufacturer's profit, and insisted that another 10 per cent. ought to be added for that purpose.

It was further claimed by them that the market value of these goods could be more accurately arrived at by comparison with similar goods purchased by themselves and others, without reference to the stitch basis, through commission houses in St. Galle.

The testimony taken by that commission in May last is now before us, and has been carefully studied.

A report embodying the facts and suggestions of these merchants was submitted to the Department by the commission, and the appraiser, who had been consulted in the matter, at once gave orders for the advance of 10 per cent. on all invoices of these goods shipped by the manufacturers, or invoiced on the stitch basis under the arrangement made in 1878.

Appeals were taken from this action of the appraisers, and on reappraisement the testimony of certain experts who had been dealing in these goods, without reference to the stitch count, was relied on to determine market values.

After a considerable number of cases on reappraisement had been decided on such testimony, it was discovered by the appraising officers (including the general appraiser and the merchant appraiser) that uniformity could not be secured by such methods; that the results were capricious, and that the testimony of experts was wholly unreliable. The importers whose invoices had been advanced complained that they had been unjustly treated by some of the experts, and that their business had been seriously injured.

It was at this state of the case that the appraiser came before us and

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desired us to assist him in arriving at a more satisfactory basis of value. Having received the consent of the Department to investigate the subject, we conferred with some of the leading and reliable importers of these goods.

In order that a full and free expression of views might be had, it was decided by the importers with whom we had conferred that a meeting of the entire trade in this city ought to be called, so that the various conflicting interests should be represented. A call was therefore issued by Mr. John Gibb, of Mills & Gibb; Mr. Haager, of Albert, Haager & Waldberger; and Mr. Jacob Steiger, manufacturer, of Herisau, Switzerland, for a meeting, to be held on the 30th ultimo, at the Manhattan Hotel, where both the purchasers of these goods through commission houses at St. Galle and the manufacturers and shippers might, if possible, agree on a basis of valuation that should be at once equitable and satisfactory to the trade and just to the Government.

At this meeting, to which Appraiser McMullen, General Appraiser Brower, and this commission were invited, were represented such houses as Arnold & Constable, H. B. Claflin & Co., Mills & Gibb, Bates, Breed & Cooley, Teft, Weller & Co., Muser Bros., Robert McDonald & Co., on the one side, and Einstein, Hirsch & Co., M. Guggenheim's Sons, Loeb & Schoenfeld, Jacob Steiger, and Albert, Haager & Waldberger on the other, the representatives of some forty houses altogether being present. Mr. John Gibb, of Mills & Gibb, who had acted as merchant appraiser on a large number of reappraisements, and who had in most cases sustained the advances, made by the appraiser, presided at the meeting. Among the speakers were many of the same persons who had complained to the commission in May last about the fallacy of the stitch basis, and who had demanded either an addition to the manufacturer's profit on the invoices or an ascertainment of values by expert testimony.

Their views, however, on this point appeared to have undergone a decided change, for, without exception, they maintained at the meeting that expert testimony was *utterly unreliable*, and that the only proper method of arriving at values was by the stitch basis. A number of resolutions were introduced to this effect, and, after discussion, passed unanimously, and a committee of five merchants was appointed to confer with the appraiser and this commission on the objects had in view and the action taken by the meeting.

That committee appeared before the appraiser and the commission on the 5th instant, and reported the resolutions unanimously adopted by the meeting, which are in substance (with one modification made by the committee) as follows:

1. The adoption of the stitch basis as the method of determining values.
2. An addition of 10 per cent. for manufacturer's profit on the *finished goods*, including the cost of bleaching, finishing, and putting up in cartons for shipment.
3. The valuation of the goods, according to the cost of stitching at St. Galle on the day of shipment, as ascertained and reported by the consul.
4. The employment by the consul of an expert to verify the stitch count, so far as practicable, and the employment of additional experts at this and other ports for a like purpose.
5. The selection by the consul of seven of the largest and most reliable

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shippers of these goods to this market as a committee to advise and inform him as to the prevailing cost of stitching.

The standard of valuation recommended by the meeting of importers, viz., the cost of the finished product estimated on the stitch basis, with 10 per cent. for manufacturer's profit, has been adopted by the appraiser, and the rule is now being applied to all invoices, except such as cover fancy designs, purchased without reference to stitch count and at higher values than would result from the stitch basis.

It will be observed that in two important particulars the rule suggested by the importers and adopted by the appraiser will work to the advantage of the Government.

First. The 10 per cent. manufacturer's profit will hereafter be applied to the cost of the goods bleached, finished, and put up for shipment; whereas, under the arrangement made in 1878, the addition of 10 per cent. for profit was made only on the cost of the *goods in the gray.* The cost of bleaching, finishing, and putting up will average in the common qualities, which constitute the great bulk of the trade with this country, nearly 15 per cent., and on the more costly goods about 8 per cent., or an average of more than 12½ per cent.

Second. The rule now in force requires that the values shall be estimated on the basis of the cost of the stitching on the day of shipment. Heretofore, it has been the practice to invoice these goods on the basis of the price actually paid for stitching; and as the goods were frequently manufactured during the dull season, when the cost of stitching was sometimes as low as 22 centimes per 100 stitches, and shipped during the busy season, when the stitch price had advanced to from 36 to 38 centimes, the Government lost a large amount of revenue that will be collected under the present system.

We estimate that the increased valuation resulting from these two modifications of the old standard will result in materially advancing the average dutiable values of these goods over the invoices of former years.

The value of cotton embroideries, Oriental and Egyptian laces, annually imported into this country is, in round numbers, $8,000,000.

The application of the 10 per cent. profit to the cost of bleaching, finishing, and putting up will advance the average invoice values at least 1¼ per cent., and on the quantity imported this will amount to an increased value of $100,000, on which the increased duty, at 40 per cent. ad valorem, will be $40,000. We believe that the increased duties resulting from the adoption of the stitch cost on the day of shipment will still further largely increase the revenue derived from this commodity.

If such an increase can be made to the revenue of the country, with the consent and approbation of all parties concerned, simply by the adoption of a basis of values that shall be at once uniform and intelligible to all, it is certainly a most desirable consummation.

The testimony taken by the commission in May last amply justified them in reporting as they did, and their action and report seemed to leave no room for doubt in the mind of the appraiser as to the propriety of advancing the invoices of these goods as already stated; and though such action may for a time have been regarded as an injustice by importers, and resulted in a temporary demoralization of the trade, the controversy has, nevertheless, been now happily settled by the adop-

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tion by the appraiser of a basis of values which is satisfactory to all the conflicting interests of trade, and advantageous to the Government.

We respectfully recommend that the consul at St. Galle be instructed to avail himself of the advice and assistance of the committee of seven merchants and manufacturers in the ascertainment of the correct cost of stitching, as recommended by the meeting of importers, and set forth by the chairman, Mr. John Gibb, in a communication to the Department under date of the 5th instant.

Very respectfully, your obedient servants,

H. WHEELER COMBS,
General Appraiser.

B. H. HINDS,
C. H. LAPP,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

INVESTIGATIONS INTO REAPPRAISEMENTS AT NEW YORK.

No. 1.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 16, 1885.

GENTLEMEN: Complaints have been made to the Department that in the selection of merchant appraisers for the reappraisement of imported goods domestic manufacturers of similar articles are usually appointed, and necessarily have an interest in advancing the values of goods in dispute beyond their true foreign market value. It is also suggested that jobbers engaged in selling both domestic and imported merchandise would be the most suitable persons to act as merchant appraisers.

I desire you to thoroughly examine into the matter, and submit a report thereon as soon as practicable, with such views and recommendations as you may deem advisable.

Very respectfully,

DANIEL MANNING,
Secretary.

Messrs. GEO. C. TICHENOR, A. K. TINGLE, O. L. SPAULDING,
Special Agents, New York City.

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No. 2.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, March 30, 1885.

SIR: We have duly investigated the subject of the appointment of merchant appraisers at this port as required by Department instructions of the 16th instant, and have the honor to report as follows:

It is understood that the complaints alluded to in said instructions, "that in the selection of merchant appraisers for the reappraisement of imported goods domestic manufacturers of similar articles are usually appointed," refer chiefly to the reappraisement of silk goods, which have been the subject of a large proportion of reappraisements at this port.

An examination of the records shows that domestic manufacturers have not been "usually appointed" in such cases. Such appointments have, however, been more frequent during the past three months than formerly. During that time one hundred and seventy-five invoices were reappraised, one hundred and fifty being of silk goods. Domestic manufacturers acted as merchant appraisers in thirty-two of these cases. During the previous three months there were one hundred and two appeals, upon which only four domestic manufacturers were called to act.

We have obtained the views of merchants representing the three classes of business houses, members of which, it is understood, are eligible to appointment as merchant appraisers:

1st. Firms engaged in the importing and jobbing trade, who buy consigned goods in this market, but make no entries of consigned goods at the custom-house.

2d. Firms engaged in the consignment trade exclusively, those who buy no goods, but act as agents for foreign manufacturers.

3d. Merchants interested in domestic manufactures.

We have also consulted the collector, Deputy Collector Bartram, the general appraiser, the appraiser, and Assistant Appraiser Kent.

The views expressed by all of these gentlemen are herewith submitted. It will be observed that there is a diversity of opinion among the merchants, but that the officials substantially agree that it would be inexpedient to confine these appointments to jobbers, as suggested, and that the selection of merchant appraisers from all classes, as has been the practice, should be continued.

If the appointments should be confined to one class, the others, equally interested in the results of reappraisements, might have just cause of complaint.

Appeals are almost exclusively limited to invoices of consigned goods. Nine-tenths of silks imported are consigned at invoice prices arbitrarily fixed by the consignors, without reference, in many cases, to actual values. The commission merchant who makes entry as consignee is expected to, and does, exert all his ability and influence with the appraising officers to pass the invoices at the lowest possible values. He frequently adds a small percentage upon entry, in order that there may be a margin for further advance of value by the appraisers without reaching the 10 per cent. limit, which involves additional duties or penalties. If, after all these efforts, and notwithstanding the additions to the invoice value upon entry, the appraiser should advance the invoice further to the extent of 10 per cent. or more, the commission

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merchant is expected by his foreign principal to appeal and make every effort on the reappraisement to obtain a reduction of the appraiser's valuation below the penalty line. Hence the great importance of obtaining competent and fair-minded merchants to reappraise the goods, in conjunction with the general appraiser, as provided by law.

The proposition to confine these appointments to jobbers, and to exclude from selection members of houses receiving consigned goods, as well as those of firms interested in American manufactures, appears upon its face to be a fair one; but it is open to objection. It is claimed that such an arrangement would operate to the advantage or detriment of the importer according to the business relations of the jobber with the importing house whose goods are under reappraisement. Besides, merchants of this class are not usually acquainted with the foreign market value of the larger proportion of goods usually the subjects of reappraisement. Their information of such value is limited, for the reason that they make few, if any, purchases abroad of goods consigned to this country for sale. They are dependent chiefly for such information upon the commission houses with whom they have business relations, and are liable to be influenced in their action by their feelings towards the importer.

It is a fact to be deprecated that other considerations than the ascertainment of the true value of the merchandise under consideration have so much to do with reappraisements; but it cannot be disputed that the consequences of an advance of 10 per cent. or more have a certain weight, in most cases, with the reappraising board, and that the appeals of the importer not to pass the line and put him to a penalty have great influence in the final decision. Cases have occurred where, after the reappraisement has been made and reported, the invoice has been recalled and the appraisement reduced, because it was found that the advance made involved a penalty, and the appraising board had no intention of working such a result.

There would seem to be no question that members of consignment firms whose invoices are frequently advanced, and who often appear as appellants, should be excluded from selection as merchant appraisers. Yet such appointments are very frequent. In at least fifty cases during the last three months of 1884 members of such houses were selected to reappraise invoices of goods of the same class as those of their own importation, and in many instances their firms had current invoices under reappraisement. As illustrating this, a list of some of the firms members of which served as merchant appraisers during a portion of the period mentioned is herewith enclosed, (marked "A,") showing the number of times such persons acted as merchant appraisers, the number of their own invoices reappraised, and of their invoices advanced by the appraiser upon which appeals were not taken.

In regard to the propriety of selecting domestic manufacturers, reference is made to the testimony of the collector, the appraiser, the general appraiser, and Assistant Appraiser Kent.

These gentlemen concur in the view that such selections are conducive to the public interests. Especially is this true, in our opinion, since the enactment of the ninth section of the tariff act of March 3, 1883. Proof of market value of consigned goods is not easily obtained, and in such cases where resort is had to the cost of production as provided by said section domestic manufacturers are best qualified to act.

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They know the value of materials, and keep themselves informed as to the price of foreign labor. It is claimed that, owing to their interest in advancing the valuation of foreign goods competing with their own productions, they cannot do justice to the importers. No specific case of such injustice has been cited, nor is it believed that such a case has occurred. On the contrary, many of the importers as well as appraisers have commended the fairness and moderation of the gentlemen interested in domestic manufactures who have been generally selected to act as merchant appraisers. Such appointments, although infrequent in past years, have the sanction of long usage, and should not, in our opinion, be discontinued. If they are discreet and experienced merchants, familiar with the character and value of the merchandise, within the terms of section 2930 of the Revised Statutes they cannot be legally excluded from appointment because of their interest in domestic concerns. An order to exclude them, as suggested, would deprive the Government of a valuable aid in determining dutiable values, and would be an abridgment of the discretionary authority conferred by law upon the collector.

The present practice of selecting merchant appraisers from all classes of merchants having the requisite qualifications appears to have derived its authority from a circular of Secretary Robert J. Walker, dated December 26, 1848, from which we quote: "The selection of merchant appraisers should not be confined exclusively to those connected with foreign imports, but, when the requisite knowledge exists, should be extended so as to embrace domestic manufacturers and producers and other citizens acting as merchants, although not dealing in foreign merchandise."

Under the present regulations, the appraiser is required to send with each appeal the names of five firms, members of which would be suitable for appointment, for the information of the collector. Owing to the frequency, not to say regularity, with which the same names are sent in by the appraiser, the collector is often embarrassed in making selections, especially when the names submitted are often those of firms whose invoices are constantly advanced. We believe a better plan would be to require the appraiser to furnish the collector permanent lists of all firms importing the various classes of merchandise, such lists to be from time to time revised and corrected, and we recommend that instructions be given to that effect.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 3.

Testimony Taken Concerning the Selection of Merchant Appraisers.

NEW YORK, *March* 27, 1885.

Deputy Collector N. B. BARTRAM called.

By Mr. TICHENOR:

Q. Will you please outline your particular duties as deputy collector?—A. I am deputy collector of the fifth division, in charge of entry of merchandise, and this division has control of the entry of merchandise for consumption and warehouse. I grant all free permits, and up to about the middle of January it was my duty to appoint merchant appraisers, and for four years prior to the 1st of January. The liquidation bureau forms part of my division.

Q. Please state the methods pursued or the system in vogue in the selection of merchant appraisers during the time that you made the selections.—A. The practice in the appointment of merchant appraisers is for the appraiser to indorse on the back of the appeal the names of five merchants whom he considers suitable parties to act. I generally selected one of those men. I never recollect deviating from that course more than once or twice, or three times perhaps. It is not obligatory upon the collector to select one of those names, but the practice has been to do so. This method is strictly in accordance with the regulations.

Q. In the cases where you have deviated from this rule, was that on account of any particular objection of any of the parties?—A. No; those cases were purely accidental. I never deviated from those names for any particular cause that I can recollect. I don't know but I did once appoint a man merchant appraiser in consequence of having received protests against all the names that were suggested by the appraiser. It has been the habit of the merchants, when they would call a reappraisement where there was a contest going on, to lodge a protest with the collector against the appointment of certain named merchants to act in their case, and my instructions from the collector in such cases as that were not to appoint those men, but to go around them and select somebody else.

Q. Would these protests be filed against particular merchants, or against any certain class of merchants?—A. They were specific, giving names of the persons protested in each case. I never received a general protest, nor I never received a protest after a merchant appraiser had been appointed. I always insisted upon their making their protests. I merely said when they would come down, or I would send up the appeal with the names to be indorsed. They would say, "I wish you wouldn't appoint So-and-so." I said, "If you want to protest against any parties, put your protest in writing." I never accepted a general protest from any merchant.

Q. Were these protests made against the personal character of the merchants, or on account of their particular interest?—A. These protests were almost invariably by importers against domestic manufacturers. They cited in them, "We believe that these parties' business interests are so opposed to our own, they being rivals, that we do not consider them capable of acting in an unbiased manner in this case." That was the gist of the protest.

Q. As I understand it, the appeals to merchant appraisements are, as a rule, made by what are known as "consignment houses." Is not this

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true?—A. Yes; I think the bulk of the reappraisements are from the houses that receive the consigned goods. There is one thing I might say has suggested itself to me, and that was the repetition from the appraisers of the same old names. You would infer that there were only four or five qualified merchants in the city of New York, from the way they sent down names for merchant appraisers. All that is necessary is to go and get the appeals and look them over for yourself, and you will see the class of names that come down continually.

Q. In other words, the same identical persons keep coming right along?—A. Yes, sir.

Q. In view of your experience, what is your opinion as to the class of merchants, having in view those that received goods by consignment and those generally known as merchants connected with domestic manufactures, and the other merchants or jobbers in foreign goods, as to which would be the best qualified to act justly and fairly as merchant appraisers?—A. Well, this matter of merchant appraisements—of course I have never considered it any of my particular business—but it seems to me that they have drifted out of the proper manner of making appraisements, and that they have turned it into a judicial proceeding, whereas the law originally intended and it does provide now for simply a reappraisement by a merchant expert. They have counsel appear, and various other paraphernalia of courts, instead of acting as experts; and I know that, for instance, a gentleman told me that he had a merchant appraisement called there, and that there was half a dozen people in the room, and he protested against any one being present except the witness that was under examination. They cleared the room, and when they came to call for the other witnesses there was not one of them there; they had all gone away, and he said their sole object in being there was to learn something of this man's business, and when they found they were blocked in that, they found they had no further interest.

Q. Then your understanding is that they have really drifted away from the intention of a reappraisement, reappraising merchandise as experts into a judicial proceeding?—A. Yes, sir; that is the way I understand it. I have never been present at a reappraisement, but everybody pours their complaints into my ear.

Q. I observe, in looking over the names of these parties who have been frequently acting as merchant appraisers, (having been nominated by the appraiser to you to be selected from,) that they are the same men over and over again, and that their invoices have been frequently advanced by the appraiser. In other words, they are known as undervaluing houses themselves?—A. Yes. You mean to say that the parties whom the appraiser has nominated are men whose invoices have been frequently advanced.

Q. What is your judgment as to the propriety of selecting merchant appraisers from firms whose invoices are being constantly advanced?—A. I do not think that merchants, whose goods are habitually undervalued, should be appointed as merchant appraisers, but at the same time I do not consider that the fact that a merchant's invoices are subjected to a small advance, less than 10 per cent., is proof positive that the invoices are undervalued. The merchant is in dread of the appraiser's office, and rather than take the chances of delay, which is death to his business, he accepts the small advance. They took pains to impress upon me when I first assumed these duties that the man that

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they put down first on the list was the man that I was to appoint—that was the one they would prefer. As a consequence I generally avoided them, because I didn't think it was fair to put up a job on the importer on the part of the Government official. The Government has got the best of it in having two officials against one importer, and it is a proper thing that the merchant should be as nearly fair as they could be, but if they name the merchant I don't see but that the party whose invoice is in dispute is pretty well bound up. I can't say that I ever received that directly from any official—I don't want to be so understood—directly from any appraiser or any official; but that was the understanding, and you will find that it was the understanding, and had been for a long while, that the first-named person was the favorite with the appraiser's office.

Q. What would be your judgment in doing away with this regulation of the appraiser sending the names and allowing the collector to select on his own judgment without this advice from the appraiser?—A. I do not know that I would suggest any different arrangement of the regulations to cover that at present, although I would suggest that there be a little greater variety in respect to the names submitted for merchant appraisers.

By Mr. TINGLE:

Q. Would, in your opinion, it be a solution of this difficulty if the appraisers were required to report to the collector a list each month of the firms doing business in the different classes of importations from which the collector could make selections of merchant appraisers in lieu of the present pactice of sending in a list of five names as required by the regulations?—A. I think that plan would be a great improvement on the present one of furnishing five names on each appeal.

Q. Has your attention been called in a general way to the firms whose invoices were advanced?—A. No; that is a thing I have never paid much attention to. It was simply my duty to order the liquidation as advanced by the appraiser, and to take penalty if it was over the penalty line, and that thing had never attracted my attention particularly. It goes into Esterbrook's bureau.

Q. You haven't taken any personal cognizance of these maters relating to advanced invoices, then?—A. I have noticed the invoices more since this investigation took place and my attention was called to it. Then, of course, I scrutinized them more than usual. I would take notice of the raise and the result of the merchant appraisement, but before that they merely passed through my hand for a check. One thing has attracted my attention during the last three months, and that is that silk invoices that have been largely advanced by the appraiser, from 20 per cent. up, in a large majority of cases upon reappraisement have been reduced below the penalty line.

In regard to jobbers acting as merchant appraisers, I think it would be unsatisfactory in its result, as the jobber who purchases from the importer would be placed in a position from which he could ascertain the exact cost to the importer of the goods sold to him, the jobber.

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JAMES M. CONSTABLE, of the firm of Arnold, Constable & Co., called.

By Mr. TINGLE:

Q. What is your opinion as to the propriety of appointing jobbers exclusively, who do not import merchandise, as merchant appraisers at this port?—A. I think that the jobbers would be incompetent to act in that capacity, and that they could not possibly give such attention to custom-house business, for they have not the time to devote to it. There are a very limited number of importers that own their own goods. I suppose we buy a larger amount of goods than any house in the country who own their imported goods.

Q. How many houses, besides your firm, are there who actually import goods to this port on their own accouut?—A. Claflin, Jaffray, Dunham, Buckley & Co., Bates, Reed & Cooley, Lord & Taylor—well, there are a few others who import; Johnson, Stern, and Altman import a few. We are overrun here with manufacturers' agents from abroad, who come here and undertake to deliver goods, duty paid, at prices in dollars and cents.

Q. The firms you have named are importers of dry-goods, are they not?—A. Yes, importers of dry-goods.

Q. Does your firm import many silks?—A. Yes, largely.

Q. Standard goods?—A. Well, we import—of course we consider all silks standard. We send a man to Europe twice a year and buy a large stock of goods.

Q. The class of goods he buys, are they always delivered to your house direct—that is, do you always invoice them in francs?—A. We have our own house in Lyons, and we do all through that house.

Q. What proportion of the silks that you sell do you import?—A. That is almost impossible for me to answer. Some seasons it may be almost everything; it depends upon the season; you couldn't tell. If we have a very brisk time, we are buying in the market; in fact we are always in the market buying things under price, and sometimes full price.

By Mr. TICHENOR:

Q. What proportion of merchandise imported at this port is imported regularly by legitimate importers?—A. Well, I couldn't give any opinion on it; I think probably nine-tenths of the goods imported here are consigned goods. This is my opinion simply.

By Mr. TINGLE:

Q. As to the methods of reappraisements, have you anything to say on that?—A. I have not. I don't know that the present mode can be improved to my knowledge. These gentlemen, I believe a majority of them, study to get at the value as well as they possibly can; but as to getting at it, you know it is utterly out of the question.

Q. As to the methods of reappraisements you have had a great deal of experience; do you think that system could be improved?—A. I don't know how.

Q. For example, do you think it is a proper practice to allow the importers and witnesses who are called to sustain invoice prices to be present in the room, and thus obtain information concerning their rival's invoices?—A. I don't know how that is to be avoided, I am sure. You have but one room for the business, and the witnesses are summoned

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there for a certain time, and there they are, and they naturally will confer with one another. I presume the witnesses who are summoned deal in these goods. This is only my opinion.

By Mr. TICHENOR:

Q. To what cause do you attribute the decline in the legitimate importations at this port?—A. I have been in the business forty-three years. In former years this under-invoicing was hardly known. In the first place, the duties were from about 15 to 25 per cent., and everything was on a smaller scale. There was not the incentive to cheat as there is now. I say that this high tariff brings about this incentive to undervalue. If duty is 20 per cent., and suppose it is under-invoiced 25 per cent., the loss in duty is only 5 per cent., and Arnold, Constable & Co. could stand it better, because they know the market better than most importers know it; therefore, we could stand 5 per cent. when we couldn't stand 15.

Q. Then, I understand you to say that the decline in the legitimate importing trade has resulted from undervaluation by consignment on account of foreign owners?—A. Yes, sir; and growing out of this high tariff. Before the war, in 1861, this undervaluation was wholly unknown. Now there is not an American house importing that is not a jobber or retailer. We must either cheat or retire from the strict business of importation.

Q. What remedies would you suggest for this condition of affairs?—A. Well, as I said before, there are only two: One is a lower tariff and specific duties, instead of ad valorem duties. I advocate the two combined in moderate, say 10 per cent. ad valorem, and specific afterwards. In some goods purely specific duties are impossible.

—

JAMES MCVICKAR, of E. S. Jaffray & Co., called.

By Mr. TICHENOR:

Q. Please state whether, in your opinion, from your experience as a merchant appraiser and your knowledge of the course of proceeding there, that system may be improved or not to the advantage of the Government and all parties concerned.—A. The present method of having several cases heard at one time could be improved by having one at a time.

Q. What is your judgment in regard to the proposition of appointing jobbers who are neither importers nor interested in American manufactures as merchant appraisers?—A. I think the present practice of appointing merchant appraisers from all classes of merchants is about as good for the Government and for the importer as could be devised. I don't see anything wrong in the mode of procedure in that particular. I think the case may come up where very often the American manufacturer is better than an importer, and *vice versa*. So many things enter into this question. You cannot make an assertion like that, that a jobber is the only man to act as merchant appraiser, or an importer either.

Q. From what you have seen as to the course of American manufacturers called as merchant appraisers, do they, in your opinion, make fair appraisements?—A. Of course I don't see the merchant appraisers' results outside of my own. I can only hear what they say. Of course

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I of my own knowledge couldn't tell how near they strike it; but my opinion of the American manufacturers that I have met over there, they are a fair body of men, and I don't see that it would be to the interest of the Government to cut off the American manufacturers or the jobbers in selecting merchant appraisers.

Q. Would it, in your judgment, be practicable, and, if so, advisable, to limit the selection of merchant appraisers to strictly legitimate importing—that is, houses importing their own goods, purchased abroad on their own account, and jobbing houses at this port?—A. It might be practicable, but it would not be advisable.

—

Mr. JOHN GIBB, of the firm of Mills & Gibb, called.

By Mr. TICHENOR:

Q. Inviting your attention to the letter from the Secretary of the Treasury which I have just read to you, will you please state whether you deem it practicable, and, if so, advisable, to limit the selection of merchant appraisers to legitimate importing houses—that is houses buying goods abroad and importing them regularly on their own account, and to jobbers of such merchandise at this port?—A. I should think it advisable. No doubt about that. As to the practicability of it, I am not prepared to speak. If it was generally known that the gentlemen such as alluded to in this question were to be merchant appraisers in all cases, there would be less undervaluing done than at present, and there would be fewer cases of reappraisement. If this rule obtain, it would go a long way towards correcting this evil.

Q. From your experience as importer and merchant appraiser, what is your judgment as to the advisability of excluding from selection as merchant appraisers domestic manufacturers as well as firms whose invoices are quite frequently advanced?—A. I think it would be decidedly better if the merchant appraisers were taken from importers who buy their goods abroad and have no consignments.

—

WILLIAM H. DE FOREST, agent for foreign manufacturers, called.

By Mr. TINGLE:

Q. It has been proposed that the appointment of merchant appraisers shall be confined to jobbers, and that merchants receiving goods on consignment and American manufacturers shall be excluded from such appointment. Please state your views upon that proposition.—A. In the first place, American manufacturers should be excluded, for the reason that they are prejudiced, being entirely antagonistic to the importing interest. The jobber should be excluded, for the reason that he would show preference with the importer with whom he deals, and would be prejudiced against the importer with whom, for any reason, he cannot deal. And for another reason, that the jobbers are so few that the position of merchant appraiser would devolve on the juniors, who are really not competent, in many cases, to act as merchant appraisers.

Q. Please state from what class of merchants, in your opinion, merchant appraisers should be selected.—A. I think it would be better, if

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it were possible, that a merchant appraiser should be selected from an importer of other goods or fabrics than those to be reappraised, and who is accustomed to the usages of trade in foreign countries.

Q. Have you any suggestions as to improvements in the methods of reappraisement as now pursued?—A. I prefer not to answer that question just now without further reflection.

Q. Do you think it a proper thing to appoint as merchant appraisers importers whose goods are constantly advanced and under reappraisement?—A. It does not seem fair and just to the Government to do that, but at the same time it is almost impossible for the Government to get other merchant appraisers, in view of the enormous number of reappraisements we are having.

Q. What, in your opinion, would be the remedy to stop undervaluations?—A. To correct the mode of reappraisement to a fair and just way, to reduce the rate of duty to 35 per cent., and when it is found goods are undervalued 10 per cent. the goods shall be confiscated to the Government.

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SATURDAY, *March* 28, 1885.

ANDREW J. PERRY, general appraiser, port of New York, called.

By Mr. TINGLE:

Q. Please state your views as to the advisability of appointing domestic manufacturers as merchant appraisers, having in view the proper ascertainment of the dutiable value of the merchandise.—A. My experience leads me to the conclusion that domestic manufacturers have been valuable aids in determining dutiable value of certain kinds of merchandise, mostly woven fabrics of silk or silk and cotton. They are very infrequently selected to serve as merchant appraisers. In one hundred and two reappraisements in the three months ending December 31, 1884, but four American manufacturers acted as merchant appraisers. During January, February, and March, down to the present day, there have been one hundred and seventy-five reappraisements, and from this the number of domestic manufacturers acting was thirty-two. When they are so selected and serve, as they always do, I have found in them very considerable aid from their intelligence on the general subject of the manufacture of goods and all the elements of manufacture, as well as their skill and knowledge in determining the quality of the goods and the differences in qualities, and have found them to be almost if not altogether fair-minded, painstaking, and careful men in the discharge of their duty. I should have no hesitation in recommending, were I called upon to make any recommendation, that they be selected with more frequency than they have been heretofore.

Q. It has been suggested that the appointment of merchant appraisers shall be confined to jobbers or merchants who neither import or are interested in American manufactures. What, in your opinion, would be the advisability of such a rule as that?—A. I think the tendency would be detrimental to the public service. I don't see how it could be otherwise. The importers, so called, of this class of merchandise are largely mere receivers of goods, and not purchasers. There are a very few purchasers of goods in foreign markets now doing business in New York city, and foreign market value is one of the

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most difficult things to ascertain from such witnesses as are available in this city, from the fact that there are very few who make purchases in the foreign markets. Where it is possible to ascertain the cost of manufacture, the domestic manufacturer, or any one having a knowledge of domestic manufactures, can furnish the most reliable intelligence that we can get, except on the question of the value of foreign labor. In that respect it is claimed, on the part of importers, that the domestic manufacturer is at a disadvantage, and necessarily can know very little about it, although it is claimed on the part of some of the domestic manufacturers that they are familiar enough with it to approximate this element of cost in any particular fabric of silk or cotton, and I have no doubt myself that they can come very near it from such examinations as I have made of such witnesses under oath. But the domestic manufacturer is, from the nature of his business, quite as ignorant of the foreign market value, and perhaps a little more so, than the receiver or so-called importer of such merchandise, the difference being that he is in more frequent communication with the handlers of such goods in foreign markets than the other.

Q. In your opinion, should members of firms whose invoices are frequently before you for reappraisement be appointed as merchant appraisers?—A. My opinion is that if practicable to have other persons appointed to discharge the duties of merchant appraisers, it would be far better that they should be so appointed, but I fear that under the existing rules in practice with respect to the methods of selecting the merchant appraiser it would be found very inconvenient, if not impossible, to select merchant appraisers who would answer the statutory definition of a merchant appraiser.

Q. Is it not a fact that the members of firms usually appointed are not themselves experts in the goods which they are called upon to examine, but depend almost entirely upon testimony adduced in each case?—A. No. I think it is the fact, and very generally so, too, that the merchant appraiser is familiar with the goods and familiar with their qualities, shades, and differences of qualities, but may not be so familiar with the market value as some one in his employ and as some other firm or firms or dealers in the goods.

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Mr. B. RICHARDSON, of B. Richardson & Sons, called.

By Mr. TINGLE:

Q. Mr. Richardson, the question has been presented to us for inquiry and report as to the advisability of excluding domestic manufacturers from serving as merchant appraisers, and of limiting the selection of such merchant appraisers to jobbers engaged in selling both domestic and imported merchandise. Please give us your views upon this subject, based upon your experience as a merchant and merchant appraiser.—A. I have served frequently as a merchant appraiser, and am practically acquainted with the points at issue. I was one of the original incorporators of the Silk Association of America, and have been chairman of the committee on revenue laws for the last fifteen years, and have been engaged in the silk business here for thirty years. As a rule, the testimony which is presented before merchant appraisers by importers of consigned goods has been hearsay and opinion. For

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instance, A would testify for B this week, and B would testify for A next week. I have seen them quote prices within half a centime of each other. I should say the jobbers have no experience either way; they have no knowledge of the foreign markets and of the goods or of the cost of production, according to the ninth section of the present tariff law. There are many business reasons why jobbers, apart from their lack of acquaintance, should not be put on as merchant appraisers. I know a case of reappraisement where the merchant appraiser appointed was called upon to put a value upon goods he had himself purchased from the importer, and such cases frequently occur. Jobbers would be affected by their relations with the persons whose goods were being reappraised, either up or down, and by their relations to the consigned houses; but they would not be equally affected by their relations with American manufacturers, because with them the market is open and the prices are known to everybody, while on the other hand the price of the consigned goods is an unknown quantity and avowedly kept as a secret. As to men having domestic interests being merchant appraisers, I have never yet heard anybody claim unfairness, and the importers all say that all they want is an even deal; they don't want a man to get his goods in at 20 per cent. while they are compelled to pay 30. In regard to carrying out the ninth section, it is impossible for anybody but domestic experts to assist in carrying that out. They have to carefully analyze the goods and consider the value of the material and the value of the labor.

Q. What means have domestic manufacturers of knowing the value of foreign labor?—A. They have frequent correspondence, and there is a constant stream of foreign workmen who come over here to engage in domestic manufactures. These men know the wages paid at home for all classes of labor. It is also true that domestic manufacturers are visiting abroad every year.

Q. Is it your opinion that persons whose invoices are frequently advanced, should be called as merchant appraisers?—A. Most decidedly not. I think they ought to mark men. I think men who are habitually doing wrong should not be selected to pass upon invoices, no matter to what class they belong.

JAMES BOOTH, called.

By Mr. SPAULDING:

Q. What is your business?—A. Hamil & Booth, silk manufacturers, Paterson, N. J.

Q. You have heard the testimony of Mr. Richardson. Will you please state whether or not you agree in the views expressed by him?—A. Yes; I have heard Mr. Richardson's testimony; and I think it is very clear and correct. I believe it is a very clear statement.

Q. Have you any other suggestion to make in regard to this matter?—A. No; I don't know that I have, any more than what has been talked over here. I would say that the really only true way to get at this is to enforce the ninth section in the absence of proof of market value.

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Mr. WILLIAM H. ROBERTSON, collector of the port of New York, called.

By Mr. TICHENOR:

Q. Inviting your attention to the letter of the Secretary of the Treasury, dated March 16, with respect to the selection of persons to act as merchant appraisers, please favor us with such suggestions as you deem advisable on the subject.—A. I think that the collector should be permitted to select merchant appraisers from domestic manufacturers, from importers, from consignees, from jobbers; but he should not be restricted to any one of these classes, but be permitted to select men that he regards honest and competent from all these classes; that, instead of being confined in any particular appeal to five names, selected by the local appraiser, that the local appraiser should furnish him at stated periods with a list of reputable domestic manufacturers, importers, consignees, and jobbers, from which the selection should be made. Since I have personally designated the merchant appraisers, which has been within the last two weeks only, I have in a great majority of the cases made my selection from the importers, and I have in perhaps not to exceed two cases selected any man or any class of men against whom any appellant has protested.

A. P. KETCHUM, appraiser of the port of New York, called.

By Mr. TINGLE:

Q. Please state your views as to the proposition that domestic manufacturers shall be excluded from appointment as merchant appraisers.—A. Well, I am not prepared to say that domestic manufacturers, as a class, ought to be excluded from acting as merchant appraisers; but I think a number of them ought to be so excluded, for the simple reason that I don't think they are fair men. I don't want to mention any names, but to two of those gentlemen I have said, right to their faces, that I did not approve of their acting as merchant appraisers on reappraisement—one of them was a very prominent manufacturer—for the reason that I felt that they did not possess the judicial temper or frame of mind. I thought they were too much influenced by opinions which they had in connection with importers and with matters of home industry; but as to a number of domestic manufacturers that I could name, I think they would be as fair in their judgment towards the importers as any men I know, and at the same time I think the Government would have the advantage of a certain kind of information which is very useful on reappraisements in connection with the officers deciding the reappraisement. Now, to illustrate, I would name Mr. C. Lambert as a man in whose fairness and knowledge and experience I would always place confidence, as a merchant appraiser or otherwise. Mr. Strange I have always found a very fair man, a very excellent man in every way. I don't care to illustrate on the other side of the question.

Q. Will you give us your views as to the proposition to confine the selection of merchant appraisers to jobbers who deal in both imported and domestic merchandise?—A. If you mean jobbers who do not import, I should be against the proposition. If you mean jobbers who import purchased goods only, and who never receive consigned goods,

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so far as silk goods are concerned, which form the bulk of the reappraisements, your list of available merchant appraisers would be confined probably within the limit of half a dozen or less in New York city, and, therefore, I could not, on the latter basis, approve the latter proposition. With reference to many other kinds of merchandise, including varieties of woollen goods, jewelry, upholstery, bric-a-brac, carpets, &c., the men who act as merchant appraisers are scarcely ever other than importers engaged in receiving goods actually purchased.

Q. In your opinion, should houses whose invoices are frequently advanced by the appraiser be eligible to appointment as merchant appraisers?—A. I do not think it would be advisable to select such men to act as merchant appraisers upon the class of goods received by them at undervalued prices; still, it often happens that a merchant who cannot be depended upon to act on those goods which may resemble merchandise consigned to him at an undervaluation is thoroughly competent and reliable as a merchant appraiser upon other classes of goods, such as he never receives, except upon actual purchase.

WILLIAM KENT, assistant appraiser, third division, called.

By Mr. TINGLE:

Q. Will you please give your views as to the propriety of confining the appointment of merchant appraisers to jobbers who deal in both foreign and domestic goods?—A. I should be opposed to it on the ground that they are purchasers from the very houses whose goods are under reappraisement, and they are unwilling to bring them up to carry a penalty. They will carry them to 9 per cent., or even if it was carried up to 15 per cent., they would say, "I cannot punish my neighbor; I purchase a great many goods from this house, and I will not put him into a penalty." I will cite an instance here where we advanced ribbons from, I think, 47 to 55 centimes a line. We had an importing and jobbing merchant who receives no goods on consignment as merchant appraiser. The testimony was sufficient to sustain the price we put those goods to. He objected to inflicting a penalty upon this merchant, and they settled, if I remember rightly, upon 53 centimes a line, and I understood that the papers were signed. The importer—I am not speaking from absolute knowledge, but from the report that came to me—called upon this man to tell him that there was still a penalty. He induced him to come down here. They revised the papers and reduced the price just below 10 per cent.

Q. Then the actual value of the goods was not the first consideration in the matter?—A. No; it was to save a penalty to the importer on account of their business relations.

Q. What is your judgment as to the expediency of appointing domestic manufacturers as merchant appraisers?—A. I see no objection whatever to it. I have once or twice, in view that I think myself the manufacturers have been a little harsh; I think they have gone to too great an extreme, but as a rule they are very conservative and judicious men. I should prefer them, as a rule, to any others.

Q. From what class of merchants should the selection be made for merchant appraisers?—A. There are certain goods imported that are not manufactured in this country at all; in that case an importing jobber should be appointed.

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Q. Do you regard firms whose invoices are frequently advanced, and who appear often before the general appraiser on reappraisements, as suitable persons to be appointed merchant appraisers?—A. They serve a very good purpose where their own goods have been advanced at a prior date.

Q. Is that the only case where you would appoint them, Mr. Kent?—A. No; I couldn't say that it is, because in some instances we do get goods that are properly invoiced—we know they receive goods that are properly invoiced. In that event they make excellent merchant appraisers.

Q. Why is it, when a reappraisement is called for, that you put on your list as Government witnesses men whose invoices are constantly being advanced?—A. Whenever I do that, I select the very best among them, according to my judgment—the soundest man, and the most truthful man, and the most honest man; and if I don't do it, they go to Captain Tuzo and get him to do it. I couldn't make up my list long enough without summoning some of them. They will go to Captain Tuzo, and he will summon worse men than I do, a good deal.

No. 4.

NEW YORK, *April* 10, 1885.

SIR: Continuing the investigation of the methods of conducting the customs business at this port, we have given careful consideration to the subject of undervaluation. While there is no doubt that the invoices of all classes of merchandise consigned to the United States for sale on foreign account are as a rule undervalued, this is notably true as to silk goods. During the past ten years, since the repeal of former restrictive and penal provisions of the revenue laws, a system of successful evasion of duties on silks has been gradually built up and established. This system of evasion has been a subject of frequent investigation and report at home and abroad. It is a matter of common notoriety in official and mercantile circles. No one familiar with the silk trade, here or in Europe, will contend for a moment that consigned silks are honestly imported into this country.

* * * * * * *

One of the chief difficulties in the suppression of undervaluations is found in the method of reappraisement prevailing at this port. The list of five names sent by the appraiser to the collector, from which selection is made of a merchant appraiser, is composed in part, sometimes wholly, of firms engaged in the consignment business, whose invoices are habitually undervalued. It is true that the names of domestic manufacturers and of importers, who do not receive consigned goods, are also included in these lists, but the majority of the names are those of houses above described. The deputy collector who previous to January last made the appointments of merchant appraisers states that he regarded it as unfair to select a domestic manufacturer to appraise imported goods; besides, he had received formal protests from the importers against such appointments, and these he regarded as sufficient reason for ruling out domestic manufacturers. He appears, however, to have considered it no impropriety to appoint the agents of foreign manufacturers whose invoices of like goods were constantly undervalued and subjects of reappraisements.

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When it is understood that the general appraiser possesses little or no expert knowledge of the quality or value of merchandise, that the merchant appraisers usually appointed are agents of foreign manufacturers, and the witnesses called are usually in the same business, and therefore interested in maintaining the consignment system, it is not surprising that so little progress has been made towards reaching true values upon reappraisements. Proper results in these cases largely depend upon the prompt, vigorous, and intelligent action of the general appraiser. All advances upon invoices of 10 per cent. or more are, as a rule, appealed from. The examiners making the advances are usually better informed than any one else as to the actual value of the merchandise. The merchant appraiser appointed to act with the general appraiser, under the provisions of section 2930 of the Revised Statutes, must be a merchant in business on his own account. Gentlemen who are partners in large firms are usually selected. Many of these have little or no expert knowledge of the merchandise to be appraised; they depend for information upon the testimony adduced. The goods advanced by the appraiser are almost always consigned, not purchased. The merchants receiving them do not profess to have definite knowledge of the foreign market values. Their ideas of such values are based upon the invoice prices and the value in the New York market. These houses do not buy the goods abroad, and do not own them; they simply sell them on foreign account for what they will bring. The employés of these firms called to testify to market values do not hesitate to fix prices at or near the invoice prices, and these prices are generally furnished to them beforehand by the importer whose invoice is under reappraisement. When questioned, they are generally found to possess no actual knowledge of foreign market value. The same witnesses appear almost daily and give similar testimony. There are, in many cases, reports from the consuls showing the cost of production, and in some instances this has been supplemented by the testimony of domestic manufacturers and experts. This testimony has in repeated instances been submitted to the reappraising board, and has been disregarded, while the testimony of employés of houses receiving consigned goods, presumably always undervalued, has been accepted and the goods appraised at less than cost of production, notwithstanding the provisions of the law. This, however, does not always occur; when the merchant appraiser happens to be a person not himself engaged in the consignment business, or one who is not tied up by intimate business relations with firms of that character, due credit is given to the testimony adduced on behalf of the Government, and examiners' advances are sustained. In either case, the general appraiser and his associates rarely differ.

The practical result of reappraisements as they have been generally conducted is that the consignee and his business friends, each of whom expects return favors from his associates, virtually fix the market value. The idea seems to have been lost sight of that a reappraisement is to be conducted in practically the same way as an original appraisement, and that reappraising officers are not to rest their decisions upon testimony obtained after the manner of law courts, regardless of their own expert knowledge or facts procured, "by all reasonable ways and means in their power."

We are informed that it is not unusual for the merchant appraiser to be known to the appealing party before taking the required oath and entering upon duty, and that he and witnesses are visited before the

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hearing by interested parties and furnished with the invoice prices. Rumors have reached us that the person selected as a merchant appraiser has been known to declare at these preliminary meetings the decision he intended to give in the case. Whatever truth there may be in these rumors, the fact that they obtain currency is a striking commentary on existing practices.

When there are several cases set for reappraisement the same day, it is the practice to have them all in progress at the same time. The importer and his witnesses gather about the merchant appraiser, who, when he reaches a conclusion, consults with the general appraiser, and the decision is made known in the presence of the importer and witnesses. If this is not satisfactory to the importer, he is allowed to protest and reargue the case, with a view to the modification of the finding, in which he is often successful. This condition of affairs suggests the wisdom and necessity of a return to the old and legal methods of reappraisement outlined in a circular letter of Secretary Robert J. Walker, of December 26, 1848, a copy of which is enclosed marked "L."*

Examiners who endeavor to do their duty faithfully by advancing invoices become discouraged after repeated failures of the appraisers to sustain their action. In recent cases, when values have been determined upon reappraisement in the manner stated, the examiners have been directed by the appraiser to pass subsequent invoices in accordance with the values so found. They are thus compelled to subordinate their own judgment to the findings of a reappraising board on previous invoices, reappraised in some cases months, and even years before.

There is always a reluctance on the part of appraising officers to advance values to the 10 per cent. limit, or, as it is expressed in the common parlance of the appraiser's store, to "put the importer to a penalty." This idea runs through the entire proceeding, and, according to the expressed opinion of the appraiser, is inseparable from it. The ascertainment of the true value of the goods and the appraisement thereof is thus coupled with the consideration whether a penalty will be involved; if so, a strong effort will be made to reduce the appraisement in whole or in part, so that the advance will be a shade under 10 per cent. This tenderness towards importers, this disposition of officials to shield them from the legal consequences of undervaluation, has tended to encourage and establish the practice.

Successful undervaluations have prevailed for so many years that the belief has generally obtained that nothing short of legislation will suppress it. That legislation is needed in this direction no one will dispute. The adoption of specific duties, wherever practicable, would be a long step towards securing correct and uniform collection of duties, and remedial laws are needed to enable the Government to enforce the tariff; but we are satisfied that much of the existing conditions of affairs is due to faults of administration that may be corrected.

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*NOTE.—For the enclosed circular, see page 47.

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There is need of a thorough reorganization of the appraising department. The appraiser should devote all his time and energies to the great business institution under his charge; and this requirement should extend to all of the employés of the department.

When it is considered that three-fourths of the importations of foreign merchandise coming to this country is entered at the port of New York, the importance of the careful administration of the appraising department cannot be overestimated. Not only are the revenues of the Government endangered by faulty or corrupt methods, but business interests are disturbed, and in some cases destroyed, by the failure of the appraising officers to make full, uniform, and prompt appraisements of imported merchandise. It is a serious question whether the existing business depression is not more or less due to loose and unbusiness-like methods of appraisement, whereby one merchant pays more duties upon the same article than another.

The ease with which undervalued invoices have passed the appraisers has invited and encouraged excessive consignments from Europe. The tariff laws, if impartially and absolutely enforced, would prevent importations at unequal and undervalued prices, and would regulate and restrict the introduction of foreign merchandise in accordance with the healthy demands of trade.

Very respectfully,

GEO. C. TICHENOR,
A. K. TINGLE,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 5.

B.

Extracts from Testimony of Appraiser McMullen and others.

[From testimony of Examiner (now Appraiser) Lewis McMullen, taken April 4, 1885, before the investigating commission of special agents at the port of New York.]

Q. Please give your experience with respect to reappraisements upon which appeals have been taken, and any suggestions that occur to you looking to an improvement in the methods of procedure upon reappraisements.—A. Reappraisements as now conducted have, in my

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opinion, lost the character of reappraisements as contemplated by law and the regulations of the Department. The present practice appears to be to take the testimony of witnesses supposed to be experts in the goods, and the decision is arrived at according to the preponderance of testimony or the number of witnesses, thereby making the witnesses called in the actual appraisers instead of the reappraising board. As I understand the law, a reappraisement is simply the revaluation of the goods by another appraiser or board of appraisers, and this revaluation is to be made in substantially the same manner as an original appraisement. The introduction of the form of court procedure and the formal examination and cross-examination of witnesses, the admission of counsel to represent importers, and the appearance of importers themselves to act as their own counsel, do not seem to be contemplated by law or regulations. The ascertainment of the market value of merchandise by the appraiser is according to law—a purely arbitrary proceding; and when the importer is dissatisfied with that appraisement and appeals for reappraisement, that reappraisement by another officer, aided by the merchant called in for that purpose, is also an arbitrary proceeding, and conducted upon the same theory as original appraisements.

[From testimony of Assistant Appraiser Kent, taken April 4, 1885.]

Q. What proportion of the silk goods appraised in your division are consigned for sale on foreign account?—A. I should think from 85 to 90 per cent.

Q. Do the invoices of these goods as a rule express the actual market value, according to the information of yourself and your examiners?—A. They do not.

Q. Are they as a rule undervalued?—A. They *are*, according to my best knowledge and judgment. * * *

Q. Is it true that foreign manufacturers, sending goods here on consignment for sale, conceal the foreign market value?—A. It is my opinion they do, *intentionally*. * * *

Q. Do you consider the results of reappraisements usually a true guide to foreign value of the goods?—A. I do not generally.

Q. Is not this to be attributed to the fact that often the merchant appraiser himself, and nearly always the witnesses who appear on these reappraisements, are either agents of foreign houses or their employés?—A. Usually it is so. Of course that would apply to such witnesses as are employed by houses here.

* * * * * * *

Q. Could not, in your opinion, this be avoided if reappraisements were conducted as the statutes contemplated instead of being conducted after the form of procedure in courts of justice, as is now the case?—A. Yes. Persons interested in the goods under reappraisement should not be allowed in the room when the goods are being examined. The browbeating of witnesses and threats of retaliation on the part of consignees would be avoided if they were not allowed access together in the room during proceedings, and were permitted and required to make up and report their valuations separately and privately. Only one witness at a time should appear before the general and merchant appraisers, and the testimony of witnesses who have been "coached" by the importers should be ruled out as evidence.

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[From testimony of General Appraiser A. J. Perry, taken April 4, 1885.]

Q. Do you find, as a matter of fact, that merchant appraisers appointed are often importers who receive consigned goods?—A. Very frequently.

Q. Who have appeared before you as appellants on their own invoices?—A. Very frequently, especially in regard to silks.

Q. What is the character of the testimony there adduced?—A. Speaking of the same kind of goods, the most of it, so far as the witnesses are concerned, is from those people who receive goods on consignment for sale in this market, who have not purchased them in the foreign market.

Q. Have you found, upon questioning these people, that they do not profess to have a knowledge of the market value?—A. Very frequently.

[From testimony of Mr. Lorenzo G. Woodhouse, resident partner of Messrs. Marshall, Field & Co., taken April 8, 1885.]

Q. Please state your experience in respect to reappraisements at this port.—A. I have been called here many times on reappraisement, but there have been very few cases in which I have been called as an expert, where the advances have been sustained on the invoice, and very largely for the reason that when I would come down here, whether it was kid gloves, silks, velvets, or different classes of merchandise, I have always found the same set of witnesses on behalf of the importers, and I have never found of late enough witnesses who were engaged in the straight, honest invoicing of merchandise to have any weight in an important matter with the merchant and general appraiser.

[From testimony of J. C. Wiswell, examiner of silks in the appraiser's department, New York, taken April 4, 1885.]

Q. What proportion of the invoices of consigned goods that come to you for examination do you find undervalued?—Well, virtually all of them are advanced, either by the importer or myself, or both.

[From testimony of M. J. Corbet, examiner of silks in the appraiser's department, New York, taken April 3, 1885.]

Q. These invoices of consigned goods, are they usually undervalued, according to your estimation of value?—A. Yes.

No. 6.

Testimony taken concerning the Recall and Reconsideration of Invoices, &c.

NEW YORK, *Thursday, April* 2, 1885.

EDWARD LESEUR, examiner, fifth division, appraiser's department, called.

By Mr. TINGLE:

Q. Please state the circumstances connected with an advance made by you upon Jouvin gloves some months ago.—A. Some months ago I advanced an invoice of Bossange & Co.; they were consigned to them by R. D. Warburg & Co., of Paris, and were Jouvin gloves, but not in-

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voiced by the Jouvins. I advanced the invoice above a penalty, and Bossange appealed for reappraisement. Mr. Howell, of the firm of Charles G. Landon & Co., was merchant appraiser. Witnesses were summoned for the reappraisement, and appeared and appraised the goods, and gave their estimate of value to the merchant and general appraisers on the usual schedules. The witnesses, as near as I remember, were Mr. Woodhouse, of Marshall Field & Co.; Mr. John Wills, of E. Oelbermann & Co., Goldsmith, Baccarach & Co., and, I think, others. I saw the schedules, but do not recollect now the exact prices placed upon the goods; but I am satisfied that the prices substantially sustained my advance. Pending these proceedings, a representative of the importer appeared with Lawyer Tremaine; the hearing was postponed. I heard no more of the case for a long time. Finally, one of the clerks in the appraiser's office gave me a slip of paper and said that the appraiser wanted that invoice recalled from the hands of the general appraiser. I said, "Well, I don't want the invoice; if the appraiser wants it recalled he can do so." "Well," he said, "the appraiser left word that you should see that the invoice was returned." I said to Assistant Appraiser Auerbach, "I don't want this." I handed it to the clerk and said, "You can have it." The chief clerk made requisition at this time, and the invoice came back to the fifth division out of the hands of the general appraiser. They left it on my desk. I took it to Mr. Auerbach, and said I didn't want anything to do with it, and after that the assistant appraiser came to me from the appraiser's office with that invoice. He sat down at his desk and wrote an order on a slip of paper, the purport of which was, "Edward Leseur, examiner: You will change the value on the goods represented on this invoice in accordance with the figures of the appraiser." It was in accordance with the figures Appraiser Ketchum had sent me before. This was in the afternoon. I said to Mr. Auerbach, "I don't think I will; I won't until I see the appraiser." "All right," he said. I went down to see the appraiser, but he was out; so I did nothing with it that day, but went home and thought the matter over. I came down in the morning, took the invoice and made the corrections to correspond with schedule that had been given by Appraiser Ketchum. I turned the invoice over; on the back I noted the reduction of value, as follows: "Advance in value corrected on this to correspond with figures at which the appraiser has appraised the goods in question. By order of the appraiser." I put it on Mr. Auerbach's desk. I was sent for, and went down to Mr. Ketchum's room; there I found Captain Chalker and Mr. Auerbach. Mr. Ketchum said: "Mr. Auerbach informs me that he requested you to bring me this invoice and you refused to do so." I said, "That is not so." I told him just what I did say, and that the invoice would come to him in the regular course. Mr. Ketchum said he didn't want those words, "By order of the appraiser," on that invoice. "I am appraiser, and what I order to be done I want done, but I don't want that "By order of the appraiser." I said, "Mr. Ketchum, didn't you order it?" He said, "Yes." I said, "Don't you propose to assume the responsibility of your action?" He said, "Yes, but I will not have any insubordination in this department." I said, "General Ketchum, this is not a question, in my mind, of insubordination; it is merely a notation in writing of the receipt of your letter." After further conversation, I erased those words.

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Q. What reduction did the appraiser make?—A. The figures will show the reduction. On one line of goods he ordered a reduction of 2 *francs below the entered value.*

Q. Did this action of his conform to your judgment, or was it contrary?—A. I told him it was not in accordance with my judgment, but he said "it is Captain Chalker's judgment that this reduction is right, and he is the best special agent I ever worked with."

* * * * * * *

Q. Did you subsequently advance similar goods of the same importer to the same figures?—A. Yes.

Q. Did the party appeal for reappraisement?—A. They did.

Q. What was the result?—A. On certain lines the advance was sustained.

* * * * * * *

By Mr. TINGLE:

Q. Please state circumstances connected with an advance made by you on goods of Passavant & Co. which went to reappraisement?—A. Passavant & Co. imported a glove from Treafousse & Co., known as quality De Lorme. The first importation was invoiced at 28 francs for two-button, and 30 francs for three-button gloves. They were advanced from time to time and reappraisements had, and finally the prices fixed at 35 francs for two-button, 38 francs for three-button, and 41 francs for four-button gloves. Captain Chalker, a special agent, came to me and said that he knew a gentleman that had been to Paris twice, and had some information in regard to undervaluation of Paris-made gloves, but didn't give me his name. I said to Captain Chalker that when I had a case of Paris goods on the floor, I would notify him. I had a case of gloves, Passavant & Co. Paris-made goods, and so notified Captain Chalker, and said that if he had any information in regard to any undervaluation of these goods he should give it to me. He then took from his pocket a slip of paper, which had the names of several importers of Paris goods, and among them the name of Marshall Field & Co. I then asked if Mr. Woodhouse, a member of the firm, was in town. Captain Chalker said, "Yes, you go and ask him, and he will tell you all about it." I did not go to see Mr. Woodhouse, but I advanced the goods, and called Mr. Woodhouse as one of the merchants or witnesses on reappraisement. Messrs. Passavant & Co. called for a reappraisement; the papers were sent to my division for the names of merchant appraisers and witnesses. I gave the names of some ten or twelve witnesses and merchant appraisers in the glove business. The reappraisement came off, and a man by the name of De Forest was merchant appraiser, a gentleman whom I did not know; but afterwards learned he was an importer of silks, and never imported gloves. The result of the reappraisement was that the entered value of the goods was sustained. At the time of the reappraisement, Passavant & Co. were represented by Lawyer Tremaine, and Special Agent Chalker, who was present, expressed himself as satisfied that the entered value was correct; that the advance was not correct, upon being appealed to by Appraiser Ketchum, who was also present.

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Mr. JOHN WILLS, in charge of glove department of E. Oelbermann & Co., and representative of the Perinot Glove Company, called.

By Mr. TICHENOR:

Q. Please state what your observations in regard to the manner of conducting reappraisements have been at this port.—A. They occur in this manner: The moment a person has his invoice advanced he goes around to see his friends whom he expects to appear as witnesses and hands them a copy of his invoice. By this means they acquire the market value of the goods imported. I have had two applications made to me within the last month or so, but declined to attend, as I have not been in the market for some time, and was not acquainted with the goods in reappraisement. A copy of the invoice was handed me [showing paper] for the purpose of showing me how to make my prices, and I was told I would be fully posted. The majority of the witnesses expect the same favor when their turn comes. The merchant appraiser is generally looked up in the same manner.

Q. Is it known to the importer who the merchant appraiser is to be before the time of reappraisement?—A. Very frequently.

Q. Where is that information obtained?—A. I imagine from the custom-house.

Q. Have you known of any cases where the merchant appraiser was known beforehand?—A. I think I have known of frequent cases of that kind.

Q. Is there any truth in the statement that the importer whose goods are to be appraised has a voice in the selection of the merchant appraiser?—A. When there has been a reappraisement, endeavors have been made to have the names of certain merchants put on the list that is sent to the custom-house, I believe, for selection, and these merchant appraisers have been appointed.

Q. Have there been cases within your knowledge where you were satisfied that the merchant appraiser's mind was fully made up as to his action before the hearing of the case?—A. I am perfectly satisfied of it.

* * * * * * *

Q. In what classes of gloves are undervaluations most prevalent now?—A. My opinion is that, with the exceptions of the brands, the value of which was established some years ago, all goods are undervalued.

Q. To what extent?—A. I think that, as a witness testifying on reappraisement, I have advanced invoices over 60 per cent.

Q. Have these advances been sustained?—A. No, sir. Advances are seldom made to the extent of 10 per cent.; it is not often that advances are made on reappraisement over 10 per cent. I know of a case, however, where, after an advance was made less than 10 per cent., the importer added to a subsequent invoice of the same goods, on entry, $1,200, to make market value, which was not less than 50 per cent. on the invoiced value.

Q. Were you present as a witness at the reappraisement of gloves consigned to Bossange & Co., some time in September of last year?—A. Yes; I was a witness about that time on reappraisement.

Q. Who was the merchant appraiser?—A. Mr. Howell, of Charles Landon & Co.

Q. Did you examine and appraise the goods?—A. Yes; I examined the goods very carefully.

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No. 7.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., June 9, 1885.

SIR: Your attention is called to the instructions of the Department contained in Synopsis, 2655, and to Regulations of 1884, articles 469, 474, 1407, 1416, relating to the method of procedure in reappraising merchandise. The law of reappraisement is precisely the same as that of original appraisement, and there is no authority or justification for the system which, it appears, has grown up in your office of treating a reappraisement as in the nature of a trial in a court of law, wherein the reappraising officers sit as judges and render decisions according to the preponderance of testimony adduced.

The law provides that the merchant appraiser shall be familiar with the character and value of the goods in question, and it is presumed that the general appraiser will have or will acquire such expert knowledge of the goods he is to appraise as to enable him to intelligently perform his official duty with a due regard for the rights of all parties and independently of the testimony of interested witnesses.

The functions of the reappraising board are the same as those of the original appraisers. They are themselves to appraise the goods, and not to depend for their information upon the appraisement of so-called experts in the line of the goods in question.

I am informed that it is the practice to hold reappraisements on certain days of the week within the hours of twelve and three, and that, owing to the number of appeals pending, two or more cases are often heard at the same time by different merchant appraisers, all acting in conjunction with the general appraiser; that importers and witnesses are permitted to throng the general appraiser's office, in whose presence the conclusions of the appraising board are often announced; and that if such conclusions are not satisfactory to the importer, he is allowed to protest and reargue the case, with a view to a modification of the finding, in which he is often successful.

It is plain that all this is a wide departure from the methods of reappraisement contemplated by the law and regulations, and must necessarily result in injury to the revenue and general demoralization among officials and importers.

The local appraisers are expected to do their full duty in ascertaining, estimating, and appraising the true and actual market value or wholesale price of imported merchandise at the time of exportation, and in the principal markets of the country whence the same has been imported. When appeals are taken from the valuation so found, it is expected that the general appraiser and merchant appraiser selected to act with him will reappraise the merchandise in substantially the same manner as is pursued on original appraisement.

Section 2922 of the Revised Statutes authorizes appraisers to call before them and examine under oath any owner, importer, consignee, or other person, touching anything which they may deem material in ascertaining the true market value or wholesale price of any merchandise imported.

It is by this law that appraisers are authorized to summon witnesses, but there is no authority for the public examination of such witnesses or their cross-examination by importers or counsel employed by such importers.

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The appraising officers are entitled to all information obtainable concerning the foreign market value of goods under consideration, but such information is not public property. It is due to merchants and others, called to give such information, that their statements shall be taken in the presence of official persons only. It must often occur that persons in possession of facts which would be of value to the appraisers in determining market values are deterred from appearing or testifying by the publicity given to reappraisement proceedings.

Article 1416 of the Regulations enjoins appraisers to give courteous and due attention to the explanations and statements of importers, in person or by representative, relating to the subject-matter under investigation; but they are to limit the privilege so accorded to one person in each single case of reappraisement, to receive only statements of fact, and to require all facts to be stated concisely, and not argumentatively. This regulation has been so construed that attorneys-at-law and custom-house brokers have appeared and acted as representatives of the importer on reappraisement.

Such a construction is erroneous. The representative of the importer in such cases should be his employé or salesman—some person belonging to his house familiar with the facts touching the subject-matter under consideration. There is no office here for the lawyer or custom-house broker, and such persons, as well as all others not officially called before the appraisers, should be excluded.

This Department expects that all appraising officers, including the general appraisers, will co-operate in all proper measures for the suppression of undervaluations and the just and uniform appraisement of imported merchandise, to the end that the tariff laws may be strictly enforced, and fair and honorable merchants protected from loss by the dishonest practices of unscrupulous importers.

Very respectfully,

DANIEL MANNING,
Secretary.

Mr. A. J. PERRY,
United States General Appraiser, New York, N. Y.

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INVESTIGATIONS BY SPECIAL AGENTS INTO THE GENERAL CONDITION OF THE CUSTOMS SERVICE.

No. 1.

General Instructions to Special Agents assigned to the Duty of Examining the manner in which the Customs Business is Transacted in the Several Collection Districts.

I. Ascertain by actual count the amount of money on hand. This must be done immediately upon the arrival of the agent at the custom-house.

II. Examine the several accounts of the collector, making a comparison of the "daily register of moneys received from all sources," with the "impost record," the several records of payments, the records or accounts current, and the "daily record of balances on account."

III. Compare the records of arrivals and clearances of vessels, of registry, enrolment, and license of vessels, of marine-hospital money, and of steamboat-inspection fees with the "daily register of receipts from all sources," checking off the several items, and verifying the footings of each column of figures.

IV. Examine all records connected with the entry of merchandise, either for consumption, warehouse, or rewarehouse, and examine the original entries, and all returns connected therewith, making a comparison of the entries with the several records and the manifests of vessels in which goods were imported.

V. Examine all records and business connected with the withdrawal of merchandise from warehouse, whether for consumption, transportation, or export. Exportations for benefit of drawback must be examined with special care.

VI. Examine all records relating to marine business.

VII. Examine the public correspondence of the collector's office, and all records relating to general business, such as records of public property, record of seizures, fines, penalties, and forfeitures.

VIII. Examine the business of the naval office, the surveyor's office, and the appraiser's office, and the records and correspondence connected therewith.

The object of these examinations is to furnish the Department with full information respecting the practical operations of the several custom-houses, and special agents are particularly enjoined to conduct them

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in a courteous and gentlemanly manner. In making their reports, agents will make correct answers to the following interrogatories, and conclude the report with such general or special remarks as may be deemed proper for the information of the Department. *These answers must not be based upon the unsupported statements of customs officers, but must be made upon the personal knowledge of the agent as to the condition and methods of business at the port examined.* At ports where there is a naval officer, or where the volume of business is so great as to make a minute examination of every transaction impracticable, an examination of a sufficient number of transactions will be made to satisfy the agent of the correctness of the methods of business pursued.

Special agents will not confine their inquiries within the limits of the interrogatories, but will report any infraction which may be observed by them on the part of customs officers, of law, or the regulations, orders, or instructions of the Secretary of the Treasury.

NOTE.—Where the allotted space is not sufficient for a full answer to an interrogatory, it may be written upon a separate sheet and appropriately numbered.

—

PORT OF BOSTON, *September* 12, 1885.

Report of examination of the customs business in the district of Boston and Charlestown, by Special Agents N. W. Bingham; B. H. Hinds, C. H. Lapp, and General Appraiser H. W. Combs, under Department instructions of June 9 *and August* 3, 1885.

1. Money on hand, as ascertained by actual count, on the 6th day of August, 1885, at the close of business hours:—None.

NOTE.—If any papers or memoranda are found with the cash on hand, purporting to represent money, state the character of such papers or memoranda, and the several amounts they represent.

2. Amount on deposit with the assistant treasurer of the United States, or with a United States depositary, under the several disbursement accounts and emolument account, upon said date:

Expense collecting revenue	$13,269	69
Excess of deposits	80,408	78
Debentures	72,606	55
Revenue-Marine Service	1,719	47
Steamboat fees	9	00
Special deposit, duties	732	44
Special deposit, night service	135	00
Award of compensation	142	75
	169,023	68
Less balance due collector authorized by Department letter and telegram (C. S. F.) July 20, 1885	89	44
	168,934	24

3. State the balance on the several accounts as they were reported in the last report made to the Commissioner of Customs of "moneys

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received and paid," and date of said report.—Balances per report dated August 1, 1885, on account of—

	Due United States.	Due officer.
Customs		
Life-Saving Service		$89 44
Steamboat fees	$9 00	
Expense collecting revenue, current year	14,158 34	
Expense collecting revenue, prior years	9,396 30	
Marine-Hospital Service		
Excess of deposits	80,972 18	
Debentures	78,962 62	
Revenue-Marine Service, current year	739 05	
Revenue-Marine Service, account June	1,193 10	
Official emoluments		
Special deposit, duties	719 40	
Special deposit, night service	115 00	
Award of compensation	142 75	
Total	186,407 74	89 44

4. State amounts received and paid or deposited on the several accounts since the date of said last report to the Commissioner of Customs, viz., from August 1, 188—, to August 6, 188—:

	Received.	Deposited.	Paid.
Customs	$339,774 71	$339,774 71	
Lead seals	89	89	
Steamboat fees	36 10	36 10	
Expense collecting the revenue			$888 65
Unexpended balance expense collecting the revenue		9,396 30	
Excess of deposits			563 40
Debentures			6,356 07
Weighing	15 24	15 24	212 68
Official emoluments	646 27	646 27	
Immigrant fund	103 00	103 00	
Special deposit, duties	33 04		20 60
Special deposit, night service	95 00		75 00
Storage	228 78	228 78	
Tonnage	597 33	597 33	
Total	341,530 36	350,798 62	8,115 80

5. State the aggregate of balances on the several accounts as shown on the morning of the inspection by the "daily record of balances on accounts" and other records:

	Due United States.	Due officer.
Life-Saving Service		$89 44
Marine-hospital tax		
Steamboat fees	$9 00	
Expense collecting revenue	13,269 69	
Excess of deposits	80,408 78	
Debentures	72,606 55	
Revenue-Marine Service, current year	526 37	
Revenue-Marine Service, account June	1,193 10	
Official emoluments		
Special deposit, duties	732 44	
Special deposit, night service	135 00	
Award of compensation	142 75	
Total	169,023 68	89 44

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6. State the result of comparison of the cash on hand and on deposit, with the balances as shown by the "daily record of balances on accounts" and other records:

Aggregate balance per records	$168,934 24
Amount on hand and on deposit	175,440 32
	*6,506 08

7. How often are reports of transactions and remittances of money collections made to the collector by deputy collectors in charge of outside or sub-ports?—No collections made at outside or sub-ports; no deputy collectors are stationed at such sub-ports.

8. Are the details of the reports from outside ports promptly entered on the record of "receipts of moneys from all sources?"—No reports received. (See No. 7.)

9. Are all collections entered on the "daily register of receipts of moneys from all sources" at the time of their receipt?—They are.

10. How often are deposits of money collections made with the assistant treasurer or United States depositary?—Daily.

11. If there is any variance from general instructions as to the deposit of money collections, state the authority, if any, for such variance.—None.

12. State whether the collector makes deposit of all drafts for disbursement funds immediately upon their receipt from the Department.—He does.

13. Are disbursements of public funds invariably made by checks payable to the persons who have actually performed the service, or to whom the money is actually due for material furnished or services performed?—They are.

14. Does the collector retain in his hands any portion of the collections at the time of making deposits?—He does not.

15. Are the money collections ever used for payment of salaries or other expenditures, or for the collector's private purposes?—They are not.

16. Do the records show the proper collection of all legal fees?—They do, so far as we are able to discover.

17. Are any excessive or illegal fees collected?—There are not.

18. Is the schedule of fees chargeable by law posted in the custom-house in some public place, as required by section 4383, Revised Statutes.—It is.

19. Is the record of daily balances on his several accounts properly kept, and are the entries in the "daily record of disbursements" made when payments are made, so that it shows the amount disbursed daily on the several accounts?—Record of daily balances is properly kept, and entries in the "daily record of disbursements" are made, so that it shows the amount disbursed daily on the several accounts.

20. Are all duties, fees, and other collections paid at the custom-house, and at the time entry is made or the service performed for which the fee is charged?—Yes, except charges for storage, which are collected by the permit clerk at the Government warehouse, and reported at custom-house at the close of each day.

*Which is accounted for as follows:

Unpaid checks, general account, prior to August 1	$1,778 62
Unpaid checks, August 1 to 6, inclusive	4,652 46
Unpaid checks, special deposit, duties	75 00
Total	6,506 08

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21. Are duties always paid in coin, or certificates of deposit of coin, with the assistant treasurer of the United States, or in United States notes?—They are.

22. Are drafts, checks, or other representatives of money ever received by the collector for moneys payable at the custom-house in currency.—They are not.

23. Are any of the public moneys ever deposited in unauthorized banks, or deposited elsewhere than with the assistant treasurer of the United States or a United States depositary?—No.

24. Are weekly reports made to the Secretary of the Treasury of moneys received and deposited, and weekly reports to the Commissioner of Customs of disbursement funds, as required by the regulations? If not made weekly, how often are they transmitted?—These reports are made weekly, as required by regulations.

25. How often are comparisons of the footings of the impost records made with the footings of the column of duties collected in the "daily register of moneys received from all sources?"—Daily.

26. Upon examination of the entries of merchandise for consumption, the impost record, the records of accounts current, the records of arrivals and clearances of vessels, and the record of moneys received for steamboat inspection, licenses to captains and engineers, the records of licenses of vessels, and the "daily register of moneys received from all sources," do you find all the collections for duties, fees, &c., therein recorded properly accounted for?—A careful examination of the records and a large number of entries and other official papers convinces us that collections for duties, fees, &c., therein recorded have been properly accounted for.

27. Upon examination of manifests on file and the record of arrivals of vessels from foreign countries since the date of the last examination of this custom-house, and upon inquiry of consignees of such vessels, are you satisfied that all manifested foreign goods brought into the port and landed have been duly entered or taken possession of by the collector?—We are.

28. Are entries made of all goods imported, whether free or dutiable, when such entries are required by law and regulations?—They are.

29. Do invoices accompany entries in all cases when required by law or regulations?—They do now. We found that under a misconstruction of Department telegram of September 6, 1880, entries of immediate-transportation goods from other ports, even in the absence of original invoices, permitted on uncertified copies. This practice is discontinued.

30. When merchandise of over one hundred dollars in value is entered on *pro forma* invoice, is a bond always taken from the importer to produce a verified invoice, and is an affidavit as to the cost or value of such merchandise taken, as required by the act of June 22, 1874?—A bond is always taken. Gross irregularities were discovered as to applications and affidavits, the particulars of which will be set forth hereafter in this report.

31. Are entries made in proper form, and are the estimated duties collected in all cases before the permit is issued for delivery of the imported merchandise?—Yes.

32. Is a proper selection made of the required number of packages designated for examination, and bond taken (Form 86 of the Regulations) for the return of the packages delivered to the importer before ascertainment and liquidation of duties, as required by law?—In our judgment, the

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selection of packages for examination has not always been judicious. On some invoices too many packages of the same line of goods have been designated, and on others too few packages where different lines were represented. The attention of the collector and his deputies has been called to this matter, and we believe greater care will be exercised in the future.

33. Are these bonds properly executed, and, where the general bond (Form No. 87) is taken, is the account of the delivery of the several importations on said bond properly recorded thereon, and, in case the penalty of the bond is exhausted, as shown by said record, is a new bond always required before the delivery of other imported packages?—Bonds are properly executed, and the account of the delivery is properly recorded, and a new bond is required before other imported packages are delivered, in case the penalty of the bond is exhausted.

34. Upon free entry of "household goods," emigrants' effects," "professional implements," "tools of trade," &c., is the personal oath required by law in such cases always administered? And upon free entry of church regalia, books, &c., philosophical instruments, &c., for incorporated institutions, &c., are the affidavits in such cases made in good faith at the time of entry?—The personal oath required by law is administered in such cases; affidavits upon free entry of church regalia, books, &c., are supposed to be made in good faith.

35. On entry of goods paying specific duty, and of which the weight or measure is not given in the invoice or entry, are the fees for weighing, gauging, or measuring, as the case may be, collected as required by the regulations?—They are, but cases of that kind seldom occur.

36. Are all weighable and gaugeable goods properly weighed and gauged, and return thereof made without delay by the officer performing that duty; and are weighers' and gaugers' dock-books properly made up and filed?—From the dock-books and returns we find that weights and gauges are properly returned, and the dock-books properly made up and filed.

37. (1) State whether the persons borne upon the weighers' and gaugers' labor pay-rolls are actually employed for the full time charged. (2) Are other persons borne upon custom-house labor pay-rolls actually employed as laborers for the full time charged?—(1) Yes. (2) Yes, except as follows: Geo. E. Jepson, messenger to the collector; R. C. Bodfish, messenger to the warehouses; F. H. Pease, messenger at appraisers; E. S. Hamilton, messenger and janitor at appraiser's; Dudly Sanborn, janitor at inspectors' room.

38. Upon comparison of the work of the several weighers and assistant weighers, do you find the average deficit greater with some weighers than with others? Do the records show any indication that particular importers are favored in the weighing?—We are unable to discover any difference in the average deficits shown by the returns of the different weighers or assistant weighers on analogous cargoes. The records show no indication that particular importers are favored in the weighing.

39. Are regulations as to allowance for tare properly carried out?—They are.

40. Are all foreign goods, except packages not designated for examination, duly examined and appraised by the appraiser, or the officer acting as such, and proper return thereof made on the invoice?—Yes.

41. Is there undue delay in making returns of appraisements?—

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Previous to this investigation there has been undue delay, the practice having been to note upon the invoice (in pencil) the result of the examination and retain the invoices until a dull season, when reports were made. This practice was discontinued upon our recomendation, and reports of appraisement are now made when the examination is completed. There is, in our opinion, much undue delay in the execution and return of damage appraisements.

42. Is the sampling of sugar and other goods appraised by sample correctly performed; are excessive samples taken, and what disposition is made of samples?—Sampling is correctly performed. Excessive samples are not taken so far as we can learn. Samples of any commercial value are returned to the importers as soon as the appraising officers are done with them.

43. Are the requirements of the regulations with respect to the examination of merchandise arriving under warehouse and transportation bond duly complied with?—So far as we have been able to learn, they are.

44. (1) Upon examination of the record of damage allowances, do you find evidence that some importers have more claims and allowances for damage than others in the same line of business? (2) Are excessive allowances made?—(1) No. (2) Improper allowances, in our opinion, have been made in some cases. Further information upon this subject will be given in this report hereafter.

45. In how many cases have invoice values been advanced upon appraisement? State amount of duties arising from such advances.—We are unable from personal examination to answer this question, but submit instead a letter herewith enclosed (Exhibit "C") from the assistant appraiser.

46. Are the liquidations carefully made upon the face of the entries, and a full record made of the estimated and liquidated duties in the book provided for that purpose?—The liquidations are carefully made upon the entry and properly entered upon the book kept for that purpose.

47. Is notice of liquidation of entries publicly posted in the custom-house?—It is.

48. State whether the increased and additional duties ascertained on liquidation to be due the United States are promptly collected.—They are as promptly as possible under the incorrect practice that has for many years prevailed of delivering examination packages before the liquidation of the entry and the settlement of the duties.

49. State the amount of increased and additional duties found due the United States on liquidation of entries remaining unpaid, as shown by the records, giving the date of the entry, the number of the entry, importer's name, estimated and liquidated duties, and amount due on each entry.—The total amount of additional duties found to be unpaid at this date is $20,882.21. For date and number of entry and other particulars, see exhibit marked "A."

50. Are increased and additional duties found due on liquidated entries collected before delivery of examined packages?—Prior to this investigation examined packages were permitted before the invoice was returned by the appraiser; consequently, in many instances the additional duties were not collected before the delivery of the examination packages. We called the attention of the collector to Synopsis, 7047, since which time no permits are issued until after the return of the ap

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praiser; and if additional duties are found due or invoice returned not correct, the examination packages are held until the entry has been liquidated and duties all paid.

51. Is the excess of deposits refunded upon vouchers from importers from moneys obtained from the Department for payment of such refunds, and is an account current of such payments rendered to the Department?—Yes.

52. Does the record of liquidation show that these refunds are promptly paid after liquidation of entries?—It does.

53. Are proper powers of attorney always required before an agent or attorney of an importer is allowed to represent him in the transaction of customs business, and are agents and attorneys allowed to sign for importers who are at the time present at the port?—Proper powers of attorney are always required. Agents or attorneys are not permitted to sign when the importers are present at the port.

54. Are all consumption and withdrawal entries recorded in the impost book each day as the entries are made?—They are.

55. Are the collection of increased and additional duties found due on liquidation of entries recorded in the impost book or other proper record, when such duties are collected and on the day they are collected?—They are.

56. Are all the requirements of regulations, with respect to the execution and cancellation of customs bonds, duly complied with?—They are.

57. Are warehouse entries required to be made in accordance with the regulations, "the dutiable value of each package of dry-goods, hardware, or other package goods, in all cases being stated," and when the goods pay specific duty, the quantity of each package stated?—They are.

58. Are warehouse entries liquidated by package, so that the quantity, value, and duty of each package is stated in the liquidation?—Yes.

59. Are the warehouse and rewarehouse ledger accounts promptly opened and kept in accordance with the regulations?—They are.

60. Are the withdrawal entries entered on the credit side of these ledgers as soon as the entries are made, and at the same time are they recorded on the backs of the bonds, as required by the regulations?—They are.

61. Are additional duties upon merchandise remaining in warehouse more than one year from date of importation duly collected as required by section 2970, Revised Statutes?—They are.

62. Are the several daily registers of rewarehouse, transportation, and exportation entries kept, and the entries recorded therein as they are made from day to day?—They are.

63. Are the several registers of bonds kept, and the entries recorded therein as they occur?—They are.

64. Are there any overdue transportation or exportation bonds? If so, give a statement of them in detail.—There are. See detailed statement (enclosure) marked "B."

65. State the number of bonded warehouses, their class and general condition, and the number of storekeepers employed. One hundred and one, namely: Two of Class I, fifty-eight of Class III, thirty-six of Class IV, three of Class V, and two of Class VI. General condition, fair. The better class are used for the most perishable merchandise, and the balance are fit buildings for the purposes for which they are used. Number of storekeepers, fourteen.

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66. Is the compensation of storekeepers promptly collected each month from the proprietors of the several bonded warehouses, as prescribed by the regulations?—Yes.

67. Does the collector's disbursement account show that the moneys received for storekeepers' services are duly accounted for?—It does.

68. Do the storekeepers receive any compensation direct from the proprietors of the bonded warehouses?—Not so far as we have been able to learn.

69. Are the storekeepers' records properly kept, and do the storekeepers make daily returns to the collector of goods received, permitted, and delivered?—Yes.

70. Are the salaries of the storekeepers paid to them for their own use and benefit?—Yes.

71. Does any arrangement exist by which a proprietor of a warehouse is allowed to make nominal payment for salary of storekeeper, in order that the collector may be enabled to obtain compensation for storage?—Question not applicable to this port.

72. Are the bonded warehouses, while unlocked, ever left by the storekeepers in charge of irresponsible persons?—Not so far as we can learn.

73. Is an inventory of all goods in warehouse made once a year, and compared with the storekeepers' record kept at the custom-house, as prescribed by the regulations?—Inventories made in January and July of each year.

74. Are the storekeepers transferred from one bonded warehouse to another at least once a year, as prescribed by the regulations?—Yes.

75. Upon a comparison of the goods in bonded warehouses with the storekeepers' record and the record at the custom-house, is any decrepancy found to exist?—Not any.

76. In the transfer of bonded merchandise from warehouse or vessel to cars or other vessel, for transportation, is such merchandise always carted by a bonded dray?—Yes.

77. In the transfer of unappraised bonded merchandise from vessel to cars or other vessel, and in the entry and shipment of such goods, are the regulations applicable thereto duly observed?—They are.

78. Are the regulations duly complied with in respect to the receipt and custody of merchandise arriving under immediate-transportation entry?—Yes, except that goods arriving from New York on the steamers of the Metropolitan Line have for a few months been permitted to remain on the wharf for forty-eight hours after the discharge of the steamer, the same as in the case of steamships arriving from a foreign port, and in violation of article 775 of the Regulations of 1884. The practice has now been discontinued.

79. Are proper manifests for each car transporting bonded or unappraised merchandise always certified by the officer who actually supervised the lading of the merchandise in the car and sealed the same?—They are.

80. Is the lading of bonded goods for export, or goods exported for benefit of drawback, on board the exporting vessel, always done under the personal supervision of an officer, and does he make out the certificate of lading? State also what examination is made as to the character and quality of goods exported for drawback, and whether samples of the goods are taken and retained in the custom-house.—Goods are laden on board the vessel under the personal supervision of an officer, who makes out the certificate of lading. They are examined by the inspectors, who send samples to appraiser's stores whenever practicable.

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81. What is the practice pursued with reference to the sale of unclaimed and seized goods and warehoused goods remaining in bond more than three years? Do the contents of the seizure-room agree with the record of seizures?—They are advertised. Catalogues are issued and goods are sold at public auction. The contents of the seizure-room agree with the record of seizures.

82. Is the money received from these sales paid at once to the collector at the custom-house, or is it paid to the auctioneer; and, if so, how long is it allowed to remain in his hands?—Paid to collector.

83. Are the contents of packages of unclaimed and seized goods carefully inventoried, accounted for, and proper precautions taken against the substitution of inferior goods, or against pilfering, prior to the sales?—They are.

84. Are records of the sales of these goods, as required by law and regulations, properly kept, and the entries made therein on the day the sales take place?—They are.

85. (1) From personal inquiry regarding the financial standing of persons whose names appear as sureties on bonds for duties, are you satisfied as to the solvency of such sureties? (2) Upon examination of bonds for warehouses, are you satisfied that they are at this time good and sufficient?—(1) Yes. (2) Yes.

85. Are the bonds taken for registration, enrolment, and license of vessels fully executed before the issue of the marine papers?—They are.

87. Is the record of registration, enrolment, and license always made before the certificates thereof are issued, and are the indexes of such documents written up to date?—Yes.

88. Is the record of the abstract of tonnage of registered, enrolled, and licensed vessels properly kept, and the record duly made therein on the surrender of marine papers and the issue of new documents?—Yes.

89. Is prompt notice given to collector of the home port of a vessel when a license expires and a temporary license is issued?—It is.

90. Upon change of master of vessel belonging at some other port, is the proper indorsement always made on enrolment or license, as the case may be, and notice given to the collector of the home port of the vessel?—Yes.

91. Are all bills of sale, mortgages, and other conveyances promptly entered upon the index and recorded in the record provided for that purpose?—Yes.

92. Are the current daily transactions of the custom-house recorded in the several records from day to day as they occur?—They are.

93. Are boarding officers instructed to verify the correctness of the seaman's time-book as kept on board vessels, and is this duty faithfully performed?—They are as to vessels returning from a voyage commenced before June 30, 1884.

94. Are the reports of hospital-dues always verified by a comparison with the seaman's time-book before collection of the hospital-tax?—They are.

95. Upon comparison of the public property in the custom-house with the record and returns thereof, do you find it correct?—We do.

96. In what condition do you find the custom-house building and premises?—In good condition.

97. In what condition do you find the weighing, gauging, and other implements required for the customs business?—All that we have been

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able to see we find in good condition. The surveyor reports *all* in good condition.

98. Are there any revenue boats in the district; and, if so, what is their condition?—There are two revenue boats stationed here, and both are in good condition. The steamer "Hamlin" and the cutter "Gallatin" are also under the control of the collector of this port. The former is in fair and the latter in good condition.

99. Do the collector and other principal officers give their personal attention to the business of their respective offices, and are they in daily attendance at the custom-house during office-hours?—This question answered elsewhere in this report.

100. Give the names of all the employés of the district, their compensation, their character for competency and efficiency, and the nature of the duties performed by each?—See enclosures marked as follows: Collector's department, "D;" surveyor's department, "E;" naval office, "F;" appraiser's department, "G."

101. Are there any persons borne upon the custom-house pay-rolls who perform little or no actual service, or who are engaged in private business? If so, give their names.—None who perform little or no actual service, except as will be hereafter stated. The collector is proprietor of the "Boston Evening Traveller" and a director of a national bank, but none of his official time is taken up thereby.

102. What reduction, if any, can be made in the force as now employed without detriment to the public interests?—This question answered elsewhere in this report.

103. Considering the character of the work performed by the several employés, and their efficiency, is the salary in any instance excessive, and more than is usually paid in private business for similar services, or is such salary in any case deficient?—This question answered elsewhere in this report.

104. Are certain inspectors detailed for special service; and, if so, for what reason?—This question answered elsewhere in this report, under head of "Night inspectors."

105. If there are inspectresses employed at the port, state the nature of their employment and the amount of service rendered by them?—There is one inspectress, whose duty it is to be present upon the arrival of foreign steamers, for the purpose of searching the persons of female passengers suspected of being engaged in smuggling.

106. What persons, if any, are allowed to board vessels with the boarding officer, and have access to passengers prior to the landing of passengers' baggage?—Friends of persons arriving, by obtaining a pass from either the collector or surveyor, signed by the former, are permitted to go on board the revenue tug, and from thence to the incoming steamer before her arrival at the dock. Persons having passes either from the steamship company or collector are permitted to go on the dock and meet their friends before the landing of their baggage.

107. Are due precautions taken to prevent the improper landing of excessive sea-stores found on board vessels from foreign ports, and is entry of such excessive stores required to be made in accordance with law?—Yes.

108. Are the rentals paid for buildings occupied for customs purposes as low as are paid for similar property used for private business?—With the exception of the building in the State Street block, leased from the Sears estate, used partially for the storage of bonded goods

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and partially for the appraiser's purposes, we believe the rents are as low as paid for similar property used for private purposes. The Sears building is contiguous to the public stores, and necessary for Government purposes. The rent paid for this building is $7,500 per annum, while similar stores in the same block are rented by private parties for $3,000 and $4,000. By using such portions of this building as are not needed by the appraiser's force for the storage of bonded merchandise, the Government receives for storage from $8,000 to $9,000 per annum.

109. Are the buildings so occupied as suitable for customs purposes as can be obtained at the port?—They are.

110. Is the custom-house used or occupied for purposes other than the transaction of the public business? If so, state by whom, in what manner, and by what authority is it so used or occupied.—A small portion of the rotunda, together with a comparatively useless room in the basement, are used, by permission of the collector, rent free, by Mr. Dolliver, as restaurants for the accomodation of the clerical force, under the supposition that the prices charged shall be in proportion to the expense incurred; but from what we learn, the prices in question are not in accordance with said expenses, thereby debarring the clerks from taking advantage of the accommodation intended.

111. When warehoused or unclaimed goods are stored in the custom-house or other building owned or occupied by the Government, are the full rates of storage customary at the port charged and collected upon such goods before delivery?—Yes.

QUESTION 30.

We find that, in respect to applications for the entry of merchandise on *pro forma* invoices, substantially the same carelessness exists at this port as at New York, to which attention was called in a report of the commission under date of August 5 of this year. An examination of all the *pro forma* invoices received here during the past year shows that, as a rule, little or no care has been exercised by the deputy collector in ascertaining the reasons for the non-production of a certified invoice, and in no instance do we find that an importer has been questioned under oath or required to produce letters or papers in his possession or under his control to assist the appraiser's officers in ascertaining the dutiable value of the merchandise, as provided by section 11 of the act of June 22, 1874. In many instances no oath of any sort was taken, the form of application not being filled out with even the date, character of the goods, name of the ship, or signature of the importer. One firm, engaged in the importation of kid gloves, appears to have entered a very large proportion of its goods on such invoices, and the fact that the certified invoices and triplicates covering such importations have generally been received within a few days after entry was made favors the belief that such certified invoices have, as a rule, been delayed purposely in order to evade a penal duty in case the value of the goods was advanced more than 10 per cent. by the appraiser.

The statement by Deputy Collector Munroe (pages 1 to 8 of the testimony herewith transmitted) will show in what manner this business has heretofore been conducted at this port. During the year 1884 there were eight hundred and eighty-four entries by *pro forma* invoices where the goods exceeded $100 in value.

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QUESTION 99.

The collector and other principal officers give their personal attention to the business of their respective offices when in attendance. The collector is at his office constantly during business hours, and this is also true of the appraiser, except that within the past few weeks he has been confined to his bed with sickness. The naval officer, until quite recently, has, as a rule, been present at his office five of the six working days of the week. He resides in New Hampshire, where he has usually spent one day in each week besides Sunday. The surveyor, as will appear from his own statement, (pages 128 and 129 of printed testimony,) has recently been absent from his office a very considerable portion of his time. This has been due to ill health, occasioned by serious wounds received in the war. We have been informed by the collector and others that these absences have been more frequent and cover a longer period of time than his testimony shows. It is to be regretted that he has been compelled to absent himself so much of the time. Were he able to devote the whole or even the principal part of his time to the duties of the office, the work might, as we believe, be reorganized so as to dispense with the services of the present chief clerk and assistant, who is now receiving a salary of $2,000. But this is by no means the most important consideration. Such absenteeism on the part of the chief officer not only necessitates the employment of an additional force, but is productive, by its example, of demoralization among his subordinates.

Collector's Department.—In the collector's office proper there is at present no more force than is necessary to properly perform the work of the office.

In the first division, having charge of the inward foreign entries for consumption, under the control of Deputy Collector M. A. Munroe, we find the force, with two exceptions, efficient and creditable, and not in excess of the requirements of the service. The exceptions are as follows: Mr. J. Duncan, one of the liquidating clerks, is of somewhat advanced age; has been in office twenty-five years; is very excitable, and easily confused, and his efficiency, which was once of a high order, has become considerably impaired. (See Deputy Collector Munroe's statement, page 13, printed testimony.) The efficiency of the force would be promoted by putting a younger and more capable man in his place.

Mr. J. L. Prouty, order clerk, has a very unsavory reputation as a borrower of money, which is never repaid. We learn that he borrows from importers and all others, indiscriminately, whenever he is able to do so. (See statement of Mr. Munroe, pages 14 and 15.) We believe that his example is pernicious; that his course reflects great discredit on the service, and that he should be replaced by a more exemplary officer.

The second or warehouse division, under the charge of Deputy Collector J. H. Barnes, is in excellent condition. The clerks are competent and faithful, and their work is performed in a most creditable manner. The only change we would recommend in this division is that the services of Mr. George W. Warren, storage clerk, be dispensed with, and the work of his desk consolidated with that of Mr. S. Hartwell, who can, without difficulty, perform the labor now done by himself and Mr. Warren.

In the third or navigation division, under the charge of Deputy Collector John L. Swift, there is more force than is required, and some of

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the clerks are inefficient or of objectionable habits. The work of J. R. Withington's desk can easily be performed by W. H. Collins, in addition to his own, and the services of Mr. Withington dispensed with. In that case, Mr. Collins's salary should be increased to $1,800 per annum. The work now performed by Frederick Grant (license and enrolment clerk) and William Devens can easily be done by Mr. Devens, and the services of Mr. Grant dispensed with. In that event we would recommend that Mr. Devens's salary be advanced to $1,400 per annum. The work now performed by E. W. Lane and H. E. Stewart, statistical clerks, can be done by the latter, except the keeping of the "index-book of clearances," which should be transferred to Mr. Collins's desk, where it properly belongs, and the services of Mr. Lane dispensed with. This will reduce the expense of this division $4,000 per annum, without impairing the efficiency of the force.

In the auditor's office we find the work to be carefully and promptly done, with as small a force as possible. The auditor, Mr. Frederick Grant, is one of the most reliable and efficient of officers. In this office there is a vacant clerkship of $1,200 per annum, which the auditor says can remain vacant without detriment to the service. A debenture clerk and assistant were several years since placed in this office by the collector, and said debenture clerk (L. M. Barker) designated as chief clerk of the office, at a salary of $2,000 per annum. We are of the opinion that the compensation of this officer should be only $1,800, as his duties are simply those of "debenture clerk," and his designation of "chief clerk" only operated to increase his salary without adding anything to his duties, and no chief clerk is needed in this office. A saving of $1,400 per annum can be effected in this office by allowing the clerkship now vacant to remain so and reducing the salary of the debenture clerk as recommended.

The Naval Office.—While we find that the business of this office is generally well conducted, and that its work results in great benefit to the service, through the discovery and correction of errors in liquidations, and as a wholesome check upon the collector's office in many other respects, we are constrained to believe that the force employed is somewhat excessive. At our suggestion, the keeping of the daily record of rewarehouse entries, No. 857, has been dispensed with, as all the necessary information contained therein is found in other records of the office. By consolidating the work of other desks, which, from personal examination and from the expressed opinion of some of the most experienced clerks in the office, we believe to be practicable, the services of one clerk at least may be dispensed with. We only hesitate to recommend a still further reduction through fear that it might result in retarding the business of the public. The clerks in this office are generally faithful and efficient. We are advised by the naval officer that he considers Frederick S. Powers inefficient and in a measure unreliable; and we therefore recommend that his services be dispensed with. This will result in a reduction of expense of $1,600 per annum. We made particular inquiry as to the officers and employés in this department, which inquiry fully sustains the character of all except two, to wit, Mr. Powers, above mentioned, and Charles Robinson, a liquidating clerk. As to the latter, the naval officer stated that he had reason to believe that he occasionally partook of intoxicating liquors to excess, but not during office hours nor when engaged in public business, and that his habits did not impair his ability to efficiently discharge his duties. In fact,

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he said of him that he was remarkably accurate, intelligent, and industrious, with especial capacity for despatch, and a thorough familiarity with the law and regulations, and thoroughly reliable.

The Surveyor's Office.—We are unable to recommend any reduction of the force employed in this office, except as will be suggested further on in this report in connection with the reorganization of the weigher's force. Should our recommendation on that subject be adopted, the services of Charles H. Gray, admeasurer of vessels, can be dispensed with and his work transferred to John T. Hadaway, now employed in the examination and verification of dock-books and weighers' returns. Mr. Hadaway was formerly admeasurer of vessels, and is one of the most reliable and efficient clerks in the custom-house. In the force employed under the direction of the surveyor, however, we believe that a change of organization is imperatively demanded in the interests of economy and efficiency, and we therefore make the following recommendations:

1. As to inspectors: At present there are eighty-four inspectors of customs, thirty of whom are distributed into twelve districts, and only fifty-four are available for general duty. The result of this system of districts at this port is that a large portion of the force of inspectors is permanently located in the several districts, whether their services are needed there or not, and it frequently happens that, while the work in some of these districts is greater than can be properly attended to by the officers employed there, the officers in the other districts have little or nothing to do. Under the existing system, these districts are used as harbors of refuge for such of the inspectors as are feeble, incompetent, or from any cause incapacitated. The work, during the greater part of the year, in some of the districts is scarcely more than nominal. We are of the opinion that the force of inspectors can be far more efficiently utilized from one central point. The necessity for the services of inspectors at any particular locality in the port is always known to the surveyor or his deputy, and the force should be distributed from his office as occasion demands. It will be found necessary, no doubt, to permanently station inspectors at a few points, such as wharves or depots where bonded merchandise is constantly being received or transferred, or goods laden on which a drawback is claimed; but, aside from this, all inspectors should be under the immediate control of one head. By the abolition of the district system the force of inspectors can be reduced from eighty-four to seventy-six, and its efficiency at the same time greatly increased. The surveyor, in his testimony herewith transmitted, (pages 77 and 88,) gives the names of eight inspectors who, from various causes, are not competent to discharge the general duties of their office, but have been for the most part transferred to districts. It will be observed that the deputy surveyor in his testimony (pages 167–180) makes substantially the same statement and names the same officers. From the statements of the surveyor and his deputy, it appears that most of these officers, so named by them as inefficient, have lost their health in the performance of their duties after years of faithful service, or through wounds received in the Army. The names of these inspectors are as follows: N. H. Brown, Aaron Barton, G. A. Brown, Geo. A. Butler, Henry B. Going, Geo. W. Barker, E. S. Buffum, Joseph E. Dawley.

In addition to the eight inspectors above named, the surveyor and assistant surveyor mention the following as inefficient for substantially the same reasons: Elbridge Harris, Ethan C. Ring, and Andrew Tower;

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and we would recommend that they be replaced by more efficient men. This reorganization will result in a reduction of salaries amounting to $11,680 per annum.

Night-inspectors: The force of night-inspectors was reduced from forty-two to twenty-five upon a recommendation of a commission that examined the custom-house in October, 1882. That commission further recommended, as an improvement in the efficiency of the force, that twelve of these night-inspectors be detailed to act in a detective capacity, under the direction of the captain of the night-watch, conducted as the detective force of the city is conducted. On May 26, 1883, the collector, by direction of the Department, submitted a plan for such reorganization. This plan contemplated twenty-five night-inspectors, without reference to the detail of the twelve men for detective duty as suggested by the commission. On October 22, 1883, the collector, without any further conference with the Department, so far as we can find from the records of his office, directed the surveyor to detail twelve night-inspectors, whom he named, to report for duty to Special Inspector Emery. The surveyor, in a letter of the following day, reported that he had detailed the twelve men as directed, but reminded the collector that night-inspectors were by the regulations subject to the orders of the surveyor, and inquired whether these men, so detailed, were entirely withdrawn from his control. This letter of the surveyor was, on the day of its receipt, forwarded to the Department by the collector, who, in his letter of transmission, requested that the designation of these officers be changed from "night-inspectors" to "detectives." The Department, in its reply of October 31, 1883, stated that it knew of no objection to a detail of the employés named for the purpose of performing the special duty indicated, but declined to accede to the collector's request to change their designation. We find that those twelve men have not been employed in the manner contemplated by the commission, but, on the contrary, that they have, as a rule, been employed during the *day*, and not at *night*, and have been permanently assigned to routes or districts, one of the features formerly reported as most objectionable. More or less friction has occurred between these men and the day officers, arising, undoubtedly, from the understanding that the latter were under surveillance. Without discussing the propriety of employing one officer to observe and report to his superiors the official conduct of another, or the benefits that may have resulted from the change, (about which there is some diversity of opinion among the members of this commission,) we are unanimously of the opinion that the recommendation of the commission of 1882 should be carried out, and that the collector should be instructed to direct the surveyor to place these officers under the supervision of some competent chief, who should report to the surveyor, and that such force, so organized, should, in the work of detecting and preventing smuggling, be operated from one central point and be employed at night, and, as the necessities of the service may require, in the daytime. We believe that by such a method much more good may be accomplished than by the employment of a much larger number of officers upon regular routes or districts, and with established hours of service. Both these and the day-inspectors should be given to understand that the object of their services is a common one, and that they should seek by all reasonable means in their power to aid and assist each other. We would suggest that Inspector Emery, whom we find to be a very efficient and competent officer, be left with the collector for such special service as may

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be necessary, and that Inspector Linehan, of the night force, be put in charge of that portion of the night force thus returned to the surveyor.

2. As to weighers: At present there are three weighing districts at this port. Each of these districts is under the charge of a weigher, at a compensation of $2,000 per annum, who has control of the assistant weighers assigned to the district. Here again, as in the case of the inspectors, it frequently happens that the force in one of these districts is overworked, while in another there may be little to do. From a careful investigation of the subject, we believe that greater economy and efficiency can be secured by abolishing these districts and placing the whole force under the charge of one weigher, and that his compensation be fixed at $2,500 per annum, in view of the increased responsibility. This should be done for substantially the same reasons as those set forth in respect to the inspector's force. The force of weighers now employed here is as follows:

Three weighers, at $2,000 per annum	$6,000 00
Three assistant weighers, at $4 per diem	4,380 00
Fifteen assistant weighers, at $3.50 per diem	19,162 50
Fourteen assistant weighers, at $3 per diem	15,330 00
Total	44,872 50

The three weighers have the general superintendence, each in his own district, of assistant weighers, the employment of laborers, care of weighing implements, and making returns of weight. The three assistant weighers, now employed at $4 per per diem, do very little weighing, but have their time occupied in looking after or superintending the other assistant weighers. Under the system proposed by us, and approved by many of the most intelligent and practical officers at this port, only one chief weigher would be required for the general supervision of the force, the employment of laborers, custody of implements, and supervision of returns. It would be advisable, on account of the geographical situation of this port, to retain some features of the present district system, so that one of the assistant weighers of the highest grade should be held responsible, under the general supervision of the chief weigher, for the accuracy of all weighing, the safe-keeping of implements, &c., in each of the present districts; but all other assistant weighers should receive their orders directly from the chief weigher, whose office would be in the custom-house, and who could, from that central point, distribute his force more intelligently and effectively than is possible under the present system. Under the proposed change of organization, the number of assistant weighers can, without impairing the efficiency of the force, be reduced from thirty-two (32) to twenty-one, (21.) As the work of an assistant weigher is more laborious than that performed by an inspector, and requires as high a degree of intelligence, we would recommend that the compensation of the three assistants who are to act in a supervising capacity be fixed at $1,600 per annum, and the others at $4 per diem. The force would then be constituted as follows:

One weigher	$2,500 00
Three assistant weighers, at $1,600	4,800 00
Eighteen assistant weighers, at $1,460	26,280 00
Total	33,580 00
Amount now paid	$44,872 50
Amount under proposed organization	33,560 00
Amount saved per annum under proposed organization	11,292 50

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At present there is a clerk employed in the surveyor's office, at a salary of $1,700 per annum, whose duties consist in examining and verifying the correctness of the weighers' dock-books and returns. In the event of the reorganization of the weighers' force as recommended, we would advise that the work now done by him be performed by a chief clerk of the weighers' office, whose duties should also consist in supervising the clerical work of that office.

Of the present chief weighers, Mr. Parks is the most competent, all things considered, to assume charge of the force of assistant weighers in case of the proposed reorganization; but the man who, of all others, is peculiarly fitted for the position, both by natural qualifications and experience, is Mr. A. A. Sherman, recently promoted from a clerkship in the surveyor's office to gauger. Mr. Sherman was for many years an assistant weigher, and has been for six years past employed in the surveyor's office examining and verifying the dock-books and returns of weighers. He has during that time had a supervision of the weighers' force, and has, in our opinion, a more thorough knowledge of the workings of the force, and more practical business sagacity, than any officer in the weighers' and gaugers' department at this port with whom we have come in contact.

We feel that we should be falling short of our duty if we failed to call special attention to the condition of the surveyor's department at this port. The surveyor, Gen. A. B. Underwood, whom we believe to be a thoroughly conscientious gentleman, of the strictest integrity, is, by reason of his physical infirmities, compelled to be absent from his office a great portion of the time, thus preventing him from giving the personal attention necessary for the efficient conduct of the office. Mr. Moulton, the deputy surveyor, who is a most estimable man, of the highest standing for honesty and integrity, is, however, lacking in executive ability, and possessed of but little natural adaptation for the duties of his office. The chief clerk and assistant to the surveyor, Mr. John A. Thomas, is, as we learn, in the habit of borrowing money and purchasing goods apparently without intending or endeavoring to pay. This, in many instances, is susceptible of proof, and among the sufferers are, as we are credibly informed, a Government truckman, an inspector of customs, and others dependent upon him for official favor. This is notorious in the surveyor's office, as well as is the fact that he has, at times, left his desk to dodge his creditors; at one time for two hours together. The discredit brought upon the service when an officer in the receipt of a high salary borrows money or incurs debts, especially from subordinates, which he does not intend to pay or does not pay, is too apparent to require discussion. It is evident that the management of the office under such principal officers is not efficient and is calculated to demoralize the force.

Appraiser's Office.—The law provides that at this port, as well as a few others, there shall be two appraisers. Until recently there have been two here; but at present, through the death of Mr. Darrah in the early part of this year, there is only one, Mr. Rice.

We believe that the policy of appointing two appraisers of equal and concurrent authority at one port is an erroneous one. It inevitably leads to a divided responsibility and a conflict of authority, just as the appointment of two captains to one ship or two generals to one army would do.

We can see no reason why there should be two appraisers at Boston,

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Baltimore, Philadelphia, San Francisco, and New Orleans, while New York, where the greater portion of the revenue from imports is collected, has but one, and think the attention of Congress should be called to this matter.

We would recommend that the vacancy now existing in one of these offices here should be allowed to remain, as has been the case at Philadelphia and New Orleans for many years, and that an additional assistant appraiser be appointed, at a compensation of $2,500 per annum.

We regret to state that the health of Mr. Rice, the remaining appraiser, has, since our investigation began, been in such a precarious condition that we have not been able to confer with him in regard to the affairs of his office. There are two assistant appraisers, Mr. Joslin and Mr. Jones.

The former has heretofore exercised a supervision over the examiners of dry-goods, and has, in addition, performed the work of the examiner.

His record is a most creditable one, and he is an officer of marked ability, integrity, and energy. Assistant Appraiser Jones has had supervision of teas and cigars, and has made all examinations for damage allowance, except on sugar. An examination of the records of the custom-house convinces us that serious faults exist in the methods pursued by Mr. Jones in respect to damage allowances, as follows: His returns are frequently delayed, especially on certain classes of goods. This undoubtedly results, in part, from the great number of claims upon which he has to pass, in addition to his other duties, which are largely increased at this time by reason of the death of one of the appraisers and sickness of the other. In a majority of cases he makes an average allowance covering the whole quantity upon which a warrant has been issued, which is in violation of article 490 of the Regulations of 1884. In one instance we find that an allowance of 100 per cent. on a case of glass goods of small value examined at the importer's store was clearly excessive, but an investigation convinces us that it was due to the fact that the importer's packers placed in this damaged case broken articles from other cases of the same invoice not covered by the damage warrant, and that Mr. Jones failed to discover this fact. Mr. Jones is a man of ability and courage in the discharge of his official duties, and, so far as we can learn, is of the strictest integrity. He was formerly a wholesale tea merchant, and his knowledge of that commodity as well as general merchandise is of the highest order. He lacks method, however, in the management of his office, and, in certain classes of goods, relies rather too much, in our opinion, on the results of the auction or private sales of damaged goods as reported to him by the auctioneer or merchant, instead of exercising his own judgment and expert knowledge.

A few years ago Mr. Jones's intemperate habits led to a complaint to the Department, and an investigation by the special agent in charge at this port. It was found that Mr. Jones had reformed in this respect, and, aside from rumors as to an occasional lapse from sobriety out of office-hours, we can find no evidence that Mr. Jones is now an intemperate man, or that his habits interfere with the discharge of his duties. His manners are somewhat curt and sometimes discourteous, so that some of his associates are reluctant to come into personal contact with him. Examiner Grafton is a most estimable gentleman, but he is well advanced in years, his mental processes are slow, and his efficiency as an examiner is very limited. He examines dress-goods, and for many

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years, as we learn, has made no advances in the values of such goods, though other examiners, of substantially similar merchandise, have advanced numerous invoices. In the examination of dry-goods, it is of vital importance to secure the services of the best talent attainable, and we would, therefore, recommend the removal of Mr. Grafton, and substitution of a younger and better qualified officer.

With the foregoing exceptions, we find the officers connected with the appraiser's department intelligent, faithful, and zealous. Our examination convinces us, however, that the proper dispatch of business, and economy of time, requires the services of at least five additional openers and packars to enable the examiners to work to advantage. At New York it has been found that at least two openers and packers are required by an examiner of dry or other package goods to facilitate business. Here there are ten examiners of such goods, and only eleven openers and packers. Three openers and packers are now urgently needed in the dry-goods room, one by the examiner of crockery and another by the examiner of fancy and miscellaneous goods. We, therefore, recommend the appointment of five additional officers of this grade, at a compensation of $840 per annum.

Much complaint has been made by the importers concerning the enforcement of the regulations governing the delivery of examination packages. We find that for many years past the practice here has been substantially the same as it was at Philadelphia prior to Synopsis, 7047; and, as will be seen elsewhere in this report, there remains over $20,000 of uncollected duties at this port, and the fact that this remains uncollected is largely due to the disregarding of the regulation above referred to. Many of the importers think their business will be seriously interfered with by a strict enforcement of the regulations.

We are, however, of the opinion that they are in a great measure unnecessarily alarmed, and that instances of hardship on this account will be of rare occurrence, and could be avoided if the collector is authorized to exercise a reasonable discretion as to the delivery of examined packages; as, for instance, when various descriptions of merchandise are embraced in an invoice and a change of rate or an advance in value is to be reported as to a portion of the merchandise only, if there is no reason to suspect a fraudulent intent, and if the importer is known to be of good character and of undoubted responsibility, should the hardship that would be likely to result from the detention of all the packages under the regulations appear to be such as would warrant especial consideration, the collector might permit the delivery of those packages as to the contents of which no change or advance is reported at once upon receiving the partial report of the appraiser to that effect. Aside from this, we cannot recommend any modification of the regulations that would be practicable and at the same time safe.

In the closing hours of our examination our attention was called to what we fear, on such investigation as we have been able to make, may have been an act of injustice towards a worthy, honest, and efficient officer. It appears that in May, 1882, Assistant Weigher John McCarty was suspended from office by the surveyor, as the result of an investigation made by that officer in the absence of Mr. McCarty, and shortly afterwards discharged from the service by the collector. The grounds of this action was the alleged careless and unfaithful weighing of sugar by Mr. McCarty at the Standard Refinery in this city, and the testimony was mainly that of laborers who had been working with Mr. McCarty, and

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who were unfriendly to him because he had overworked them, as they believed. After his suspension, Mr. McCarty appears to have demanded the fullest and most searching investigation into his official conduct, but such an investigation was never accorded him. As soon as the facts in the case came to our knowledge, we sent for McCarty, and learned from him many facts of interest to the Government. He feels keenly the disgrace put upon him by the action of the surveyor and collector, and has been sadly broken down by it. As the result of our interview with him and our subsequent inquiries, we are impressed with his honesty and ability, and believe that he is in possession of facts that would be of immense value to the revenue, but which he feels at liberty to make public only in connection with his own vindication. In view of these facts, and for the reason that we have not the time to investigate this matter, we recommend that an investigation of Mr. McCarty's case be ordered by the Department.

After the investigation had been closed and arrangements made for departure, information came to us that Assistant Appraiser Jones had borrowed money from an importer and had been in the habit of collecting money from importers to defray the expense of carriage-hire and fare when called to make examination in distant parts of the port or in places outside the port.

The truth of this statement is admitted by Mr. Jones, and also the fact that $5 was so received by him in December last, and $3 in May last, in cases as to which the merchandise (machinery) has not yet been examined.

This matter is left with the resident member of the commission to examine into fully and report upon.

Compensation.—The salaries paid to the clerks in the warehouse division are not in all instances commensurate with the services performed or required.

From a careful examination of the work, we are of the opinion that the salary of Mr. S. Hartwell is excessive, and that it will still be excessive if to his present duties are added those of the storage clerk, Warren, as recommended. We do not consider Mr. Hartwell a very efficient clerk. He is a man of high literary attainments, but is not well calculated for clerical work. His salary is $1,600 per annum.

Wm. W. Castle, one of the most efficient clerks, is employed in a difficult and laborious work, at a compensation of only $1,000 per annum.

The compensation of Geo. W. Miller, one of the most accurate liquidating clerks, is inadequate. He receives now $1,400 per annum.

The compensation of C. F. Stanwood is also inadequate. His present salary is $1,200 per annum, while A. B. Stearns, another storage clerk, receives $1,600 per annum, although the work of his desk is but little more difficult or important.

We would respectfully recommend that the compensation of Mr. Hartwell be changed from $1,600 to $1,400 per annum, and that an increase in compensation be made, as follows: Wm. W. Castle, from $1,000 to $1,200 per annum; Geo. W. Miller, from $1,400 to $1,600 per annum; and C. F. Stanwood, from $1,200 to $1,400 per annum. Considering the duties performed by the following-named clerks in the naval office, we are of the opinion that their compensation should be decreased, as follows: Tristram Talbot, assistant liquidating clerk, from $1,800 to $1,600 per annum; Geo. S. Shute, book-keeper, from $1,600 to $1,400 per annum.

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We have already recommended a reduction of $200 per annum in the salary of L. M. Barker, at present designated as chief clerk and debenture clerk in the auditor's office. The compensation of Examiner C. W. C. Rhoads, in the appraiser's office, should be increased from $1,600 to $1,800 per annum. This advance, we understand, was contemplated by the commission of 1882, and its propriety is recognized by the appraiser and assistant appraiser, as well as by this commission.

For the services rendered by John A. Thomas, in the surveyor's office, made necessary, as we have said, by the absence of the surveyor, we think that $1,800 per annum is ample compensation. We recommend a reduction, in his case, of $200 per annum.

There are permanently employed at this port thirty-four laborers, at a compensation of $2 per day, of whom six are assigned to the running or conducting of the elevators at the appraiser's stores, and five are permanently detailed for other service, as will be seen by answer to Question 37. We would respectfully recommend that the laborers detailed to conduct the elevators be designated as "elevator-conductors," and that those permanently detailed as clerks, messengers, &c., be designated in accordance with the work that they actually perform, and that the remainder be designated as porters.

We would also recommend that, in consideration of the increased risk in the service of the elevator-conductors over that of the others, the compensation of the former be made $2.50 per day, as at New York.

The reason for the recommendation as to the change of designation of the laborers permanently detailed to other duties is too apparent to require comment.

The purpose in recommending a change of the designation of the remainder is to distinguish them from laborers employed by the hour, who are naturally of an inferior grade, and to more correctly designate their services, and *especially* to place them where we believe they of right belong—that is, among those who now receive the customary fourteen days' leave of absence.

Saving in expense of salaries recommended.

By reducing the force:	
Geo. W. Warren, clerk, warehouse division	$1,200
J. R. Withington, clerk, navigation division	1,800
Frederic Grant, clerk, navigation division	1,400
E. W. Lane, clerk, navigation division	1,400
Fred. S. Powers, clerk, naval office	1,600
Service of eight inspectors dispensed with	11,620
Reorganization of the weigher's department	11,290
By reducing salaries:	
L. M. Barker, clerk, auditor's office	200
John A. Thomas, clerk, surveyor's office	200
S. Hartwell, clerk, warehouse division	200
Tristram Talbot, clerk, naval office	200
George S. Shute, clerk, naval office	200
Total	31,370

Increase recommended.

Five additional openers and packers, at $840 each	$4,200
Increase in compensation of W. H. Collins, clerk, navigation division	200
Wm. Devens, clerk, navigation division	400
C. W. C. Rhoads, examiner, appraiser's division	200

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W. H. Castle, clerk, warehouse division	$200
Geo. W. Miller, clerk, warehouse division	200
C. F. Stanwood, clerk, warehouse division	200
Increase in compensation of elevator-conductors, about	900
Total	6,500
Total decrease recommended	$31,370
Total increase recommended	6,500
Net decrease in expenses recommended	24,870

The stenographer's report of testimony taken by us is herewith enclosed.

Respectfully submitted-

N. W. BINGHAM,
Special Agent.
H. WHEELER COMBS,
U. S. General Appraiser.
B. H. HINDS,
C. H. LAPP,
Special Agents.

No. 2.

OFFICE OF SPECIAL AGENT, TREASURY DEPARTMENT,
New York, October 30, 1885.

SIR: In obedience to instructions contained in Department letter of the 26th instant, directing us to report the result of our investigation at the appraiser's store at this port, and thereupon proceed to our respective stations, we have the honor to report that since our return from Boston, on the 14th ultimo, a large portion of our time has been consumed in investigating matters referred to us by the Department, but not included in our original instructions, and in rendering such assistance to the appraiser and general appraiser as they have from time to time required of us.

Our investigation of the methods and *personnel* of the appraiser's office has extended to nearly all the divisions in a general way, but has been more particularly confined to the first (or damage) division, and on that alone we are prepared fully to report at the present time.

Our examination of the methods and system of transacting the public business in this division has been as thorough as possible. We have not only called before us and carefully interrogated the assistant appraiser and each of the examiners as to the manner in which business is conducted and the methods resorted to for estimating and ascertaining the measure of damage, but we have made a personal inspection of the records of the office, and have, in some cases, accompanied or followed the officers at their work to acquaint ourselves with the absolute facts as to their ability and faithfulness. In addition to this, we have made diligent inquiry as to the reputation for ability and integrity of all the examiners connected with this division.

When the present Appraiser, Mr. McMullen, assumed the duties of

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his office in April last, there were *twenty-one* examiners in the first division; but by a judicious weeding-out process under his immediate direction, the number has been reduced to *thirteen*, and no embarrassment to the prompt transaction of public business has resulted.

The force now employed in the first division, exclusive of clerks, messengers, and openers and packers, is as follows: D. J. Moore, assistant appraiser; Jas. Freed, in charge of personal effects; W. H. Maxwell, in charge of sample-room; Jas. McLaughlin, in charge of packed packages; Fred'k Cochen, in charge of wharf examinations and free goods; J. W. Jones, damage examiner; L. P. Bostwick, damage examiner; C. H. Townsend, damage examiner; G. W. Pratt, damage examiner; J. T. Hathorn, damage examiner; J. A. Sherer, damage examiner; Rodney Smith, baggage examiner at wharf; Jas. E. Welch, baggage examiner at wharf; John W. Corning, baggage examiner at wharf; A. R. Bonfield, sampler at wharf; J. A. Guischerdt, sampler at wharf.

The goods examined in this division are as follows: Free goods on wharf and in store, consisting chiefly of hides, skins, &c., personal effects, passengers' baggage on shipboard or in public store, packed packages containing various kinds of goods for various parties, sample packages and samples of all kinds, goods damaged on the voyage of importation, all seized goods, and all unclaimed goods.

As the result of the most thorough investigation in the manner already referred to, we feel warranted in stating that, with one, or possibly two, exceptions, to be hereafter alluded to, the employés in this division are men of ability and integrity, and that the methods adopted for the transaction of business are proper and legitimate.

Assistant Appraiser Moore, with whom we have conferred, and who is an able and painstaking officer, speaks of these employés, with the exceptions above noted, as gentlemen of superior qualifications and trustworthiness. The exceptions referred to are Examiners Cochen and Welch. Certain rumors affecting Mr. Cochen's integrity came to us early in our investigation of this division, and Assistant Appraiser Moore informed us that similar rumors had from time to time reached him. On further investigation in other directions, we learned the following facts concerning Mr. Cochen: He was suspended from office January 2, 1883, on charges that he had accepted bribes in returning excessive damage-allowances. At the March term of court for 1883 he was indicted for accepting a bribe to return an excessive allowance for damage on a cargo of potatoes imported into this port by A. T. Heney & Son, on the steamship "Viking," in April, 1882. He was at the same time indicted for removing from the custom-house without authority and altering a damage warrant covering an allowance on another lot of potatoes, imported on the steamship "Crest" in April, 1882. It appears that an allowance of 50 per cent. had been made on a portion of this cargo by Mr. Cochen, and that, after the warrant had been regularly returned to the collector, it was in some irregular and surreptitious manner removed from the custom-house.

We learn that the original warrant was not removed from the custom-house by Mr. Cochen, and that on a duplicate warrant, subsequently issued by the collector, the original having been lost or destroyed, Mr. Cochen returned a damage of 100 per cent. on a portion of the cargo, based on a certificate issued by the board of health of this city, to the

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effect that the potatoes had been condemned and destroyed by their order.

On the indictment for removing and altering public records Mr. Cochen was tried and acquitted at the May term of 1883.

On the indictment for accepting the bribe in the case of the damage allowance on the potatoes imported, by A. T. Heney & Son, in the steamship "Viking," a *nolle prosequi* was entered by the district attorney. The charge upon which this indictment was found was made by George T. Heney, son of Mr. A. T. Heney, in an affidavit taken by Mr. Charles N. Brackett, then a special agent of the Treasury Department. A copy of the affidavit is herewith enclosed, marked Exhibit "A." This affidavit was supplemented by one from Gregory Burke, an employé of the Heneys for occasional service as messenger. A copy of said affidavit is enclosed, marked Exhibit "B."

In respect to the $100 claimed by young Heney to have been given to Cochen at the store, and the $200 claimed to have been sent in a letter, there is a flat contradiction between the two parties. We had a long interview with Heney on this subject, and, from his appearance and statements at that interview, as well as from his reputation, as we gather it from other parties, we would be inclined to place very little confidence in his affidavit.

As to the $85 which Heney states was sent to Cochen by the messenger, Burke, we find that the money was drawn from the bank by young Heney, on a check made payable to "Cochen or bearer." The original check is now in the district attorney's office, with the other papers in the case. Cochen claims that the check was so drawn by Heney to deceive his father as to the intended use of the money, and that Heney probably kept it himself.

We were informed at the district attorney's office that this indictment was "*nolle prósequied*," because it was ascertained that there was no evidence to substantiate the charges.

The suspension of Mr. Cochen from office was revoked in July 27, 1883.

We were informed by merchants who examined the potatoes imported, per steamship "Viking," before they were landed, that, in their opinion, the damage allowance was not excessive, and, indeed, was not equal to the *actual* damage.

We called upon Messrs. Woodworth & Son, commission merchants on Fulton street, near Water, and ascertained from them that prior to the arrival of the vessel they had conditionally agreed to handle the potatoes upon commission, but after examining them they declined to do so, as they were in such a bad condition that they would not advance the freight and duty.

A Mr. John E. Stowe made an offer for the cargo of potatoes which, although less than the freight and duty, was accepted as being the best obtainable, and the consignor lost the whole of the original value, which was about $27,000.

The damage allowed by Cochen was about 47 per cent. on part and less than that on the residue.

We have been thus particular in inquiring into the facts concerning these transactions on account of the notoriety they obtained at the time, and the suspicions they created as to Mr. Cochen's integrity.

While we are unable to determine that Mr. Cochen was guilty of any official misconduct, we nevertheless believe, in view of the opinion en-

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tertained and expressed to us by Assistant Appraiser Moore and other officials, that his further retention in office may be prejudicial to the good of the service.

We have carefully investigated the official conduct of Mr. Welch, about whom some rumors had come to Assistant Appraiser Moore, and find that he is an officer against whose official conduct nothing discreditable is known, though vague rumors, which appear to have been inspired by personal feeling, have from time to time been circulated concerning him. Appraiser McMullen, who has also investigated this matter, confirms our view.

In making our investigations into the methods of conducting the public business in this division, we learn that where merchandise, particularly when entered as "free of duty," is ordered to be examined on the wharf, it frequently happens that all the packages have been delivered to the importer before the examiner or his sampler can get to the wharf to examine the goods or take samples. There is only one examiner and two samplers to attend to the "wharf examinations" of goods entered "free of duty" at this port.

The number of invoices received at the appraiser's office, covering such goods entered free of duty, will average from fifty to sixty per day. The wharves at which these goods are discharged are located on both the Hudson and East rivers in the city, along the Brooklyn and New Jersey water fronts, and at many of the islands in the bay and harbor. The invoices, in the usual routine of business, do not reach the examiner till late in the next day after entry; and we are informed that discharging inspectors have no orders to retain the goods on the wharf, except in the case of live animals. The bare statement of the facts will show that it is a physical impossibility for *three* officers to make so many examinations at points so far apart. It is not the practice at this port for the "ordering deputies," in cases of wharf examinations, to note on the invoice the wharf at which the goods are to be discharged, and, except in the case of goods arriving by regular steamship lines, it becomes necessary for the examiner or sampler to ascertain through brokers, newspapers, or other available channels, when his services are required. Sampler Bonfield informed us that he had in his possession a large number of invoices covering goods imported in sailing-vessels from the British Provinces, and entered free of duty, and that, after searching some weeks, he had been unable to ascertain where such goods had been landed. Even the district inspectors, to whom he had applied for information on the subject, had no knowledge concerning the unlading of these vessels. There is certainly something radically wrong about such a system of doing business, and the door is open to frauds upon the revenue.

Article 137 of the Manual of Laws and Regulations for the guidance of customs inspectors, weighers, &c., issued in 1883, provides that "the *inspector* shall examine each and all of the packages, and if they are found different from or of greater value than is described on the permit, he shall retain possession of the packages," and report the facts to the surveyor; but at this port we learn that it is impracticable for the *inspector* to perform this duty, in addition to his other work, even if he were a judge of values, and sufficiently familiar with the provisions of the tariff laws, to distinguish free from dutiable goods.

The result of the insufficient force of examiners and samplers for

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such goods, and the absence of any regulation requiring inspectors to retain possession of them until they can be properly examined or sampled by the appraising officers, is that many invoices are returned to the collector with the indorsement "goods not found," and then begins a long search for them, at the importers' store or elsewhere.

This condition of things is not confined to free goods coming under the first division, but we learn that similar troubles are experienced by examiners and samplers in other divisions, where *dutiable* goods are ordered to be "examined on the wharf."

We believe that wharf examinations ought to be avoided whenever the goods are of such a character as to make the removal of examination packages to the public stores practicable, and we would recommend that inspectors be ordered, in all cases, to retain possession of goods on which wharf examination has been ordered, until the appraising officers have examined or sampled them.

To make such a regulation practicable, it will be necessary to somewhat increase the force of samplers; but even *that* is preferable to the present loose system of doing this work.

We had designed conferring with the collector and surveyor on this subject, but our limited time does not render this course practicable.

It had come to our attention that very considerable differences exist between the several large ports in the classification for duty of sugar by means of the polariscope.

Between the ports of Boston and Philadelphia, for instance, we found variances of two and three degrees on sugars from the same plantation and of the same mark.

On a large cargo this would result in a difference in duties of from $3,000 to $5,000. We had submitted test samples of sugar to the appraisers at the ports of New York, Boston, and Philadelphia, and were hoping to ascertain the cause of these variances and secure harmony at the various ports in the polariscopic results. We beg to commend this important matter to the serious attention of the Department.

We had also made inquiry into the discrepancies between the large ports in the matter of the value and classification of foreign wools—particularly those known as "Donskoi wools"—and were in communication with the officials and reputable importers at the large ports on this subject. We have learned enough to convince us that gross undervaluations at all the ports have existed for years, through a misapprehension on the part of the customs officials of the true value of the currency on which the traffic is actually based.

These wools are entered as "washed wools," valued at less than 12 cents per pound. A chemical analysis was made at the laboratory connected with the appraiser's office, and the chemist reports that they are "*scoured* wools." This subject is now being carefully investigated by the appraiser of this port.

We have discovered diffcrences in classification between the several ports on some lines of goods and have called the attention of the proper officers thereto. Some of these errors have been corrected, and others doubtless will be in the near future.

In addition to the foregoing, we had received from various importers and others charges, both verbal and written, affecting the official conduct of several of the employés in the appraiser's office at this port. On these we were suspending action until, in our investigations, we

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reached the divisions in which these officers were located. We have left these charges with Special Agent Hinds, who has been directed by the Department to remain on duty at the public stores.

At this port, both before and since our visit to Boston, the work of this commission has, from time to time, been temporarily retarded by calls made on some of its members, for various pressing emergencies, by the general appraiser and the appraiser of the port. While regretting the delay to the work strictly within the scope of our instructions, occasioned by such interruptions, we nevertheless realized that the matters thus brought before us were important, and therefore yielded to the wishes of the officers referred to in giving to such subjects the consideration requested.

We desire, in closing our labors, to acknowledge the uniform courtesy with which we have been treated by the customs officials with whom we have come in contact, both at this port and Boston, and the readiness with which they have adopted any suggestions tending to promote the efficiency of their force or add to the security of the revenue.

Very respectfully, your obedient servants,

H. WHEELER COMBS,
General Appraiser.
B. H. HINDS,
C. H. LAPP,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

[Enclosure.]

A.

Geo. T. Heney, being sworn, deposes and says: I am now engaged in the commission business with my father, Mr. A. T. Heney, 25 Coentie's Slip, New York. I remember a consignment or 48,000 bushels of potatoes, which arrived at this port, *via* steamship "Viking," during the month of April last. They were entered by me on the 15th of said month. I made an application for damage allowance on the date of entry. A day or two subsequently I called at the appraiser's stores and learned that the appraisement of said cargo of potatoes had been assigned to Examiners Frederick Cochen and D. W. Smith. Several days subsequent to my visit to the appraiser's stores, Cochen called at my office in Coentie's Slip, and, in reply to my inquiry as to why he had not made his return of the aforesaid cargo, he replied that he had so much to do, having several other cargoes, and that I could not expect him to work for nothing. I then handed Cochen a one-hundred-dollar bill, which was in an envelope; he, taking it from the envelope and looking at it, remarked in a sneering manner, "That is a very small amount," but put it in his pocket. After the aforesaid visit of Cochen, I called at the public stores repeatedly to learn whether his return was in or not, but without success.

On or about the 16th of May last, Cochen called at my office and said that he wanted five hundred dollars, intimating that when he received that amount he would complete his return on said cargo. I demurred at this, and told him I did not think I could give him so much, as the parties abroad, in my opinion, would not stand it. Several days having passed by without my hearing from Cochen, or that he had as yet made a return for said cargo, I enclosed to his address by post to No. 234 Keep street, Brooklyn, two one-hundred-dollar bills, and requested him to hurry up the return on

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said cargo. I did not register said letter, as Cochen told me he would receive no money either by check or registered letter. The payment of the two hundred dollars as above proved successful, as Cochen made the return within a few days. Subsequently I sent Cochen eighty-five dollars additional. This money was sent by my messenger, a man named Burke. Burke knew the letter contained money, as I showed it to him as I sealed it, and cautioned him to be careful of it. Burke told me he delivered the same at Cochen's office, but, as Cochen was not in, he left it on his desk. I paid Cochen three hundred and eighty-five dollars in all, in order to get him to complete his returns on this cargo of potatoes. but Cochen considers me still in his debt for the difference between three hundred and eighty-five and five hundred dollars, and has called at my office three or four times for the difference of one hundred and fifteen dollars, and said he did not think I was acting square with him. In my opinion, I do not consider that Cochen was entitled to a cent, but I am fully convinced that, without having made the aforesaid payments to him, I never would have succeeded in getting the return of said cargo from him. I will say here that the one-hundred-dollar bill handed Cochen by me was handed to him in the street, after we left my office.

GEO. T. HENEY.

Sworn and subscribed to before me, this 22d day of December, 1882.

CHAS. N. BRACKETT,
Special Agent.

[Enclosure.]

B.

Gregory Burke, being duly sworn, deposes and says: I live at 37 Front street, this city, and am occasionally employed as messenger by Messrs. A. T. & G. T. Heney, No. 25 Coentie's Slip, this city. I remember going to the United States appraiser's stores during the month of May last; can't remember the date. I went there by direction of Mr. G. T. Heney, with a letter for Mr. Cochen; said letter contained money. I saw the money when placed in the envelope by Mr. Geo. T. Heney, but do not know how much it contained. I went to the public stores, inquired for Mr. Cochen; was directed to a room in which he was said to be located, but did not find him in. I told the party in the room of whom I inquired that the envelope contained money, and was for Mr. Cochen, and he told me to lay it upon Mr. Cochen's desk, which I did. I said to the person of whom I made the inquiries that the letter was from Mr. Heney to Mr. Cochen.

GREGORY BURKE.

Sworn to and subscribed before me, this 26th day of December, 1882.

CHAS. N. BRACKETT,
Special Agent.

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REDUCTIONS IN COST OF CUSTOMS SERVICE.

No. 1.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 31 *and April* 1, 1885.

SIR: You are hereby requested to report to me in writing, as soon as practicable, to what extent, in your opinion, the force employed in your district can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations as may occur to you whereby the efficiency of the service may be improved and the expenses curtailed.

The present state of the appropriation for the current fiscal year requires your immediate attention to the above.

Very respectfully,

DANIEL MANNING,
Secretary.

No. 2.

CUSTOM-HOUSE, ALBANY, N. Y.,
Surveyor's Office, April 16, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of March 31, 1885. For the past few days I have given the matter referred to careful consideration, and have looked into the duties performed by the deputies and inspectors respectively. I have done this with a view of ascertaining if any reduction in the force in this office could be safely made.

In my opinion, no reduction should be made at this time, just as navigation is being resumed, and the receipt of large quantities of lumber from Canada about to occur. There are over five hundred boats enrolled at this port. This, together with the lumber trade, requires the services of at least four inspectors. I am also often compelled, on receipt of telegrams, to send an officer to some distant point in my district to transfer bonded merchandise, this being made necessary by the disabling of a car. The duties in the office employ the time of the other deputies and inspectors. The custodianship of the Government building at Albany adds somewhat to the labors of the employés of this office. At this time I have no changes to suggest in the method of doing business. I think the system is a well-developed one, and it works satisfactorily at this port.

I am, respectfully,

JOHN A. LUBY,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 3.

CUSTOM-HOUSE, ALEXANDRIA, VA.,
Collector's Office, April 10, 1885.

SIR: In obedience to your instructions contained in circular letter of March 31, 1885, I have the honor to report the condition of this customs district and the force employed, with suggestions as to simplifying the methods of transacting the business and curtailment of expenses without apparent detriment to the service.

First. The condition of the district was fully reported to the honorable Commissioner of Navigation, under date of November 12, 1884, which was embodied in his report to the honorable Secretary of the Treasury, and is found on pages 76 and 77 in the First Annual Report of said Commissioner, to which I will ask permission to add that there is no salary connected with the office of collector of this district. His compensation is derived from the official fees, which are nominal, or less than $300 per year, under the present laws.

I should also state that the collector was and is acting as custodian of public property, under direction of the Department, in the capacity of "agent of the Government." This service has been rendered since June 1, 1881. The claim for this service was first made in January, 1882, under section 2691, Revised Statutes, and is still pending, with a report from the chief architect in February last, which is on file in the appointment division of the Department, with the request that in case the Department has any question as to the value of the services rendered, an opportunity may be granted to show their value.

The force employed is one deputy collector, at a salary of $1,200 per annum, and one inspector of customs, at $3 per day.

The force employed and under the direction of the custodian is one janitor, at a salary of $500 per annum; one night-watchman and fireman, at $30 per month.

In my report to the Commissioner of Navigation above referred to, I suggested that the Potomac river be placed in one collection district, and in case that was done, both this district and Georgetown could be merged into one district, with a collector at Washington, and a deputy collector only at this port, as proposed to Congress by the late Secretary Folger.

In the detail of business, it would seem to suggest that the maritime business could be mostly (and most naturally would be) done by an efficient deputy at this port, and all of the bonded business at Washington, where that business is only done at present. By such an arrangement the fees collected here could be deposited in Treasury; and if an inspector is dispensed with, the saving to the Treasury would be $1,400 or $1,500 dollars annually, including the official fees.

Under the present method of reports, this office makes two weekly reports, forty-nine monthly, nineteen quarterly, two semi-annual, four annual. Many of these are simply statements of no transactions.

The business at this office and port is largely in the coasting trade.

The importations, for present fiscal year to date, of commodities free of duty is valued at $25,753. The value of commodities dutiable $116 only.

The value of domestic products exported is $110,367.

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The number of steam-vessels documented at this port is 15, and 64 sailing-vessels.

Very respectfully, your obedient servant,

J. H. GRAY,
Collector and Custodian.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 4.

CUSTOM-HOUSE, ALEXANDRIA, VA.,
Collector's Office, May 18, 1885.

SIR: In obedience to Department instructions and your Circular No. 77, dated March 31, 1885, I have the honor to report that the repeal of the law for the collection of all hospital-dues, which heretofore required close supervision over all domestic vessels, and also since the law known as the "shipping act" has come into full force, experience shows that a corresponding reduction in the force employed can be made, without detriment to the service.

I therefore suggest that the deputy collector can attend to all the duties now performed by the inspector, whose services can be dispensed with at any day the honorable Secretary of the Treasury may so order.

I have the honor to be, yours,

J. H. GRAY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 5.

CUSTOM-HOUSE, ANNAPOLIS, MD.,
Collector's Office April 6, 1885.

SIR: In reply to your printed letter of March 31, 1885, Form 77, as to the reduction of the force employed under my direction, I have the honor to say that in my letter to you dated April 1, 1885, I recommended the discontinuance of the office of revenue boatman at this port, as his services are very rarely, if ever, required by me. The only other officers under me are a deputy at Town Creek, on the Potomac river, about sixty miles from here, whose services are indispensable, and an inspector of customs here, who also performs the duties of deputy collector in my sickness or absence. He only receives *one* pay for both positions. The services of this officer I deem also *indispensable*, looking to the best interests of the Government, the efficiency of the service, and the convenience of the public.

Very respectfully, your obedient servant,

THOMAS IRELAND,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 6

CUSTOM-HOUSE, APALACHICOLA, FLA.,
Collector's Office, April 8, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter dated March 31, 1885. In reply, I have to state that the force employed under my direction cannot be reduced without detriment to the public service, for the reason that I have at present only one person under my employment, that is my present special deputy collector, and I fail to see whereby the methods of doing business can be simplified any more than they are at present.

I have no suggestions or recommendations to make whereby the efficiency of the service may be improved and expenses curtailed.

I am, very respectfully,

SETH M. SAWYER,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 7.

CUSTOM-HOUSE, ASTORIA, OREG.,
Collector's Office, April 20, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of the 31st ultimo, requesting me to report to what extent, in my opinion, the force employed in this office can be reduced without detriment to the public service.

In answer thereto, I will state that the force, in my opinion, employed in this office could not be consistently reduced, although the receipts of the office are somewhat reduced from what they were last year. There are employed one special deputy and one deputy collector and inspector in the office, and two inspectors, which constitute the working force of the port.

I am compelled to appoint temporary inspectors very often, and it would add to the efficiency of the office if an additional inspector was appointed, instead of being compelled to rely on any one that I find idle and unemployed. I will further state that, this being the first port of arrival for vessels destined for Portland, tug inspectors very frequently accompany vessels to that port, and during their abscence the deputy collector and inspector attends to the boarding of vessels, &c., although two officers should board and search each and every vessel on arrival, if done thoroughly.

I am, very respectfully, your obedient servant,

J. D. MERRYMAN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 8.

CUSTOM-HOUSE, BALTIMORE, MD.,
Collector's Office, June 13, 1885.

SIR: Referring to the Department letter of March 31, 1885, requesting me to report in writing to what extent the force employed under my direction can be reduced without detriment to the public service, and whether the methods of doing business can be simplified, and to make suggestions whereby the efficiency of the service may be improved and expenses curtailed, I would respectfully report that the total force employed under my direction as collector of customs is one hundred and ninety-two. Of these, there are under the immediate supervision and control of the surveyor of the port one hundred and two persons, and under the local appraisers twenty-one persons. There are seven storekeepers, who are paid by the proprietors of the bonded warehouses, and not by the Government. There are thirty-eight clerks employed in the various departments of the collector's office; among these are included the cashier and assistant cashier of customs, the auditor and assistant auditor, the storekeeper and acting superintendent of bonded warehouses at public store No. 1 and his clerk, and the clerk to the general appraiser, the duties of whose office are not confined to this port. The remaining twenty-four officers consist of my deputy collectors and of messengers, watchmen, laborers, engineer, and foreman at public store.

Of the twenty-four officers other than clerks, as heretofore mentioned, I think the office of deputy collector at Havre de Grace might be abolished without detriment to the public service. Since the abolishment of "hospital-dues," the revenues from that office have greatly decreased, and amount at this time to a very small part of the compensation of the officer in charge. His duties, though always faithfully performed, are now about commensurate with his collections.

Until recently, the clerks in this office have always been fully occupied. They are generally so now, but owing to the depression of foreign trade at this time, there are occasional periods when they are not fully employed. Under this state of facts, the force might be reduced, at least temporarily, as follows: Two officers might be dropped from class "A," one from class 1, one from class 2, and one from class 3. If this reduction is made, I would recommend that the following departments as now existing, viz., "marine," "entrance and clearance," and "record," be consolidated into one department, to be called the "marine department." The business transacted at each of these departments relates essentially to marine matters, and would be simplified and expedited by the proposed consolidation.

In answer to my request, the surveyor of the port has submitted to me, in writing, his views in reference to the reduction of the force in his office, so far as it relates to the officers appointed by the collector. I enclose his communication herewith, and ask to have it considered as a part of this report, as I concur in its conclusions, that said force can be reduced as follows: Three day-inspectors, four night-inspectors, (including one night-inspector recently deceased,) one assistant weigher, and one foreman of laborers.

The local appraisers have also, at my request, submitted to me their views in writing, herewith enclosed as part of this report, in which they

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state that the force under their immediate supervision can be reduced as follows: One examiner and two laborers. I concur in this opinion.

It will thus be seen that the force employed under my direction can be reduced as follows: In the collector's office, one deputy collector at Havre de Grace, five clerks, two of class "A" and one each of classes 1, 2, and 3; surveyor's department, three day-inspectors, four night-inspectors, one assistant weigher, and one superintendent of laborers; appraiser's office, one examiner, two laborers.

The methods of doing business in this office, in my judgment, are correct and satisfactory, and, with the exception of the consolidation of the several departments heretofore mentioned, I would make no further recommendation on the subject.

In conclusion, it is proper to state that the amount of duties collected at this port is not a fair criterion by which to judge of the actual work done by our customs officers, or of the foreign trade of this city. There is a large amount of dutiable goods imported into Baltimore for immediate transportation to interior ports, the duties on which are not collected at this port. Again, there is an exceptionally large importation of coffee and fruits here, which, though duty free, impose almost as much labor upon customs officers as though they were dutiable. Then again, the exportation of articles of domestic manufacture which are entitled to drawback is very large, and requires much attention and labor on the part of our officers.

Yours, respectfully,

EDWIN H. WEBSTER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 9.

CUSTOM-HOUSE, BALTIMORE, MD.,
Surveyor's Office, May 30, 1885.

SIR: I would respectfully say that the copy of circular letter issued by the Treasury Department, dated March 31, 1885, with your indorsement thereon of the 6th ultimo, requesting this office to make report embodying the views and recommendations of the surveyor of customs in the premises, so far as they relate to the officers and employés of his department, who hold their appointments from the collector of customs of this port, was duly received, and I would respectfully submit the following report:

The Department request to be informed to what extent the force can be reduced without detriment to the public service.

Day-inspectors.—In treating of this inquiry, I would respectfully state that there are forty-one day-inspectors who, are employed as follows: Three detailed with the collector of customs; one with the general appraiser of merchandise; one with the special Treasury agent; five who are performing district duty, under the surveyor of customs; four who are employed as debenture officers, under the surveyor of customs; two who are engaged as admeasurers of vessels, under the surveyor of customs; two who are assigned as boarding officers, under the surveyor of customs.

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It will be observed from the foregoing that eighteen inspectors are specially detailed. Five of this number are on duty with customs officers other than the surveyor, who, in each case better understand than himself the necessity for their services. As to the remaining thirteen, who are serving under the immediate direction of the surveyor, the five who are performing district duty have supervision of the entire harbor during the day, embracing a frontage of about nine miles, each having charge of the operations of his appropriate subdivision and keeping the surveyor constantly informed of the condition of the service on their respective subdivisions, and reporting any violations of law or the non-observance of the regulations.

The four who are employed as debenture officers have charge of the prompt forwarding of all merchandise arriving in bond for interior or other ports unappraised, known as immediate-transportation shipments, and the preliminary examination of all goods entered for export for the benefit of drawback, and the supervision of the lading of the same on board of outbound vessels. It should be remembered that these shipments entail a large amount of labor on these officers, from which no receipts accrue to the revenue at this port.

The two who are engaged as admeasurers of vessels are kept daily employed in connection with the examination of the large number of vessels employed in the coastwise trade, and particularly those in the trade on the Chesapeake bay and its tributaries, and in admeasuring and computing the compartments of ocean steamers carrying immigrant passengers, &c.

The two who are assigned for boarding duty, and alternate, as this duty must be performed as the vessels arrive from foreign ports, with the utmost intelligence and circumspection day and night, are required to display the greatest possible vigilance. Their duties are manifold and highly important to the service, embracing the examination of the ship's papers to see that the navigation and customs laws are observed and the regulations strictly complied with, place proper officers on board of vessels and see that foreign mails are promptly delivered at the post office, &c., and also deliver manifests, &c., at the custom-house, that vessels may promptly enter, &c. I therefore respectfully state that the services of these thirteen officers, in my opinion, annot be dispensed with without serious detriment to the public service.

It will be further observed that, after deducting the eighteen inspectors above ennmerated, there remain for discharging cargoes from vessels, &c., but twenty-three officers, and any one familiar with the character of this duty cannot fail to appreciate its importance and the scrupulous care with which it should be performed; and I confess, I should be slow under any circumstances to suggest a course that would in any degree cripple this arm of the service.

The discharging officers during much of the time since my incumbency in office, now numbering more than three years, have been overworked, and the cargoes discharged in this time could not have been handled by them had they not performed much of the labor by night; and furthermore, it has not been infrequent when these officers were called to render material aid to other branches of the service, which are too slenderly equipped when business is active, to perform this duty. There was a marked instance of this kind within the last twelve months, when the gauger's department was required to gauge and make up the returns for more than thirty-seven thousand barrels of whiskey which were exported from this port.

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Moreover, when the force is required to render more service than the men can comfortably bear, the percentage of sickness greatly increases, and the chief officers of the customs find themselves embarrassed in directing the business of the port, and the public service is thereby almost unavoidably left to suffer.

The recent falling off, however, in importations and the present stagnant condition of trade, with no present prospect of its early revival, justify, in my opinion, a small reduction of the day-inspectors' force, and I therefore recommend that three of said officers be dropped.

Night inspectors.—The night-inspectors' force is composed of one captain, one lieutenant, and thirty-two officers. Four of these officers are detailed as roundsmen, and are indispensable as patrolmen on their respective districts. Several officers are nightly detailed with the revenue-cutter, which lies at the barding station, to keep watch for all incoming vessels, and to be placed on board of such as arrive from foreign ports. The remaining officers are distributed amongst vessels having on board dutiable cargoes and guarding merchandise on wharves, piers, and at warehouses, &c.

The chief officers of this force have general supervision of the inferior officers, and make their respective circuits of the harbor during the night to see that the men are faithfully and efficiently performing their duty, with a view to prevent the smuggling of dutiable merchandise, or any interference with other goods requiring protection. The value of adequateness, as well as fidelity and efficiency, in this force cannot be overestimated, as it is at night-time the greatest danger is to be apprehended from wickedly-disposed persons who infest the marts of trade and seek for plunder. The same reasons, however, that induced me to recommend a reduction in the day-inspector's force impel me to recommend a reduction of four officers in the night-inspector's force, embracing in this number the vacancy now existing on this force, which I think may be done without endangering the safety of the public service.

Weighers' department.—The weighers' department is made up of one weigher, twelve assistant weighers, three clerks, one messenger, one foreman of laborers, and a corps of laborers, numbering about forty men. The laborers are paid twenty-five cents per hour for the time actually employed.

Whilst I am deeply sensible of the great importance of this branch of the service, and would scrupulously avoid any suggestion that would impair its thorough efficiency, yet, for the reasons already stated, I am constrained to recommend a reduction of one assistant weigher. I also recommend that the office of foreman of laborers be abolished, as this officer, as it appears to me, is of no practical value to the service, this appointment having been recently created by dropping an assistant weigher and appointing this officer instead at a less compensation.

Gaugers' department.—The gaugers' department is under the management of the United States weigher, who performs the duty of gauger, and is assisted by an assistant weigher, detailed as assistant gauger, and a temporary assistant gauger, who is employed only when his services are required and paid for the time thus employed. It would be impossible to conduct this department with less force than is now employed; nor do I see how it could be run with less expense to the Government.

Measurer of marble.—The measurement of marble is also under the supervision of the United States weigher, who is assisted, whenever

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necessary, by an assistant weigher who has been trained for this purpose. No reduction is possible in this department.

What has been said in relation to the day-inspectors' force in regard to being overworked is true of the weighers' and gaugers' departments, and this was especially the case during a large part of the year 1884 and the early part of the present year.

Methods of doing business, &c.—Secondly, as to whether the methods of doing business can be simplified, &c., whereby the efficiency of the service may be improved and the expenses curtailed:

In response to this inquiry, I would respectfully say that this subject received the consideration to which its gravity entitled it immediately following my entry upon the duties of surveyor, and such changes as were deemed advisable (reference being had to the simplification of the methods of doing business, improvement in the efficiency of the service, and the curtailment of the expenses) were from time to time made, and therefore I have no suggestions and recommendations to make, beyond those already submitted, whereby the efficiency of the service could be improved and the expenses curtailed.

Very respectfully,

HENRY CLAY NAILL,
Surveyor of Customs.

Hon. EDWIN H. WEBSTER,
Collector of Customs, Port of Baltimore, Md.

No. 10.

PORT OF BALTIMORE, MD.,
Appraiser's Office, June 4, 1885.

SIR: Respectfully referring to your communication enclosing a copy of the letter of the honorable the Secretary of the Treasury in reference to a reduction of the force employed at this port, we think it due to this branch of the customs department to state briefly that the changes which have taken place during the past ten years have left this office with a force much less in proportion than any of the other branches of the customs service at this port.

In comparing the salaries of this office for the past year of 1884 with those of the year 1874, there has been a saving of the sum of $26,674.43, the salaries of 1884 being $56,274.43, and those of 1884 being $29,600.

In this connection, there is also to be considered the additional fact that the total expenses of the appraiser's office at this port, in comparison with the total expenses for the collection of the revenue at this port, amount to 9.95 per cent., while the expenses of the appraiser's office at the port of New York amount to 15 per cent., at port of Philadelphia to 14 per cent., and at port of Boston to 10.88 per cent., showing conclusively that the higher cost of collecting the revenue at this port, in comparison with some other ports, cannot be chargeable in any manner to this branch of the customs service at this port.

A great many of our examinations are made at vessels, and also at the piers at Locust Point and Canton, some two or three miles distant from the custom-house and appraiser's office, taking up a considerable portion of the time of different examiners in going to and returning from these several points.

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In the usual ordinary condition of the import trade, we think our present force is as small as it should be for the prompt dispatch of public business and a due regard for the public service.

If, however, the present depressed condition of the mercantile interests and of trade generally continues, we think one examiner and probably two packers or laborers might be dispensed with temporarily and during the continuance of such depression.

We do not at present see how the existing methods of doing business can be simplified or improved so far as regards this office.

Respectfully,

HENRY H. GOLDSBOROUGH,
JNO. L. LINTHICUM,
Local Appraisers.

Hon. E. H. WEBSTER,
Collector, Port of Baltimore.

No. 11.

CUSTOM-HOUSE, BANGOR, ME.,
Collector's Office, April 20, 1885.

SIR: In answer to Department circular of the 31st ultimo, regarding the reduction of the force employed under my direction, I have to report as follows:

It has been the practice in this district to employ an extra inspector a part or all of the time during the season of navigation, a period of time extending from near the middle of April to about the last of December of each year.

While I have been in this office such extra man has been employed at Vanceboro', in this district, for the most part, where most entries of importations are first made.

Until last January the accommodations there have been entirely inadequate for the force employed, the customs office being a small building leased of the Maine Central Railroad Company, but under the direction of the Treasury Department I erected a customs building there last season, which was completed in January last. This building furnishes good facilities for doing the Government business, much of which is night-work, and is so arranged that at least one of the inspectors lives in it all the time, thus making it much easier to do the business, especially the night-work.

After consulting with my deputy in charge at that place, he informs me that he can dispense with the extra inspector. I feel safe, therefore, in saying that we can drop the officer employed for the season of navigation, and shall, at most, only need an extra man for brief periods when there is an unusual pressure of business.

I would state, in this connection, that the office at Winterport, in this district, was closed more than a year ago, and the officer there dismissed, the business of that place being now done at Bangor.

In regard to methods of doing business, I have at this time no suggestions to make.

Very respectfully,

D. F. DAVIS,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 12.

CUSTOM-HOUSE, BARNSTABLE, MASS.,
Collector's Office, April 13, 1885.

SIR: In reply to your circular letter of March 31, asking to what extent the force employed in this district can be reduced, &c., I have the honor to report:

That having, since my accession to office, secured the abolishing of the office of inspector at Harwich, the boatman at Barnstable, the boatman at Provincetown, and the sale of the revenue-boats at Provincetown and Hyannis, I feel that there are no unnecessary expenses now attached to this district, but would recommend that the salaries of certain deputies and inspectors, where duties and services are similar, be equalized, as follows:

That the salary of the deputy collector and inspector at Hyannis be *reduced* from $2.05 per day, $748.25 per annum, to $1.35 per day, $492.75 per annum; that the salary of the deputy collector and inspector at Falmouth (Wood's Holl) be *raised* from $1.10 per day, $401.50 per annum, to $1.35 per day, $492.75 per annum.

This would make the salaries of the deputies at Hyannis, Falmouth, Chatham, and the second deputy at Provincetown, the same, as they should be.

Very respectfully,

F. B. GOSS,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 13.

CUSTOM-HOUSE, BATH, ME.,
Collector's Office, April 7, 1885.

SIR: In reply to circular letter of March 31, 1885, I am directed by the collector (Jas. W. Wakefield, esq.) to say that, in his opinion, the force under his direction cannot be reduced without detriment to the public service. The methods of doing business cannot be simplified to meet the requirements of the Department.

I am, sir, very respectfully,

JOHN H. RAYMOND,
Deputy Collector.

SECRETARY OF THE TREASURY,
Washington, D. C.

No. 14.

CUSTOM-HOUSE, BEAUFORT, N. C.,
Collector's Office, April 4, 1885.

SIR: I have the honor to report, as directed by your circular letter of 31st ultimo, relative to the force employed under my direction, if it can be reduced without detriment to the public service, that there are at present employed in this office two deputy collectors, at a salary of $40 per month each.

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The business of this office consists principally in the enrolling and licensing vessels. Imports are very rare of very small amount.

I beg leave to say that, in my opinion, the services of these two deputies could be dispensed with; and the appointment of a *deputy collector* to be made a *special deputy collector*, at a salary of $30 per month, or such amount as you may approve, would be entirely sufficient for the management of the business of this office.

I am, very respectfully, your obedient servant,

A. C. DAVIS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 15.

CUSTOM-HOUSE, BEAUFORT, S. C.,
Collector's Office, April 6, 1885.

SIR: In reply to your letter of March 31, 1885, relative to the reduction of the force employed under me, I have the honor to call your attention to the letter of J. A. Camp, special agent of the Treasury Department, referred to in the Department's letter of March 25, 1880, creating the offices of "inspector and deputy collector" and boatman at Port Royal, and to say that, in my opinion, the necessity for their services is as great now as it was then.

At Coosaw there is an "inspector and deputy collector" and three boatmen. When the inspector goes off in his boat upon an inspection tour, he leaves one of the three boatmen at the office to inform any one who may call upon business as to where they can find the inspector and deputy collector; and the territory that the inspector has to visit is so large that it keeps him in his boat a great deal of the time. I think the force at Coosaw is necessary and cannot be reduced without detriment to the public service. Nor can I suggest any way to simplify or improve the methods of doing the business here.

Very respectfully, your obedient servant,

G. HOLMES,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 16.

CUSTOM-HOUSE, BELFAST, ME.,
Collector's Office, April 11, 1885.

SIR: In response to your letter of March 31, 1885, I have to report that, in my opinion, no reduction of the force employed under my direction can be made without detriment to the public service, and that I am unable to make any suggestions or recommendations whereby the method of doing business can be simplified or the efficiency of the service may be improved or the expenses curtailed.

Very respectfully,

I. M. BOARDMAN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 17.

CUSTOM-HOUSE, BOSTON, MASS.,
Collector's Office, April 13, 1885.

SIR: Referring to Department letter of March 31, 1885, I have the honor to report that in July, 1883, this office was reorganized to a large extent, in accordance with the report of a Department commission, at which time the force was reduced from 383 to 352 men and the annual compensation from $542,751 to $455,157, a decrease of 31 men and $87,594. There has since been no material increase of the force, and it can not, in my judgment, be further reduced without injury to the public service.

Under the existing general organization of the customs service, I know of no method by which the details of business at this port can be simplified or the efficiency of the service improved.

Very respectfully,

R. WORTHINGTON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 18.

CUSTOM-HOUSE, BOSTON, MASS.,
Surveyor's Office, April 10, 1885.

SIR: In reply to the letter of the Department, under date of March 31 ultimo, requesting my opinion whether the force under my direction can be reduced without detriment, and such recommendations as may occur to me, I have the honor to reply,

The force under my direction by law is of two classes, first, the inspectors, weighers, measurers, and gaugers, who are nominated for appointment by the collector, and whom it is my duty, under his direction, to superintend and direct, in accordance with the provisions of section 2627, Revised Statutes; second, a deputy surveyor and eight clerks and messengers, who are nominated by me for appointment, under Section 2634, Revised Statutes.

Class 1.—In reference to the first class, the outdoor officers of this customs district, I have to say that it has been reduced in numbers at various times within the last few years, so that it cannot be reduced further, nor as a whole, without real detriment to the public service; and in one branch at least it has already been reduced, in my judgment, actually to the detriment of the public service, as I will specify in another portion of my letter.

The inspectors are divided into two bodies, according to the time of their employment—one, inspectors employed by day, the other, inspectors employed "for service at night," under act of 1878, chapter 359, and act of 1880, chapter 189, called, for convenience, day-inspectors and night-inspectors.

There are eighty-nine day inspectors at this port, two of these, not in fact, though in law, under my direction. One inspector, Emery, is under the immediate direction of the collector; the other, Graves, is employed in the office of Special Agent Bingham.

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There is one occasional inspector of marble, and one occasional female inspector.

The remaining eighty-five day-inspectors actually under me, as a whole, are able, experienced, efficient, and faithful. Among them all are a few who are not in robust health, suffering more or less physically, some from old wounds received in the military service of the country, some from injuries received while in the performance of their official duties here. From these we cannot expect as hard, continuous work as a large proportion of the inspectors perform. They deserve well of the Government, are rendering valuable service, and are worth more than inexperienced strong men.

The Department allows leaves of absence to be granted to each of from fourteen to thirty days per annum. Making allowance for these leaves and for sickness, we cannot well do the public business with efficiency, and with the promptness required by the public, with much, if any, less force of inspectors.

Relatively, the night force is now more in need of men than the day force. I am so convinced that the number of inspectors for service at night needs to be increased, that, if there be no other way of doing it, it would be better to attempt to do the public business with eighty inspectors, if the number so saved could be added to that of the night-inspectors.

At present there are three inspectors who have been at home sick from one-half to the whole of the month. It is probable they will be unable to do duty again. Other vacancies will occur. If the Department approves of the views I am about to express as to the night force, and is unwilling to add to the numbers at this port, I recommend that vacancies in inspectorships as they may occur, to the number of seven, if Inspectors Emery and Graves return to duty under me, otherwise to the number of five, be filled by the appointment of night-inspectors. The reduction in expense will be $1 per diem per man, and the Government will be better protected.

We have about seven miles of water front in this port where vessels and boats may land merchandise day and night. Nine years ago we had fifty-three night-inspectors guarding this water front at night, while eighty-five day-inspectors now guard by day. Forty, and even fifty night-inspectors, necessarily divided into two watches, are not too large a force to watch this water front vigilantly and protect the Government from frauds by smuggling and otherwise, in my opinion and in that of intelligent officers who have long been employed on the duty.

At the port of Baltimore there are thirty-four night-inspectors; at Philadelphia, thirty-eight; at New York, one hundred and nineteen; while at Boston, the second port in the amount of its importations, there are under the surveyor for the same kind of duty to-day but fourteen, though business has been on the increase, and not on the decrease.

In 1882 a commission, consisting of the then chief clerk of the Treasury Department, two special agents, and the auditor of the collector of this port, made what they called an examination of this custom-house, and recommended, among other things, that the force of night-inspectors be reduced from forty-three to twenty-five, and a part, if not the whole, twenty-five be put on special detective service. I have held this office and had charge of this night, as well as the other outdoor

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force, since the close of the war, but did not have the honor to be consulted by the commission on this subject. The recommendation of the commission was carried into effect July 1, 1883, no change being made at other ports. Soon after, I received an order from the collector directing that eleven of the twenty-five be detached from under my direction and be placed under Inspector Emery, and be no longer subject to my orders.

In my opinion, such an order was in violation of positive provisions of law, and I respectfully protested to the collector, who informed me that it was the Department's order.

It will be observed that section 2627, Revised Statutes, provides that the surveyor shall "direct *all* inspectors" "within his port." Inspectors may be appointed on the nomination of a collector, under section 2621, and directly by the Secretary, as it has been decided, under section 2605, Revised Statutes. In both cases they are paid simply as inspectors, under sections 2733 and 2737, Revised Statutes, and get their authority as such under section 3059, Revised Statutes.

Calling Inspector Emery "special," or inspectors "for night service" "night-inspectors," does not change their lawful character. As inspectors the law places them under the immediate direction of the surveyor; he is subject to the direction of the collector as well as that of the Secretary; but it was decided in the Supreme Court United States, in the case of Morrill in error *vs.* Jones, (No. 5551, Synopsis of Decisions, 1883,) that even the Secretary could not exercise his discretion in violation of the positive provisions of law. Moreover, the mode of the surveyor's appointment and many provisions of law show that the surveyor's office, in connection with the naval office, was intended to be a check on that of the collector's, and to strip the surveyor of any force given him by the law, so far defeats this object, contemplated by Congress since 1789.

Aside from the law on the subject, this change, in my opinion, has been on its merits a mistake for the Government. Up to the change, we had tried to keep the whole water front vigilantly watched by night as well as by day, night officers regularly relieving the day officers, carrying out the instructions of the Department in articles 406–410, regulations for inspectors, &c. It was claimed, as a reason for the change, that there were not seizures enough made by the night force. The results under the then captain of night-inspectors were not a safe basis for judgment. Within a few months afterwards, in my personal investigation, I ascertained certain facts as to his manner of doing the business of his office, or rather of neglecting it, and as to other improper conduct, so that I deemed it my duty to prefer written charges against him to the collector, whereupon, and without a trial, which he was offered, he resigned. I found, among other things, that a majority of the detections made by the night-inspectors he had not reported.

Few seizures, comparatively, have been made by the reduced force since. By the same reasoning, this fact would prove that the present force is less effective than the former one. The so-called detective force on duty by day have made less seizures than the night-inspectors performing their former usual duty. But the number of seizures made by night-inspectors is not a fair criterion as to their value and importance, but the amount of protection they afford to the Government's interest and the amount of duties which they assist in collecting. "Night-inspectors are appointed for the purpose of preventing smuggling," as

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the Department informs us in article 410, Regulations for inspectors. Another reason given was, that smugglers were so vigilant, they would smuggle when a night officer turned his back and went to another part of his patrol. What do they do now, when the whole water front is left at night with scarcely an officer on it?

This detective force, under an officer practically independent of me, has been in the habit of boarding vessels and taking goods, for alleged smuggling, from inspectors in charge of the vessels (section 2876, Revised Statutes) under my direction, and being an inferior class of officers, in their pay, at least, this has caused occasional conflicts of authority and irritation among brother officers, which, in my judgment, is unfortunate and unnecessary. I speak of this, not by way of complaint, but as the inevitable result of the system. Another officer with a force is performing the duties with which the surveyor and the inspectors under him are charged. For all these reasons I respectfully recommend that this force of eleven, and all inspectors at this port, be placed again under my immediate direction. The entire force of twenty-five, with the five to seven additional ones, appointed in vacancies of inspectorships, making, in all, from thirty to thirty-two, divided into two watches, will enable the surveyor properly to watch the steamers at night, which everybody regards as necessary, and sometimes we have as many as twelve, and do something towards watching the rest of the water front, though I am clearly of the opinion that we should have our old number of forty-two. This change will make one less superintending officer, and, I think, one acting clerk.

The force of weighers, gaugers, and measurers under my direction consists of three principal weighers, who act also as measurers, with three clerks and thirty-two assistant weighers, in three grades, who I suppose are in contemplation of law, clerks; one gauger with two assistants. In my opinion, this force cannot be reduced by a man without detriment to the service, providing the usual amount of business continues at this port.

The weighers and gaugers are authorized to employ in weighing and gauging a necessary number of laborers, who are paid by the hour for their work. The weighers have one or more offices on their districts, and at each some laborer must necessarily be employed to take care of the office and tools and carry messages. Their pay amounts to more than $2 per day each. In my opinion, it would be better to have authority given to employ laborers for these specific duties, not exceeding four in all, and pay them regularly $2 for every working-day. Each of the weighers has an authorized clerk, at $1,000 per annum.

The gauger at this port necessarily has to employ a man to do a similar work, who is paid as a laborer, by the hour, about the same amount as a weigher's clerk. I recommend that authority be given to employ a clerk for the gauger instead of a laborer by the hour. If the Government will not actually reduce expenses by these changes, it will put the payment of these men on a more correct basis, and one less liable to abuse.

Eight night-watchmen to guard the customs buildings are placed under my direction. This force cannot be reduced.

There are also four boatmen for the use of inspector's boarding vessels at night.

The steamer "H. Hamlin," assigned to this port for boarding purposes, is off duty two days every fortnight—necessarily, it is claimed.

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At these times the boatmen, with their boat, have to be on duty. The "H. Hamlin" is off also every year some weeks for repairs; the boatmen are also on duty at that time, day and night. In certain seasons it is very difficult and often dangerous to board vessels arriving at this port, by day even, and much more so at night, with the row-boat. Considering the amount and character of business now done at the principal ports, it seems to me that the row-boat is too ill-adapted to the purpose and quite out of date. At New York there are two steamers assigned to this duty; at Baltimore, a steamer and a steam-launch; at this port, the second in size, it seems to me that the Government should furnish us with a steam-launch in lieu of a row-boat, which I recommend be done.

Class 2.—The force in my immediate office, subject to my own nomination, consists of one deputy, one assistant, (a clerk,) five clerks, and two messengers. Certainly I cannot do the work of superintending about one hundred and fifty officers, their reports and accounts, besides laborers, with a smaller force. I am quite sure that the salaries of clerks in my office have always been smaller, in proportion to the amount and character of the work performed by them, than those of clerks in other offices in custom-houses. If I were to make any recommendation, according to my honest opinion, it would be to give an increase of pay to some. I do not now recommend an increase of expense in my immediate office.

As the Department calls for my opinion and invites my suggestions, I express the opinion that it would give the surveyor a more wholesome control over those immediately serving under him, and thereby add to the efficiency of the service, if it were understood by them that the surveyor's opinion as to the merit and efficiency of an officer under him would be required before such officer's advancement or removal, which he does not have the opportunity of giving now. And I venture to make the suggestion that the officers charged by law with the responsibility of administering the several branches of the custom-house be more consulted as to their needs and the best methods of their administration, and be allowed to administer their offices according to their best judgment, rather than have them administered by, and according to the views of, special agents and others who have not the same responsibility for them under the law.

If I need to make any apology for the length of this communication, it must be on account of the variety of the duties about which I am called upon for my recommendations, and because I presume the Department desires not only my recommendations, but my reasons for them in full.

Very respectfully, your obedient servant,

A. B. UNDERWOOD,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 19.

PORT OF BOSTON, MASS.,
Appraiser's Office, April 25, 1885.

SIR: Respectfully referring to your letter of 1st instant, in which you request in writing a report giving our views whether "the force employed under our direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified; and, in general, to make such suggestions and recommendations as may occur to us whereby the efficiency of the service may be improved and the expenses curtailed," we have the honor to state: That, in our judgment, the department under our direction is in a condition of good order and efficiency.

In regard to any curtailment of expense by reduction of the number of examiners and clerks, it may be well to speak of our manner of doing business somewhat at length.

As the trade differs at this port in amount, and somewhat in kind, from New York, so the form of our administration differs from the appraiser's office at that port. The duties received on imports entered at this port are about one-sixth of the duties received at New York. Most of the different kinds of merchandise entered at New York are also entered at this port, but not in the proportions indicated by the relative amounts received at the two ports; for, in the article of wool, for instance, there is about an equal amount entered at both ports; and about one-third the amount of sugar and molasses is entered here that is entered at New York.

In dry-goods there are almost no importations of dress-silks here, of which there are many millions of dollars in value consigned at New York, and we may say the same of all kinds of merchandise which is consigned to this country for sale by the manufacturers, are entered at that port. In dry-goods, shoe-findings, such as lastings, &c., there are more entered at this port than at any other. The size of the business at Boston is well within the cognizance and control of the two appraisers, and, unlike New York, the appraisers here write all reports concerning classification of the tariff rates, which at New York are written by heads of divisions and simply approved by the chief appraiser; and our assistant appraisers act as examiners of merchandise and assess the damage on claims for damaged merchandise during ocean voyage, and one has an oversight and chief authority in examination-rooms for dry-goods. The two principal appraisers, of equal authority, divide the responsibility of overlooking the appraisal of merchandise entered at this port, one of them (Rice) taking the responsibility of the proper appraisment of wool, sugar, iron, hardware, and all merchandise *not* dry-goods, while the other principal appraiser (Darrah) takes the responsibility of dry-goods in all their branches and varieties. They also make special reports on the classification for duties according to the above allotment. We have found the advantage of such division of duty, that we could give a particular and more concentrated attention to the values, classification, and rulings of Department on half of the imports entered, than could be given to the values and classification of all the multiform articles of merchendise on which we have to pass. In pursuance of the same policy, we give to our examiners certain lines of goods, with which they are familiar by constant practice in examining them, and also the Department rulings of their particular classes of goods, which makes them much more perfect and valuable in their official work.

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They thence become experts as to the value and as to the classification for duty of the imports assigned to them, and, according to their intelligence and fidelity to duty, become of increased value to the revenue service. Appointments and removals in this department have been very rare at this port. When a vacancy has occurred, it has always been filled with especial reference as to the capacity of the appointee to perform the duties, and not for personal or political reasons. An employé of this office died last year, having been in the service forty-six years. Another now in service, examiner of iron and like goods, has been in this department forty years, still in perfect vigor and usefulness. Several have been removed within the last twenty years who proved incompetent, but none for any other reason.

We with confidence, from long experience, report that the present force at this department is a staff retained, after several removals for inefficiency in the past years, of intelligence, of faithful industry, and of expert experience which make them of great value to the revenue service.

Assistant Appraiser Joslin takes the line of woollen manufactures for examination, and exercises a general supervision over the dry-goods examination-rooms. Examiner Currier takes the line of leather gloves and all manufactures of silk goods, in whole or part. Few or no piece dress-silk goods are entered at this port, as we have said, but other descriptions of silk manufactures are imported here in large variety, which, with lace goods of all kinds, make this line of goods a very important one for examination.

In scarcely an invoice is the duty properly entered in goods composed in part of silk, and it becomes the duty of the examiner-expert to carefully scan the fabrics, and many times have them analyzed, to determine the rate of duty—whether it shall be that of the silk chief, or of the other component parts. Having determined the question, this office reports the change from entered rates the proper duties for liquidation.

Examiner Grafton takes the women and children's dress-goods, which is a large line of goods, requiring careful examination to determine their rate of duty—whether they should pay 35 cents and 40 per cent., as goods of that description weighing in excess of four ounces per square yard, which requires a very exact and careful examination, consuming time and patience; or dress-goods of less weight, being composed of wool alone, which pay 9 cents per square yard and 40 per cent. ad valorem; or woollen or worsted containing some cotton or other material of less value than the wool, which pays 7 cents and 40 per cent.; or, if costing under 20 cents per square yard, they will pay 5 cents and 35 per cent. ad valorem.

This line requires expert knowledge, care, time, and patient scrutiny to determine the rate of duty, for frequently it is a nice point of weight or width measurement which determines which rate they should properly pay.

Examiner Trafton has a line of considerable variety of merchandise, which requires great care and knowledge to properly appraise the value of and correctly classify for duty. It embraces all hosiery of cotton, woollen and worsted, and other materials; underwear of all kinds of materials, including knit goods; gloves of all descriptions, excepting those made of leather; cotton yarns, threads, cotton dress-fabrics, all fabrics for tailors' trimmings, all small articles of cotton, like tapes, braids, trimmings in large variety; all cotton fine muslins, like mulls,

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nainsooks, suisse, and figured muslins; curtain-goods in all varieties, towels, napkins, handkerchiefs, cotton velvets, and other fabrics of cotton which it would be useless to enumerate only to the end that an idea may be had of the extent of the examiner's line of work. There are times when he examines and passes upon fifty cases a day.

Examiner Wales takes the manufactures of flax, jute, and hemp, which comprises a great variety of fabrics. Linen thread is imported in larger amount at this port than at New York. Burlaps is also an article of large importation, and, as it pays a less duty than that of other piece goods of jute, requires watchfulness lest other goods having a similitude of appearance should be passed at 30 per cent. when they should pay 35 or 40 per cent. Without enumerating the articles composed of flax, jute, and hemp, it will suffice to say that this examiner examines all fabrics composed of above materials named in Schedule J, and many hundreds not specially named therein. As many of these fabrics are frequently of doubtful classification, it is necessary to examine them with watchful care. For instance, it is of nearly daily experience that fabrics are entered as burlaps at 30 per cent. which are properly bagging, dutiable at 40 per cent., and so reported for duty. So-called seine-twines, entered at 25 per cent., are found to be common twines, and are changed to 40 per cent., and so on for hundreds of articles made of above materials, requiring time and care to properly examine and report upon them for classification.

E. I. Henderson, examiner of samples, keeps the records of all the samples which come by all the steamers by the hundreds. He also keeps the records of warrants for damage allowance for the whole department. He also copies official letters and does other clerical work.

Edward Crosby ranks as clerk. His duties are various—to analyze dry-goods fabrics when there is a doubt as to the component material of chief value, which occurs very often; to keep the books of record of advances for value, and prepare invoices which are advanced. He also prepares reports for all goods which pay a square-yard duty, and goes over calculations, and certifies to the accuracy of the classification of dress-goods, which frequently are very close things, whether they are correctly figured to pay a weight-duty as being over four ounces to the square yard, or whether or not they are under 20 cents the square yard, as they make a change of duty at that point. The reports of this class of importations are of great detail, and correct reports are of great importance for the more speedy liquidation, as well as for accurate classification. He is the general custodian of reported invoices for the dry-goods side of the Department, seeing that all are perfected and accurate before they are sent to the collector's office.

Thomas Taylor acts as messenger, but also comes to office early in the morning to sweep and clean office, make and feed fires on dry-goods side, and is post-office messenger to the whole department.

The force to do the work in invoice-room consists of three clerks. In order that an idea may be conveyed of the amount of work done in this service, we will state that between forty and fifty thousands of invoices are sent from collector's office to this office for our official work annually. These invoices are recorded on books ruled with numerous columns, which are filled by the clerks in this room, as follows: Column for invoice or entry number, for date of entry, when received by appraiser, name of importer, name of vessel, where from, marks and numbers, description of merchandise, invoice value, entered rate, appraised value,

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when appraised and reported to collector, name of examiner, number of packages examined. This record must be made before invoices can be used by examiners in most of the columns, and it will be seen that it requires careful and rapid work to get through with them, as some invoices have many kinds of merchandise and many different rates of duty. Two sets of books alike in their ruling are employed, otherwise there would be detention and loss of time in examination of goods.

The time of one clerk is mostly employed in aiding special agents and others in looking up invoices of past dates in reference to revenue questions.

In our opinion, the system of this room should not be simplified by reducing the fulness of records, which has been arrived at after long experience of its value.

Assistant Appraiser Jones examines merchandise for claims of damage allowance of all descriptions, *not* dry-goods and sugar. This is an important line of service, requiring much time and care, for the claims for damage on fruits of all kinds are very numerous. He is also cigar examiner.

Examiner Keyes examines sugar and molasses; and he is required by the regulations to personally supervise the sampling at the different wharves, to assign the different samplers to the different cargoes, to examine the samples when received at the appraiser's office and classify them according to the Dutch standard, also to supervise the preparation of the samples which are sent to the laboratory for testing; to keep a record of every lot of sugar classified by its color and test; to report on all invoices of sugar, and to examine on all claims for damage allowance on sugar, giving the cause of the damage and the percentage of damage allowed. He is also required to ascertain all facts in regard to the different cargoes of sugar which are imported, such as values, polariscopic-test guarantees under which the cargoes are bought or sold, and other information which may be of value in proving the correctness of tests and rate of duties. He has under his direction eight sugar samplers, three of whom are temporary appointments.

The number of samples drawn and examined during the past year averaged over six hundred a day. One sampler is needed all the time to open and arrange the sample-boxes to be returned for other cargoes.

Examiner and Chemist Leary has charge of the laboratory for testing sugar and molasses, and has with him three assistants. His duties are to make tests of all samples sent to the laboratory, either from importers at this port or of other ports where there is no chemist employed. He keeps a record of all tests, and reports on the different cargoes to the examiner of sugar. He is also obliged by regulations to make five comparative tests with the ports of Philadelphia and New York each month. The whole number of tests of sugar and molasses made by him during the past year was 7,746. It should be understood that of the 600 samples per day, only one or more samples may be sent to be tested.

Examiner Pinkham examines all merchandise contained in Schedule B of the tariff, which comprises china, porcelain, parian, bisque, and crockery wares in large variety, which, with the great variety of the manufactures of glass, with the numerous classifications, as will be seen upon looking at Schedule B, make his examinations an important line of work, requiring expert knowledge and care to report the proper rates on so great a variety as is contained in the schedule.

Examiner Fitch has the examination of all machinery, ales, wines, and liquors, and all green and dried fruits. The machinery is mostly

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examined at the mills where it is to be used, and requires the examiner to go into every State in New England, and nearly every manufacturing district, and many times as far as Western New York, in fact, follows the machinery to its destination; all of which he does without extra compensation, the importers paying his actual travelling expenses. More machinery comes into this port than into any other. The liquor samples are drawn, carefully weighed, and kept in his custody until an accumulation is reached sufficient to be sold at auction, and the proceeds, which is quite an amount annually, covered into the United States Treasury through the collector. The examiner keeps a complete record of all his invoices.

Examiner Dimond, who is unusualy well qualified to perform the duties thereof, having had long experience in one of our largest importing wool-houses for many years, examines all imported wool and hair, except horse-hair. A book is kept representing the invoices, in which each importation is recorded, as to class, number of bales, pounds, value; whether, in the case of wool, it is washed, scoured, or in the gross. One bale in ten of each mark inevery invoice is examined; samples are drawn of each mark and appraised, and are kept in separate papers and marked for identification. Such samples are kept for two years and then delivered to such importers as choose to claim them; the rest are passed over to the storekeeper and sold for the benefit of the Treasury Department.

During the year 1884, there were passed through this port, samples of which were duly drawn and examined by the examiner, 74,310 bales of wool, hair, &c. Wool of all classes pays duty, first, according to the class to which it belongs; second, as to the market value of the same at the date of exportation at the place whence exported to the United States, the correct determination of all which, as will be readily seen, requires a large and varied amount of experience and information.

Examiner Nason examines nearly all the merchandise described in Schedule C, metals, namely, under paragraphs 144, 156–160, 167–169, 171–177 to 180, and part of 182, and paragraphs 183 to 195, all iron, steel, and other metals, all requiring expert examination and classification. On the steel and iron in bars and sheets the value rules the rate of duty, and no man without experience could do the work correctly. He also examines a great variety of other merchandise, such as hemp, flax, and tow, rice and rice-flour, rubber, cotton, coffee, dye-woods, sheathing felts, jute and jute-butts, cordage and wire-rope, and numerous other articles of merchandise too numerous to particularize.

Examiners Bird, Wellington, and Rhoades examine an immense number of articles of merchandise, altogether too numerous to mention, including large parts of Schedules A, B, C, D, E, G, M, and N, and large numbers of articles on free list. These articles require great care and knowledge to properly examine and classify. Many, indeed most, cases examined by these experts contain hundreds of different articles of merchandise of almost as many different classifications, requiring care and expert knowledge to properly report the rates on such goods for liquidation. Examiner Bird examines books, pamphlets, and printed matter; condiments, preserves of all kinds; all toilet preparations, and other like things. Examiner Wellington takes paintings, artist materials, and all works of art; clocks and watches; hardware and cutlery. Examiner Rhoades examines buttons, buckles, and like trimmings;

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boots and shoes; guns, and all kinds of fire-arms; leather, and manufactures of leather; paper, and manufactures of the same; plants, trees, and like imports.

Examiners Dunham and Wiley board all incoming steamers and vessels; appraise the dutiable value of the personal effects and merchandise brought in trunks by passengers, and make all examinations of goods, on wharves and elsewhere, which, from their bulk or peculiar character, do not require examination at appraiser's stores. Their duty requires a range of five or six miles from, one extreme limit of city wharves to the other. Their duties are important, and well performed.

Drug Examiner Young is appointed by the President and confirmed by the Senate, but acts in a degree under and reports to the appraisers. The present incumbent is a good officer, intelligent and faithful in the performance of his official duties.

Edwin D. White, clerk, has charge of the correspondence of the division in charge of Mr. Appraiser Rice, filing, indexing, &c., of communications from the Department or other sources, and aids in the preparation of reports called for by the Department. He is an expert stenographer, and is employed in the record of reappraisement, which are of frequent occurrence. Examiner Smith examines all importations from the British Provinces, and a portion from west coast of Africa. He examines the merchandise of more than 8,000 invoices per annum.

Alexander Richardson is an opener of all cases of machinery, liquors; all miscellaneous goods, not dry-goods or hardware, &c., which are sent to appraiser's stores for examination, makes fires and sweeps out, &c., one-half of the offices. There are employed in the examination-rooms eleven openers and packers, and four laborers to handle and place cases. There are not too many to keep examiners employed without detention. Merchants complain, in the busy seasons of the year, that more examiners are not employed, so that a quicker delivery could be made of their goods, though examiners give all their time at such seasons to examinations and delivery of goods, reporting afterwards, when the press of business is less, on invoices for liquidation. Simplifying might be done, but with danger of shirking careful examinations, and losses to the revenue.

One unacquainted with the importance of the business at this office woul assume that all is right according to entry, and simply check the invoice if quantity were found correct, "all right," which would be the easiest and most expeditious way; but as a thorough examination of goods by our present system results in changing some portions of seven invoices in ten in their classification for duty rates, and in consequence of such changes and advances of dutiable value certainly hundreds of thousands of dollars annually are added to the revenue of this port, we cannot advise a reduction of force which would make our methods more simple indeed, but also make them imperfect, and, in our judgment, at a large loss to the revenue.

By the foregoing it will be seen that, in our belief, an employment of a sufficient force in this office to examine imported merchandise searchingly for quantity, value, and classification of duty, is not only a proper thing, in order to give the goods with reasonable expedition to the importer, but it is the means of a very large saving to the revenue, over the salary expense, in carefully ascertaining the true dutiable values and proper rates of duty, instead of employing a smaller force, which could only have time to check off the cases of merchandise with little more care than the inspectors use, who only note marks and numbers of cases.

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We almost shrink from sending so long a report in reply to your circular, but hardly know how to explain our reasons clearly at less length. Indeed, though we have stated with such apparent fulness our methods of business, and the different kinds of work of the men under our control, the space we have used could easily de doubled, or trebled, without fully describing our system, which we believe to be a good one, as it protects the revenue and gives the imported goods to importers with reasonable expedition.

Very truly, your obedient servants,

THOS. G. RICE,
R. K. DARRAH,
Appraisers.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 20.

PORT OF BOSTON, MASS.,
Naval Office, April 13, 1885.

SIR: I have the honor to acknowledge the receipt, on the 6th instant, of your circular letter of the 31st ultimo, requesting me to report to the Department to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service.

Since receiving the same, I have made careful examination of the condition of the office, the work at the several desks, &c., with a view to answering your inquiries.

I beg to state that when I took charge of this office I found sixteen clerks employed. That number, on the average, had been employed for the four years (1874–'75–'76–'77) previous to my incumbency, and the average amount of revenue collected annually during that period had been about $13,500,000.

Believing at that time that one clerk could be dispensed with, I immediately made the reduction, and the office was carried on the first year with fifteen clerks. We collected that year $12,735,000.

The business then rapidly increased year by year till 1883. I present herewith an abstract covering each year of my official connection with the office, showing the revenue collected and the number of clerks employed in the naval office for each year:

Year.	Revenue collected.	Number of employés.
1878	$12,735,000	15 clerks.
1879	16,483,000	16 clerks.
1880	21,236,000	17 clerks.
1881	22,067,000	18 clerks.
1882	24,763,000	19 clerks.
1883	22,728,000	19 clerks.
1884	20,360,000	19 clerks.

This statemeut shows an average annual collection during the seven years last past of about $20,000,000, and an average force in this office of about eighteen clerks. I desire also to state that—

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1. At this time the range and extent of the work of this office is considerably greater than it was before my incumbency. Our daily work embraced, by gradual additions, several branches of revision and verification not included in its scope previously.

2. The work of this office now, when compared with years previous to 1878, is large, disproportionately to the mere increase of the collections. Its increase would be better represented by the total number of entries passing annually through the office, which have increased from about 26,000, in 1877, to about 47,000, in 1884; or, more correctly still, by the entries annually liquidated, which have increased from about 12,000, in 1877, to about 29,000, in 1884.

This disproportionate change is due to several causes, the chief of which is the steady and progressive displacement of large importations by sailing-vessels by more numerous small importations by steamers.

It will be seen by the above statistics, and is well known to the Department, that the collections have fallen off from 1882 to the present time, and it seems probable now that the collections for 1885 will be somewhat less than those of 1884, while the number of clerks in the office remains the same.

In this connection, I would state that in April, 1883, this office was subjected to a careful and minute examination at the hands of a very intelligent commission, appointed by the Treasury Department to recommend a reorganization of its force, with a view to efficiency and economy. Under the recommendation of the commission, a reorganization was effected July 1, 1883, without any reduction of the clerical force, but with a small reduction of the total salaries. The office was thus put upon its present basis of nineteen clerks, with the work of each desk fixed and defined. It has gone on very systematically since, and while the aggregate collections have somewhat diminished since then, I think the work done in the office has fallen off but little, if any. It is to be remembered that the work of a custom-house is somewhat fluctuating. There are, especially in seasons of business depression, lively days and dull days. The force should obviously be kept at a point where it is able to transact the business of the active day without delay to its business customers. The force now employed in the naval office is able to do that, and is not able to do more.

Permit me to mention another consideration. Each clerk is entitled to a vacation of fourteen working-days during the year. These vacations for nineteen clerks are taken regularly during three or four summer months, which are now approaching, and, with the inevitable sickness, necessitate the constant absence of from three to five clerks during that period. With a force so reduced, we always have considerable difficulty in getting on with the business, and are obliged to get considerably in arrears every season with such work as *can* be deferred.

In view of what has been presented, it is my judgment that it would not be advisable to reduce the force in this office at this time, and that it cannot be done without detriment to the public service. If, however, at the close of the vacation season the opening of the autumn business shall show that the depression of the last few months is a permanent and continuing one, and that the present confident expectations of a revival are not to be realized, then I think it may appear that one or two clerks may be safely dispensed with.

In answer to the concluding inquiries of your letter, I beg to say that no way occurs to me in which the methods of doing business in this

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office can be simplified or the service improved. I believe the office is in excellent condition and performing its duties efficiently, but should be happy to have its operations examined into in any manner deemed proper by the Department.

It will give me pleasure at all times to co-operate cordially with the Secretary in any measures he may direct for promoting the efficiency of the public service and curtailing its expenses.

I am, sir, with great respect, your obedient servant,

DANIEL HALL,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 21.

CUSTOM-HOUSE, BRASHEAR, LA.,
Collector's Office, April 6, 1885.

SIR: In reply to circular letter of March 31, I will state that a reduction of one inspector of customs at this port can be made without detriment to the public service. Mr. W. B. Gray is the officer. Occasionally I may be compelled to temporarily employ such officer for a few days at a time.

If Mr. Gray, inspector, is to be discontinued, I would recommend that it take effect on 15th instant.

Respectfully, &c.,

JAS. R. JOLLY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 22.

CUSTOM-HOUSE, BRIDGEPORT, CONN.,
Collector's Office, April 4, 1885.

SIR: Referring to your favor of the 31st ultimo, I have to report that I do not see how the force employed in the district of Fairfield can possibly be reduced. There are but two officers now in the district, one the collector, and the other the deputy collector, who also acts as inspector, weigher, measurer, and gauger; and also, I do not see how the business can be simplified so as to curtail the expenses of this office.

Previous to October, 1883, there was an officer at Norwalk and one at Stamford, but they were dispensed with at that time by direction of the Department. My opinion is that there should be an officer at each of these ports, for the reasons stated in a communication from this office October 19, 1883.

There ought to be an additional officer at this port to act as a permanent inspector and boarding officer.

I have the honor to be, very respectfully, your obedient servant,

J. S. HANOVER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 23.

CUSTOM-HOUSE, BRISTOL, R. I.,
Collector's Office, April 4, 1885.

SIR: In answer to your communication under date of March 31, 1885, would say that I do not see as there can be any reduction in the number of employés in this district. The present force is as follows: One officer at this port who fills the office of deputy collector, inspector, weigher, gauger, and measurer, and in my absence as special deputy and disbursing agent. One at the port of Warren as deputy collector and inspector. One boatman for the district, and one janitor for the building under my custody.

Very respectfully,

JOHN COLLINS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 24.

CUSTOM-HOUSE, BROWNSVILLE, TEX.,
Collector's Office, April 10, 1885.

SIR: In conformity with your letter of March 31 ultimo, I would suggest the following reductions in the force of this customs district, to wit:

At the sub-port of Roma the services of the local inspector can be dispensed with, and his duties performed by the deputy collector and inspector, with the assistance of the mounted force stationed at the sub-port aforesaid.

At the sub-port of Rio Grande City the services of the local inspector can be dispensed with, and his duties performed by the deputy-collector and inspector, with the assistance of the mounted force stationed at the said sub-port.

The sub-port of Salado can be abolished and the services of the deputy collector and mounted inspector dispensed with. The business done at said sub-port does not, in my opinion, justify its continuance; it is within easy reach of and can be patrolled by the mounted inspectors of the sub-ports of Edinburg and Rio Grande City.

At this port (Brownsville) there are four local inspectors—three stationed at the ferry plying between this port and Matamoras, and one inspector acting as boarding officer. For several years it has been the custom for the ferry to be run all night for the accommodation of passengers between the cities of Brownsville and Matamoras, no goods, however, being permitted to cross after sundown. I would suggest that the services of two local inspectors at the ferry be dispensed with, as I see no reason why one local inspector, with the assistance of the boarding officer, should not be able to perform the duties from sunrise until dark, and, as the mounted force patrol alternately at night, the ferry could be included in their beat.

At the port of Brazos de Santiago the services of the local inspector can be dispensed with. The services of this officer can be performed by the deputy collector, with the assistance of the mounted inspector, in

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addition to their other duties, without detriment to the service. The arrival of foreign vessels may occasionally require the employment of a temporary inspector, but the business transacted at said port does not warrant the retention of a permanent local inspector.

* * * * * * *

I am, sir, very respectfully,

JAMES O. LUBY,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 25.

CUSTOM-HOUSE, BURLINGTON, VT.,
Collector's Office, April 14, 1885.

SIR: In reply to Department letter of date 1st instant, requesting a report as to what extent the force employed in this customs district can be reduced without detriment to the public service; whether the methods of doing the business can be simplified, &c., whereby the efficiency of the service may be improved and the expenses curtailed, I have to report that the frontier of this district is about 100 miles in extent. There are fifty-two public highways leading directly to and from the Dominion of Canada, and five railways, besides the waters of Lake Memphremagog and Lake Champlain. To guard those avenues, there are fourteen outposts, which make returns to this office. The present number of employés within this district is fifty-three, distributed as follows, viz: At seven of said outposts but one officer at each is stationed, at two of said outposts two officers at each, and the remaining five outposts, called "railroad ports," two, four, seven, eight, and twelve officers are stationed, respectively. There is also pertaining to this district five inspectors, stationed in the Dominion of Canada, on account Grand Trunk Railway, and also four tally-clerks, (boys,) one inspector, and one watchman, which may serve during the season of navigation. At said railroad ports the hours of service are irregular, as very many of the freight as well as passenger trains arrive at night, and, in fact, the the service is continuous day and night. I have very recently returned from visiting the outposts, with a view of accomplishing what apparently is desired by said Department letter, viz., to reduce the force if possible; but I am perfectly convinced that any reduction at said customs stations would be detrimental to the service, and, with regard to this office, the number of employés is scarcely sufficient to attend to the importations at this port and accomplish the rendering of the numerous accounts, reports, and returns required by the Department; therefore, unless the business can be greatly simplified in some manner, which I am not at present prepared to suggest, I cannot recommend any reduction of the employés in this district.

Very respectfully, your obedient servant,

WM. WELLS,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 26.

CUSTOM-HOUSE, BURLINGTON, IOWA,
Collector's Office, April 4, 1885.

SIR: I have the honor to acknowledge your letter of April 1, requesting me to report to what extent the force employed under my direction can be reduced, and to make such suggestions as may occur to me whereby the efficiency of the service may be improved and expenses curtailed.

In reply, I have to state that no person is employed at this port at the expense of the Department subordinate to myself; that my salary is $350 per annum, with fees and commissions added, and that these latter have never much exceeded $100, or thereabouts, per annum, and will hereafter probably be less; and that the only current other expense is for rent of office, now at $9 per month, or $108 per annum. I do not see any mode of reducing these expenses, which are already at a minimum.

Any practical suggestions for the reduction of expenses or greater efficiency must necessarily be made by those who are at the head of more important offices where employés are numerous, duties varied, and the expenses are proportionate, and may possibly be excessive. As I am not familiar with the details of such offices, it would be folly for me to make any recommendation in regard to them.

I have the honor to be, your obedient servant,

GEO. FRAZEE,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 27.

CUSTOM-HOUSE, CAIRO, ILL.,
Surveyor's Office, April 8, 1885.

SIR: Department circular letter of April 1 duly came to hand. In compliance with the request contained in said letter, I have to say the business of this office has been greatly reduced since the autumn of 1883 by the following causes:

First. In the autumn of 1875 the custom-house at Paducah, Ky., was suspended, and all business of that port was transacted here for the period of eight years. The distance is only fifty miles. In the autumn of 1883 the office at Paducah was re-established. This took away probably about one-third of our business.

Second. By the act of June 26, 1884, (section 15,) the law for the collection of hospital-dues was *repealed* and the fees for inspection of steam-vessels were *reduced*. Thus the business of this office was further reduced and the collections *very greatly* reduced. But, on the other hand, the customs officer here has no assistance from other officers. We have no local board of inspectors and no United States district attorney.

There are, I believe, more arrivals and departures of vessels at and from this port than from any other port of the United States, except

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New York. At least, the arrivals and departures number between three thousand and four thousand per annum. As a result, the customs officer here is constantly consulted. He is called upon to *give the law.* There are occasional violations of law, which he must take in hand. Very much time is consumed in *official business* which makes no show of record.

The customs officer is the custodian of the custom-house. This requires much work, and constant care and *drudgery.*

The office must be kept open, and a competent man kept there, during business hours.

Our custom-house was *built for the future,* and is six blocks away from the centre of business in town. This renders it more difficult for the chief officer of the customs to carry on other business, as he must do, *unless he is a gentleman of leisure,* which the present incumbent is not.

With this statement, I proceed to answer the letter. I have but *one subordinate,* and cannot dispense with *one without detriment to the service.* I hardly think that the methods of doing business can be simplified.

I believe that the custom-house at Paducah should be abolished, and the business of that port transacted here. *I never could perceive any good reason* for the re-establishment of that office. I feel confident that the river-men who do business at the custom-house did not generally demand it. The business of that port *certainly was done here* for eight years *without friction.* If permitted to name my own deputy, I believe I could place a person in the office (a young lady) who could fill the position, for *three hundred dollars per annum.*

I have made this letter long, that I might *state the situation* as fully as possible.

I am, sir, very respectfully,

GEO. FISHER,
Surveyor, &c.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 28.

CUSTOM-HOUSE, CAPE VINCENT, N. Y.,
Collector's Office, April 7, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of the 1st instant, asking to what extent the force in this district can be reduced and the business simplified.

In reply, would respectfully state that I do not see how the force in this district can be reduced any further without injury to the public service and great inconvenience to the business interests. Reductions have been made from time to time until we have barely sufficient to perform the work required by the employment of extra men during the season of summer travel on the river, and one at this point during the winter months. At this point, the only place where more than one officer is employed during the whole year, no reduction can be made, as there are times when more help is really needed to perform the work required.

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I have no recommendations to make relative to simplifying the methods of doing business, as none occur to me at present.

Very respectfully,

G. W. WARREN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 29.

CUSTOM-HOUSE, CASTINE, ME.,
Collector's Office, April 6, 1885.

SIR: I respectfully acknowledge the receipt of your printed letter, dated April 1 instant, requesting me to report in writing to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service; also asking for suggestions in relation to simplifying the methods of doing business, &c. In reply, I respectfully beg leave to say that I should labor under embarrassment in answering the questions embodied in your letter for the following reason or reasons, to wit: During my term of office, embracing a period of fifteen years, I have been treated with uniform courtesy and kindness by my political opponents in this district, and many of them are my personal friends. Those friends, in the near future, will occupy the places now filled by me and my subordinates. My (probable) successor has based his arrangements, in relation to his subordinates and other matters relating to the duties of the office, on its present status. Should I recommend a change, whether adopted or not, that would in any respect interfere with such arrangements, he would have reason to think that I had given an unkind and uncalled-for thrust just as I was leaving the office. It is my earnest desire to leave the office with the same good feeling towards the incoming force that they have ever manifested towards me, and I respectfully ask that the reasons given may excuse me for not answering the questions.

I would say that the force cannot be reduced except by abolishing one of the sub-offices, or dispensing with the services of one deputy in this office.

I have the honor to be, very respectfully, your obedient servant,

WM. H. SARGENT,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 30.

CUSTOM-HOUSE, CEDAR KEYS, FLA.,
Collector's Office, April 6, 1885.

SIR: I have the honor to report, as per instructions in your circular of April 1, relative to the reduction of force in this district, that I have but one special deputy collector, two inspectors, and one revenue boatman. One inspector is stationed at the port of St. Marks, seventy miles west of Cedar Keys; the other is stationed at Cedar Keys. In the month of March there were seventy-nine arrivals and departures of steamers, schooners, and sloops, that are engaged in the coasting trade on the Gulf coast of Florida, that do not pay any entrance fee, but require constant watching, and requires the inspector to be continually on the docks and beach where the vessels land for the purpose of unloading and loading. The boatman, who acts as boatman, messenger, and janitor, cannot be dispensed with. The deputy is necessary to perform the work in the office as required by law.

The force in this district has been reduced from time to time as circumstances would admit. The *traffic* on the gulf coast is increasing very rapidly, caused by the increase of immigration.

I cannot recommend any reduction. If at any time we can reduce the force, I will recommend it at once.

Very respectfully, your obedient servant,

J. HIRST,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 31.

CUSTOM-HOUSE, CHARLESTON, S. C.,
Collector's Office, April 6, 1885.

SIR: The receipt of Department circular letter dated 1st instant is acknowledged.

In reply thereto, I have the honor to state that the force employed under my direction in the United States customs department, custom-house building, and old club-house building, is as follows:

Customs department employs—

	Salary per annum.
One special deputy collector, cashier, and clerk	$2,000 00
One import entry clerk and auditor	1,500 00
One foreign clearance and liquidating clerk	1,500 00
One coastwise and foreign entry clerk	1,500 00
One chief inspector and boarding officer	1,460 00
One inspector, acting examiner, weigher, and gauger	1,095 00
Four inspectors of customs, at $1,095 each	4,380 00
One quarantine inspector of customs, six months	547 50
One messenger	730 00
Two watchmen, $600 each	1,200 00
Four boatmen, $480 each	1,920 00
Total	17,832 50

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The act of Congress of 26th June, 1884, abolishing the collection of "hospital-dues," has so much reduced the labors of the desk as to warrant me in recommending that the same be abolished, and that the remaining duties of the desk be divided between the special deputy collector and desks 1 and 2. By this means the services of one employé in the clerical department can be dispensed with, curtailing the expenses fifteen hundred dollars per annum.

In the department of inspectors the services of one inspector can be dispensed with; and, to save a further expense of employing, as heretofore, an additional inspector for duty at quarantine station from May 1 to October 31, I would recommend that one of the regular inspectors be assigned to duty at that point, leaving two regular inspectors for duty at this office, who, with the inspector performing the duty of examiner, weigher, and gauger, will be a sufficient force for the requirements of the summer months. A reduction of expenses in this department of $1,642.50 per annum can thus be made.

I would recommend that the services of one watchman, at a salary of $600 per annum, be dispensed with, one watchman, in my opinion, being sufficient for the protection of the building.

From 1st May until the 1st November, a period of six months during the year, the services of two boatmen can be dispensed with, and in the busy season the service of only one additional boatman would be required. The expenses of boatmen would thus be curtailed $720 per annum.

The total reduction of expenses, as recommended, would be as follows:

Clerical force, customs department	$1,500 00
Inspector's force, customs department	1,642 50
Watchmen's force, customs department	600 00
Boatmen's force, customs department	720 00
Total	4,462 50

The customs building, employés:

One janitor, salary per annum	$720 00
Three assistant janitors, at $30 each per month	1,080 00
Total	1,800 00

The force of "janitors" employed as above may appear unnecessarily great, but since the removal of the United States courts and officers to this building the work has increased nearly 100 per cent., and it requires much labor to keep the grounds, offices, &c., in proper condition. The old "club-house building" employs one watchman, at a salary of $480 per annum.

It seems to me that the methods of doing business cannot be simplified, and no other suggestions and recommendations than those already made occur to me now whereby the efficiency of the service may be improved and the expenses otherwise curtailed.

Very respectfully, your obedient servant,

T. B. JOHNSTON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 32.

CUSTOM-HOUSE, CINCINNATI, OHIO,
Surveyor's Office, September 21, 1885.

SIR: I have the honor to acknowledge the receipt of your favor of the 3d of August, requesting me to report in writing to what extent, in my opinion, the force employed in this district can be reduced without detriment to the public service.

After carefully considering the matter, I beg leave to report that I am unable to see how the force at present employed in this office can be reduced without injury to the service.

The business at this point has not been affected as much by the depression in trade as at some other places, and the prospects for a considerable increase in the near future are good, so that it appears to me that no reduction in the force employed here in the Government service ought to be made.

Very respectfully,

WM. CALDWELL,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 33.

CUSTOM-HOUSE, CINCINNATI, OHIO,
Surveyor's Office, April 11, 1885.

SIR: I have the honor to acknowledge the receipt of your circular of April 1, 1885, requesting me to report as to the practicability of reducing the force employed and simplifying the methods of doing business at this office. I respectfully submit the folowing:

I cannot recommend any reduction in the salaries paid. They are quite as low as is consistent with the efficiency of the employés.

The work of building the new custom-house and post office in this city is now nearly completed. When the disbursements for this purpose have been completed, it is probable that one clerk may be dispensed with. I know of no other reduction in the force that I can recommend.

The business of this office has steadily increased during the past four years, and a further increase is probable.

I am aware that at times the work of the office could be performed with fewer men, but these periods cannot be foreseen. The force must be kept sufficient at all times to do the work which the public service requires. If we had but one point in this city for receiving imported merchandise, only two inspectors would be needed instead of three. But we have three depots, and often cars waiting at all of them.

If any one would maintain a private bonded warehouse, the public store might be abandoned, though the charges collected for storage, &c., are about equal to the expenses, considering that the appraiser's office and examining-room are in the building rented for a public store.

I consider the public store indispensable. In the assignments of rooms and offices in the new public building in this city, no provision has thus far been made for the *appraiser* of merchandise. I made an

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unsuccessful effort to avoid this condition of things. Unless this error can be corrected, it will cause an unnecessary expense, as well as inconvenience in the transaction of business.

The new public building is abundantly large, not only to allow an office and examining-room for the appraiser, but the basement, covering nearly two acres, and thoroughly fire-proof, is ample to afford room for a public store. If the room at command were utilized in this way, it would much facilitate the work at this port, and save $3,000 per annum.

There will be a very decided increase in the pay-roll of the custodian as soon as the new building shall be occupied.

Very respectfully,

D. W. McCLUNG,
Surveyor and Custodian.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 34.

CUSTOM-HOUSE, CHICAGO, ILL.,
Collector's Office, April 15, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of the 1st instant, in which I am directed to report to what extent the customs force here can be reduced without detriment to the service; whether the methods of doing business can be simplified, and such suggestions as, in my opinion, would curtail expenses and increase the efficiency of the service.

In reply, I will say, relative of a reduction of force, that, as under the act of June 26, 1884, the hospital-dues and the tonnage-tax in most cases are no longer collectible, I have this day recommended the abolition of one clerkship in the marine department, class 1, No. 3, $1,200 per annum; and in this connection I will say that since the close of navigation, January 1, 1885, seven men have been discontinued from the inspectors' force, but that upon the opening of navigation it will be necessary to ask for the usual increase for the present season.

For your information, there is herewith enclosed statement No. 1, and in explanation of the same I would say that the customs business at this port, so far as it relates to inspectors, is such that, while it requires a large amount of work, little revenue results directly from it, from the act that no collections are made for transferring cars and attending to exports; and I would also here state that the gradual increase of the customs business here indicates that this branch of the service will grow fontinuously.

In regard to simplifying the methods of doing business at this port, I would say, generally, that, there being no surveyors or naval officers here, it would seem that the methods of collection are now as simple as any known in the customs service, and that they are very economical will be seen by reference to the enclosed comparative statement, No. 2.

In conclusion, I do not wish to be understood as claiming that in the many details of the business here it cannot be improved, and I would

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be pleased to co-operate with the Department to the end that, if possible, the same may be simplified, and a further curtailment of expense made if deemed compatible with the efficient collection of the revenue.

I am, very respectfully,

JESSE SPALDING,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 35.

CUSTOM-HOUSE, CLEVELAND, OHIO,
Collector's Office, April 4, 1885.

SIR: I respectfully acknowledge the receipt of the Department's letter of the 1st instant, asking a report from this office in writing as to what extent the force employed under its direction can be reduced, &c.

In reply, I would respectfully say that the service would not be impaired, in my judgment, by abolishing the office of deputy collector and inspector at the outlying ports of Conneaut and Amherst.

My reasons for this are that the pay at these ports, for the officer is too small for him to rely on for support, hence he cannot give his entire attention to the business; and, on the other hand, the amount paid by the United States for salaries is altogether too great for compensation received in the way of receipts from all sources, which from both ports will not amount to $25 per year combined. Practically speaking, there is no commerce at the above outlying ports of this district. The pay of the deputy at Conneaut is 80 cents per day, and Amherst 5 cents per day, during the entire year.

The other outlying ports of this district are Ashtabula, Lorain, and Fairport. The pay of the deputies at the two former is $1.30 per day, and at the last-named, 80 cents per day, during the entire year.

During the period between the closing of navigation in the fall of year and the opening of the same in the following spring there is absolutely no business for the deputies to perform, and, in my judgment, their reports could all be completed by the last of December each year, at which time their pay should cease. On or about the 15th of March, they might be again put under pay, and regarding such action I do not think they could reasonably complain. In this connection, I might state that the practice of the Department of designating such officers as deputy collectors and inspectors is, in my opinion, productive of much unnecessary expense to the Government. The word "inspector" carries with it an obligation to pay such as hold the title $3 per day. When the incumbent accepted the position he was aware of the conditions, and was satisfied, and yet claim agents at Washington are importuning these deputies to place their cases in their hands, and are assured that they (agents) can collect the difference between what they receive under the terms of their appointment and the amount of an inspector's pay, $3 per day. By such means, a former deputy (S. Butler, Fairport) was paid over $600 as back pay, or arrearages. This is an injustice to the Government, and the regulations should be amended to the extent of simply calling such officers deputy collectors.

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Upon one more point I would respectfully offer the Department a suggestion: That there be no "special inspector of customs" assigned to this port. While not actually upon the pay-roll of this office, still, inferentially, the burden must be borne here to the extent of $4 per diem and travelling expenses for such officer, and, truthfully speaking, without satisfactory results, and the percentage of cost of collecting the revenue at this port is raised correspondingly.

While I have no word of disparagement for the special inspector just removed by the Department, I can say that the position itself is not essential to the proper protection of the revenue. The present corps of three inspectors is sufficient for all of the work, and, I might add, have performed all of it.

Very respectfully, your obedient servant,

GEO. W. HOWE,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 36.

CUSTOM-HOUSE, CORPUS CHRISTI, TEX.,
Collector's Office, April 22, 1885.

SIR: There has been some necessary delay in answering your communication of 1st instant, relative to the force of this district, owing to the fact that it was not expedient to make the required report until I determined by personal observation of the mode and manner of doing the business at different points in the district, as well as to ascertain whether or not the force is capable and efficient, or could be reduced without detriment to the public service.

At Carrizo I found the force inadequate to perform the duties and the business in a proper manner. The two mounted inspectors are required to patrol the Rio Grande for a distance of sixty miles, and, as they are absent much of the time, the deputy not only has his clerical duties of his office to perform, but to attend to the ferry landing, which is three-quarters of a mile from his office. This at all times being impracticable, I nominated, on the 17th instant, a suitable person as local inspector, *vice* James McCullouch, resigned, and left that place on the 14th day of February last. The business and duties of the officers at Carrizo have been done, it appears to me, without system or discipline. The necessary books, such as daily record of moneys received, daily record of balances, &c., have not been kept.

With a view of introducing proper discipline, and to a more efficient discharge of the duties required at that point, I have given such officers full and explicit instructions.

In the Laredo office the clerical duties are laborious on account of the attention required to be paid to documents and certificates to be made in matter connected with the great quantities of bonded goods passing that point, the many impost entries passed and liquidated, and the innumerable quantities of domestic goods exported to Mexico, which require permits to be made out and manifests to be signed and examined.

I believe with less force in that office the work could not be properly conducted, as the deputy and the clerk are often compelled to work late at night to complete the business of the day.

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At Laredo there are two mounted inspectors, whose duty it is to patrol the Rio Grande for a distance of about 80 miles. One of these inspectors lacks, in my opinion, the requisite inclination or ability necessary to be possessed by a mounted inspector in order to accomplish satisfactory results in protecting the revenue against illicit traffic; and the other—I am not yet positive as to his efficiency. The two local inspectors at Laredo are constantly employed—one to attend the examination, checking, and shipping bonded goods; to board all passenger trains, examine passengers' baggage of persons arriving from Mexico. All bonded goods in transit to Mexico, except those that pass through Corpus Christi, have to be transferred at Laredo, one railroad being narrow gauge and the other broad gauge.

The duties of the other local inspector are to attend to the ferry at the Rio Grande landing, where from 600 to 800 persons cross and recross daily. His duties require his attention from one-half hour before sunrise until 8 o'clock in the evening. This duty is too arduous for one inspector, for his constant attention is necessary, and required from 12 to 14 hours every day in the week, and the only intermission he has is when, by chance, one of the mounted inspectors may be in town, who is sent to relieve him for a few hours. Sometimes, when necessary for this inspector to be absent, the porter is sent down to take his place.

Often it occurs that balls, parties, "fiestes," and bull-fights are given in New Laredo, Mexico, or in Laredo, and then the community demand the ferry open until late at night, which requires the inspector to be in attendance.

For these reasons, it is actually necessary, to properly conduct the business and guard the revenue, as well as not to overwork the officer, that an additional inspector be stationed there.

Another duty that should be performed by the additional local inspector asked for is to visit the stock-pens of the railroads every night and patrolling the river in the vicinity of town. The freight-train leaves Laredo between 2 and 3 o'clock A. M. Stock can be, and is, smuggled into the pens and shipped under cover of the night. I have every reason to believe that this has been done on quite a large scale, and on my last visit to Laredo instructed the mounted inspector, when in town, to visit the pens. The result was a seizure of twenty-five horses, appraised at a value of $250. But the mounted inspectors are rarely in town. The local inspector being busy all day, the necessity, I think, explains itself for an additional inspector, part of whose duty it shall be to attend to this. I therefore request authority to employ an additional local inspector, at a compensation of $3.50 per diem, at Laredo.

The inspectress at Laredo has all she can do to look after the Mexican women who attempt to smuggle mescal in bladders, and other dutiable articles, hid about their person; and the inspectress's presence has had a good and wholesome effect upon the ladies at Laredo and in its vicini y who may have contemplated to introduce commodities contrary to law.

At this office I am compelled to say that a proper attention has not been paid to the requirements of the law and regulations by those in the office previous to my taking charge.

It appears to me that the system adopted was one loose to the extreme. The record-books that are required to be kept have, in many cases, not been opened, and the inspectors and clerks, not being instructed—so they inform me, in their duties—failed to know them, and the business of the office, it appears to me, has been done in a haphazard manner.

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The force here is now inadequate to do and perform the business in a proper manner. On account of having no suitable person to nominate for deputy at Laredo, I have been compelled to send one of the clerks from this office there to act until I can find a competent person to fill the position.

The duties of the local inspector at this port are to receive, examine, and superintend the shipment of bonded goods landed from the steamers *en route* to Mexico, and goods bonded at this port for export and transportation, as well as to look after the shipping, admeasure vessels, &c.

The necessity for having an additional inspector here for the protection of the revenue on the waters of the district is as follows: This port, being thirty miles from Aransas Pass, the entrance to the port, it is actually important to visit the pass in order to board and examine all vessels that come over the bar. As vessels cross the bar and proceed direct to Rockport, Fulton, Lamar, St. Mary's, and other places in the district without coming within thirty miles of this port, it is important that trips should be taken to these places and other points for the purpose of examining all vessels found, not only at these places, but all vessels found sailing on the waters of the district. Again, Corpus Christi Pass, which is situated twenty miles southeast from here, should be visided, as well as Cedar Bayou, a pass from the Gulf some sixty miles from here, and in this district, for at both of these passes vessels can and have entered the waters of the district.

In order to guard against any attempt to smuggle, an inspector should visit all of the places in the revenue boat where smuggling operations can be carried on; and if you take into consideration the large extent of the navigable waters of the district, the many towns accessible to such navigation where there are no customs officers stationed, you will, I believe, consider my request for an additional inspector to do the work just and reasonable, as well as necessary for the protection of the revenue.

I am, very respectfully,

LOVELL H. JEROME,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington. D, C.

No. 37.

CUSTOM-HOUSE, CRISFIELD, MD.,
Collector's Office, April 9, 1885.

SIR: I have the honor to acknowledge the receipt of circular letter, dated April 2, 1885, requesting a report as to what extent the force employed under my direction can be reduced, and whether the methods of doing business can be simplified, &c.

The business at this port is confined exclusively to the issuance of marine documents to vessels, the admeasurement of vessels, recording bills of sale and mortgages of vessels, and other work of like nature connected with the revenue laws. The report of the Treasury Department for the year ending June 30, 1884, places this port sixth in the list of customs districts in the number of vessels documented, and every year shows a steady increase. To perform this work I have one deputy collector, who is compensated by the Government at the rate of $3 per

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day, occupying his entire time; also, one special deputy and clerk, who is paid by myself from my emoluments. The business requires the entire time of the entire force; indeed, at some periods of the year is more than can be done, even working extra time, and the accumulated work must lay over to a more leisure time. I therefore cannot see how the force employed can be reduced without detriment to the public service.

The methods of doing the business connected with the office are mostly prescribed by law, and cannot be deviated from without a change in them. The money accounts are few and simple, and the expenses of the office are kept as economically as possible, as a reference to my returns will show.

Very respectfully,

HANCE LAWSON,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 38.

CUSTOM-HOUSE, DETROIT, MICH.,
Collector's Office, April 10, 1885.

SIR: I have the honor to acknowledge the receipt of circular letter from the Department, dated the 1st instant, asking a report in writing as to what reductions are practicable in the customs force employed in this district, &c.

As bearing on this question, and in order that the Department may understand the situation here, I transmit herewith a tabulated list of all employés in this customs district, showing their compensation and duties.

An examination of this list will show that my force is divided practically as follows, viz:

How employed.	No. of employés.	Aggregate pay.
In main general office	10	$15,130 00
At custom office at city ferry	8	7,488 50
At custom office at Walkerville ferry	3	2,672 50
In upper end of city	1	900 00
In lower end of city	1	900 00
In United-States warehouse	3	3,825 00
At express office	1	900 00
At freight-depot, Michigan Central Railroad	3	3,715 00
At freight-depot, Grand Trunk Railroad	3	3,272 50
At Michigan Central Railway ferry-boats	10	9,807 50
At Grand Trunk Railway ferry-boats	9	8,757 50
At station outside city in district	11	2,409 00
Total	63	59,777 50

Attached to the main office are the special deputy, marine, bond, clearance, entry, and abstract clerks, chief clerk, cashier, messenger, and one deputy collector and inspector, whose duties are to supervise the outside force, examine into irregularities, &c. All of these officers are necessary; and while it is true that during the winter months I might get along with one less man, still, during all the rest of the year, the force is fully employed.

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There are employed at the customs office at the city ferry eight officers. At this point boats are arriving from and departing for Windsor, Ontario, (a place of about ten thousand inhabitants,) every five minutes, and in the summer months oftener. These boats are in motion from sunrise till 11 and 12 o'clock at night, according to the season. Large quantities of produce and dutiable goods of greater or less value are continually arriving by these boats daily. Hundreds, and during the summer months thousands, of persons cross and recross on these boats. Wagons, carriages, and vehicles of all kinds are crossing and recrossing without cessation. All this business requires the constant and vigilant supervisiou of the force stationed there. Vessels arriving or departing within a district embracing about one mile of the river front are attended to from this office. One officer of the force stationed here is on duty all night during the season of navigation, to receive reports and grant clearances to vessels. Inspection of all imported merchandise arriving by boat within the district above described is made by the officers stationed at this ferry. Subtracting from this force one female inspector, whose duties are special, another who, being inspector of live-stock, and so subject to call to all points in the city, and one deputy assigned to night duty, and there remain but five officers who can be relied upon to do all the duties pertaining to this station. This force cannot be safely diminished, and, in my opinion, should rather be increased.

At the Walkerville ferry, a ferry from the upper end of the city to Walkerville, Canada, at which is stationed two deputies and one woman, as female inspector, the same duties, with the exception of night-clearance business and the inspection of imported goods arriving otherwise than by ferry-boats, are required. The boats here run from sunrise till 10, and in summer till 11 o'clock at night.

At the upper end of the city one officer is stationed, and one also in the lower end of the city, to receive reports and grant clearances to vessels and inspect imported merchandise arriving in their respective districts. The district of the first extends from the Grand Trunk Railway depot up the river to the city limits, and of the second from the Wabash Railway depot down the river to the city limits, each embracing about one mile of river front. In these districts are the iron foundries, lumber, wood, sand, and stone docks, and yards.

At the express office of the American and Canadian Express one officer is stationed to look after importations arriving by express, to cord and seal bonded goods, and to collect duties on small articles arriving by express.

At the Michigan Central and at the Grand Trunk Rrailway freight-depots are stationed six officers, three at each, whose duties are to attend to the inspection of all importations by rail arriving at these points, cording and sealing bonded goods, checking out contents of cars arriving in transit through Canada from eastern United States points, and which have been held for any reason, as for defective sealing, irregular manifests, &c. These officers are employed regularly from 7 o'clock A. M. till dark, and very often through the entire night, so that there may be no delay to the railroad traffic. Those stationed at the Michigan Central depot, in addition to their duties at that point, also perform the same duties with reference to cars arriving at the Wabash depot, half a mile below their station.

Nineteen men are employed on the railroad transfer boats of the Michigan Central and Grand Trunk Railroads. Each of these roads have in

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use two boats, those of the former plying between their slip in this city and their slip immediately opposite, in Windsor, and those of the latter between their slip in Windsor and *two* points on this side, viz., their *own* depot, directly opposite their Windsor slip, and the *Wabash* Railroad depot, a mile below.

The boats of the Michigan Central Railroad each carry twenty-four cars at a load; those of the Grand Trunk carry, one of them fourteen and the other eighteen cars.

All of these boats run *nights*, *days*, and *Sundays*, with *no* cessation whatever, the *year through*, and *all* cars in transit between east and west arriving at and departing from this port by the Michigan Central, Grand Trunk, and Wabash Railroads are *crossed on these boats*.

Six officers are employed on one of the Michigan Central, and a like number on one of the Grand Trunk boats, divided into reliefs of two men, and each relief working eight hours. On the other Grand Trunk boat three officers are employed, one man to each relief. On the other Michigan Central boat four men are employed, the extra man, when not needed on the boat, being assigned indifferently where most needed, but ordinarily he is employed to aid the regular reliefs in clearing the large passenger-trains arriving from the East, so that there may be the least possible delay and inconvenience to the travelling public. And right here I wish to say that, from the nature of the services required of these officers, by reason of exposure, especially in the winter months, there is always more or less sickness among them; and as there is no cessation in the crossing of cars, I deem it absolutely necessary that I should have at least one extra man for emergencies.

The duties of these officers consist in sealing and certifying manifests of all east-bound cars in transit through Canada; examining car-fastenings, and checking of manifests of cars arriving in transit from eastern United States points; marking all cars to be held by customs for entry and inspection from Canada, as also manifested cars arriving with broken seals or opened, and reporting them to officers at the freight-depots for detention and inspection; examining all passengers' baggage, collecting duties on articles of small value found therein on passenger-trains arriving, and stamping all hand baggage on trains departing through Canada; receiving manifests of other baggage, checking such baggage by the manifests, certifying the latter, and sealing up the baggage and keeping a complete record of all cars crossing each way.

The time taken up in making a trip between the Windsor slip and the Wabash depot is about 20 minutes; the other crossings occupy between nine and fifteen minutes; so that it can easily be seen that the officers on these boats are fully employed. Indeed, I have been importuned time and again by the railroad officials to assign more officers to these boats, but have been compelled to decline, as I had not the men to spare. The Wabash officials are asking now that an officer may be assigned to duty at their freight-depot, as there are officers at those of the other roads; but I am compelled to refuse, for the simple reason that I have no officer available.

The business of that road justifies their request, as within the past year, having changed their terminus from Toledo, Ohio, to this port, their business here has increased in that time almost 100 per cent.; but I have declined asking Department for an additional man, for the reason that I understand such requests in the past have, if not absolutely declined, brought forward what I would respectfully state, in my opinion,

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is an unfair objection, viz., that there is less revenue collected here, from the number of officers employed, than at some other places. This, I submit, is not a fair test. There were crossed on the railway boats at this port in 1884 a daily average of over eleven hundred cars. During the past month, with the river full of ice, over *forty-two thousand*, an average of over *thirteen hundred and ninety daily*, were ferried across. All these require the supervision of customs officers. The law requires it, though the Treasury derives little benefit from it. With the force I have I could as easily collect twenty times the amount I do now as to collect what is actually collected, but the law none the less requires certain duties to be performed by customs officers, and the performance of these duties is not contingent on the revenue that may or may not be collected in connection with it.

Years ago, before this railway-transit traffic had attained any great magnitude, the business of sealing, &c., of cars, and all the business now done on the boats was done on the *shore* at the ferry-slips. As the traffic increased, and at the request of the railroads, in order to facilitate their business, that they might the better compete with rival lines in expediting freights, the customs officers were transferred from offices on the shore to the boats. The change took place several years ago, and was in force when I became collector.

If the old order was re-established, I could dispense with the services of four officers, and so reduce my force to what it was five years ago; for with all the increase in the volume of business at this port, the customs force has been increased by but *three* officers in that time.

Whether the Department will order a return to the old system of doing this railroad business on the shore, and so save the amounts paid as salaries to four officers, or whether it will order no change, will depend, I presume, on the standpoint from which the question is considered, whether viewed from that of naked economy in disbursements of public moneys and disregarding all other considerations, or whether viewed from the standpoint of accommodation to the great east and west railroad lines, and the expediting of their business, and, consequently, the increased benefits to that portion of the public patronizing such lines.

At the outside stations of this district, commencing at Monroe on Lake Erie and extending to New Baltimore on Lake St. Clair, eleven officers are employed, all this force, with the exception of perhaps one officer stationed at Ecorse, just below this city, I consider necessary to the protection of the revenue. In summing up, I am, therefore, compelled to say that if the Department desire to continue the present system of business, affording all the facilities that are now furnished railroads and transportation companies, it will be impossible to reduce this force. In other words, a reduction of the force must necessarily be accompanied by a reduction in the facilities now afforded these lines.

Referring to the matter of expenditures by way of salaries, I have no hesitation in saying that, in my opinion, my force is no more than fairly paid. In conclusion, I have to state that it has been my constant aim since I assumed the duties of collector to carry on the business of the office with an eye single to the interests of the Government, and as economically as I could, keeping these interests always in view.

I am, very respectfully, your obedient servant,

W. LIVINGSTONE, JR.,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 39.

CUSTOM-HOUSE, DUBUQUE, IOWA,
Surveyor's Office, April 8, 1885.

SIR: In reply to circular dated April 1, 1885, I have the honor to state that a readjustment of the allowance for the required force for this office was made on the recommendation of the proper officers, and, in my opinion, the force employed under my direction cannot be reduced without detriment to the public service, or the allowance curtailed with justice to those employed. There are fifteen rooms, with halls, stairways, and corridors, to be cleaned daily. The outside steps and sidewalks require daily cleaning and attention, occupying the time almost constantly of the janitor and the assistant janitor. The janitor is qualified as deputy surveyor, at a salary of $600 per annum; the assistant janitor, $300 per annum; and I do not think that any change could be made to improve the efficiency of these employés, as this building and grounds are kept in perfect order. I would, therefore, respectfully recommend that no change be made in the force of this office.

Very respectfully, your obedient servant,

ROBERT ARMSTRONG,
Custodian.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 40.

CUSTOM-HOUSE, DULUTH, MINN.,
Collector's Office, April 6, 1885.

SIR: In reply to your letter of April 1, I would respectfully state that the force in this office was reduced (one officer) one year ago, and I do not see how it can be reduced further. There will be another line of foreign vessels (two steamers) this coming season of navigation in addition to the old lines of last season.

Very respectfully, your obedient servant,

V. SMITH,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 41.

CUSTOM-HOUSE, DUNKIRK, N. Y.,
Collector's Office, April 4, 1885.

SIR: In reply to your letter of the 1st instant, relating to the reduction of the "force employed under my direction," I have the honor to report that there is but one person so employed in this district, under the designation of deputy collector and inspector. He is required to travel over forty miles of lake coast, and, to do it effectually, it is necessary to keep a horse. He also has to go to Salamanca, whenever occasion requires, to transfer bonded freight or open bonded cars for

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necessary repairs. It now takes one full day to go to Salamanca, attend to the necessary business, and return. The number of cars so opened during the last fiscal year averaged over three a week, and I think the average for the present year will be as great as last year. In my opinion, the necessity of patrolling the lake coast is very essential, as it prevents a large amount of illegal traffic between Canada and the United States by parties that would be only too glad to engage in such traffic were the constraint that now exists removed, of an officer of the Government coming upon them at a time when least expected, either day or night. The compensation received by said officer was recommended by a commission appointed to examine into the needs of this district by the Secretary of the Treasury in 1882, and, in my judgment, is not too great for the faithful performance of the duties required of him.

Very respectfully,

A. H. ABELL,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 42.

CUSTOM-HOUSE, EASTPORT, ME.,
Collector's Office, April 13, 1885.

SIR: I have the honor to report, in reply to Department letter of the 1st instant, relating to a reduction of the force employed under my direction and a simplification of the methods of doing business, that, in my opinion, there can be no reduction of the force without detriment to the public service; nor do I know of any way of simplifying the methods of doing business.

A change in the laws relating to the marine documents issued to vessels can be made by which the expenses to owners will be largely reduced, and at the same time a reduction can be made in the force employed in custom-houses and elsewhere.

The register should be the only marine paper issued to vessels. The issuing of enrolments and licenses serves no purpose now but to keep an extra force at work in making them, in keeping accounts of them at custom-houses and at the Department.

Very respectfully,

N. B. NUTT,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 43.

CUSTOM-HOUSE, EDENTON, N. C.,
Collector's Office, April 6, 1885.

SIR: In reply to Department letter, dated April 1, 1885, referring to a reduction of the present force employed in this customs district, I would respectfully state that this office was visited by Special Agent

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George D. Weeks some time during 1883, with a view of making such recommendations as were necessary looking to a reduction of expenditures. After a careful consideration of the matter, he, with my concurrence, recommended a reduction of one-half of the force then employed, which recommendation was approved by the Department. Later, in 1884, Special Agents Tingle and Hubbs examined the affairs of this office, and, in relation to a reduction of force then employed, (one special deputy and one inspector,) decided it to be at its lowest minimum to be efficient. The waters of North Carolina are easily accessible from the ocean through the many inlets leading into them, and the presence of officers as a preventive against violations of the customs laws, if for nothing else, seems to me to be indispensable. In view of the fact that the force is small, I would respectfully request and urge that no reduction of force be made in this district.

Very respectfully, your obedient servant,

C. E. ROBINSON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 44.

CUSTOM-HOUSE, EDGARTOWN, MASS.,
Collector's Office, April 7, 1885.

SIR: I have the honor to acknowledge the receipt of the Department's letter, dated the 1st instant, calling for a report as to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, and to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed.

After careful consideration, I beg leave to say that when I entered upon the duties of this office, in 1870, the force employed under my direction numbered seven officers and one boatman, at an annual aggregate compensation, including my own salary, of $6,001. A reduction was made from time to time in the number and compensation of these officers until 1883, when a sweeping reduction was made, leaving me with two officers only and a boatman. Subsequently, without my solicitation, the Department directed me to nominate for appointment an inspector for Tarpaulin Cove, that station having been left vacant under the reduction last named, so that the force now employed under my direction numbers three officers and one boatman, to wit: A special deputy collector, inspector, weigher, gauger, and measurer at this port; a deputy collector and inspector and one boatman at Vineyard Haven; and an inspector at Tarpaulin Cove. The total compensation of these employés, together with my salary, for one year, ending March 31, 1885, was $2,976.

The incidental expenses for rents, fuel, and for storage of public property for this office and for the deputy collector's office at Vineyard Haven are extremely small, not exceeding an average of $115 per annum.

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In view of these statements, I could not feel justified in recommending a decrease in the number or compensation of the small force now under my charge.

I am, sir, very respectfully, your obedient servant,

C. B. MARCHANT,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 45.

CUSTOM-HOUSE, ELLSWORTH, ME.,
Collector's Office, April 6, 1885.

SIR: In reply to your printed letter of the 1st instant, I have the honor to report that during the last ten years the working customs force in this district below the collector has been reduced from seven to four, or nearly 43 per cent. I see no way that a further reduction can be made without detriment to the public service. A further reduction would result not only in making the remaining officers inadequate in numbers for the performance of the customs business, but would expose this district of Frenchman's Bay, with a coast-line of one hundred and fifty miles following the sinuosities of the shore, to the successful operations of smugglers running between Nova Scotia or New Brunswick and this district.

In my opinion, many of the reports from custom-houses to the Treasury Department which are now made monthly might just as well be made quarterly. Such a change would somewhat simplify the methods of doing business, and in large offices curtail the expenses.

Very respectfully,

J. D. HOPKINS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 46.

CUSTOM-HOUSE, EL PASO, TEX.,
Collector's Office, April 6, 1885.

SIR: In reply to yours of the 1st instant, I beg leave to call your attention to communications of August 25, 1884, and February 11, 1885, explanatory of the condition of this collection district; also, letter from Mr. W. A. Daniel, resident of Bisbee, Ariz., forwarded the 12th instant, as well as report of Special Agent Evans, in December last. When the extent of this district is taken into consideration, the low water of nine months of the year in the Rio Grande below El Paso, and the line from El Paso to Yuma, Ariz., interspersed with mountain passes, affording every facility for smuggling and evasion of customs officers, the Department will, I think, see that the present force is inadequate for the protection of the Government's interests, and much revenue to the Goverment is lost, while the honest importer is brought into competition with the smuggler.

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I have attempted to station my force to the best advantage, yet the number cannot possibly protect the whole line. My impression is that Bisbee, Ariz., and the Rio Grande between El Paso and Presidio del Norte, a distance of about three hundred miles, are the most important points not covered. I have one mounted inspector between El Paso and Presidio del Norte, without an allowance for horse. I cannot expect him to patrol the three hundred miles.

The increase of bonded business at this port keeps one inspector engaged; another patrols the river; and the third is on duty at the bridge during the day. The bridge is unprotected at night, and needs another inspector there. Men who desire to smuggle, knowing my inability to guard the bridge at night, no doubt avail themselves of this opportunity.

The clerical force in the office are competent men, and with their increase of duties are fully employed. I know of no manner in which the expenses of the district can be curtailed, excepting in the lease of building for custom-house, which expires June 30. I think a more suitable building can be had, and cheaper rent, as rents have declined since present lease was made.

Very respectfully,

W. A. SAYLOR,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 47.

CUSTOM-HOUSE, ERIE, PA.,
Collector's Office, April 6, 1885.

SIR: In reply to Department's letter of 1st instant, I beg leave to state that the present force in this office consists of the collector, the deputy collector, and the janitor. The inspectors are appointed for and during the season of navigation. Last season we had three inspectors.

The Anchor Line of this port has a splendid fleet of twenty-one vessels. This is also the home port of numerous other merchant vessels; also, of a large fleet of fishing steamers and yachts and of numerous pleasure steamers and yachts. The Anchor Line docks and elevators are the lake terminus of the Philadelphia and Erie Railroad. This line, with its docks, elavators, fleet of vessels, connection with the Philadelphia and Erie and other railroads, in addition to its immense carrying trade of grain, flour, and general merchandise, is also a bonded line, and transfers, and expects to transfer this season, large quantities of bonded goods from bonded cars to their vessels at this port. The docks and elevators of this line are situated about two miles east of the Pittsburgh docks, and between them are three intermediate docks and landings.

The Pittsburgh docks are the terminus on the lake of the Erie and Pittsburgh Railroad. This road carries an immense tonnage of coal to this port for shipment on the lakes, and receives for return freight the large cargoes of ores constantly arriving here.

We have the bonded warehouses of I. Weschler and of the Erie Forge Company, which are two miles from the custom-house, and which, in the receipt and withdrawal of goods, require the services of inspectors.

Our nearness to Canada, the frequent excursions back and forth, and the five docks here at which vessels can land, offer peculiar temptations

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to violate the United States laws by smuggling, and create a necessity for vigilant and efficient inspection.

In addition to the foregoing, there is a fine hotel, with elegant surroundings and scenery, at the head of the bay, four miles west of this city, owned by the Hon. W. L. Scott. Regular lines of steamers will this season run almost hourly between the public docks and this widely-known and popular resort. On public days and occasions the pleasure-steamers are liable, against the efforts and remonstrances of owners and masters, to be dangerously overcrowded, and require the care and presence of inspectors to prevent danger.

In view of the important facts herein stated, my opinion is that three inspectors at this port are absolutely necessary during the season of navigation, and also that the other regular officers mentioned are absolutely necessary, and am unable to see how the present force can be lessened or expenses diminished.

I would respectfully state that, in my opinion, if a board or commission could be appointed to codify and arrange the laws and regulations relative to United States vessels navigating the waters on the northern, northeastern, and northwestern frontiers otherwise than by sea, the methods of doing business could be simplified and the service generally benefited.

Very respectfully, your obedient servant,

HENRY C. STAFFORD,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 48.

CUSTOM-HOUSE, EUREKA, CAL.,
Collector's Office, May 1, 1885.

SIR: I have the honor to acknowledge the receipt of Department circular letter of the 1st of April, 1885, requesting me to report in writing as soon as practicable to what extent the force employed under my direction could be reduced without detriment to the public service, &c.

In reply, I would respectfully state that, besides the collector, there is but one other permanent officer employed in this district, viz., an inspector of customs, residing at the port of Crescent City. The port of Crescent City is about sixty miles from this port, and while there is no foreign trade there, there is considerable local business, with a possibility that contraband goods might be landed were there no officer stationed there. Still, such a possibility has seemed to me so unlikely that in a former letter to the Department, of date January 5, 1885, I recommended that, temporarily at least, no officer be appointed there. The Department, however, considered that it was best to have one there, and one was recommended and appointed. Under existing circumstances, I have no recommendation to make, but would refer the Department to the previous correspondence had in relation to it.

Very respectfully, your obedient servant,

WM. H. PRATT,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 49.

CUSTOM-HOUSE, GALENA, ILL.,
Surveyor's Office, April 4, 1885.

SIR: In compliance with Department letter dated April 1, 1885, relative to the force employed at this office, I would respectfully state that only one person is employed, acting as clerk and deputy, and myself as surveyor of customs at this port, which, in my opinion, could not be more simplified.

Very respectfully,

CHRISTOV BARNER,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 50.

CUSTOM-HOUSE, FALL RIVER, MASS.,
Collector's Office, April 3, 1885.

SIR: In compliance with directions contained in Department letter of the 1st instant, I respectfully submit the following arrangement of the force of this district, viz:

Present arrangement:		
One deputy collector and inspector, per annum		$1,460
One inspector, per annum		1,095
One clerk, per annum		600
One boatman		300
Total		3,455
Proposed arrangement:		
One deputy collector and inspector	$1,500	
One inspector	1,200	
One boatman	355	
		3,055
Difference in favor of Government		400

Very respectfully,

JAMES BRADY, JR.,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 51.

CUSTOM-HOUSE, FERNANDINA, FLA.,
Collector's Office, April 11, 1885.

SIR: In reply to Department's letter of the 1st instant, I have to say that I know of no way at present by which the force employed under my direction can be reduced without detriment to the public service.

Should it become possible to do so, in my judgment, consistent with the public interest, I will communicate the same to the Department at once.

With reference as to whether the "methods of doing business can be simplified, whereby the efficiency of the service may be improved and

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the expenses curtailed," I have to say that I do not think of anything at present that would materially improve the present system now in use.

I am, sir, your most obedient servant,

J. W. HOWELL,
Collector of Customs.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 52.

CUSTOM-HOUSE, GALVESTON, TEX.,
Collector's Office, April 20, 1885.

SIR: I am in receipt of your letter of the 1st instant, inquiring if the force of employés now on duty in this district can be reduced without injury to the public service. In reply, I have to state that the business of this port has so decreased in the past nine months as to warrant a reduction; and I therefore recommend the discharge of one clerk and four inspectors, two each from the day and night forces. I would also suggest the discharge of the inspector at San Bernard, as it is believed his duties can be performed by the mounted inspector at Velasco, who is but ten miles distant.

Very respectfully,

A. G. MALLOY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 53.

CUSTOM-HOUSE, GEORGETOWN, D. C.,
Collector's Office, April 10, 1885.

SIR: Your letter of the 1st instant, requesting a report as to a reduction of the force and a simplification of the business methods of this office, has been received. The force in the custom-house proper consists of the collector, one deputy collector, and one inspector. The time of myself and the deputy is fully employed in the office. The inspector is employed partially in the office, and. when not engaged in the office or in measuring vessels, gauging liquors, &c., looks after and boards vessels in Georgetown harbor, and attends to other outdoor matters.

The outside force consists of one deputy collector and inspector, who has a desk at the foot of Eleventh street, Washington, where he receives manifests on entry of coastwise vessels, and indorses new masters of vessels which come to the Washington wharves. He boards vessels for the purpose of examining papers, and during the excursion season keeps a watch over the excursion steamers, with a view to prevent overcrowding. He also attends the freight-depots every morning, in order, when necessary, to release and receive bonded merchandise arriving from outside ports.

The several matters contained in your letter have received my careful consideration, and my conclusion is that the force cannot be reduced without impairing the efficiency of the service, nor the business methods of the office be simplified or improved.

Very respectfully, your obedient servant,

J. HENRY WILSON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 54.

CUSTOM-HOUSE, GLOUCESTER, MASS.,
Collector's Office, April 3, 1885.

SIR: In accordance with the circular letter of the Department of April 1, I would respectfully report that the service of this district comprises one collector, one deputy collector and inspector, one clerk, four local inspectors, one inspector and boarding officer, one revenue boatman, and one inspector located at Lockport. The district comprises the ports of Gloucester, Rockport, Essex, and Manchester. The number of vessels belonging to the district is 497; tonnage of same, 31,609. The number of vessels entering and clearing foreign ports is 249. There are sixteen private bonded warehouses for the storage of foreign salt. The clerical business of the office is as follows: 285 entries and clearances, 1,109 entries of merchandise, 38 admeasurements, 1,200 warehouse returns requiring service of inspectors, 84 enrolments, 500 licenses, 66 boat licenses, also a large amount of clerical work in making up returns, &c.

In the administration of this office I should recommend, first, a fixed salary for the collector. He is now paid a nominal salary of $250 per annum and his emoluments, limited to $3,000, obtainable from fees and commissions. The large amount of business done at this office has invariably produced a sum in excess of this amount. I have previously suggested this course to the special agents, but they were more disposed to favor consolidation of the districts, which has always failed of legislative indorsement.

In regard to the inspectors and clerical force at the office, I do not see how it can be reduced so long as the duty remains on salt and the present system of warehousing in bond and delivery upon certified returns exist.

For sixteen years my officers have been the custodians and dispensers of the immense quantities of salt used by our fishermen, varying in quantity on delivery from 100 to 500 hogsheads, and I have yet to hear the first complaint of lack of honest measurement from importer or consumer. This service necessitates the experience of trained men, as the conflict of interests in the matter of freight, importation, and delivery are all valued and settled by the officers' returns, which are accepted by all the parties.

The expiration of the Treaty of Washington, July 1, 1885, by which English fish and mackerel become dutiable, necessitating the actual weighing of all the imported fish by the inspectors, will introduce another large element of service.

During the winter months it might be possible to dispense with the service of one or more inspectors, but it would be highly probable that numerous exigencies would require temporary employment. As a matter of actual economy, I should be disposed to say that the present force would not be in excess of the duties required by the laws and regulations of the Department, especially as the most active portion of the season is at hand.

I would also state that under the warehouse system it requires a much larger amount of service on the part of the Government officials than if the duties were paid on arrival and delivery. But as the regulations prescribe a constant custody of the use and disposition of the salt up to the time of the cancellation of the bonds, the duties of the officers are

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largely increased; and as the Government remits the entire duty on salt used in curing fish, the office is without that financial return that should otherwise accrue to its credit.

I am, respectfully, your obedient servant,

F. J. BABSON,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 55.

CUSTOM-HOUSE, GRAND HAVEN, MICH.,
Collector's Office, April 3, 1885.

SIR: I have the honor to acknowledge the receipt of and to reply to Department circular of the 1st instant, relative to the advisability of reducing the force of employés under my direction, &c. The only force under my direction consists of deputy collectors and inspectors of customs, and, with the exception of two in this office, are employed at subports in the district. Previous to 1884, the fees received at the various ports paid all expenses and a surplus, with the exception of Mackinac, Holland, and perhaps Saugatuck; but, under the present law, chapter 228, acts of Congress, approved July 5, 1884, the ports of Mackinac, Frankfort, Pent Water, Saugatuck, and Holland, if continued, will not pay expenses, but will be an expense to the Government. I see no reason why these offices should be continued, and I recommend that they be discontinued and abolished.

The officer at Cheboygan is paid $2.50 per day during the year. From about the 1st of December until about the first day of May he has nothing whatever to do. I therefore recommend that the office at Cheboygan be kept open only during the season of navigation of each year, and that during that time the officer be paid $3 per day. Further permit me to say that at St. Joseph and Benton Harbor, on the river, within about two miles of each other, are two deputies. I am of opinion one of the offices should be abolished, as the business and income will not justify a continuance of both. I would recommend that the office at St. Joseph be abolished, and that all the business on the river at St. Joseph be done at Benton Harbor.

I have the honor to be, very respectfully, your obedient servant,

D. McLAUGHLIN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 56.

CUSTOM-HOUSE, HOULTON, ME.,
Collector's Office, August 8, 1885.

SIR: I have the honor to report, in answer to your letter of August 3, 1885, that the force employed in this district cannot be reduced without detriment to the public service. Having been in office less than four months, I do not yet feel competent to suggest any simplification of the methods of doing business. The expenses of the district are now

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reduced to a minimum. The force is sufficient to do the business of the district, but insufficient for protection.

The only suggestion that I have to make now has already been made by me—that is, to create a deputy collectorship at Fort Kent or Madawaska, and to abolish the inspectorship at Madawaska. I believe that the revenue of the district would thereby be increased. There are people in that district who would report their importations and pay duty on them, who now smuggle them, and who would rather take this risk than travel fifty miles to Van Buren to enter their goods, and fifty miles back again, making their journeys with teams. The Department allows goods to be imported by lumbermen from Canada to the Seven Islands without inspection, and to pay at Van Buren when they come out of the woods in the spring on what they say they have consumed, as I am informed by the last collector. Some seasons they import large quantities, as I am informed. From Van Buren, our most northern port of entry, the boundary stretches one hundred miles along the rivers St. John and St. Francis, through settled districts, and I believe that the inhabitants trade indiscriminately on either bank of the river for much of that distance. A deputy collector ot Fort Kent could do much to remedy these evils.

I am, very respectfully, your obedient servant,

JOHN P. DONWOTH,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 57.

CUSTOM-HOUSE, INDIANOLA, TEX.,
Collector's Office, April 10, 1885.

SIR: Respectfully referring to your circular letter of 31st ultimo, in which I am directed to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, and whether the methods of doing business can be simplified, &c., I have the honor to report that very recently the force of this district was considerably reduced and the expenses curtailed as follows:

By the provisions of Department's letter of 7th ultimo, the office of deputy collector and mounted inspector at San Antonio, at a compensation of $3. 50 per diem, was abolished and the officer discharged, making an annual saving of	$1,277 50
And the boatman at Indianola, at a compensation of $40 per month, making an annual saving of	480 00
Also, by the provisions of Department's letter of 10th ultimo, the allowance of $20 per month for rent of customs office at San Antonio was discontinued, making an annual saving of	240 00
And the allowance for rent of a customs office at Eagle Pass reduced from $30 to $20 per month, making an annual reduction of	120 00
On the 8th instant, in answer to Department's letter of 1st instant, I recommended that the revenue boat at this port be disposed of, and that authority be granted me to hire a boat and boatman should occasions arise requiring the use of a boat. Should my recommendations in this respect be approved, I estimate that a saving will be effected on account of repair, &c., of boat of (per annum)	50 00
Total reduction	2,167 50

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The foregoing reductions are all that can be made without great detriment to the service. My force now consists of eleven persons all told, viz: Three at Indianola, six at Eagle Pass, and two at Del Rio. The district extends several hundred miles along the Mexican frontier, which requires constant guarding and patrolling. This cannot be effectually done with my small force. I have always considered that the force on the frontier was too small, but have not succeeded in having it increased.

The compensation of employés is no more than should be paid, living expenses in Western Texas being very high, as we produce comparatively nothing but beef, cotton, and wool.

Referring again to the abolishment of the office of deputy collector and mounted inspector at San Antonio, I have to say that the commission appointed in accordance with Department's circular letter of September 23, 1882, to inquire into the requirements of the customs service of this district, recommended the abolishment of said office, (which recommendation was heartily concurred in by me,) but for some reason, unknown to me, no action was taken in regard to the matter.

I am, very respectfully, your obedient servant,

FRANCIS A. VAUGHAN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 58.

CUSTOM-HOUSE, KANSAS CITY, MO.,
Surveyor's Office, April 3, 1885.

SIR: In response to Department letter of 31st ultimo, requesting "report as to what extent the force in this office could be reduced without detriment to the public service," I answer that myself and one deputy are all that are employed here, and that the deputy is constantly on the go from the points on the Mississippi river where eastern railways centring here cross that river to the western border of Kansas, looking after broken-down and damaged cars carrying bonded merchandise from the Atlantic to the Pacific, or engaged in transferring bonded merchandise from cars that arrive here from both east and west, generally disabled after the long run from either coast or the Mexican border, and that *my* whole time is required in this office; consequently it seems to me that no possible reduction of the present force can be made without serious detriment to the public service. On the contrary, this being the gateway of an immense traffic east and west, the demands of the various railways centring here for assistance from this office, and its constantly increasing tendency towards more business, would honestly justify an addition of at least one inspector of customs to the present force here employed, and thereby increase the efficiency of the service. All of which is respectfully submitted.

Very respectfully, your obedient servant,

ROB. C. CROWELL,
Surveyor and Custodian.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 59.

CUSTOM-HOUSE, KENNEBUNK, ME.,
Collector's Office, April 4, 1885.

SIR: In reply to Department letter of the 31st ultimo, in regard to a reduction of the force in this district, I would say that there is but one person employed, who fills the positions of inspector, weigher, gauger, measurer, deputy collector, and special deputy collector, at a compensation of $1.60 per day.

There were formerly three other inspectors, at outside ports, but they have been discharged from time to time.

There does not seem to be much room for further reduction without detriment to the service.

Respectfully, your obedient servant,

P. C. WIGGIN,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 60.

CUSTOM-HOUSE, KEY WEST, FLA.,
Collector's Office, April 11, 1885.

SIR: I am in receipt of Department circular letter of the 3d instant, requesting to be informed to what extent the customs force employed in this district can be reduced; also, to make such suggestions and recommendations whereby the efficiency of the service may be improved and the expenses curtailed.

In reply, I beg to submit a statement showing in detail the number of persons at present employed, their designations and compensations, together with the changes proposed in the number and pay of the force, which, in my opinion, would result in material benefit to the customs service in this district.

It will be observed that the discontinuance of the services of several employés is recommended. The two special inspectors at Tampa, whose employment was made necessary during the past winter in consequence of a line of passenger-steamers plying between New Orleans and Havana, Cuba, putting in at said port, will not be required after the 1st proximo, when the said steamers will probably haul off for the summer. The services of one revenue boatman at each of the ports of Tampa and Manatee can be dispensed with without detriment to the service. The two special night-inspectors, who have been employed almost continuously during the past year to patrol the south beach of this island, at a compensation of $3 per diem each, may be discontinued if the Department deems the curtailment of this expense necessary, although I feel satisfied the nightly presence of these officers has had the effect of deterring smugglers from attempting their nefarious operations on this heretofore unprotected portion of this island.

The salaries of the clerical force in the general business office should be increased and graded, according to the nature of their several duties, the length of service, and ability of the incumbent. The amounts paid them at present, which were fixed several years ago, when the busi-

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ness of the port was comparatively small, and have since remained unchanged, are now inadequate to the labors performed or their family needs, and the matter of grading the salaries has appeared to me essential to improve the efficiency of the office, inspire the incumbents with renewed energy, and instill a spirit of friendly rivalry for personal advancement.

This subject was fully represented in a communication from this office, dated October 28, 1884, to which I now desire respectfully to invite attention, and from which I quote the following:

"In conclusion, permit me to invite attention, in support of my request for additional employés and increased salaries, to the collections of this office during the year ended September 30, 1884, over the corresponding period during the previous year, amounting to $61,929.02. This increase of receipts, representing increased business at this port, which there is every reason to believe, from the flourishing condition of our cigar industry, will continue, naturally augments the duties of all the employés; hence, additional labor is necessary, in order to a proper and efficient administration of this district."

The manifest indications at the date of the above-mentioned letter that the increased customs receipts at this office would continue has been fully confirmed by subsequent collections, which for the six months ended March 31, 1885, exceeded by $64,769.14 the receipts for the corresponding period ended March 31, 1884. There can be no doubt of the permanent commercial advancement of this island, with corresponding increased business and customs receipts at this office, as the following figures collated from the records will show:

Total receipts during October, 1884	$27,068 52
Total receipts during November, 1884	33,792 00
Total receipts during December, 1884	35,110 90
Total receipts during January, 1885	44,958 05
Total receipts during February, 1885	33,307 19
Total receipts during March, 1885	46,099 84

I therefore ask favorable consideration by the Department on the increase of salaries.

Very respectfully,

D. EAGAN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 61.

CUSTOM-HOUSE, LA CROSSE, WIS.,
Surveyor's Office, April 3, 1885.

SIR: Replying to Department circular of date March 31, I beg leave to report that the force employed under my direction consists of one deputy, without compensation, and consequently no reduction can be made which would curtail the expenses.

Respectfully,

WILLIAM R. FINCH,
Surveyor.

Hon. THE SECRETARY OF THE TREASURY.

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No. 62.

CUSTOM-HOUSE, LOUISVILLE, KY.,
Surveyor's Office, April, 4, 1885.

SIR: In reply to your circular letter of the 31st ultimo, I would state that the present arrangement of this office is now very satisfactory, and, in my opinion, it is not practicable to reduce the force employed under my direction.

There are but seven persons in the surveyor's and five in the custodian's departments. A special deputy and clerk, who has general oversight of the work in both departments, acts as cashier and liquidating clerk, and has charge of the correspondence; a deputy and book-keeper, who is also entry clerk, and makes out all accounts to be forwarded to the Department; an inspector, examiner, and storekeeper, who is acting appraiser, and has charge of the receipt and delivery of all bonded goods at the custom-house; an inspector, weigher, and gauger, who attends to the receiving and transfer of all bonded goods at the wharf and depots, and to the weighing and gauging of merchandise; a deputy and clerk, who has charge of the admeasuring and documenting of steamboats; a messenger, who acts also as copying clerk; and a laborer, who attends to the disposition of bonded goods in the ware-rooms and appraiser's store. In the custodian's department there are an engineer, who is also night-watchman; an assistant engineer, employed eight months in the year; two janitors, and an elevator-conductor.

Very respectfully,

J. K. FAULKNER,
Surveyor.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 63.

CUSTOM-HOUSE, MACHIAS, ME.,
Collector's Officer, April 8, 1885.

SIR: Department letter dated March 31, 1885, is at hand. I am requested to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, &c. I have the honor to reply that the force in this district consists of one deputy collector and inspector employed as special deputy collector in this office; one deputy collector and inspector stationed at Jonesport; and another officer of like designation stationed at Cherryfield. The officer employed here is paid $3 per diem, and is on duty every day. He is on office duty six days in the week, but on Sundays, and in fact at all times, holds himself in readiness to go wherever his services may be required. I do not see how his services can be dispensed with any part of the time, nor can I recommend any reduction in the pay. The officer stationed at Jonesport (twenty miles distant from this office) is paid $2.25 per diem. He rents an office at his own expense, where he enters and clears vessels, collects hospital-money, takes bonds and administers oaths in cases where vessels are required to change their papers; sends them to this office, where the papers are made and returned to him to be delivered to the owners or masters of the vessels. He is on duty every day. The station is an important one, being sit-

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uated on Mooseabec Beach, where vessels are passing and repassing at all times. The presence of an officer at that point doubtless prevents a great deal of smuggling. Some time in the year 1882, while serving as a deputy collector, I was designated by my predecessor to examine the needs of the service in this district, and report what changes or reductions could be made without detriment to the service. I then recommended that the pay of the officer stationed at Jonesport be reduced to $300 per annum. I fear, however, that that sum would not be sufficient to command the services of a competent person, who could and would devote the time and attention to the office which its importance demands. I think $450 per annum would be a fair compensation for the officer stationed there, and that a proper person could be found to serve for that sum.

The officer stationed at Cherryfield, 28 miles distant from this office, is also paid $2.25 per diem. His duties are the same as those of the officer at Jonesport, and he also provides an office at his own expense. The station is not so important as the one as Jonesport. It is situated at the head of navigation on the Narraguagus river, and during the winter months, while navigation is closed, there is little for an officer to do, although he must be ready at all times to look after violations of the revenue laws. I think a competent person might be found to serve at the Cherryfield station for $300 per annum.

The officers now employed are sober, efficient, faithful, and attentive to their duties. I have no further suggestions to offer at present.

Very respectfully,

J. L. PIERCE,
Collector.

The SECRETARY OF THE TREASURY,
Washington, D. C.

No. 64.

CUSTOM-HOUSE, MARBLEHEAD, MASS.,
Collector's Office, April 7, 1885.

SIR: In reply to yours of the 31st of March, would most respectfully state that, in my opinion, it would be detrimental to the public service to make reduction of employés under my direction although, during the winter months there is but little foreign trade, still there is about fifteen miles of sea-coast to guard, and some considerable time of the officers is employed in preventive duty. In summer we have more than one thousand vessels of all descriptions calling into the district, stop a few hours, and depart. The foreign trade with the provinces during the summer months is of such a nature that I should not deem it wise to recommend the reduction of the force in this district. Having held the position of collector of customs for so short a time, hardly feel myself competent to recommend the simplification of methods of doing business.

I am, sir, very respectfully,

F. A. OSGOOD,
Collector of Customs.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 65.

CUSTOM-HOUSE, MARQUETTE, MICH.,
Collector's Office, April 6, 1885.

SIR: In reply to Department's instructions of the 31st ultimo, I have the honor to submit the following report relative to the force of employés in the district of Superior, what reduction in the number can be made without detriment to the public service, whether the methods of doing business can be simplified and the expenses curtailed.

The number of employés in the district, compared to the length of the coas-tline and the business done, is already too limited for the proper administration of the revenue and navigation laws. Following is a list of the offices, stations, and compensations:

Employés, District of Superior.

Office.	Station.	Compensat on.	Remarks.
Collector	Marquette	$2,500 per annum.	
Special deputy inspector	do	$1,200 per annum.	Cashier, book-keeper, customs, &c.
Deputy collector and inspector.	do	$1,000 per annum.	Navigation, marine documents, &c.
Do	Sault Ste. Marie	$3.30 per diem	In charge port of delivery.
Do	Detour	$1.65 per diem	In charge sub-port.
Do	Escanaba	80 cents per diem.	Do.
Do	Hancock	80 cents per diem.	Do.
Do	Menomonee	80 cents per diem.	Do.
Do	Superior City	75 cents per diem.	Do.
Do	Ashland	25 cents per diem.	Do.
Do	Bayfield	25 cents per diem.	Do.
Do	L'Anse	25 cents per diem.	Do.
Inspector	Sault Ste. Marie	$3 per diem	Frontier inspectors on River St. Mary, night and day.
Do	do	$3 per diem	

The district includes the entire south shore of Lake Superior, the St. Mary's river, and the waters of Green bay, a distance of one thousand miles, approximately, and nearly all of it adjacent to Canadian waters; and the officers are located at most important places along the coast. It will be observed that the salaries paid are not extravagant or excessive, when taken in connection with the duties to be performed.

Commercial intercourse with the subjects of Great Britain is annually increasing on this frontier, and will soon be very largely increased on the completion of railways now constructing. I do not see how the number of employés at outside ports can be reduced, for a reduction would involve the abolition of sub-ports; nor can I recommend a reduction of the force employed at the port of entry, where day and night service is requisite, wherr all the records are kept, and from which all accounts and reports to the Department emanate.

From January 1, 1884, to January 1, 1885, disbursements were made in the district for salaries, $10,135.10; rents, $350; contingent expenses, $243.88—total expenses, $10,728.98. During the same period the collections were $15,535.51.

Expenditures for rents and contingent expenses are reduced to a minimum, and cannot at present be further curtailed without detriment to the service.

Very respectfully,

C. T. OSBURN,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 66.

CUSTOM-HOUSE, MEMPHIS, TENN.,
Surveyor's Office, April 14, 1885.

SIR: In obedience to Department letter of April 1, 1885, requesting me to report to the honorable Secretary, in writing, to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, &c., I have the honor to state that at present the force employed under my direction cannot be reduced without detriment to the public service. The only employés under my direction are one clerk and deputy surveyor and one porter, the services of which are necessary to the prompt and efficient transaction of the public business at this port. However, the occupancy in the near future, to wit, about September 1, 1885, of the new custom-house at this port will render the service of a porter for this office unnecessary, when his services may be dispensed with without detriment to the service. I have the honor to state, also, that as soon as the new custom-house is ready for occupancy the rooms now rented by the Government for customs offices and examination-room, for the examination and storing of bonded goods, may be dispensed with, which will largely curtail the expense of collecting the revenue at this port, and, with the intention of so dispensing with the use of the rooms referred to, in my renewing the lease for this year I have reserved to the Government the right to terminate the lease whenever the custom-house is ready for occupancy. As to recommendations whereby the efficiency of the service may be improved, I have the honor to state that, owing to my very short experience in the customs service, I would feel extremely delicate in makig suggestions for its improvement.

Very respectfully,

T. F. CASSELS,
Surveyor of Customs.

HON. DANIEL MANNING,
Secretary, Washington, D. C.

No. 67.

CUSTOM-HOUSE, MIDDLETOWN, CONN.,
Collector's Office, April 10, 1885.

SIR: Respectfully referring to Department circular letter of April 1, 1885, requesting a report as soon as practicable to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, and also in relation to the methods of doing business, to make suggestions whereby the efficiency of the service may be improved and the expenses curtailed, I have to state that the force employed during the past ten years consists of two deputies and one clerk, who have been fully occupied with the current business, but that since December 1, 1883, when the facilities for receiving merchandise without appraisement were extended to this district, the business of importing has constantly increased, and to such an extent that it is impossible for the present force to properly discharge the duties of the office. Reference to the accounts sent to the First Auditor and to the Bureau of Statistics, as well as to Form No. 198, rendered to the office

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of the honorable Secretary for the past three months, will show the nature and extent of the importing at this port compared with the same period in 1884. During the first quarter of 1884 there were twenty-one entries of imports for consumption, amounting to $10,621.52, while during the first quarter of 1885 there were fifty-nine entries for consumption, amounting to $20,052.67, besides seven entries for warehouse, with a total of nearly seventy invoices, passing through the hands of these officers for appraisal and collection of duties.

So far as the methods of business are concerned, it may be necessary only to say that the present special deputy has been employed here for more than fifteen years, and the other two employés for more than five years, and that the business is systematized in such a way as to have met the thorough approval of the agents of the Department who have examined the office, and to secure the prompt settlement of accounts, without notice of error by the Auditor.

In view of the state of business in this district, as described, I cannot therefore recommend the curtailment of force or expenses, but must rather say that an additional clerk is much needed, which has already been authorized by the Department. As soon as a person suitable in all respects can be found for the position, his name will be forwarded for approval.

This matter itself would have received earlier attention, only that the business of the office, including the monthly and quarterly returns, has taken every minute of the time of all the force up to the present for its accomplishment.

I am, sir, very respectfully, your obedient servant,

A. PUTNAM,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 68.

CUSTOM-HOUSE, MILWAUKEE, WIS.,
Colletcor's Office, April 8, 1885.

SIR: I am in receipt of Department circular dated April 1, 1885, requesting a report in regard to possible reduction of the force employed under my direction, and curtailment of expenses without detriment to the public service.

I have given the subject careful attention, and beg leave to respectfully report as follows:

The subordinate employés at this port consist of one special deputy collector and cashier, at $1,800 per annum; one clerk and acting appraiser, at $1,600 per annum; one clerk, at $1,200 per annum; one inspector and clerk, at $4 per day; one inspector and clerk, at $3 per day; one opener and packer, at $600 per annum.

In addition to these, there are employed at outside ports of delivery in this district deputy collectors and inspectors as follows:

At Green Bay, Wis., one, at $1.75 per day; at Manstowoc, Wis., one, at 80 cents per day; at Sheboygan, Wis., one, at 85 cents per day; at Racine, Wis., one, at $1.15 per day; at Kenosha, Wis., one, at 40 cents per day.

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During the year ending December 31, 1884, 763 entries of imported merchandise, valued at over $500,000, on which the duties were nearly $200,000, were made at this office. Vessels to the number of 8,963 reported arrived, and 9,163 cleared; 350 vessels, with an aggregate tonnage of about 70,000 tons, were licensed for the coasting trade. The percentage of cost of collections was about 5 per cent.

It will readily appear that, considering the business transacted, the force employed is not excessive, but, on the contrary, is less than that at many other ports of equal or less importance. In fact, the collector finds it necessary to himself perform a large amount of clerical labor which does not usually fall upon that officer at other ports. The employés at this office are efficient and faithful in the discharge of their various duties, and I do not see how the present small force can be reduced without seriously impairing the efficiency of the service; in fact, I am of opinion that one or two additional inspectors can be advantageously employed during the season of navigation.

Very respectfully, your obedient servant,

A. W. HALL,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 69.

CUSTOM-HOUSE, MOBILE, ALA.,
Collector's Office, April 15, 1885.

SIR: I beg leave to acknowledge the receipt of your communication of the 1st instant, in reference to the reduction of the forces at this port, the simplication of the details of business, and other matters tending to the improvement of the public service, and to say that I have thoughtfully considered the entire subject, as follows:

I. There are in the office here a deputy collector and cashier; a deputy collector who also performs the duties of impost clerk, auditor, and general book-keeper and accountant in all matters relating to the public business; and one clerk, (marine and statistical.) The salaries paid those gentlemen are only on the same scale as their services would command in private business, and this force has been reduced for three years past to the least number compatible with the public interests.

II. *Barge office.*—There are now on duty in this department six inspectors, assigned as follows: One as boarding officer; one as acting chief inspector, in charge, whose duty it is, in addition to his regular duties, to examine the marine papers of all water-craft; and four others on general service, down the bay and in the harbor, as the exigency demands; and three night inspectors, whose beats during their hours of duty cover three miles of the wharf front.

Three years ago I found nine inspectors on duty here; I recommended the reduction to six, (two regular and one special.) Since that time there have been periods of dull business when all were not actually necessary; but, considering the wide extent of territory to be guarded, and the vigilance necessary to prevent, as well as to detect, frauds on the revenue, I do not deem it safe or wise to lower this force.

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III. *Public store and appraiser's office.*—The office of storekeeper and acting appraiser is filled by Mr. George Coltin, who is inspector, at $4 per diem, and who is also admeasurer of vessels. The duties of this office are often very critical, but in the present state of business are not onerous. They are, however, very necessary, but I am of opinion that the per diem of the incumbent may be justly reduced to $3.50 per diem. In times of pressure of business Mr. Coltin takes his time of duty as regular inspector.

Long ago I recommended the abolition of the barge office as a useless expense to the Government. I respectfully now renew the same, thus saving rent, light, and fuel. The inspectors may be furnished with good quarters in the custom-house, where they will be under the personal surveillance of the collector. As acting surveyor, I much prefer this. The night-inspector at the office may take the place of watchman at the public building, for which the Government has been paying, during winter months, $60 per month.

Public building.—There are on duty three janitors—two at $45 per month, and one at $30. This building is heated by open fireplaces, and in winter three men are absolutely indispensable; but in summer, I am of opinion that two men can, by proper diligence, keep the building clean. I therefore recommend the discharge of the janitor at $30 per month.

In my view of this matter, I am governed by the principles that would prevail with me if I were acting in the matter of my own private affairs, and I am respectfully of the opinion that those changes only can be made with due regard to the interests of the public service and the proper protection of the revenue.

Very respectfully,

J. W. BURKE,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 70.

CUSTOM-HOUSE, NANTUCKET, MASS.,
Collector's Office, April 7, 1885.

SIR: In reply to the Department circular of April 1, asking for information relative to the force employed in this customs district, I have the honor to state that there is but one deputy attached to this office, who also acts as special deputy collector. Inspectors are only employed in the event of a wreck, or other exigency requiring extra service. During the past year this has occurred twice, aggregating about one month's extra service. I do not see how I could get along with less help.

Very respectfully,

ALBERT A. GARDNER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 71.

CUSTOM-HOUSE, NASHVILLE, TENN.,
Surveyor's Office, April 6, 1885.

SIR: I have the honor of acknowledging the receipt of your letter of April 1, 1885, requesting me to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed.

In reply, I beg to report that the force under my direction cannot be reduced any without detriment of the service.

I have no suggestions to make, for the reason that everything is moving smoothly and being done with as little expense to the Government as possible.

Very respectfully,

J. M. KERCHEVAL,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 72.

CUSTOM-HOUSE, NATCHEZ, MISS.,
Collector's Office, April 7, 1885.

SIR: Your letter of April 1, requesting me to report in writing to what extent the force in my employ could be reduced, beg leave to state that I have no employés in my office which are paid by the Government.

Very respectfully,

ANSELM NEUBERGER,
Collector.

The Honorable SECRETARY OF THE TREASURY,
Washington, D. C.

No. 73.

CUSTOM-HOUSE, NEWARK, N. J.,
Collector's Office, April 6, 1885.

SIR: Referring to circular letter dated the 1st instant, in relation to reduction of force employed, simplification of methods of doing business, suggestions and recommendations whereby efficiency may be improved and expenses curtailed, I would respectfully report that the force of this office consists of three persons; that, in addition to the regular duties connected with customs, there devolves service as superintendent of lights, and as custodian of the building, in which are three departments of the Government service, viz., customs, post office, and internal revenue; that I have a general supervision of the office; that

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Mr. Martin, the deputy collector, gives his whole time and attention to the duties connected with the service stated; and that his compensation of $1,200 per annum is certainly a moderate sum for the service.

The service of the inspector is very necessary in connection with the duties of that position, viz., superintending the discharge of vessels from foreign ports, of which eighty entered during the year 1885, and examination of coasting vessels as to compliance with all the requirements of the coasting trade. Mr. Van Wagner, the inspector, is an old employé of the office, and his pay is $3 per diem.

I cannot suggest any improvement in the service or recommend curtailment of expenses, and believe the force of the office necessary while continuing a separate port of entry.

Very respectfully,

WILLIAM A. BALDWIN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 74.

CUSTOM-HOUSE, NEW BEDFORD, MASS.,
Collector's Office, April 7, 1885.

SIR: Referring to your letter of the 1st instant, asking me to report "to what extent the force under my direction can be reduced without detriment to the public service," &c., I beg leave to reply, that in this district there are only two inspectors employed. Formerly each outport had an inspector at a small annual salary. These have all been removed, only the two at this port remaining.

From this district one hundred vessels are employed in whaling and foreign trade, sailing under a "register;" also, one hundred and eleven vessels under "coasting" and "fishing licenses." The Philadelphia and Reading Coal Company have "coal-packets" here for the supply of a large section of New England. These vessels require the supervision of inspectors. Large and increasing quantities of merchandise (cordage, nails, &c.) are exported for drawback. Goods imported and warehoused require the services of weigher and gauger, (who also measures vessels for tonnage.)

In view of the above, I am strongly of the opinion that no further reduction of the force employed can be made without detriment to the public service.

Very respectfully,

J. A. P. ALLEN,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 75.

CUSTOM-HOUSE, NEWBURYPORT, MASS.,
Collector's Office, April 11, 1885.

DEAR SIR: In reply to Department letter dated April 1, 1885, I would say that the force under my charge at the custom-house at this port consists of one inspector, who acts as deputy collector, at $3 per

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day, and two inspectors and weighers and gaugers, at $1.65 per day. The deputy collector is constantly employed in the office, and the other two inspectors attend to the out-door duties. During the winter months there is very little out-door work, but in the summer there is more work than one man can attend to. While the Government does not receive much revenue from this district, still there is considerable work for the officers during eight months in the year. About four hundred coastwise vessels annually arrive at and depart from the different ports in the district, which extends from Haverhill, eighteen miles from Newburyport, on the Merrimac river, to Ipswich, twelve miles in the opposite direction. During the summer months there are twelve steamers running on the river, and each of these requires the attention of the officers to see that the regulations of the Department are complied with. For the year ending June 30, 1884, forty-six vessels with cargoes arrived in the district from foreign ports, some of them discharging at Ipswich and some at Haverhill, but all requiring the attendance of customs officers. In December, 1875, one inspector was discharged, but it became necessary to reappoint him a few months afterwards, and he was employed two hundred days in the year, at $3 per day. In December, 1882, the pay of the two out-door inspectors was reduced to $1.65 each per day, making the time cover the whole year, and reducing the compensation of these two officers from $2,190 to $1,200 per annum. As I have before stated, one man cannot perform all the out-door duty for the district for the largest part of the year, and it appears to me that the present arrangement is as economical as any that can be made.

With regard to the methods of doing business, I cannot see how they can be simplified; neither can I make any suggestions whereby the efficiency of the service can be improved and the expenses further curtailed.

I am, very respectfully, yours, &c.,

WILLIAM H. HUSE,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 76.

CUSTOM-HOUSE, NEW HAVEN, CONN.,
Collector's Office, April 7, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of the 1st instant, in which I am requested to report to the Secretary of the Treasury in writing to what extent, in my opinion, the force under my direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified; and to make suggestions and recommendations whereby the efficiency of the service may be improved and the expenses curtailed.

In reply to the above and agreeable to request, I have to report that I have given the matter due consideration, and cannot find in any particular where the force employed under my direction can be reduced without detriment to the public service. In fact, the customs affairs at this port, since I have had particular knowledge of them, have been

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conducted on a very economical basis. No appointments have been made or recommended, except when the exigency of the service actually demanded they should be.

The business of the Government at this port is conducted entirely in accordance with business principles. Not one cent is spent or authority asked for but what is actually necessary. Every employé is held to a strict performance of his duty.

The general business of the port has been much increased within the last few years, and that without additional expense to the Government. I will note two particulars—the increase in the number of rewarehouse entries, and issue of marine documents: Number of rewarehouse entries at this port for fiscal year ending June 30, 1882, was 15, for fiscal year ending June 30, 1884, numbered 89, the last calendar year, 106. The issue of marine papers has largely increased by the large number of barges now owned at this port; and right here I will say that 120 barges are enrolled and licensed at this port. The yearly renewal of all these the Government receives no compensation for whatever. I fail to see the justice or consistency of charging fees for the issuing of marine papers to one class of vessels and not to another, both being engaged in the same trade, and of corresponding tonnage. Furthermore, I fail to see the necessity at this day of the issuing at all licenses to enrolled vessels to pursue a coastwise trade. Formerly, I find, registered vessels were likewise licensed. Why should not the law be repealed which requires coastwise vessels to take out a yearly license, the enrolment being sufficient. Thus will the Government be saved a great expense for clerical work, and at the same time relieve the embarrassed shipping interests from the petty fees now collected.

Finally, as to the simplifying of and improvement of the present methods of doing the business: The present system is evidently an old one, which has been engrafted onto from time to time until it has become cumbersome. The improvement, in my opinion, should be begun at the root, or a new system should be adopted, after a careful examination by a competent commissioner, and one more in accordance with the modes of doing business at the present day. I have no doubt one could be devised less complicated and giving equal protection to the Government.

Very respectfully, your obedient servant,

A. J. BEERS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 77.

CUSTOM-HOUSE, NEW HAVEN, CONN.,
Collector's Office, April 6, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of the 4th instant, in which I am instructed to furnish a full and comprehensive report relative to the number, condition, and necessity for service of any revenue boats in my collection district—questions to the number of twelve being given, to which I am instructed to submit answers, which are thus given:

1. Number of boats.—Answer. Two; 1 sail-boat and 1 row-boat.

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2. Where stationed.—Answer. This port.
3. Original cost.—Answer. Sail-boat, $136; row-boat, $15.
4. When and where built.—Answer. New Haven, Conn., 1879.
5. Kind and rig.—Answer. One row-boat; one sail-boat, spit sail.
6. Style of build.—Answer. Sail-boat, jolly-boat style.
7. Material of which built.—Answer. Sail-boat, oak and pine; row-boat, entirely of white pine.
8. Dimensions.—Answer. Sail-boat, 18 by 4½ feet; row-boat, about 8 by 3 feet.
9. Size, description of sail, and condition.—Answer. twelve feet each way; condition, good.
10. Number of oars.—Answer. Three pairs.
11. Present condition of each boat.—Answer. Good, except both need painting.
12. When last repaired.—Answer. No repairs to either since built, with the exception of a coat of paint to each every spring.

The necessity for the service of the revenue-boats exists in the fact that it is, and always has been, the practice at this port from time to time to board vessels bound inward with foreign cargoes before they arrived at the wharf, and if suspected of being engaged in smuggling, board them three miles or more outside and before they were taken in tow. The vigilance of the boarding officers at this port for some years has been such that substantially all smuggling is prevented. The boats are also necessary for boarding vessels lying at quarantine, and coastwise vessels lying in the stream. They are used in transferring officers from one wharf to another; half mile in one case, in another one mile intervening. Now, in reference to their sufficiency, I will say that the small row-boat is but of very little use, being entirely too small, and was only intended for a tender for the sail-boat. It is wholly unsafe, even in the harbor, when it is at all rough. I would recommend it be sold and a row-boat of larger dimensions be purchased for use at this port. The boatman at this port is an old sailor, and is appointed as night-watchman and boatman, at a salary of $400 per annum. When more than one foreign vessel is in port, he is employed in assisting the night-inspector. On the whole, I am fully persuaded that the present good efficient service could not be maintained with less expense for the same than at present.

In closing, I beg again to call attention to the matter of replacing the row-boat and painting of sail-boat, or both if retained.

Very respectfully, your obedient servant,

A. J. BEERS,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 78.

CUSTOM-HOUSE, NEW LONDON, CONN.,
Collector's Office, April 8, 1885.

SIR: In reply to your communication of April 1, I have the honor to report that the only practicable reduction that can be made in the force employed in this district is by the abolition of the office of inspector at Norwich. Such a reduction is not only practicable, but, in my opinion,

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should be made in the interests of economy, and would not in the slightest measure impair the efficiency of the service. The office is a sinecure, and all the duties devolving upon inspectors in this district can be discharged by the two inspectors stationed at New London. At this time I have no further suggestions to make to the Department.

Very respectfully, your obedient servant,

JOHN A. TIBBITS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 79.

CUSTOM-HOUSE, NEW ORLEANS, LA.,
Collector's Office, April 16, 1885.

SIR: I have the honor to acknowledge receipt of Department's letter of the 1st instant, asking for a report, as soon as practicable, as to what extent the force employed in the customs service at this port can be reduced without detriment to thepublic interests; whether the methods of doing business can be simplified; and for any suggestions and recommendations whereby the efficiency of the service may be improved and the expenses curtailed.

While I am aware that the percentage of cost of collecting the revenue from customs at this port is comparatively large, I beg to call attention to the fact that a large portion of the merchandise entered, appraised, and weighed at this port is destined for transportation in bond to other ports in the United States. While this port bears the expenses of handling such merchandise, the port of final destination is credited with the duties collected thereon. In the matter of exports, this port is second in the country, and much clerical labor is necessary to prepare the statistical reports for the Bureau of Statistics.

The force at this port has been reduced from time to time during the six years of my incumbency, until it seems difficult, with the present volume of business, to point out where further material reductions can be made without impairing the efficiency of the service. In 1883, (*vide* Department's letter of May 5, 1883,) a material reduction was made in the force of employés at this port; and again in 1884, (*vide* Department's letter of January 12, 1884,) a further reduction was made. In recent years the expense of collecting the revenue from customs at this port has averaged about 10 per cent. annually. For twenty years prior to my administration the cost of collection was from 15 to 18 per cent. annually.

In letter from this office dated November 30, 1883, among other reductions I recommended "that the services of one assistant appraiser at this port (A. F. Riard) could be dispensed with without detriment to the service." It is proper to add that this is a Presidential appointment. Appraiser Souer, in his report, enclosed herewith, suggests that the services of this assistant appraiser could be dispensed with and an examiner appointed in his stead. I concur with the appraiser that the services of Mr. Riard can be dispensed with, but, in my opinion, the appointment of an examiner is not necessary, at least for the present.

A further reduction in the number of clerks would militate against the prompt transaction of business. In the collector's department

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proper the clerical force has been reduced from time to time to its present skeleton condition. (See Deputy Collector Crawford's report, enclosed herewith.) It is believed, however, that a slight reorganization may be had in Mr. Crawford's department, to the end that the work in all the divisions be fully kept up by temporary transfers or assignment of clerks from one division to another. This is hardly practicable until the extra work entailed by the Exposition business has been disposed of.

A small reduction can be made during the dull summer season in the force of inspectors and weighers, but it is questionable whether it is expedient to discharge experienced officers of these grades, where the force of such officers would have to be increased to the original number, and possibly inexperienced persons taken for that purpose, on the revival of business in the fall. It is suggested, however, that the services of three inspectors, four night-inspectors, and two assistant weighers be dispensed with, say, to take effect on the first of July, the vacancies thus created to be filled, when necessary, in the fall.

No reference is made above to the large number of temporary officers and laborers on the register of employés at this port, whose employment was necessitated by the examination, &c., of foreign merchandise at the World's Exposition, and whose terms of service expire at the close.

The business at this port is transacted strictly in accordance with the revenue laws and customs regulations, and conforms to the practice at all the large ports of the country. I have no further suggestions to offer whereby the methods may be simplified, or where expenses can be curtailed beyond the recommendations before mentioned in this report. I am of opinion that a further reduction of compensation of employés here would be false economy.

Reports from the appraiser, the special deputy collector, the deputy collector, and the auditor are enclosed herewith.

Very respectfully,

A. S. BADGER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 80.

CUSTOM-HOUSE, NEW ORLEANS, LA.,
Collector's Office, April 16, 1885.

SIR: In reply to your inquiry, I beg to state that, in my opinion, the force now employed in the customs service here cannot be reduced without detriment to the public interests. As you are aware, the number of employés has been reduced from time to time until now, at many of the desks, the clerks are compelled to work overtime in order to keep up the current business.

I have no recommendation to make looking to a change in the present methods of doing business.

Very respectfully,

THO. C. ANDERSON,
Special Deputy Collector.

Gen. A. S. BADGER,
Collector of Customs, New Orleans, La.

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No. 81.

PORT OF NEW ORLEANS, LA.,
Naval Office, April 4, 1885.

SIR: Department circular dated April 1, 1885, relative to reduction of force and simplification of the method of doing business, is this day received.

In reply, I would state that, in my opinion, no further reduction of the clerical force of this office, nor of the compensations paid, is practicable without detriment to the public service. I am unable to suggest any change in the methods of transacting the business of the office whereby the expenses may be curtailed and at the same time the efficiency of the service maintained or improved.

Very respectfully,

A. J. DUMONT,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 82.

CUSTOM-HOUSE, NEW ORLEANS, LA.,
Surveyor's Office, April 7, 1885.

SIR: I have the honor to acknowledge the receipt of your communication of the 1st instant, requesting me to report to what extent the force under my direction can be reduced without detriment to the public service, &c.

In my opinion, the present force of my office cannot be reduced without detriment to the public service. It has been from time to time reduced in numbers, and the compensation also lowered, to an extent hardly equalled at any port covering the extent of area and transacting the amount of business done here. This is evidenced by the fact that for the year 1872 the force of customs inspectors numbered 131, at a compensation of $3 and $4 per diem; for 1873, 102 inspectors, at $3, $3.50, and $4; and for 1874, 105 inspectors, at the same rates of compensation, while the present force consists of but 52 inspectors, at greatly reduced salaries.

The fluctuations of arrivals at this port slacken business at intervals, but the lull is counterbalanced by the rush of business which follows. Not infrequently, I have been compelled to place tallymen, outside of the regular force, on the wharves, and call upon my clerks, who could be illy spared from their office duties, to superintend transportations under bond, which branch of the business is very large at this port.

In the estimate of cost for the collection of duties at this port as compared with the amount of cash received for same, it should be remembered, to our advantage, that vast quantities of imports in transportation to other custom-houses under "immediate," "warehouse," and transportation bonds entail a heavy amount of labor at this port, without any credit for the amount of cash collected on this merchandise at the port of final destination.

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It does not occur to me that any change in the methods of transacting the business of this office could be made which would improve the efficiency and lessen the expenses entailed.

Very respectfully,

P. B. S. PINCHBACK,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 83.

CUSTOM-HOUSE, NEWPORT, R. I.,
Collector's Office, April 21, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of 1st instant, and submit the following report:

The only reduction that can be made is in the offices of inspectors and boatman. Newport has a long range of unprotected shore, and the harbors in the district are continually visited by foreign and domestic vessels, and it seems necessary to maintain the offices of inspectors and boatman, whose duties are in the line of preventive service, unless it is considered by the Department advisable to abolish or reduce the expenses of the same, the expediency of which is a question. It is true that Newport is a non-paying port, but if it could have the benefit of the act of June 10, 1880, "immediate transportation of dutiable merchandise in bond without appraisement," (which could be done by the designation of an officer as appraiser,) its receipts would be largely increased and its inhabitants greatly accommodated.

The force under my direction, payable from the appropriation "expenses of collecting of the revenue from customs," and their duties, are as follows:

One deputy collector and clerk, salary $1,000 per annum, employed daily at the custom-house in attending to the routine business of the office, and it is essential for the proper conduct of business that no change be made.

One inspector at Newport, salary $3 per day, say $1,095 per annum.

One occasional inspector at Newport, salary $3 per day when employed, say $360 per annum, (only employed in superintending the unlading of vessels, or remaining on vessels from foreign ports that arrive for a harbor.)

One boatman at Newport, salary $400 per year; in regard to whom would refer to my letter to the Department dated September 10, 1884.

One inspector at North Kingstown, salary 80 cents per day, say $292 per year.

These officers are employed in the line of preventive duty, and should be retained unless, in the opinion of the Department, they can be reduced without detriment to the interests of the Government.

On inspector at Dutch Island Harbor, salary $1.65 per day, say $602.25 per annum. This harbor is about four miles from Newport, and is a resort for a large number of foreign as well as domestic vessels as a shelter from storms, &c., and it is absolutely necessary that a customs officer should be stationed there.

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In addition to the foregoing officers, payable from the appropriation named, employed in this district, there are—

One acting assistant surgeon, United States Marine-Hospital Service, salary $250 per annum, who is daily employed in attending to all seamen admitted to the hospital, and also in treating such seamen as require "out-treatment," and it is certainly to the best interests of the Government that the office be maintained.

One janitor, salary $600 per annum, on duty at custom-house daily, employed in keeping building clean and attending to the steam-heating apparatus, &c., and it is necessary for the proper care of the building that no change be made.

I have given as concisely as possible a list of offices and the duties, and can suggest no curtailment without detriment to the service, preferring to leave the matter entirely to the Department with above explanation, all of which I sincerely trust will be approved.

Respectfully,

J. H. COZZENS,
Collector.

Hon. SECRETARY OF THE TREASURY.
Washington, D. C.

No. 84.

CUSTOM-HOUSE, NEWPORT NEWS, VA.,
Collector's Office, April 6, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of April 1, 1885, requesting me to report to what extent the force of this office can be reduced without detriment to the public service, and if the methods of doing business can be simplified, &c.

In reply, I desire to say that, in my opinion, it is not advisable to reduce the force of employés attached to the office, as they are all requisite for the proper performance of the routine business of this office.

As to the method of doing business, I have nothing to suggest that would seem to improve the efficiency thereof.

Very respectfully,

H. DEB. CLAY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 85.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, May 29, 1885.

SIR: I have to acknowledge the receipt of your letter of the 1st ultimo, calling upon me to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, and whether the methods of doing business can be simplified, and whether I have any recommendation to make, whereby the efficiency of the service may be improved and the expenses curtailed.

I herewith submit reports from the heads of the several divisions of the collector's department, and one from the surveyor, from which it will be seen that, in the opinion of these officers, no reduction can be made at this time without detriment to the service. These reports are based upon the present condition of the force, making due allowance for such temporary absences on account of sickness as are reported monthly to the honorable Secretary of the Treasury.

I submit a list of sixty-nine vacancies now existing in this office, most of which have occurred at intervals during my term.

The salaries of these positions aggregate nearly $90,000 annually, and the list represents the reduction of force which I have been able to make. Any further reduction at this time would, in my opinion, be injudicious.

The expense of collecting the revenue at this port has been during my term at a lower rate than for any previous four years, and for the first fiscal year of that term about one-quarter of 1 per cent. less than for any previous year. The simplest methods of business consistent with the safety of the revenue have been adopted from time to time as they have suggested themselves, and I have, therefore, no recommendation to make at present in that respect.

I am, very respectfully, your obedient servant,

W. H. ROBERTSON,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury.

No. 86.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 11, 1885.

SIR: In compliance with your request of April 8, to report in writing to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, I would respectfully state that I see no way in which the force under my direction can be reduced. In fact, the labor force could be increased to great advantage by the appointment of four women to do scrubbing. But if the system of heating and lighting the building should be changed to steam and electricity, four firemen and one engineer could be dispensed with. Whether that would be a reduction of expense or not I am unable to say without further facts as to proposed changes.

Very respectfully, your obedient servant,

GEORGE HILLIER,
Superintendent.

HON. W. H. ROBERTSON,
Collector, &c.

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No. 87.

CUSTOM-HOUSE, NEW YORK,
UNITED STATES PUBLIC STORES,
402 *Washington Street, May* 18, 1885.

SIR: Referring to your letter of the 8th ultimo, wherein you direct me to "report in writing to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service," "whether the methods of doing business can be simplified," &c., I would respectfully state that the following constitute the present force in this division:

	Salary.
One chief clerk	$2,500 00 per annum.
One clerk and cigar inspector	2,000 00 per annum.
One correspondence clerk	1,800 00 per annum.
Four clerks	1,600 00 per annum.
Eight clerks	1,400 00 per annum.
Sixteen clerks	1,200 00 per annum.
One clerk	1,000 00 per annum.
Two carpenters	3 00 per diem.
Nine messengers	840 00 per annum.
Three messengers	720 00 per annum.
One scrubber	45 00 per month.
Thirty watchmen	3 00 per diem.
One watchman	2 75 per diem.
One engineer	1,200 00 per annum.
One assistant engineer	3 00 per diem.
Seven foremen	2 50 per diem.
Two searchers	2 50 per diem.
Six book-keepers	2 50 per diem.
Seven elevator-men	2 50 per diem.
Eighty-two laborers	2 00 per diem.

Since March 1 there has been a reduction of two clerks, by resignation, at salaries of $1,200 and $1,400, respectively, and I am informed that another intends to send in his resignation, to take effect on June 1 proximo. Another vacancy occurred on May 1 by the death of Lewis McLoughlin, watchman.

As the business of the stores is comparatively light at this time, I would recommend that the four vacancies thus made remain unfilled, thus making a reduction of four in the division.

I think of no changes that could be adopted at this time that would materially add to the efficiency of the service, as I have already, from time to time, made such changes as, in my judgment, might contribute to that end.

As you are perhaps aware, the present classification and organization of the force in this division was arranged and perfected some four years ago, by a commission appointed by the then Secretary of the Treasury, and of which Mr. E. O. Graves was the chairman. Very few changes have since occurred.

I am, sir, very respectfully, your obedient servant,

WM. A. JONES,
Deputy Collector.

Hon. W. H. ROBERTSON,
Collector of the Port.

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No. 88.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 14, 1885.

SIR: In compliance with direction in your letter of the 8th instant, that report be made as to what extent the force employed in this (seventh) division can be reduced without detriment to the public service, and whether the methods of doing business can be simplified, and to make suggestions whereby the efficiency of the service may be improved and the expenses curtailed, I beg to say:

First. That in my judgment the force now employed in the division is inadequate to perform the service required by the laws and regulations.

Second. I can hardly see how the methods of doing the business of the division can be made more simple than now, having in view the safety of the revenue.

Third. In my opinion, in order to enable the division to perform the services required of it, the expenditure should be increased rather than diminished.

I am, very respectfully,

GEO. W. PALMER,
Deputy Collector, Seventh Division.

Hon. WM. H. ROBERTSON,
Collector.

No. 89.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 11, 1885.

SIR: In reply to your communication of 8th instant, requiring me to report in writing "to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed," I desire respectfully to submit the following statement:

The present force of this division consists of twenty-five employés, including one messenger. While the business of the division during the last few years has materially increased, the force composing it remains about the same numerically as when I first took charge of it, in 1873, and is no greater at the present time, in my opinion, than is absolutely required to discharge properly the duties of the various desks. The amount of work to be performed in the division depends on the number of invoices received. The total number received during the last three years exceeds that of the preceding three years a little over 19 per cent., and the total number of the last five years exceeds that of the preceding five by 51 per cent. The triplicate invoices received from the various consuls have, of course, proportionately advanced in number. Certain changes in the records kept of the latter, chiefly growing out of the requirements of the Fifth Auditor's Office, have also added largely to the duties of the division.

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In relation to the methods of transacting the business of the division, such changes have been made in that respect, from time to time, as were found expedient, and the present system is, I consider, as near perfect as can well be arranged.

I have no important suggestions or recommendations to make.

Very respectfully,

B. F. WYMAN,
Deputy Collector, in charge of Sixth Division.

Hon. WM. H. ROBERTSON,
Collector.

No. 90.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, April 15, 1885.

SIR: In accordance with your instructions of the 8th instant, I have the honor to report that the force of entry clerks employed in this division consists of one chief entry clerk and thirteen entry clerks. This number has been reduced since the 1st instant—by resignation, one; by death, one—leaving the actual working force in the rotunda at eight entry clerks, three entry clerks being on special duty, viz., one at free-permit and appraiser's desk, and two on steamer duty.

This force is sufficient for the present state of business here, and I therefore recommend that these two vacancies remain open.

The bond and minor clerks and messengers are not in excess of the demands of the division, and I have no changes to suggest in regard to them.

The report of the chief of the liquidating bureau is enclosed and approved by me.

Very respectfully,

N. B. BARTRAM,
Deputy Collector, Fifth Division.

Hon. WM. H. ROBERTSON,
Collector, &c.

No. 91.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, March 11, 1885.

SIR: In compliance with your instructions of the 10th instant, as indorsed upon letter from the collector dated the 8th instant, and addressed to you, I have the honor to report that the number of clerks and messengers assigned to the liquidating bureau is *not* in excess of its requirements for a prompt and efficient discharge of the public business; that no simplification in the "methods" of doing business suggests itself except the following, viz:

That warehouse entries and invoices, which at present are separately filed in the auditor's department, the sixth division, and record-room, be filed *together* for a period of one year, or until the closing of the bond, either in the auditor's department or the third division.

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If the plan suggested is adopted, it would facilitate the business of this bureau in checking the correct dutiable value of withdrawals for export, which, in many instances, necessitates the use of the original warehouse entry and invoice.

Yours, respectfully,

H. E. ESTERBROOK,
Chief Liquidating Clerk.

Col. N. B. BARTRAM,
Deputy Collector, Fifth Division.

No. 92.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 13, 1885.

SIR: I have received your requisition of the 8th instant, based upon letter of the Secretary of the Treasury.

The fourth division is small and compact, and I am unable to recommend any reduction. I have never favored the addition of supernumeraries. It was cut down some years ago, and there has been no addition to its clerical force since, although, in my judgment, an additional clerk has been needed. The methods of business seem to me to be as simple as is consistent with orderly and accurate dispatch of business. and the salaries are below rather than above appropriate rates.

Very respectfully,

RICHARD WYNKOOP,
Deputy Collector, Fourth Division.

Hon. WM. H. ROBERTSON,
Collector, District of the City of New York.

No. 93.

CUSTOM-HOUSE, NEW YORK, COLLECTOR'S OFFICE,
Third Division, April 22, 1885.

SIR: I am in receipt of your letter of the 8th instant, requesting a report as to what extent the force of this division can be reduced without detriment to the service, and whether the methods of transacting the business can be simplified.

I have carefully considered the subject, and am fully convinced that the numerical force employed in this division cannot be reduced without detriment to the service; but I am prepared to recommend several changes in the *personnel* of the force which would greatly enhance its efficiency. The bulk of the business in this division is the current work of the day, and for its prompt and intelligent performance the clerks employed should be punctual, and be interested in their work. With few exceptions, such *is* the condition of things in this division.

The work has been simplified as far as possible in past years, and no new changes suggest themselves at present.

I am, very respecfully,

F. H. WIGHT,
Deputy Collector, and ex-officio Storekeeper of the Port.

Hon. WILLIAM H. ROBERTSON,
Collector of the Port.

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No. 94.

CUSTOM-HOUSE, NEW YORK, COLLECTOR'S OFFICE,
Second Division, April 17, 1885.

SIR: In reply to your letter of the 8th instant, I would say that, in my judgment, the force now employed in this division cannot be reduced without detriment to the interests of the Government, or without inconvenience to the importers. It is true that on days when business is dull, and during the early morning hours, all the clerks may not be actively employed. But on busy days, and during the closing hours of every day, there is abundant work for all, and the effect of a reduction would be to detain importers, to delay our deposit at the sub-treasury, and to increase the liability of errors.

The method of doing business in this office is the result of many years' study and experience on the part of my predecessor, and I have nothing to suggest by way of improving or modifying it. I believe it to be well adapted to the purposes to be accomplished, and as simple as is consistent with safety to the vast interests involved.

Very respectfully,

JOSEPH BARRETT,
Cashier.

Hon. W. H. ROBERTSON,
Collector, &c.

No. 95.

CUSTOM-HOUSE, NEW YORK, COLLECTOR'S OFFICE,
First Division, Auditor's Department, April 13, 1885.

SIR: In reply to your communication of the 8th instant, I have the honor to state that in conducting the affairs of this division, the business of which, in addition to the disbursement of moneys, includes the verifying, condensing, and correct rendering of all the accounts of your office, it has always been my endeavor to take advantage of every suggestion, from whatever source, tending to simplify and expedite the routine of business, so that changes having been made from time to time as occasion arose, at present I can think of no improvement to recommend.

In a modern building, with all the clerks of this division located in convenient proximity to each other, the work could be more advantageously distributed and the force doubtless be reduced. At present the clerks are scattered all over the building, occupying ten different rooms on four separate floors, so that, notwithstanding the most careful supervision, the business of the division is conducted under great disadvantages, and I do not think any reduction could be made without detriment to the public service.

Very respectfully,

CHARLES TREICHEL,
Auditor.

Hon. WILLIAM H. ROBERTSON,
Collector of the Port.

It is proper to add that the above was written on the understanding that the vacancies caused by the death of Mr. Horton and the promotion of Mr. Morrison are not to be filled.

C. TREICHEL,
Auditor.

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No. 96.

CUSTOM-HOUSE, NEW YORK CITY,
Surveyor's Office, May 16, 1885.

SIR: Your letter dated April 8, 1885, referring to a letter from the honorable Secretary of the Treasury, dated April 1, 1885, requesting from you a report in writing as to what extent, in your opinion, the force employed under your direction can be reduced, and requesting me to make a similar report to you "so far as it relates to officers, although appointed by the collector, are under your [my] supervision and direction," was duly received.

Section 2627 of the Revised Statutes provides "that it shall be the duty of the surveyor, who shall in all cases be subject to the direction of the collector, first, to superintend and direct all inspectors, weighers, measurers, and gaugers within his port," and as to the said officers I have to report as follows:

Weighers.—The number of weighers is 4; assistant weighers authorized, (Department letter of February 19, 1885,) 84; the number now employed, 66; vacancies, 18; foreman of assistant weighers, 4; and there are employed, as occasion requires, a valuable number of sworn temporary assistant weighers and laborers, at a fixed compensation per hour when employed.

The following statement shows the quantity, in tons, of weighable merchandise returned by the weighers, and the expenses of weighing, in the years stated, viz:

Year ending June 30—	Number of tons returned by weighers.	Expenses.			
		Weighers, assistant weighers, temporary assistants, and repairs.	For labor.	Total.	Cost per ton.
	Tons.				*Cents.*
1883	2,085,224	$160,721 43	*$131,225 29	$291,946 72	14
1884	2,056,000	150,751 00	†154,574 10	305,325 10	14 8-10

*Labor at 25 cents per hour, when employed. †Labor at 30 cents per hour, (Department letter to collector, dated May 9, 1883.)

Gaugers.—The number of gaugers is 3; assistant gaugers, 12; laborers, 44. The following statement shows the quantity, in gallons, of gaugeable merchandise returned by the gaugers, and the expenses of gauging, in the years stated, viz:

Calendar year—	Imports.	Exports.		Transportation to other ports.	Expenses.	
		From warehouse.	Spirits.		Gaugers, assistants, and repairs.	For labor.
	Gallons.	*Gallons.*	*Gallons.*	*Gallons.*		
1883	17,060,981½	2,643,914	2,760,838	96,200½	$21,077 06	$28,307 50
1884	14,868,058	4,480,428½	6,989,484	29,667	19,719 56	37,475 50

The number of stamps affixed (on the wharves or in warehouses) to packages of imported distilled spirits, wines, and malt-liquors was, appoximately, 129,000. (Section 11, act of March 1, 1879, and Synopsis, 3939.)

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Inspectors.—The number of inspectors authorized (Department letter of February 19, 1885) is 320; number at present employed, 313; vacancies, 7. The *daily average* number employed in the year 1884 was 319, who were assigned to various duties, viz:

A. As discharging officers of vessels with general cargo	154
B. To the debenture-room	32
C. Staff officers, acting deputy collectors	10
D. As boarding officers	3
E. To the gaugers	3
F. As officers of the night-watch	3
G. To Castle Garden	8
H. As district officers	84
I. To other departments	4
J. On special duty searching vessels	3
K. On other temporary special duties	4
L. There were sick and disabled	4
M. Absent with leave	7

The whole number of vessels that arrived from foreign ports in 1884 was 6,035, of which 2,137 were steamships, and 3,898 were sailing-vessels. Of the steamships, 1,813, and of the sailing-vessels, 937 were discharged under the supervision of inspectors (A) specially assigned (in rotation) thereto. [Regulations of 1883, (Cat. No. 952,) articles 42–236, inclusive.]

The discharging inspectors were also detailed, when "waiting for assignment" to vessels, to examine the baggage of 69,100 cabin-passengers arriving in steamships. The entries of cabin-passengers' baggage are made under the direction of the staff inspectors designated by the collector as acting deputy collectors, (C.) Baggage entries are usually made on the vessels arriving before the passengers land therefrom.

The inspectors assigned to the debenture-room (B) examined and supervised the transfer of merchandise for which 59,352 entries had been made and recorded in the debenture-room. [Regulations of 1883, (Cat. No. 952,) articles 293–301, inclusive, and articles 435–545, inclusive.]

Exports from warehouse, &c.	15,719
Exports from warehouse, (drawbacks)	255
Exports from manufactory warehouse, class 6	2,571
Exports for internal-revenue drawback	5,327
Exports for tariff drawback	16,832
Transportation to other ports, immediate transportation and from warehouse	18,648

The boarding officers (D) [Regulations of 1883, (Cat. No. 952) articles 24–21, inclusive] examined and certified the manifests and copies of 4,647 vessels, which were boarded by them from the revenue steamers, and of 1,388 vessels whose manifests and copies were delivered by the masters of the vessels to them at the barge office.

The inspectors assigned to the gaugers to supervise the shipment of domestic distilled spirits entered for export (E) [Customs Regulations of 1884, articles 797–801, inclusive] certified to the lading under their supervision of 161,639 barrels and other packages.

The inspectors designated to be officers of the night-watch (F) [Department's letter to collector, dated March 2, 1875] performed the duties required of them as set forth in articles 406, 407, and 408 of the Regulations of 1883, (Cat. No. 952.)

The inspectors assigned to duty at Castle Garden (G) examined upon the wharves where it was landed the baggage and effects of 320,807 steerage passengers.

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The port of New York is divided in fifty-two inspectors' districts, and they include all the wharves, piers, and bulkheads on the North and East rivers, New York; also, of Brooklyn, including Williamsburg, Green Point, and Long Island City; also, of Jersey City, Hoboken, Weehawken, and Bayonne, in the State of New Jersey; also, of Staten Island, all being within the collection "district of the city of New York." [Revised Statutes, section 2535, *second.*]

The inspectors assigned to duty as district officers (H) [Customs Regulations, 1883, (Cat. No. 952,) articles 250–292, inclusive] supervised the discharge of cargo from 324 steamships and 2,961 sailing-vessels; and they also supervised and certified to the shipment of merchandise described in 54,389 entries delivered to them for that purpose by debenture officers, viz: Exports for drawback, 21,009; immediate transportation and transportation in bond to other ports, 18,322; exports from bonded warehouse, 15,058. The number of railroad-cars (of bonded carriers) with dutiable merchandise laden and unladen under their supervision was 12,866.

Four inspectors (I) were assigned to other departments by direction of the collector, three (J) were detailed to search sailing-vessels and Havana steamships for concealed merchandise not on the manifest, and four (K) were employed in various temporary special duties for the prevention and detection of frauds upon the revenue, and for other special duties in "aid of the revenue."

The inspectors reported "sick and disabled" (L) produced satisfactory evidence of their disabilities, and those "absent" (M) were granted leave under the regulations in force prior to Department order dated March 18, 1885.

Night-inspectors.—The whole number authorized is 121, (Department letter dated February 19, 1885,) and the number of vacancies (report to collector dated May 11, 1885) is six.

The duties of night-inspectors and their manner of assignment to steamships and other vessels and to wharves, are set forth in Customs Regulations of 1884, article 1434, and Regulations of 1883, (Cat. No. 952,) articles 409 and 410.

Coast-inspectors.—The number is four, who reside on the south coast of Long Island. Their duties are stated in Customs Regulations, 1884, article 1427. The compensation of each is $3 per diem when employed, but the aggregate compensation of the four is not to exceed $730 per annum. (Department letter to collector, dated August 20, 1879.)

Female inspectors, (R. S., sec. 3064.)—The number employed is nine; who are required to be in attendance at the barge office and at the wharves in New Jersey when vessels arrive with cabin and steerage passengers, for the purpose of detecting frauds and of searching the persons of their own sex when necessary. They also attend at Castle Garden to perform the same duties when the steerage passengers are brought thereto from vessels. The number of female inspectors detailed for each vessel arriving is directed by the deputy surveyor according to the necessities of the service.

The measurer.—The duties of this office are set forth in Customs Regulations, 1884, articles 1484 and 1485, and all marble imported is measured and returned by him.

I have stated the number employed, and, in a general way, the services required of, and performed by, the officers of the customs in the surveyor's department. All the officers, except those temporarily sick

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or disabled or absent with leave, have been actually employed; and the method of rotation and assignment of officers is such that their services have been and are utilized to the best advantage of the public business and in the manner that experience and observation has from time to time suggested.

It is my opinion that the number of officers employed has not been, and is not now, greater than was and is necessary for the due and proper performance of the public service, as required by the laws and regulations.

I am not yet prepared to make any suggestions or recommendations as to whether the methods of doing business can be simplified or whereby the efficiency of the service may be improved and the expenses curtailed. I will give the subject my consideration, and will report thereon as soon as practicable.

Very respectfully, your obedient servant,

JAMES L. BENEDICT,
Surveyor.

Hon. WM. H. ROBERTSON, *Collector.*

No. 97.

CUSTOM-HOUSE, NEW YORK,
Surveyor's Office, April 8, 1885.

SIR: Referring to the Department letter dated April 1, 1885, requesting me to report in writing to what extent, in my opinion, the force employed in this office can be reduced, &c., I have to state:

When I entered upon my duties as surveyor, on the 15th day of March, 1883, the force employed in this office was as follows:

One deputy surveyor	$2,500
Twenty clerks, (aggregate)	34,300
Eight messengers, (aggregate)	5,680
Ten inspectors for measurement of vessels, (aggregate)	14,600
Total	57,080

Since the date named the force has been reduced by death, resignations, and transfers, and now stands as follows:

One deputy surveyor	$2,500
Seventeen clerks, (aggregate)	29,100
Eight messengers, (aggregate)	5,780
Seven inspectors for measurement of vessels, (aggregate)	10,220
Total	48,100

In my opinion, the force cannot be further reduced without detriment to the public service.

The collector, in a letter of this date, has called upon me to make report in relation to the customs force under my superintendence and direction, (Revised Statutes, section 2627;) and so much of the Department letter aforesaid as refers to the methods of business, and calls for suggestions and recommendations relative thereto, will be made in my report to the collector.

Very respectfully, your obedient servant,

JAMES L. BENEDICT,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 98.

PORT OF NEW YORK,
Naval Office, April 14, 1885.

SIR: In conformity with the directions contained in your circular of the 1st instant, I have the honor to submit the following report.

As a clear comprehension of the legal status of this office is essential to a proper estimate of the force required in its administration, I will first briefly describe its functions.

The receipts from customs at this port during the last fiscal year were over $138,000,000, and during the preceding fiscal year over $151,000,000. This vast sum was paid directly into the hands of the collector of the port, and disbursed solely by him. In addition to his liability for moneys actually received, the collector is required to secure the payment of all imposts due the Government, and to enforce at this port all laws and regulations relating to customs. The thoroughness of this work largely depends upon his efficiency, intelligence, and fidelity. It is not possible to provide in advance any standard by which his accountability may be measured, because the latter depends upon conditions of business which cannot be predicted. For the security of the Government it therefore becomes imperatively necessary to maintain at this point a co-ordinate officer, who shall act concurrently with the collector and report all transactions from complete and independent records. In order that this officer may secure vigilant cognizance of the collector's proceedings, the statutes have wisely provided that all papers involving the levying of imposts or the delivery of imported merchandise shall be valid only when countersigned by the naval officer, and that there shall be in the naval-office divisions corresponding to those in the collector's office which have supervision over such matters. In these divisions, although the initial point of each transaction is the same in both offices, distinct methods of treatment are pursued, and accuracy is indicated by agreement in final results. To this end it becomes essential that the work of the collector should be reviewed, revised if necessary, recorded, and certified in the naval office. Thus duplicate manifests of cargo and duplicate inspectors' returns are filed in the naval office, and furnish the means of tracing the disposition of every article arriving from a foreign port. Duplicate vouchers are filed at every step in the entry and withdrawal of merchandise, and enable the naval officer to exact and record the correct imposts. The assistant treasurer furnishes daily certificates of deposits credited to the collector, and all vouchers for his disbursements must, before payment, be audited by the naval officer. It is thus made practicable, at any time, for the naval officer to declare the collector's liability without recourse to the collector's accounts.

The utility of a coincident revision of official papers is demonstrated by the enormous aggregate of corrections thereby effected, some account of which I will include in this report. It is an axiom among customs officers that any error in the initiatory steps of a transaction requires the services of ten men to adjust it. It is certain that no subsequent examination and audit could approach in probability of accuracy, economy, and sufficiency of record the concurrent action of this office as provided by statute.

During the fiscal year ending June 30, 1884, the naval office employed an average of ninety-one clerks and messengers, at an expense for sal

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aries (including the naval officer's compensation) of $160,138.29, being less than twelve-hundredths of 1 per cent. of the receipts at this port.

I have carefully investigated the conditions, with a view to the curtailment of expenses, but I am forced to the conclusion that no reduction is possible, except at the risk of detriment to the Government. In fact, the present force is inadequate to the demands upon it, and it is only by working over-hours and by arranging the clerks in a mobile organization, transferring them from point to point as the exigencies of current business require, that this office is enabled to avoid accumulations. In justice to my subordinates, I must be allowed to testify to their unusual capacity, zeal, and intelligence. I can produce abundant testimony from persons having business with them, from special agents of the Treasury, and other officers of the Government, as to the promptness and accuracy which characterize their work, and the methodical and accessible conditions of the naval-office records.

The seven clerks comprising the entry division of this office practically perform the same amount of labor as is done by the fifteen entry clerks in the collector's office. That their revision of entries is not superfluous is illustrated by the fact that during the last fiscal year they returned 18,072 errors for correction, of which 10,696 were money errors, involving an aggregate of $3,589,237.51.

The liquidating division exhibits a record, during the same period, of 16,579 corrections enforced, with a duty value of $1,003,739.39. Proportionate results might be quoted in the remaining divisions of this office.

It should be noted, in this connection, that in 1881 an additional bureau, requiring six clerks, was established in this office, at the special request of the Commissioner of Customs, for the purpose of securing a verified monthly abstract of the warehouse-bond account, an account which formerly carried along a balance unaccounted for of $1,668,000, but which, under the system thus inaugurated, now produces the exact balance on every open bond at the beginning of each month.

Consideration should also be given to the enormous and progressive increase of work in certain branches of the service. The number and amount of drawback certificates has doubled since 1881, and, under constant changes of legislation, bids fair to expand in the same ratio.

The transportation of goods through this port without payment of duty entails a vast amount of labor upon the customs officers without adding one dollar to the receipts of money, and is increasing year by year.

Desirous as I am of administering this office with the utmost practicable economy, I am obliged to report that I am unable to suggest any reduction of its present cost which would not interfere with its efficiency and value.

Very respectfully,

CHARLES K. GRAHAM,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 99.

OFFICE OF U. S. GENERAL APPRAISER,
Corner of Washington and Hubert Streets,
New York, April 16, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter dated April 1, 1885, requesting me to report—

1st. To what extent the force employed under my direction can be reduced without detriment to the public service.

2d. Whether the method of doing business can be simplified; and, in general, to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed.

I have given the subject considerable thought during my two years' incumbency of this office, and especially since the receipt of your request.

As to the first inquiry, I answer in the affirmative, but beg permission to make the reasons and details for any proposed change the subject of a communication to be soon made, and the making of which I have for some time contemplated. The exigencies of the service in my office are such that the eight clerks (one of whom is clerk to the board of general appraisers and one a professional stenographer) and the one opener and packer and the one messenger attached to it are at times fully and necessarily employed, but I believe, with a rearrangement and redistribution of duties, I can lessen the number and also the expense, and will, as before suggested, hereafter place before the Department my plans to that end.

As to the second inquiry, whether methods of doing business can be simplified, it opens a field for examination which involves statute law and Departmental regulations having all the force of statute law, and also the wide range of discretion which is necessarily and inevitably given to the incumbent of the office of general appraiser, especially needful to be exercised at the port of New York. While I shall cheerfully respond to any inquiry of the Department, for the present I presume it is not desired that I shall attempt to give more than a few suggestions, and those pertaining to the more prominent and most frequent subjects for improvement.

The revision of the tariff law by the act of March 3, 1883, which was just at the time I became general appraiser at this port, introduced upon reappraisements (as well as upon appraisements) two new elements for investigation—one, cost of production of merchandise, the other the question of charges for transportation, packing, &c., as being elements of dutiable or non-dutiable value. As to the first of them, there is up to this time no Departmental regulation as to its ascertainment. It seems to be by the language of the statute subordinate or secondary to the inquiry, What is market value? and is to be entered upon only in case the latter cannot be ascertained.

The second—that is, charges for packages, wrappers, coverings, transportation, &c.—has been the subject of frequent decisions of the Department, and which greatly aid the appraisers in the discharge of their duties. Nevertheless, in the variety of transactions, in the ingenuity of shippers, receivers, and importers of merchandise, and the shifts and changes constantly going forward to lessen the sum to be paid for duties, scarcely a day passes that some new and complicated case under

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this head does not arise before me, (and many more must arise before the local appraiser.) I do not think it is possible to do exact justice under existing regulations.

The chief subjects for inquiry upon appeals to me for the reappraisement are—

1. What is the true and actual market value of the merchandise at the place and date of exportation? If that cannot be ascertained, then—

2. What was the cost of production of such merchandise?

3. What charges, if any, stated on the invoice which it is sought to have deducted as non-dutiable ought under the laws and the regulations to be adjudged dutiable?

As a very large majority of the cases coming up for reappraisement are of silk and silk and cotton fabrics, in writing of methods and making recommendations I shall have in mind more particularly experiences and observations with that class of goods, although all goods dutiable ad valorem will come within the scope of my remarks.

I can almost say there are no importers of silk and silk and cotton fabrics. A few honestly buy in the foreign market, but only a few, and they not through the whole range of such fabrics, for the reason that they do not buy them except through agents in this country. There are consignors and receivers of them, but where the property in them is lodged is a problem that may be found out, but its difficulties are very great and are new at every turn.

The competition between receivers of goods here for the agencies of various foreign manufacturers is very great in many instances. One of the most powerful means to determine who shall be the successful competitor is "the cheapness with which the goods can be got through the custom-house." These rivalries have a tendency very rarely to benefit the effort to administer the law correctly, but in the main and in the end it is the reverse. The usual condition is a mutual regard for each other's interest, to the detriment of the Government's. The foreign manufacturer will invoice his goods as low as he can, his consignee will quite likely (almost always does) enter them at an advance and to a figure which he hopes the local appraiser will not exceed by so much as 10 per cent., (the penalty line.) If he does, there is certain to be an appeal..

It is next to impossible to get those as experts who are not in a situation similar to the appellant. The result is evidence, under oath, reducing the advanced values at least below the penalty line, and as much lower as it is possible for any one to give rein to the purpose of going lower. These experts are selected, and necessarily selected, from among the receivers of the goods, because there are so few or no buyers of them, and in many cases there is actually no conclusive testimony as to market value. If driven to seek for cost of production, the situation is usually worse. There is no element in the production of these silk goods which cannot be with reasonable certainty ascertained here, except that of labor, machine and hand. But there is no method provided for analyzing fabrics, save only to invoke the aid of domestic manufacturers. This has been done; but as there is no law to compel them to do the work for nothing, and no means to pay them for it except so far as it may serve their own interests, such successful efforts as have been made in that direction are few in number, and are limited to the lines of goods which they make, and which are vastly fewer in number than the whole

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range of importations. I am having in mind somewhat extreme cases of the worser sort; but the clear ones are rare, the doubtful too numerous, and the dark abundant.

There have been recently brought to my attention, as to alleged cost of production, reports made by Government experts in the foreign places of manufacture of these goods—Lyons, Zurich, and Crefeld, more especially—which purport to give details of their elements and the cost of putting them together. In the absence of any instructions by the Department as to what weight I should give to such reports, I weigh them as I weigh all other evidence and information touching these matters, to wit, by those salutary rules learned by long experience, observation, and reading in a profession which makes evidence of facts one of its chief studies. Guided by such rules, I have not found those reports altogether satisfactory, though they have been in some instances of considerable value. Their value might doubtless be considerably increased by an enlargement of the scope of inquiry on the part of the Government agents making them, and more minute instructions as to their duties and powers, and a clear direction as to the value to be placed on their returns. Under the present system of reappraisements, always when demanded, for the sole purpose of lessening dutiable value, this anomaly is presented: The appeal is from an advance or a disallowance, making an advance on dutiable value. The advance or disallowance has been made by a sworn and presumably competent public officer. Nevertheless, the *Government calls experts* to sustain its own permanent and previously selected officers, who, from their very position, have the best opportunities for observation, comparison, and correct determination. I have already given hints enough of the too frequent results.

I will not presume to declare that any recommendation I at this time make can be made practical except by action of Congress. Nevertheless, I recommend that the burden of showing market value upon reappraisement be shifted from the Government to the importer. That the manufacturer, shipper, consignor, or other person sending forward to this country merchandise dutiable ad valorem shall in his consular invoice state upon oath the price at which he has made an actual sale or sales of such as the invoice designates, (or the fact that he has made no sale of them at any time,) and the price at which he, without restriction, offers them for sale and is willing to sell them. That the importer or receiver or consignee of the goods shall on entry of them make oath as to his true relation to them as agent, owner, consignee, or what other name. That a general rule should be made for Government officers, on the disclosure of falsehoods in any such statements, to direct seizure of the goods and such prosecutions as the law authorizes. That the importer, consignee, agent, or other person who enters the goods shall be personally responsible for the correctness of the statements on the face of the invoice, except so far as they are modified by his own statements at the time of entry.

Yours, very respectfully,

A. J. PERRY,
General Appraiser.

Hon. SECRETARY OF THE TREASURY.

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No. 100.

CUSTOM-HOUSE, NORFOLK, VA.,
Collector's Office, April 14, 1885.

SIR: I have the honor to acknowledge the receipt of your communication of the 1st instant, asking for a report of the extent to which the force employed may be reduced without detriment to the public service.

I beg to state that during the summer months very little business is done at this port, and the service of some of the employés—say two, the assistant marine clerk and one inspector—may be dispensed with; but I question the propriety of dispensing with the services of trained employés when it may be necessary to re-employ them at the beginning of the season, or, more probably, supply their places with new and inexperienced men. Then, too, there has just been started here an enterprise by the Norfolk and Western Railroad Company, whose agents are now making arrangements for an immense coaling-station at Lambert's Point, about three miles below the city. The probabilities are that this point will be visited by numbers of foreign vessels, and the protection of the revenue would require the stationing of an officer there almost continuously. In view of this fact, I would recommend that, for the present, no decrease be made in the force.

I shall have pleasure in seconding the efforts of the Department at a curtailment of expense, and will recommend a reduction whenever, in my opinion, it can be properly done, as I did in the case of the Suffolk inspector, on the 1st instant.

Very respectfully,

G. E. BOWDEN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 101.

CUSTOM-HOUSE, OMAHA, NEBR.,
Surveyor's Office, April 18, 1885.

SIR: Referring further to your circular letter dated April 1, 1885, relative to a reduction, if possible, of the force employed under me, to which I responded by letter under date of the 10th instant, I desire now to state that since then I have been able to give to the subject-matter of your communication more careful study and consideration, and, as a result, have reached the conclusion that if the business of this port does not increase over what it is at the present time, I shall be able to dispense with the services of my regular deputy, provided I can swear in the watchman of this building as a deputy, with whose assistance I shall, as I believe, be able to perform the work. He (the watchman) is on duty from 8 A. M. until 11 P. M.—that is to say, he is in the building during that time; but it is from 5 P. M. until 11 P. M., when he closes and locks the building for the night, that his services are more especially required, as it is then that the roughs and hoodlums of the city attempt to congregate in the lobbies and corridors of the building and cause disturbance. Hence, being available during the day, the watchman, if qualified to act as deputy surveyor, could render service as such, and, if allowable under the rules of the Depart-

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ment, I beg to recommend that such action be ordered by you, and, for such additional services, I also recommend that he (the watchman, H. Kirby) receive an increase of $200 per year to his present salary, which will make his entire compensation $800 per annum, which, in my judgment, would be about a just and right remuneration for his combined services, and, further, that, from the date of such action, the services of J. N. Phillips, my present deputy, be dispensed with, thereby effecting a saving to the Department of $895 per annum. I desire also to state that the services of the engineer of this building are actually required for only about seven months of the year, say from September 15 to April 15; but inasmuch as it is sometimes a difficult matter to obtain the services of an *efficient* and *competent* engineer for only a *portion of the year*, it perhaps would not be a wise policy to attempt a curtailment in this particular, which, however, if done, would effect a further saving of some $400 per annum. I simply bring this latter matter to your attention by way of suggestion, but regard it as scarcely proper for me to make any recommendation in the premises at present, as possibly the Department contemplates making some such change in the payment of engineers in buildings of this class throughout the country, which, as I believe, could be made practicable, either by adopting a system as indicated, or by reducing the annual salary to a sum that will more nearly correspond with the length of time that they (the engineers) are actually occupied.

Very respectfully,

JOHN CAMPBELL,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 102.

CUSTOM-HOUSE, OGDENSBURG, N. Y.,
Collector's Office, May 6, 1885.

SIR: I have the honor to acknowledge the receipt of your circular letter of the 1st ultimo, requesting me to report the practicability of reducing the force in this collection district, without detriment to the public service; if the methods of doing business can be simplified, and such other suggestions and recommendations as may suggest themselves to me.

In this collection district we have the following, or outside, sub-ports, viz: Chippewa Bay, Morristown, Lisbon, Waddington, Louisville, and Massena, covering a distance of between sixty and seventy miles on the St. Lawrence river.

At Morristown there is one ferry, from Brockville, Ontario, running the entire year, and two boats nine months in the year. The business at that port is large, keeping the three officers stationed there very busy. I am frequently obliged to send an officer from here to assist them.

At Waddington a ferry-boat from Morrisburg, Ontario, runs the entire year. The business there keeps the deputy busy all the time, and a large portion of the time he is assisted by an inspector.

At Louisville there is a ferry from Aultsville, Ontario, during the season of navigation, and a constant crossing and recrossing of small boats, which require more or less looking after all the time.

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At Massena there is a steam-ferry part of the year from Cornwall, Ontario; also a horse-ferry, that lands on Barnhart's Island, and then reaches the main-land by another ferry from the island. These two latter ferries are wide apart, and the geography of the country is such in the town of Massena that two officers are required there during the season of navigation.

At Lisbon a scow is used as a ferry from Edwardsburg, Ontario. There is considerable property imported at this point. A deputy collector has been stationed there for years. The Department abolished the office at one time, but there was such a demand for its re-establishment that the honorable the Secretary of the Treasury, after giving the matter considerable attention, stationed an officer there again. It is certainly needed for the convenience of the people.

At Chippewa Bay there is no regular ferry; but in this vicinity, during the season of navigation, steamboats are constantly arriving and departing, and the number of row-boats going and coming is very great.

At this port, Ogdensburg, we have two officers stationed at the Ontario and Lake Shore Railroad all the time, and during the season of navigation three. Two officers at the ferry-landing, one day and one night officer, and this office is always open. One officer at the Rome, Watertown and Ogdensburg and Utica and Black River depots, and five officers at the main office—in fact, only four; for while one inspector keeps certain records and papers, he also acts as a supernumerary, assisting at Morristown at the Ontario and Lake Shore depot on night duty, and taking the place of officers sick or unavoidably detained at home, &c.

Soon after navigation closes the ice forms a substantial bridge at numerous points in the district, and forms perfectly safe crossing for foot-passengers and loaded teams, which require constant watching and looking after.

I find that it is the same in public as in private business—at times somewhat dull, and employés not very busy—but it soon revives, and then you must have your full force of trained men to meet its demands.

I cannot see how the force in this district, just on the opening of navigation, can be reduced without impairing the service. Possibly after the close of navigation a slight temporary reduction at certain points could be made.

In reference to simplifying the methods of doing business, I have no suggestions to make. While we render a large number of reports to the different bureaus, I suppose they are all required, to conform with the system of checks and balances adopted by the Department.

Serious illness on my part has delayed my replying sooner.

I am, sir, yours, very respectfully,

W. H. DANIELS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 103.

CUSTOM-HOUSE, OSWEGO, N. Y.,
Collector's Office, April 11, 1885.

SIR: Pursuant to request contained in printed letter of April 1, 1885, I have the honor to report that, so far as said letter relates to the force employed under my direction and the suggested reduction of the same

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without detriment to the public service, the number of employés at this date is very low, the season of navigation not having arrived yet, when a much larger force is usually employed to meet the increased demands of the service. I therefore assume that the information solicited more particularly has reference to a more economic collection of import duties generally within my district.

The practicability of reducing the force within this district, in my judgment, depends very largely upon the reply to your second inquiry, whether the method of doing business in this district can be simplified without detriment to the public service.

The questions have upon many occasions engaged the attention of the Department so far as relate to this and a few of the largest and most important lumber and grain importing districts along the north and northwestern frontier, where, as a rule, the cargo consists of a single commodity, the importing vessel comparatively small, the distance travelled short—often the span of a river, at most a lake—trips are often made and repeated under the influence of rapidly shifting winds, and the year's business is crowded into a short season of navigation, (see letter of Secretary McCulloch, April 10, 1866,) and have led eventually to the promulgation of special rules and regulations for the convenience and simplification of business at the larger lake ports for reasons assigned under the head of "measurements of grain and lumber imported at ports on Canadian frontier." (See printed circular to collectors, July 23, 1878; also Synopsis of Decisions, Treasury Department, 1873, No. 1636.)

That the port of Oswego was the port demanding this simplification of existing rules and regulations in 1873, and has so continued more than all others, there can be little doubt when we compare the receipts of both grain and lumber annually received at Oswego with that of other lake ports and districts upon the Canada frontier. The receipts of imported grain during the fiscal year ending June 30, 1884, within the districts of Oswegatchie, Cape Vincent, Genesee, Niagara, Buffalo Creek, Dunkirk, Erie, Cuyahoga, Miami, Sandusky, Michigan, Huron, Detroit, Superior, Chicago, and Milwaukee combined was 4,973,541 bushels, and an aggregate of lumber at the same ports amounting to 105,418,000 feet.

The amount received within the district of Oswego for the same year was, grain, 3,916,518 bushels; lumber, 184,413,000 feet; or, in other words, the importations into this district amounted to 44 per cent. of all grain and 63.6 per cent. of all lumber received within these districts for the fiscal year aforesaid, as shown by above exhibit, including the district of Oswegatchie, east of Lake Ontario.

The aggregate receipts for the district of Oswego, season of 1884, are: Grain, 4,455,612 bushels; sawn lumber, 192,306,843 feet; shingles, 16,210,975; lath, 19,547,100 pieces; pickets, 247,500; heading, 725,992 pieces; besides miscellaneous commodities of wood, such as cedar posts, door-panellings, mouldings, strips, deal-ends, &c.

To apply the measurer's rule to each board and secure actual measurement of this vast quantity of lumber would seem quite impossible, would tend to seriously embarrass trade, and could, as stated in said circular letter, prove of "no corresponding advantage to the revenue."

The district of Oswego is so situated that importations of this class have hitherto been limited to the season of navigation. Unlike those districts lying contiguous to the River St. Lawrence, where the frontier is crossed by rail and team during the entire year, my force of inspectors are appointed, as a rule, only for the season of navigation, about eight

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months, with per diem pay no greater than that usually paid to inspectors holding through the year at Suspension Bridge, Plattsburg, Ogdensburg, Buffalo, Burlington, Chicago, &c., the number corresponding to importations during those busy months being less, as we understand, than of other revenue districts, in so much that the district of Oswego has received the compliment of having collected the revenues of the Government at less per cent. than that of any other district within the United States. There has, indeed, been times when this district has been subject of criticism, by reason of the limited number of men employed. Under my immediate predecessor in office, the late Collector Daniel G. Fort, as well as myself, this reduction, with a view to economize collections, was carried to that extent, which caused Special Agent J. A. Camp and Special Inspector Norris Winston of the Treasury Department to visit this port in the summer of 1882 and to note the manner of doing business within our lumber district, since considerably extended, and to report, as the result of their joint observation, that the force of inspectors was quite too limited to meet the demands of the public service, even under such simplification or modified requirements; whereupon a larger number of inspectors were appointed, (see collector's letter, September 12, 1882;) and this force raised from eleven to fourteen September 15, same year, and to sixteen for the entire district in 1884. In case of emergency, temporary inspectors have also been employed. (See collector's letter, September 27, 1884, and official report Special Agent W. F. Howell, about that date.)

In a service so extended upon either side of the Oswego river, more recently along the shore bordering the new harbor, the lumber district at Oswego being divided by intervening hills, a broad harbor, with islands used also for lumber purposes, where many docks, slips, and piers are owned and controlled by different firms and individuals engaged in the same business, it may be a question of doubtful propriety for the Government to materially lessen the usual force of lumber inspectors here employed.

My predecessor in office seemed to have trusted in a measure to the integrity of the importers regarding qualities and values. Without desiring to reflect upon the integrity of any, I have deemed it a duty to know with greater certainty and from official sources regarding the same facts.

I am fully in accord with the Department in its laudable desire to retrench and curtail expenses of collection wherever such can be done without detriment to the public service. I shall deem it a duty, as well as a pleasure, to aid such retrenchment so far as the same can be practicably applied to this district; the success of the effort, however, in my judgment, largely depends upon the degree of care and attention to be given the several cargoes of lumber and grain arriving at this port during the period of unlading. As to grain, all is weighed by the storekeeper at expense of warehouse. An inspector of customs is deemed indispensable on such occasions. Each favorable wind is likely to bring, and often does bring, a large fleet of importing vessels into our harbor, each demanding to be unladen preparatory to return trip. Should it be deemed essential that each cargo on such occasions receive the individual attention of an inspector during such unlading, then the force of inspectors is seemingly none too large for this particular work. Under the regulations, as modified to meet the requirements of this port July 23, 1873, an experienced officer soon becomes familiar with

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the carrying capacity of a vessel from observation and official experience, and the privilege here conceded to measure lumber in bulk when actually landed, or to determine the quantity by estimating the same upon arrival, leaving much to the sound discretion of customs officers, in such cases the same officer (if experienced) can estimate and with reasonable accuracy determine the quantities of several cargoes within a few hours and make report of the same, thereby preventing the perpetration of fraud upon the revenue, and at the same time not unnecessarily embarrass trade.

Should liberty also be granted to the attending inspector to remain within reasonable proximity, make frequent visits to the importing vessel while being thus unladen, supervision might be extended over two or three vessels at the same time, thereby supplying a means whereby to lessen the force of inspectors somewhat within this district without material detriment to the service, barring increased opportunity on the part of vessel-owners to avoid observation should they desire concealment within their respective cargoes.

Unlike some of the frontier districts, we have not shared the benefits of a localized special officer. Till recently, Special Inspector S. L. Norton has been at this port, with expectations to remain. With such assistance, a corresponding reduction of the ordinary inspectors' force might follow, without injury to the service.

In 1884, the Northern Central Railroad was bonded, with expectation that importations at Fair Haven would be greatly augmented. This has not been realized. Deputy Collector and Inspector Geo. P. Knapp can discharge the duties at that port the greater portion of the season, save in emergency, and even then, with telegraph and railroad communications, assistance can be rendered from Oswego, if necessary.

I learn that no passenger-steamer is to connect with the New York, Ontario and Western Railroad at this port during the season of 1885. Should this prove true, one of the inspectors (there were two in 1884) performing night duty, might also be dispensed with, assistance, in cases of emergency being rendered from the dock office, kept open nights, at this port.

The night or dock office mentioned is of service only during the season of navigation. One of the annual appointees has for many years been in charge, with salary fixed at $1,000. Without material injury to the service, this could properly be changed to a season appointment, with compensation fixed at $3 per diem, effecting an annual saving of about $250.

The navigation desk in this building has for many years been supplied by two season appointments. Ex-Deputy Gardner informs me that one deputy cannot possibly discharge the duties at that desk. Ex-Deputy Thomas Moore thinks otherwise, providing the appointee shall be familiar with the duties pertaining to that desk, with privilege to work after office-hours when pressed. Mr. Moore has had eleven years' experience. I believe him competent.

With facilities existing at this port for shipping merchandise in bond over the different railroads of late centring at this point, and *via* Oswego and Erie canals, it has become of frequent occurrence for inspectors to be summoned to different and distant points in case accident to bonded car or boat, to superintend transfer of merchandise, &c. A system has also grown up of importing small pine pieces from Canada, known as match-stock, generally consigned to Diamond Match Com-

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pany, at Frankfort. These blocks are too small and numerous to be measured by rule, or to render the unlading of the canal-boat at this port practicable, which seems to necessitate the attendance of an inspector at Frankfort whenever the emergency arises. I would suggest that the privileges granted in circular letter to collectors, July 23, 1873, regarding measurements, be extended to this commodity, unlading to take place at point of destination, under supervision of inspector or special officer at expense of importer, including per diem pay of such officer, and that the same rule as to expenses be applied in case of accident to merchandise in transit under bond.

I am, very respectfully,

JOHN J. LAMOREE,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 104.

CUSTOM-HOUSE, PENSACOLA, FLA.,
Collector's Office, April 15, 1885.

SIR: I have the honor to acknowledge the receipt of circular-letter dated April 1, 1885, and respectfully report that the office force (two deputies and clerk) could not be reduced without detriment to the public service. The regular force of inspectors is seven. The term of service of one of them, Mr. Scarritt Moreno, will terminate on April 30, 1885. (Department letter dated February 4, 1885.) I can also make a reduction of one more inspector after the 31st of May, 1885, which will leave *five* inspectors—one to be sent to the quarantine station, with boat and two boatmen; one to be left at Barrancas station, with one boatman, to guard against landing smuggled good and take care of the public property; three inspectors and three boatmen, to attend to boarding duty and discharging cargoes, at Pensacola. There are two night-watchmen, one at the barge office and one at the custom-rooms; also, a messenger and janitor. The services of all these are absolutely necessary. The foregoing constitute the entire force of employés in this district. The full force of seven inspectors will be required for duty during the winter season.

Should the work be commenced as contemplated on the railroad from Chipley to St. Andrews Bay, it would be necessary to re-establish that station by the appointment of an inspector and boatman for that point.

I know of no way that the methods of doing business could be simplified, and the efficiency of the service improved, or the expenses further curtailed.

Very respectfully, your obedient servant,

J. M. TARBLE,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 105.

CUSTOM-HOUSE, PERTH AMBOY, N. J.,
Collector's Office, April 13, 1885.

SIR: In reply to Department letter of April 1, 1885, I have the honor to report that the material imported in this port is chiefly iron ore and manufactures of iron and steel, and the present regulations of the Department are so plain that I have no alterations to suggest. In reply to your question as to whether the present force of this office can be reduced without impairing the efficiency of the service, I have the honor to report that the term of service of Wm. T. Hopper (the inspector who has had charge of the inspection of that portion of the district lying between Sandy Hook and Manasquan inlet) expired by limitation on April 1, 1885. His duties were largely preventive; and while I have found Mr. Hopper a capable and efficient officer, if the Department thinks that the Life-Saving Service forms a sufficient coast guard to prevent fraud on the revenue during the summer season, his further service might be dispensed with by extending the duties of Wm. T. Brown, the inspector now on duty from Manasquan to Barnegat, to include that portion of the coast from Manasquan to Sandy Hook.

Very respectfully, your obedient servant,

M. A. EDGAR,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 106.

CUSTOM-HOUSE, PHILADELPHIA, PA.,
Collector's Office, May 13, 1885.

SIR: I have the honor to report that I have examined the subject of the reorganization and reduction of the force now employed in the customs service at the port of Philadelphia, referred to me by the circular letter of the Department of April 1, 1885, and find that considerable reduction has already taken place in view of the decrease in receipts during the first part of the current fiscal year.

This reduction amounts to over eighteen thousand dollars per annum, which is about proportional to the decrease of receipts up to March 1, 1885. In addition, five places, aggregating fifty-five hundred dollars, are now in abeyance, on account of the absence from sickness and other causes of the incumbents, without pay. Three of these will undoubtedly become vacant, and a recommendation for their abolishment has been withheld pending only the determination of the question of receipts.

The decrease of receipts ceased with February, but since that time the customs have increased over any corresponding previous period.

The reduction began and kept pace with the decrease in receipts, but with a positive return to and above the old figures. I would not deem it advisable to make any further reductions other than as vacancies occur may be found practicable in the current course of business, and not inconvenient to the service or the public.

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This reduction is principally in the outside force of the service, in which changes and vacancies happen more frequently than in the inside clerkships. Owing to the extent of territory covered by the customs district of Philadelphia, the proportion of outside force to the gross amount of customs must necessarily be somewhat larger than in more compact districts. For this reason also, re-enforced by the views of the surveyor of the port, the reductions made in this part of the force have brought it to the verge of efficiency, and until a reasonable experience has demonstrated that the reduced force can adequately guard the interests of the Government and answer the just claims of importers for prompt inspection and delivery, it does not seem judicious to force a reduction.

The resignation of Deputy Collector Wm. D. Smith, to take effect not later than June 1, 1885, which has come to my hand since the receipt of the Department circular, will necessitate a reorganization of the clerical force of the custom-house proper. It may be possible to make a further slight reduction in this part of the force also, in addition to the slight saving effected by the changes heretofore made.

This matter I have now under consideration, and will have the honor to present to the Department in a few days a definite plan for the reorganization of this force, and, if advisable, its reduction without detriment to the service.

I have the honor to be, yours, very respectfully,

J. F. HARTRANFT,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 107.

PORT OF PHILADELPHIA, PA.,
Naval Office, April 3, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of the 1st instant, and, in compliance with the requests therein contained, I respectfully submit herewith (1) a statement of the present force of this office, (attached to this letter and marked "A;") also, (2) a statement of the percentage of expense of this office on the duties collected at this port, (attached and marked "B;") also, (3) a comparative statement for the years 1880–'84, inclusive, of the expenses and number of employés of this office, (attached and marked "C;") and (4) a comparative statement of the force and expenses of the six naval offices of the United States, (attached and marked "D.")

The present force of this office is now, in my judgment, as small as is consistent with the faithful and proper performance of the work required of the office. One clerkship (No. 5) is, and has been for over a year, vacant, and it has consequently been necessary to utilize our messenger as a clerk. It has been my purpose and rule to have the duties of this office performed actually as well as nominally, and every man in it has been and is expected and required to do his full share of the daily work; consequently, we have no superfluous people about the office. The proper auditing of the entire clerical work of the collector's office requires this office practically to go carefully over the work of

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that large force and to correct all errors, if any are found to exist. If our present force was not efficient and expert, it could not possibly perform this labor properly and promptly and without delay and inconvenience to importers. It has been my aim to accomplish this result for the public convenience, and at the same time with a strict regard for economy; and I consequently cannot see how any reduction of our force could, in the interest of the people of the Government, be advantageously made at present. If, however, a reduction in the expense of the office (which is now less than that of any other naval office except the office at New Orleans) is deemed essential, I would respectfully recommend that the salaries rather than the number of the clerical force should be reduced.

The present methods of transacting the business of the office are believed to be as economical and satisfactory as any others that I could at present suggest, and we have not had a single complaint made by any importer or broker during the past year, which would seem to indicate their satisfaction with our present methods.

All of which is respectfully submitted.

Very respectfully,

EDWIN H. NEVIN, JR.,
Naval Officer.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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[Enclosures.]

A.

Present force employed in the Naval Office, Philadelphia.

	Name and duty.	Salary per annum.
	Edwin H. Nevin, jr., naval officer	$5,000 00
	Frand L. Irwin, deputy naval officer	2,500 00
1.	Charles R. Roberts, estimating clerk	2,000 00
2.	Henry B. Geissinger, cashier and fee clerk	1,800 00
3.	Edward C. Reed, liquidating clerk	1,800 00
4.	Irven Smith, warehouse clerk	1,400 00
5.	(Vacant.)	
6.	Harry H. Shautz, abstract clerk	1,200 00
7.	Thos. H. Chapman, messenger	720 00
	Total	16,420 00

B.

Amount of Duties collected at the Port of Philadelphia for the fiscal years 1880 *to* 1884, *inclusive.*

Year.	Amount.
1880	$12,757,987 37
1881	11,231,598 80
1882	11,969,157 72
1883	12,250,556 72
1884	12,977,995 43
Total	61,169,296 04

Average for the five years, $12,233,859.21.

Average percentage of the expense of the nav office on revenue collected, about $\frac{13}{100}$ of 1 per cent.

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C.

Comparative statement of the force and expense of the Naval Office, Philadelphia, for the years 1880–'84, inclusive.

Year.	No. employed.	Compensation.	Entries liquidated.	Errors corrected.	
				Number.	Amount.
1880	8	$15,120	13,307	175	$18,936 14
1881	8	15,120	12,247	128	8,736 35
1882	8	15,320	13,690	132	4,548 15
1883	8	16,420	14,293	195	5,223 71
1884	8	16,420	13,883	146	3,200 88

D.

Comparative force and expense of the Naval Offices of the United States.

Location.	Naval officer.	Deputy naval officer.	Clerks.	Messengers.	Pay.
New York	1	1	86	8	$162,890 00
Boston	1	1	19		38,100 00
Philadelphia	1	1	5	1	16,420 00
San Francisco	1	1	8	1	22,925 00
Baltimore	1	1	6	1	16,620 00
New Orleans	1	1	3	1	14,300 00
Total	6	6	127	12	271,255 00

No. 108.

PORT OF PHILADELPHIA, PA., APPRAISER'S OFFICE,
No. 134 *South Second Street, April* 6, 1885.

MY DEAR SIR: I am in receipt of your letter of the 1st instant, requesting me to make report to what extent, in my judgment, the force employed in this Department can be reduced without detriment to the public service; also, whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations whereby the efficiency of the service may be improved and expenses curtailed.

In reply permit me to say, first, that the force now employed in this Department does not exceed by a single individual, what is absolutely necessary to a proper discharge of the duties of the office. Indeed, occasions frequently occur when it is entirely too small to meet the demands made upon it. This is especially the case when sickness occurs. Under such circumstances, goods are sometimes not delivered to merchants with that promptness that they otherwise would and should be, but I have never felt justified in recommending an increase of force that would provide for these "pinching" periods. Two vacancies exist at the present time—one of them a clerk, with an authorized salary of $900, the other a packer, with an authorized salary of $900. Both of these vacancies occurred several months since. The special duty of the clerk was that of counting the stitches in Hamburg edgings, to compute their foreign market value. Messrs. Loeb & Schoenfeld, who were formerly very large importers of this class of merchandise through this port, removed their business to New York, and thus reduced the extent of this business to such a point that I did not feel justified in

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asking for the continuance of this clerk. Another firm, Messrs. M. H. Pulaski & Co., commenced several months since the importation of this class of merchandise. Their business has grown very rapidly, and it is not impossible that in a short time the work will become so large as to require the reappointment of this clerk. The vacancy of the packer resulted from a nomination and election to the legislature of Pennsylvania. As the importing business fell off last fall considerably, I did not think it advisable to fill this vacancy.

Philadelphia has a very extended customs district, not only embracing the Delaware river fronts on both sides, from the city of Chester to the highest point of navigation, but likewise the River Schuylkill. The grain-elevators on the Schuylkill are located some five miles from this office, and are inaccessible for a great portion of the distance by street-railway. We are compelled to make frequent trips to this point for the examination of bags, barrels, iron, and other heavy articles of merchandise. Gibson's Point, Greenwich Point, Point Breeze, and Port Richmond are locations on the Rivers Delaware and Schuylkill where oil is loaded and empty oil-barrels returned. All these places are from four to five miles distant from this office. To attend to the business of these places requires the services of several men and a very great deal of time.

The system of examining and testing sugars and molasses under the act of March 3, 1883, largely increased the force of this department. During the year 1884 three refineries were in operation in this city, and which largely augmented the importations of sugar. The total imports of sugars for the year 1883 were as follows: Hogsheads, 89,214; bags and mats, 135,635. For the year 1884: Hogsheads, 125,892; bags and mats, 279,216.

You will notice from these statements that there was an increase of 36,678 hogsheads and 143,581 bags and mats in the importations of the year 1884 over those of 1883. This labor required the employment, on an average, of four samplers and as many laborers constantly on the wharf, together with the examiner who superintends the sampling of the sugars. In the laboratory there are some five persons employed, independent of Assistant Appraiser Gaw, who supervises the work. This makes a very heavy drain upon our force.

Second. I was under the impression that some modifications in the present system of sampling sugars might be made without detriment to the service. Twenty-five per cent. of all hogsheads received are set aside by the collector to be sampled. Each hogshead is required to be bored from the centre of the head, and a sample of sugar taken therefrom extending from the head to the foot of the cask. Each sample thus taken is placed in a small tin box and a paper label attached thereto, giving the mark and number of the hogshead from which the sample was taken. All this, you will notice, involves very considerable time and labor. I am assured by Assistant Appraiser Gaw, however, that it is necessary to a correct sampling of the cargo, as well as to attain reliable results from the system of polarizing, that the present system should be continued; and from the statements made, I am inclined to accept them as correct. The amount of money involved is too great to make experiments of doubtful results. This is the only department in which I thought a change of system could possibly be made.

The assistant appraisers, in addition to their other duties of inspecting examiners' returns made upon invoices, are required to perform the

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duties of examiners with reference to certain classes of merchandise. If this was not required of them, the force of examiners would have to be enlarged. In looking over the entire business of this office, I do not see that the present system could be advantageously changed; nor do I see how it would be possible to transact the business with any degree of satisfaction to the mercantile community with a smaller force than is now employed.

Yours, truly,

E. B. MOORE,
United States Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 109.

CUSTOM-HOUSE, PITTSBURGH, PA.,
Surveyor's Office, July 2, 1885.

SIR: In reply to letter of Department, 30th June, requesting me to name the inspector of customs whose service can be dispensed with, I would state that, owing to the fact that the services of Frank W. Tallon and Charles McEnulty have been dispensed with since June 30, and the nominations of their successors have not yet been approved by the Department, I have but two inspectors on duty, viz., John S. Dravo, on outside duty, and Thomas N. Christy, detailed for office duty. As the persons nominated are not familiar with the duties incumbent, it will require some time to render them effective. Owing to the additional duties and work in the office in closing the busines of the past fiscal year, I would prefer to not reduce in number the force at present employed.

Very respectfully,

D. O. BARR,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 110.

CUSTOM-HOUSE, PLATTSBURG, N. Y.,
Collector's Office, April 18, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of the 1st instant, requesting me to report in writing to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed.

The force employed in this district at present consists of one collector, one deputy collector, and twenty-one deputy collectors and inspectors; also, a janitor for the Government building at Plattsburg. The latter, of course, should not be included in taking an account of the force engaged in collecting the revenue, which amounts to twenty-three officers all told.

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In order to understand the requirements of the district, I beg to call attention to the following facts: The district of Champlain comprises all the land frontier in the State of New York, extending from Lake Champlain at Rouse's Point to Hogansburg, on the St. Lawrence river, nearly seventy miles.

Between Rouse's Point and Hogansburg there are nine sub-ports where duties are collected; there is also a port of delivery at Whitehall, the head of the lake, where large quantities of lumber are discharged, counted, and measured from vessels arriving from Canada *via* Rouse's Point.

In addition to the commerce carried on by boats from Canada *via* Rouse's Point, the New York and Canada Railroad enters the district at that point. This road makes direct connection with New York and other intermediate cities.

Large quantities of freight are imported by this route; the goods of the National Express from Montreal also come by this line. This road does an extensive passenger business also, and in the summer season it is one of the favorite routes for pleasure travel.

The Canada Atlantic Railroad, recently opened, has its American terminus at Rouse's Point also.

Two other branches of the Grand Trunk Railway enter the district, one at Mooers Junction and one at Fort Covington. In addition to the ordinary land traffic at Fort Covington and Hogansburg, St. Lawrence river vessels touch and trade, and some enter and clear.

With the exception of Rouse's Point, there is but one officer stationed at each outside frontier port, and there is one officer stationed at Malone, a large town a little in rear of the cordon of frontier ports, whose duty is to look after smuggling and assist other frontier officers, as occasion may require.

There is one officer stationed at Montreal, associated with officers from the Vermont district in the examination of passengers' baggage and the transfer of goods in transit.

One officer is required to run constantly on the passenger-trains arriving at Rouse's Point from Montreal, and sometimes two officers are required, especially in the summer-time, during the period of pleasure travel.

Two permanent officers are employed at Whitehall, in addition to two summer men. In the winter, one of the permanent Whitehall officers is transferred to Rouse's Point for duty.

There are employed at Rouse's Point, in addition to the men on the train, six officers, and during the season of navigation two additional officers.

During the fiscal year ended June 30, 1884, there were at Rouse's Point 1,271 vessels entered from foreign ports, 1,034 vessels cleared for foreign ports, 853 coastwise clearances, 2,316 entries of merchandise for duty, 1,781 free entries, 642 warehouse and transportation entries, 66 entries for transportation and exportation *via* New York, and there was collected duties on imports, $262,763.83; tonnage, $9,704.89. I think it will be apparent from these facts that the force employed at Rouse's Point is barely sufficient for the labor required. The force at Whitehall is required to count and measure lumber discharged at that port, and has not been found heretofore too large for the labor required. Of course, the amount of lumber delivered at that port would govern as to force required. It may be possible that trade on the lake during the coming season will

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be lighter, owing to a constantly increasing business by rail and a probability of a falling off in the aggregate importation of lumber from Canada. In such case, if the demands of trade would permit, there might be a reduction of the force employed during the season of navigation only.

At Plattsburg I have with me a special deputy and two deputy collectors and inspectors, which force I find barely adequate for the preparation of all reports, returns, and accounts required by the Department, the keeping of the records of the entire district, the enrolment, licensing, and measuring of vessels, correspondence, reappraisements, and the collection of duties, &c. My officers work harder than persons employed in assimilated private business, and, I believe, compare favorably in ability with persons in station in civil life or in the employ of the State of New York.

Notwithstanding the large amount of frontier protected by my force, and the large amount of services required growing out of passenger travel, which of course renders but little revenue to the Government, and with one of the largest lists of vessels on the frontier to enroll and license, I find, by an examination of the finance report for 1884, (page 67,) that the rate for expense of collecting the revenue in this district was from 20 to 25 per cent. lower during the fiscal year ended June 30, 1884, than in either of the two contiguous districts, viz., Oswegatchie and Vermont, my district standing within sixteen of the lowest in point of rate of expense in some 137 ports reported in the statement referred to.

I enclose a list of my force, showing designation, compensation, and station, and indicating briefly the nature of the duty performed.

As regards the simplification of business, I beg to state that many of the proceedings in customs matters are in pursuance of statutory provisions, and of course do not admit of modification.

Such matters as are subjects of regulations only are susceptible of immediate change. I find, however, that many of these regulations are in pursuance of special statutes authorizing the Secretary to provide regulations in the case, and that usually such regulations have been carefully prepared by the proper authorities.

I am, very respectfully,

S. MOFFITT,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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[Enclosure.]

List of Officers employed in the District of Champlain, April 18, 1885, *giving designation, station, compensation, &c.*

Name.	Designation.	Station.	Compensation.	Nature of duty performed.
Stephen Moffitt	Collector of customs	Plattsburg	$2,500 00 per annum	Has general supervision of district, correspondence, &c.
John Martin	Deputy collector and inspector, special deputy.	do	1,800 00 per annum	Cashier, makes all accounts current, assists in correspondence, &c.
S. B. Miller	Deputy collector and inspector	do	1,400 00 per annum	Abstract clerk, returns and reports to Bureau of Statistics, &c.
Henry H. Parmerter	do	do	2 45 per diem	Enrolment and licensing of vessels, inspection of goods, copying, &c.
Robert E. Casey	Deputy collector and clerk	Rouse's Point	4 00 per diem	In charge of office at Rouse's Point, cashier, &c.
Eugene Viele	Deputy collector and inspector	do	900 00 per annum	Bond clerk.
Theodore Farlin	do	do	900 00 per annum	Keeps import-book, abstracts, entry clerk, &c
Wm. D. Merriam	do	do	900 00 per annum	Examines hand baggage and express goods on trains.
Reuben Barton	do	do	2 45 per diem	Inspects merchandise arriving by rail and boats.
E. A. Adams	do	do	2 45 per diem	Inspects merchandise arriving by rail, land, and boats, records of exports.
Hiram F. Gaines	do	do	2 45 per diem	In charge at railroad depot, inspecting and appraising merchandise.
J. W. Haynes	do	do	3 00 per diem	Examines baggage at Montreal.
S. E. Blood	do	do	1,000 00 per annum	In charge of office at Fort Covington: has trains and boats to look after.
C. Bosworth	do	Mooers Junction	900 00 per annum	In charge at Mooers Junction; has goods by land and rail to look after.
W. S. Alvord	do	Chateaugay	900 00 per annum	In charge of office at Chateaugay; goods by land.
S. D. Mix	do	Ellenburg Depot	700 00 per annum	In charge of office at Ellenburg Depot; goods by land.
P. H. Shields	do	Malone	2 45 per diem	On preventive service at Malone, and assisting at frontier ports, &c.
Charles Deal	do	Champlain	2 20 per diem	In charge of port at Champlain; goods arriving by land.
D. W. Shurtleff	do	Mooers Forks	2 20 per diem	In charge of port at Mooers Forks; goods arriving by land.
Carter J. Crippen	do	Trout River	2 20 per diem	In charge of port at Trout River; goods arriving by land.
Geo. W. Davis	do	Hogansburg	2 20 per diem	In charge of port at Hogansburg; goods arriving by land.
H. C. Jillson	do	Whitehall	2 20 per diem	In charge of office at Whitehall; inspection of lumber, clearances, &c.
A. M. Hoit	do	do	2 20 per diem	Inspecting goods at Whitehall in summer; in winter inspecting goods at Rouse's Point.

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No. 111.

CUSTOM-HOUSE, PORT HURON, MICH.,
Collector's Office, April 8, 1885.

SIR: I have the honor to acknowledge the receipt of Department circular of the 1st instant, requesting me to "report in writing to what extent the force employed under your (my) direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations as may occur to you (me) whereby the efficiency of the service may be im proved, and the expenses curtailed."

In reply, I have the honor to state that I have received the resignation of John W. Brakeman, written on the 15th day of March, to take effect on the 1st instant; I have also received the resignation of Ezra Hazen, written on the 14th ultimo, to take effect on the 1st instant. I have accepted the resignation of both of these officers, and shall make no recommendation to fill their places.

For many years an officer has been stationed at Lexington, on the shore of Lake Huron. I have made a careful investigation of the business done there, and am satisfied that the officer at that point may be relieved without injury to the service. I do not think that there is any other outside port in this district where an officer can be relieved without injury to the service, or without greatly discommoding those engaged in commerce on these lakes.

At this season of the year the business transacted by the customs force stationed at this port is the greatest, and just at present is unusually large. I can discover no way in which I can reduce the force at present more than I have done already as shown above, except the officer at Lexington, (Mr. Anthony M. Oldfield, deputy collector and inspector, at 50 cents per day.)

I will carefully watch the business of the district, and will make further reduction if the condition of the business will warrant it.

I can at present see no way by which I can improve the efficiency of the service here.

I am, very respectfully, your obedient servant,

WM. HARTSUFF,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 112.

CUSTOM-HOUSE, PORTLAND, ME.,
Collector's Office, April 8, 1885.

SIR: Referring to your letter of the 1st instant, requesting me to report in writing to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, and to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed, I have the honor most respectfully to reply that it will be borne in mind that this is a port where the transit, reware-

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house, transportation, and exportation business (which does not show in the matter of duties collected) bears a very large proportion to our other business, and entails a large expense without corresponding receipts. To illustrate: While the duties which have been collected at this port during the five months ending March 31, 1884, amount to $145,415.72, the duties assessed upon merchandise warehoused, rewarehoused, transported, and exported, including merchandise bonded at the port during the same period, amounted to $1,920,323.92, and upon this business, represented by the last-mentioned amount, it will be seen that the clerical labor and supervision at this port is greater than if the above duties were actually collected. But for the sugar business of the port, the duties actually collected here would be reduced to an insignificant amount, yet the absolute cessation of that business would reduce the expenses but a comparatively slight degree.

If the business at this port was equally distributed as to days and seasons, or if a due regard to the interests of importers would permit delays more or less extended in the delivery of their merchandise, a reduction in the force in this district further than as suggested below might with propriety be made. But the problem of being always able to attend to business above the average in amount with that promptness which seems the right of, and which is often necessary to prevent serious loss to, the importers, and avoid having on the force some men not actually employed when business is below the average, has not yet been solved (in every department) satisfactory to my mind at this port.

Collector's office.—In this department, where the work is largely clerical, no difficulty was encountered in accomplishing it, and since I assumed my office the work is done with two less clerks than formerly, save that during the past winter a clerk, whose term will expire April 30, has been temporarily employed. Those now employed are, without exception, competent, diligent, and faithful, and, after carefully considering the subject, I do not think it practicable to further reduce the force and perform the work of the office, make the required reports to the Department, and accommodate those doing business at the port with the promptness and accuracy essential. In emergencies, it is true, the force in the collector's office has sometimes been re-enforced temporarily by the services of an inspector, who could be spared for the purpose from the surveyor's department.

Surveyor's department.—I append herewith a copy of a letter, marked "A," from the surveyor, in answer to inquiries addressed by me. The so-called "permanent" force of inspectors to which he refers numbers fifteen. There are two others borne on our rolls, who report to and are paid at this office, whose duties are not connected with the service in this district, viz., one at Danville Junction, (that of the Grand Trunk with the Maine Central Railroad)—in regard to this officer, I am of the opinion that the compensation allowed him is excessive for the duties performed; and another stationed at Coaticook, P. Q.

Referring to the statement of the surveyor to the effect that the force is now "too small for a thorough supervision of the business of the port," I have to say that thus far I have been unwilling to recommend any addition thereto.

Temporary force.—It is customary and necessary to employ at this port every winter inspectors in addition to the "permanent" force for a period commencing in November and expiring April 30, or during the time of the arrival of foreign steamships at this port.

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It is impossible always to forecast the number of men that may be necessary. When I assumed my office, in the winter of 1882–'83 I found fifteen temporary day-inspectors on the rolls and six night-inspectors. That winter, in connection with our other work, thirty-nine foreign steamers entered, discharged, and took in cargoes at and cleared from this port. The next winter, that of 1883–'84, in the belief that that force could be reduced without detriment to the service, I nominated but twelve temporary inspectors. But the business of the port unexpectedly increased very much, there being fifty-one entrances and clearances of foreign steamers, against thirty-nine the year before; and it was with great difficulty that the necessary supervision was performed.

At the opening of the present winter season, I nominated eleven temporary inspectors, (of whom ten are now in service,) and, for reasons stated in a letter of October 17, 1884, to and after the approval of the Department, in addition thereto, four watchmen. But the business of the port decreased this winter, the number of foreign steamships falling from fifty-one last to thirty-eight this season.

I have dwelt thus at length on this point for the purpose of emphasizing the fact that it is not always possible to anticipate the amount of service that may be required, and to suggest a method whereby, if it is deemed practicable and desirable by the Secretary, an opportunity for a reduction of expenses may be afforded, and, at the same time, provision made for unexpected work. It is, that not more than seven men should be appointed on the temporary or winter force, and that it should be understood that the collector is to designate, under article 1363 of the Regulations of 1884, a number of men to act as *occasional* inspectors, who should report for duty only as they should be summoned, where exigencies of the service should require it. Under this system, the winter force can be made adjustable to the varying exigencies which may arise in the business of the port; and I believe that it would not be difficult to find upon the list of eligibles for appointment those who would accept such places, though the employment and compensation would be intermittent.

Shortly after my accession to office, upon representations made to me and for reasons stated in my letter to the Department of March 2, 1883, I recommended an increase of the force in this the surveyor's department of one weigher and gauger. Since that time the business of the port in that particular line of work, owing in part to more immediate-transportation business at expense of the consumption entries and decrease of coal business, has fallen off, and the reasons which then obtained for three weighers and gaugers are not as strong as then. At times the service of three men are still needed to avoid delays to importers, and the necessity for expert, competent, and thoroughly reliable men in that department of work seems to render the employment of *temporary* weighers objectionable. If the suggestion which I shall make as to polariscopic tests of sugar, under the head of the appraiser's department, should be approved, I think the retention of the three weighers and gaugers would be warranted; otherwise, I am of the opinion that a reduction of one in that department should be made.

Appraiser's department.—The expenses in this department have been increased since my accession to office by the employment, under the authority of the Department letter of May 8, 1883, of an examiner, at a salary of $1,000 per annum, to make polariscopic tests of sugar and molasses. I enclose herewith a copy of a letter of the appraiser, marked

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"B." It is the fact that the importations of sugar and molasses at this port, together with samples of such which from time to time are sent from other ports for such tests, are not sufficient to employ all the time of the examiner appointed for such purpose, and but for the necessity under the law of polariscopic tests, his services could be dispensed with. It is possible that such tests could be made at the Boston office; but such a change would necessarily involve vexatious, and in some instances, doubtless, expensive delays to the importer, and afford them more or less just ground for dissatisfaction and complaint.

I think that the examiner in that office can be discharged, and that the polariscopic tests can be made by one of our weighers and gaugers in leisure hours, who possesses knowledge of the business and those peculiar qualifications which will enable him to perform those tests to the entire satisfaction of the Government and the importers. If this recommendation should be approved by the Department, it would save the salary of the examiner, of $1,000.

Lowelltown.—Owing to the fact that the Lake Megantic Railroad has been building across the Canadian border at Lowelltown, in the northern part of this district, it has been necessary to station an officer there. His salary, $1,000, is out of proportion to the duties collected, but his presence there seems absolutely indispensable to transact the necessary business, which will be constantly increasing, and to prevent smuggling, which before his appointment could be carried on with impunity. The prejudice existing on the border against customs officers was such that I was unable to find a suitable person engaged in other business in that vicinity who would attend to the requisite work, and the necessity for sending a man there from a distance, who could engage in no other business, required the payment of a salary which would secure competency and reliability.

In further illustration of the variableness in quantity of the business at this port, I may state that, as it is largely done by a few large concerns, any change in the methods of one of them may make a very great proportional difference. For instance, during the year 1883–'84, the Grand Trunk Railroad and one line of foreign steamers imported all their coal. This last year the coal used by these concerns has been largely of domestic origin.

After the 1st of July, when the duty on Canadian fish will obtain, business in that line will naturally increase to some extent. How much cannot be predicted, but during the last year, in which duties on fish from the provinces were collected, over thirteen millions of pounds were weighed here.

Very respectfully, your obedient servant,

FRED. N. DOW,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

[Enclosure.]

CUSTOM-HOUSE, PORTLAND, ME.,
Surveyor's Office, April 7, 1885.

SIR: In reply to your letter of the 30th instant, I have to say that our permanent force of inspectors cannot be reduced without positive detriment to the service, the force being now too small for a thorough supervision of the business of this port.

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The employment of the temporary inspectors is somewhat irregular, in consequence of the movements of the steamers plying between this port and Liverpool. When three or more steamers are in port at the same time, the force is closely employed; but when but one or two steamers are in port, we have from two to four superfluous inspectors.

Very respectfully, your obedient servant,

STANLEY T. PULLEN,
Surveyor.

Hon. F. N. Dow,
Collector.

No. 113.

CUSTOM-HOUSE, PORTLAND, ME.,
Appraiser's Office, April 7, 1885.

SIR: In answer to your letter of the 3d instant, relating to the practicability of reducing the force in this office, and asking whether the methods of doing business can be simplified, I beg to say, for some years prior to the appointment of Mr. Brenning as examiner, especially for the purpose of making polariscopic tests of sugar and molasses, the appraiser, assistant appraiser, and one opener and packer and sampler were able to do the work of the office; and were it not for the necessity of making these tests, the services of Mr. Brenning could be dispensed with; but when he is not employed with the polariscope, he assists in the other duties of the office, and when the business is pressing, as is often the case, his assistance facilitates the work and prevents delay in the delivery of goods to the importers.

In relation to the methods of transacting the business of the office, I have endeavored to adopt from time to time such improved methods as have appeared practicable, and no change in that regard occurs to me as desirable at present.

Very respectfully,

SIDNEY PERHAM,
Appraiser.

Hon. FRED. N. DOW,
Collector.

No. 114.

CUSTOM-HOUSE, PORTLAND, OREG.,
Collector's Office, April 18, 1885.

SIR: In reply to your letter dated the 1st instant, I have the honor to say that the customs service in this district has been organized under my personal supervision during the past twelve years, as chief deputy and as collector of customs.

It has always been my endeavor to administer the office as economically as the best interests of the service and the prompt and efficient transaction of business would permit. The records of the Department will, I think, show that the per cent. of cost of collecting the revenue in the district of Willamette is as low, in proportion to the amount collected, (viz., .078 per cent.,) as in any other district, excepting the few large districts of New York, San Francisco, &c. (See report of the supervising special agent for the year ending June 30, 1884.)

The inside force of the office consists of one special deputy, in charge of the collection of duties, liquidation of entries, and disbursing accounts; one deputy, in charge of the customs, registration, hospital-dues, marine

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hospital, custodian and shipping commissioners' accounts, and the admeasurement of vessels; two clerks, one in charge of reports for the Bureau of Statistics, permits, and drawback accounts, and one in charge of warehouse and bond accounts and general recording and copying.

These several officers are constantly employed during office-hours, and frequently long after office-hours, in the discharge of their respective duties. I do not consider it for the best interest of the service to recommend any reduction in this force; in fact, the business of the office could not well be conducted with a less force.

The force of weighers and gaugers consists of one weigher and one weigher and gauger, both of which officers are necessary, as their duties extend along the river for three miles at points where vessels are discharging cargoes.

The present force of inspectors at this port consists of four day-inspectors and four night-inspectors. It is true that at times the entire force of inspectors is not engaged discharging vessels, but when not thus engaged it is employed looking after immediate-transportation and in-transit merchandise arriving by rail, examining vessels arriving in ballast, and guarding against the unlawful importation of merchandise from ships' stores, &c. I deem it quite as important that experienced officers be employed for this purpose as for the unlading of foreign cargoes. Were this force reduced, the requirements of the service would compel the employment of temporary inspectors, and reliable men cannot usually be found for such duties when wanted.

In view of the foregoing, and of the number of vessels arriving at and the extent of the limits of this port, I am of the opinion that the number of inspectors ought not to be reduced.

The appraiser's department has but one regular employé to assist the appraiser, (the opener and packer,) whose services are required in the opening and repacking of goods to be examined for the assessment of duties.

As to the salaries of the officers employed in this district, I am satisfied that their compensation is not greater than that paid by private individuals and corporations for similar services, and at which responsible and reliable employés can be obtained.

In conclusion, I have to say that there are no superfluous or unnecessary officers employed in this district, and I know of no method of simplifying the transaction of business in this office under the present system of accounting established by the Treasury Department.

Very respectfully,

F. N. SHURTLEFF,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 115.

CUSTOM-HOUSE, PORTSMOUTH, N. H.,
Collector's Office, April 11, 1885.

SIR: In reply to circular letter of the 1st instant, relative to the reduction of the force employed under my direction, I will say that while the business of this office has fallen off during the past winter, yet, with the prospect of increase during the spring and summer, I am not in-

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clined at this time to recommend a reduction. One change, however, could be made which would increase the efficiency of the service. At present, Deputy Collector Wm. B. Morrill has charge of the interior ports of Dover, Exeter, and New Market, and resides at Exeter. Dover being the only one of these places where any considerable business is transacted, this officer should, in my opinion, reside at that place instead of Exeter. As Mr. Morrill is permanently located at Exeter, and would not remove to Dover, I would respectfully recommend that the present position of deputy collector and inspector at Exeter be abolished. I would also nominate and solicit your approval to appoint Joshua L. Foster, of Dover, as deputy collector and inspector of customs at that port, at a compensation of $1.90 per diem, which is the present compensation of Mr. Morrill. Mr. Foster is not an applicant for the position, consequently the written application and certificates are omitted. Mr. Foster is editor of "Foster's Democrat," and is one of the ablest Democratic writers in New England. His age is about 50. He is of excellent character, and in every respect well qualified for the position. He has never served in the Army or Navy, was born born in New Hampshire, and would be appointed from the same State.

Very respectfully,

A. F. HOWARD,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 116.

CUSTOM-HOUSE, PORT TOWNSEND, WASH.,
Collector's Office, April 22, 1885.

SIR: I have the honor to acknowledge the receipt of Department circular of the 1st instant, requesting to know if, in my opinion, the force under my direction can be reduced without detriment to the public service, &c. In reply, I have to state that I do not think the force can be reduced without material injury to the service, and I know of no way by which "the service may be improved" and at the same time "the expenses curtailed."

I do not think the efficiency of the service would be increased by increasing the force and reducing the remuneration of the officers. The cost of living in this district is higher than in most others, on account of the great distance from manufacturing centres and the high rates of freight. On the contrary, I think the service could be much improved by having a larger force. This would necessarily involve an increase in the expenses, but the revenue I think would be increased, and the service and Government be benefited more than the additional cost of the extra officers, by the prevention to a greater extent of the illegal importation of merchandise. We have here a very large district, with a frontier line on land of some 350 miles, and a coast-line of not less than 1,000, and including islands, 2,000 miles, to guard.

The customs force in this district is at the present time but little larger than it was thirteen years ago, while the amount of business transacted has increased between two and three fold. I beg to submit for your consideration the following brief statement or comparison of business transacted thirteen years since and during the last fiscal year:

In the years 1872, 1873, and 1874 there were from nineteen to twenty employés, and the number of entrances and clearances averaged 753 a

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year. In the fiscal year ending June 30, 1884, the entrances and clearances amounted to 1,748.

In the year 1880 the number of employés was 18. Vessels entered and cleared, 723; total collections, $17,864; total expenditures, $24,495; rate per cent. for collecting, $137.

In the year 1884 the number of employés was 19. Vessels entered and cleared, 1,748; total collections, $67,245; total expenditures, $26,108; rate per cent. for collecting, 38—a very remarkable increase in the period of four years.

In comparing the present number of employés in this district, and the work performed by them, with the number of the force, and the work performed in the years 1872 to 1880, it should be noted that during the last two years the "Chinese restriction act" has added greatly to the duties of nearly all my officers, and without adding a single dollar to the revenue. The completion of the Union Pacific Railroad, and consequent opening of an *in transitu* bonding business, necessitates the almost undivided attention of one officer at Tacoma, and of one clerk at this office, and a large portion of the time of three inspectors travelling on steamers—not increasing the revenue, but taking the employés away from their regular duties of guarding the frontier and searching vessels; and, finally the near approach towards completion of the Canadian Pacific Railroad has already began to cause work for our officers on the border-line. At present we have but three officers stationed near the line—one at O'Sooyoos lake, exactly on the line in Eastern Washington; one at Fort Colville, also in Eastern Washington; and one at Sehome, on Bellingham Bay, about thirty miles from the line. It is impossible for these three officers efficiently to guard the whole territory under their charge. I think the officer at O'Sooyoos is well placed, as the principal trails to and from British Columbia in that section of country converge at that point, and probably one officer there is at present sufficient.

The officer at Colville, Eastern Washington, is absolutely necessary in consequence of there now being a steamer running from Colville, on the upper Columbia river, into British Columbia. The officer at Sehome is also much needed. Two trails from British Columbia converge at Bellingham Bay, and four regular coasting steamers ply between that point and other cities on the Sound from one to three times a week each, thus affording excellent facilities for quickly removing contraband goods which may be brought overland. It is almost impossible to prevent smuggling by water in this district, on account of its close proximity to British Columbia, and nothing but a strong force of cruising inspectors will render the business so hazardous and unprofitable that it will seldom be attempted. By land it is much easier to prevent it, and with the addition of a few more inspectors, at points which I will designate, I think the service would be as effective as would be necessary for some time to come.

I would recommend that a mounted inspector and a boatman be at once appointed at Semiahmoo, the extreme northwestern point of this Territory, and adjoining the boundary-line. This is a most important point, and an officer should be permanently stationed there.

The town of Blaine has recently been laid out on the American side, close to the line, and one will soon be located on the English side, directly opposite. Semiahmoo bay, or Drayton harbor, is a small but safe harbor, about half a mile wide at the entrance, and entirely on the American side of the line, but, being so close to the line, is often used by

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British vessels as a port of refuge in bad weather, under the plea of "stress of weather;" and it is easy to see that an extensive smuggling business may be done there in the absence of revenue officers.

Another inspector and a boat, I think, should also be placed at Sehome, so that one officer can always remain at Sehome to attend to the shipping, and the other (mounted) to patrol the roads and trails leading towards the line.

I would recommend that an officer with a boat be stationed at La Conner, a small town on the route of steamers and small craft passing between points north towards the boundary-line and the cities of Seattle and Tacoma. This also is an important station, this route in past years having been much used by smugglers, and if rumor is correct is still being used, the waters being very shallow and unapproachable by the revenue-cutter.

From Port Townsend to the entrance of the Straits of Fuca, a distance of ninety miles, we have a shore-line lying from fifteen to twenty miles distant from the British shore, and no revenue officer in the whole distance. I think an officer should be stationed at Port Angeles, a town about midway from here to the sea, with instructions to make frequent trips on the steamers to Neah Bay, at the entrance to the straits. I also think that, for a time at least, it would be well to place an officer at Sand Point, in Idaho, on the line of the Union Pacific Railroad, until it is seen what kind of a trade will be developed there. Railroad and steamboat routes are projected and mines being opened, and more or less trade will be carried on between the British side and our own territory.

The clerical force in this office certainly cannot be reduced without injury to the efficiency of the service, and at times, when there is a pressure of business, I have to call in assistance from some one or more of the outposts, which should be avoided.

I would suggest that if the Department declines to allow me to appoint an officer at Semiahmoo at once, I be allowed to transfer one of the officers at Seattle to that point. Also, that if an officer be temporarily appointed at Sand Point, he be placed under the charge of the deputy collector at O'Sooyoos Lake, with instructions to report to him.

If desired, I shall be pleased to enter more into detail as to the working of the force in this district, and to offer further suggestions. This is a new country, rapidly developing, and destined to become one of the most important of all the customs districts. The establishment of steamship lines between Puget Sound and China and Japan is already under consideration, and will no doubt be carried out. It is also more than probable that lines will be established between the terminus of the Canadian Pacific Railroad and China and Japan.

Whatever increase of force, if any, be allowed this district, I feel assured that the rate per cent. of the cost of collecting the revenue will not be increased beyond the rate of the last fiscal year, viz., 38 per cent., because of the rapid gain in the business of the district, and consequent gain in receipts, and it is more than probable that it will even be reduced.

I enclose a communication just received from Semiahmoo, relative to smuggling.

I have the honor to remain, very respectfully,

A. W. BASH,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 117.

CUSTOM-HOUSE, PROVIDENCE, R. I.,
Collector's Office, April 4, 1885.

SIR: I have the honor to acknowledge the receipt of circular letter of the 1st instant, requesting me to report to what extent the force employed in this district can be reduced, and whether the methods of doing business can be simplified, &c.

In reply, I have to state, after careful consideration, that, as there has been a considerable falling off in the business here, the services of the following officers can be dispensed with without detriment to the public service so long as the depression continues, viz: One deputy collector, at $2,000 per annum; one inspector, weigher, gauger, and measurer, at $3.50 per diem; two inspectors, at $3 per diem.

I have also to state that I do not at this time see how the methods of doing business here can be simplified in such a manner as to improve the efficiency of the service or curtail the expenses. I consider it to be my duty, however, to call your attention to the imperfect protection from smuggling afforded by the present system of boarding and inspecting vessels from foreign ports now in operation in this district.

The boarding-station is located at Pawtuxet, about five miles below the city, but vessels enter the bay either by the east passage, passing Newport, or by the west passage, at Dutch Island, about thirty miles from this port.

No officer is placed on board until they arrive at or near Pawtuxet, consequently there is no protection whatever for some twenty-five miles, and nothing to prevent the landing of smuggled goods at any point for the whole distance.

The boarding officer is placed on board at or near Pawtuxet, and remains on board until relieved by the discharging officer, who superintends the discharging of the cargo in the daytime, but leaves at night, and as there are no night-inspectors here, there is no protection from smuggling during the night.

I see no way to secure perfect protection unless an officer is placed on board of every vessel from a foreign port as soon as she enters the bay, and remains on board until the vessel arrives at her dock and he is relieved by the discharging officer, who is, in turn, relieved at night by a night-inspector.

Whether any plan can be adopted by which perfect protection from smuggling can be afforded, as indicated above, without incurring so great an expense as to render it impracticable, the Department can determine much better than myself.

If, however, such a system could be carried into effect, the boarding-officers and boatmen at Newport and Bristol, as well as at this port, might be dispensed with.

Very respectfully, your obedient servant,

CYRUS HARRIS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 118.

CUSTOM-HOUSE, RICHMOND, VA.,
Collector's Office, April 9, 1885.

SIR: Referring to Department circular letter under date of April 1, 1885, in which, as collector of this port, I am requested to report to you at once what reduction can be made in the force employed under my direction, I have the honor to report that no further reduction in the number of officers assigned to duty in this district can well be made than was made in the early part of the present fiscal year, which was one permanent inspector and gauger, one special inspector, and one night-watchman dropped. This left on duty in this port one deputy, one clerk, two inspectors, one boatman, one janitor, one watchman, and one engineer, and at West Point, port of Richmond, one deputy. These officers are all on duty daily. The services of assistant engineer, allowed during the winter months, will be dispensed with on the 15th instant. The number of officers in this district, as you will readily see, is the minimum in each case, and could admit of no further reduction.

The only suggestion that occurs to me which would improve the service and curtail expenses is the discontinuance of the practice of appointing special inspectors without the collector's recommendation, and assigning them to districts where they have no other duty to perform *than to draw their pay at the end of each month*, as was done in this district on several occasions.

Very respectfully,

OTIS H. RUSSELL,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 119.

CUSTOM-HOUSE, ROCHESTER, N. Y.,
Collector's Office, April 6, 1885.

SIR: Referring to Department letter of the 1st instant, requesting me to report as to what extent, in my opinion, the force employed in this district could be reduced without detriment to the public service, &c., I would respectfully state that in this district there is a regular annual force employed, with but little change from year to year, but at the opening of lake trade an additional force is appointed for the season of navigation, which usually commences during the month of April and closes in December. When appointed collector I retained, with but few exceptions, the force employed under my predecessor. I found them competent and attentive, most of them having occupied their positions a number of years.

This district covers about sixty miles on the lake shore, extending south to the Pennsylvania line. It includes this office, the ports of Pultneyville, Charlotte, and Oak Orchard, on the lake, and Waterloo, N. Y., at which place there is established a private bonded warehouse for the storage of imported wool. A deputy collector, acting as storekeeper, is stationed at this point. Pultneyville and Oak Orchard are ports of entry, requiring a deputy collector at each place during the

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season of navigation. Charlotte is the principal lake port in the district, and the importations and exportations are large and increasing. There are two bonded elevators at this place, in which considerable grain is stored under warehouse bond, for withdrawal for consumption or transportation during the winter. The number of appointments for the season of navigation, excepting those named, are governed by the requirements of this port.

I have not yet recommended these appointments, as I do not think trade on the lakes will commence before the 15th instant or the 1st of May, but shall endeavor to submit the names of persons who will meet your approval, and reduce the force to the actual requirements of the service.

Under existing laws and regulations, I do think the methods of doing business in an office of this class, which is not extensive enough to be divided into departments, as larger offices are, can be simplified to any great extent.

It has always been my aim to work in accordance with the laws and regulations, and at the same time cause the importer as little inconvenience as possible.

Very respectfully,

C. E. MORRIS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 120.

CUSTOM-HOUSE, SACO, ME.,
Collector's Office, April 4, 1885.

SIR: In reply to your communication of the 1st instant, requesting a report as to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, I have to report that until within a few years the force employed under the collector of this port consisted of a deputy and two inspectors, but the force was reduced, and the services of the inspectors dispensed with, so that the extra force now under me is one deputy, at a salary of $450 per annum. The cities of Saco and Biddeford contain a population of 20,000 inhabitants, and, with the towns of Old Orchard and Scarboro', are on the sea-coast and in this district. Two hundred and thirty merchant sailing-vessels arrived and departed from this port during the year ending June 30, 1884, a part of them foreign vessels engaged in trade between here and the British Provinces; and besides we have one passenger and two propellers, the passenger-steamer making regular trips in the summer season between Saco and Biddeford Pool. It is often necessary for an officer to proceed to different and remote parts of the district on official duty, and it is also necessary that one officer at least be in constant daily attendance at the custom-house during the hours required by the customs regulations for the purpose of receiving entries of vessels, foreign and coastwise, to record bills of sale of vessels, to make marine documents on exchange or otherwise, and attend to such business as comes to the office. If the force were reduced it would be necessary to close the office often during the hours of business, when it is absolutely necessary that an officer should be on duty there, and thus cause delays, perhaps, of clearance or entrance of vessels, which would be injurious to the public interests.

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For these and other reasons, I unhesitatingly report that, having only one subordinate, the force cannot be reduced further without serious injury and detriment to the public service. The expenses have been cut down within a few years so that they are now as follows: Pay of collector, $250 per annum; deputy, $450; rent, $100, (of customs office;) fuel, about $25 per annum—total, about $825.

I cannot see how the expenses can be curtailed consistent with the interests of the service, and I cannot make any suggestions at this time whereby the efficiency of the service may be improved. My only subordinate is a capable and efficient officer, and familiar with all the details and work of the office and customs business generally.

Very respectfully,

GEORGE PARCHER,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 121.

CUSTOM-HOUSE, SAG HARBOR, N. Y.,
Collector's Office, April 10, 1885.

SIR: In reply to your circular letter of the 1st instant, in regard to a reduction of the force employed under my direction, would say that it is impossible to discharge the duties appertaining to customs with a less number than I now have, as there are about two hundred and fifty vessels in the district.

I do not see how the expenses can be curtailed, as our salaries are very small, and the other expenses, I think, are as small as can be made.

Very respectfully, your obedient servant,

WILLIAM LOWEN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 122.

CUSTOM-HOUSE, SALEM, MASS.,
Collector's Office, June 18, 1885.

SIR: In reply to Department letter of April 14, 1885, referred to me by my predecessor, requesting this office to report to the Department in writing, as soon as practicable, to what extent, in my opinion, the force employed under my direction can be reduced, &c., I have the honor to state that, in my opinion, the force cannot possibly be reduced at the present time without detriment to the public service, as the force consists only of six men, one of whom is constantly employed as deputy collector and weigher, gauger, and inspector, and one constantly employed boarding vessels, leaving but three men to perform inspectors' duty, both at Salem and Beverly; and I would recommend to the Department that the present force of this office be retained.

Very respectfully,

R. F. DODGE,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 123.

CUSTOM-HOUSE, SAN DIEGO, CAL.,
Collector's Office, April 25, 1885.

SIR: In reply to your letter of April 1, 1885, requesting me "to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed," I have the honor to say:

I. *In regard to a reduction of force.*—I do not see how any can be made without serious detriment to the public service. The force consists of only three persons, namely, the deputy collector and one inspector at San Diego, and a mounted inspector on the boundary-line between the United States and Mexico. The mounted inspector, with power of acting deputy collector, is stationed at the principal road-crossing, about fifteen miles from here, and he has about forty miles of the boundary-line to look after. It is his duty to count all the animals that cross, whether for export or import, to note their brands, and to inform the collector. He also collects duties on petty importations that otherwise would escape.

The deputy collector and inspector at San Diego must necessarily act in many capacities and do much work, even when small collections are made. The transactions are numerous and of a varied character, many of them about articles of little value, or which prove to be free of duty, but requiring examination to establish their character, and consuming the time of the officer. San Diego has both overland and maritime trade. Persons are continually coming from the Mexican line with animals and other Mexican products. They may elude the officer on the line, and cross at night, or at other points. It is an easy matter to smuggle cigars and supply our retail dealers. Single animals also may easily be imported without paying duty, the rider claiming the animal to be for his use on the journey, but leaving him here and returning to Mexico by some other conveyance. Animals imported in good faith are driven to a corral, where they are counted by the officer, examined as to condition, and appraised and held till duties are paid. So much for the overland business. San Diego being a seaport also, the duties of the officers are multiplied accordingly. From the entrance to the harbor, seven miles from the city, there is a stretch of twelve miles before we reach the head of navigation. Four miles distant, on one side of the bay, is the anchorage for Chinese junks, eighteen of which are engaged in fishing outside of the harbor, and are liable to alien tonnage-tax every time they enter. These require constant watching. Four miles distant, on the other side of the bay, is National City, the depot of the California Southern Railroad Company, to which a large number of vessels engaged in the coasting trade go with lumber, coal, &c., some of these vessels sailing under register. These and the other coasters which discharge at San Diego must be looked after, to see that they are what they purport to be, and that they are truly engaged in the coasing trade alone. American vessels also, which sail under a fishing-license require watching and examination. They generally come from the coast of Lower California, Mexico, and, having a permit to touch and trade, not unfrequently bring dutiable articles.

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Less than two subordinate permanent officers at San Diego could not perform aright all the duties of boarding, surveying, and measuring vessels, supervising the discharge of the small vessels, acting as general detectives, in regard to both overland and maritime trade, and at the same time attend to the office-work, keeping the records, writing official correspondence, giving information to inquirers, making out the weekly, monthly, and quarterly reports, changing documents of vessels, entering and clearing vessels, receiving entries of merchandise, both free and dutiable, calculating duties, receiving entries for export, and supervising the exportation, &c., and this where nearly all the writing must be done by the officer, because there is no custom-house broker in the place, and there is ignorance of the proper forms, and often inability to write.

When a large vessel arrives with dutiable cargo, requiring the services of an inspector for some time, I have been accustomed to nominate a temporary inspector, whose pay ceases with the discharge of the cargo.

II. *In regard to the methods of doing business.*—I do not see how these can be simplified.

III. *Suggestions for increasing the efficiency of the service and curtailing expenses.*—Uneer this head, I most respectfully refer to my letter of March 26, 1885, in regard to a revenue boat, and renew the suggestion previously made that the present heavy boat be sold and a light Whitehall boat be substituted—a boat that one man can easily handle. By this change expenses will be curtailed, and at the same time the efficiency of the service promoted. My previous letters have shown that repairs to the present boat have been frequent and expensive, while the property is continually diminishing in value and is of little real utility for revenue service. The deputy collector, acting as boarding officer and surveyor, has no crew at his command, and he cannot well handle the present boat alone. To furnish a barge office and bargemen would add to the expense. As before stated, the eighteen junks which are engaged in fishing anchor four miles from the shore, which gives opportunity to elude the officer and cheat the Government. They should pay an alien tonnage-tax of $1.03 per ton every time they enter the harbor. But they all look alike, and from a little distance it is impossible to distinguish one from the other. A loaded junk may come in at night and at the anchorage take the place of another that goes out the same night. The only way to know this is to visit the anchorage frequently in a light boat that can easily be handled by one person. The additional tonnage-tax that would be collected would soon pay the cost of such boat.

Very respectfully, your obedient servant,

GEO. A. JOHNSON,
Collector.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 124.

CUSTOM-HOUSE, SANDUSKY, OHIO,
Collector's Office, April 9, 1885.

SIR: As requested in your favor of the 1st instant, I beg to state that the force now employed in the customs service in this district is as follows:

At the port of Sandusky: Collector, (salary, $1,000 and fees,) maxi-

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mum compensation, $2,500 per annum; one deputy collector and inspector, compensation $1,000 per annum.

At the port of Huron: One deputy collector and inspector, compensation $300 per annum.

At the port of Vermillion: One deputy collector and inspector, compensation 30 cents per day.

At the port of Marblehead: One deputy collector and inspector, compensation 55 cents per day.

At the port of Port Clinton: One deputy collector and inspector, compensation 55 cents per day.

At the port of Kelley's Island: One deputy collector and inspector, compensation $1.10 per day.

At the port of Put-in Bay: One deputy collector and inspector, compensation $1.10 per day.

As all of these ports are on the shore of Lake Erie, but a few miles distant from the boundary-line between the United States and Canada, I am of the opinion that no reduction in the force now employed within this district can be made without detriment to the public service. The methods now employed in conducting the business of the district, both foreign and coastwise, are such as to cause the least inconvenience to the business community consistent with existing law, and at as small a cost to the Government as is possible, without impairing the efficiency of the service.

Very respectfully,

CLARK RUDE,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 125.

CUSTOM-HOUSE, SAN FRANCISCO, CAL.,
Collector's Office, May 1, 1885.

SIR: I respectfully acknowledge the receipt of Department letter of 1st ultimo, requesting me to report in writing as soon as practicable to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, &c.

In reply, I beg to say that immediately upon receipt thereof, I caused an investigation to be inaugurated into the methods of transacting the business in the various divisions of this office, which has just been completed, and I find that the business is well conducted with a limited number of employés, who devote their whole time to their duties during office-hours, and longer whenever the necessities of the service demand it.

In the first division, comprising the entry of merchandise, entrance, clearance and enrolling of vessels, there can be no reduction of the force, but in the second or warehouse division, I am satisfied that while to do so would involve some extra work upon the assistant storekeepers and the *ex-officio* storekeeper of the port, the position of superintendent of warehouses, at $1,800 per annum, can be abolished, also that of watchman No. 15, (old number,) at $900 per annum, without detriment to the service.

As I do not wish, however, to dismiss the present superintendent from the service, I have in another letter submitted his nomination to a vacancy caused by the death of one of the employés.

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In the third division no reduction can be made; and in the fourth, which embraces the preparation of the various accounts, liquidations, statistics, &c., I have already (on the 31st January last) submitted some suggestions in regard to simplifying the method of transacting the business, with a view of reducing the clerical *labor*, and I now forward a report from the auditor making recommendations as to further changes in the methods of rendering returns, which, it is thought, if adopted, will reduce the labor, and possibly enable the office to dispense with one clerk; but that cannot be definitely determined until it has been tried.

In the cashier's office all are employed daily during office-hours, and I am satisfied no reduction can be made there without detriment to the service; nor in the appraiser's division, where I have recently found it necessary to extend the hours of labor in order to facilitate the transactions and insure prompt delivery to the importer of his examined packages.

In connection with the force employed under the supervision of the surveyor, embracing weighers, gaugers, inspectors, &c., I enclose herewith a report from him in detail of the workings of his branch of the service, the conclusion arrived at being that, while he can manage to perform the work devolving upon his division with the existing force under the methods now in vogue, any reduction thereof would endanger the revenue.

In general I desire to say that, from personal observation since I assumed the duties of this office, I have become satisfied that there are no drones or sinecures; that the force, as a rule, renders as efficient service and performs as much labor during the same hours as is usual in private concerns of like nature; and, taking into consideration the extra labor devolved upon this office by reason of the handling of large quantities of "immediate-transportation" goods, free entries of tea and coffee, raw silk, &c., inspecting and stamping prepared opium, and the execution of the Chinese act, for which no corresponding credit appears in collections, the expenses of the office are less in proportion to the amount collected than at some of the eastern ports, such as Baltimore, Philadelphia, Boston, and New Orleans.

So far as the administration of the office is concerned, the civil-service law and rules have been strictly observed, both in letter and in spirit. When a vacancy has occurred from any cause, I have made it a rule to promote in rotation from lower grades to the higher, and then fill the vacancy in the lowest grade from the "eligibles" certified to me by the local "board of examiners," the latter being appointed for the probationary period of six months.

In making promotions I have selected those who had performed long and faithful service, where they possessed the requisite ability and fitness for the advanced position; and I have also at times transferred officers in the same grade where one possessed better qualifications to perform the duties than the other; and by pursuing this policy I feel assured that the efficiency of the service has been increased.

I am, very respectfully,

WM. H. SEARS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 126.

PORT OF SAN FRANCISCO, CAL.,
Naval Office, April 15, 1885.

SIR: In reply to your favor of the 1st, requesting this office to report in writing to what extent the force now employed can be reduced without detriment to the service, &c., I beg to state that, in my opinion, any reduction would result in inefficiency and delay in the discharge of the business with the public. There are no sinecures or supernumeraries in the office.

The force now employed consists of one clerk who acts as messenger, and has charge of checking manifests and comparison of bills of lading; two entry clerks, one of whom is about half the time employed on drawback entries; two warehouse-entry clerks, who have no spare time; two liquidating clerks, who must quite frequently be assisted by other clerks of the office in order to keep the work up promptly; one invoice clerk, who compares and computes all invoices, and whose duties often employs him both day and evenings; one import clerk, who, in addition to his duties at the desk, superintends the appraisal and collection of duties on passengers' baggage at the wharf, in conjunction with a clerk from the collector's office; one clerk who acts as cashier, and who, in addition to usual duties, assists in liquidation of drawback entries.

There are times when some of the clerks are not busy, but it occurs only when there is a lull in business. At other times there is a rush, and with less force business would be delayed and the service made inefficient. Always having had a short force for the work, we have adopted the system of transferring clerks from one desk to another when work accumulates at one desk and is short at another.

I do not know that I can suggest any improvement in the present methods of doing the business of the office. It has been simplified whenever the opportunity occurred, and now, I believe, is as complete and methodical as it can be made.

With great respect, I am, yours, truly,

B. J. WATSON,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 127.

CUSTOM-HOUSE, SAVANNAH, GA.,
Collector's Office, April 6, 1885.

SIR: Acknowledging receipt of your instructions to report in writing upon the possible reduction of force in this custom-house, I have the honor to make the following statement:

1. The building is cared for by a janitor, at $700 a year, assisted by a laborer and fireman, at $360 per year; I have also in my office a messenger, at $720 a year. These three offices may be consolidated into two by making a "janitor and messenger," at $800 per year, and an assistant to same, at $600 per year—total, $1,400, instead of $1,780; reduction, $380.

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2. We have at this port a wharf front of nearly three miles, which requires at least six night-inspectors for its proper protection. As we have but three night-inspectors, one of whom has care of the custom-house building at night, the protection of the wharves from smuggling is more pretence than reality. Temporary officers could be employed at night when needed for a vessel which could not be sealed, and two night-inspectors dispensed with, leaving one night-inspector for duty at the custom-house—a reduction of $1,460.

3. There are three day-inspectors for the discharge of cargoes. One might be dispensed with May 1, and his place supplied early in the fall by a temporary—a reduction of, say, $547.50.

As to the clerks, as I have but three, and this is the most important custom-house in the South, with the exception of New Orleans, I think it evident that the clerical force is not excessive.

As the Department seems desirous of making some reductions, I respond to that desire with the above suggestions, recommending the change in the night-inspectors' force, not because it is too large, but because it is too small to be of any value.

The business as conducted in this custom-house is perhaps as simple as it can be to present sufficient checks upon the officers handling the funds of the Government, and that it is sufficiently simple to be understood and carried out efficiently is evidenced by the fact that every special agent who has examined the office during my incumbency has reported it in first-class condition in every particular.

I am, very respectfully,

T. F. JOHNSON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 128.

CUSTOM-HOUSE, ST. AUGUSTINE, FLA.,
Collector's Office, April 12, 1885.

SIR: Respectfully replying to your communication of the 1st instant, I would say that, in my opinion, it is impossible to reduce the force employed in this district without being detrimental to the public service, and give the following reasons:

This district has an extended coast-line of about two hundred miles, and is protected only by customs officers at either end, leaving a vacant and unprotected coast of over one hundred miles.

It is true that there has been no transactions incurred at the Indian River office, where a deputy collector and one boatman are stationed, but we have no assurance that a valuable foreign cargo or cargoes may not at any moment *demand* the immediate attention and protection of customs officers in the interest of the Government by occasion of wrecks.

The life-saving stations are unable to furnish any protection to the revenue, for, in the event of wrecks, their attention is necessarily given to the saving of life and rescue and care of passengers, if any. Consequently, it is very easy for wreckers to carry away dutiable merchandise, &c., whereas a good and efficient customs officer on the grounds would be a preventive and a satisfactory protection.

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I always am in favor of a reduction in force and expenses where it is prudent, but in this case I deem it very unwise, and perhaps dangerous to the interests of the Government and to the proper protection of the revenue, to recommend any reduction in the force employed in this district.

I am, yours, very respectfully,

FRANCIS E. WITSELL,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 129.

CUSTOM-HOUSE, ST. JOSEPH, MO.,
Surveyor's Office, April 6, 1885.

SIR: Responding to your favor of the 1st instant, I have to answer that this port is now conducted upon the most economical basis possible to its growing importance, increased labors, and efficiency.

The manifold duties now performed by myself and one deputy are impossible at less expense. Those natural duties are constantly increasing, and to be added to them soon are the work and responsibilities of the erection of the public building in this city. It was thought we must have additional help, but, cheerfully responding to the desire of the Department to economize, no such request shall be entered until forced by such excessive labors as will place it beyond all reason not to have it allowed.

No simplification of methods are within the scope of our recommendation.

I am, very respectfully,

JAMES HUNTER,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 130.

CUSTOM-HOUSE, ST. LOUIS, MO.,
Surveyor's Office, April 15, 1885.

SIR: Referring to Department's circular dated April 1, 1885, requesting me to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, I have the honor to state that, upon the receipt of the letter, I referred it to my special deputy, Mr. Herman Key; Mr. Nelson Young, deputy surveyor in charge of the marine division under me; to Mr. Louis Haynes, cashier; and also to Hon. L. G. Metcalf, appraiser, requesting a written report to me from each of them upon the matter mentioned in said circular. Their reports are herewith enclosed. From these reports it will be seen that the force is as small as the best interest of the service will permit. It would appear wisest that the force should be sufficient to transact the public business with dispatch at all times,

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although on some days a less number might do the work. I shall be glad, however, to conform to any suggestion in the way of economy.

The late ruling in respect to pay of inspectors will work a slight decrease in expenses.

The business in this office is well systematized, and the expense of collecting the revenue light, and my experience does not suggest any change of importance.

Very respectfully,

CHAS. M. WHITNEY,
Surveyor of Customs.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

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[Enclosure.]

CUSTOM-HOUSE, ST. LOUIS, MO., SURVEYOR'S OFFICE,
Marine Department, April 4, 1885.

DEAR SIR: I have the honor to acknowledge the receipt of your letter of the 3d instant, requesting a report concerning the marine department of your office, with reference to the reduction of force, without detriment to the service, simplification of business, efficiency of service, and curtailment of expenses.

As the result of a very careful and conscientious consideration of every point suggested by you, I respectfully submit the following report:

1. As to simplification: The present details of the work are the result and development of many years of continuous service, and, whilst of course subject to future changes as may be necessary, are at present satisfactory, as far as I can see.

2. Curtailment of force and expenses, without detriment to the public service. The force of this department now is: Nelson Young, deputy in charge, entered the service in 1867; George Schuster, deputy and inspector, entered the service in 1869; Beverly A. Sturgeon, clerk, entered the service in 1882.

In the fall of 1883, Inspector H. H. Gillum resigned, and his place has not been filled, thus showing a reduction in this department of one inspector, $1,460 per annum.

The river frontage of this port proper is about ten miles; of this distance over six miles consist of paved wharf, where vessels arrive and make their departures.

The port also embraces the Illinois river to Peoria, Ill., the Missouri river to Rocheport, the Mississippi to Louisiana, Mo., above, and Grand Tower, Ill., below.

The enrolled tonnage is: Steam, 138 in number, of 55,025 tons; barge, &c., 132 in number, of 113,498 tons—total, 270 vessels, aggregating 168,523 tons. Under act June 30, 1879, enrolment of barges is optional with owner. At this port the barge interest is so great and important that, in order to secure admeasurement and custom-house record, the owners insist on documenting. A low valuation of this tonnage, in round numbers, is: Steam, $2,500,000; barge, $1,000,000—total, $3,500,000.

Through this department of your office is applied to this large and important interest the various requirements of the navigation and inspection laws in relation to the protection of life and property, admeasurement, enrolment and license, record of property interests, boarding of vessels and inspection of sailing-papers, inspection certificates, license of officers, carriage of passengers, space for crew, and the multitudinous and important duties imposed by said acts on this department, the performance of some of these duties often requiring the presence of the officer at some remote point within the limits of this port.

It should be stated as a matter of fact that since the above-mentioned reduction of the force of this department in 1883, occasions have arisen where the present force has proved barely sufficient, and this without regard to sickness or accident.

In conclusion, permit me to state, in view of the foregoing facts and with a proper regard to the interests of the Government and the public in the enforcement of these important laws affecting life and property in relation to vessels, I see no room for a curtailment of force or expenses in this department.

Very respectfully,

NELSON YOUNG,
Deputy Surveyor.

CHAS. M. WHITNEY, Esq.,
Surveyor of Customs, St. Louis, Mo.

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[Enclosure.]

CUSTOM-HOUSE, ST. LOUIS, MO.,
Surveyor's Office, April 3, 1885.

SIR: Replying to your request of this date, for suggestions looking to the simplification of the work of this office, I have the honor to say that I have been greatly impressed with the importance in that direction of two changes from the present regulations, viz:

1. Vest in the surveyor the authority to incur expenditures on account of expense in collecting revenue from customs for articles required not exceeding $10, or even, say, $5 in cost.

2. Authorize payment in cash of vouchers not exceeding, say, $20 in amount.

The first change would dispense with requisitions upon the Department for authority to purchase needed articles of trifling cost, which requisitions are never refused approval, and which, while they require comparatively little work in the individual offices making them, must necessarily greatly swell the aggregate clerical labor to be performed in the various Departments at Washington.

The second change would, in this office, dispense with four-fifths of the checks drawn upon the assistant treasurer, and, if the experience with disbursing officers in other cities and places should be similar, would, in the aggregate, greatly reduce the clerical labor of the various sub-treasuries, as well as reduce the liability to clerical errors in drawing and paying checks.

Very respectfully,

L. HAYNES,
Cashier.

CHAS. M. WHITNEY, Esq.,
Surveyor, &c.

[Enclosure.]

CUSTOM-HOUSE, ST. LOUIS, MO.,
Surveyor's Office, April 11, 1885.

SIR: As requested in your letter of 3d instant, to report about the working of this office, and to state whether any reduction in the present force of the employés could be made without detriment to the public service, I would very respectfully say that, after thoroughly considering the question and the business done in this office, I think it would be a very wrong policy and would seriously affect the working of this office in reducing the force, which only consists of one liquidating clerk, one warehouse clerk, one entry clerk, one assisting entry clerk, one statistical clerk, one general clerk, one weigher, measurer, and gauger, one assistant weigher, measurer, and gauger, one chief inspector, five inspectors—a very small force of clerks regarding that the collections amount to over one million and a half dollars at this port per annum, and require a great deal of clerical work. The books are kept in the best style, and the whole business conducted in a good, systematical, and most economical way.

Considering the situation of the different railroads over the river and on this side, the adequate force of inspectors is often put to the utmost to attend to their duties.

Very respectfully,

HERMAN KEY,
Special Deputy Collector.

CHAS. M. WHITNEY, Esq.,
Surveyor of Customs, St. Louis.

[Enclosure.]

APPRAISER'S OFFICE,
St. Louis, April 10, 1885.

SIR: In reply to your communication of the 3d instant, requesting a report from me as to the practicability of reducing the force now employed in the appraiser's department. I have the honor to reply that I have fully considered the matter, and conclude that the force cannot be reduced without injury to the service. The force now employed in the appraiser's department is as follows: Charles Mesnier, examiner, salary $1,400

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per year; R. L. Hines, clerk, salary $900 per year; Frank Heer, opener and packer, $60 per month; and two laborers, who also perform messenger service, each $40 per month.

The above is the entire force in this department, and is a small one when it is considered that this force not only perform the service connected with the appraiser's store, but also receive and discharge all merchandise in the bonded warehouse, and perform the work of keeping it in order. Since the bonded warehouse was combined with the appraiser's store, the first of last December, nothing has been paid by the Government for extra labor, the force in the appraiser's store doing the work for both, when heretofore they were employed exclusively in the appraiser's store.

With reference to R. L. Rhines as a clerk in the office, I will say that, while his salary is small, he is a very valuable man, whose services are required as an assistant to the examiner and in attending to outside work, and, by his faithful and industrious habits, greatly relieves the force in the appraiser's store. The work in the office is thoroughly systematized, and without his services I do not see how it could be kept up to the standard. I am aware of a falling off in custom-house receipts in the last year, but by reference to our record I find that, while invoices have been smaller in value, the number passing through the appraiser's office has been maintained up to January, 1885, and when it is considered that a small invoice involves nearly as much labor as a large one, the work in this department is not materially affected.

Very respectfully,

L. S. METCALFE,
U. S. Appraiser.

Major C. M. WHITNEY,
Surveyor of Customs, St. Louis, Mo.

No. 131.

CUSTOM-HOUSE, ST. MARY'S, GA.,
Collector's Office, April 6, 1885.

SIR: In reply to Department circular of April 1, relative to reduction of expenses in this district, I have the honor to state that the principal customs business arises from the export of lumber manufactured on the St. Mary's and St. Illa rivers. There are four lumber-mills on the St. Illa river, from twenty-two to twenty-six miles from this office, which have to be looked after. The customs money has to be taken to Fernandina, Fla., to forward by express for deposit. The force now employed here consists of a collector, deputy, and one boatman, and, in my opinion, this force cannot be reduced and the efficiency of the service preserved.

Very respectfully,

JOSEPH SHEPARD,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 132.

CUSTOM-HOUSE, ST. VINCENT, MINN.,
Collector's Office, May 23, 1885.

SIR: Referring to Department circular letter under date of April 1 last, relative to reduction in force, simplification in business, and curtailment of expenses within this customs district, I have the honor to state that at all the sub-ports, with the exception of St. Paul, but one person is employed. Within the last two years the force at the chief port has been reduced from eleven to eight, which latter number em-

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braces the mounted inspector, inspector on the train, and the inspector superintending the transfer of freight from cars to boats on the Red river and the village inspection, leaving but five at the office for night service, the local business by railway, and the making and compiling of reports and keeping of records for the entire district. Further reduction could not be made without detriment to the efficiency of the service. The work has been so systematized that no time is lost in useless or accumulative labor. Having from time to time reduced the force of the district to the lowest possible number compatible with the prompt and efficient discharge of the public business, I am unable to recommend further reduction.

It is the constant desire of the collector to so manage the business of the district as to secure the greatest efficiency with the smallest expenditure.

Very respectfully, your obedient servant,

JOSEPH BOOKWALTER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 133.

CUSTOM-HOUSE, SHIELDSBORO', MISS.,
Collector's Office, April 24, 1885.

SIR: In reply to your letter of the 1st instant, requesting me to report—

1. "To what extent, in my opinion, the force employed under my direction, can be reduced without detriment to the public service.

2. "Whether the methods of doing business can be simplified; and

3. To make such suggestions and recommendations as may occur to me, whereby the efficiency of the service may be improved and the expenses curtailed."

I have the honor to report that the force employed under my direction consists of four officers, each at a compensation of $3 per day—one special deputy collector and inspector of customs stationed at this office, two deputy collectors and inspectors at Pascagoula, Miss., fifty miles from this office, and one inspector at Ship Island, twenty-five or thirty miles distant. One of the inspectors at Pascagoula performs the duties of boarding officer at that port on all incoming and outgoing vessels, whilst the other is confined principally to office-work. Owing to the extent of the foreign lumber trade there, and the long distance from the shore (about nine miles) to the main anchorage-grounds of vessels, combined with the vigilance required to prevent and detect offences against the revenue laws, the present force employed cannot be reduced "without detriment to the public service." The same facts apply to the case of the inspector at Ship Island, where the Gulf Quarantine hospital is located, under the supervision of the United States Marine-Hospital bureau, and whose services could not be dispensed with without detriment to the public service.

Upon my special deputy at this office devolves the functional duties of collector during my absence, and who is mutually charged with myself with all clerical and official labor, the making and transmission of reports and accounts to, and correspondence with, the Department at Washington.

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I do not think that the methods of doing business in this district can be simplified, and can make no suggestions towards an improvement in the efficiency of the service and the curtailment of its expenses.

I have the honor to be, very respectfully, your obedient servant,

W. G. HENDENSON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 134.

CUSTOM-HOUSE, SITKA, ALASKA,
Collector's Office, May 20, 1885.

SIR: Respectfully referring to Department letter, April 1, 1885, requesting me to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, &c., I have the honor to state that in this district the customs force is organized as follows:

At Sitka there is one collector, with salary of $2,500, with fees and commissions; one special deputy collector, with salary of $1,200; one watchman employed on vessels, at $3 per day, when necessary, but not to exceed eight days in the month, and one boy, called a janitor, who makes fires and sweeps the office, at a salary of $6 per month.

At Tongas is a deputy collector, with salary of $1,500 per annum; at Wrangel a deputy collector, at $1,500 per annum, and a watchman, at $3 per day, not to exceed six days in the month; at Kodiak and Ounalaska, a deputy collector, with salaries of $1,500 each.

The salaries of $1,500 for the deputy collectors is in full for salary, fuel, furniture, and rent of office.

At Juneau is one inspector, with salary of $3 per day; and on the mail-steamer, our only regular means of communication, is an inspector, with a salary of $3 per day.

None of the deputy collectors can be removed without abolishing the offices.

The watchmen are employed only when necessary to protect the revenue and prevent smuggling.

The inspector at Juneau has but little to do, although constantly on duty, and I think his services can be dispensed with. Juneau is the headquarters of the mining interest in this district, and its future is not yet determined. If the mines in its vicinity are successful, Juneau will become the most important place in the district, and the service in that case will be greatly benefited by appointing a deputy collector for it, and placing the port on the same footing as Tongas, Wrangel, Kodiak, and Ounalaska.

The small revenue force stationed in Alaska does not and cannot prevent smuggling in canoes from British Columbia, and a revenue-cutter ought to be permanently stationed in this district and employed in patrolling its waters.

I am, very respectfully, your obedient servant,

PETER FRENCH,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 135.

CUSTOM-HOUSE, STONINGTON, CONN.,
Collector's Office, April 2, 1885.

SIR: In reply to your favor of April 1, relative to force employed in this district, I would respectfully state: The force in this district has been reduced from six to four in the past two years. As the ports of Westerly, Mystic, and Noank are in this district, four are as few as we can employ without detriment to the public service.

As far as simplification of business is concerned, it would seem that the vast number of blanks to Bureau of Statistics marked "no transactions" could be dispensed with.

Very respectfully,

H. N. TRUMBULL,
Collector.

Hon. SECRETARY OF TREASURY,
Washington, D. C.

No. 136.

CUSTOM-HOUSE, SUSPENSION BRIDGE, N. Y.,
Collector's Office, April 6, 1885.

SIR: Referring to your communication of the 1st instant, asking a report as to what extent, in my opinion, the force employed in this district can be reduced without detriment to service, &c., I have to state: This district extends from the mouth of the Tonawanda creek, on the Niagara river, to the east bank of the Oak Orchard creek, on Lake Ontario, a distance of over seventy miles. Suspension Bridge is the port of entry where the principal business of the district is transacted. The outside ports or places where officers are stationed are Tonawanda, where a large lumber business is done, both foreign and coastwise; Port Day, where there is no business of importance, but considerable crossing is done in small boats to Chippewa, in Canada; Niagara Falls, where there is a ferry, and also a carriage-bridge across the river to Canada; Lewiston, the head of navigation on the river below the falls, seven miles from Lake Ontario, has a regular steamer line to Toronto, Canada; Youngstown, at the mouth of Niagara river, has a ferry to Canada and occasional steamers from Canada; Wilson is a regular lake harbor, and some considerable foreign and coastwise business; Olcott is a harbor, and has a light-house; Oak Orchard, while actually in this district, is at its extreme east end, and for years the officer there has been under the direction of the collector of the district of Genesee, to whom he reports.

There are employed in the collector's office at this port one special deputy collector, salary $2,500 per annum, who has charge of the correspondence, makes the collector's accounts, and has a general charge of the business of the office; one deputy collector and clerk, at $1,500 per annum; two deputy collectors and clerks, at $1,400 each; one deputy collector, at $1,200; one messenger, at $600. The duties of these officers are general, one acting as cashier, one as entry clerk, one as bond clerk, and one as liquidating clerk. They keep all records, pass

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entries, make abstracts and reports, &c. There are ten deputy collectors and inspectors, who attend on the arrival and departure of passenger-trains, make manifests on baggage in transit through Canada, make examination of passengers' baggage, searching trains on the Canada side for examination of hand baggage and packages in the cars as trains cross into the United States. These officers each receive $3 per diem, but the railway companies reimburse the United States for two-thirds the amount paid to three of them, who were appointed to superintend transfers of baggage in Canada for the especial accommodation of the railways.

Eight officers are employed at the different freight-houses and yards of the railways, to inspect imports, seal cars, make manifests, &c. At each of these yards and freight-houses there is an officer in charge, who also acts as appraiser for the collector, there being no appraiser at this port. This officer at the New York Central receives $1,800 per annum, and the two others $4 per diem each. The five remaining officers receive $3 per diem each.

There are three inspectors stationed at the railway-bridges, for the examination of trains from Canada, seals, manifests, &c., and to keep reports of cars arriving, for use of the officers at the yards. Their compensation is $3 per diem each.

Two deputy collectors and inspectors are stationed at the carriage-bridge from Canada, to receive reports of pedestrians and teams arriving. Compensation, $3 per diem each.

There are two storekeepers, at $4 per diem each, paid by owners of the warehouses, and one female examiner, at $2 per diem.

At this port there are two railway-bridges, across which trains arrive and depart continuously night and day, and one carriage-bridge, this and the carriage-bridge at Niagara Falls being the only ones across Niagara river. The officers here are required to be on duty night and day, a part working by day and a part at night, and changing about.

At Tonawanda there have been two officers, one during the season of navigation only. At the ferry, Niagara Falls, one officer during season of navigation. This officer also looks after matters at Port Day. At the carriage-bridge, Niagara Falls, two officers, on duty night and day. At Lewiston, two officers, one during theseason of navigation. At Youngstown, one officer. At Wilson, one officer during the season of navigation. At Olcott, one officer. during season of navigation. These officers are all paid $3 per diem, and their duty is largely preventive along the Niagara river and Lake Ontario.

At Collingwood and Midland, in Canada, officers are stationed during the season of navigation, in connection with the transit business over the Northern Railway and the Grand Trunk Railway, and paid by these companies.

I have endeavored, in as concise a manner as possible, to state the condition of affairs in this district as to the work performed, the disposition and compensation of the force.

I am unable to see how the manner of transacting business can be simplified or the number of employés reduced, though as yet I have not renominated officers at Tonawanda and Lewiston for the present season of navigation, and shall not do so unless I find their services cannot be dispensed with.

The female examiner, who is paid $2 per diem, may be discontinued if I be authorized to enter into an arrangement with her or some other

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suitable person, to be paid at the rate of $2 per diem when actually employed. The employment of such an examiner continuously does not now seem to be necessary.

The compensation paid to officers at this port, with one exception, seems to me reasonable only, when the hours of service and night-work are considered; but, in my opinion, the compensation paid to officers at the out-ports, where the cost of living is not so much and the duty less onerous, may very properly be reduced. I therefore recommend that the compensation of M. A. Hull, deputy collector and inspector, employed at the New York Central freight-house, be fixed at $4 per diem instead of $1,800 per annum, which will be the same compensation paid to other officers performing like service; that the compensation of Frederick Sommers, deputy collector and inspector at Tonawando; Joseph E. Whitman, deputy collector and inspector at Lewiston; and A. Judson Eaton, deputy collector and inspector at Youngstown, be each fixed at $2.50 per diem instead of $3 per diem; and that the compensation of the officers nominated in my communication of March 26, 1885, viz., Ralph Stockwell, Henry Kenney, and John Chambers, nominated for the season of navigation at Wilson, Olcott, and the ferry at Niagara Falls, respectively, be fixed at $2.50 per diem.

I also recommend that I be authorized to discontinue the continuous service of Mrs. Catherine Sweeney, female examiner, and to make the arrangement before mentioned.

Very respectfully,

BENJ. FLAGLER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 137.

CUSTOM-HOUSE, TAPPAHANNOCK, VA.,
Collector's Office, April 4, 1885.

SIR: I am in receipt of your letter of the 1st instant, and in reply I have the honor to state that, in my opinion, the force employed under my direction (one deputy) cannot be reduced without detriment to the public service. The multifarious and unremitting labors of the office are sufficient to engross the time and care of two men, with every regard to industry, efficiency, and dispatch. The business of this office is confined almost entirely to issuing documents to vessels, collecting hospital tax and fees, the admeasurement and inspection of vessels, the entrances and clearances of vessels, and making up weekly, monthly, and quarterly returns to the Department; and I do not think the methods of doing business could, under the existing laws, be simplified, the efficiency of the service improved, or the expenses curtailed.

I am, very respectfully, your obedient servant,

BENJ. UPTON, JR.,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 138.

CUSTOM-HOUSE, TOLEDO, OHIO,
Collector's Office, April 10, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of April 1, (delivered in this office April 4,) asking me to report in writing to what extent the force employed under my direction can be reduced without detriment to the public service, &c.

The permanent force employed in this (Miami) customs district consists of three men besides the collector, viz., one special deputy, one deputy, and one inspector. During the season of navigation, one deputy collector additional is employed in the night office. Prior to the beginning of my term of office, one outside inspector was dropped from the rolls. Under the existing arrangement, the deputy collector performs the duties of cashier; the inspector has charge of the statistical work, and is on duty on the docks and at the depots, (of which there are now five in the different parts of the city,) when circumstances permit; and the work of the clearance desk during navigation is divided between the different members of the force.

Since our force was diminished as stated, two new railway depots have been established in Toledo, and the importations under the immediate-transportation act have materially increased, requiring additional outside work. To secure the proper observance of the steamboat and inspection laws, it would seem really desirable that we should devote more time to outside inspection than we are able to do with our present force.

I beg leave, in this connection, to call attention to the report of the supervising special agent for the fiscal year ending June 30, 1884, showing that the expense in this district for collecting the revenue for the period named was only 12 cents on each dollar, far below the average.

Very respectfully,

JOSEPH B. BATTELLE,
Collector.

Hon. SECRETARY OF THE TREASURY.

No. 139.

CUSTOM-HOUSE, TUCKERTON, N. J.,
Collector's Office, April 3, 1885.

SIR: I have the honor to acknowledge the receipt of Department circular letter dated April 1, 1885, in which I am requested to "report in writing, as soon as practicable, to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service, whether the methods of doing business can be simplified, and, in general, to make such suggestions and recommendations as may occur to me whereby the efficiency of the service may be improved and the expenses curtailed," and in reply thereto, I would respectfully state that no reduction can be made in the force employed in this district without detriment to the public service.

We have a sea-coast of about twenty-five miles in length, with an inlet at either end, both of which have to be looked after, and during most of the year only one inspector is employed in the district, but during

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the winter and early spring months it has been deemed advisable to have two inspectors of customs—one at Tuckerton and the other at Barnegat. The term of the Barnegat inspector ended on March 31, 1885, and the force now stands as follows: One collector, one deputy collector, and one inspector of customs, and, in my opinion, any futher reduction would be detrimental to the public service, and greatly impair its efficiency.

Very respectfully, your obedient servant,

GEORGE W. MATHIS,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 140.

CUSTOM-HOUSE, TRENTON, N. J.,
Collector's Office, April 4, 1885.

SIR: In your printed instructions of March 31, 1885, requesting me to report in writing to what extent, in my opinion, the force in my office employed could be reduced without detriment to the public service, I would say that I have no force to dispense with in my office, as I attend to the duties of my office myself.

On the 2d day of February last, I nominated Edwin F. Lenox, my son, for a special deputy, in accordance with the enclosed blank forms sent to me, and one copy of which I returned to the Department filled up. I have not yet received from your Department the approval of the nomination that I made and forwarded to your Department on the 2d day of February, 1885. As it is necessary that I should have a special deputy in case of sickness, I will be pleased to hear from you, if the nomination I made meets with approval.

Very respectfully,

HIRAM LENOX,
Collector.

Hon. SECRETARY OF THE TREASURY.

No. 141.

CUSTOM-HOUSE, VICKSBURG, MISS.,
Collector's Office, April 14, 1885.

SIR: Referring to Department letter of 1st instant, I have to say that there is but one person receiving compensation in the customs service in the district of Vicksburg; therefore, the force cannot be reduced without abolishing the customs district.

The collector receives a salary of $500 per annum and fees and commissions, which in the future will aggregate about $550. The hospital dues having been abolished, he will receive no commissions, and his fees will not probably be more than $50 per year. Therefore, I do not think a competent collector could be secured for a smaller compensation. The office-rent for custom-house is but $100 per annum, which

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I think is very reasonable, and probably as cheap as a good room for the purpose can be secured; therefore, I cannot recommend any curtailment of expenses.

As for the methods of doing business, they need no simplification, if strict attention by a competent person is given to the duties of the office.

Very respectfully,

JOSEPH W. SHORT,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 142.

CUSTOM-HOUSE, WALDOBORO', ME.,
Collector's Office, April 20, 1885.

SIR: I have to acknowledge the receipt of your letter of April 1, 1885, requesting me to report to what extent, in my opinion, the force under my direction can be reduced without detriment to the public service, also suggestions as to the practicability of simplifying the methods of doing business, improving the efficiency of the service, and curtailing expenses.

In answer to your request, I have to report that I have carefully considered the matters referred to, taking pains to make special examination of the work and records of the several ports within the district. As a result, I am satisfied that no reduction of the force now employed is practicable, and I think a brief statement of the circumstances existing will make this apparent to your satisfaction.

The Waldoboro' district embraces five ports—Waldoboro', Damariscotta, Thomaston, St. George, and Rockland. Of these, the first four have one officer each, and Rockland has two. The accommodation of commerce requires the presence of one officer at least at each port of delivery, while the larger business at Rockland renders the services of two men absolutely indispensable. To make this obvious, I need only cite the fact that the latter is the home port of one hundred and eighty sail and steam vessels, mostly engaged in the coasting and fishing trade, and that during the calendar year 1884 there were 329 foreign entries and 347 foreign clearances at this port. The amount of labor involved in the documenting and recording this large domestic fleet, boarding, and transacting other business for the foreign commerce, with making all the official reports, weekly, monthly, and quarterly, as required, will be sufficiently understood to demonstrate the need of the force now employed.

The salaries of the various subordinate officers remain as they existed at the death of Mr. Kennedy, my predecessor as collector. While but slight reduction is practicable, there is a disparity existing in the compensation allowed to some of the persons employed, not based upon any just grounds that I can discover, certainly not upon the character or the amount of service performed.

I think the compensation of Mr. Bliss, special deputy at Waldoboro', and that of Mr. Crocker, the very competent and efficient deputy at Rockland, are but just, and should remain as they are.

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As the business of Damariscotta and that of Thomaston are very similar in character, the latter equalling or exceeding the former, I respectfully recommend that the compensation of Artell A. Hall, deputy collector, &c., at Damariscotta, be reduced from $3 to $2 per day, and that the compensation of James H. Hewett, deputy collector at Thomaston, be made $2 per day instead of $1.90 per day, as it now is.

While the record and other office-work of deputy collector at St. George is about the same as that of Damariscotta, its position as a harbor of common resort on the coast renders the service somewhat more laborious, and vigilant attendance more necessary. He is also at times obliged to visit Port Clide and other points, requiring a horse, so that his pay cannot be considered excessive.

Assuming that you would as readily authorize an increase as require a reduction of compensation, in case justice requires, I take the liberty to recommend that the compensation of Wyman W. Ulmer, deputy collector, &c., at Rockland, be increased from $2 to $2.25 per day, a large increase in the foreign commerce at that port having added much laborious work to his duties as boarding officer. He is a faithful man, attentive to his work, which engrosses his entire time, and I should consider such increase well earned and as meagre justice.

While the laws and the regulations of the Department maintain the existing system of supervising and accounting for vessels and commerce, I am unable to perceive how the business of the customs districts can be much simplified.

Very respectfully,

EDWIN SPRAGUE,
Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 143.

CUSTOM-HOUSE, WHEELING, WEST VA.,
Surveyor's Office, April 4, 1885.

SIR: I have the honor, in reply to the request contained in Department letter of the 1st instant, relative to reduction of the force employed in this office, &c., to inform you that this office has only one clerk, salary $500 per annum, whose services, in my judgment, cannot be dispensed with. The salary is not excessive.

This customs district extends from the Pennsylvania line to the Kentucky line on the Ohio river, including the Muskingum river, in Ohio, and the Kanawha, of this State. We have more steamers than the Cincinnati district, but less tonnage; but the business connected with these steamers is largely done by correspondence, as a larger majority of them never come to this place.

There are two boards of local inspectors of steam-vessels—one situated here, and one at Gallipolis, Ohio. The business of the latter office is all done by letter with this office, which makes a large amount of writing. The two boards are so situated that a considerable number of steamers belonging to the Pittsburgh and Cincinnati offices, or districts, are inspected in this district, thus increasing the work of this office.

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The clerk employed has had a vacation of ten days in two years, but employed a substitute at his own expense.

Since my appointment, I have been off duty but one day, never having seen the time when I thought I could leave the business for a vacation.

As custodian, I have only one janitor, who has not been absent a single day since his appointment, two and one-half years ago. The work, especially in the winter, is more than one man should do, and occasionally, when United States court meets, or when there have been heavy snows, I have asked for extra help for a few days, but have not thought there was work enough for two janitors so long as the night-clerk in the post office replenished the fire at night and swept the post office.

I do not think of any suggestions that could improve the service at this point, or where expenses could be curtailed.

Very respectfully,

A. H. BEACH,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 144.

CUSTOM-HOUSE, WILMINGTON, CAL.,
Collector's Office, April 27, 1885.

SIR: As requested by your letter of the 1st instant, I have considered the subjects of "the possible reductions of the force employed under my direction; whether the methods of doing business can be simplified, and what changes, in my opinion, can be made whereby the efficiency of the service may be improved and the expenses curtailed."

This district (Wilmington, Cal.) was established by the act of June 16, 1882, and by that act the officers to be appointed were named, as follows:

A collector, who shall reside at Wilmington; a deputy collector, who shall reside at Wilmington; and one inspector, to be appointed by the collector, with the approval of the Secretary of the Treasury, for each of the ports of Santa Barbara, San Buenaventura, and Hueneme."

In addition to the officers named in the act, one inspector, who acts as boarding officer and boatman, has been permanently employed at this port, under authority of Department letter, February 12, 1883.

In my opinion, the only reduction that can be made in the force without detriment to the public service could be made by having one inspector for the two ports of San Buenaventura and Hueneme. The commerce at the two ports is entirely domestic, and as both are in the same county and only ten miles apart, one inspector could probably transact all necessary business.

There is a probability that the construction of a railroad in Ventura county may require the importation of material from foreign ports hereafter, but it is not probable any such importations will be made within a year.

The services of permanent inspectors at Santa Barbara, San Buenaventura, and Hueneme are not required for the collection of the revenue, but are beneficial in protecting the revenue to a limited extent by the prevention of violations of the revenue laws.

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The inspector at Santa Barbara, by special appointment, acts as deputy collector in the business connected with several small schooners that are engaged in the coasting trade between that port and the islands off the coast of Santa Barbara county. I think the interests of the public service require an inspector at Santa Barbara.

The foreign trade at this port, Wilmington, with collections of nearly $60,000 annually, is at present transacted with the ships at an outer anchorage, about two and one-half miles from the wharf.

The necessity of boarding these ships on their arrival, and frequently visiting them while in port, requires the services of the one permanent inspector, who acts as boarding officer and boatman.

The coast-line of the district (the shortest distance from point to point) is two hundred and eighteen miles, and the total force of inspectors now employed is not excessive, on the theory that their services prevent violations of the revenue laws.

The efficiency of the service may be improved in this district, in my opinion, by the appointment of three or four permanent inspectors of customs, to be paid in the same manner that temporary inspectors are paid, in accordance with section 2733 and section 2737, Revised Statutes of the United States, a per diem for each day he is actually employed.

The efficiency of the services of inspectors of customs would be increased by permanent appointments, and, in my opinion, an increase in their compensation from $3 to $4 per diem would secure the services of better men, who would remain in the service and become familiar with their duties.

During the fiscal year ending June 30, 1883: I have only from November 6, 1882, to June 30, 1883, to report as to compensation of inspectors on vessels discharging cargoes from foreign ports—

Total days' employment of inspectors	331
Overtime, paid by consignees	59
Net time, paid by Government	272

The last fiscal year, ending June 30, 1884, the discharging inspectors were employed as follows:

Total days' employment	737
Total days' overtime	94
Net time, paid by Government, days	643

To increase the compensation of inspectors from $3 to $4 per diem would, on the basis of payments heretofore made, require from $600 to $650 annually, increased expenses, at this port. The United States Treasury Register, July 1, 1883, shows that inspectors at the ports of San Francisco, Cal., Portland, Oreg., and in the district of Port Townsend are paid $4 per diem. The inspectors at this port remain on board the ships at the outer anchorage day and night, and perform the duties of weighers as well as inspectors. I therefore think they should receive the same per diem paid at the other ports on the coast. The greatest number of days any inspector was employed at this port the last fiscal year was 147. Even with payment at the rate of $4 per diem, there is but moderate compensation for competent men.

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The recommendations I have made to have the compensation of inspectors increased are, in my opinion, more favorable for the efficiency of the service than any proposing to curtail expenses.

Respectfully, yours,

JOHN R. BRIERLY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 145.

CUSTOM-HOUSE, WILMINGTON, DEL.,
Collector's Office, April 7, 1885.

SIR: I have the honor to acknowledge the receipt of Department letter of the 1st instant, requesting me to report to what extent, in my opinion, the force employed under my direction can be reduced without detriment to the public service; whether the methods of doing business can be simplified, and in general to make such suggestions and recommendations as may occur to me, whereby the efficiency of the service may be improved and the expenses curtailed. In reply, I beg leave to state that the force at present employed in this district, including the collector, consists of eleven persons, as follows, viz: At Wilmington, the port of entry, one collector, one deputy collector, cashier and clerk, and one deputy collector, inspector, weigher, gauger, and measurer; at New Castle, one deputy collector and inspector, who issues marine documents; at Seaford, one deputy collector, who issues marine documents; and at Lewes, one deputy collector and inspector, and five boatmen, who board and inspect inward foreign vessels arriving at the Delaware breakwater, seal their hatches, certify their manifests in accordance with existing regulations, and perform such other duty as may be required and necessary for a proper protection of the revenue.

After a careful consideration, I am of the opinion that the force as at present employed is as small as it is possible to be for a proper discharge of the duties required without impairing the efficiency of the service, and am therefore unable to recommend any reduction.

The method of doing business is as simple as it is possible to be, and I am unable to make any suggestions whereby it could be made more so.

I am, very respectfully,

HENRY F. PICKELS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 146.

CUSTOM-HOUSE, WILMINGTON, N. C.,
Collector's Office, April 8, 1885.

SIR: In response to Department letter of the 1st instant, in which an opinion is asked as to the practicability of a reduction in the force of employés and a simplifying of the methods of business, I have the honor to report as follows:

There are at present the following officers at this port, to wit: One special deputy collector, one deputy collector and clerk, one clerk; three inspectors—two on duty in this city and one on duty as boarding officer at Smithville, N. C.; four boatmen—two here and two at Smithville.

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In my opinion, a reduction can be made in the number of employés, without detriment to the service, by increasing the duties of those remaining, and I respectfully recommend that the number of inspectors be two in the place of three, and that the services of Abram Hawkins, on duty as boarding officer at Smithville, be discontinued from the 30th instant, the duties to be performed by one of the remaining inspectors, as may be selected by this office.

As there is only a limited amount of business at this port, no delay in its transaction occurs. I have therefore no recommendations to make as to changes in the methods now employed.

Very respectfully, your obedient servant,

E. J. PENNYPACKER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 147.

CUSTOM-HOUSE, WISCASSET, ME.,
Collector's Office, April 6, 1885.

SIR: I have the honor to acknowledge the receipt of the circular letter of the Department of the 1st instant, and to say, in reply, that it is not practicable, in my opinion, to make any reduction in the force employed under my direction without detriment to the service; nor can I make any recommendation whereby the efficiency of the service may be improved or the expenses curtailed, all possible reductions having been made after a recent careful examination under the direction of the late Secretary Folger.

Very respectfully,

GEO. B. SAWYER,
Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 148.

Statement of Reductions effected in the Customs Service since May 1, 1885, (with the port and the number and designation of officers.)

	Amount per annum.
San Francisco, Cal.:	
One auditor	$200 00
Twenty-seven clerks	19,700 00
Twenty-five inspectors	27,740 00
One superintendent of warehouses	1,800 00
Two examiners	4,000 00
One doorkeeper	1,200 00
One storekeeper	200 00
Three messengers	420 00
Seven watchmen	2,400 00
Twenty-nine laborers	2,180 00
Total	59,840 00
New Orleans, La.:	
One deputy collector	$3,000 00
One gauger	1,500 00
Four clerks	1,625 00
Three boatmen	1,800 00
Five night-inspectors	3,650 00
Total	11,575 00
Philadelphia, Pa.:	
Four inspectors	$5,475 00
One night-watchman	72 50
One laborer	700 00
Total	6,247 50
Portland, Me.:	
One inspector	$1,277 50
One examiner	1,000 00
Total	2,277 50
Boston, Mass.:	
Eight clerks	$5,500 00
Two weighers	4,000 00
Eleven assistant weighers	7,792 50
Eight inspectors	11,680 00
Total	28,972 50
Baltimore, Md.:	
Three clerks	$4,600 00
One assistant weigher	1,200 00
Three inspectors	3,832 50
Two messengers	1,900 00
Two night-inspectors	2,190 00
One foreman of laborers	840 00
One deputy collector	800 00
Two laborers	1,440 00
Total	16,802 50
Burlington, Vt.:	
Two deputy collectors, inspectors, and clerks	$1,905 00

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	Amount per annum.
Fall River, Mass.:	
One clerk	$600 00
New Bedford, Mass.:	
One clerk	100 00
Bristol, R. I.:	
One deputy collector and inspector	255 50
Providence, R. I.:	
One messenger, clerk, and sampler	$1,200 00
One deputy collector	2,000 00
One inspector, weigher, gauger, and measurer	1,277 50
One inspector and boarding officer	1,095 00
Two inspectors	2,190 00
Total	7,762 50
New London, Conn.:	
One inspector, weigher, gauger, and measurer	$1,095 00
Ogdensburg, N. Y.:	
Two deputy collectors and inspectors	$2,295 00
Two inspectors	2,190 00
Total	4,485 00
Plattsburg, N.Y.:	
Two deputy collectors and inspectors	$1,697 25
Annapolis, Md.:	
One boatman	180 00
Georgetown, D. C.:	
One deputy collector and inspector	$915 00
One inspector	1,095 00
Total	2,010 00
Alexandria, Va.:	
One inspector	$1,095 00
New Berne, N. C.:	
One messenger	180 00
Wilmington, N. C.:	
One inspector	$1,095 00
One messenger	600 00
Total	1,695 00
Charleston, S. C.:	
One clerk	$1,500 00
Two boatmen	960 00
One watchman	600 00
Total	3,060 00
Savannah, Ga.:	
Two night-inspectors	$1,460 00
Fernandina, Fla.:	
One inspector	1,095 00
Mobile, Ala.:	
Two inspectors	$2,190 00
One night-inspector	730 00
One boatman	480 00
Total	3,400 00

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	Amount per annum
Brashear, La.:	
One inspector	$1,095 00
Brownsville, Tex.:	
One deputy collector and mounted inspector	$1,460 00
Two inspectors	2,190 00
Total	3,650 00
Galveston, Tex.:	
One clerk	$1,600 00
One weigher, gauger, and measurer	1,800 00
One mounted inspector	1,460 00
Four inspectors	5,037 00
Three night-inspectors	3,285 00
Total	13,182 00
Indianola, Tex.:	
One deputy collector and inspector	$1,277 50
Cleveland, Ohio:	
Two deputy collectors and inspectors	$310 25
One inspector	1,095 00
Total	1,405 25
Cairo, Ill., (office abolished:)	
One surveyor	$800 00
One deputy surveyor	600 00
Total	1,400 00
St. Louis, Mo.:	
One clerk	$900 00
One inspector	1,460 00
One sampler	912 50
Total	3,272 50
Grand Haven, Mich.:	
One deputy collector and inspector	$602 25
Port Huron, Mich.:	
Two deputy collectors and inspectors	1,731 50
Omaha, Nebr.:	
One deputy surveyor	1,095 00
St. Vincent, Minn.:	
One deputy collector and inspector	1,095 00
Eureka, Cal.:	
One inspector	1,000 00
Portland, Oreg.:	
Two inspectors	$2,920 00
One inspector and weigher	1,460 00
One clerk	1,450 00
Two night-inspectors	1,825 00
Total	7,655 00
Grand total	$196,251 25

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No. 149.

SEPTEMBER 30, 1885.

List of Customs Districts examined by Special Agents, and reductions recommended, since May 1, 1885.

Districts examined.	By whom.	Date.	No. to be reduced.	Amount saved.	Date of reference to Appointment Div.
Bristol and Warren, R. I.	Bingham, N. W	July 1, 1885	1	$255 50	July 9, 1885
Fall River, Mass.	do	June 29, 1885	1	560 00	July 3, 1885
Providence, R. I.	do	July 1, 1885	5	5,777 75	July 11, 1885
Gloucester, Mass.	do	July 6, 1885			
New Bedford, Mass.	do	July 10, 1885		100 00	July 16, 1885
Edgartown, Mass.	do	July 28, 1885			Aug. 6, 1885
Nantucket, Mass.	do	July 31, 1885			
Barnstable, Mass.	do	Aug. 5, 1885	2	1,153 50	Aug. 6, 1885
Boston, Mass.	Combs, Hinds, Lapp, and Bingham.	Sept. 12, 1885		24,870 00	Sept. 23 and 24, 1885.
Oswego, N. Y.	Howell, W. T	July 17, 1885	5	6,485 00	July 21, 1885
Cape Vincent, N. Y.	Howell and Winslow	Aug. 11, 1885			
Champlain, N. Y.	Winslow, Morris	Aug. 5, 1885	3	4,003 50	Aug. 12, 1885
Burlington, Vt.	do	Aug. 27, 1885	17	17,482 50	Sept. 5, 1885
Albany, N. Y.	Ayer and Peck	Sept. 7, 1885			
Alexandria, Va.	Chamberlin, S. E.	July 7, 1885			
Georgetown, D. C.	Tingle and Tichenor	June 2, 1885	1	915 00	July 10, 1885
Little Egg Harbor, N. J.	Adams, C. C.	Aug. 21, 1885			
Bridgeton, N. J.	do	Aug. 28, 1885			
Burlington, N. J.	do	Aug. 28, 1885			
Delaware, Del.	do	Sept. 2, 1885			
Great Egg Harbor, N. J.	do	Sept. 12, 1885			
Albemarle, N. C.	Hubbs, E.	June 17, 1885			
Pamlico, N. C.	do	June 20, 1885	2	1,050 00	July 3, 1885
Beaufort, N. C.	do	June 25, 1885	1	480 00	June 29, 1885
Wilmington, N. C.	do	June 27, 1885	1	1,800 00	July 2, 1885
Georgetown, S. C.	do	June 30, 1885			July 8, 1885
Savannah, Ga.	do	July 14, 1885	2	1,460 00	July 21, 1885
Charleston, S. C.	do	July 4, 1885	3	2,460 00	July 9, 1885
Beaufort, S. C.	do	July 8, 1885			
Brunswick, Ga.	do	July 20, 1885	1	300 00	July 28, 1885
St. Mary's, Ga.	do	July 24, 1885			
Fernandina, Fla.	do	July 22, 1885		432 50	July 29, 1885
St. John's, Fla.	do	July 25, 1885			
St. Augustine, Fla.	do	July 27, 1885			Aug. 11, 1885
St. Mark's, Fla.	do	July 30, 1885		365 00	July 12, 1885
Key West, Fla.	do	Aug. 8, 1885	(*)		Aug. 17, 1885
Pearl River, Miss.	Nevin, D. A	June 22, 1885	1	1,095 00	July 21, 1885
New Orleans, La.	do	June 12, 1885			
Mobile, Ala.	do	June 24, 1885	(†)		July 3, 1885
Pensacola, Fla.	do	June 26, 1885	5	2,623 50	July 1, 1885
Apalachicola, Fla.	do	July 2, 1885			July 9, 1885
Vicksburg, Miss.	do	July 11, 1885			July 17, 1885
Natchez, Miss.	do	July 11, 1885	(‡)		
Teche, La.	do	July 6, 1885			
Indianola, Tex.	Barney, A. M.	July 16, 1885	1	547 50	July 27, 1885
Corpus Christi, Tex.	do	July 20, 1885	1		Aug. 1, 1885
Galveston, Tex.	do	Aug. 16, 1885		‡422 50	Sept. 4, 1885
Niagara, N. Y.	Williams, Lapp, and Phenix.	June 15, 1885	1	2,125 00	July 3, 1885
Erie, Pa.	Williams and Whitehead.	Aug. 15, 1885	2	2,190 00	Sept. 7, 1885
Genesee, N. Y.	do	Aug. 18, 1885	2	2,555 00	Sept. 5, 1885
Cuyahoga, N. Y.	do	Sept. 12, 1885	(‖)		
Superior, Mich.	Spaulding, O. L	June 23, 1885	2	1,358 55	July 3, 1885
Sandusky, Ohio	do	June 30, 1885	(‖)	99 25	July 9, 1885
Miami, Ohio	do	July 9, 1885	1	450 00	July 16, 1885
Huron, Mich.	do	July 25, 1885	2	3,857 00	Aug. 12, 1885
Yaquina, Oreg.	Evans, J. F.	June 13, 1885			
Willamette, Oreg.	do	June 17, 1885	7	9,155 00	July 2, 1885
Oregon, Oreg.	do	June 30, 1885	2	2,910 00	July 23, 1885
Puget Sound, Wash.	do	June 25, 1885	1	4,147 50	July 14, 1885
San Francisco, Cal.	do	Aug. 5, 1885	25	54,213 00	Sept. 3, 1885
Oswegatchie, N. Y.	Winslow, N.	May 24, 1885			
Evansville, Ind.	Williams and Phenix	May 24, 1885			
Paducah, Ky.	do	May 23, 1885			
Memphis, Tenn.	do	May 26, 1885			
Cairo, Ill.	do	May 28, 1885		600 00	June 10, 1885
Pittsburgh, Pa.	do	May 28, 1885			July 3, 1885

*One increase. †During summer. ‡Transfer and consolidation with Vicksburg. ‡Increase ‖During winter.

Total reduction of expenses recommended, $157,876.55.

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ANNUAL COST OF SPECIAL AGENTS' AND "FRAUD" ROLL SERVICE.

No. 1.

WASHINGTON, D. C., *October* 19, 1885.

SIR: In reply to your letter of the 13th instant, we have the honor to submit the following information respecting the appointment, compensation, service, &c., of special agents of the Treasury in the customs service:

First. Section 21 of the act of March 2, 1799, (vol. 1, pp. 643, 644, Statutes at Large, sec. 2640, R. S.,) provided, amongst other things, that collectors, naval officers, and surveyors of customs should "at all times submit their books, papers, and accounts to the inspection of such persons as may be appointed for that purpose." From all we can gather, it was under this statute, and perhaps under the general authority conferred upon the Secretary of the Treasury by the act of September 2, 1789, (chapter 12, section 2, volume 1, page 65, Statutes at Large, section 248, R. S.,) that persons were employed to act as special agents and assistant special agents in the customs service prior to the passage of the act of May 12, 1870.

As affording light upon this subject, we quote from the reported proceedings in the House of Representatives (vol. 90, part B, page 1496, Congressional Globe) pending consideration of the act last above named the following, viz:

"TREASURY DEPARTMENT, *February* 12, 1870.

"SIR: I herewith communicate, as far as seems to me compatible with the public interest, the information required by the following resolution of the House of Representatives, adopted on the 2d of February instant, namely:

"'IN THE HOUSE OF REPRESENTATIVES,
"'*February* 2, 1870.

"'On motion of Mr. Ferris,

"'*Resolved*, That the Secretary of the Treasury be requested to furnish the House of Representatives with the names of all special agents and assistant special agents of the Treasury Department on the rolls of the Department on the 4th day of March, 1869; the compensation, mileage, and expenses paid to each since that date; also the names of such agents or assistant agents appointed since March 4, 1869; amount of compensation for salary, mileage, or expenses paid to each, including officerent or any other expenses incurred by the Department for the use of such offices; when incurred; the place where such officer is now stationed; and the several appropriations from which such officers' compensation, mileage, or other expenses on their account were and are severally paid.

"'Attest: "'E. MCPHERSON,
"'*Clerk.*'

"On the 4th of March last, there were sixty-four special agents in the service of the Treasury Department, and fifteen special inspectors, or

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seventy-nine persons in all, whose business related to the customs revenue.

"The daily compensation, in the aggregate, of the special agents was $371.10, and of the special inspectors $76.50, or $447.60 in all. As near as can be ascertained, the daily expenses, exclusive of the per diem, amounted to between $150 and $160, or an aggregate expense of rather more than $600 per day.

"On the 1st of February instant, there were fifty-one special agents, at a daily cost of $335, and three special inspectors, at a cost of $15.30 per day, or $350 in all. Adding to this sum the mileage and other expenses of the agents, amounting to about $150 daily, we have a total daily expense of rather more than $500. The total payments on that account from the 4th day of March, 1869, to the 1st day of February, 1870, have been $171,976.47.

"One of these agents has been paid from the appropriation for the collection of claims, two from the steamboat fund, and the remainder from the appropriation for collecting the revenue from customs.

"The largest compensation is $5,000 per annum paid to one agent, the least is $4 per day paid to one agent. Three agents receive $10 each, two receive $9 each, eight receive $8 each, seven receive $7 each per day, and the remainder receive $5 and $6 per day.

"On the 4th of March, 1869, the average per diem was $5.79, and on the 1st of February it was $6.59, my object having been, as stated in my annual report, to reduce the number of men, and, by increasing the compensation, to secure the services of more competent persons. The amount of expenses incurred and claimed to be due for office-rent, furniture, &c., from the 4th of March, 1869, to 1st of February, 1870, was $4,390.54. Of this amount, $3,112.61 was incurred at the port of New York, and $1,277.93 at the port of Philadelphia. I omit in this report to give the names of the special agents, also the places where they are employed. Some of the persons employed are not known to the public generally as revenue agents, and I believe that the service will be injured by disclosing their names. If, however, the House shall desire, the facts will at once be given.

"The consideration of this resolution furnished me an opportunity to state to the House more fully than I have thought proper to do in my annual report the views I entertain in reference to this branch of the public service.

"Special agents of the Treasury Department have been employed and recognized by law almost from the organization of the Government. The extension of the territory of the United States, the increase of its commerce, and the high rate of of duties, furnishing a temptation to smugglers, have rendered the services of special agents or inspectors of customs indispensable to the collection of the revenue. There can be no doubt, I think, that in the aggregate the result of their services is a saving, directly and indirectly, to the Treasury of many millions of dollars annually.

"As stated in my annual report, I have made an effort to organize and localize these officers by dividing the country into sixteen districts, and assigned to each a superintendent, and in most cases one or more assistants. There are also in the service of the Department some agents who are not assigned to particular districts. It is, however, obvious that the system as it exists at present is open to abuse and is likely to occasion serious complaint. I take the liberty of suggesting in this

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connection that a law be passed limiting the number of special agents to be appointed, dividing them into three grades, specifying the number to be appointed in each grade, and giving to each office a fixed compensation computed by the day or by the year.

"Under the independent-treasury laws, the Secretary of the Treasury is authorized to appoint, and occasionally does appoint, special agents to examine the books and accounts of the assistant treasurers of the United States.

"There is also an agent of the Treasury Department whose duty it is to superintend the manufacture of blank note-paper, and to keep the accounts of the receipts of paper from the manufacturers and the delivery of the same to the bank-note companies and the printing bureau of this Department, whose salary is paid from the loan funds.

"I am, with great respect,

"GEO. S. BOUTWELL,

"*Secretary of the Treasury.*

"Hon. JAMES G. BLAINE,

"*Speaker of the House of Representatives, Washington, D. C.*

"Mr. PAINE. I should like the chairman of the committee to explain to the House how this bill would change the law on the subject.

"Mr. POLAND. I yield to the gentleman from New York (Mr. Ferriss) to give that explanation.

"Mr. FERRISS. Mr. Speaker, I think I can answer the question of the gentleman from Wisconsin. The original bill was introduced by myself. Before introducing the bill my attention had been called to the subject of the appointment of special agents by the allegation that they were appointed without authority of law. I entered upon an investigation of that question, and had some difficulty in ascertaining what I now believe to be the facts in regard to it. All the officers of the Department were very reticent when inquiry was made of them as to the appointment of these special agents, and by what authority they were appointed, but after a good deal of difficulty I learned the facts which I will state. In the law of 1799, which organizes the customs department and provides for the appointment of collectors, naval officers, and surveyors, there is a clause which requires that the books, papers, and accounts of these officers shall be at all times open to the inspection of some person appointed for that purpose. It is under that clause, and the implied authority there given, that all of these officers now known as special agents of the Treasury Department are appointed. I learn that for many years the practice was to appoint, just what the law contemplated, some officer, clerk, or other employé of the custom-house to examine the books and papers and report to the Treasury Department. Such was the custom down to the time of the administration of the Treasury Department by the late Robert J. Walker. Under Mr. Walker a different system was adopted. Somebody thought that here were nice snug little berths for some favorites, and the two gentlemen from my own State, the State of New York, were appointed by Mr. Walker special agents of the Treasury Department, with salaries I think of eight dollars a day and travelling expenses. They travelled together. They travelled all over the country. They went in couples, and they took those routes where they could travel the fastest. They had mileage allowed them, I believe, and they made out a bill against the Government, which was allowed, amounting, in the aggregate, to over seventeen thousand dollars. Well, other persons discovered that here

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were nice berths for some favorites. More special agents were appointed under the implied authority, until one distinguished Senator from one of the Western States had, as I am credibly informed, secured the appointment of seventeen persons as special agents in the Treasury Department. That thing has continued, with no authority of law for it whatever except the implied authority contained in the section I have referred to, until at the present time, or at the coming into office of the present Secretary of the Treasury, there was the number of special agents mentioned in his letter. In conversation with the Secretary, he stated to me that there was an absolute necessity for these special agents. I protested against their being appointed without the authority of some law. He admitted the propriety of it, and desired that there might be a law authorizing and regulating their appointment. Nothing further was done until I introduced the original bill, which provides, not for the appointment of any special agents, but for the prohibition of the employment under the section I have referred to of any special agents except those already in the employment of the Government, and those without any additional pay. The attention of the Secretary was called to it, and his views having been laid before the committee, I withdrew the bill and introduced the substitute, which the committee adopted and now report. The bill is based upon the assertion or declaration, which we believe to be true, that there is a necessity for the appointment of such special agents. It will be perceived that this bill limits the pay of these special agents. As they are now employed, it is not limited at all. Some of them, I am informed, are paid $5,000 a year, with their travelling expenses; and I presume that their travelling expenses include fares over railroads where they ride on free passes."

In the further discussion of this bill, (vol. 1, part 4, pp. 2992, 2993,) Mr. Welcker said:

"A section of the law of 1799 requires the books, papers, and accounts of these officers to be opened to inspection by some person appointed for that purpose, and under that clause these appointments have all been made. It is a question for serious consideration whether that law authorizes the appointment of this class of agents at all; but it is a practice that has grown up in the Government, and perhaps it is now too late to say that there was no authority for the appointment of these agents."

The act of May 12, 1870, (vol. 16, page 122, Statutes at Large, sections 2649, 2651, Revised Statutes,) was the earliest statute which in express terms authorized and recognized the appointment of special agents of the Treasury to be employed in the customs service proper. This statute authorized the Secretary of the Treasury "to appoint special agents, not exceeding fifty-three in number, for the purpose of making the examinations of the books, papers, and accounts of collectors and other officers of the customs required to be made pursuant to the provisions of the 21st section of 'An act to regulate the collection of duties on imports and tonnage,' approved March 2, 1799, and to be employed generally, under the direction of said Secretary, in the prevention and detection of frauds on the customs revenue." They were to receive salaries, viz: Two of them, $10 per day; seventeen, $8 per day; sixteen, $6 per day, and eighteen of them, $5 per day, and expenses necessarily and actually incurred in the discharge of their official duties; the same to be paid from the "appropriation to defray the expenses of collecting the revenue from customs."

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By an act approved August 15, 1876, (ch. 287, vol. 19, page 152, Statutes at Large,) the number of such special agents was reduced to twenty, each to receive not exceeding $8 per day and actual travelling expenses when actually employed, &c.

The act of June 19, 1878, (ch. 329, vol. 20, pp. 187–8, Statutes at Large,) authorized the Secretary of the Treasury to employ eight additional special agents in the customs service, at a compensation not exceeding $6 per day and actual travelling expenses when actually employed in the duties of such agency. This increase was authorized in accordance with the recommendation of Secretary Sherman in his annual report to Congress in 1877. (See page 38, Finance Report, 1877.)

Second. Until the completion of inquiries now in progress, we shall be unable to report the number, compensation, &c., of special agents of the Treasury in the customs service from July 1, 1860, to July 1, 1869.

As near as we have been able to ascertain, the greatest number of persons employed as special agents and assistant special agents of the Treasury in the customs service at any one time during the fiscal year ended June 30, 1870, was 53, and their total compensation was, viz: Salary, $120,618; expenses, $40,706.14—total, $161,324.14.

The statement following shows the maximum number of special agents of the Department in the customs service, and their aggregate allowances for salary and expenses, during each of the fiscal years named:

Year ended June 30—	Number.	Salary.	Expenses.	Total.
1871	53	$122,866 00	$43,964 42	$166,830 42
1872	53	121,195 00	40,262 56	161,457 56
1873	53	123,697 00	42,013 05	165,710 05
1874	53	124,699 00	49,538 93	174,237 93
1875	53	124,602 00	38.503 44	163,105 44
1876	53	123,633 00	28,689 12	152,322 12

From July 1 to November 1, 1876, the maximum number of such agents employed at any time was 53, and from the latter date to July 1, 1877, the highest number in service at any one time was 20. Their aggregate allowances for salary and expenses during that fiscal year were, viz: Salary, $75,945; expenses, $20,191.80—total, $96,136.80.

During the fiscal year ended June 30, 1878, the number of these agents in service was 20, and their aggregate compensation was, viz: Salary, $58,400; expenses, $18,124.86—total, $76,524.86.

The following statement gives the maximum number of such agents employed, and the total amount paid them as salary and expenses, each fiscal year from July 1, 1878, to July 1, 1885, viz:

Year ended June 30—	Number.	Salary.	Expenses.	Total.
1879	28	$75,914 00	$21,957 88	$97,871 88
1880	28	74,680 00	20,868 77	95,548 77
1881	28	74,838 00	17,863 72	92,701 72
1882	28	71,536 00	17,380 54	88,916 54
1883	28	73,338 00	15,590 52	88,928 52
1884	28	75,120 00	15,213 50	90,332 50
1885	28	73,308 00	14,158 42	87,466 42

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Total salary and expenses from July 1, 1869, to July 1, 1885, $1,959,415.67.

Third. The tabular statement herewith gives the name, date of appointment, station or place of service, salary, expenses, and other allowances of each special agent of the Department in the customs service employed at any time during the fiscal year ended June 30, 1885.

Fourth. Special agents of the Treasury in the customs service proper since 1860 have, so far as we can ascertain, been paid from the permanent appropriation for defraying the expenses of collecting the revenue from customs. The act of May 12, 1870, provided for their payment from this appropriation.

At no time since 1860 has Congress made other specific provision for their payment.

Fifth. It has not been usual since 1860 for special agents to report through the collectors of customs of the districts where employed; they have always reported direct to the Department.

It has been usual, however, for them, and they are so required by the regulations, to report all matters relating to frauds and irregularities requiring immediate attention to the collectors of the districts where employed, as well as to the Department.

Very respectfully,

L. G. MARTIN,
GEO. C. TICHENOR,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 2.

Statement showing name, date of appointment, station, salary, expenses, and other allowances of special agents during the fiscal year ended June 30, 1885.

Name.	Date of appointment.	Station.	Salary.	Expenses.	Awards.	Nature of service.	Remarks.
Martin, L. G.	June 10, 1876	Supervising special ag't.	$2,920 00	$467 35		In charge of all matters pertaining to special agents, bonding of warehouses and common carriers, and transportation business.	
Adams, C. C	Sept. 30, 1875	Philadelphia, Pa	2,614 00	253 11		General duty, Philadelphia	$6; promoted to $8 per day.
Ayer, Ira, jr	Mar. 3, 1870	New York, N. Y.	2,920 00	184 55		In charge of second special agency district, New York.	
Bingham, N. W	Apr. 13, 1869	Boston, Mass	2,920 00	369 97		In charge of first special agency district, Boston.	
Brackett, C. N	Jan. 1, 1871	New York, N. Y.	1,912 00	109 87	104 57		Out February 24, 1885.
Barney, A. M	Feb. 10, 1873	Galveston, Tex	2,920 00	574 80		In charge of eighth special agency district, Galveston.	
Burns, A. M	July 10, 1877	Cleveland, Ohio	2,192 00	125 92			Resigned March 31, 1885.
Bates, W. R	Mar. 10, 1881	Port Huron, Mich	1,632 00	330 26			Out March 31, 1885.
Chalker, Jas. S	Dec. 15, 1870	New York, N. Y.	1,434 00	74 71	263 26		Out February 24, 1885.
Chamberlin, S. E	Dec. 3, 1875	Baltimore, Md	2,472 00	77 89			Out May 5, 1885.
Douglas, Jno	July 2, 1878	St. Paul, Minn	2,432 00	470 20			Out April 30, 1885.
Davis, Jas. W	Dec. 11, 1869	Boston, Mass	1,374 00	307 61			Died February 14, 1885.
Evans, Jos. F	Feb. 4, 1875	San Francisco, Cal	2,920 00	1,276 50		In charge of fourteenth special agency district, San Francisco.	
Gavett, Wm. A	May 3, 1882	Detroit, Mich	1,530 00	55 29			Resigned January 20, 1885.
Gray, C. H	May 16, 1883	New York, N. Y.	2,192 00	223 92			Out March 31, 1885.
Hinds, B. H	Apr. 15, 1869	Philadelphia, Pa	2,920 00	780 18		In charge of fourth special agency district, Philadelphia, and special duty, New York.	
Horr, Jas. C	Mar. 1, 1881	Port Townsend, Wash	2,192 00	258 65			Out March 31, 1885.
Howell, Wm. T	Oct. 1, 1882	Ogdensburg, N. Y.	2,920 00	727 06	20 52		Out August 15, 1885.
Hubbs, Ethelbert	June 19, 1882	Savannah, Ga	2,190 00	640 60			Out August 15, 1885.
Kimball, R. M	Dec. 11, 1869	Boston, Mass	1,644 00	122 66			Out March 31, 1885.
Nevin, D. A	May 3, 1876	New Orleans, La	2,920 00	415 21		In charge of seventh special agency district, New Orleans.	
O'Neill, Jno	Feb. 26, 1877	Philadelphia, Pa	2,192 00	2 28			Out March 31, 1885.
Schermerhorn, I. M	Jan. 15, 1883	Tucson, Ariz	984 00	119 46			Out October 31, 1884.
Swift, Geo. B	Jan. 21, 1884	Chicago, Ill	1,950 00	94 20			Out March 31, 1885.
Tichenor, G. C	July 3, 1878	At large	2,920 00	1,931 59		Assigned to duty in Europe, but for nearly a year has been engaged on special service at Philadelphia, New York, Boston, and Department.	
Tingle, A. K	Sept. 10, 1872	At large	2,920 00	1,205 34		Special agent at large. During the past year has been on special duty at nearly all the principal ports.	
Whitehead, G. W	Feb. 12, 1884	Suspension Bridge, N. Y.	2,190 00	621 31	48 26	On duty at Suspension Bridge	

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Williams, W. H.	July 1, 1881	Cincinnati, Ohio	2,614 00	712 80		In charge of thirteenth special agency district, Cincinnati.	$6; promoted to $8 per day.
Fox, Geo. H.	Nov. 1, 1884	New York, N. Y.	1,936 00	60 24			Out August 15, 1885.
Kiefe, T. H.	Mar. 1, 1885	Chicago, Ill	732 00	87 83	118 20	On duty at Chicago	Out September 25, 1885.
Lapp, C. H.	May 4, 1885	Cleveland, Ohio	348 00	152 41		New agent	
Mahon, Jno. J.	Apr. 1, 1885	Baltimore, Md.	728 00	13 35		In charge of the fifth special agency district, Baltimore.	
Moore, H. A.	Apr. 1, 1885	New York, N. Y.	546 00	63 70	92 21	On duty, New York custom-house	
O'Beirne, Jas. R	Mar. 3, 1885	New York, N. Y.	720 00	49 85		On duty, New York appraiser's stores	Resigned October 31, 1885.
Parker, Geo. H.	May 1, 1885	St. Paul, Minn.	366 00	217 70			Out July 15, 1885.
Peck, Jno. B.	June 6, 1885	New York, N. Y.	150 00	17 43		On duty, New York custom-house	
Phenix, Legare	May 1, 1885	Chicago, Ill	366 00	199 64		On duty, Chicago	
Power, Jas. D.	Mar. 3, 1885	New York, N. Y.	720 00	67 45		On duty, New York appraiser's stores	
Sachse, Theo. C.	Apr. 1, 1885	New Orleans, La	546 00	141 50		On duty, New Orleans	
Spaulding, O. L.	Aug. 7, 1875	Detroit, Mich	1,210 00	554 03		In charge of eleventh special agency district, Detroit, and special service at New York.	$6; promoted to $8 per day.

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No. 3.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., November 2, 1885.

SIR: In our report to you of the the 19th ultimo, we gave the following figures as showing the maximum number of special agents and assistant special agents of the Department in the customs service, and their compensation, during the fiscal year ending June 30, 1870, viz: Number, 53; salary, $120,618; expenses, $40,706.14—total, $161,324.14. These figures were gathered from certain rather imperfect and fragmentary records kept by the Commissioner of Customs, under whose immediate direction such officers were during that period.

We now find, from quite thorough inquiry in the appointment division and in the office of the Commissioner of Customs, that the figures above given should be increased to, as follows, viz: Number, 56; salary, $128,615; expenses, $46,776.49—total, $175,391.53.

As the result of diligent search of the records of the appointment division, inquiry in the office of the Commissioner of Customs, and reference to such other data as was attainable on the subject, we present the following statement as showing the highest number of persons employed at any one time as special agents and assistant special agents of the Treasury in the customs service, and amounts paid them as salary and expenses, during each of the fiscal years ended as follows, viz:

Fiscal year ended June 30—	Number.	Salary.	Expenses.	Total.
1861	8	$14,346 00	$8,099 02	$22,445 02
1862	7	13,366 00	10,248 56	23,614 56
1863	20	22,934 48	17,506 56	40,441 04
1864	36	54,428 69	32,929 96	87,358 65
1865	26	28,845 20	24,513 62	53,358 82
1866	25	36,062 35	39,893 39	75,955 74
1867	42	58,034 29	63,000 37	121,034 66
1868	49	90,971 83	78,169 46	169,141 29
1869	58	101,022 19	62,781 18	163,803 37
Total				757,153 15

This statement includes eight special agents, (J. P. Tucker, W. G. Brownlow, B. F. Flanders, Thos. Heaton, E. L. Pierce, W. P. Mellen, T. H. Yeatman, and D. G. Barnitz,) serving for periods varying from three months to four years, who appear to have been appointed (in 1863) under the acts of July 13, 1861; May 20, 1862; and March 12, 1863, (pp. 255–8, 404,'5, and 820,'1, vol. 12, U. S. Statutes at Large.) It also includes two agents (P. F. Wilson and H. A. Risley) who are understood to have been appointed under the act of August 6, 1846, (sec. 11, p. 62, vol. 9, U. S. Statutes at Large,) and who, for a time at least, were paid from the appropriation for the collection of claims.

It appears from their letters of appointment and instructions that four other agents, included in this statement, (Joseph Nimmo, Lorin Blodgett, J. D. Andrews, and J. W. Taylor,) were employed in collecting statistical information relating to foreign and domestic commerce, &c., and that another (H. J. Anderson) was assigned to duty in connection with the quarantine and health laws. Another agent (J. F. Morse) was paid in part from the appropriation for the repairs and preservation of public buildings, and in part from the marine-hospital

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fund. It is probable he served in some way in connection with those matters.

All of these persons are included in the statement furnished you by the Commissioner of Customs.

Of the other agents included in the latter statement and in our own above, four (Montgomery Gibbs, W. B. Farwell, Louis W. Violleis, and E. H. Hudson) served either mainly or wholly in Europe, and one (Wm. Jones) in Cuba. As quite a number of these agents and assistant agents were at different times during the years 1863–'66, stationed at interior points in the Southern States, it is presumed their service related to cotton and other captured, abandoned, or confiscated property.

Two of these agents were assigned to duty for a time at Quincy, Ill., and Michigan City, Ind., in charge of public property and customs records at those places.

In so far as we can learn, the remainder of these special agents and assistant special agents served chiefly—either actually or ostensibly—in connection with the customs-revenue service in the States and Territories of this country or in the adjacent foreign territory of Canada, New Brunswick, or in the British Possessions on our northern frontier.

Whilst a considerable number were assigned to duty at the principal ports and in the more important collection districts, where they appear to have been actively and usefully employed, either in inquiring into the methods of conducting the customs business, the conduct of officers and employés, examining the accounts of the principal officers of customs, and attending generally to the detection and prevention of frauds upon the customs revenue, a large number were either stationed in the Territories of Dakota, Idaho, Montana, Washington, or Alaska, or were deployed along our northern, northeastern, or northwestern borders, apparently for the purpose of preventing smuggling.

The compensation of these agents varied greatly. For example, two of them were salaried for a time at $5,000 per annum, whilst two others only received $1 per diem. A few had salaries ranging from $2,000 to $3,000 per annum, but generally their salaries were per diem, all the way from $1 to $10. All were allowed their actual expenses, or mileage in lieu thereof—chiefly the latter. You will observe that these "expenses" were very large as a rule, aggregating more than the salaries in 1866 and 1867, and being nearly equal thereto in other years. By referring to the statement furnished you by the Commissioner of Customs, you will see that such allowances to certain agents were uniformly large, and in instances surprisingly so. For example, the amount paid Agent S. D. Jones as salary for sixteen months was $2,892, whilst he was allowed $13,036.06 as "expenses" for that period. The allowances to Agents Gibbs (abroad 1863 to 1869) and Farwell (abroad 1865 to 1869) as expenses were also exceedingly generous, the former's ranging from $2,800 to above $21,000, and the latter,s from $2,800 to near $10,000 annually, whilst Agent Violleis (who assisted them in the "wine cases") was paid during the years 1868–'69, $14,640 as salary and expenses.

The terms of service of the great majority of special agents and assistant special agents during this period (1860 to 1870) were comparatively brief. None served continuously throughout that period; a large number only from one to two years, and a good many only for one to six months. In fact, a great many were appointed for terms of only thirty to sixty days. It is a significant fact that the letters of appointment of

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these short-term agents were usually addressed to them at Washington. Whatever may have been the motives prompting their appointment, it is probable the Government derived but little benefit from their service. In general sense the same remark would apply to those serving only from one to two years, for it is only in exceptional cases that agents without previous experience in the customs business have become really efficient within such periods.

Neither our statement above nor that furnished you by the Commissioner of Customs includes a large number of persons who, during or immediately following the war of the rebellion, were appointed special agents of the Department to serve temporarily, either as collectors, naval officers, or as deputies, in the various customs collection districts of the South. Nor do these statements include a vast number of persons whose employment was authorized by the Secretary of the Treasury for service as "aids to the revenue" during the war of the rebellion at numerous points within or bordering upon the insurrectionary States, along the Canadian frontier and elsewhere, and whose salaries (ranging variously from $3 per week to $3 per diem) and expenses were paid by the local officers of customs in whose districts they were employed.

These statements do not include, either, three persons appointed in 1869 as special Treasury agents to serve as collectors of customs at points in Alaska; nor one agent (W. D. Steward) appointed for duty in connection with the Marine-Hospital Service, and who was paid from that fund. As your instructions to us related only to special agents of the Treasury in the customs service, we have not included in our statement any special inspectors of customs, quite a number of whom are included in the statement you have from the Commissioner of Customs. As these officers' salaries have been paid by the collectors or surveyors of customs in whose districts they have been assigned to duty, their expenses, however, have generally been paid by the Department.

Some of the special agents having been paid at different times by collectors of customs, we are satisfied that some such payments do not appear in the Commissioner of Customs' statement, having escaped the search made in preparing the same. It is probable, also, that the names of some persons appointed and serving for short terms as agents during this period were not found either by the Commissioner or ourselves. We found in the records of the appointment division a number of appointments and removals of special agents and assistant special agents whose names do not appear in the Commissioner's statement. At the same time, there are a number of names of such officers in that statement that we did not find in the records of the appointment division. We apprehend, however, that the number omitted is few, and the aggregate amount paid them not very large.

Department clerks were in instances detailed for special service in connection with the customs revenue at some of the ports, their expenses being paid from the appropriation for defraying the expenses of collecting the revenue from customs. We have not included these in our statement.

It appears from the records of the appointment division that quite a number of persons were appointed at different times within this period (1860 to 1870) as special agents of the Department *without compensation*. It is presumed these parties derived, or expected to derive, some benefit from their appointments. either from moieties in cases of

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fines, penalties, or forfeitures, or in some other way. These appointments are not included in our statement.

Very respectfully,

L. G. MARTIN,
GEO. C. TICHENOR,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 4.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF CUSTOMS,
Washington City, D. C., October 26, 1885.

SIR: In answer to your letter of October 15 instant, requesting "a full and accurate statement of all payments for salary and expenses to persons employed as special agents of the Treasury, in the customs service for each year from June 30, 1860, to July 1, 1869," I have the honor to transmit the following statement:*

With the meagre data at my command, I have endeavored to furnish you with the information you ask for, but am only able to present what I regard as an imcomplete report.

This office was not furnished during the years covered by your letter of inquiry with a list of officers appointed or detailed for special service. Neither has there been any definite rule established for the payment of these employés, and, as a result, I find that their claims were settled either by order of the Secretary of the Treasury, the disbursing agent of the Department, or by some collector of customs. In a number of instances, one special agent paid several other agents assigned to his direction.

To furnish the exact information asked for, it is necessary to have the date of the beginning and termination of each term of service of every person in relation to whom this information is required, and where and by whom they were paid. This I have been unable to procure, and, therefore, submit this report as a result of the examination of two thousand and ninety-two accounts, which were withdrawn from the files of the office of the Register of the Treasury.

Very respectfully, your obedient servant,

JOHN S. MCCALMONT,
Commissioner of Customs.

To the Honorable the SECRETARY OF THE TREASURY.

*Statement below marked No. 5.

No. 5.

Statement of Compensation and Expenses of Special Agents and Special Inspectors, United States Treasury, by fiscal years ended June 30, *from July* 1, 1860, *to June* 30, 1869.

Year.	Number.	Compensation.	Expenses.	Total.
1861	14	$14,346 00	$8,099 02	$22,445 02
1862	10	13,366 00	10,248 56	23,614 56
1863	22	23,099 48	17,722 18	40,821 66
1864	46	54,428 69	32,929 96	87,358 65
1865	41	28,845 20	24,513 62	54,358 82
1866	34	37,850 35	44,449 13	82,299 48
1867	70	65,751 83	72,579 06	138,330 89
1868	71	99,297 66	89,512 37	188,810 03
1869	93	107,341 29	67,573 93	174,915 22
Grand total		444,326 50	367,627 83	811,954 33

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No. 6.

Statement of Compensation and Expenses of Special Agents United States Treasury, by fiscal years ended June 30, from July 1, 1869, to June 30, 1885.

Year.	Number.	Salary.	Expenses.	Total.
1870	53	$120,618 13	$40,706 14	$161,324 27
1871	53	122,866 11	43,964 42	166,830 53
1872	53	121,195 00	40,262 56	161,457 56
1873	53	123,693 32	42,013 05	165,706 37
1874	53	124,699 00	49,538 93	174,237 93
1875	53	124,602 00	38,503 44	163,105 44
1876	53	123,633 00	28,689 12	152,322 12
1877	53	75,945 00	20,191 80	96,136 80
1878	20	58,400 00	18,124 86	76,524 86
1879	28	75,914 00	21,957 88	97,871 88
1880	28	74,680 00	20,868 77	95,548 77
1881	28	74,838 00	17,863 72	92,701 72
1882	28	71,536 00	17,380 54	88,916 54
1883	28	73,338 00	15,590 52	88,928 52
1884	28	75,120 00	15,212 50	90,332 50
1885	28	73,308 00	14,158 42	87,466 42
Total		1,514,385 56	445,036 67	1,959,412 23

No. 7.

MEMORANDUM.

Concerning the "Fraud Roll."

SPECIAL AGENTS' DIVISION.

In the sundry civil appropriation bill approved March 3, 1879, it is provided "that the Secretary of the Treasury be, and he is hereby, authorized to expend out of the appropriation for defraying the expenses of collecting the revenue from customs such amount as he may deem necessary, not exceeding $100,000 per annum, for the detection and prevention of frauds upon the customs revenue."

Under the authority of the provision referred to, there was expended for salaries and expenses as follows:

Fiscal year ended June 30, 1880		$23,389 25
Fiscal year ended June 30, 1881		33,641 84
Fiscal year ended June 30, 1882		36,281 70
Fiscal year ended June 30, 1883		64,603 15
Fiscal year ended June 30, 1884		64,857 74
Fiscal year ended June 30, 1885—First quarter	$13,742 92	
Second quarter	23,038 10	
Third quarter	22,848 75	
Fourth quarter	10,237 37	
		69,867 14
Fiscal year ending June 30, 1886—First quarter		1,798 40

The highest number of persons employed and paid under the provision quoted was 50, who were on the roll November 1, 1884. The number now employed is 11, of whom 5 are experts employed in Europe

L. G. MARTIN.

OCTOBER 20, 1885.

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No. 8.

Statement showing Annual Expense of the Special Agents, Special Inspectors, and "Fraud-Roll" Employés for the last five years, each year beginning July 1 and ending June 30.

Year.	Special agents.	Special inspectors..	"Fraud roll."
1881	$92,701 72	$25,762 54	$53,641 84
1882	88,916 54	31,966 99	36,281 70
1883	88,928 52	46,818 72	64,603 15
1884	90,332 50	46,713 09	64,857 74
1885	87,466 42	52,672 02	69,867 14
	448,345 70	203,933 36	269,251 57

Special agents	$448,345 70
Special inspectors	203,933 36
"Fraud roll"	269,251 57
Total for five years	921,530 63
Average per year	184,306 13

No. 9.

List of Special Agents, Special Inspectors, and "Fraud Roll" Employés in Service December, 1885.

SPECIAL AGENTS.

Name.	Station.	Compensation.
Martin, L. G., (supervising special agent)	Washington, D. C	$8 per diem.
Adams, C. C	Philadelphia, Pa	$8 per diem.
Ayer, Ira, jr	New York, N. Y	$8 per diem.
Barney, A. M	Galveston, Tex	$8 per diem.
Cowan, D. S	Savannah, Ga	$8 per diem.
Crowley, J. J	Chicago, Ill	$8 per diem.
Harden, Mark	Boston, Mass	$6 per diem.
Hanlon, Marcus	New York, N. Y	$6 per diem.
Hinds, B. H	New York, N. Y	$8 per diem.
Jerome, L. C	El Paso, Tex	$6 per diem.
Jewell, Jas. A	New York, N. Y	$6 per diem.
Lapp, C. H	Cleveland, Ohio	$6 per diem.
Mahon, Jno. J	Baltimore, Md	$8 per diem.
Moore, H. A	Tucson, Arizona	$6 per diem.
Peck, J. B	New York, N. Y	$6 per diem.
Phenix, Legare	Chicago, Ill	$6 per diem.
Power, J. D	New York, N. Y	$6 per diem.
Sachse, Theo. C	New Orleans, La	$6 per diem.
Tichenor, Geo. C	At large	$8 per diem.
Tingle, A. K	At large	$8 per diem.
Whitehead, G. W	Suspension Bridge	$6 per diem.
Williams, Wm. H	Cincinnati, Ohio	$8 per diem.
Young, W. S	Ogdensburg, N. Y	$6 per diem.

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SPECIAL INSPECTORS.

(Sections 2605, 2606, and 2999, Revised Statutes.)

Caulk, Jas. T.	Baltimore, Md	$4 per diem.
Chamberlin, S. E.	Norfolk, Va	$4 per diem.
Cole, W. H	Cape Vincent, N. Y	$4 per diem.
Cummings, J. C.	New York, N. Y	$4 per diem.
Church, J. B.	Rochester, N. Y	$4 per diem.
Delaney, P. K.	Rouse's Point, N. Y.	$4 per diem.
Dupont, Chas.	Detroit, Mich	$4 per diem.
Dyer, Bradbury	Albany, N. Y	$4 per diem.
Fallon, Jno. J	New York, N. Y	$4 per diem.
Gibbs, Jas. J.	Savannah, Ga.	$4 per diem.
Harrison, D. B	New York, N. Y	$4 per diem.
Kruyezanowski, W.	New York, N. Y	$4 per diem.
Lowery, T. H	New York, N. Y	$4 per diem.
Martin, Frank	Buffalo, N. Y	$4 per dfem.
Malone, T. G.	Philadelphia, Pa	$4 per diem.
Oliver, Sanders N.	New Orleans, La	$4 per diem.
O'Neill, Jno.	Philadelphia, Pa	$4 per diem.
Passegger, Francis	New York, N. Y	$4 per diem.
Phinney, S. B	Barnstable, Mass.	$4 per diem.
Silva, U. M. C	Ogden, Utah	$4 per diem.
Simmons, Geo. H	New York City	$4 per diem.
Thornton, W. H.	Philadelphia, Pa	$4 per diem.
Walker, J. W	Erie, Pa	$4 per diem.
Whalen, Wm	Chicago, Ill	$4 per diem.
McClemon, Jas.	Panama, U. S. C.	$2,500 per annum.
Montgomery, L. M.	Aspinwall, U. S. C.	$2,500 per annum.

"FRAUD ROLL" EMPLOYÉS.

(Act March 3, 1879.)

Hall, Raymond, Volerin	Lyons, France, (silk experts)	$1,500 per annum.
McSweeney, Daniel	San Francisco, Cal	$4 per diem.
Richter, C. S	Basle, (silk expert)	$800 per annum.
Schmidt, John	Horgen, (silk expert)	$650 per annum.
Schneider, Wm	Zurich, (silk expert)	$900 per annum.
Winslow, Norris	Watertown, N. Y.	$6 per diem.

Estimated Annual Cost of Present Force of Special Agents, Special Inspectors, and "Fraud-Roll" Employés.

Special agents:	
Salaries	$58,400
Expenses	8,000
Total	66,400
Special inspectors:	
Salaries	$40,040
Expenses	5,000
Total	45,040
"Fraud roll" employés:	
Salaries	$7,500
Expenses	1,000
Total	8,500
Special agents	$66,400
Special inspectors	45,040
"Fraud roll"	8,500
Total	119,940

NOTE.—Salaries, actual; expenses, estimated.

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No. 10.

OCTOBER 13, 1885.

Statement showing the number and compensation of assistant appraisers and examiners in the several divisions of the appraiser's department at the port of New York, the classes of goods examined in each division, and the invoice value of such merchandise, and amount of duties thereon, for the first six months of the fiscal year ending June 30, 1885.

FIRST DIVISION.—Merchandise, on which damage allowance is claimed; packed packages, except watches, jewelry, and precious stones; personal effects, sample packages, seized goods, living animals, building material, casks, shooks and hoops, chalk and plaster, coal, felt for roofing and sheathing, guano, gutta-percha, unmanufactured india-rubber, hides, hide cuttings, hoofs, horns, ice; ivory, unmanufactured; ivory-nuts, junk, laths, lumber, mother-of-pearl, oakum, paper-stock, rags, shells; skins, not furs; spars; spiling, veneering, wood, cabinet.

Value of invoices passed in six months..... $923,507
Duties thereon..... 194,826
Number of packages, 8,950.

Number and compensation of examiners employed.

One assistant appraiser, in charge, $3,000; two examiners, at $2,500; one examiner, $2,300; one examiner, $2,200; two examiners, at $2,000; three examiners, at $1,800; three examiners, at $1,600; one examiner, $1,400.
Free goods, $68,260,000.

SECOND DIVISION.—Albums, antiquities, artists' materials, bronzes, clocks, fancy goods of every description, fancy boxes, gold and silver ware, jewelry of all kinds, marble and spar, small and fancy manufactures of mosaics, musical instruments, opticals, optical and philosophical instruments, tiles, photographic apparatus, paintings, paper, precious stones, porcelain-ware, printed matter, sealing-wax, stationery, statuary, toys, Parian types, watches, watch materials, works of art, glassware, alabaster, glass and porcelain, small manufactures of crockery, drain-pipe, earthenware.

Value of invoices passed in six months..... $10,251,078
Duties thereon..... 2,922,031
Number of packages, 27,514.

Number and compensation of examiners employed.

One assistant appraiser, in charge, $3,000; two examiners, at $2,500; five examiners, at $1,800; one examiner, $1,400.

THIRD DIVISION.—Braids and bindings, buttons; silk and worsted button material, cut; embroideries, except of gold and silver; hatters' plush; laces and lace goods of every description, except lace curtains; mosquito and other nets; ladies' silk wearing-apparel; silk, raw, tram, and organzine, and all manufactures of silk, trimmings.

Value of invoices passed in six months..... $18,626,598
Duties thereon..... 8,640,554
Number of packages, 15,550.

Number and compensation of examiners employed.

One assistant appraiser, 3,000; two examiners, at $2,500; one examiner, $2,200; five examiners, at $1,800.

FOURTH DIVISION.—Bags, bagging, binding, curtain-holders; gutta-percha and india-rubber, manufactures of, except toys; ladies' linen

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and cotton wearing-apparel, lace curtains, linen and cotton tape; manufactures of cotton, flax, grass, hemp, jute, or of which either of these articles shall be a component of chief value, except carpets, carpeting, mats, matting, and oil-cloth; mosquito and other nets, rope and cordage, school-bags of hemp, grass, or jute; thread of linen or cotton, tidies, twine, webbing.

Value of invoices passed in six months..... $11,338,600
Duties thereon..... 4,145,417
Number of packages, 13,562.

Number and compensation of examiners employed.

One assistant appraiser, in charge, $3,000; one examiner, $2,500; two examiners, at $2,200; two examiners, at $2,000.

FIFTH DIVISION.—Baskets, bonnets, bunting, corsets, corset-laces; feathers, crude and ornamental; feather-beds, new; flowers, artificial or natural, dyed and dried; gloves, hair braids, hats, hosiery, hoods, knit goods, jerseys, stockinets; knit goods in piece, of whatever material, and all garments made thereof; millinery goods, parasols, regalias, straw-braids, umbrellas, willows, willow-ware, worsted dress-goods, German and English; woollen yarn.

Value of invoices passed in six months..... $11,688,444
Duties thereon..... 5,609,100
Number of packages, 13,622.

Number of examiners and their compensation.

One assistant appraiser, in charge, $3,000; one examiner, $2,500; one examiner, $2,200; one examiner, $2,000; one examiner, $1,800.

SIXTH DIVISION.—Bristles; canes, unmanufactured; carpets, carpeting; coir, esparto and sisal-grass fibre; flax, flocks; furs, and all manufactures of fur; hair of all kinds; hemp, istle, jute, mats, matting, oil-cloths, palm-leaf, rattan; shoddy-wool, and all materials which enter into or form a component part of textile fabrics, except cotton and silk; shawls, all except cotton and silk; upholstery goods of wool, worsted, or hair; whalebone; all kinds woollen cloth, and all manufactures of wool, worsted, or hair; worsted dress-goods, French.

Value of invoices passed in six months..... $18,733,200
Duties thereon..... 8,410,541
Number of packages, 15,774.

Number and compensation of examiners employed.

One assistant appraiser, in charge, $3,000; one examiner, $2,500; one examiner, $2,000; two examiners, at $1,800.

SEVENTH DIVISION.—Anatomical preparations, apothecaries' glassware, asphaltum, bituminous substances, brimstone, cardamom-seeds, chalk, chemicals, chemical apparatus, clay, corks, cork-tree bark, dextrine, drugs, dye-woods, dyestuffs, earths, extracts, gelatine, gums, gypsum, isinglass, leeches, lemon-peel, lime, medicines, mineral water, mustard-seed, paints, perfumery, plaster of paris, printing-ink, pumice-stone, quicksilver, resinous substances, saltpetre, soap for toilet, specimens of botany and natural history, sponge, spunk, squills, surgical instruments, sulphur ore, varnishes, vanilla-beans, vinegar; wax, bees' and vegetable; water-colors, moist and dry.

Value of invoices passed in six months..... $4,389,285
Duties thereon..... 1,328,518
Number of packages, 10,642.

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Number and compensation of examiners employed.

One assistant appraiser, in charge, $3,000; one examiner, $2,500; three examiners, at $1,800.

EIGHTH DIVISION.—Boots and shoes of leather, bricks, confectionery, glass, glucose, honey, leather, melado, molasses, sugar.

Value of invoices passed in six months..... $31,088,400
Duties thereon..... 18,270,821
Number of packages, 2,588.

Number and compensation of examiners.

One assistant appraiser, in charge, $3,000; two examiners, at $2,500; one examiner, $2,200; four examiners, at $1,800.

NINTH DIVISION.—Asbestos, blacking, bronze-powders, busks; buttons, except worsted and silk; carriages, coach hardware, cutlery, Dutch metal, emery, epaulets, gold and silver leaf, gold and silver galloons, gold-beaters' skins, hardware, hones, harness; iron, and manufactures of iron; jews-harps, machinery, metals, marble monuments of all kinds, mica, models, needles, ores, pen tips and holders, pins, saddlery, slate; stone, for building; burr, grind; steel, and manufactures of steel; flint, polishing and lithographic steel-pens, watch-makers' tools.

Value of invoices passed in six months..... $13,788,398
Duties thereon..... 4,554,132
Number of packages, 9,418.

Number and compensation of examiners.

One assistant appraiser, in charge, $3,000; one examiner, $2,000; two examiners, at $1,800; one examiner, $1,600.

Laboratory.—One examiner, $2,500; one examiner, 2,200; four examiners, at $1,800; three examiners, at $1,200.

TENTH DIVISION.—Ale, beverages, cigars, cigarettes, cocoa, coffee, cordials, fireworks, food, fruits, furniture, grain, grease; groceries, except molasses and sugar; gunpowder, hops, lemon and lime juice, malt; nuts, not drugs; oils, except essential, medicinal, and painters'; plants, porter, seeds; soap, not toilet; soap-stock, sapoline, spirituous liquors, snuff, tobacco, wafers, edible wines.

Value of invoices passed in six months..... $18,368,200
Duties thereon..... 8,143,871
Number of packages, 17,774.

Number and compensation of examiners.

One assistant appraiser, $3,000; five examiners, at $2,500; one examiner, $1,800.

RECAPITULATION.

Divisions.	Value.	Duties.	No. of packages.
First division	$923,507 00	$194,826 00	8,050
Second division	10,251,078 00	2,922,031 00	27,514
Third division	18,626,598 00	8,640,554 00	15,550
Fourth division	11,338,600 00	4,145,417 00	13,562
Fifth division	11,688,444 00	5,609,100 00	13,622
Sixth division	18,733,200 00	8,410,541 00	15,774
Seventh division	4,389,285 00	1,328,518 00	10,642
Eighth division	31,088,400 00	18,270,824 00	2,588
Ninth division	13,788,398 00	4,554,132 00	9,418
Tenth division	18,368,200 00	8,143,871 00	17,774
Total	139,195,710 00	62,219,811 00	135,394

Free goods, $68,260,000.

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THE BARGE OFFICE AT NEW YORK.

No. 1.

[Memorandum.]

Mr. John H. Starin writes as follows:

"I wish to assign my contract with the Government for the transportation of baggage to the Barge Office, which was made on August 16 1884, to 'Starin's City, River and Harbor Transportation Company.' As it now is, the contract appears in my name.

"I am anxious to make this assignment, but a clause in the contract reads: 'This contract shall not be assigned without the written authority of the Secretary of the Treasury, and any assignment without such authority shall cause a forfeiture of the same.'

"I assume that it is simply a formality, but at the same time, in the rush of business, the Secretary of the Treasury might not have time to give the necessary written consent unless it was pressed upon him."

No. 2.

FEBRUARY 25, 1885.

COLLECTOR OF CUSTOMS,
New York:

SIR: The Department is informed that Mr. John H. Starin, who holds the contract for transferring baggage to the Barge Office at your port, desires to transfer or assign his contract to the "Starin's City, River, and Harbor Transportation Company."

The contract contains a clause that it shall not be transferred or assigned without the consent of this Department. I see no objection to the transfer of the contract to the company referred to, it being understood that the work will continue to be done with the same class of boats as at present. The question of a new bond by the contractor intervenes, and it would seem as though a new bond should be exacted from the parties to whom the contract is to be assigned, leaving the old bond, of course, to stand as regards past liabilities. Please confer with Mr. Starin on the subject, and advise me if you see any objection. If you do not, you will consider this letter as an approval by this Department of the proposition. You will forward a notification of the action taken, and send a copy of the new bond to the Department.

Very respectfully,

H. McCULLOCH,
Secretary.

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No. 3.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, February 28, 1885.

SIR: I have to report that upon authority of your letter of the 25th ultimo, the contract for transferring baggage to the Barge Office has this day been transferred from Mr. John H. Starin to "Starin's City, River, and Harbor Transportation Company."

A copy of the new bond is herewith submitted as requested.

Very respectfully,

W. H. ROBERTSON,
Collector.

Hon. H. MCCULLOCH,
Secretary of the Treasury, Washington, D. C.

[Enclosure.]

Know all men by these presents, that we, John H. Starin, John Walsh, and Howard Carroll, the executive officers of Starin's City, River and Harbor Transportation Company, as principals, and John H. Starin, of Fultonville, Montgomery County, State of New York, Anning Smith, John Lenox, and William C. Egerton, as sureties, are held and firmly bound unto the United States of America in the penal sum of fifty thousand dollars ($50,000), for the payment of which well and truly to be made to the said United States, we bind ourselves, our and each of our heirs, executors, and administrators, jointly and severally, firmly by these presents, sealed with our seals and dated this 28th day of February, A. D. one thousand eight hundred and eighty-five.

The condition of this obligation is such that if the above bounden, Starin's City, River, and Harbor Transportation Company, shall well and truly perform, fulfill, and keep each and all of the covenants, conditions, and agreements specified and contained in a certain contract and agreement, bearing date the 16th day of August, A. D. 1884, and made between the said John H. Starin, of the one part, and William H. Robertson, as collector of customs at the por tof New York, acting for the United States, by direction and with the approval of the Secretary of the Treasury of said United States, of the other part, which said contract and agreement relates to the labor and service to be performed by the said John H. Starin in the transfer of passengers and their baggage from incoming steamers to the new Barge Office dock at said port of New York, commencing on the 27th day of August, A. D. 1884, and ending on the 27th day of August, 1887, then this obligation shall be void; otherwise to remain in full force and value.

JNO. H. STARIN.
ANNING SMITH.
JOHN LENOX.
WILLIAM C. EGERTON.
HOWARD CARROLL.

Signed, sealed, and delivered in the presence of—
HUGH SMITH.

STATE OF NEW YORK,
City of New York ss:

John H. Starin, of Fultonville, Montgomery County, N. Y., Anning Smith, John Lenox, William C. Egerton, and Howard Carroll, the sureties named in the within bond, being duly sworn, each for himself, and not one for the other, deposes and says, that he is a resident and freeholder within the State of New York, and is worth the sum of ($25,000) twenty-five thousand dollars, over and above his just debts and liabilities, in unincumbered property, situate within this State, which is not exempt from execution and forced sale.

JNO. H. STARIN.	[L. S.]
ANNING SMITH.	[L. S.]
JOHN LENOX.	[L. S.]
WILLIAM C. EGERTON.	[L. S.]
HOWARD CARROLL.	[L. S.]

Subscribed and sworn to before me this 28th day of February, 1885.
[L. S.]
HENRY L. JOYCE,
Commissioner of Deeds, New York.

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No. 4.

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
Washington, D. C., March 9, 1885.

SIR: I have the honor to return herewith, without my approval, the bond for the faithful performance of a contract for the transfer of baggage to the barge office, at the port of New York, originally executed by John H. Starin, on the 16th of August, 1884, and subsequently assigned by him to Starin's City, River and Harbor Transportation Company of New York. The objections to the bond are:

(1) The bond is not signed and executed by the principal.

(2) No evidence is furnished that John H. Starin, John Walsh, and Howard Carroll are the executive officers of the company, and as such were authorized to execute the bond.

(3) The name of Howard Carroll, who signs the bond as a surety, does not appear in the body of the instrument as one of the sureties.

(4) The sufficiency of the sureties is not certified; and

(5) It may be doubted whether the contract, for the faithful performance of which by the assignee the bond was executed, could be legally assigned under section 3737 of the Revised Statutes, which prohibits the assignment of public contracts. (See also 9 C. Cls. 155, 11 Id. 638, 5 Op. A. G. 502.)

It has been held, however, by the Attorney-General, that the statute in question was intended for the benefit of the United States by making such contracts void at the option of the Government. (16 Op. A. G. 277.)

No opinion is expressed by the Attorney-General as to the authority of the Secretary to accept the bond of the assignee for the performance of the contract. It is believed, however, that such instrument would be valid as a voluntary bond should the Secretary elect to recognize the assignment. In this event the bond of the original contractor would probably be vacated by the acceptance of the bond of the assignee.

Very respectfully,

J. H. ROBINSON,
Acting Solicitor of the Treasury.

The Hon. SECRETARY OF THE TREASURY.

No. 5.

[Memorandum.]

TREASURY DEPARMENT, *March* 11, 1885.

In re-assignment of contract J. H. Starin. To be reserved for the consideration of my successor.

By direction of the Secretary.

H. F. FRENCH,
Assistant Secretary.

No. 6.

TREASURY DEPARTMENT, *March* 14, 1885.

The first question in this case is whether the present Secretary consents to the proposed assignment of this contract. Second, if he does, does the law permit it.

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The other points suggested by the Solicitor are minor ones, which can be easily remedied.

H. B. JAMES,
Chief of Customs Division.

No. 7.

MARCH 20, 1885.

There being no apparent advantage to the Government in allowing assignment of this contract, and the legal power to do so being doubtful, as well as the effect upon bondsmen, I advise that the assignment be not allowed.

C. S. FAIRCHILD,
Assistant Secretary.

No. 8.

MARCH 21, 1885.

The opinion of Assistant Secretary Fairchild is approved. The Department declines to approve the assignment of the contract.

D. MANNING,
Secretary.

No. 9.

MARCH 23RD, 1885.

COLLECTOR OF CUSTOMS,
New York:

SIR: Referring to your letter of the 28th ultimo, inclosing a bond, submitted in connection with the transfer of the contract for taking baggage to the Barge Office, from Mr. John H. Starin to the "Starin's City, River, and Harbor Transportation Company," I have to state that the bond in question was referred to the Solicitor of the Treasury, who points out several defects in it, and adds that it may be doubted whether the contract could, in view of section 3737 of the Revised Statutes, be legally assigned.

There being no apparent advantage to the Government in allowing assignment of this contract, and the legal power to do so being doubtful, I decline to approve the assignment of the contract.

Very respectfully,

D. MANNING,
Secretary.

No. 10.

MARCH 16, 1885.

COLLECTOR OF CUSTOMS,
New York, N. Y.:

SIR: The representations and complaints growing out of the treatment of passengers and their baggage arriving by water at the port of New York require the immediate attention of this Department. In order that I may be fully and officially informed of all the facts and circumstances, you are directed, in association with the naval officer and surveyor of the port, to make immediate inquiry into the alleged evils

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of the existing system in the management of the barge office, and into the remedies of those evils if they shall be found to exist, and make report to me in writing.

Very respectfully,

D. MANNING,
Secretary.

No. 11.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, March 26, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of the 16th instant relative to complaints growing out of the treatment of passengers and their baggage at the barge office at this port. As therein suggested, I immediately conferred with the naval officer and the surveyor in the matter, and they urged that we should sit as a commission and invite persons to come before us and give testimony as to their experience.

It appears to me, however, that the present plan of affording passengers an opportunity of employing one express company to transfer their baggage is capable of decided improvement, and that, too, in a way that no room will be left for complaint; and acting upon that conviction, I submitted to the surveyor, on the 20th instant, certain suggestions to that end, and asked him to report his views thereon. He informs me to-day that his report is in course of preparation, and will be presented as soon as it is completed.

I took this course, believing that an extended inquiry would develop only what is already manifest; but if it be your pleasure that persons shall be invited to appear and give testimony, I shall promptly comply with your instructions.

The taking of testimony would naturally be tedious, and the parties interested in the present system would perhaps not be averse to having the investigation prolonged for their benefit.

Very respectfully,

W. H. ROBERTSON,
Collector.

Hon. D. MANNING,
Secretary of the Treasury.

No. 12.

CUSTOM-HOUSE, NEW YORK,
Surveyor's Office, March 28, 1885.

SIR: Your letter, dated March 20, 1885, transmitting a letter from the honorable Secretary of the Treasury, dated the 16th instant, "relative to the treatment of passengers and their baggage when landed at the Barge Office," and inclosing a memorandum of the deputy collector assigned to duty at the Barge Office, "in which he suggests certain changes to secure to the passengers an option in the employment of express companies for the removal of baggage" and for exchanging money, and requesting my views thereon, and also requesting me to make thorough investigation and report whether the transfer of the pssaengers

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from steamers to the Barge Office has been satisfactorily performed, has received my consideration.

I have to state that on the arrival of every steamship bringing passengers an order is issued by the collector and naval officer directing the surveyor or an inspector of customs to examine the baggage of the passengers, and, if dutiable articles are found therein, to report the same to the collector.

For 30 years past successive surveyors have represented to the collectors and the Department the difficulties encountered in performing their duties on the steamship wharves, and have strenuously urged that a place controlled by the Government should be provided for that purpose.

In the years 1866–1870 Congress made appropriations amounting to $220,000 for a barge office in New York. The sums appropriated were expended in the purchase of lands and the construction of retaining walls, &c. By the act approved June 15, 1878, Congress appropriated $220,000 for the purchase of an additional piece of ground for the extension of the sea-walls and for the erection of a barge office with suitable sheds, in which to examine the baggage of passengers. The sum being insufficient, other appropriations, amounting to $120,000, were subsequently made for the same purpose.

The Barge Office building, although unfinished and unfurnished, was occupied for customs purposes on the 1st day of January, 1883.

In January, 1884, inquiries were made by the Department relative to the condition of the Barge Office annex. The information was given, and in a letter to the collector, dated March 12, 1884, the Department informed him that "when ready, it is proposed to occupy it for the examination of baggage." The successive steps that were taken by the customs officials in conference with the steamship agents and the health officer of the port relative to the transfer of the passengers from vessels to the Barge Office were reported to the Department on or about the 13th May, 1884. After advertisement for proposals for the transfer service, a contract was made with Mr. John H. Starin, which went into effect on the 27th day of August, 1884.

The steamship wharves are leased from the city and are under control of the agents of steamship companies. They admitted upon the wharf when a steamship arrived whom and as many persons as they pleased, without regard to the convenience of the customs officers or the protection of the revenue; and as the wharves are invariably incumbered with merchandise and by vehicles receiving and delivering merchandise, the space in which baggage was examined was restricted to a narrow passage way lengthwise the wharf or to vacant spaces between piles of merchandise. Although the principal steamship companies have within the few years past provided themselves with more capacious wharves for the transaction of their business, it has not, because of the greater number of passengers coming in larger steamships, afforded any more room for the examination of baggage.

As soon as it was known that it was intended to concentrate the examination of baggage at the Barge Office, a vigorous opposition by persons who were pecuniarily interested in continuing the landing of passengers' baggage at the wharves was developed. These included the employés of the steamship companies, and the persons having the monopoly of, or an interest in, the conveying of passengers and their baggage from the wharves, and also the proprietors of lodging and drinking houses in the neighborhood.

This opposition in New Jersey was sufficient to have the passengers

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of steamships whose landing place is in Jersey City and Hoboken exempted from transfer to the Barge Office.

On the arrival of every steamer with passengers at the Jersey wharves a force of customs inspectors, appraisers, and clerks are necessarily sent to perform duties relative to the examination of baggage. The German steamship agents afford all the facilities within their power to aid the customs business and to prevent the intrusion of unauthorized persons on the spaces required for examining baggage.

It was, perhaps, unfortunate that the examination of baggage at the Barge Office was begun in the season of the year when the greatest number of passengers with the largest amount of baggage comes to this port because it gave an opportunity for those who were opposed to the change to exaggerate the alleged defects in an untried system; and the few instances soon after the beginning of the Barge-Office examination, when the incoming of several large steamers on the same day, and nearly at the same time, caused some necessary delay, and consequently complaint by impatient passengers and their friends, are still quoted as a ground for abolishing the system.

In striking contrast to the unclean and crowded steamship wharves, the Barge-Office annex has a floor area of nearly 20,000 square feet; the floor is laid and caulked like a ship's deck, and is unencumbered except by the small customs office for the use of the deputy collector and his clerks, and by an inclosure containing urinals, &c., for the accommodation of male passengers. As much space as can be afforded is railed off, so that persons can step from the large waiting-room in the building to the floor to meet their friends.

The annex is tolerably well warmed in cold weather by steam, is well lighted by gas. The fixtures are so arranged that baggage can be, as it often is, examined after sunset. The Government roadway in front of the premises is lighted by three electric lights, and an adequate police force, in charge of a superior officer, was provided by the police commissioners in August last, for the protection of persons and property while on the Government premises.

Your letter directs me to make an investigation and report as to the transfer of passengers. In regard thereto I have to state: By the terms of the contract, the transfer service is to be performed by and with "suitable barges, steamboats, or other vessels, according to the condition of the weather, and subject to the approval of the collector of the port." The vessels employed by the contractor are three side-wheel steamboats, two of which are each above 400 gross tons burden, and the third above 500 tons. Each steamboat is provided with the official certificates required by the "steamboat act." During the winter season the cabins and saloons are kept warm by stoves and steam heat, and each boat has a stewardess for the care of the "ladies' cabin." These steamboats were formerly employed summer and winter in making regular hourly trips between the city and the north shore of Staten Island. They are well equipped passenger boats, and each of them is fitted up for the accommodation of a much larger number of passengers than is brought by any steamship. When an incoming steamship has anchored in Quarantine, one of the transfer steamboats—which are held in readiness at the Quarantine dock—is put alongside of and secured to the steamship and the transfer of baggage is begun as soon as the officers of the steamship are ready to deliver it. The time required to make the transfer of baggage at Quarantine depends upon the quantity of baggage, the preliminary measures taken to facilitate its delivery by getting it out of the hold, and the alacrity with which the work is

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done by the steamship employés. Before, or as soon as the baggage is delivered to the transfer boat, the passengers go from the steamship to the transfer steamboat, over a short railed gangway, securely fastened to both vessels, and from the upper deck the passengers descend to the saloons of the transfer boat by stairways. The time occupied in running to the Barge Office dock (about five miles) is about twenty-five minutes. As soon as the transfer boat is made fast alongside of the Barge Office bulkhead, the baggage—which is carried on the forward part of the main deck of the transfer boat—is taken into the Barge Office on hand trucks; and in this work both the deck hands of the transfer boat and the Barge Office laborers are employed, and it is rapidly done.

Since the beginning of the transfer service to the present date there has been no damage done to the person or property of any passenger, except two slight injuries to frail baggage. Compensation for the damage was, in each case, promptly made by the contractor. Nor has the severity of the weather hindered or prevented the transfer boats from pefforming their daily service in the usual time.

In my opinion the service has been well performed, and I can suggest no practical improvement therein.

In regard to the removal of baggage after it has been examined, I have to state that the New York City Transfer Company, represented by Messrs. Biglin & McCord, have been allowed the exclusive privilege, within the building, of booking baggage for delivery. This privilege was accorded by me as custodian of the building, at the suggestion of the late Secretary, Judge Folger, when he visited the Barge Office with me in July, 1884. It is a privilege which can be revoked at any time

The memorandum of the deputy collector is to the effect that the privilege so accorded is an objectionable monopoly, and that other express companies should be allowed in the building to solicit patronage. I believe that a similar "monopoly" exists on every railroad, and did exist on every steamship wharf in this city; that is to say: instead of admitting upon the premises all baggage carriers to solicit custom, one person or company is selected and granted the privilege.

If a passenger prefers to employ any other express company or baggage-carrier—and they can always be found standing in the roadway in front of the Barge Office—there is no restraint or objection to his doing so, and on request his baggage will be removed to the street by the Government laborers. I am informed that the maximum rates for carrying baggage by expressmen are regulated by city ordinances; but usually the price is made a matter of agreement between the passenger and the baggage-carrier. The first-class passengers of steamships are usually persons of intelligence, and they are fully informed on shipboard in relation to all the business processes of the Barge Office.

Each of the "trunk-line" railroads leading out of this city is now, and has been since August last, represented on the Barge-Office floor by an authorized agent, designated by the name of the railroad on his cap, to afford to passengers information in regard to the railroad he represents.

My opinion and the opinion of the customs officials at the Barge Office with whom I have consulted on this matter is, that it is not desirable to have in the Barge Office annex any greater number of persons for soliciting passengers or booking baggage than is necessary for the reasonable convenience of the passengers and the prompt removal of baggage.

I have stated the facts as they appear upon the official records, or as can be substantiated. I am in favor, and so expressed myself at our

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first conference with the naval officer, of a public and comprehensive inquiry relative to the Barge Office business, and of any and all complaints alleged to have been made in regard thereto. Any further action deemed by my official superiors necessary to be taken by me in regard to the matters mentioned in the Department letter dated March 16 will receive my immediate attention.

I return the papers referred to me.

Very respectfully, your obedient servant,

JAMES L. BENEDICT,
Surveyor.

Hon. WM. H. ROBERTSON,
Collector.

[Memorandum.]

CUSTOM-HOUSE, NEW YORK,
Collector's Office, March 18, 1885.

The question, whether the landing of passengers and baggage at the Barge Office is an improvement over the old system of landing at the different docks, must be answered by all candid observers in the affirmative.

It is true, fault is found, and criticisms passed upon the Government, for this expensive though successful outlay of money, in order, not only to facilitate the landing of passengers, but provide the most decent and convenient, as well also the most imposing in all its appointment and surroundings of any landing place to be found in any nation on earth.

Without discussing the underlying motives of the attacks on the "Barge Office" (which are pretty well understood, and may be, nearly all traced to one source), it is suggested that the problem of satisfying the demands of the public in reference to the handling of baggage may be solved by admitting to the "Barge Office" the agents of the prominent baggage expresses now in existence, viz: The New York Transfer Company (late Dodd's), Westcots, Biglin & Co., and possibly one or two others. Let these agents be assigned a place (by lot) near the exit, each have a sign over their station displaying their designation, and tariff of prices for the delivery of baggage to different points. The natural competion between these expresses will be a safeguard against extortion or overcharge. None of these agents to be allowed to circulate amongst passengers to solicit business; but, when a passenger engages any one of the companies, let the agent go and check his baggage, and immediately return to his post. This plan will prevent confusion.

Exclusive privilege to handle baggage should not be granted to any one company or express, whether that privilege is attained by public bidding or otherwise. What the public demands is open competition and a free choice; it will be satisfied with nothing less. Without discussing the merits of the case, it is undeniable that the present system of handling baggage is variously denounced as a "monopoly," a "favoritism," "un-American," and "undemocratic."

Careful observation and inquiry have demonstrated that the three great bonded express companies,* viz, Wells-Fargo, the American, and the National (each under a half million dollar bond) should be allowed to have an agent in attendance on the arrival of steamers to receive all dutiable baggage in transit through the United States. It often happens that families, whose homes are in the interior, arrive

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with ten, twenty, or thirty trunks. They wish to remain in the city a day or more. They can turn over their extra baggage to these express companies, which would relieve them of a great burden and expense. At present it costs much more to get their baggage from the Barge Office to their hotel and thence again to the depot, and then, in addition, the extra railroad charge for all over 150 pounds, than it does to send it direct from the Barge Office by express. Again, these agents would be of infinite advantage to straugers as a general information bureau. Their lines running to all sections of the country, they are necessarily well-informed men. These express companies have a national reputation and are quasi-bankers; therefore they could be, with perfect safety authorized to exchange foreign money for passengers without the least exposing the administration to unfriendly criticism, admitting these bonded express companies would be of the greatest benefit in many ways to passengers, and be correspondingly popular with the public as a move in the right direction.

Respectfully submitted.

N. G. WILLIAMS,
Deputy Collector.

No. 14.

PORT OF NEW YORK, NAVAL OFFICE, *March* 31, 1885.

HON. D. MANNING,
Secretary of the Treasury, Washington, D. C.:

SIR: I have the honor to report that, in accordance with the collector's request, dated March 16, 1885, I appeared at his office on Friday, the 20th instant, and there met the surveyor and himself. The collector inquired if I had read your order to him respecting proceedings at the Barge Office, and was informed that I had. A discussion followed relative to the proper method of conducting the investigation demanded by your order. Both the surveyor and myself favored an open examination; but while the former desired the presence of representatives from any newspaper office, I advised that only agents of the Associated Press should be admitted.

On the following day we met again, and I urged a thorough and public inquiry into the whole subject alluded to in your order. At this meeting the collector read a communication addressed to him by Deputy Collector Williams, making certain statements in regard to the conduct of business at the Barge Office. After I had commented upon this communication the collector turned it over to the surveyor with a request that he would reply to it if he saw fit.

Nothing further has been done by me in pursuance of the inquiry desired by you until to-day, when, having met the collector in accordance with his request, I was surprised to learn that he had received an elaborate report from the surveyor, which he desired me to read. As no joint proceedings had taken place in accordance with the terms of your order, I did not consider it incumbent upon me to read the report of the surveyor to the collector.

The collector then read to me a letter which he proposed sending to you; but as this letter only embodied his personal opinions, without reference to data or authorities, I declined to unite in it, and stated to him that I would make an individual report to you.

The subject of the investigation proposed by you has been freely dis-

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cussed by people in clubs, hotels, and other public places, and has likewise filled many columns of the public press. Whether justly or not, many of our worthiest people believe that the methods of landing passengers and treating their baggage is attended with delay and danger, and is open to gross extortions. While I believe that most of these charges are untrue, I cannot attach my signature to an official report which does not indicate the evidence upon which it is based. It does not appear to me that any action has taken place in pursuance of the inquiry desired by you, but I will submit to the Department some conclusions based upon five years' experience as surveyor of the port, and upon a general knowledge of the facts.

In my judgment there are ample accommodations at the Barge Office except on those extraordinary occasions when many large steamers with heavy passenger lists arrive simultaneously.

This occasional difficulty might be avoided if the surveyor were empowered to permit, in case of absolute necessity, the landing of passengers and their effects at the steamer's wharf. The force of inspectors is large enough to permit the assignment of a sufficient number to discharge this special duty when required.

In regard to the transportation of passengers from steamer to wharf, my impression is that the work is carefully performed and that the vessels employed are well adapted to the purpose, and that the facilities furnished are superior to those enjoyed in any foreign country.

I would, however, advise that the contract for distributing baggage should be given to one party, under heavy bonds and subject to the restrictions of public carriers, to be selected by you, or perhaps given through advertisement to the lowest bidder. Such a contract should specify the charges authorized to be made. The Barge Office does not afford room for more than one company to transact this business.

I can make no report upon the personal behavior of officers at the Barge Office, nor upon the subject of extortions practiced by them, because the collector has called for no investigation on these points. It is certain that the pretext for extortion is much diminished since the wide liberty afforded by Judge Blatchford's late decision, and I suspect that more is given in the shape of gratuities than as enforced fees. The proceedings are easily overlooked from the galleries of the Barge Office and improprieties can readily be detected.

As the hour is late, and I desire this letter to reach you to-morrow, I am not able to pursue the subject at greater length.

Very respectfully,

CHARLES K. GRAHAM,
Naval Officer.

MARCH 27, 1885.

Hon. WM. H. ROBERTSON,
Collector of Customs, New York City, N. Y.:

SIR: I am in receipt of your letter of the 26th instant relative to the investigation which you are making into the conduct of affairs of the Barge Office, and stating that you have submitted to the surveyor, with directions to give you his views thereon, certain suggestions relative to an improvement in the present conduct of the baggage express business. You also state that you believe that "an extended inquiry would develop only what is already manifest;" but that if it be the pleasure of the Department that persons shall be invited to appear and give testimony, you will promptly comply with such instructions, although, in

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your opinion, "the taking of testimony would naturally be tedious, and the parties interested in the present system would, perhaps, not be averse to having the investigation prolonged for their benefit."

In reply to these remarks, I beg to say that having placed the conduct of this investigation entirely in your hands, and recognizing you as being responsible for the proper conduct of the customs service at your port, I do not at this time care to offer further suggestions. It is but proper to say, however, that in my opinion the course you have so far pursued is best calculated to attain the end desired.

Very respectfully,

DANIEL MANNING,
Secretary.

No. 16.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, March 31, 1885.

SIR: Referring to your letter of the 27th instant (just received), further relative to the treatment of passengers and their baggage when landed at the Barge Office in this city, I now transmit herewith a report in the matter from the surveyor of the port, dated the 28th instant (received on the 30th).

I submit that the use of the Barge Office as a place for the examination of the baggage of passengers arriving from abroad is in compliance with the statute. (See act of June 15, 1878, vol. 20, Statutes at Large, page 133.)

I have in person visited the Barge-Office annex, and that it affords accommodations and conveniences for the orderly and decent examination of baggage and for the personal comfort of passengers far superior to those given by steamship companies, when baggage was examined on their wharves, cannot, I am satisfied, truthfully be denied. Moreover, a system and watchfulness can there be maintained for the protection of the revenue and for the prevention of tampering with officers, while the examination on the wharves was fruitful of complaints not creditable to the Government.

The giving to one express company "the exclusive privilege within the building of booking baggage for delivery" was without consultation with me, and, therefore, without my approval. The public inquiry suggested by the naval officer and the surveyor is not, to my mind, necessary to establish that such privilege is, as the people term it, "a monopoly." That it is "a monopoly" is quite manifest in itself.

As stated in my letter to the surveyor of the 20th instant, arrangements should, in my judgment, be made which will give the passenger an "option" in the employment of an express for the transfer of baggage; and to this end I propose that three representative and responsible local express companies, each, have a closed-in space near the exit just large enough for one man and a desk, at which shall be displayed the name of the company and its tariff of prices, the agents of the express companies not to be allowed on the examining floor, but the baggage to be checked when, in its passage out, it reaches the stand of the employed company.

I also propose that the representatives of express companies, bonded as common carriers, shall have stands inside the building, so that they may take charge of the baggage of passengers in transit to foreign ter-

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ritories; and that to such companies shall be given the privilege of opening money exchanges for the accommodation of arriving passengers, and thus remove all necessity for appeals by passengers to customs employés for the exchange of money.

If to satisfy yourself of the feasibility of these suggestions you shall call upon the special agents, now sitting in this city as a commission to investigate and report, I am satisfied that you will have from them an intelligent and unbiased expression of opinion.

Another plan, if those suggested do not meet with favor, is to publicly invite proposals and give the privilege to the express company which shall make the lowest offer for the transfer of baggage.

The transfer of baggage from the Quarantine to the Barge Office is by contract with the Government; and the surveyor reports that that service is satisfactorily performed. It has occurred to me that a change in that particular might be secured through Congress by an enactment that steamships shall land their passengers at the Barge Office.

I also transmit herewith a memorandum on the subject from my deputy who is assigned to duty at the Barge Office.

I have afforded the naval officer a perusal of this letter and its inclosures. He informs me that he proposes to address you on the subject.

I return herewith the communication from Mr. J. C. Carbonell, which was referred to me by your indorsement thereon under date of the 27th instant.

I am, with high respect, your obedient servant,

W. H. ROBERTSON,
Collector.

Hon. D. MANNING,
Secretary of the Treasury.

[Enclosure.]

NEW YORK, *March* 23, 1885.

The Honorable SECRETARY OF THE TREASURY,
Washington, D. C.:

DEAR SIR: The many complaints about the exorbitant price charged for carrying baggage from the Barge Office to the residence of persons arriving into this city authorizes me to trouble you in making the following offer, viz: I will take the baggage of passengers arriving daily at the Barge Office to any place in the city south of 59th street for 25 cents per package not over 100 pounds.

I have ten large wagons and six single ones, with sufficient hands to attend, and will begin at any time convenient to the custom-house service.

Whereas the people coming is composed in its greater part of English, French, Spanish, and Italian and German, and I possess those languages, I consider myself not only useful, but convenient.

An early answer will be thankfully received by,

Yours, truly,

J. C. CARBONELL,
357 *W. 44th Street.*

[Endorsement.]

TREASURY DEPARTMENT, *March* 27, 1885.

Respectfully referred to the collector of customs at New York for examination in connection with the pending investigation of the Barge Office and the transfer of baggage.

Return of this paper is requested.

D. MANNING,
Secretary.

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No. 17.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 4, 1885.

SIR: Referring to my letter of the 31st ultimo relative to the treatment of the baggage at the Barge Office in this city, I transmit herewith for your further information a printed copy of a communication on the subject addressed by Mr. John H. Starin, under date of November 25, 1884, to the special committee on reform of the Chamber of Commerce.

Very respectfully,

W. H. ROBERTSON,
Collector.

Hon. D. MANNING,
Secretary of the Treasury.

[Enclosure.]

STARIN'S CITY, RIVER AND HARBOR TRANSPORTATION COMPANY,
PRINCIPAL OFFICES, PIER 18, N. R.,
New York, November 25, 1884.

Messrs. JACKSON S. SCHULTZ, DANIEL C. ROBBINS, JOHN R. WATERS,
Special Committee on Revenue Reform:

GENTLEMEN: Under date of 10th of the present month, I received from the special committee on revenue reform of the Chamber of Commerce a communication, asking me to give my views upon the present method of landing passengers and their baggage from ocean steamers arriving at this port.

I take pleasure in complying with this request, not only from the standpoint of the Government contractor responsible for one part of the system, but as a member of the Chamber of Commerce of many years' standing, and as a business man whose interest in the harbor of New York and the commerce of the port is perhaps quite as large as that of any other individual.

In the outset, it may not be amiss to draw the attention of the committee to the fact that for many years prior to the establishment of the existing system there was loud and continued complaint in regard to the old method of landing passengers and their baggage on the piers of the various steamship companies. It was claimed—and, as there can be no doubt, justly claimed—that the docks in question were in every respect unfitted for the reception of first-class passengers and the examination of their baggage. The piers referred to were then, as they are now, at all times lumbered with freight, cotton, bacon, rags, oil, pig-iron, indeed coarse merchandise of every description. They were also crowded with teams, thronged with 'longshoremen, were damp and dirty at all seasons of the year, and during the fall, winter, and early spring, cold, dark, and positively unhealthy.

Upon these piers, situated at various points more or less inaccessible to the residence and business centers of the city, passengers were obliged to land, and frequently to remain for hours broiling in the summer sun, freezing in the cold of winter, while an inadequate number of inspectors (inadequate, because the force was widely scattered) examined their baggage.

During such examination it is matter of record that valuable dresses and other belongings of passengers were from time to time soiled and seriously damaged by falling out of opened trunks upon the frequently wet and always damp and dirty docks. In addition to these crying objections, there were others which, from the Government standpoint, were regarded as even more serious. You are doubtless as familiar with the objections to which I refer as I am. To them it is not my province to refer in detail. Their discussion must be left to the well-informed officers of the customs who are thoroughly familiar with the subject.

To do away with these and various other complaints, Congress, in 1879, passed a bill which, if I am not mistaken, was warmly supported by the Chamber of Commerce, and which provided for the erection of the new Barge Office at the Battery, and directed that the baggage of cabin passengers on incoming ocean steamers should be transferred from Quarantine to that Government office and there examined.

Under the provisions of this bill the Treasury Department during the last spring advertised for bids from those in a position to do the work of transferring baggage, and incidently of such passengers as desired to accompany their baggage to the barge office. My superintendent of steamboats, during my absence from the city, bid among others. His bid being the lowest the contract was given to me.

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In regard to the terms of the agreement thus made, I find that many people hold the most laughable, and not a few people the most idiotic, notions. I have seen it stated, for instance, that Mr. Starin was to receive $1.65 for every man, woman, and child who entered the port of New York, and that his profits would be not less than a half million dollars a year.

The fact is, that I am not paid one penny for transporting the cabin passengers, with whom alone I have to do. Of such passengers it is estimated that 50,000 will arrive at the Barge Office during this year—this is a liberal estimate—and as the average number of pieces of baggage brought by each passenger is two and one-half, for each piece of which (excluding hand-baggage carried by passengers or their servants) the Government is under contract to pay 67 cents, it will readily be seen that the gross sum—I repeat, the total sum which I am likely to receive—cannot greatly exceed $80,000, and it may be very much less.

I may say in passing that I am informed the Government will, by the concentration of inspectors and the increase in duties collected under the new system, save a sum much in excess of this. As to my so-called "immense profits," let me draw your attention to the fact that under the terms of my contract it was originally contemplated that the work of transfer should be done with barges and tugs. But this was found impracticable, and I have been compelled to place at the service of the Government three and sometimes four boats, and now have in that service three large, strong, and seaworthy steamers, the "Laura M. Starin," the "Thomas Hunt," and the "Pomona," which, because of their great extent of deck room forward, have been selected from my fleet as being particularly well adapted for the work of transfer.

They are each capable of carrying, under Government inspection, from 800 to 1,000 persons, and they represent a capital of $120,000 actually invested—invested, it may be well to add, in steamboat property, which depreciates, as is well known to all those familiar with the subject, at the rate of not less than 20 per cent. per year.

The exigencies of the transfer service are such that my superintendents have found it necessary to keep these boats "fired up" and ready at a moment's notice to meet incoming steamers—it being specially stipulated in my contract that between sunrise and sunset my boats shall meet without delay all foreign passenger steamers arriving at Quarantine. The result, from a money stand-point, is such that I am by no means sure that my much-talked-of Government contract will yield me even a small profit.

There seems to be a general impression that about every steamer which is met by the contractor's boats is loaded down with baggage. The exact opposite is the case. The great majority of arriving ships—which must be served, let it be noted, with as much care and dispatch as the "crack" Atlantic racers—bring less than fifty pieces of baggage each.

Following is a list of several which brought less than twenty-two pieces each—not enough to pay for the wood used in keeping up the fires of the steamboats which met them.

Date of arrival.	Name of steamer.	No. pieces of baggage.	Date of arrival.	Name of steamer.	No. pieces of baggage.
Aug. 30	State of Alabama	21	Nov. 11	Pascal	7
Sept. 6	Alexandria	17	12	Katie	16
9	Ramon De Herea	21	14	Principie	21
Oct. 13	State of Alabama	15	14	State of Nevada	18
21	Niagara	21	16	Finance	11
25	State of Pennsylvania	16	19	Bristol	7
28	Neustorea	6	20	Bermuda	6
28	Teutonia	9	20	Sidonia	9
31	Biela	8	22	Nebraska	20
Nov. 3	Muriel	16	23	Scandinavian	3
6	Athos	4	21	Glenfyne	6

To this table may be added the statement that on fifteen days during the past two months there were no arrivals of passenger steamers. Yet my boats were obliged to be fully manned and "fired" upon those days as upon others, ready for business which did not come.

When these figures are taken into account; when the great risk of navigation is considered; when it is remembered that I am responsible for all baggage which is received on my boats; that I am liable for all duties which may be lost to the Government on stray baggage—fortunately not one piece has yet been lost—that I am under a penal bond of $50,000 to carry out my agreement to the letter, it will be seen that my contract is not quite the "bonanza" which people with vivid imaginations, who know nothing about the matter, seem to believe. So much for that part of the subject.

Looking at the Barge Office system from the standpoint of a citizen of New York,

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largely interested in harbor transportation, I am most emphatic in my belief that it is a very great improvement upon the old system.

It is not yet by any means perfect—it needs several additions to make it perfect—but nevertheless it is a great success so far as it has gone. Passengers are now transferred, not to wet, dirty, and cold docks, situated in out-of-the-way places, but to a central point, the terminus of all the elevated railroads, at the foot of the city's great artery of travel, to a clean, well-lighted, well-aired, and in winter well-heated waiting-room, which is especially adapted for the purpose, and which has, with three exceptions, been found more than large enough for the business to be done. The exceptions were occasioned by an unprecedented rush of passengers at the very height of the season, and it is a question in my mind whether the confusion which resulted would have been less had these passengers been conveyed to the steamship piers. Take the case of the City of Rome, for instance. That mammoth steamer arrived here on August 31, with 626 passengers.

It was claimed that the Barge Office was not large enough to accommodate this number, yet pier 41, North River, one-half of which the agents of the steamer City of Rome rent from me, and to which the ship under the old system would have taken her passengers—there to mix them with trucks, railroad freight, cotton bales, and 350 longshoremen—is not in its entirety nearly so large as the Barge Office.

Still another advantage of the new system must be borne in mind.

Under the old arrangement it was not possible to examine the baggage of ships after sunset. Such vessels were compelled to lie in the stream with their passengers until morning. Every one who has returned frequently from Europe can recall more than one such experience. Now the passengers and baggage of every ship which passes the health officer are on the same evening transferred to the Barge Office.

The following may serve as examples: On August 31 the City of Rome arrived at Quarantine 4.30 p. m., could not possibly have been made fast to her dock before 6.30 p. m. (sunset 6.34 p. m.), and custom-house officers would have refused to examine baggage. Under new system passengers were allowed to land and leave with their baggage on the same evening.

September 19, the Queen, with 102 passengers, arrived at quarantine 5 p. m., could not have been docked until 6.30 p. m. (sunset, 6.03 p. m.), and passengers would have been obliged to stay on board all night. Under new system they were all passed the same evening.

September 20 the Germanic, with 195 passengers, arrived at Quarantine 5.30 p. m., could not have been docked until 7 p. m. (sunset 6.01 p. m.), passengers would have been obliged to remain on board all night. Under new system they were allowed to land and leave for their homes same evening.

October 12 the Arizona, with 206 passengers, arrived at Quarantine 4.30 p. m., could not have been docked until 6.30 p. m. (sunset 5.25 p. m.), and passengers would have been obliged to remain on board all night. Under new system they were passed with their baggage same evening.

October 26 the Orinoco, with eighteen passengers, arrived at quarantine 4.50 p. m., could not have been docked until 6.30 p. m. (sunset 5.04 p. m.), passengers would have been obliged to remain on board all night. Under the new system they were all, with their baggage, out of the Barge Office at ten minutes past 6 o'clock.

November 16 the Alaska, with 126 passengers, arrived at Quarantine 4.30 p. m., could not have reached her dock until after 6 p. m. (sunset 4.41 p. m.), and passengers would have been obliged to remain on board all night. Under the new system all the passengers, with their hand baggage, were passed at 5.50 p. m. In addition to these cases, if space permitted, many others of the same character might be cited.

I may also draw your attention to the fact that first-class passengers coming from infected ports, as from Paris, for instance, need not now remain on the quarantined ship until sent for by the steamship companies' tugs, as was formerly the case, but can come to the city on the transfer boats as soon as passed by the doctor. Still further is to be noted that there is now no delay to passengers caused by waiting for the unweildy Atlantic steamers to get to dock. It frequently happens that from one to three hours are consumed in this task, and I have known it to take five hours. Indeed, I have in my mind the case of one famous ship of a great line which arrived about five weeks ago, and whose passengers were landed in the Barge Office in two hours and fifty-five minutes after they arrived at Quarantine. Despite this expeditiou, it was complained by some that they were delayed by the new system. As a matter of fact, the ship upon which they came, because of a strong flood-tide, did not succeed in getting to her dock until two hours and forty minutes after all her passengers had left the Barge Office with their baggage. Had they remained on the steamer their baggage would not have passed until next day. A number of such instances could be cited. Indeed, I am assured that under the new system there is in every case a gain in the time of landing and examining baggage of from one to four hours.

I am also informed that there is a very great advantage to the steamship companies

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in being able to get to work unloading the moment the ship is docked. Mr. Louis De Bebian, of the *Compagnie Générale Transatlantique*, has informed me that the saving to his line in this direction amounts to thousands of dollars a year. I am informed that Mr. R. J. Cortis, of the White Star Line, and other steamship agents, are warm advocates of the new system. I also know from my own department of lighterage of foreign freight, which delivers on an average upwards of 1,000 tons a day to steamers destined for foreign ports, and which receives from them on their return about 1,200 tons a day, that because of the fact that the steamship docks are no longer hampered with incoming passengers, there is much greater expedition in the receipt and delivery of shipments.

These are, in my opinion, some of the advantages of the Barge-Office system. As I have said, I think it is a success. Still there can be no doubt that it may be improved. To this end I would suggest that the examination-room be enlarged in the manner which has already, as I understand, been recommended to the Department at Washington by the surveyor of the port, and especially that greater facilities be offered incoming passengers to meet their waiting friends.

So improved, I believe that the new system of landing passengers and their baggage would be as perfect, as free from annoyance, as any system can be.

I have the honor to be, &c., very respectfully, yours,

JOHN H. STARIN.

No. 18.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., April 14, 1885.

COLLECTOR OF CUSTOMS,
New York, N. Y.:

SIR: I have to request that you will have prepared and forwarded to this Department a statement showing—

First. The comparative cost of inspecting passengers' baggage at your port before and since the establishment of the Barge Office, taking as a basis of comparison the period since its establishment and the average of four corresponding periods in the four years previous to its establishment.

Second. A comparison of the number of inspectors employed during the same periods.

Third. If possible, a comparison of the number of passengers landed during the same period.

Fourth. A comparison of the amount of duties collected on baggage under the old and new systems; and,

Fifth. Date of opening of Barge Office.

Very respectfully,

C. S. FAIRCHILD,
Acting Secretary.

No. 19.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 24, 1885.

SIR: I am in receipt of your communication of the 14th instant, relative to the comparative expense of examining passengers' baggage, before and since the establishment of the Barge Office.

I herewith transmit a report of the surveyor, which, as it covers all the inquiries of your letter, seems to require no comment from me, except to refer to his statement that no separate record is kept in his

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office of the duties collected upon baggage ordered to the public stores for appraisement, and to add that no record is kept anywhere from which such data can be obtained.

Very respectfully,

W. H. ROBERTSON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

CUSTOM HOUSE, NEW YORK,
Surveyor's Office, April 21, 1885.

SIR: The Department letter dated April 14, 1885, relative to the expense of examining passengers' baggage, having been referred to me April 16, I have to submit a tabulated statement embracing the period from the date when a portion of passengers' baggage was first examined at the Barge Office—to wit, August 27, 1884, to and including March 15, 1885, and for corresponding periods in four previous years, when all baggage was landed on the steamship wharves—viz:

August 27 to April 15.	Number of steamships with passengers.	Number of passengers.	Duties collected.	Packages sent to public store for appraisement, &c.	Packages sent to seizure room for investigation.
All wharves:					
1880–'81	789	30,225	$111,387 68	511	36
1881–'82	844	36,574	102,470 31	690	23
1882–'83	875	34,423	80,283 79	831	25
1883–'84	812	40,580	80,078 12	1790	83
Barge Office:					
1884–'85	482	27,627	59,759 00	820	8
New Jersey wharves:					
1884–'85	323	11,298	11,785 99	253	3
	805	38,925	71,544 99	1,073	11

The increase in the number of packages sent from the wharves in 1882–'83 and 1883–'84 to the appraisers' stores was partially caused by the greater number of packages brought by passengers in transit to foreign countries, and because a more strict compliance with article 94 of the Customs Regulations of 1883 (catalogue No. 952) was necessary for the proper examination of packages. The amount of duties collected upon merchandise from baggage appraised at the public store cannot be stated, as no record thereof is kept in this office.

As will be seen from the foregoing statement, the amount of duties collected from passengers' baggage in the period from August 27, 1884, to April 15, 1885, inclusive, has decreased from previous years during the same period, and for the reason that the Department, by circular dated April 29, 1884 (S. S. 6317), promulgated the decision of the Supreme Court in the Astor case, which practically admits free of duty all wearing apparel, old or new, brought by a passenger. Whether the wearing apparel conforms in all respects to the several requirements of the Department circular cannot be ascertained except by the general oath of the passenger attached to his entry of baggage, or by his answers to such questions as are put to him by the inspectors or ap-

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praising officers. Very few passengers admit that the wearing apparel in baggage does not conform to the decision of the Supreme Court. I am informed that the quantity of new wearing apparel brought by passengers (and passed "free of duty" under the aforesaid decision) has greatly increased.

As to the comparative cost of inspecting passengers' baggage before and since the establishment of the Barge Office, I state that the Department has expended, from 27th August to April 15, inclusive, the following sums, to wit:

To Starin for transfer of baggage	$52,217 79
For laborers employed in handling baggage at the Barge Office	7,883 01
	60,100 80

No other specific payments have been made for the examination of baggage; none of the inspectors of this port have been exclusively engaged in performing this duty. All inspectors who are "discharging officers" (Rev. Stat., Sec. 2875) report at the Barge Office for assignment to vessels; they come and go every hour in the day; but there is an average number of 30 "waiting for assignment." This average is not constant, and varies according to the daily and hourly arrival of vessels. In 1884 the average daily arrivals of steamships was 6, nearly, and of sailing vessels 10, nearly. To promptly provide officers for vessels arriving, ten of the inspectors "waiting," are, by rotation, placed upon what is called the "posted list," and remain subject to immediate call, until assigned to a vessel; and as each is assigned, others in order are added to the list. All other inspectors "waiting for assignment" are subject to detail for the examination of baggage; and as many are detailed to each vessel arriving at wharves, as is supposed to be sufficient. In case a sufficient number is not available at the Barge Office, messengers are sent to district or other officers to report for this temporary duty. For the examination of baggage at the Barge Office, all inspectors in the building, whether "posted," "waiting for assignment," or "making out returns," are available for this temporary duty.

It will be seen that the examination of baggage is an incidental duty to be performed by inspectors when not otherwise assigned, and that it forms only a portion of the daily employment of an inspector. A comparison of the cost of inspecting baggage by inspectors cannot therefore be made.

If the second question in the Department letter refers to the whole number of inspectors employed at this port during the period stated, I state the average number was as follows: In 1880–'81, 230; in 1881–'82, 284; in 1882–'83, 296; in 1883–'84, 310; in 1884–'85, 312.

I return the Department letter referred to.

Very respectfully, your obedient servant,

JAMES L. BENEDICT,
Surveyor.

Hon. WM. H. ROBERTSON,
Collector.

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No. 21.

MEMORANDA OF ADDITIONAL EXPENSES OF BARGE OFFICE.

Force employed in the United States Barge Office, New York City. Appropriation "for pay of assistant custodians and janitors."

Designation.	No.	Compensation.	Aggregate.	Total.
(a.) Salaries.				
Assistant custodian	1	$1,500 per annum	$1,500	
Engineer	1	1,200 per annum	1,200	
Firemen	2	60 per month	1,440	
Cleaners	3	60 per month	2,160	
Doormen	2	60 per month	1,440	
Janitrix	1	60 per month	720	
				$8,460
(b.) Incidental expenses.				
Removing ashes and rubbish			52	
Washing towels			120	
Removing ice and snow			40	
				212
Grand total				8,672

Appropriation "fuel, lights, water, and miscellaneous items."

	1883.	1884.	1885.	Grand. aggregate.
Fuel	$473 00	$835 20	$745 47	$2,053 67
Gas	301 51	690 52	1,290 90	2,282 93
Ice	115 00	123 13	135 57	373 70
Miscellaneous	306 80	137 00	384 23	828 03
Total	1,196 31	1,785 85	2,556 17	5,538 33

Appropriation "furniture, and repairs of furniture."

	1883.	1884.	1885.	Grand aggregate.
Office furniture—desks, &c	$3,676 03	$771 68	$681 75	$5,129 46
Miscellaneous office furniture—carpets, cuspidors, &c	860 17	.....	130 75	990 92
Gas-fixtures	943 38	.....	728 20	1,673 58
Total	5,481 58	771 68	1,540 70	7,793 96

Amount paid John H. Starin from August 27, 1884, to February 15, 1885, under contract for transportation of baggage, New York.

August, 1884		$2,336 96
September, 1884		13,386 60
October, 1884		10,866 06
November, 1884		6,419 27
December, 1884		4,811 94
January, 1885		2,859 56
		40,680 39
February (1 to 15), 1885		2,369 79
Total		43,050 18

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Supplies furnished United States Barge Office, New York, furniture and repairs of same.

Date.	Articles.	Amount.	Total.
	FIRST FLOOR.		
1883.			
Jan. 25	8 three-light chandeliers, at $22	$176 00	
	2 six-light chandeliers, at $37.50	75 00	
	1 four-light chandelier	25 00	
	4 one-light hall chandeliers, at $7.75	31 00	
	3 two-light hall chandeliers, at $3.25	9 75	
	4 one-light brackets, at $3.60	14 40	
May 1	2 revolving stools, at $3 each	6 00	
	7 settees, No. 25, at $23 each	161 00	
	2 cabinet standing desks, No. 27, A. B., at $120 each	240 00	
	7 wardrobes, No. S. 28, at $45.50	318 50	
	1 prescription case, No. S. 30	134 50	
	4 revolving stools, No. 23, at $12	48 00	
			908 00
	SECOND FLOOR.		
	10 three-light chandeliers, at $22	220 00	
	3 four-light chandeliers, at $25	75 00	
	2 two-light chandeliers, at $3.25	6 50	
	8 one-light chandeliers, at $7.75	62 00	
	CELLAR AND ATTIC.		
	50 one-light brackets, at 53 cents	26 50	
	1 dozen smoke-bells	3 00	
	8 dozen cut globes, at $3.50	28 00	
	1 dozen cut globes	5 00	
	24 hall-joints, at $1.50	36 00	
			$793 15
	3 dozen cuspidors, at $2.40	7 20	
	2 door-mats, 17″ x 35″, at $12 per dozen	24 00	
	4 door-mats, 4′ x 6′, at $12 each	48 00	
	6 door-mats, 3′ x 4′, at $6 each	36 00	
	2 door-mats, 3′ x 6′, at $4.50 each	9 00	
			124 00
Mar. 1	60 congressional chairs, at $9.80 each	588 00	
May 1	6 table desks, No. 1 *a*, at $28.50 each	171 00	
	3 tables, No. 1 B, at $33 each	99 00	
	1 table, No. 2 *a*	43 00	
	4 tables, No. 3 *a*, at $42.5 each	170 00	
	6 water-cooler stands, No. 4, at $14.50 each	87 00	
	1 letter-press stand, No. 5, at $18 each	18 00	
	5 desks, No. 6, at $77 each	385 00	
	2 desks, No. 7, at $96 each	192 00	
	1 desk, No. 9	124 00	
	5 office lounges, No. 12, at $53.50 each	367 50	
	36 office chairs, No. 14*a*, at $5.75 each	207 00	
	12 upholstered office chairs, No. 18*a*, at $9.50 each	123 50	
	1 book-rack, No. 22	12 00	
			2,487 00
	36½ feet iron railing, at $3.20	115 47	
	1 water-cooler, 6 gallons	4 00	
	3 water-coolers, 2 gallons, at $2	6 00	
	2 water-coolers, 3 gallons, at $2.50	5 00	
	4 umbrella-stands, at $3.75	15 00	
	1 bulletin-board, 6 by 6 feet	12 00	
	2 bulletin-boards, 3 by 6 feet, at $6	12 00	
	4 rollers for towels, at 50 cents each	2 00	
	2 pine cases for stationery room	107 00	
	1 walnut and glass counter, screen, and door, including desks, closets, &c., for boarding officers' room	246 50	
	1 mirror glass, 24″ x 30″	15 00	
	1 mirror glass, 4′ x 2′ 6″	45 00	
	1 operating table, 2′ 6″ x 6 feet	18 00	
	1 head-block	3 75	
	1 walnut case for paper files	52 00	
	42 yards linoleum, at $1 per yard	42 00	
	3 door-mats, at $3.50 each	10 50	
	Repairing 3 tables, at $8 each	24 00	
			735 20
19	80 shades, blue opaque cloth, Hartshorn rollers		140 02
June 3	Amount on account of 17 ball-joints, at $1.50 each	25 50	
	Less 4 1-light brackets not used, Mitchell, Vance & Co	2 12	
			23 38
15	17 window-awnings, at $5 each	85 00	
	4 large window-awnings, at $10 each	40 00	
			125 00

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Supplies furnished United States Barge Office, New York, &c.—Continued.

Date.	Articles.	Amount.	Total.
1884.			
June 15	5 feet rubber hose, at 15 cents per foot	$0 75	
12	Running pipe on ceiling for chandeliers and bronzing same, 22 days' labor, $99; car-fare, $3	102 00	
	Material used for same	26 85	
			$129 60
May 16	Altering and laying 75 yards Brussels carpet, at 10 cents	7 50	
	Altering and laying 133 yards Brussels carpet, at 5 cents, $6.65; girl's time sewing same, $1.88	8 53	
			16 03
Aug. 9	Laying 41 yards carpet, at 5 cents	2 05	
Sept. 25	3 dozen chair casters, screws and washers	3 00	
			5 05
Oct. 29	1 black walnut table, No. 1A	25 00	
	1 black walnut table, No. 1B	25 00	
	1 desk, No. 6	74 04	
	6 office chairs, No. 14A	22 80	
	1 book-rack, No. 22	13 50	
			160 30
1884.			
Mar. 31	20 tables (white pine) each 10 feet long, 3 feet wide, 2 feet 6 inches high		290 00
July 30	Repairing and covering with enameled cloth 1 large double table		8 00
	7 yds. linoleum laid	7 00	
	1 step-ladder for stationery room	3 00	
			10 00
Aug. 14 to Oct. 16.	Running pipe for reflectors and lanterns	221 00	
	8 lantern brackets, at $6	48 00	
	1 84-inch reflector, no keys	96 00	
	3 60-inch reflectors, no keys, at $51	153 00	
	1 15-foot alcohol torch	7 20	
	46 two light-iron brackets per sketch, at $2.50	115 00	
	14 four light-iron pendants per sketch, at $3.50	49 00	
	1 1¼-inch gas cock, with key and labor	8 00	
	Extending two brackets for corners	3 00	
	1 two-light lantern difference in exchange	28 00	
			728 20
July 30	Removing ice-box from annex building and rebuilding same in cellar		33 35
Sept. 29	3 black walnut desks, as per specifications, at $26		78 00
Oct. 7	4 water-coolers (4 gallons each), porcelain lined (nickel faucet)		19 40
Sept. 18	6 dozen continental wood arm office chairs, at $21 per dozen		126 00
20	2 walnut standing desks, at $12, $24; 2 screw stools, at $3.25, $6.50		30 50
Dec. 29	8 five-feet settees $25, at $3 per foot		120 00
	3 eight-feet settees $25, at $3 per foot		72 00
	6 six-feet settees $25, at $3 per foot		108 00
Nov. 24	Repairing, bracing, and blocking, thereby strengthening 20 large pine tables in use in Barge Office, at $3.40 each		68 00
1885.			
Feb. 5	2 mirrors, at $10.75, $21.50; March 13, 1 rattan lounge, $17.50		39 00
Mar. 13	2 walnut folding screens 5 feet high by 7½ inches long		43 75
	1 black walnut desk No. 6		56 50
Aug. 1, 1883, to Mar. 24, 1885.	Carpets furnished		316 33
			7,793 96

Supplies furnished United States Barge Office, New York—fuel, light, and water.

Date.	Articles.	Amount.	Total.
1883.			
Jan. 25	100 (gross) tons Lehigh egg coal, at $4.73		$473 00
27	5 gallons sperm oil, at $1.50	$7 50	
	10 dozen extra corn brooms, at $3.50	35 00	
	10 dozen lamp-wicks, at 7½ cents	75	
	1 dozen hair dusters	4 00	
	1 dozen mop handles	6 00	
	12 dozen cotton mops, at $4 per dozen	48 00	
	½ dozen turkey dusters at $12.60 per dozen	6 30	
	1 dozen oak pails	8 00	
	½ dozen chamois skins, at $6.50 dozen	3 25	
	2 dozen tumblers, at 75c. per dozen	1 50	
	¼ dozen galvanized iron ash-cans, at $50.40	12 60	

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Suplies furnished United States Barge Office, New York, &c.—Continued.

Date.	Articles.	Amount.	Total.
1884.			
July 27	1 box castile soap	$4 00	
	1 box brown soap	6 00	
	5 pounds sponge, at $3.50	17 50	
	½ dozen dust-pans, at $1	50	
	2 watchman's lanterns, at $3	6 00	
	4 dozen scrub-brushes, at $2	8 00	
			$174 90
May 22	1 machinist's vise	15 00	
	1 dozen assorted files	9 00	
	1 machinist's hammer	1 00	
	6 assorted chisels	3 00	
	1 pipe vise	8 00	
	1 pair extension tongs	1 75	
	..... do	2 75	
	6 pounds valve packing	9 00	
	20 pounds waste	2 40	
	8 gaskets	6 50	
	2 cast steel scoops	3 00	
	1 set fire-irons	12 00	
	1 iron wheelbarrow	20 00	
	2 oil-cans, $1; 1 quire emery cloth, $1	2 00	
	6 galvalized iron ash-cans, $24; 1 pair steel gas-pliers, $1.50	25 50	
	1 alligator wrench, $2; 3 screw-wrenches, $4	6 00	
	1 pair chain tongs	5 00	
			131 90
30	Ice for May, 13,345 pounds, at 10 cents per 100 pounds, $13.34; (June 30) 16,660 pounds for June, $16.66	30 00	
June 30	1 ice-box for Barge Office	85 00	
			115 00
1883.			
Mar. 31	Gas from January 2 to March 31, 1883	156 38	
June 30	Gas from March 31 to June 30, 1883	145 13	
			301 51
Sept. 29	Gas from June 30 to date	99 68	
Dec. 31	Gas from October 1 to date	218 24	
1884.			
Mar. 31	Gas from January 1 to date	224 78	
June 30	Gas from April 1 to date	147 82	
			690 52
1883.			
Dec. 31	76,450 pounds ice, from July 1 to date	76 44	
1884.			
June 30	46.695 pounds ice, from January 1 to date	46 69	
			123 13
Oct. 24	99½ tons coal (egg size), at $4.64	461 68	
1884.			
Feb. 21	80¼ tons coal (egg size), at $4.64	373 52	
			835 20
1883.			
Sept. 25	Stocks and dies for pipe, ¼ inch to 2 inches	30 00	
	Cutters for pipe	10 00	
	1 set machine stocks, dies, and taps	15 00	
	1 adjustable tap-wrench	5 00	
	1 brace and bitts, and 8 assorted twist-drills	8 00	
	Forge and anvil	43 00	
	3 pairs tongs and 2 chisels	10 00	
	1 shovel and poker	5 00	
	1 solder pot and ladle	1 50	
	1 rip saw, $2; 4 wood chisels, $2	4 00	
	1 pair side-cutting pliers	1 00	
	2 pounds solder and soldering copper	1 50	
	3 hand-lamps and 2 pounds wicking	2 00	
	1 hand vise	1 00	
			137 00
1885.			
Mar. 31	Gas from July 1, 1884, to date		1,290 90
1884.			
Dec. 31	77,470 pounds ice, from July 1 to date		135 57
Feb. 25	Janitors' supplies to date		384 23
Jan. 17	Fuel to date		711 67
	Weighing fuel		33 80
	Total		5,538 [illegible]

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(No. 22.)

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
Washington, D. C., April 22, 1885.

SIR: I have considered the question of shipment of passengers' baggage under the provisions of the immediate-transportation act of June 10, 1880.

Section 1 of this act provides that when merchandise imported into certain named ports appears by the invoice or bill of lading and manifest of the importing vessel to be consigned to and destined for certain other named ports the collector of the port of arrival *shall allow such merchandise* to be shipped immediately.

This action is mandatory.

It will be seen that this shipment applies to goods which appear either by the invoice or bill of lading and manifest to be destined to one of the named ports.

When there is an invoice by section 2 the collector of the port of arrival retains as a record a copy of the invoice and an entry not sworn to, whereon the duties are estimated, and thereupon delivers the goods to the common carrier provided for in section 3.

If there is an invoice by section 4 it must be in quadruplicate with the consular certificate provided for in section 2858, R. S.

While the act is explicit that goods without an invoice but which appear by the bill of lading and manifest to be destined to the named ports shall be shipped at once, section 2 does not specify what shall be done in such cases before such shipment, and therefore the question arises whether imported personal baggage can be so transported.

I think it can.

Such baggage is merchandise, because by statute goods *capable of being imported* are merchandise. Personal baggage must, therefore, on importation be entered, but by section 2799, R. S., it may be entered without an invoice on taking the oath therein prescribed.

By the subsequent act of June 22, 1874, the right to enter personal baggage, as also goods not exceeding one hundred dollars in value, without a certified invoice is recognized.

Passengers' baggage, however, will appear, by virtue of the provisions of law, on the manifest of the importing vessel.

Section 2806, R. S., provides that no merchandise shall be brought into the United States unless the master has such manifest which, among other things, must specify the passengers and description of baggage belonging to each.

Keeping this section in view, the reason is seen why it was provided in section one of the immediate transportation act that merchandise destined by the manifest and bill of lading for a port other than that of arrival should be shipped thereto at once.

A law may often require a thing to be done and fail to provide in detail how it shall be done. Especially is this true of customs laws when the details rest so largely on regulations.

It will not be doubted that such a law must, if possible, be executed, and in the present case it can be fairly executed under that general power which directs the Secretary of the Treasury to make rules not inconsistent with law for carrying out the provisions of the revenue laws, and to prescribe forms of entries, oaths, bonds, and other papers to be used in the enforcement of such laws. Section 251, R. S.

There is, therefore, no practical difficulty in making a regulation to

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cover this case, which will fully protect the revenue and give a privilege to personal baggage which section 1 of the immediate transportation act recognizes.

The rule should be substantially as follows:

When an entry of personal baggage provided for in section 2799, R. S., has been made, and it appears from the manifest or bill of lading that the baggage is destined to a port other than the port of arrival, the record to be retained by the collector under the immediate transportation act, shall be the entry and a certified extract from the manifest relating to passenger's baggage. That thereupon the duties, if any, shall be estimated and the baggage delivered to the common carrier to be transported as provided in the act.

The only difficulty in the present case arises from the fact that Congress did not detail the steps to be taken in the entry of such merchandise for immediate transportation.

In cases of difficulty as to the construction of revenue laws the Secretary must decide, and his decision is conclusive and binding on all officers of the customs. (Section 2652, R. S.)

Respectfully,

A. McCUE,
Solicitor of the Treasury.

No. 23.

[Circular.]

Immediate transportation of passengers' baggage without appraisement.

1885.
Department No. —.
Division of Customs.

TREASURY DEPARTMENT, *April* 25, 1885.

TO COLLECTORS AND OTHER OFFICERS OF THE CUSTOMS:

The immediate-transportation act of June 10, 1880, is held by this Department to apply to and cover passengers' baggage imported into the ports named in section 1 of said act which shall appear by the manifest of the importing vessel to be destined to either of the ports specified in the seventh section of said act.

The collectors of the ports named in said section 1 will allow such baggage to be shipped immediately to said ports mentioned in the seventh section of said act, upon a baggage entry thereof being made, in the form hereinafter prescribed, by the owners of said baggage, personally or by agent or consignee.

Such entry shall be in triplicate and consist of a general description of the contents of the said baggage and its value, and each of said triplicates shall have attached thereto an extract of the manifest of the importing vessel relating to the baggage set forth in said entry, certified by the collector of customs or his deputy, one copy of which entry and a certified extract of the manifest shall be filed in the office of the collector of the port of entry as a permanent record.

Thereupon the entry and the required extract of the manifest must be compared by the collector or his deputy, who will estimate the duties, if any, thereon, note the estimate on the face of the entry, and transmit the papers to the naval officer, if there is one, who will, by himself or deputy, make a similar comparison, estimate the duties, if any, and re-

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turn the papers to the collector with his estimate thereon. The entry shall be the following form:

* * * * * * *

The entry having been completed, the subsequent proceedings as to shipment, transportation, and delivery shall in all particulars conform to the regulations of the Treasury Department of June 10, 1880, governing the transportation of merchandise without appraisement.

DANIEL MANNING,
Secretary.

No. 24.

[Compagnie Générale Transatlantique, 6 Bowling Green, Louis de Bebian, agent. P. O. Box 200.]

NEW YORK, *June* 22, 1885.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.:

SIR: I beg leave respectfully to represent that the interests of this company are injuriously affected by the Barge Office system now in practice at this port.

I find that we are constantly losing passengers by it. Many parties who would formerly purchase round-trip tickets now object to do so, giving as their reason the dislike they have to returning to their native shores and passing through what they are pleased to call the ordeal of the Barge Office.

It is not for me to consider whether their objections are well founded, nor would it alter the fact. Their conclusions are arrived at, and their opinion of returning and passing through the Barge Office decided—the result is practical discrimination against our line, and a consequent loss of business to our company.

The difficulty lies in the dislike of the traveling public to the system. My complaint is simply that the compelling us to land our passengers and baggage at the Barge Office discriminates unjustly against us, the public refusing to return by our line, preferring to take other lines, by which they can avoid what they object to.

I therefore respectfully request permission for our steamers to land their passengers and baggage at our own dock, and that the examination of the same be conducted there as heretofore.

I have the honor to remain, very respectfully, your obedient servant,

LOUIS DE BEBIAN.

No. 25.

[Cunard Steamship Company (limited), Vernon H. Brown & Co., agents, 4 Bowling Green.]

NEW YORK, *June* 22, 1885.

The Hon. SECRETARY OF THE TREASURY,
Washington, D. C.:

Sir: Our experience with the workings of the Barge Office since its inception has thoroughly convinced us that the present system has led

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to a serious discrimination against some of the steamship lines who have been forced to adopt it.

The great detention in transfer of passengers and baggage, with the vexatious delay and fatigue to which passengers have been subjected, has caused many of our patrons to cancel return engagements, and prevented others from purchasing round-trip tickets for the reason, as they frankly state that they prefer to land at Jersey Ciey or Hoboken rather than be subjected to the discomforts of the Barge Office route.

We protest against this arbitrary act of the Treasury Department, which is causing us serious loss, and beg to inquire if there is any law compelling us to transfer passengers at Quarantine or elsewhere. If not, we respectfully request that the order now in force be rescinded, that our ships may be permitted to land passengers and baggage at our own dock as formerly, and that the customs officers be instructed to there examine all baggage so landed.

Respectfully, your obedient servants,

VERNON H. BROWN & CO.

(No. 26.)

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., June 27, 1885.

Hon. DANIEL MANNING,
Secretary of the Treasury:

SIR: In accordance with the directions contained in your letter of the 18th instant, I proceeded to New York for the purpose of conferring with the agents of the several steamship companies in regard to transferring passengers and baggage at that port, and beg respectfully to submit the following report:

The principal passenger lines which deliver their passengers and baggage at Quarantine to transfer boats, to be landed at the wharf of the Barge Office, are the Cunard, White Star, French, Inman, Guion, National, and Anchor.

In pursuing my inquiries in regard to these transfers, I first called upon Mr. Vernon H. Brown, the agent of the Cunard Line, which brought to the port of New York last year 10,788 passengers. Mr. Brown informs me that the passengers generally traveling by his line complain bitterly of the danger, fatigue, and vexatious delay to which they are subjected in having their baggage passed through the Barge Office, and numbers of his patrons have notified him that hereafter they will return from Europe by the steamships landing on the Jersey side rather than undergo what they term the ordeal of the Barge Office.

Mr. Louis D. Bibian, the agent of the French line of steamships, which last year brought into the port 3,725 cabin passengers, and whose company is now building four more fine steamers of much larger size than their present ships for the passenger trade, also states that passengers by his line are bitterly opposed to the Barge Office, and for reasons similar to those given by Mr. Brown.

Mr. Hurst, the agent of the National Line, stated that his experience with the Barge Office had been anything but satisfactory, and that there were many complaints from his passengers, but as three of his vessels

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are now chartered by the British Government his company has practically gone out of the passenger trade.

Mr. Cortis, the agent of the White Star Line, stated that while he would much prefer to have passengers by his line landed at the company's dock, rather than transfer them at Quarantine, to be landed at the Barge Office, should other companies be accorded that privilege, yet he had no particular fault to find with the Barge Office, and did not personally know of any complaints by passengers brought by his steamers. He said that the Barge Office relieved his company of the expense and trouble of landing their passengers at their own docks, and he therefore had no objection to the present arrangement.

Mr. Underhill, agent of the Guion Line, had no fault to find with the Barge Office, and preferred landing his passengers there, because it was less troublesome than landing them at their own dock, and moreover saved some expense. He said, however, that the passengers generally complained of landing at the Barge Office. This company has withdrawn three of its ships, which will reduce its passenger trade to such an extent that it will make little or no difference where its passengers land.

I did not call upon the agent of the Inman Line, because this company has arranged to land its passengers at the Pennsylvania Railway dock in Jersey City, and will soon give up their dock on the New York side. Of course this will place the company out of the jurisdiction of the Barge Office, and consequently they will have no further interest in it.

I was unable to find Mr. Coverley, of the Anchor Line, but Mr. Brown of the Cunard Line, informed me that the Anchor Line would much prefer to land their passengers at their own dock, in order to avoid the inconveniences and annoyances of the Barge Office.

It will thus be seen that the Cunard, French, and White Star Lines will practically control the passenger trade of the lines now using the Barge Office, and that the Cunard and French lines are decidedly in favor of the old system of landing their passengers and baggage at their own docks; and that while the White Star Line is not opposed to the Barge Office, it desires the privilege of landing its passengers at its own dock, should such privilege be accorded to the other lines engaged in the passenger trade.

I am satisfied, from my inquiries among these agents, that the traveling public generally are bitterly hostile to the Barge Office, and the steamship companies landing their passengers and baggage there feel that they are being unjustly discriminated against by the order permitting the North German Lloyds, Red Star, and Hamburg companies to discharge their passengers and baggage at their Jersey docks.

I would therefore recommend that, in view of the expense of maintaining the Barge Office, say one hundred thousand dollars ($100,000) in round numbers, the danger, fatigue, and vexatious delays attending the transfer of passengers and baggage at Quarantine, that the permission to land their passengers and baggage at their own docks, asked for by the Cunard and French Steamship companies' applications inclosed be granted, and that the same privilege be accorded to the other steamship companies which now land their passengers and baggage at the Barge Office. Should this be granted, the sixty days' (60) notice, provided for in the contract for receiving passengers and baggage at Quarantine, and delivering them at the Barge Office, should be given the contractor, and the collector should be directed to cause the necessary detail of officers to make the passenger baggage examinations required by law at the docks of the steamship companies.

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It is suggested that the Barge Office could be used for the storage of seized, unclaimed, and other goods in the custody of the collector.

I am, very respectfully,

L. G. MARTIN,
Supervising Special Agent.

No. 27.

JULY 2, 1885.

COLLECTOR OF CUSTOMS,
New York:

SIR: The Department is in receipt of letters from the Cunard Steamship Company and the "Compagnie Générale Transatlantique," dated the 22d ult., in which they ask that the steamships of said lines be permitted to land their passengers at their respective docks, as heretofore practiced, instead of transferring them at Quarantine or elsewhere, for the purpose of having the baggage transported to and examined at the Barge Office. Both companies represent that the present practice of transferring baggage at Quarantine and having it examined at the Barge Office results in great detention in the transfer of passengers and baggage, as well as unnecessary and vexatious annoyances, and that it seriously interferes with the regular business of these steamship lines, so much so that they state the passengers prefer to land at Jersey City or Hoboken rather than to be subjected to the discomforts of the Barge Office.

After careful investigation of the matter, and in view of these representations, I am of opinion that the application may properly be granted, and that the steamships of said lines may be allowed to land their passengers at the docks of the said companies, respectively, and to have the baggage examined thereat.

You will be governed accordingly, and see that proper examining officers are detailed for the purpose of making such examination on the arrival of the steamers of these lines at their docks, in the same manner as was practiced prior to August last.

Very respectfully,

D. MANNING,
Secretary.

No. 28.

MESSRS. VERNON H. BROWN & CO.,
Cunard Steamship Company,
No. 4 Bowling Green, New York:

JULY 2, 1885.

GENTLEMEN: In reply to your letter of the 22d ultimo, you are informed that the collector of customs at New York has been this day instructed to permit the steamships of your line to land their passengers at the dock belonging to said company, and to have the baggage examined and passed thereat.

Very respectfully,

_____,
Assistant Secretary.

(Similar letter to Louis Bebian, esq., No. 6 Bowling Green, New York.)

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No. 29.

JULY 9, 1885.

COLLECTOR OF CUSTOMS,
New York:

SIR: Referring to Department's letter to you of the 2d instant, concerning the landing of passengers and baggage at the docks, respectively, of the Cunard Steamship Company and the Compagnie Générale Transatlantique, you are hereby authorized to extend the same privileges to any other steamship companies whose vessels arrive at your port and who may request permission to land their passengers and baggage at their own docks.

You are also requested to take immediate action for the purpose of terminating the contract entered into between William H. Robertson, collector, and John H. Starin, in relation to the landing of passengers and baggage at the Barge Office in accordance with the terms of said contract, which reads "that this contract may be terminated by either party hereto, upon sixty days' notice, for good and sufficient cause."

Please acknowledge the receipt of this letter and report your action thereunder.

Very respectfully,

D. MANNING,
Secretary.

No. 30.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, July 10, 1885.

SIR: I have to acknowledge the receipt of your letter of the 9th instant, and to report that I have this day furnished the surveyor with a copy thereof for his information and guidance, and also that I have this day notified Mr. John H. Starin that his contract for the transfer of passengers' baggage from steamships to the Barge Office will be terminated at the expiration of sixty days from this date.

Very respectfully,

E. L. HEDDEN,
Collector.

Hon. D. MANNING,
Secretary of the Treasury.

No. 31.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, July 15, 1885.

SIR: Referring to my letter of the 10th instant, reporting action upon your instructions of the 9th instant, I transmit herewith a copy of my letter to Mr. John H. Starin relative to the termination of his contract for the transfer of passengers and baggage to the Barge Office.

I also inclose a letter from Mr. Starin in reply, dated the 14th instant.

Very respectfully,

E. L. HEDDEN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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(Endorsement.)

Respectfully referred to the Solicitor of the Treasury for advice.

C. S. FAIRCHILD,
Assistant Secretary.

[Enclosure.]

CUSTOM-HOUSE, NEW YORK,
Collector's Office, July 10, 1885.

SIR: By direction of the honorable Secretary of the Treasury, I hereby notify you that your contract for the transfer of baggage from steamships to the Barge Office will be terminated at the expiration of sixty days from this date.

Very respectfully,

E. L. HEDDEN, *Collector.*

Hon. JOHN H. STARIN,
Pier 18 *North River, New York.*

[Enclosure.]

JULY 14, 1885.

The Hon. E. L. HEDDEN,
Collector of Customs, Port of New York:

SIR: I have received your note of the 10th instant, in which you say that by direction of the Secretary of the Treasury you notify me that my contract for the transfer of baggage from incoming ocean steamships to the Barge Office in this city will be terminated at the expiration of sixty days. I respectfully decline to accept such notice as having any force or effect under the contract to which you refer. The Barge Office was established, and now exists, by act of Congress, and I am advised that you have no legal right to discontinue the examination of passengers' baggage there.

My contract provides for a term of three years, unless sooner terminated upon notice, "for good and sufficient cause." No such cause exists or is asserted. No complaint has ever been made by any officer of the Government respecting my services under the contract. Every stipulation on my part has been fully and faithfully performed. The contract was awarded to me as the lowest bidder upon public proposals. I have given heavy bonds to faithfully perform the service required of me by its provisions. I have expended large sums in preparation for its continuance, and I shall expect the officers of the Government, upon due consideration of the facts, to respect my rights and discharge the obligations which are imposed upon them by the law.

I have the honor to be, etc., etc., very respectfully yours,

JOHN H. STARIN.

No. 32.

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
Washington, D. C., July 24, 1885.

SIR: It is provided in a contract made by the collector of customs for the port of New York, acting for the United States, by direction and with the approval of the Secretary of the Treasury, and John H. Starin, for the transfer of baggage from passenger steamers arriving from foreign ports to the Barge Office, dated August 16, 1884, that the contract may be terminated by either party thereto upon sixty days' notice, for good and sufficient cause.

In accordance therewith, the collector by your direction on the 10th instant notified Mr. Starin that the contract would be terminated in 60 days from that date.

Mr. Starin in his letter of July 14, 1885, to the collector, admits receipt of notice, but declines to accept it as having any force or effect under the contract.

When either party desires to terminate the contract, 60 days' notice of such purpose is required, and that is all that is required.

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The good and sufficient cause which may have induced the giving notice of termination need not be set out in the notice itself.

I think therefore the notice in the present case sufficient to terminate the contract at the date specified therein.

Very respectfully,

A. McCUE,
Solicitor of the Treasury.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 33.

JULY 25, 1885.

COLLECTOR OF CUSTOMS,
New York:

SIR: The Department is in receipt of your letter of the 15th instant, reporting your action under Department's instructions of the 9th instant concerning the termination of the contract with Mr. John H. Starin for the transfer of passengers and their baggage, brought to your port by foreign steamships, to the Barge Office.

You report, and it appears from the enclosures of your letter that Mr. Starin refused to accept the notice of the 10th instant to him, of the termination of said contract within sixty days from that date.

It will be seen from the opinion of the Solicitor of the Treasury, dated the 24th instant, a copy of which is herewith inclosed, that such notice was sufficient to terminate the contract at the time specified therein.

You are instructed to notify all foreign steamship companies who propose to use the Barge Office for the landing of their passengers and baggage after the expiration of the said contract, that the expense in furnishing transfer boats or steamers and of landing passengers and baggage at the said Barge Office will in no event be borne by the Government.

Very respectfully,

D. MANNING,
Secretary.

No. 34.

STARIN'S CITY, RIVER, AND HARBOR TRANSPORTATION COMPANY, PIER 18, NORTH RIVER,
New York, August 12, 1885.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.:

SIR: With great respect I hold that the officers of the Treasury Department are violating the written contract made by the Government of the United States with me for the transfer of baggage from incoming foreign steamships to the Barge Office in this city, and that they are also violating the act of Congress under which that contract was made.

Against this action I now respectfully protest to you in writing, as I have already done orally.

The examination of passengers' baggage has long been the weakest point in the collection of our customs revenue. Committed to squads of subordinate officials, acting without proper supervision upon the

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numerous steamship piers surrounding the city, it was characterized by many annoyances, petty black mailings and corruption, which irritated travelers and threw the whole system into discredit. These facts are notorious.

In 1878, the Congress of the United States, after mature deliberation, resolved upon the abolition of this antiquated and vicious system, and adopted the new policy of examining all incoming baggage—as all merchandise is examined—in one place, under the control of the Government and the immediate direction and supervision of the superior officers of the customs. To provide a place for this purpose, Congress, on the 15th of June, 1878, appropriated $210,000. Under concurrent legislation, previously obtained from the legislature of the State of New York, the city of New York granted for this purpose a most admirable site. The money appropriated was expended, and in May of last year the new Barge Office was ready for use. The act of June 15, 1878, was passed by both houses of Congress and was signed by the President. The new policy, thus clearly declared, met with concurrence and obedience on the part of the Secretary of the Treasury, the surveyor, and the collector of this port.

On the 23d of May, 1884, the collector, under direction of the Secretary of the Treasury, advertised for proposals to carry out the law of Congress, and for the transfer of baggage of saloon passengers upon incoming steamships from foreign ports to the new Barge Office. In response to this advertisement I was the lowest bidder, and the contract for the service required was regularly awarded to and made with me on the 16th of August, 1884, to continue for three years. At large expense I altered three of my steamboats to fit them for the service, and, on the 27th of last August, entered upon the discharge of the contract. Every requirement of that contract has been faithfully carried out by me. No complaint respecting my service under the contract has ever been made by any officer of the Government, and I am authoritatively informed by your Department that no complaint is now made, that there is no claim or pretense that I have not fully and faithfully discharged every obligation assumed by me under the contract.

The new system was, however, very distasteful to one English steamship company, which company enjoyed, let it be particularly noted, the monopoly of expressage of baggage from its own pier; and the agent of that company in this country early avowed his intention of breaking up the new system and forcing the Government of the United States to retreat from the position which it had taken and to return to the former method of following the steamship companies from place to place and waiting upon their convenience and pleasure. The new system was also distasteful to some of the Government inspectors, who regretted the threatened interference with their former independent sources of revenue which its adoption involved. From these two sources and their sympathizers came every possible effort to make the new system work badly. Delays and annoyances were intentionally created, and explained as being the fault of the new method, while all the irritation, delays, and annoyances which are necessarily incident to the submission of passengers' baggage to examination anywhere were so vociferously and so repeatedly charged against the Barge Office that the charge was believed by many new passengers who had never experienced the greater evils attending an examination upon the company's piers. It was natural that the trial of the new system should develop defects calling for correction and improvement. It was inevitable that the known hostility of some of the most important participants in the system should magnify and mul-

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tiply these defects. But after ten months' trial, which, under the adverse circumstances to which I have referred, and involving also the disturbing element of a change in the national administration, was in fact no trial, instead of attempting to correct the defects, to improve and perfect the good system adopted by Congress, instead of making the malcontents understand that this American law was to be enforced and must be respected, the Treasury Department submits to the Cunard Steamship Company, at the instance of that company retreats from the position which it had assumed, abandons the policy which the Government of the United States had formally adopted, repudiates the solemnly declared will of Congress, and nullifies the act of June 15, 1878, under which hundreds of thousands of dollars of the people's money had been expended.

I can draw no other inference from the conduct of the Department toward me. The contract which the Government made with me provides that it shall continue for three years unless sooner terminated, upon sixty days' notice, for "good and sufficient cause." On the 10th of July notice was given me that the contract would be terminated sixty days from that date, but no cause was assigned for this action, and upon inquiry as to whether any unexpressed cause exists, I am informed that there is none resting on any act or omission on my part, and none anywhere, except in a willful change of policy.

I can see in this notice only an arbitrary declaration by the Treasury Department of an intention to violate the obligation of the Government towards me, in entire disregard of my rights. Even before this notice was given the Department had commenced to ignore the contract with me, and, to my detriment, to violate its most important provisions. The contract requires me, under heavy bonds, to meet, with a suitable steamboat, at Quarantine, every incoming foreign passenger steamer, except those which had usually landed in the State of New Jersey, and to receive from every such steamer and transfer to the Barge Office, all the baggage of the cabin passengers, together with such cabin passengers as choose to accompany their baggage. And the Government agrees by the contract to pay me a stipulated sum for each article of baggage other than that which is commonly known as hand-baggage. But, before the sixty days' notice, to which I have referred, had been given, and without any notification from the Department to me, I find, first, the Cunard and then the French line ignoring the law and refusing to send their baggage to the Barge Office, doing this under dispensations which they had received from the Treasury Department. I was bound by the contract to meet these steamers, to furnish the steamboats, the crews, and the coal, to undergo all the expense on my part necessary to do the business; but, under your order I am deprived of pay for the service. Moreover, I am to be left bound to meet all the smaller steamers which have not baggage enough to pay for the coal used in transport, while the baggage upon the larger steamers is arbitrarily withheld.

Of course this means but one thing, irrespective of the sixty days' notice, whether that be good or not, I am to be forced to abandon the contract by a violation of its obligations on the part of the Government, whose officers assume that they can so violate it with impunity because they have the power. I am told that this is for no fault of mine. My respect for you forbids the supposition that it is in order to substitute a contract with some more favored person. The only remaining inference is that my rights are to be swept away, because the will of Congress, upon which they rest, is overruled by the will of the Department.

I am advised by my lawyer that I can recover from the Government

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compensation for all the baggage which I am bound to carry, and am ready to carry, under the contract, a delivery of which is refused to me under the orders of the Department. But, a law-suit, sir, is a poor substitute in any matter of business for honest and prompt payment.

This contract has not been a profitable one. I could at the beginning of this season have chartered the three steamboat swhich are employed in the Goverment service for more money than they can earn under the most favorable construction of the contract. Let it be distinctly understood that I did not seek the contract. I was invited, in common with other owners of steamboats, to make proposals for it. I responded as I would in any matter of business, and I have conducted the business in the same manner and upon the same principles which have proved satisfactory to the people of New York throughout a wide experience of many years.

Of course I expected the Government to fulfill its obligations fairly and honestly. I understood that it was bound by a contract just as any ordinary citizen is bound. I had supposed that the Government of the United States was a continuous one, and that no change of administration involved the repudiation of the obligations of a previous administration; and I understood further that it was the duty of the Treasury Department to execute and not to nullify the laws of Congress. This contract with me is, of itself, but of little importance, but the action of the Department in its relation to the action of the past administration, and to the law of Congress, under which that action was taken is, it seems to me, of the gravest moment. Indeed, I cannot believe that the full import and true character of the course taken by your Department in this matter have received, as I hope they will receive, your deliberate personal consideration. In this view I respectfully insist:

First. That so long as the contract continues, and I am bound by its provisions to meet and transport the baggage of the company's steamships, to which it relates, I am entitled to receive, transport, and be paid for the baggage brought by such steamships to this port, and the Department has no right to authorize them to refuse delivery of such baggage, and I hold that any orders or permits to that effect should be revoked.

Second. That the sixty days' notice of July 10, has no force or effect under the contract, and should be treated as void; and, that the contract must continue, and should be treated as continuing, during the term of three years, or until such time as some default on my part shall furnish "good and sufficient cause" for its termination.

I have the honor to be, sir, with great respect, &c.,

JNO. H. STARIN.

(Endorsement.)

UNITED STATES TREASURY DEPARTMENT,
August 14, 1885.

Respectfully referred to the Solicitor of the Treasury.

E. B. YOUMANS,
Chief Clerk.

[Enclosure.]

This agreement, made this sixteenth day of August, in the year of our Lord one thousand eight hundred and eighty-four, to carry out the provisions of the act of Congress dated June 15th, 1878, making appropriations for the building of a Barge

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Office, " for the examination of passengers' baggage," by and between John H. Starin, of Fultonsville, Montgomery Co., State of New York, of the first part, and William H. Robertson, as collector of customs at the port of New York, acting in this behalf for the United States, by direction and with the approval of the Secretary of the Treasury of said United States, of the second part. Witnesseth:

First. That said party of the first part agrees to provide suitable barges, steamboats, or other vessels, according to the condition of the weather and subject to the approval of the collector of the port, to meet between sunrise and sunset every day, each and every passenger steamer from a foreign port upon her arrival at quarantine, save and except such steamers as have their usual places of landing in the State of New Jersey.

Second. And to receive from every such passenger steamer all baggage belonging to the cabin and saloon passengers, furnishing the labor to receive and properly and safely stow such baggage on such barges, steamboats, or other vessels when delivered to him from said steamer on board the vessels of the party of the first part, said delivery to be made by the employés of the steamship companies.

Third. And to transport such baggage from each and every such before-mentioned passenger steamer (except those having landing places in New Jersey as aforesaid), by such barges, steamboats, or vessels, to the wharf of the new Barge Office, at the foot of Whitehall street, in the city of New York, and there to unload such baggage upon the bulkhead of said wharf.

Fourth. And the said party of the first part, as a necessary incident to the transfer of such baggage, agrees to provide, on each vessel used by him to transfer baggage, suitable accommodations, to be approved by the collector of the port, for the transfer, free of expense either to the Government or the passengers, of all cabin and saloon passengers, and also the hand-baggage of said passengers arriving on such before-mentioned steamers, and who are desirous of accompanying their baggage on the transfer boat.

In consideration whereof the party of the second part agrees to pay the party of the first part the sum of sixty-seven cents for each piece or package of the aforementioned baggage, except such pieces as are commonly known as hand-baggage. And it is agreed by the parties hereto that this contract shall commence and take effect from the twenty-seventh day of August, in the year one thousand eight hundred and eighty-four, and shall terminate on the twenty-seventh day of August, in the year eighteen hundred and eighty-seven.

And it is also agreed that the party of the first part shall be paid semi-monthly by the party of the second part at the custom-house, upon bills to be rendered by him specifying the number of packages of baggage transported from each steamer, and verified and approved by the surveyor of the port.

And it is also agreed that the party of the second part shall have the right to send on every such barge, steamboat, or other vessel, such officers of the customs as may be deemed by the collector necessary to protect the revenue; and that no baggage shall be received from the before-mentioned incoming steamers, or unladen at the bulkhead of the Barge Office, except in the presence of, or by the consent of, the proper officer of the customs.

And said party of the first part further agrees that without the consent of the proper officer of the customs in writing, as provided in section 9 of the act known as the "Passenger act," approved August 2, 1882, he will allow none, except such as are actually employed on such barges, steamboats, or vessels, officers of the customs duly designated, to board, take passage, or remain on such vessels while engaged in transporting passengers and their baggage.

And it is further understood and agreed by the parties hereto that the party of the first part shall assume all the liability of a common carrier; and, in addition thereto, shall pay to the United States the amount of duty that might accrue on any package of baggage lost through his negligence, or the negligence of, or theft by, any employé of his, while the transfer of such baggage is being made from the incoming steamer to the Barge Office wharf.

And it is further expressly agreed that this contract may be terminated by either party hereto upon sixty days' notice for good and sufficient cause.

And the said party of the first part further agrees and covenants to execute a good and sufficient bond in the penal sum of fifty thousand ($50,000) dollars, with at least two sureties to be approved by the Secretary of the Treasury, conditioned for the faithful performance of this contract and all and every of the covenants of the same on the part of the party of the first part to be kept and performed.

And it is mutually covenanted between the parties hereto that it is an express condition of this contract that no member of Congress, or officer or employé of the customs, or other person whose name is not disclosed in this agreement, shall be admitted to any share or part of this contract, or any benefit to arise therefrom, and that this contract shall not be assigned without the written authority of the Secretary of the Treasury, and any assignment without such authority shall cause a forfeiture of the same.

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In testimony whereof the parties hereto have hereunto subscribed their names and affixed their seals this sixteenth day of August, A. D. one thousand eight hundred and eighty-four.

WILLIAM H. ROBERTSON, [SEAL.]
Collector.

JNO. H. STARIN. [SEAL.]

Signed, sealed, and delivered in the presence of—
HOWARD CARROLL.
JOSEPH TRELOAR.

No. 35.

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
Washington, D. C., August 22, 1885.

SIR: I have read a letter of Hon. John H. Starin, of the 12th instant, in regard to a contract with the Government for the transfer of baggage from incoming foreign steamships to the Barge Office in the city of New York.

In a letter of July 24, 1885, I advised the Secretary of my opinion in the premises.

I see no reason in Mr. Starin's present letter to change the views I then expressed.

I therefore return the letter.

Very respectfully,

A. McCUE,
Solicitor.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 36.

CUSTOM-HOUSE, COLLECTOR'S OFFICE,
New York City, August 19, 1885.

SIR: I have the honor to report that upon receipt of your letter of the 25th ultimo, all the steamship companies, except those from which written applications had been received for the privilege of using their own docks, were notified that after the 8th day of September next, the date upon which Mr. Starin has been informed that his contract will be terminated, the expense attending the transfer of baggage to the Barge Office "will in no event be borne by the Government."

I transmit herewith copy of a letter addressed to me by the surveyor of the port, in which he inquires whether, after the 8th day of September next, "it is optional with any vessel to land the baggage of its passengers at its own dock, or at the Barge Office."

I understand from your letter that the Barge Office is to be kept in readiness for the reception and examination of the baggage of any steamships the owners or agents of which may elect to send the same there at their own expense, and shall so direct the surveyor, unless I am otherwise instructed.

Very respectfully,

ARTHUR BERRY,
Special Deputy Collector.

Hon. D. MANNING,
Secretary of the Treasury.

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[Enclosure.]

CUSTOM-HOUSE, SURVEYOR'S OFFICE,
New York City, August 15, 1885.

SIR: I have to acknowledge the receipt of your letter of the 13th instant (C. T.), informing me that the contract with Mr. John H. Starin will terminate at the expiration of sixty days from the 10th ultimo. I respectfully request that I may be informed if after that date it is optional with any vessel to land the baggage of its passengers at its wharf without specific instructions from you, as in the case of the Cunard and other lines, or at the Barge Office. It is to be presumed that any steamer arriving at the upper Quarantine, and not finding a transfer boat ready to take off the baggage, will proceed to her wharf; but the question will undoubtedly arise as to steamers which are compelled by the health officer of the port to anchor at lower Quarantine and which send up their passengers from that place by tugs. There will be many questions as to reductions of force at the Barge Office, &c., which will depend on your instructions as to whether or not any baggage is to be, after the 8th proximo, examined there.

I am, sir, very respectfully,

H. S. BEATTIE,
Surveyor.

To the Honorable the COLLECTOR OF THE PORT.

(No. 37.)

AUGUST 26, 1885.

SIR: The Department is in receipt of your letter of the 19th instant, transmitting a communication from the surveyor at your port, in which he inquires whether, after the 8th day of September next, when the contract with Mr. John H. Starin regarding the landing of baggage at the Barge Office expires, it is optional with any vessel to land the baggage of its passengers at its own dock or at the Barge Office.

The Department concurs with you in the opinion that on the expiration of such contract the Barge Office should be kept in readiness for the reception and examination of the baggage from any steamships which the owners or agents of such steamships may elect to send there at their own expense, and the inquiry is therefore answered in the affirmative.

Very respectfully,

C. S. FAIRCHILD,
Acting Secretary.

COLLECTOR OF CUSTOMS,
New York.

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THE EXAMINATION OF BAGGAGE OF PASSENGERS AT NEW YORK.

No. 1.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 16, 1885.

SIR: The Department invites your immediate attention to sections 5444, 5450, 5451, 5452, and 5501 of the Revised Statutes, and directs that you and your officers take especial care that each and all of those sections are faithfully executed.

In order, however, that the prohibitions and severe penalties of these sections may be notified to the public, and especially to arriving travellers who are accompanied by baggage or personal effects to be examined by inspectors of customs and imported into the country, the Department will cause a supply in printed form to be sent you to-morrow, embodying so much of said sections as are deemed pertinent; and, until further orders, a copy thereof will be delivered to each person arriving at the port of New York, at the time such person shall make the declaration required by existing laws and Treasury Regulations.

You are also directed to require all customs officers and agents at the port of New York to be vigilant in the enforcement of these sections, and to make immediate report to you of any violation or attempted violation thereof; and whenever it shall appear to you that an offence against these salutary laws for the protection of the revenue has been committed, you will immediately report the facts to the United States attorney at New York for proper judicial proceedings, and if any customs officer has been criminally implicated, you will forthwith report the facts to this Department.

Very respectfully,

DANIEL MANNING,
Secretary.

Hon. WILLIAM H. ROBERTSON,
Collector of Customs, New York.

No. 2.

TREASURY DEPARTMENT,
Washington, D. C., September 24, 1885.

SIR: In March last, and immediately on taking charge of the Department, I directed the attention of the collector at the port of New York to what I had reason to think was a very defective and a very scandalous condition of affairs respecting the examination of the baggage of arriving passengers, and the criminal payment of money to inspectors of customs by such passengers. I have reason to feel that the deplorable condition then and for a long time existing has not yet been thoroughly reformed, although there has been, I hope, somewhat of improvement.

The tariff law has put on the free-list a class of articles when brought into the country by their owners and as a portion of their luggage, and the law requires the executive to examine each piece of baggage in order to ascertain and decide which of articles therein contained shall be ex-

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empt from duty. I appreciate the difficulty and, in many cases, the delicacy of the task which the Treasury has, in this relation, confided to the inspectors. The Treasury Regulations, the interpretation of the statute in question that has been recently given by the Supreme Court, and the tests applied thereunder by the customs officials, are extremely liberal to the arriving passenger, so liberal as to bring to us complaints from American manufacturers of articles like those thus exempted from duty, and from American dealers in them, who are compelled to pay duty on their own importations. Indeed, it is believed that this Government is, in that regard, more liberal to travellers than is any other government that levies so high a rate of duty on so many imported articles of clothing as we do.

I am certain that I fully appreciate the circumstances of hurry and confusion in which the ocean steamers are now landing such great numbers of first-class passengers in New York with so many large pieces of luggage.

My recent order permitting luggage to be entered in bond, and to be forwarded to destination at ports of entry in the interior, without examination in New York, was intended to alleviate, somewhat, that hurry and confusion. The baggage, however, that is to be delivered to the passenger and owner in New York must be as faithfully and reasonably examined by the customs officers as the packages entered by importers are examined, in order to verify their contents, as declared by the person making an entry. If the number of pieces of luggage brought by those coming from Europe or the character of the contents were similar to what usually accompanies a traveller from place to place in the United States or Europe, the work of the customs officers would be comparatively easy and simple. While, therefore, I am disposed to be reasonable and patient over complaints, on one side and the other, respecting the liberality with which articles are, on the wharves, included in the free-list, I wish the utmost energy and vigilance used to prevent the scandal of money payments by passengers to customs inspectors. I am told that inspectors demand such payments in a way to make the demand not much else than blackmail, and that the sums paid range as high, in some instances, as an hundred or more dollars, while the payment of five or ten dollars is a common and general fact.

I am sure you will agree with me that such scandal and such violation of law should be stopped. If it cannot be arrested in any other way, the Department will consider the necessity of sending the luggage of passengers to the appraiser's stores to be examined like merchandise regularly imported and entered. These gifts of money cannot be without the guilty co-operation of those who are not customs officers, who are among our most law-respecting citizens, and who really are the tempters. No merchant or corporation would permit its agents to be thus tampered with by outsiders. A casual passenger cannot be permitted to pay money to a customs officer who examines his luggage, any more than can a regular importer be permitted to "tip" an appraiser. The transaction is suspicious on its face, and is quite indefensible and intolerable in every point of view.

I have alluded to this condition of affairs in New York in order to ask your aid and co-operation, as the chief Federal law officer at that port, in putting an end to it. I believe that the existing Federal criminal law is adequate to bring about the arrest and imprisonment of the

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guilty, whether passengers or customs officials, if the facts are as represented to me.

If the existing law shall be found by you to be inadequate, I shall be glad to receive your views thereon at an early day. But, meanwhile, my desire and hope are that you will, so far as it may be within your sphere of official influence and control, take efficient steps to cause the arrest and punishment, criminally, of any and every passenger, without regard to social or political influence, who pays, or offers to pay, or of any customs official who receives, any money or thing of value in connection with the customs examination, under the statute, of arriving luggage.

Very respectfully, yours,

DANIEL MANNING,
Secretary.

Hon. WM. DORSHEIMER,
U. S. Attorney, New York.

No. 3.

OFFICE OF THE UNITED STATES ATTORNEY
FOR THE SOUTHERN DISTRICT OF NEW YORK,
New York, September 25, 1885.

MY DEAR SIR: I have the honor to acknowledge the receipt of your letter of the 24th instant, in which you call my attention to the very defective and very scandalous condition of affairs respecting the examination of the baggage of passengers arriving at this port and the criminal payment of money to inspectors of customs by such passengers, and in which you ask my aid and co-operation in putting an end to these violations of law.

I beg to assure you that your instructions will be zealously carried out, and that all the power of this office will be used to break up this pernicious and most disreputable practice. The first person who shall be found paying an officer money and the first officer who shall be found receiving money in contravention of the laws will be presented to the grand jury, and the indictments against them will be promptly brought to trial.

I think that timely notice should be given of your determination to institute this reform, and therefore I have taken the liberty of sending your communication to the press for publication.

Believe me, very truly, your servant,

WILLIAM DORSHEIMER,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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INQUIRIES.

No. 1.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., ——— —, 188—.

———— ————, ————.

SIR: In order that I may have before me, in preparing my annual report to Congress, a correct appreciation of the results and the effect of our recent investigations of custom-house affairs, and in order that I may decide how much and what portion, if any, of the record shall be sent to Congress, I desire that careful and official replies to the following inquiries, with adequate completeness of details of facts and figures, be prepared for my use at the earliest practicable day.

Very respectfully,

DANIEL MANNING,
Secretary.

—

1. Keeping in mind the distinction between rates of duty and dutiable values, what evidence is there, if any, that the former have not within the last few years been levied and collected as the law prescribed?

2. Is there satisfactory evidence (and, if so, what is it) that on articles which the law says shall pay purely *specific* rates, without reference to values, the full amount of duty prescribed by Congress has not been collected?

3. In what manner, and by what tests, are the invoiced measurements of textile fabrics verified in the usual course of custom-house business?

4. What evidence is there, if any, of collusion between the persons making entry of several packages of similar goods on one invoice and the entry clerk or deputy collector to send to the appraiser for examination a bogus or false package as a fair example of one in every ten?

5. What evidence is there, if any, of false, or incompetent, or inadequate weighing or measuring on the wharves?

6. In respect to rates of duty, and differences between importers and collectors, growing out of decisions by the latter and the Treasury which have resulted in suits, does the existing law need amendment?

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How many such collectors' suits are now pending in Boston, New York, Philadelphia, and Baltimore? If they can be classified and the legal question at issue identified, how many suits are there in each classification, and how long has each untried suit been at issue and ready for trial? Cannot a plan be devised by the Attorney-General, the Solicitor of the Treasury, the district attorneys and the judges, by which these suits can be more promptly disposed of, and new suits, as they come up, be speedily put at issue and tried? Does the existing law in respect to the payment of *interest* as a part of the damages and costs in "collectors' suits" need amendment? Is there a necessity for a new tribunal to try judicially questions growing out of rates of external or internal taxation levied by the executive when tax-payers are dissatisfied, or can the existing judicial system be made sufficient if it be worked efficiently?

7. Specify the class of articles, if any there be, on which the recent investigations or the existing facts now susceptible of proof conclusively show that the Treasury Department has, during recent years, failed to levy and collect in New York the entire and full amount of duty that the law prescribed. Is the evidence of failure of a character to be controverted successfully? And, if so, how, and why?

8. How has the failure come about? Has it come of the ignorance, or of the indolence, or of the dishonesty of Treasury officials? Is there any reliable evidence to show a guilty knowledge of the failure, or a conspiracy to promote it, among the higher class of Treasury or custom-house officials?

9. If there be conclusive or satisfactory evidence that the appraiser (not the general appraiser) has reported to the collector false dutiable values, then (1) how long has the falsehood been in operation, (2) on what class of articles, (3) from what places, (4) and were the articles shipped by the makers or purchasers, and (5) has the same general condition of things existed in the larger ports? If the proof of the false returns of dutiable values made by the local appraiser depends on the statements made by special agents of the Treasury or consular agents, what evidence is there to corroborate the latter as against the official action of the appraising department?

10. Is there now, or has there recently been, confusion or doubt or conflict of opinion in the appraisers' department respecting any of the elements to be ascertained in order to fix and declare the dutiable value; and, if so, what? Is not the place and time, and the standard to be applied, already defined by the statutes in the opinion of the examiners, deputy appraisers, and appraiser?

11. Can a safe average estimate be *now* made of the percentage of such undervaluation by the appraisers in any year or series of years, and the articles or invoices be identified?

12. As between the examiner, deputy appraiser, and appraiser, which is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector? What is the salary of such officer? Is the appraiser much else ordinarily and in fact than one who officially certifies to the collector the values fixed and reported to him by the examiners and deputy appraisers?

13. Is there satisfactory evidence that any Government officials in the consular department or elsewhere have assisted, or consented to, or connived at, the presentation to the appraisers of such false evidence of foreign values? If so, what officers; when, and how?

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14. If, under the previous administration of the Treasury, false values have been habitually and systematically reported to the several collectors, and if the tariff law has not been faithfully executed, and if the full amount of duty has not been collected, can it *fairly* be said the failure has come of dishonesty, and been accompanied by guilty knowledge on the part of Treasury or customs officials; and, if so, of whom? If money has been paid to American officials to get false reports of dutiable values, who has furnished and paid it? By what means and agency, and where, has such corruption-fund been raised and disbursed?

15. If the false valuations have come of bribery or venality, what reason is there to think that similar corrupt and venal influences are not now brought to bear, or that they will not be successful in the future as in the past?

16. Would a change from ad valorem to specific rates be a benefit to the revenue and help to diminish a tendency to bribery, provided the existing *quantity* of duty is to be levied in the future; and could specific rates be applied to all textile fabrics?

17. Have the false reports by the appraisers been increased by the repeal, in 1874, of the "moiety law," and by the customs legislation of that date modifying the existing law, and especially modifying that of 1863 respecting seizure of books and papers?

18. Would it be practicable in the large American consular districts, such as London, Paris, Berlin, &c., for American consular agents, no matter how numerous and alert, to personally examine articles to be shipped from thence to the American ports, and to verify the correctness of invoiced values? In which consular districts can American consular officers safely and surely ascertain and report the true invoiced values of every shipment? Is it likely that foreign governments in which such American consular officers are stationed would abstain from complaints to this Government if American consuls made vexatious delays in examining values and certifying invoices? What fees are now exacted on each shipment in London, and in England, by our consuls for certifying invoices, even of small articles and of little value?

19. Under the law as it now is, the rates of duty levied by a collector can be supervised and revised by the Secretary of the Treasury, and finally by the Federal judicial power, but—according to the analogies of State taxing laws—neither the Treasury Department, nor the President, nor the judicial power can interfere with, or revise, or set aside the decision of the appraising department respecting *dutiable values* if the forms of law have been complied with. Would it be safe, or useful to the revenues and just to importers, that the executive or the judicial powers have greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates?

20. The existing rate of duty on wool is a combination of an ad valorem and a specific rate. I desire to have prepared, and presented to me, a very careful and accurate analysis of the history of the several rates of duty on wool since 1860, and of the working of the complicated rates on wool that are now in force.

21. Is it believed that at the larger Atlantic ports the practice generally prevails, or prevails at all, of the payment of money by arriving passengers to customs inspectors of baggage either to prevent, or

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facilitate, or hasten an examination of luggage to ascertain whether or not it contains dutiable articles; and if such a practice exists as the law condemns and forbids, can it be prevented, and how?

22. Does the evidence tend to show that, in respect to the articles on which the Treasury has failed to collect the whole duty prescribed by the law, the rate has been carried by Congress beyond and above the line which the Government can surely protect, and into a region where smugglers and dishonest shippers will be very powerful in evading the law?

23. Has what has been true of the failure of the Treasury Department to enforce the revenue law in New York been generally true, and, for similar reasons, at the other large Atlantic ports?

24. If false returns or reports to the collectors of dutiable values have been made during a considerable time past, why have not the persons or officials concerned therein been complained of, arrested, indicted, and punished?

LETTERS OF REPLY.

No. 2.

L. G. MARTIN—Entered the Department as a first-class ($1,200) clerk August 19, 1868. Promoted subsequently to second, third, fourth class, Assistant Chief, and appointed Chief of Appointment Division July 14, 1875. Appointed Special Agent May 18, 1876, and afterwards designated as Supervising Special Agent.

A. K. TINGLE—Entered the Department as a first-class clerk in the Fourth Auditor's Office July 1, 1867. Promoted subsequently through all the different grades. Appointed Special Agent September 10, 1872.

TREASURY DEPARTMENT,
Washington, D. C., September 3, 1885.

SIR: In response to inquiries contained in your circular letter relative to evasions of customs revenue, we respectfully submit the following:

Inquiry No. 1.—As to the rates of duty, it should be remembered that whenever an improper rate is exacted to the detriment of the importer, he is prompt to protect his rights by appeal to the Department and the courts. When, however, an improper rate is assessed to the detriment of the Government, there is no such motive of private interest to correct the wrong. Errors of this kind against the Government may, therefore, often occur without detection. It is true that the appraising officers and the collectors at the several ports are expected to see that the revenue is protected. But entries of merchandise are passed through the custom-house at the principal ports with great rapidity; appraising officers, whose duty it is to advise the collector of proper classifications, are sometimes incompetent, careless, or dishonest, and customs brokers are always alert to secure an advantage for their clients. For these reasons, there is no doubt that merchandise is, in some cases, passed at a less rate than the law prescribes.

For instance, some years ago, at Boston, aniline colors were for a long time passed, under various names, as merchandise not otherwise provided for, dutiable at 20 per cent., when, upon investigation, it was discovered that the goods were aniline colors, dutiable, under the former tariff, at 50 cents per pound and 35 per cent. ad valorem.

Within a few weeks the Department has corrected the classification of cashmere-goat hair, which was passed at Philadelphia for three years as carpet-wool, dutiable at 2½ or 5 cents per pound, according

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to value, when the rate prescribed by law was 10 cents per pound. So, too, in regard to flax, dutiable at $20 per ton, which was passed at one of the ports on the northern frontier upon the misrepresentation and false invoicing of the importers as tow, as $10 per ton. In these cases there is no doubt that proper vigilance on the part of the appraising officers would have prevented loss to the Government. Other cases have been discovered where the same merchandise was classified differently at different ports.

No. 2.—Specific rates can only be evaded (1st) by the assessment of a lower rate than the law prescribes; (2d) by false weight or measure, and (3d) by improper or excessive damage allowances. There is evidence on file in the Department in the form of affidavits that the weighers at New York, with the avowed object of making a good showing of economy in the expense of weighers' labor, have omitted to actually weigh large quantities of weighable goods, and instead have taken the weights as marked on packages or stated by importers as the proper weights, and made return thereof accordingly. A practice of this kind long continued cannot fail to furnish an inducement to fraud by false invoicing and false marking of packages. It is shown by the evidence accompanying a report on file in regard to damage allowances that it is an habitual practice of some importers of fruits and nuts, which pay specific duties, to claim an allowance for damage upon sound goods, and that such allowances have been made in many cases.

Instances of fraudulent collusion between the weigher and importer have been known to occur in past years, notably in the weighing of sugar.

It was developed by the investigation of the "Jay Commission," in 1877, that corrupt and irregular practices prevailed in the weigher's department at New York, and that illegal fees in the nature of perquisites to the weighers were exacted from the importers upon every cargo weighed. As a result of subsequent reforms instituted in this branch of the service, it was claimed that there was a large increase in returned weights of sugars, showing that the full duties had not been previously collected.

No. 3.—From such information as we have in regard to the measurement of textile fabrics, we are of opinion that such measurements are seldom, if ever, verified by customs officers. This question, however, can properly be answered by the appraising officers at the several ports.

No. 4.—Instances of fraudulent collusion between importers and entry clerks or deputy collectors have been discovered in past years. One case, known as the "Lawrence frauds," at New York, involved great loss to the Government. Upon the discovery of these frauds, the collector adopted a plan of assigning a deputy collector to designate the examination packages upon invoices for each vessel arriving, such assignment being made on the day of the arrival of the vessel, so that there could be no preconcerted arrangement between the importers and the officers so assigned, a different deputy being assigned for each vessel. How far this device has prevented fraudulent collusion is not known. Some years ago, at Boston, it was discovered that frauds of this character to the extent of about $70,000 in duties were perpetrated by collusion with officials. In one importation at that port, where the invoice described seven packages of cotton hosiery, six of the packages contained lastings, while the one package which was designated for

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examination contained cotton hosiery, in accordance with the description in the invoice. The fact that such frauds are known to have been carried on in the past would seem to warrant the assumption of their possibility at any time. Doubtless the success of the Lawrence frauds in New York was suggestive to the Boston parties, who adopted similar methods.

Another method at Boston was to invoice the goods, which were in reality lastings, subject to high duties, as hide cuttings, which were free. By arrangement with the deputy collector or entry clerk, an order was made for the inspector on the wharf to examine the merchandise, which really meant no examination at all, and the goods were not seen by the appraiser, and were delivered without the packages being opened by customs officers.

Nothing but the absolute integrity and vigilance of the officers intrusted with the duty of designating the examination packages, or the examination of all packages in the invoice, can prevent this kind of fraud.

No. 5.—See answer to the second inquiry.

No. 6.—This inquiry can be properly answered by the collectors and district attorneys at the principal ports.

No. 7.—It cannot be successfully controverted that *all* silks consigned to commission houses in New York are, as a rule, undervalued in the invoices, and that in most cases the appraising officers have failed to advance the values sufficiently to meet the true market value and secure the collection of the full amount of duty that the law prescribes. This is also true as to laces, embroideries, gloves, fine earthen and glass ware, and, to a greater or less extent, as to all other goods which are sent to this country for sale on foreign account, commonly known as consigned goods.

No. 8.—The reasons for this failure may be stated as follows:

First. Importers who make entry of this class of merchandise are bound together by mutual interests to prevent advances of consigned goods to such figures as would enable *bona fide* purchases to be made abroad by American merchants.

Second. There being few, if any, actual purchasers in the foreign markets, there is great difficulty in obtaining evidence of actual market value.

Third. Fictitious values are established by the united testimony of importers whose business is dependent upon a continuance of the consignment system.

Fourth. The views of the appraising officers themselves as to market values have become warped and incorrect because of the fact that the only values with which they are acquainted are those stated in invoices of consigned goods, so that when evidence of undervaluation is presented, the appraisers are reluctant to use and act upon it. They assume that their advances will not be sustained on reappraisement, owing to the combination of importers referred to, who, by frequent personal intercourse with the examiners, exert a powerful influence over them, and override the evidence of undervaluation. The appraising officers have not only failed, for these and other reasons, to use testimony officially furnished to them as to actual foreign market value,

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but have also failed to use the means given them by law (section 2922, R. S.) to ascertain all the facts relating to importations, by calling before them the importer and examining him on oath, and requiring him to produce all letters, papers, invoices, &c., relating to the importation.

It is a well-known fact that many of the importations embraced in consigned invoices represent actual orders previously taken by the importers at fixed prices in dollars and cents; and if the appraiser had required the production of these orders and the prices at which the goods were to be delivered, there would have been no difficulty in ascertaining the true market value of the merchandise, and the collection of the duties thereon. It is difficult to understand the reluctance of the appraising officers to avail themselves of the means thus conferred upon them by law for ascertaining the facts in regard to any importation upon any other ground than that they do not wish to disturb the existing order of things.

No. 9.—As to silks, velvets, laces, embroideries, gloves, earthenware, &c., inadequate values have been reported by the appraisers for a number of years past. It should not be said, however, that their failure to return full values has been wholly intentional on their part. While they have known, in a general way, that the merchandise was undervalued, they claim to have been unable to secure such proofs of actual market value as would sustain their advances upon reappraisement, owing to the practice, so long in vogue, of appointing members of consignment houses as merchant appraisers, and of taking the testimony of members of such houses to sustain the integrity of the invoices.

The appraising officers must, however, be held largely responsible for the growth of such a practice, because, under the regulations, it was their duty to furnish to the collector the names of suitable persons from which to select the merchant appraiser, and of proper persons to be called as witnesses. The records show that, in a large majority of cases, firms whose invoices were known to be undervalued have appeared upon the list sent to the collector by the appraiser, and in many cases the members of firms receiving consigned goods for sale on foreign account were selected as merchant appraisers. It is not easy to understand how the appraising officers expected to arrest false valuations so long as they pursued this practice. The class of articles most largely undervalued are those mentioned above, and are generally shipped by the manufacturers to their agents in New York, direct from the place of manufacture, usually continental European ports. There have not been so many undervaluations from England as from France and Germany, owing to the system in England of requiring an oath to the invoice, to be taken before an officer duly authorized by the laws of Great Britain.

Still, there are some classes of English goods, notably hosiery and linen, which have been consigned by the manufacturers to this country for sale, invoiced at prices below the actual market value. Purchased goods by reputable houses are seldom, if ever, found to be tainted by these fraudulent practices. The proof of undervaluations of the articles above mentioned does not rest wholly upon the statements of Treasury or consular agents, but is to be found in the testimony taken upon reappraisements before the general appraiser at New

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York, and before commissions appointed by the Secretary of the Treasury to investigate the subject.

No. 10.—There is now and has been since the passage of the tariff act of 1883, much confusion in regard to the elements of dutiable value where questions are involved as to the dutiable or non-dutiable character of coverings. The exemption of charges from duty has given rise to a system of undervaluation by overstating the cost of the covering and packing charges in the invoices. Innumerable questions have arisen upon such cases, and an immense amount of litigation with the Government will be the result.

We do not think that the examiners, assistant appraisers, and appraiser are absolutely clear or harmonious as to the elements to be ascertained in order to fix dutiable value. It has been a favorite doctrine in the appraiser's department for many years that the price paid for an article settles the question of dutiable value of that article, no matter whether the invoice of one importer for the same article was above or below that of another, and in the face of the requirement of the statute, which provides that the appraisers shall appraise the true and actual market value and wholesale price of the merchandise at the time of exportation, and in the principal markets of the country whence the same has been shipped, any invoice to the contrary notwithstanding. The invoiced price has governed as to purchased goods, if the appraisers were satisfied that the prices in the invoice represented the actual cost, it being held that the price paid for any given article at any particular time was the market value so far as that importation was concerned. As suggested by Secretary Robert J. Walker, in a circular issued by him in 1848, under this doctrine, if merchandise was acquired by gift, there would be no dutiable value attached.

It frequently happens that a merchant may be able, by reason of his purchasing an unusually large quantity, or of his agreement to take the entire product of a factory during a season, to obtain merchandise below the price at which it is usually sold in the principal markets of production and sale. He thus not only obtains an advantage over his competitor as to the price he pays for the goods, but he obtains the further advantage as to the tax he pays upon it in this country. It is believed that that provision of law which requires the appraisement at the actual market value or wholesale price in the principal markets in the country of production at the time and place of shipment was intended to equalize the taxes collected upon importations by different importers, and that where an importer buys in the usual wholesale quantity, and at the usual wholesale prices in the foreign markets, he should not be placed at a disadvantage because his competitor has bought an unusual quantity, and has thus obtained an unusual discount.

No. 11.—We think a safe average minimum estimate of the undervaluation of silks, to which special attention has been given, can be made, and that such undervaluation is not less than 20 per cent.; that is to say, there should be 20 per cent. added to the value of all consigned invoices of silks to approximate actual market value, and this for at least ten years past. It must be remembered, however, that during these ten years there have been frequent spasmodic efforts to correct the undervaluation of silk by investigation and advances upon appraisement, which advances have, in some cases, been sustained and large amounts of increased duties and penalties collected. But these

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advanced values have not been consistently maintained by the appraising officers.

The merchandise having gone into consumption, there could be no identification of particular invoices and articles.

No. 12.—The examiner is primarily and chiefly responsible, in the usual course of business, for the values returned on appraisement. The assistant appraiser, to whom such examiner reports, however, should also be held responsible for long-continued erroneous valuations. The system in the appraiser's office at New York, whereby one examiner has exclusive charge of a particular line of goods, furnishes an opportunity for fraudulent collusion between examiners and importers, and if the assistant appraiser does not personally and carefully supervise the work of the examiners, there is no check upon such a practice. In our judgment, examiners should be changed periodically from one class of goods to another, and from one division to another. The objection made to this in the appraiser's department is, that when an examiner becomes an expert in one line of goods, it is unwise to put him in charge of some other line with which he is not so familiar. In reply to this, it may be said that at the ports of Cincinnati, Chicago, Baltimore, Boston, and Philadelphia examiners become expert in various lines of goods, and there is no reason why such a course should not be adopted at New York. In this way the monopoly of knowledge as to the values of particular lines of goods, now kept within the breasts of particular examiners, would be broken up.

The maximum salary allowed to examiners is $2,500 per annum. When it is remembered that examiners at New York receiving this salary pass upon goods upon which duties are collected amounting to from $12,000,000 to $15,000,000 per annum, it is seen that the salary is ridiculously low as compared with the compensation paid in private business for similar services.

The appraiser at New York is necessarily an executive officer, whose signature to returns of values is merely formal, and is of necessity placed upon invoices by a stamp, except in cases where values are disputed. The number of invoices that pass through the appraiser's office in New York in one year is about two hundred and twenty thousand.

No. 13.—While we know of no evidence that Government officials, in the consular department or elsewhere, have assisted, or consented to, or connived at, the presentation to the appraiser of false evidence of foreign value, it must be stated that, with but few exceptions, consular offices have during many years performed their duties with reference to invoices in a perfunctory and indifferent manner, and have shown but little disposition to inquire into questions affecting the revenue. The assignment of a special agent to duty in Europe about four years ago had a tendency to quicken the understanding of consular officers as to their duty in this regard, and excellent results have followed in some instances, particularly at points where experts were appointed to aid the consuls in the ascertainment of values.

No. 14.—From the knowledge that we have on this subject, we do not think it can be *fairly* said that the failure of the appraising officers to appraise goods at their full market value has come of dishonesty and has been accompanied by a guilty knowledge on the part of Treasury or customs officials.

In the case of the appraisement of certain wool at Philadelphia, where the evidence of the correct market value was conclusive, the appraiser

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persisted in passing the wool at a valuation which would bring it in at the lower rate of duty instead of the higher rate, which an appraisement of its actual value would have imposed. This was also the case, as to the classification of cashmere-goat hair as carpet-wool, referred to in answer to Inquiry No. 2, where the appraiser, although upon his original report upon the invoice he classified the merchandise as cashmere-goat hair, and dutiable as such, in his reports to the Department, upon the appeal of the importer, earnestly took the view that his classification was wrong, and that the merchandise should be passed as carpet-wool. Even in these cases there is no evidence outside of the facts cited of improper motives on the part of the appraiser, although in his report and in the decision of the Department which followed it the facts in the case were obviously misstated. Some instances have occurred at New York in which proof of corruption of appraising officers was obtained, and the officers themselves dismissed from the service.

No. 15.—If false valuations have come of bribery or venality, there is no reason why such bribery and venality may not be repeated. "Whenever there is a coincidence of temptation, frailty, and opportunity, there can naturally be but one result."

No. 16.—There can be no doubt that a change from ad valorem to specific rates would help to diminish the tendency to corrupt action and loss to the revenue by the incompetency or indifference of appraisers. The application of specific rates to all textile fabrics would undoubtedly be a work of great difficulty, particularly as to woollen goods, but it is believed that a schedule can be prepared by the skilled officers in the appraiser's department, with the aid of manufacturers and merchants, which would be satisfactory to all interested, except those who are profiting by the present system of undervaluation.

No. 17.—The consignment system as it now exists has largely grown up since the enactment, in 1874, of the law known as the "anti-moiety act." A careful examination of the provisions of this law will show to any unprejudiced mind that, if it was not *designed for that object*, its tendency is to promote the very condition of affairs as to values which now exist. It practically ties the hands of the Government, and prevents the enforcement of the tariff laws, in that it prevents its officers from obtaining proofs necessary to establish fraud by undervaluation. Proof of such frauds could be usually obtained under the old law by an examination of the books and papers of the importer, where such examination was made without giving him an opportunity to sequester the papers. There is a provision of the act of 1874 under which books and papers of an importer may be examined by the attorney of the Government after suit is commenced, but notice must be given to the importer of the particular books and papers desired, and this gives an opportunity to those who are dishonest to suppress proofs of guilt. Then, too, the sixteenth section of that act, which requires submission to the jury of the question of fraudulent intent as a separate proposition and a separate verdict thereon, operates as a barrier to successful prosecutions. In addition to this, the courts have held that the twelfth section of said act, providing penalties and forfeitures, which, for reasons stated, in the majority of cases cannot be enforced, repealed section 2864 of the Revised Statutes, providing for the forfeiture of the value of merchandise fraudulently entered. If, therefore, the importer succeeds in accomplishing his fraud and obtaining possession of the goods,

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although possibly an action would lie against him for duties, he is clear of all other liability, unless a criminal prosecution can be successfully maintained against him, and in such cases the difficulty of obtaining the necessary proofs is even greater than in civil suits.

Under former laws, informers in customs cases were assured of 25 per cent. of the sum realized by the Government from the information furnished. Under the present law their compensation is dependent upon many contingencies. If the fraud revealed consists of undervaluation, they are not sure of any reward, because of the difficulty of collecting even advanced duties, not to speak of the impossibility of securing forfeitures; and the amount in any case depends upon the discretion of the Secretary of the Treasury, and cannot exceed $5,000. When a great fraud has been successful, those having knowledge of it find it more profitable to treat with the guilty parties than with the Government.

No. 18.—We think it practicable—and the ground of our judgment is found in the actual experience of the consuls at London, Liverpool, Bradford, Lyons, Zurich, Horgen, Basle, Marseilles, Geneva, St. Galle, and Manchester—for consuls to give their personal attention to the value of articles shipped from their ports to the United States, particularly when such officers are aided by experts appointed for that purpose; not that consuls can personally examine every shipment, but they can keep themselves advised generally of the market value of staple articles shipped from their consulates. The late Consul Packard, at Liverpool, caused to be prepared and furnished to the appraising officers at the principal ports a printed price-list of all articles shipped from his consulate from week to week, and there is no reason why other consuls might not follow this example as to all staple goods. A uniform consular fee of $2.50 is charged for verifying invoices, regardless of the value of the goods, and in Great Britain, in addition to this, a fee is charged for administering the oath.

No. 19.—We do not think it would be practicable or judicious to clothe the executive or judicial power of the Government with jurisdiction in the matter of the ascertainment of dutiable values. Existing laws, if properly administered by appraising officers, furnish adequate remedies for injustice, in ordinary cases of appraisement, to both importers and the Government.

No. 20.—The information called for by this question can be obtained from the appraising officers at the principal ports.

No. 21.—It is believed that at the port of New York the practice of taking money by inspectors from incoming passengers for facilitating the examination of their baggage, and for passing dutiable articles without payment of duty, has been a general one. Its suppression is attended with the greatest difficulty, owing to the fact that it has been long established, and passengers of respectability and wealth, understanding it to be a necessary evil, are willing to pay money to avoid detention and trouble. An effort was made by Collector Merritt, some years ago, to break up this practice, and for that purpose he employed a detective, who obtained proofs of the actual payment of money to inspectors in a number of cases, in each of which the officer was dismissed from the service. The system of espionage which was necessary to the detection of this class of offences was distasteful to Surveyor Graham, at whose instance it was finally discontinued.

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We know of no way to break up this practice, except the employment of inspectors of known integrity, under the supervision of a competent deputy surveyor, possessed of earnest convictions on the subject, and determined to put an end to a system of petty bribery and extortion which has done more than any one thing to bring disgrace upon the public service.

No. 22.—It is a self-evident proposition that the higher the duty the greater the temptation to evade it. This is illustrated by the operation of the tariff of 1883, which increased the duty on opium from $6 to $10 per pound. Under the previous rate of duty, which was equal to 100 per cent. ad valorem, the amount of smuggling was enormous; and under the present rate, according to the best information obtainable, more than half of the amount consumed by the Chinese on the Pacific coast is smuggled. In past years the great profit of opium smuggling at San Francisco led to the formation of extensive combinations between smugglers and customs officers, reaching to even officers of the courts. It is believed that these combinations are not wholly broken up, although successful prosecutions have had a beneficial effect.

As to undervaluations of goods paying high ad valorem rates, taking silks as an example, those best informed on the subject express the opinion that, while the nominal rate of duty is 50 per cent., the actual rate collected is not more than 30 per cent. But undervaluations are not confined to articles paying high ad valorem rates, and it is not to be expected that honesty in invoicing will be secured by reducing the rate of duty. Wherever a profit of 3 to 5 per cent. can be obtained by undervaluation, with little or no risk, unscrupulous importers will take advantage of the opportunity.

No. 23.—Undervaluations have not prevailed so extensively in proportion to the amount of business transacted at other ports as at New York, for the reason that the consignment system has not prevailed at other ports to such an extent.

No. 24.—There has been no satisfactory evidence, as hereinbefore stated, that the incorrect returns of values made by appraisers have been made knowingly and corruptly, except in the cases mentioned in No. 14, where the officers were dismissed from the service. In those cases indictments were procured, but, for reasons unknown to us, the parties were never brought to trial.

Very respectfully,

L. G. MARTIN,
A. K. TINGLE,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 3.

Additional Inquiries to Special Agents Martin and Tingle.

1. Specify each and every article on which, within your own knowledge, and within two years last past, a less rate of duty has been levied than the law required, and name the port of entry of each article.

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2. Specify each and every article on which, within your own knowledge, and within the last two years, the full amount of purely specific duty has not been collected, and the port of entry, excluding damage allowance.

4. Specify each case of collusion, referred to in the fourth question, that has happened within the last two years, and the port.

7. Am I to understand you as saying that *all* goods "which are sent to this country for sale on foreign account, commonly known as 'consigned goods,'" are now underinvoiced, and that in most cases correct values of such goods are not now reported by the appraiser at New York to the collector? If not, please make your reply plain and direct as to the present date.

9. This question refers to "*false* dutiable values" reported by the appraiser. Let it be answered, and the articles specified, and the evidence indicated, on which falsehood is affirmed. What special validity and influence over a shipper has an oath because taken before a British officer instead of the American consul? Does that oath now prevent false invoices, in Great Britain or Ireland, of *consigned* goods? Is it your opinion that in England prosecutions would, or could, be carried on for perjury committed in enforcing the American tariff law?

10. Apart from "coverings," how will the tenth question be answered by you? What appraising officer at the present time thinks and says that "price paid" is the same as the "dutiable value" of the statute?

11. Are the values of the articles referred to in your answer to the eleventh question now falsely returned to the collector of New York by the appraiser?

13. Give the names of the consular officers, now in office, referred to in the first part of your answer to the thirteenth question. Who was the special agent to whom you refer?

15. Have you any reason to believe that bribery or venality in New York *now* prevent true and full returns of dutiable values by the appraising department?

17. Specify more fully "the very condition of affairs as to values," referred to in the second sentence of your answer to the seventeenth question?

18. The eighteenth question refers to the *personal* examination of merchandise by consular officers. Please confine your reply to those officers. Besides the fee of $2.50, what fee is charged in Great Britain for the oath, and has such fee been paid into the Treasury, and is it now so paid, or has any portion of it been reserved by any consular officer or clerk, or by the person administering the oath; and if so, by whom?

24. State whether or not, in your opinion, dutiable values are now, in New York, not truly reported to the collector; and if so, on what articles?

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No. 4.

Reply to Additional Inquiries.

WASHINGTON, D. C., *September* 19, 1885.

SIR: In answer to additional interrogatories contained in memorandum herewith returned, we respecfully submit the following:

1. Certain proprietary medicines, including about one hundred different articles, were passed by the appraiser at New York for a number of years as medicinal preparations, at 25 per cent., when the legal rate was 50 per cent. This erronous classification was brought to the attention of the Department by Special Agent Tichenor, then in Europe, more than a year ago, and the classificatiou was some time afterwards corrected by the appraisers. The importers appealed, and the Department sustained the advanced rate, deciding that the merchandise should be classified as "proprietary medicines" dutiable at 50 per cent. (See Department decisions 6687, 6837, 6915, 6917, and 6921, wherein the articles are described.)

Lower rates than the law requires were collected at the port of Philadelphia for a number of years upon certain wools, mohair noils, and cashmere-goat hair. The classification in these cases were corrected by Department decisions 6998, 6999, and 7034, all dated in July last.

The erronous classification of "flax" as "tow," referred to in answer to first inquiry, occurred at the port of Suspension Bridge, N. Y., about a year ago, and the merchandise was seized at Paterson, N. J., by officers from the New York custom-house, on the ground that it had been fraudulently entered.

In the month of June last, upon investigation by Special Agent Ayer, it was found that the appraising officers at New York were in the habit of classifying certain "glazed ornamental tiles" as "paving-tiles," dutiable at 20 per cent. ad valorem, when, according to the judgment of experts, they should be classed as "glazed earthernware," dutiable at 55 per cent. ad valorem. The appraiser having acceded to this view and changed the classification accordingly, the importers appealed, but the point was decided against them by the Department, as shown by Decision 7051, dated July 30 last.

For a long period "scoured wool," in the form of "laps," "broken tops," "slubbings," and "fine rovings," was admitted in large quantities at Boston and New York as ordinary wool waste or spinner's waste, at 10 cents per pound, under the provisions of the tariff for "rags," "mungo," "waste," "shoddy," "flocks," &c. Upon investigation, made at the instance of the consul at Liverpool and Special Agent Tichenor, the merchandise was classified as "washed wool," dutiable at 20 cents per pound. (See Synopsis, 5820.)

Upon further investigation, it was decided by the Department that the merchandise in question should be classified as "scoured wool," dutiable at 30 cents per pound. (See Decision 6884, dated April 29 last.)

There are two firms in New York, A. Diepenbrock & Co. and Benziger Bros., who import what is known as "church statuary," being moulded figures of religous subjects, made of mineral substances and decorated. The character of the importations in both cases is practically identical. Those of A. Diepenbrock & Co. were formerly

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passed at 10 per cent., and are now passed at 30 per cent. ad valorem, as works of art, while those of Benziger Bros. are classified as "manufactures of mineral substances," dutiable at 40 per cent. The action of the appraiser in both cases is in accordance with the specific instructions of the Department. The ruling in the case of Diepenbrock & Co. was based upon a judicial decision (see Department decision No. 5549) made, as is now admitted, upon an insufficient presentation of the facts. Benziger Bros. have protested against this discrimination, but without avail, the higher rate being deemed the legal one as to their importations, notwithstanding said decision. It would seem that, inasmuch as there is no appreciable difference in the character of the merchandise, the classification should be the same in both cases.

The foregoing embrace the only cases which we are able to recall to mind at this time, occurring within the last two years, in which a less rate of duty has been levied than the law required.

2. The only cases within our own knowledge now occurring to us, in which within the last two years the full amount of purely specific duty has not been collected, exclusive of allowance for damage, are those mentioned above, namely, "wool," "noils," "cashmere-goat hair," imported at Philadelphia, "scoured wool," imported at New York and Boston, and "flax," imported at Suspension Bridge. In these cases the insufficient collection was due to the improper assessment of rate, and not to a false return of quantity.

4. We have no knowledge of any case of collusion between an importer and an entry clerk or deputy collector, whereby the Government has been defrauded by the designation of packages for examination within the last two years. The cases cited in our answer to No. 4 occurred several years ago, at New York and Boston, and were referred to as indicating the possibility of this class of frauds.

7. We do not hesitate to express our conviction, from all the facts we have been able to obtain, that all goods subject to ad valorem duty consigned by European shippers to regularly established agencies in the United States, chiefly at the port of New York, for sale on foreign account, commonly known as "consigned goods," are now undervalued, and that while in some cases the appraising officers may report the full dutiable value, as a rule correct values of such goods are not reported to the collector. There may be exceptional cases, where the invoices express fair values, but the rule is as we have stated. The articles of greatest importance thus imported are silk goods, leather gloves, hosiery, German and French woollen and worsted goods, cotton embroideries and laces, linens, and crockery. The importation of silks especially has received careful investigation from time to time by consuls abroad, as well as by special agents and others. Reference is made to the report of Messrs. Tichenor, Tingle, and Spaulding, on the subject of undervaluations, dated the 10th of April last, in which it is shown that consigned silks are invoiced below the cost of labor and materials used in their manufacture, the difference ranging from 1 per cent. to 50 per cent.; that at least 10 per cent. should be added to the cost of labor and materials, to cover waste, insurance, interest, and other operating expenses, to reach cost of production; that the average invoice prices were about 23 per cent. below cost of production; that the additions made for market value by importers on entry and by examiners on appraisement amounted, in the aggregate, to no more than 8½ per cent., leaving 14½ per cent. of the difference between the cost of production

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and appraised value upon which duty was not paid, without taking into account the manufacturer's profit, which should be represented by not less than 5 per cent. additional. The latest reports from the appraiser at New York show that the examiners have now reached an aggregate valuation of silks equal to about the cost of labor and materials only. According to the best information obtainable, this is still from 15 to 20 per cent. below actual market value. There may be occasional invoices upon which the full valuation is returned, but they are rare.

Merchandise, such as crockery, linens, hoisery, machinery, hydraulic hose, various manufactures of metals, knit goods, various cotton fabrics, notably velveteens, worsted yarns, woollen and worsted goods, books, manufactures of paper, &c., is shipped in large quantities by British manufacturers and shippers to the United States invoiced at prices below those at which the same goods are sold to the home trade and for export to other countries than the United States. This is the result of what is believed to be a policy adopted by British manufacturers to relieve their home markets of over-productions. They are thus enabled to keep their mills running, as well as to control the markets of the United States. The goods thus shipped to this country may be actually sold at prices which represent no more than the cost of manufacture, and even less in many instances, the manufacturers depending for their profits upon their sales in the home and other markets. In cases of this kind, when the appraising officers are satisfied that the invoice and entered value represent the actual price paid, it has been usual to pass the goods without additions to make market value, although it has been in many cases conclusively shown that these prices were below the actual market value in the principal British markets. Oaths to such invoices are believed to have been made in many cases in good faith, under the impression which prevails extensively in the mercantile community, both at home and abroad, that the price paid represents the dutiable value in all cases. This principle has been adopted largely by appraising officers, under sanction of decisions of the Department. (See Decision No. 3238, dated May 15, 1877, and letters to collector at Boston, dated in April, 1884, not published.)

9. The phrase "false dutiable values" seems to imply guilty knowledge or corrupt motive on the part of appraising officers when making returns of inadequate dutiable values. It is rarely susceptible of proof that the action of an appraising officer which is supposed to be based upon his judgment is due to dishonest motive. We therefore prefer to attribute the failure of appraising officers at New York to make returns of full values to errors of judgment, indifference, negligence, and misconception of the law, rather than to venality or corruption.

With regard to oaths to invoice declarations, it should be stated that it is only in Great Britain that such oaths are administered. This is done pursuant to a conventional arrangement between our Government and that of Great Britain, which has not been made with other countries. Invoices from the continent have attached to them a declaration before the consul, but which is not made under oath. It is thought by those who are qualified to judge upon the subject that the oath administered by a British officer, as is the practice in Great Britain, does tend to prevent false invoicing of consigned goods. There should be this qualification, however, that such invoices are frequently made below the market value in the home market, but at the same time represent the prices at which they are to be sold in the United States, as hereinbefore explained. Shippers taking the oath in such cases do so

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in good faith, according to their construction of our tariff laws, and according to the construction adopted in many cases by our own officers. We have good reason to think that prosecutions for perjury, where it could be shown that the affiant deliberately made a false statement, could be carried on and enforced in the courts of Great Britain. We are informed that competent legal counsel in Great Britain have so advised some of our consular officers.

10. We reaffirm our answer as to the confusion in the minds of appraising officers in regard to what constitutes "dutiable value." We recall recent statements of Assistant Appraiser Birdsall and Examiners Angevine and Corbet, holding to the doctrine that the actual price paid was the dutiable value, no matter what might be the general market value in the principal markets of the country of production. We do not think they are alone in this view, but that the doctrine thus stated prevails generally among the officers of the appraiser's department. Appraiser McMullen, however, holds that the appraisers are required to appraise and return the actual market value in the principal markets of the country of production, in accordance with the statute, and that an exceptional price below such market value at which merchandise is sold for export to the United States, to meet the competition of American producers, cannot be regarded as the market value if below the price at which the goods are sold to all the world.

11. As stated in answer to No. 4, we believe that consigned goods of all descriptions are still passed at New York at inadequate values, although improvement has been made in this regard since the present appraiser has been in charge of the business. The combined opposition of those interested in maintaining low valuations, and the want of sympathy on the part of some of his subordinates in his efforts for reform, make his task one of great difficulty.

13. In stating that consular officers during many years performed their duties with reference to invoices in a perfunctory and indifferent manner, we did not desire to have it understood that these officers were unwilling, as a rule, to do their full duty with respect to the revenue. Acting under and receiving their instructions from a Department not directly interested in the customs, and receiving but little encouragement from the Treasury Department or customs officers when they did make efforts in that direction, it was not surprising that they should become indifferent.

The special agent who was sent to Europe four years ago, referred to, was George C. Tichenor, and the readiness with which consular officers, as a rule, adopted his suggestions and became interested and active in matters pertaining to dutiable values is an indication that their previous failure to look after the interests of the revenues was due to a want of definite instructions on the subject rather than to any other motive. The only consular officers now in the service, so far as we are informed, who failed to take an active interest in these matters, are ———, ———, and ———. We are informed by Special Agent Tichenor that Mr. ——— took but little personal interest in matters pertaining to invoices presented at his consulate for certification. This is unfortunate because of the great variety of merchandise and large amounts involved in invoices shipped from that consulate and the universal disposition and practice of French shippers to understate values.

15. In the absence of proof sufficient to convince an unprejudiced mind, we cannot say that we have reason to believe that bribery or

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venality now prevent true and full returns of dutiable values by the appraising officers.

17. By "the very condition of affairs as to values which now exists," as stated in the second sentence of our reply to Inquiry No. 17, we mean the prevalent practice of under-invoicing consigned goods which has been for some years past and is now so general as to many lines of merchandise. We think that the comparative immunity from all risk of punishment, either in pocket or person, enjoyed by importers since the passage of the anti-moiety act has tended to encourage the fraudulent practices by which the revenue laws are so largely evaded.

18. It would be impracticable for consular officers at the larger consulates to personally examine all merchandise shipped from their districts, but it is practicable for them to inform themselves generally of market values. The regulations of the Department of State provide that consuls shall require shippers of textile goods to present with their invoices samples of the goods described therein, which samples are forwarded to the appraising officers, with the triplicate invoices. There are usually attached to the larger consulates a corps of clerks and assistants, whose services might be utilized in personally examining these samples and procuring information as to market values, so as to enable the consul to certify the invoices intelligently.

In Great Britain the fee charged for the oath is equivalent to $1. This fee is paid to the British officer who administers the oath, and is not paid into the Treasury or in any way accounted for by consuls. Whether or not it is shared by consular officers we have no knowledge.

24. The great increase in the number of appeals and reappraisements within the last few months would seem to indicate that the appraising officers are more active and vigilant than for some years past. We are still of the opinion, however, that the actual market value is not fully reported to the collector upon articles hereinbefore mentioned, regularly consigned by foreign manufacturers to their agents in New York.

Very respectfully, L. G. MARTIN,
A. K. TINGLE,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

I concur in the foregoing as well as in the answers of Messrs. Martin and Tingle, heretofore submitted, to the questions contained in the printed circular. Very respectfully, GEO. C. TICHENOR,
Special Agent.

No. 5.

Additional Inquiries.

Please supplement your reply of the 19th instant, by giving date and text of the "conventional agreement" therein referred to, and the name of the "legal counsel," with the text of his opinion, to whom given, and *when.*

SEPTEMBER 25, 1885.

No. 6.

WASHINGTON, D. C., *September* 29, 1885.

SIR: Since the receipt of your memorandum, relative to answer to Question No. 9, in regard to oaths to invoices, we have sought access to the records of the Department of State for the purpose of obtaining the precise data respecting the origin of the custom in vogue in Great Britain of requiring shippers to make an oath or solemn declaration to their invoices before a British officer, and the failure of consular officers on the continent to require oaths to invoices.

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We find that we were in error in the statement that the practice in Great Britain was the result of a "conventional arrangement" between that government and ours.

It appears that for a long time prior to 1869 it was the custom of the consular officers in Great Britain to administer oaths to shippers, and that in that year the consul-general at London, in a dispatch dated May 8, reported that "in Great Britain a declaration or oath to be legal and render a person liable to prosecution for making false declaration or taking a false oath, must be made before a British subject duly appointed or authorized to administer oaths or receive declarations. Consequently, all declarations and oaths made before American consuls, when not duly authorized by the laws of Great Britain, are of no more legal or moral effect than if they were taken before a private citizen, and consuls are, in reality, liable to a fine for so acting."

On the 26th of June, 1869, the consul-general reported that he began to require oaths to be taken before a British commissioner on the 1st of June, 1869, and it appears that since about that date this practice has been uniformly followed by all our consular officers in the United Kingdom, with the sanction of the Department of State. It is gathered from the official correspondence that, at the instance of the consul-general, Mr. Joshua Nunn, a British subject, then acting as vice-consul-general, and who had for a long time previous been attached to the consulate, was appointed by the British authorities a commissioner to administer oaths, although Mr. Nunn did not possess the qualifications usually required in such cases, namely, that he should be a solicitor of ten years' practice. This act of courtesy on the part of the officials of Her Majesty's Government, coupled with the fact that it was only in Great Britain that such oaths were administered, led to the conclusion that that practice had been adopted by reason of a conventional arrangement between the two governments. While it does not appear that the subject has been one of conventional agreement in the strict meaning of the term, it is a fact that it has been expressly sanctioned and authorized by our Government and tacitly recognized by officers of the British Government.

With reference to the opinions of legal counsel in Great Britain to the effect that prosecutions for perjury, where it could be shown that the affiant deliberately made a false statement, could be enforced in the courts of Great Britain, it appears that the subject was one of correspondence between the Department of State and the consuls at London and Liverpool, in the year 1876. On the 26th of April, in that year, the consul-general at London reports that "the laws of this country do provide that the punishment of perjury shall apply to false oaths taken under the circumstances mentioned, when the oaths were taken before a duly qualified officer. * * * I believe, however, that in case of a legal prosecution great difficulty would be found in procuring evidence sufficient to convict, and the probabilities are that it would prove impossible."

The consul at Liverpool, in a dispatch dated May 8, 1876, reports as follows: "I have given the subject therein named the best consideration I could, and I have employed an English lawyer here to examine the laws and decisions of the courts of this country relating thereto. As the result of such investigation, I have to say that, in my opinion, there is a very great doubt whether or not a person is liable to punishment for *swearing* to false or undervalued consular invoices. I have

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become aware that there is a difference of opinion among lawyers here as to such liability, and I have not found that the point has been settled by the highest English courts. Therefore, the question may be considered in some degree an open one, with, I think, the probability strongly against such liability. There seems to be no doubt that persons making false declarations to such invoices are liable to a punishment under the laws of this country."

It should be here stated that the form used is a solemn declaration made before a duly authorized commissioner, in accordance with the provisions of the statutes of Great Britain, (5 and 6 William IV.)

We are informed by Special Agent Tichenor that, in the course of his investigations of frauds in various classes of merchandise by shippers in Great Britain, who had made their declarations before British commissioners, he made inquiry of several different solicitors whether prosecutions for perjury could be maintained in case the fact of false invoicing could be established, and the uniform answer was in the affirmative. Among those so consulted were Mr. Thomas Hewitt, solicitor, London; Mr. J. T. Doyle, solicitor, Manchester; Mr. ——— Richardson, solicitor, Bradford; and Mr. William Gibson, solicitor, Glasgow. These opinions were verbal, and we do not know of any formal written opinion by a British lawyer on the subject. On the strength of these opinions, Special Agent Tichenor recommended in his official reports the prosecution of certain persons whom he believed could be convicted of perjury.

While it thus appears that it has been, and is the practice to have oaths or solemn declarations to invoices administered in Great Britain, it seems that efforts to establish a similar practice in France, Germany, and other continental countries have failed because it was found to be impracticable under the laws of those countries.

The Department of State some three years ago addressed circular letters to certain consular officers upon this subject, and we have examined the replies received from a number of them, from which it appears that in France, Germany, and Austria there are no officers corresponding to those employed for this purpose in Great Britain who can administer such an oath or declaration as would be valid and would subject the person taking it falsely to punishment. The consul-general at Paris, in a dispatch dated May 4, 1882, states that he has submitted the question as to the administration of oaths to invoices in France to Mr. Edward Clunet, an eminent advocate of the French bar, whose opinion he submits. After an exhaustive discussion of the subject, the consul-general concludes as follows: "I must confirm the opinion expressed by my predecessors, Mr. Bigelow and General Torbert, that oaths to invoices of merchandise to be exported to the United States cannot either legally or usefully be administered by American consular officers, and that there is no French functionary authorized to do it in their stead; and that if such authority existed in theory it would be quite impossible to invoke its exercise in practice."

The consul-general at Frankfort-on-the-Main, under date of February 21, 1881, reports that a prosecution for perjury or false swearing could not be maintained in a German court where the oath was administered by a consular officer of the United States. He bases this opinion upon information received from reliable authorities on the German law, whom he had consulted. Generally speaking, only the courts are authorized to administer oaths in Germany, and that in open session. A notary

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cannot administer an oath or certify the same in such a way as to form a basis for a prosecution for perjury. According to the understanding of the consul, the right of a consular or diplomatic officer of a foreign country to administer an oath to a German subject is not recognized by the Imperial Government.

The consul-general at Berlin, February 21, 1881, reports that in the German Empire the crime of perjury applies only to false oaths or affirmations administered in the trial of criminal or civil causes, and that only judges can administer such oaths.

The consul at Barmen reports that in Germany oaths are only administered in criminal or civil cases and in various departments of the Government, and submits a legal opinion of Dr. H. H. Adami, an advocate, who says: "Perjury will be punished in Germany if the oath was imposed by public authority. International law does not grant to consuls in Europe the right to impose oaths, nor is any such authority to be found in the consular convention between the United States and Germany. German laws, likewise, do not furnish any public authority for the administration of such oaths on invoices. Oaths sworn without public authority before a notary, consul, &c., are void in Germany."

The consul-general at Vienna, February 12, 1881, reports that oaths administered by consuls in Austria-Hungary are void; that the crime of perjury as well as the extra-judicial administration of oaths are unknown to the jurisprudence of that country. Only judges of courts are authorized to administer oaths.

The consul at Aix-la-Chapelle, under dates respectively of May 4 and July 23, 1874, reports that he had issued a circular to shippers to require them to appear and in person sign and swear to their declarations to invoices before him, (which had not previously been the practice,) and also having summoned certain shippers to appear before him and give testimony under a commission from the United States district court of New York, the parties refused to appear in consequence of certain publications in the German newspapers advising them not to do so and of a communication from the foreign office of the Imperial Government at Berlin, addressed to certain German citizens, which communication is as follows:

"OFFICE OF FOREIGN AFFAIRS,
"*Berlin, June* 24, 1874.

"In reply to your agreeable information of the 8th and 18th of this month, regarding the trial brought out against your firm by the customs administration at New York, I have to say that the (in the article nine of the consular convention between the German Empire and the United States of America, formed December 11, 1871, R. G. B. L., 1871, S. 95) mentioned power of American consular officers to take statements under oath refers only to citizens of the United States, and that therefore for German citizens there is no cause nor obligation to comply to the summons of an American consul to give information on them. I suppose that this real matter of fact is known by your German correspondents whose examination is wished by the American court.

"The Chancellor of the Imperial in representation,
"V. BULOW."

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The consul at Basle, Switzerland, in a dispatch dated February 18, 1881, says: "The oath administered to a shipper by a consular officer in Switzerland is not, in the opinion of the best available authority, of such a nature that a prosecution for perjury could be maintained under it. * * * There are in the city and canton of Basle six notaries empowered to administer oaths and legalize sworn declarations. * * * It should, however, be clearly understood that the oath used in Switzerland in business transactions is merely a shake of the hand, and is of precisely the same force and meaning as that taken in an invoice declaration made before a consular officer. * * * A *solemn* oath, such as is taken in the United States, in which the Deity is invoked, is here regarded quite too sacred to be used in any matter of business. It can only be administered by a court of law, and after the person taking the oath has been solemnly prepared for it by a personal conference with an ordained clergyman. Such an oath is very rarely administered in Switzerland; never except in cases of vital importance. It would be quite impossible to use it with invoice declarations."

We submit herewith Executive Document No. 122, containing a report from the Department of State showing the provisions of law and the instructions of that Department to consular officers relating to the verification of invoices, together with reports of consuls as to fees collected.

Very respectfully,

L. G. MARTIN,
A. K. TINGLE,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 7.

Additional to Special Agents Martin and Tingle.

TREASURY DEPARTMENT, *October* 3, 1885.

SIRS: I have your communication of the 29th ultimo, correcting your previous statement respecting "a conventional agreement," and informing me that the existing practice of levying in Great Britain a tax of some 5 shillings sterling, above the $2.50 fee of the statute, on shippers of merchandise to the United States, began with the consul-general at London in 1869. The tax is a serious one on invoices for a small amount, and I wish to be further informed concerning it. There seems to be no such tax levied outside of Great Britain. In the Senate resolution of May 19, 1881, (Ex. Doc. No. 122, 47th Cong., 1st sess.,) the inquiry is made by the Senate whether any consular officer has been benefited by the additional tax said to be paid to British notarial officers. In London and Belfast the total sum must be very large, and I observe that neither Consuls-General Badeau nor Merritt, nor Consul Wood, reply, as to themselves, definitely to that inquiry. You are directed to inquire, and report to me forthwith, what information is attainable by you in the Auditor's office, or elsewhere, on that point; and also how much has, in your opinion, been, in London, the total yearly amount received for that tax thus required by the oath.

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You will also inform me whether, in the light of the new information respecting the probability of punishment for perjury, your previously expressed opinions respecting the necessity and efficacy of an oath, in addition to a declaration before an American consular officer, are affirmed by you.

Respectfully yours,

DANIEL MANNING,
Secretary.

Messrs. MARTIN & TINGLE,
Division of Special Agents.

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No. 8.

TREASURY DEPARTMENT,
Washington, D. C., October 6, 1885.

SIR: In compliance with directions contained in your letter of the 3d instant, addressed to Mr. Tingle and myself, I have the honor to submit the following information concerning the amount paid annually for administering the oath to invoice declarations (in addition to the $2.50 fee of the statute) at London and Belfast, as well as in all the other consular districts of the United States in the United Kingdom of Great Britain and Ireland.

Herewith enclosed is a tabular statement from the Fifth Auditor of the Treasury, from which it appears that the total number of invoices certified in all the United States consular offices in the United Kingdom during the fiscal year ended June 30, 1885, was 75,971, in which London's share was 19,444, and Belfast and its agencies, (Ballymena and Lurgan,) 4,362.

It also appears that the number of invoices certified at London during the fiscal years 1882 to 1884, inclusive, was as follows: 1882, 16,351; 1883, 20,887; 1884, 22,077. Add, 1885, 19,444. Total during four years, 78,759.

The sum collected for administering the oath to each invoice is understood to be 4*s.* 6*d.*, equivalent to, say, $1.10, at which rate the amount thus paid at London during the above four years would equal $86,634.90, and in the entire United Kingdom for the fiscal year ended June 30, 1885, the sum total would be $83,568.10.

As the consular officers do not report, either to the Treasury or to the State Department, the fee collected for administering this oath, the above is the only data attainable for arriving at the amount of such fees.

I consider this estimate, however, substantially correct, it being understood that the oath is administered in all cases, and that the fee charged has varied but little from 1*s.* 6*d.* for each declaration, being 4*s.* 6*d.* for each set of invoices made out in triplicate.

Where the merchandise is to be shipped in bond from port of first arrival to an interior port, the invoice is required to be made in quadruplicate, in which case the total fee per set would be increased to 6*s.*, provided the additional 1*s.* 6*d.* is charged for the extra invoice, which I assume is the case. These are not taken into account in the estimate above made, there being no definite data respecting the same, hence the amounts estimated are the minimum.

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I have been unable to obtain from the Auditor's office, or definitely from any other source, any information as to whether Consuls-General Badeau or Merritt, at London, or Consul Wood, at Belfast, have shared in these fees. Special Agent Tichenor, however, informs me he will make a special report to you on this subject.

From all the information at my command, it would seem that the proportion of fraudulent invoices from the United Kingdom are fewer than from the continent of Europe, which fact, together with the further fact that an oath legally and solemnly administered, as this one appears to be, operates, as a rule, to restrain men from making false or reckless statements. I am still inclined to adhere to the view previously expressed to you respecting the "efficacy of an oath in addition to a declaration before an American consular officer."

The absence of Mr. Tingle in New York accounts for his failure to join me in this reply.

Very respectfully,

L. G. MARTIN,
Supervising Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

Number of Invoices Certified at each Consular Office in the United Kingdom of Great Britain and Ireland during the Fiscal Year ended June 30, 1885, *as shown by Returns to the Fifth Auditor of the Treasury.*

Consular offices.	Number of invoices.	Remarks.
Belfast	3,610	
Ballymena	73	
Lurgan	679	
Birmingham	2,640	
Kidderminster	513	
Redditch	354	
Wolverhampton	122	
Bradford	6,591	
Bristol	232	
Cardiff	43	
Llanelly	32	
Milford Haven		No invoices certified.
Newport	144	
Swansea	621	
Cork	75	
Waterford		No invoices certified.
Dublin	542	
Limerick	5	No returns for the March quarter.
Sligo		No invoices certified during June quarter. No other returns.
Dundee	2,728	2 emigrant certificates issued.
Aberdeen	335	
Dunfermline	1,140	
Kirkcaldy	313	
Falmouth	28	
Glasgow	4,103	14 emigrant certificates issued.
Greenock	20	
Gloucester	120	
Hull	312	
Leeds	1,242	1 emigrant certificate issued.
Huddersfield	1,783	
Leith	585	
Galashiels	99	
Liverpool	9,873	20 emigrant certificates issued.
Holyhead		No invoices certified.
St. Helen's	822	

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Number of Invoices Certified at each Consular Office in the United Kingdom, &c.—Cont'd.

Consular offices.	Number of invoices.	Remarks.
London	19,444	22,077 certified during fiscal year 1884, and 20,887 in 1883, and 16,351 during 1882.
Dover		No invoices certified.
Londonderry		No returns.
Manchester	6,867	
Newcastle-upon-Tyne	458	
Carlisle	178	
Old Hartlepool	95	
Sunderland	41	
Nottingham	3,243	
Derby	319	
Leicester	469	
Plymouth	33	
Dartmouth	5	
Guernsey	3	
Jersey	11	
Sheffield	1,849	
Southampton	14	
Portsmouth	6	
Weymouth	1	
Tunstall	3,156	
Total	75,971	

No. 9.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., October 12, 1885.

SIR: Referring to our several letters, dated the 6th instant, relating to the fee charged for the oath to consular invoice declarations in the United Kingdom of Great Britain and Ireland, we have the honor to hand you herewith a letter, dated the 10th instant, from the Fifth Auditor, showing that the number of invoices certified at the United States consulate-general at London during the fiscal year 1882 was 21,303, instead of 16,351, as set forth in the tabular statement furnished you.

This makes the total number of invoices certified at that consulate during the fiscal years 1882 to 1885, inclusive, 83,711, instead of 78,759, and the aggregate sum received for the oath, say $92,082.10, instead of $86,654.90, within that period.

As shown by the Fifth Auditor's letter, the 4,952 invoices omitted in his tabular statement furnished you were certified from July 1 to September 16, 1881, General Badeau having been succeeded by General Merritt on the latter date.

Very respectfully,

L. G. MARTIN,
GEO. C. TICHENOR,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 10.

TREASURY DEPARTMENT, FIFTH AUDITOR'S OFFICE,
Washington, October 10, 1885.

SIR: Referring to the number of invoices reported by this office, on the 5th instant, as certified at London during the fiscal year 1882, namely, 16,351, I have the honor to state that 4,952 should be added thereto, making the correct number 21,303 for that year. The additional invoices were issued by the outgoing consul-general, from July 1, 1881, to September 16, 1881, and were overlooked in the hurry of making the statement, because the account was recorded at a much later date, the returns not having been received until December, 1882.

I am, sir, your obedient servant,

ANTH. EICKHOFF,
Auditor.

Hon. C. E. COON,
Assistant Secretary of the Treasury, Washington, D. C.

No. 11.

GEO. C. TICHENOR—Originally appointed Special Agent June 28, 1878.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., October 6, 1885.

SIR: Referring to your verbal request for such information as I possessed or could obtain respecting the participation of any of our consular officers in the United Kingdom of Great Britain and Ireland in the fee there paid by shippers for the oath administered by British officers to invoice declarations, I respectfully submit the following:

My usefulness as an agent of the Department whilst I was abroad made it necessary that I should cultivate and maintain the most agreeable relations possible with such of our consular officers as my official duties brought me in contact with.

In the United Kingdom I succeeded in establishing cordial official relations with most of our consular officers, and in fact enjoyed the close friendship of a number of them. Whilst these relations afforded me opportunity for acquiring information respecting the precise arrangements existing between some of these consular officers and the British officers by whom the oath in question was administered, my sense of propriety led me to avoid rather than pursue such inquiry under the circumstances. Therefore, the little information I became possessed of on the subject whilst abroad reached me unsought, came in more or less fragmentary and indefinite form, and was chiefly communicated in such way as to render its disclosure on my part a breach of confidence.

Addressing you, however, in the utmost candor and freedom, I cannot say that I have absolute, or at all direct, knowledge that any United States consular officer in the United Kingdom has at any time shared directly the fee in question; at the same time, I am constrained to say that the impression in my mind is very strong that some, at least, of them have, and do at this time. I will state briefly my reasons for so believing:

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About the year 1869, Mr. Joshua Nunn, a British subject, was appointed United States vice-consul general at London, having been nominated thereto by Mr. Morse, then consul-general there. About this same time Mr. Nunn, although not eligible thereto under the British statutes, was created a commissioner by the proper authorities of Her Majesty's Government to administer oaths and authenticate declarations. For a long time previous to this, according to my information, Mr. Nunn had been an employé of the London consulate, receiving, I assume, only the very moderate compensation usually paid such employés by our consular officers, ranging, I think, from about $300 to $1,200 per annum.

During General Badeau's term as consul-general at London, Mr. Nunn was continued as vice-consul general, acting at the same time as commissioner to administer the oath to invoice declarations. General Badeau having been largely engaged in literary pursuits, Mr. Nunn was actively in charge of the consulate much of the time. In fact, so far as the essential business details were concerned, particularly as related to invoices, he was *acting consul-general*, and the fee for administering the oath to shippers was *paid to him while he was so acting*. Even if General Badeau allowed him to retain the whole or chief part of the fee collected for this service, it was doubtless in consideration of his administering the office as vice-consul general, and, even in that view of the case, General Badeau certainly benefited by the fee. I deem it highly improbable, however, that Mr. Nunn retained the whole or chief part of these vast fees for his own use. I learn from the Fifth Auditor's office that during the time he (Mr. Nunn) was acting as vice-consul general and as commissioner he received pay regularly from the Government for services as clerk at the consulate-general.

After General Merritt succeeded to the office of consul-general at London, Mr. Nunn was removed from office as vice-consul general, being succeeded by Mr. Mitchell, an American citizen. He was also succeeded as commissioner, by Mr. Thomas Hewitt, a young English gentleman, who is engaged in the practice of his profession of solicitor, having an office near the law courts in Chancery Lane, London, and who attended at the consulate-general daily for a time during business hours to administer the oath to invoice declarations. It is shown by the records of the Fifth Auditor's office that there were certified at the London consulate-general during the fiscal years 1882 to 1885, inclusive, no less than 78,759 invoices of merchandise, the total sum received for administering the oath to which could not have been less than about $86,635, and probably exceeded that sum, since a considerable proportion of these invoices were made out in quadruplicate.

I never inquired nor learned what arrangement General Merritt had with Mr. Hewitt. I assumed, however, that some understanding existed between them whereby the former was liberally benefited. It does not look reasonable that a shrewd man like General Merritt would voluntarily afford a young English stranger an opportunity to realize upon an average above $21,000 per annum outright for services requiring but a comparatively small share of his time, and no invested capital. I would consider $2,500 per annum most liberal compensation indeed for such service.

I am quite sure that while I was abroad the United States vice-consuls at most, if not all, the principal consulates in the United Kingdom, except at London, were English solicitors holding the office of commis-

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sioner, and as such administered the oath to invoice declarations. As a rule, these gentlemen had their offices either at the consulates or adjacent thereto, and certain of them within my knowledge frequently served actively as vice-consuls on account of the absence of the consuls.

By reference to the tabular statement Mr. Martin has furnished you from the Fifth Auditor's office, you will see that in the Liverpool, Manchester, Bradford, Belfast, Glasgow, Nottingham, Birmingham, Tunstall, Dundee, Leeds, and Sheffield consular districts the amounts received for the oath to invoice declarations during the fiscal year ended June 30, 1885, exceeded in instances very largely the salaries allowed by law to the consuls.

I am well satisfied there are at all places where United States consulates are established in the United Kingdom respectable resident solicitors, either holding the office of commissioner or eligible thereto, who, for the sake of the distinction the title would confer and on account of the advantage they would thereby derive in pursuit of their profession, would gladly accept the office of United States vice-consul and administer the oath to invoice declarations for a bare moiety of the fee charged. In this view, it seems unreasonable that the consuls, whose salaries are so small, would afford their vice-consuls and commissioners opportunity to derive such princely incomes as it appears this fee yields in several instances.

Mr. Darlington, a young solicitor, and a commissioner, was appointed vice consul at Bradford, upon the recommendation of Consul Grinnell. Early in the year 1883, in consequence of a misunderstanding between Consul Grinnell and Mr. Darlington, the former asked for the latter's removal as vice-consul. Pending this controversy, Mr. Darlington informed me that when he was nominated as vice-consul he entered into a written agreement with Mr. Grinnell to pay over to the latter 80 per cent. of the fees he (Darlington) received for administering the oaths to invoice declarations, which agreement he subsequently, for certain reasons, sought to annul or modify, and this led to the misunderstanding between them. He informed me it was his intention to report all the facts to the State Department, as well as give publicity to them at Bradford. At the time Mr. Darlington made these statements to me he was visiting London for the purpose of conferring with Consul-General Merritt on the subject. Mr. Grinnell is one of the most industrious, faithful, and painstaking consular officers we have abroad, and if he made the arrangement mentioned with Mr. Darlington, as I assume he did, it is not improbable he had some precedent therefor, and considered the transaction entirely proper.

The State Department has expressly sanctioned and authorized the payment to the British officer of a fee of one shilling and six pence "for each of the triplicate or quadruplicate copies of the invoice," as compensation for his services in administering the oath. Article 641 of the Consular Regulations of 1881 provides: "All such invoices must be in triplicate; the three copies to be regarded as *one invoice*, and subject to only one charge for consular certificate." Since the declarations, whether in triplicate or quadruplicate, relate to but *one invoice*, I can see no propriety in treating *each declaration* as a separate and distinct instrument. *There is but one oath administered*, hence I consider there should be but *one fee* of one shilling six pence charged for administer-

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ing such oath. The jurat is either printed or stamped upon the blank forms of declarations, which are furnished by the Government, and the officer administering the oath has only to fill in the date and affix his signature thereto. I am satisfied arrangements could be readily made with the British officers to accept the single fee of one shilling six pence for this service. This tax (say, 36 cents United States currency) would certainly not be sufficiently onerous to cause serious complaint in any case.

I hand you herewith a report I made to Secretary Folger in September, 1882, which was referred to and printed by the Tariff Commission, then at work. On page 6 of this report I gave my views respecting the efficacy of oaths to invoice declarations as administered in the United Kingdom. Subsequent experience has not caused me to modify these views.

Inasmuch as the consular service of the United States is supported mainly from invoice fees, and the chief or more important duties of our consular officers relate to the customs revenue, I am decidedly of the opinion that this branch of the service should be attached to the Treasury Department. From my experience abroad, I am entirely satisfied that such transfer would result most beneficially to the Government.

I am also satisfied that our consular service requires remodelling and reorganization. This, I am sure, could be done in such manner as to largely elevate the tone and efficiency of the service without increasing the expense thereof.

Very respectfully,

GEO. C. TICHENOR,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 12.

A. M. BARNEY—Entered the service as Collector of Customs, Brownsville, Tex., April 12, 1869. Was commissioned Collector of Internal Revenue in Texas February 29, 1872, but never acted. Appointed Special Agent February 1, 1873.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Galveston, Tex., September 5, 1885.

SIR: I am in receipt of confidential printed Department letter dated on the 27th ultimo, calling for answers to twenty-four separate inquries.

In reply, I have to say that I am not in possession of data which would enable me to give intelligent replies to all the points raised, for the reason that I have not been stationed at any of the large ports of the country, except Chicago, since 1875 to 1877, and New Orleans from May, 1877, to October, 1877, and in New York on temporary and special service on two or three occasions in 1878, 1879, and 1880, and was engaged there on those occasions for a few weeks only at a time, and was never on duty at any of the other large Atlantic ports, so that I have had but little opportunity to examine into the manner of doing business at the larger ports of the country.

While on duty in New York, a larger portion of my time was employed in the examination of accounts of the various small customs col-

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lection districts which were then included in the second special agency district. I answer the inquiries made as follows, to wit:

1. At the ports in the districts where I have served I know of no instance nor evidence that the rates of duty on imported articles have not been levied and collected as the law prescribes. In many instances, owing to the intricacies of the tariff laws and the difficulties of interpreting the same, different rates have been collected in different districts on the same class and quality of goods.

Merchants themselves differ from each other in the classification and rates of duty legally chargeable upon merchandise imported by them.

2. If there has been a failure to collect the purely specific duties on imported merchandise, I attribute it to a failure on the part of those charged with ascertaining exact quantities, either from a lack of attention to their duties, or a failure to appreciate the responsibilities devolving upon them.

In my experience, no satisfactory evidence of such failure exists to an appreciable extent.

3. In Chicago, Detroit, and Galveston, the only ports with which I have been connected where textile fabrics have been imported to any considerable extent, the practice has been to actually measure a certain percentage of such fabrics. Also in cases of goods paying duty according to the fineness of the thread, the number to the square yard, &c., or when the duties are determined in part by the weight, an actual count of threads or the weight of the goods has been made by the appraiser, or officer acting as such, or by the examiners. In none of these ports, except Chicago, are there any examiners, the work being performed by the appraiser in person. In Chicago, while I was there, this work was done under the immediate and personal supervision of the appraiser, he performing a considerable part of the labor incident to such examination.

4. While I was in New York on special service the subject of collusion between parties making entry and the officers charged with a selection of packages to be sent to the appraiser's stores for examination and the examiners was frequently discussed by the agent in charge and others, and several investigations were made, which resulted in the dismissal of three or four clerks and deputies in the collector's office, the arrest and conviction of some of the examiners, and the flight to Canada of others before arrest. But as I was not engaged in these investigations, I am unable to give details.

5. In the course of an investigation of the Spietzer weighing contract, which was made by me, assisted by Special Agent Nevin, evidence was presented showing that three or four assistant weighers and foremen had taken money from importers and the contractor for giving out lists of weights taken in advance of the time of making returns of the same to the custom-house.

The name of one of the assistant weighers is Spicer; his foreman was another. His name, as well as others involved, I do not now remember. The superintendent was also included. All of which appears in the report of Special Agent Nevin and myself. It was believed at the time that false weights were returned to the custom-house; but as the goods had gone into consumption, had lost their identity, we were unable to procure evidence to support this belief. As proof was made, however, that money had actually been paid by importers and the contractor for extra services, as it was claimed, the natural conclusion was that

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fraudulent practices entered into the transaction, as business men do not pay out money to Government officials without receiving value in some form. Not having a copy of the report, I am unable to give details at this time, nor names of individuals, but they should be of record in the special agent's office in New York and at the Department.

It was further shown in the report that the contractor's foremen and laborers had in numerous instances been allowed to read the weights from the beam, instead of that work being performed by the assistant weigher or his foremen in person.

6. I think the law in respect to rates of duty and differences between importers and collectors which have resulted in suits can be amended so as to advance the interests of the Government and simplify the business, but am not prepared to submit any views upon the subject at this time. I have no knowledge as to the number of suits now pending in Boston, New York, Philadelphia, and Baltimore; nor whether they can be classified, &c.; nor the number of suits; nor of the time each suit has been at issue and ready for trial.

I believe a plan can be devised by the officials named in the inquiry by which these suits and new suits as they come up may be more promptly disposed of. One element of the plan, it seems to me, should be that this class of suits be given precedence on the docket so far as is consistent with public interests.

It would seem that if the Government collect interest as a part of damages and costs in suits brought on bonds for recovery of duties, that the Government is in equity bound to pay interest at the same rates on suits brought against collectors for recovery of duties adjudged to have been illegally collected.

I am of the opinion that the existing judicial system can be made sufficient if worked efficiently, and to that end a better class of district attorneys than those that have been appointed in some districts in the past should be selected, who have been mere politicians, and paid little or no attention to, or at least were indolent and inefficient in, the performance of their official duties.

7. I have no knowledge upon this subject.

8. I answer as above, not having been in New York for several years past.

9. As to New York and the other large Atlantic ports, I am unable to answer this question.

As to Detroit and Galveston, and other ports in this special agency district, I answer:

There was no evidence that the appraiser at Detroit ever reported to the collector false dutiable values during the time I was in charge there. Neither was there such evidence at the other ports in that agency district, nor is there any such evidence in the eighth agency district.

I cannot answer the latter part of this inquiry, as I have no knowledge upon the subject, having been stationed at points remote from other special agents.

10. I have reason to believe that there is now, and has recently and for several years past been, much confusion, doubt, and conflict of opinion among local appraisers, also among collectors acting as such, respecting the elements to be ascertained in order to fix dutiable values.

The tariff is so complicated in its nature that men may honestly differ in regard to the methods to be used in ascertaining dutiable values, the proper classification, and rate of duty to be assessed.

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Take the matter of istle, which is imported to a large extent from Mexico. I understand that some of the general appraisers declare it to be free, under 636 of the act of March 3, 1883, while others say it is dutiable at $15 per ton, under 333 *b* of the same act, in which latter decision I agree. Heyl, in his "Import Duties" book for that year, places it at $15 per ton. The preponderance of the decisions, however, place it upon the free-list, and the Department, in Synopsis No. 6293, changed its ruling previously made upon the subject.

I see no reason to doubt that the time and place and the standard to be applied are already defined by the statutes, and yet different appraisers and examiners at remote distances from each other may differ in their construction of the statutes. It would seem that those examiners and appraisers who are located near the place of production or manufacture, or both, of an imported article, and are familiar with it, are the best judges of its character, and, consequently, are the best judges of its proper classification and the rate of duty to be assessed upon the same.

11. I do not see how a safe average can now be made of the percentage of undervaluations, except in recent importations which have not lost their identity by reason of manufacture into the completed article of merchandise.

12. The examiner, I think, is primarily responsible, except in those cases where the deputy appraiser or the chief makes or superintends the examination in person, for any false returns of values to the collector. The salary of the appraiser at Detroit, who makes his own examinations, is $3,000 per annum. There are no appraisers or examiners in the State of Texas, the various collectors acting as such, although they trust the most of the work to the deputy collectors and inspectors. In such cases, I should say that the collector would be primarily responsible for any false valuation that might be placed upon imported merchandise. The appraisers, as a rule, in my opinion, merely certify to the collector the values fixed and reported to him by his deputies and examiners, except in appeal cases or in case of a difference of opinion arising between the deputy and examiner and the importer.

13. I have no knowledge upon this subject, although it has been a matter of common report that consular officers, in Canada especially, have been suspected of assisting importers and shippers in false evidence of foreign values, and it is a notorious fact that not one in ten of our consuls in Canada or Mexico ever see the goods to which they certify before their exportation to the United States, but merely sign the certificates of foreign value as they are presented by the shipper, except in those cases where the shipper has his certificates prepared for him in the consulate, for which a fee is charged. In such cases they usually make some inquiry as to the place and time of purchase, prices paid, &c. Even then the consular officer seldom ever puts himself to the trouble of making a personal inspection of the goods, although they may be going through under consular seal.

14. I do not know that false values have been habitually and systematically reported to the several collectors. If such has been the practice, then it can *fairly* be said, I think, that the failure to collect the full amount of duty comes of dishonesty and a guilty knowledge of such false valuation on the part of the appraisers, deputy appraisers, and examiners, and it follows that no official would be guilty of making false returns of values without compensation of some sort from the

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beneficiaries. It has been a notorious fact for years past that corruption of this character has existed in New York. If in New York, there is no good reason for believing that the same practices have not prevailed at other ports as opportunity presented. I do not know that a regular corruption-fund was ever raised for this purpose, and can hardly believe that merchants, regular importers, would be willing to openly subscribe to such a fund, although it is quite probable that certain brokers have procured moneys from importers to be used for this purpose. I have heard it stated for a fact, no names being used, that such was the case; also, that money was used at the Department with chiefs of divisions, who pass upon such questions primarily, in procuring decisions favorable to the brokers' clients.

15. There is no reason to believe that if false valuations in the past have come of bribery or venality, the practice may not be as successful in the future, unless an exceptionally honest set of officials are employed at remunerative salaries commensurate with the duties they are called upon to perform.

If business firms can afford to employ experts at salaries ranging from $5,000 to $10,000 per annum, with expenses added while abroad making purchases for their respective houses of a single line of goods, the Government cannot expect to procure the same sort of intelligence and experience and integrity in the person of one who receives at the highest as appraiser $4,000 per annum, and who is expected to be an expert as to *all* lines of goods imported in his district. Examiners, who receive a salary of $1,800 per annum, cannot be expected to be as proficient in their duties, or so far above temptation simply because of their holding a Government position and commission, as are those who, engaged by business firms, receive double or treble the amount of wages the Government official receives.

16. I believe that a change from ad valorem to specific rates would be of benefit to the revenue, and would put a stop to bribery and corruption, so far as values are concerned, and would only give a chance for it on the part of those officials charged with the duty of ascertaining quantities. So far as I am advised, the chief cause for complaint against officials, has been against those charged with the duty of ascertaining values. Of course, weighers, gaugers, and others may be bribed under specific as well as under ad valorem rates of duty, but the number so thrown in the way of temptation in the form of bribes, &c., for false returns would be reduced, and I believe that the working force in the appraiser's department could be curtailed to a great extent without a corresponding increase in the other departments. The benefit to be derived from a change to a strictly specific rate of duty, wherever practicable, would be very great in the smaller collection districts, where few importations are had, and the officials have but scanty means of ascertaining values, whereas, if the rates were specific, no such difficulties would be encountered.

I do not think, however, that specific rates of duty can be applied to all textile fabrics, though to many of them it can be.

17. So far as my experience goes, there has been no perceptible increase of false reports by appraisers since the repeal of the so-called "moiety law," in 1874, although there has arisen since that time a distrust on the part of appraisers and others of their ability to force an increase in values honestly believed to be dutiable, as by the repeal of that act the burden of proving intent has been thrown upon the Gov-

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ernment, and the right to examine books, papers, invoices, &c., has been taken away from the Government, or so hedged about with difficulties as to render it inoperative and void.

The repeal of the "moiety act" has also had the effect to decrease to a large extent the number and value of seizures for undervaluation and in smuggling cases.

The United States seems to be the only civilized country on the globe that does not offer a premium for information in regard to an infraction of its laws.

18. I hardly think it would be practicable in large consular districts, such as London, Paris, Berlin, &c., for American consuls to personally examine articles to be shipped thence to American ports, and to verify the correctness of invoiced values in each individual instance, but I believe it can be done in a sufficient number of cases, so that the consular officer would be enabled to arrive, approximately, at correct values. At the smaller consulates in Europe and in Canada and Mexico I believe such an examination and verification can be had without delays of a vexatious nature. I think it very likely that foreign governments would not abstain from making complaints to this Government if American consuls made vexatious delays in examining and certifying invoices.

I find, in looking over the invoices on file in the Galveston custom-house, that the consular fees for certifying them in London, Liverpool, and other points in England is fifteen shillings, (15s.) Inquiries made of importers in town confirm these figures.

19. I have to say, in reply to this inquiry, that I can see no good reason for withholding from the executive or judicial powers greater jurisdiction than now exists to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem duties. It seems to me that the Secretary of the Treasury should be endowed with power to rehear any case that may have been previously passed upon by the appraisers, and that authority should be vested in him to review all such cases upon proper appeal, and that his decision should be final, subject only to a further hearing by the judicial powers. A limit as to time and amount involved might, in justice to the Government and importers, be established.

20. A separate paper in response to this inquiry will be submitted as soon as practicable.

21. It has always been my belief that in New York especially, passengers have paid inspectors for facilitating and hastening the landing and examination of their baggage; also as bribes to pass articles subject to duties without the payment of the same. In one case Inspector Gilchrist was detected and dismissed the service. Boarding officers have also been treated to meals while on board vessels arriving at that port, including wines, liquors, and cigars; and I hold that when such favors are bestowed upon a Government official by the officers or owners of such vessels, some sort of compensation is expected in return. As before stated, in answer to another inquiry, there is no way of preventing such practices except by placing the most tried and trustworthy inspectors in charge of the work, and by changing them off from time to time, so that no one officer or set of officers shall be exclusively employed on that duty; and that when an officer is caught in such dishonest practices he be arrested and tried for the offence; also, that the passenger paying the bribe be prosecuted and punished.

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22. I believe that the rate of duty on many articles is too high, thereby offering a premium to smugglers and dishonest shippers, and officials as well, to attempt an evasion of the law.

23. So far as my knowledge extends, what is true of New York in regard to the failure to enforce the revenue laws is generally true, and, for the same or similar reasons, at all the other large Atlantic and interior ports of the country.

24. The only reason I can give for the failure to complain of and arrest and try the persons or officials concerned in making false returns or reports to the collectors of dutiable values is, that the guilty parties have made interest with higher officials through friends in Congress and out—lobbyists—which has been sufficient to protect them from punishment and discourage the person who makes the complaint.

I am, sir, very respectfully,

A. M. BARNEY,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 13.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Galveston, Tex., September 19, 1885.

SIR: In reply to Department confidential circular of the 27th ultimo, and especially to Query No. 20, I have the honor to submit the following report, premising the same by the statement that my office is not supplied with the statutes, complete, which give the information upon which to base a comprehensive view of the subject; neither does the custom-house records furnish the desired data upon which to found a satisfactory relation of facts upon the subject, to wit: "The existing rate of duty on wool is a combination of an ad valorem and a specific rate," &c. So far as the records show, the rate of duty on imported wool, imported from foreign countries previous to and including the year 1860, was 30 per cent. ad valorem. (Act of July 30, 1846.)

Under the act of July 30, 1864, the rates were increased as follows: Value 12 cents per pound or less, duty 3 cents per pound; value over 12 cents and not more than 24 cents per pound, duty 6 cents per pound; over 24 cents per pound and not more than 32 cents per pound, duty 10 cents per pound and, in addition, 10 per cent. ad valorem; value over 32 cents per pound, duty 12 cents per pound and 10 per cent. ad valorem. Scoured wool, three times the above rates.

In other than ordinary condition, as heretofore practised, or if changed for the purpose of evading duties, or value reduced by admixture of dirt or other foreign substance, then the duty on all classes to be 12 cents per pound and 10 per cent. ad valorem. Different qualities placed in same packages, the average value of which shall exceed 24 cents per pound, the duty is to be 10 cents per pound and 10 per cent. ad valorem. If different qualities in same packages, invoiced at same price, average less than 10 per cent. of the value of the best quality, as per appraisement, then the value of the best piece fleece or quality shall be taken as the standard of value of the whole bale, or invoice or bales, as the case may be.

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Under act of March 2, 1867, the rates of duty on imported wool were fixed as follows:

CLASS 1. *Clothing-wool.*—Value at last port, excluding port charges at last port of importation, 32 cents or less per pound, duty 10 cents per pound and 11 per cent. ad valorem; exceeding 32 cents per pound, 12 cents per pound and 10 per cent. ad valorem.

CLASS 2. *Combing wool.*—Thirty-two cents per pound or less, duty 10 cents per pound and 11 per cent. ad valorem; exceeding 32 cents per pound, duty 12 cents per pound and 10 per cent. ad valorem.

CLASS 3. *Carpet-wools.*—Value 12 cents per pound, duty 3 cents per pound; value more than 12 cents per pound, duty 6 cents per pound.

The act of July 14, 1870, adds to class No. 2 "Canada long wools."

In other than ordinary conditions, by attempts to evade payment of the higher rates of duties, by admixture of dirt, &c., *twice* the rate of duties provided for is to be charged; mixed grades to pay duties according to the appraised value of the best bale, fleece, or package in any one invoice. Wool of the *first* class *washed*, to pay twice the rate charged for the same quality *unwashed*, and wool of *all classes scoured*, to pay three times the rate on *unwashed*. Wool on the skins of sheep or the Angora goat, unmanufactured, *washed* or *unwashed*, to pay duty at the rate of 30 per cent. ad valorem.

The act of June 6, 1872, reduces the rate of duty on all classes of wool to 90 per cent. of those heretofore prevailing.

Under the act of March 3, 1883, the rates of duty on imported wool were fixed as follows, to wit:

CLASS 1. *Clothing-wool.*—Invoice value 30 cents or less per pound, duty 10 cents per pound; value over 30 cents per pound, duty 12 cents per pound, and if *washed*, twice those rates.

CLASS 2. *Combing wools.*—Value 30 cents or less per pound, duty 10 cents per pound; value over 30 cents per pound, duty 12 cents per pound.

CLASS 3. *Carpet-wools.*—Value 12 cents per pound or less, duty 2½ cents per pound; value over 12 cents per pound, duty 5 cents per pound.

In all classes, if the wool is *scoured*, the rate of duty is to be three times that to be assessed upon *unwashed* wool; and if the several classes are imported in any other than their ordinary condition, as to the admixture of dirt or other foreign substances, or an attempt is made to evade the payment of duty according to the true grade or quality of the goods, then twice the rates of duty specified in the act are chargeable. Wool on the skin to pay same rates of duty as clipped wool, under such regulations as may be prescribed by the Secretary of the Treasury.

It seems proper to inquire what is the true intent and meaning of the language of the statute as to the *remoteness* of the strain of improvement in the breed of sheep which will operate to carry the higher rate of duty? It is a well-known fact, I believe, that the original importation of Merino sheep was made into Mexico by Cortez or his followers, after the conquest of that country by him, acting under the authority conferred by the Spanish Government. If a remote strain of blood is to be carried back to that period, then all wool imported from Mexico should be classed as improved.

I am led to make this inquiry or suggestion from the fact that several importations of Mexican wool have been made in bond for transporta-

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tion and exportation to Canada, thence, as I believe, to be reimported into this country as of the lowest grade of Class No. 3, carpet wools, paying duty at the rate of 2½ cents per pound, as unimproved wool of that class.

I am not able to give any definite ideas or suggestions as to the working of the present complicated rates of duty that are now in force, other than those embraced herein and in my report of the 5th instant.

I am, sir, very respectfully,

A. M. BARNEY,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 14.

D. A. NEVIN—Originally appointed Special Agent May 18, 1876.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New Orleans, September 8, 1885.

SIR: I have the honor to acknowledge the receipt of your circular letter of the 27th ultimo, marked "confidential," desiring replies to a series of twenty-four interrogatories relating to customs laws and practices of customs officers, and respectfully submit the following, with the remark that my experience for the past five years has been confined to such business as is found at the Gulf and South Atlantic ports, at which points less than three millions of revenue is now collected annually.

To first interrogatory: I believe that in the main imports have been properly classified, the one important exception being that of paper cut into form for use in making "cigarettes." On the 6th of March, 1884, on an appeal from the action of the appraiser at this port in assessing an importation of paper cut into forms for use as cigarettes at 70 per cent., as smokers' articles, the Department decided that, as the paper was not the cigarette-paper of commerce, it should pay 15 per cent., as a manufacture of paper. In June last a large importation of paper cut into the same forms was made by H. Isaacs. Under the decision referred to, the appraiser of this port passed the goods at 15 per cent., as a manufacture of paper. A sample of the goods having been submitted to the Department from this office, with a statement of the case, the Department decided, July 2, that the goods should pay 70 per cent., as smokers' articles. The difference between the two articles was this: the former was imported to be manufactured into a cigarette and then sold for consumption; the latter was imported to be manufactured into a cigarette-book and then sold for consumption. The amount involved in that one invoice was $1,007, for which the Government must sue. The bulk of importations on this coast pay specific duties.

2. There is no evidence in my possession to show that articles paying specific duty have not paid the full amount of duty.

3. Invoice measurements are tested by actual measurement until the character of the manufactory for accuracy is established, after which less measurements are taken. Of the heavier fabrics, sections are

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measured and the weight taken, then the weights of whole pieces are estimated. False invoice measurements are usually the work of the purchaser or his foreign agent. In my experience I have never detected such practice in manufacturers' invoices.

4. At the smaller ports it is the practice to send all packages of textile fabrics and fancy goods to the appraiser. The rule of sending one in ten is applied only to wines, case-liquors, fancy groceries, &c. I have no evidence of fraud or attempted fraud in this respect on the part of either importers or officers.

5. I have no evidence of false weighing or measuring. There has been a proportion of incompetent assistant weighers employed at this port at all times, but their work has been closely watched and supervised by competent men, so that I know of no recorded evidence of loss from this cause. The importance of this branch of the service is not always fully considered in making appointments for it.

6. It is my opinion that differences between collectors of customs and importers growing out of decisions by those officers or the Treasury Department, which have resulted in suits, are due mainly to the interference of brokers or revenue lawyers; that as a matter of fact it is not important to a general merchant what duty he pays or on what value, so the demand on him is made legally and is uniform in its operation; that as a matter of fact his wares are sold at a price based on the duty he pays, and not on what he ought to have paid, unless perhaps by error or collusion he has procured the passing of them at a rate less than the accepted lawful duty. Protests of the character which now pester the Department are not the outpourings of an oppressed merchant, but the appeal of a broker who is after contingent fee. I think the law for disposing of such suits does need amendment in such a manner as to necessitate their settlement within a fixed period of time; the interest question would then be a less important one. The "Charges and commission cases" at New York is a notorious instance in which brokers and attorneys received hundreds of thousands of dollars of interest on claims for money first paid by consumers, then sued for, and recovered from the United States, as unjustly paid by importers. I think if these suits were summarily disposed of as they arose, there would be less of them; but how to accomplish this lawfully I am unable to suggest.

7. Have no knowledge within five years.

8. Have no knowledge within five years.

9. Have no knowledge within five years.

10. There must be conflicting opinions among appraising officers and elsewhere regarding the elements comprising the true market value of merchandise, although the law seems to be quite clear. This is evinced by conflicting reports by the former and conflicting decisions by the customs division of the Department. In my opinion, revenue bills should, before being finally passed on by Congress, be submitted to a committee of practical customs officers, who would be most likely to detect ambiguities which, if not removed, would lead to grievous complications in their enforcement. The most difficult points to satisfactorily establish are "the market" and what charges are to be considered as included in the value of the article—*i. e.*, the box containing a certain number of cigars, or a carton containing a dozen hose, &c.

11. I do not think a safe estimate of undervaluation in any period of time can be made, for the reason that it is exceedingly doubtful if

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we have in any case of consigned merchandise reached the true market value, unless that value was arrived at from a calculation based on the true "dollar price" in the United States.

12. In my opinion, at a port like New York the responsibility for a return of value must lie with the examiners, for the reason that, without more delay than would be tolerated, no assistant appraiser in any division could re-examine all merchandise passing through it, or even samples of it. The salaries of these officers vary from $1,800 to $2,500 per annum. Except when cases are specially called to their attention, appraisers are necessarily (at the large ports) ignorant of the values certified by them, and in many instances the assistant appraiser is equally so.

13. I have no knowledge on this point.

14. While I can state that within my experience at New York false values were habitually certified to the collector, I do not think that as a rule such action on the part of appraising officers has come of dishonesty. I know that sharp lookout was kept for collusion, and officers who were discovered promptly reported by officers of the Department. In view of the many temptations that surround an examiner on small pay, it would be manifestly unjust to allege fraud in the absence of proof that his action was not based on ignorance. I believe that where money or other valuable consideration is tendered to an officer, it is done individually, and usually by representatives of foreign establishments, who, having little to fear in the way of competition from American importers at this time, are exceedingly jealous of each other.

15. I think that so long as a duty remains some will seek to avoid it by bringing corrupt influences to bear, and some officers will succumb to those influences; and nothing is so tempting to an officer with large responsibility in the form of a family and a small salary than a liberal credit at a dry-goods store with almost a certainty that the bills will not be presented if everything runs smoothly for the proprietor. It makes things pleasant for him at home; he has received no bribe, has taken no present, bought nothing at less than retail price; his conscience is easy, and he is in no danger, for the merchant dare not move in the matter for reasons that are obvious.

16. ———.

17. Undervaluations have been on the increase since the passage of the act of June 22, 1874. It was comparatively nothing before that time. The law of 1863 relating to the seizure of books and papers was a great protection to the revenue, and was only objectionable in the manner of its enforcement by certain officers. Instead of correcting the abuse, the anti-moiety act was conceived and became a law, at once destroying the importing trade in the hands of American merchants and turning it over to foreign manufacturers, and costing the revenue untold millions.

18. I have never placed any reliance on consular certificates to invoices, for the reason that I have rarely found their representations as to values correct. They have no weight with merchant appraisers, in case an advance is made, and I believe it physically impossible for a consular officer at any of the larger foreign ports outside of Canada to arrive at information in regard to values of shipments in a form that would be a reliable basis for action by an appraiser in time to make it available, even if the officer was inclined to risk his social position

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by adopting the methods necessary to procure it. I would greatly prefer a value or price arrived at by presenting samples to the special buyers of the large American importing houses in New York. A well-organized sample bureau in New York, with a branch in Boston and, say, two other ports, would be of great assistance to the service in arriving at true values and detecting fraudulent undervaluations. The consular fee for certifying invoices, without regard to amount of invoice, is $2.50.

19. I believe that any plan adopted for the ascertainment of the true dutiable value which would command the respect of merchants would be a benefit to the service. To be just, it must only result in treating all alike.

It is the attempts of the few to gain an unjust advantage in trade that creates the present confusion.

20. ———.

21. There is no doubt of the payment of money by passengers to inspectors of customs to facilitate the passing of their baggage, as well as to conceal smuggling in baggage; and I have never been able to devise but one plan for the prevention of this abuse, and that is a severe one. Treat the baggage as appraiser's packages, cause it to be examined separate and apart from the passenger, and change the examiners frequently.

22. The duty on many articles has been largely reduced, but smuggling and undervaluation continue. It is not so much the desire to avoid the law and get goods cheaper that impels the smuggler as it is to gain an unfair advantage over his fellows in the trade, consequently, whatever the duty, he will endeavor to avoid it, in whole or in part. I think the evidence will show that there was more smuggling in proportion to volume of business before the war than since the tariff acts of 1861.

23. ———.

24. There are numerous reasons why the guilty parties in the numerous fraudulent transactions which have been brought to light in the past few years have not been punished, among which are—

First. Want of such discipline in the Department as would at once dispense with the services of an incompetent, lukewarm, or corrupt official, and protect those who are competent and willing to act.

Second. Lukewarmness on the part of the prosecuting officers of the Government.

Third. The difficulty of procuring evidence sufficient to convict, for want of power to search for and seize books and papers.

This report is submitted somewhat hurriedly, owing to my having been engaged on some special local matters continuously since its receipt on the 2d instant, and now a telegraphic order requiring me to proceed to Key West would necessitate a longer delay than the special instructions in regard to the circular seemed to contemplate for a reply.

Very respectfully,

D. A. NEVIN,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 15.

B. H. HINDS—Appointed Special Agent April 15, 1869.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
New York, September 18, 1885.

SIR: I have the honor to acknowledge the receipt of Department's printed circular of the 27th ultimo, and to submit the following in response to the several inquiries contained therein:

Inquiry 1.—Whenever an error is made in the rate of duty against the importer, it is quickly detected by him or his broker, and an appeal taken to the Secretary of the Treasury, as provided by law. In case the error is against the Government, however, it is not so likely to be discovered, for the importer is not apt to find fault with such an assessment, and the advisory classification of the appraiser usually passes as correct in the ordinary course of business at the custom-house.

On some articles the rates of duty prescribed by law have not been collected within the last few years at some of our ports. To illustrate this fact, I need only refer to wool at the ports of New York and Philadelphia, and proprietary medicines at New York. At Philadelphia large quantities of cashmere fleece and cheviot britch, clearly dutiable under the law as wool of class 2, have for several years been passed as wool of class 3, whereby one-half of the legal duties have been evaded. Another evasion of the proper rate of duty on wool at New York and Philadelphia has occurred as follows:

The duty on this article is a specific one, levied in an ad valorem manner. The law has always provided, since the act of June 30, 1864, that all charges at the last port of shipment were to be excluded in estimating the dutiable value. Within a few years certain shippers and importers have conspired to have wool, whose actual value rendered it dutiable at the higher rate, invoiced at a price which would admit it at the lower rate, and to add to the invoice as commissions or "charges at the last port of shipment" a sufficient sum to cover the discrepancy between the nominal invoice price and the price actually paid. The proof of this assertion is found in the various reports of consuls and special agents, printed in Executive Document 101 of the Forty-eighth Congress, first session. The efforts of consuls and special agents to correct this abuse by bringing the facts to the attention of the appraisers at New York and Philadelphia, and their failure to accomplish that result, are shown, to some extent, in the above-named document, and are otherwise known to the Department.

The evidence as to the improper rates at which a large line of proprietary medicines have heretofore been passed at New York is set forth in a report submitted by me under date of April 21 of the present year, and the fact that the importers now acquiesce in the levying of a duty of 50 per cent. on goods that were formerly entered and returned as dutiable at only 25 per cent. is conclusive proof of the incorrectness of the former classification.

I have learned within a few days that certain merchandise imported for sale and clearly dutiable at 45 per cent. as "manufactures of metal" is being regularly passed in New York as "collections of antiquities," free of duty.

I might cite many other instances of erroneous classification, but the foregoing are believed to be sufficient for the purpose.

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Inquiry 2.—There is evidence that on goods paying a purely specific rate of duty the full amount of duty prescribed by law has not been collected in some instances. This has arisen, for the most part, from carelessness on the part of weighers and gaugers, a disregard of the provisions of the regulations, and the adoption of incorrect methods of ascertaining weights or gauge.

For example: In August of last year, I received information that sugar was being incorrectly weighed at Philadelphia. On investigation, I discovered that an arrangement had been made between the collector and the importers whereby a certain allowance in weight was made on each hogshead for drainage, evaporation, &c. On a large cargo the duty thus saved to the importer would amount to from $300 to $500. I at once reported the facts to the Department, and the practice was discontinued.

At Boston, between the years 1867 and 1872, extensive frauds were perpetrated by the return of false weights of sugar by the Government weigher, through which loss to the revenue was estimated at some $40,000. The facts in this case are set forth in Department decision, Synopsis 4588. I believe that these cases of false or incorrect weights are comparatively rare, and can be prevented by a proper supervision of the weigher's force.

Inquiry 3.—Invoiced measurements of textile fabrics are tested by examiners, from time to time, by actual measurement of some portion of the invoice.

Inquiry 4.—I am unable to give any evidence of collusion in the past few years between importers and entry clerks or deputy collectors in the ordering of false or bogus examination packages. Several years ago this practice was prevalent at the port of New York, but the adoption of a new practice, whereby entries were distributed indiscriminately among the ordering deputies, resulted, as was believed, in the breaking up of this system of fraud. It is true that such frauds are still possible, and could only be detected by accident or by the ordering of other packages on the invoice by the appraiser; but I have recently had no suspicion of their existence.

Inquiry 5.—I know of no false, incompetent, or inadequate weighing on the wharves of recent date, except that referred to in response to Inquiry 2. The actual weighing at the large ports is done by assistant weighers, who receive from $3.50 to $4 per diem. Between the different assistant weighers at any port there will be a great difference in respect to judgment, accuracy, and dispatch of business. It is the duty of the chief weigher to supervise and instruct these assistant weighers, and to occasionally test their weights. Where this duty is properly and faithfully performed, I believe there is little danger of loss to the revenue through either dishonesty or carelessness on the part of assistant weighers.

Inquiry 6.—As I am now situated, I have not access to the data that would enable me to make a suitable response to this inquiry.

Inquiry 7.—The classes of articles on which there has been a failure to collect the proper amount of duty at New York during recent years, through undervaluation, are mainly as follows: Silks, gloves, embroideries, hosiery, worsteds, dress-goods, china and glass ware, aniline dyes, varnishes, and linens.

The evidence of the failure to collect the proper amount of duties on these goods cannot successfully be controverted. Not only will the

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testimony of honest importers be unanimous as to the fact that they have been practically excluded from the importation of these articles through the undervaluation inaugurated and successfully carried on under the consignment system, but the records of the courts and the testimony presented to the reappraising boards bear conclusive proof on this point.

Inquiry 8.—This failure to check undervaluations at New York has come about partly through the ignorance, partly through the indolence, and, I suspect, partly through the dishonesty of customs officials. The tap-root of the whole evil, however, is in the system of consignment.

Previous to 1870, American merchants purchased in the markets of Europe and imported into this country all the classes of goods before mentioned. Little by little, however, they found themselves undersold and outstripped in our markets by a new class of competitors, who received their goods directly from the foreign manufacturers at invoice prices greatly below the true market value, to be sold on commission. Had a vigorous effort then been made by our customs officials, aided by honest importers, the danger might have been averted or reduced to a minimum; but, unfortunately, this was neglected, and in a very short time the American merchants were compelled to procure the goods needed in their trade from these consignees, and, as the foreign manufacturers were then so strong in their position as to refuse to sell to American importers except through their consignees, appraising officers soon lost the means of ascertaining the actual market values.

It is, perhaps, worthy of remark that the *gross* abuses of this consignment system sprang up directly after the passage of the act of June 22, 1874, "to amend the customs laws and to repeal moieties," which act repealed substantially all former acts providing for the seizure of books and papers, and rendered the punishment of offenders or the confiscation of goods extremely difficult, by providing in section 16 that the *intent* should in all cases be submitted to the jury as a separate proposition.

It is true that the act referred to *seems* to provide for the seizure of books and papers, but under such conditions as to enable the dishonest importer to suppress the evidences of his crimes and baffle the ends of justice.

But even with all the disadvantages arising from that act, the revenue need not have suffered to so great an extent, nor the business of honest importers been so seriously affected, if appraising officers at New York had availed themselves of the power placed in their hands by section 2922, Revised Statutes, which authorizes them to call importers before them and examine them under oath, and compel them, under penalty, to procure all papers and records tending to show the true market value of any imported merchandise. The facts that might have been elicited from such an examination would have enabled the appraising officers, in most cases, to protect the interests of the Government.

It is very difficult to discriminate between dishonesty and ignorance on the part of appraising officers in their action as to market values.

By section 2902, Revised Statutes, appraisers are made the sole judges of value, and it is next to impossible to examine the mental operations which have led to any conclusion on their part. What would seem to one appraiser to be conclusive proof of undervaluation would perhaps fail to convince another who was equally honest; and even when a

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false return may have been procured by bribery, the appraiser or examiner can usually find "reasons as plenty as blackberries" to justify or excuse his action; and in that case his judgment, not his honesty, is usually called in question.

I know of no reliable legal evidence to show guilty knowledge or conspiracy on the part of the higher class of Treasury or customs officials, though my suspicions have often been aroused at what appeared to me to be most extraordinary conclusions and actions on their part.

The articles affected by such a practice would be those mentioned in my response to Inquiry No. 7, and nearly all others bearing a high ad valorem rate of duty. The places from which these articles are shipped are chiefly as follows: Lyons, Zurich, Horgen, and Elberfeld, for silks; St. Galle, for embroideries; Berlin, Naples, Brussels, Aix-la-Chapelle, and Paris, for gloves; Bradford, Breslau, Kiel, and Brunn, for worsteds; Berlin and Paris, for dress-goods; Chemnitz, for hosiery; Prague, Sonneberg, and Limoges, for glassware and china; London and Liverpool, for varnishes; Belfast and Dunfermline, for linens; Berlin, Basle, Lyons, and London, for anilines. These articles are for the most part shipped by the manufacturers to their agents or consignees in New York. At the other large ports there are occasional instances of undervaluation and incorrect returns by appraising officers, but not in the same proportion nor as systematically conducted as at New York, for the reason that there are very few consignees of foreign merchandise outside of that port.

In cases where consuls or special agents have called attention to undervaluations and false or incorrect reports of values by appraisers, they have usually submitted proofs of actual market values, frequently over the signatures of the very shippers whose goods are claimed to be undervalued.

Inquiry 9.—As to the conclusiveness of the evidence that false dutiable values have been returned by the appraisers to the collector, I would say substantially as in response to Inquiry 8, that it is, in almost all cases, difficult to prove whether the values have been returned falsely—*i. e.*, *corruptly*—as the result of bribery, or are due to the carelessness or ignorance of the appraising officers. In the case of bribery, (which I firmly believe has, to some extent, prevailed in New York, though I am unable to present legal proof of it,) the only parties who would have a knowledge of it are the importer and the official, and only the merest chance would ordinarily lead to its detection.

From 1869 to 1874 several instances of such corrupt payment of money by importers to customs officers were discovered through the seizure of the importers' books and papers, under the then existing laws; and as recently as 1880, in a case of improper classification of church vestments brought to light by Special Agent Tichenor, it was found that the importing firm had paid an assistant appraiser and an examiner large sums of money "in the way of loans."

The reporting of false or incorrect values to the collector, either corruptly or through ignorance, has undoubtedly been in operation ever since a high ad valorem rate of duty was imposed, and will exist as long as such a tariff remains in force. The temptation of large illegitimate gains, offered by such a tariff, are too great to be resisted by many importers who are otherwise considered honorable men, and under various guises of loans and presents they do not hesitate to influence the action of appraising officers when occasion offers.

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Inquiry 10.—There is considerable doubt or confusion in the minds of many examiners, assistant appraisers, and appraisers as to whether they ought not to take the sale price of a commodity purchased *bona fide* in open market as the dutiable value, even when such sale price is known by them to be below the ruling market value, and has been purchased at a discount conceded to the purchaser in consideration of the extent of the purchase, the retention of his custom, or other outside considerations. Even the Department has in one notable instance taken the ground that such sale price was to be considered the market value; for in a letter to the collector at Boston, dated April 21, 1884, ("H. B. J.,") relative to a very large importation of worsted yarn at that port by the Washington Mills, at an invoice value notoriously below the ruling price at Bradford, the Department decided that if there were two wholesale prices, one for the English market and another and lower price for the United States, the latter might be taken as the basis for the assessment of duties.

I beg leave to call particular attention to this extraordinary letter, which, though it seemed to revolutionize the methods prescribed by law for the ascertainment of market value, was never published in the synoptical series. The tendency among appraising officers in cases of *bona fide* purchases is to take into consideration what appears to them to be the equity of the case, and to adopt the sale price as the market value.

It is true that the time, place, and standard to be applied in determining dutiable values are already defined by section 2900 of the Revised Statutes, which makes it the duty of appraising officers "by all reasonable ways and means in their power, to ascertain, estimate, and appraise the true and actual market and wholesale price (any invoice or affidavit thereto to the contrary notwithstanding) of the merchandise at the time of exportation and in the principal markets of the country whence the same has been imported into the United States."

In the majority of cases, however, the examiner, either through what he considers to be an "equitable view of the matter," through ignorance of the ruling market rates, or confidence in the integrity of the importer, is content to accept such invoice values as correct.

Inquiry 11.—On the classes of goods named in response to Inquiry 7, I believe it would be safe to say that for the past eight years there has been an average undervaluation of 20 per cent., and on silks not less than 30 per cent. It would be impossible to identify the articles now, except such as may be represented by sample at the appraisers' offices. The invoices can be in most cases identified, but in the absence of the goods or samples they would be of little use.

Inquiry 12.—In the ordinary course of business, the examiner is primarily and chiefly responsible for a false return to the collector. At New York, for instance, the appraiser's office consists of ten divisions, and these again are subdivided so as to secure an expert examiner for each class of goods. Except in cases where information is received from outside sources, the appraiser would not be likely to have his attention called to the values returned by the various examiners. At this port, where from 800 to 1,000 invoices are acted upon daily, it will be seen that it is physically impossible for the appraiser to scrutinize all the invoices and correct erroneous returns of values, even if he had a universal knowledge of market values.

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The assistant appraisers are obliged to devote a considerable portion of their time to the general business of their office, preparing reports on cases of appeal from their decisions as to *rates* of duty, official correspondence, and meeting importers or their agents on current work, so that only a small part of their time can be devoted to the question of values. It generally happens that an assistant appraiser is particularly familiar with the market values of certain lines of goods in his division, and will give personal attention to those lines, but rely on his examiners for the correct appraisement of other lines. I am now speaking of the ordinary course of business in the absence of suspicion or outside information. Of course, both the appraiser and assistant appraiser, on the receipt of information as to the undervaluation of any particular line or invoice, would give the matter their personal attention.

The salaries of examiners at the principal ports range from $1,200 to $2,500 per annum. Ordinarily the appraisers at the large ports do little more in respect to market values than to certify to the facts found by the examiners.

Inquiry 13.—I have no knowledge that any Government officials in the consular department or elsewhere have assisted, consented to, or connived at the presentation to the appraiser of false values, except as hereinbefore stated.

Inquiry 14.—As indicated in response to Inquiry 8, it is generally difficult to determine whether the reporting of false or incorrect values to the collector has resulted from the dishonesty or ignorance of the appraising officers. Obstinacy or stupidity on the part of an assistant appraiser or his personal relations with the importer are sometimes liable to be construed into dishonesty. Actual bribery, from the very nature of the case, is extremely difficult of legal proof. My belief is that it has been resorted to in various ways, though I am unable to furnish such legal proof as would be sufficient to convict. If money has been paid to procure false reports or returns as to market values, it has most undoubtedly been paid by the importers or consignees directly interested in the transaction, and the corruption-fund has been raised and disbursed by such dishonest importers and consignees. Each case has had its own peculiarities, and each importer has acted on his own account. I have no suspicion that any general fund of this nature has ever been raised for such purpose. Corruption of this sort known to a large number of persons would almost inevitably leak out by accident or through the malice or fear of some one of the conspirators.

Inquiry 15.—So far as the false undervaluations have come from venality or bribery, there is little reason to hope that, under similar conditions, they will not be as successful in the future as in the past.

So far as they have resulted at New York from ignorance or indolence, I believe they will be in a great degree overcome by the methods adopted and the changes in the *personnel* of the office that may be recommended from time to time by Appraiser McMullen.

Inquiry 16.—A change from ad valorem to specific rates would greatly help to diminish a tendency to bribery, or at least make it more difficult to accomplish fraudulent results by such means, for the reason that while it is next to impossible to guard against false values where the appraiser is constituted by law the sole judge, it is comparatively easy, with proper supervision, to control the matter of weight, gauge, and measure. A false weight is a physical fact easily susceptible of proof,

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but the detection of false values requires expert knowledge, sound judgment, and untiring vigilance.

I believe that a specific rate can be applied to all textile fabrics after proper investigation and analysis; but unless extreme care be exercised, a specific rate of duty on such goods will result in very disproportionate amounts or percentages of duty on goods of the same lines but of different grades and values. If, however, it should be found that a wholly specific rate would work unjustly on a few lines, so as to amount to a phohibition on the lower or less valuable grades, then the difficulty might be obviated by imposing a compound duty wherein the ad valorem rate imposed should to some extent equalize the percentage of duties between goods of inferior and superior qualities and values. This ad valorem rate, if any be found necessary, should not exceed 15 per cent., so that no benefit could result to importers from undervaluations unless such undervaluations were so gross as to be detected.

Inquiry 17.—Undervaluation and false or incorrect reports by appraisers have undeniably increased since the passage of the act of June 22, 1874. That act so modified all previous legislation, especially in respect to the seizure of books and papers and the kind and amount of proof required to convict an offender or confiscate his goods, that defrauders of the revenue have had very little fear of the laws from that day to this.

Inquiry 18.—In the large consular districts it would not be practicable for consuls to personally examine the articles shipped to this country or to verify the invoice values, except in the case of staple goods whose values are well known. The late consul at Liverpool published weekly, for several years, for the information of collectors and appraising officers, a price-list of the leading articles of this character shipped from his consular district, and the information so furnished was frequently found to be of great value. In respect to goods whose price depends on newness or desirability of pattern, or other adventitious reason, the consuls would not be able by any means at their command to report the true value of every shipment.

It is quite probable that foreign governments would, through their proper representatives, protest against unnecessary and vexatious delays to which their citizens, shipping goods to this country, might be subjected by the consuls if an attempt should be made to verify the correctness of every invoice.

The fees now exacted on every invoice is $2.50, and in addtion to this there is, in the United Kingdom, a fee of 2 shillings, or 50 cents, for the oath administered by a local magistrate as to the correctness of the invoice. Elsewhere than within the United Kingdom no oath is required on an invoice—only a declaration. Certified invoices are not usually procured on shipments of less than $100 in value, as collectors are by law authorized to admit such goods to entry, in their discretion, without a certified invoice.

Inquiry 19.—While there may be objections to the present method of ascertaining and finally determining dutiable values by a general appraiser and merchant appraiser, on the ground that the general appraiser is not usually an expert, and the merchant may be either a rival or a confederate of the importer, I am, nevertheless, of the opinion that substantial justice is generally secured both for the Government and the importer when proper care has been exercised by the collector in selecting the merchant appraiser. A decision of such questions by

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the judiciary, under the rules of legal procedure, would necessitate the creation of a new court, or at least additional judges; the expenses attending such trials would be enormous in the aggregate, and the delays would be more serious to importers than any inconvenience they may now suffer from an occasional error on the part of the reappraising board.

At New York there are from 1,000 to 1,500 appeals annually from the appraiser's returns of values. The amount involved in cases of reappraisement is not usually very large, and an appeal from the action of the appraiser to a court would involve so large an expense to the importer, in the way of court and counsel fees, as, in most cases, to discourage him from taking such an appeal. The present system is plain, practical, and inexpensive, and neither the Government nor honest importers have occasion to complain of it.

Inquiry 20.—The first legislation after 1860 in respect to the duty on wool was the act of March 2, 1861, which provided that on all wools of less value than 18 cents per pound there should be levied a duty of 5 per cent. ad valorem; on wools valued at above 18 and not exceeding 24 cents per pound, a duty of 3 cents per pound, and on all valued above 24 cents per pound 9 cents per pound. It will be observed that there was no distinction made between the different classes of wools, but the duty was levied according to *value* alone.

By this act the duty on cheap wools was only 5 per cent., while on the more valuable qualities it ranged as high as 38 per cent. Evidently the home producers were dissatisfied with this low rate of duty on cheap wools, for in the next revision of the tariff, by the act of June 30, 1864, the limit to the value of low-duty wool was reduced from 18 cents to 12 cents per pound, and the rate advanced from 5 per cent. to 3 cents per pound—an equivalent of 25 to 50 per cent., according to value. The rates on higher-priced wools were also advanced, but not in the same proportion, and no reference was made to different classes of wool.

It was undoubtedly anticipated that only the lowest grade of wools, viz., carpet-wools, could be imported at the rate of 3 cents per pound, but it was soon discovered that merino wool, which, by this time, was being extensively raised by our farmers through an improvement in their flocks stimulated by the great demand for better wools, was coming into the country at the lowest rate in competition with our blooded wools. To prevent this, the act of March 2, 1867, was framed, on an entirely new plan, and provided for the division of wools, according to character, into the three classes, viz., clothing-wool, combing wool, and carpet-wool.

The rate of duty on carpet-wools was retained substantially as fixed by the act of June 30, 1864, but on merino and other blooded wools it was materially advanced to protect the blooded wools then constituting so large a part of the home product, and by doubling the rate on washed and trebling it on scoured the duty on clothing and combing wool was made practically prohibitory on low-priced wools of these two classes. This classification of wools by character or blood, which seemed to render an evasion of duty impossible, has been continued from that day to this without alteration, and the identical language of the act of March 2, 1867, as to the manner of classification is reproduced in the act of March 3, 1883.

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The only other legislation touching the rates of duty on wool is the act of June 6, 1872, which simply made a uniform reduction of 10 per cent. in the duty on all wools, as well as on many other classes of merchandise, and the act of March 3, 1883, which reduced the duty on carpet-wools from 3 and 6 cents per pound, according to value, to 2½ and 5 cents per pound, without changing the line of demarcation between the high and low duty values.

On clothing and combing wools, on which the act of March 2, 1867, had levied a compound duty, the ad valorem rates of 10 and 11 per cent. were removed; but this was to some extent offset by reducing the line between the high and low duty limit from 32 to 30 cents per pound. At present, therefore, the duty on all classes of wool is purely specific. The amount of the duty under the act of March 3, 1883, expressed in an ad valorem form and on wools of average values, is approximately as follows:

On wools of class 1, clothing-wools, 40 to 50 per cent.

On wools of class 2, combing-wools, 40 to 50 per cent.

On wools of class 3, carpet-wools, 25 to 35 per cent.

Except as stated in response to Inquiry No. 1, very little difficulty has been experienced in administering the laws governing the rates of duty on wools of classes 1 and 2, for, except in cases of wilful ignorance, or contempt of information such as was exhibited in that instance, appraising officers have always been able to discriminate between the different classes of wool specified in the various tariff acts. In respect to wools of class 3, however, much trouble and confusion has arisen at the principal ports of the country as to the market value and the consequent rate of duty.

The dividing line between wools of this class was fixed at 12 cents per pound. This is a most unfortunate point, for it so happens that the market value of Scotch White Highland, Donskoi, and Cordova wools, that constitute this class, is usually hovering very closely around this very figure, more often above than below it, and the temptation to evade the payment of the legal rate of duty, when the cost price has been a trifle above the low-duty limit, by having the wools invoiced at a small fraction *below* 12 cents per pound, and supplying the deficiency between the true cost price and the nominal invoice value by fictitious commissions or "charges at the last port of shipment," has already been adverted to in my response to Inquiry No. 1.

If the dividing line could be fixed at 15 cents per pound instead of 12, it would obviate much of the trouble, for the reason that the average quality of White Highland, Donskoi, and Cordova carpet-wools, which come very little in competition with American wools, would then be admitted at low duty, and there would be less difficulty on the part of appraising officers in determining the true market value of such wools of this class as were worth *more* than 15 cents per pound.

Even if all carpet-wools, irrespective of value, should be admitted at, say, 3, or possibly 2½, cents per pound, I believe that the revenue from this source would be as great as at present, and a sufficient protection afforded to American wool growers, while much perjury on the part of shippers and importers would be avoided and the rights of honest importers better protected.

Inquiry 21.—The only instances that have ever come to my notice of the payment of money by passengers to inspectors for the purpose of having their baggage expeditiously examined, or for the purpose of

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preventing an examination of such baggage, have occurred at New York. That such a practice formerly was quite general at that port is well known, and that it exists now, though in a somewhat subdued form, is a matter of belief.

The only efficacious means of extirpating this illegal practice lies in the constant vigilance of the chief officials in the surveyor's office at that port, and the immediate discharge and punishment of any inspector detected in accepting such bribes.

Inquiry 22.—As a general rule, it is obvious that dishonest shippers and smugglers will be incited to evade the law in proportion to extent of the rate of duty levied on a given article.

There are many considerations, however, that modify this general rule. With respect to the successful perpetration of frauds in undervaluation, for instance, not only must the inducement for evading the high rates of duty exist, but the goods must be of such a character or manufactured under such circumstances as to effectually conceal their actual cost or market value, and render a false statement as to their real value plausible. On staple articles whose values, except as affected by the legitimate fluctuations of trade, are well known, successful undervaluations are not practicable, except through the venality of appraising officers.

The duty on steel and its manufactures, for example, is very nearly as high as on silks, but the actual market value of steel in England is in most cases known to the trade and to appraising officers, and undervaluations are comparatively rare.

In respect to smuggling, not only must the rate of duty be sufficiently high to induce the risk of detection, but the articles must be such as can be easily handled, valuable in proportion to their bulk, and such as command a ready sale among a class of purchasers who are not disposed to be too curious about the manner of their importation.

The duty on diamonds is only 10 per cent. and on sugar 80 per cent., but large quantities of diamonds are smuggled annually, on account of the ease with which they can be handled and disposed of, while sugar is too bulky for such manipulation. For the purposes of the smuggler, it matters little whether the duty on an article be ad valorem or a specific, provided the other essential conditions attach to it. For example. The duty on "oil of bay leaves," from which bay-rum is manufactured, is a specific one, $2.50 per pound, and while every toilet-stand and barber-shop in the country is bountifully supplied with bay-rum, the records of the custom-houses will show that the quantity legitimately imported is infinitesimally small. The smuggler has had a practical monopoly of this article for many years.

Most undoubtedly, however, other things being equal, the dishonest shipper and the smuggler will both be powerful in the successful evasion of the law in proportion to the rate of duty levied on a given article of merchandise.

Inquiry 23.—What has been true of the failure of the Treasury Department to fully enforce the revenue law in New York has been also true, to some extent, and for similar reasons, at the other large Atlantic ports, and at some of the interior ports as well.

The proportion of undervalued invoices is not so large at any of the other ports as at New York, for reasons that will naturally suggest themselves, yet the fact remains that undervaluations are being constantly attempted and often discovered at all the larger ports of the country.

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Inquiry 24.—My responses to Inquiries 8, 9, and 14 travel over some of the ground covered by this inquiry.

Wherever appraising officers have been detected in making false reports or returns, through bribery or venality, as in the case in New York in 1880, cited by me in response to Inquiry 14, and others of an earlier date, they have been promptly dismissed and indicted. In some cases they have been convicted, but I regret to say that in many instances political and social influence has succeeded in shielding them from the punishment due to their crimes.

It is not easy, however, to secure sufficient proof to convict in most cases, since the only person who can usually testify to the corrupt receipt of money by the officer is the only person who has a vital interest in suppressing such testimony, and the officer can always claim that while he may have been mistaken, he acted according to his best judgment and with an honest purpose.

The chief and almost only remedy hitherto found effective in such cases is a dismissal of the officer on the ground of ignorance or indolence, but with a reserved suspicion of bribery.

Very respectfully, your obedient servant,

B. H. HINDS,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 16.

IRA AYER, JR.—Originally appointed Special Agent March 3, 1870.

OFFICE OF SPECIAL AGENT, TREASURY DEPARTMENT,
New York, October 6, 1885.

SIR: I am in receipt of Department circular, dated August 27, 1885, and marked "strictly confidential," calling for official replies to certain inquiries, twenty-four in number, relative to the administration of the customs laws.

In reply, I beg to state that the questions are so comprehensive that it will be impossible for me to answer many of them with that detail which is desired. This is particularly true for the reason that my time has been so fully occupied, as agent in charge of the district, with current important work, that I have been unable to devote any time whatever to the specific inquiries as made. I will answer, however, the best I can the interrogatories in the order propounded.

Answers.

1. I was stationed at the United States public stores at this port from July, 1881, to January, 1885, when I was placed in charge of this office. During that time it was my duty to look after appraisements. After the late Appraiser Ketchum was appointed, and before he had long occupied the position of appraiser, the feeling became generally prevalent among customs officers and in the trade that it was useless to attempt

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to secure just and proper valuations of imported merchandise. Goods were not unfrequently advanced by intelligent and earnest examiners, who knew their duty, but who were subsequently instructed by the appraiser to pass the goods at the invoiced values. It was generally believed, and was a matter of general comment, that certain lawyers, influential at Washington and near the appraiser, exercised strong control over that officer, a control and influence which could only be accounted for upon the hypothesis that there were mutual interests and obligations—personal, political, and moneyed—that bound them together. It is impossible to prove these things, because the whole business of undervaluations was carried on under the forms of law. Evidence that should have satisfied an honest and faithful officer of the Government that goods were undervalued was, so to speak, thrown into the waste-basket as so much trash, while agents of the Department at home and abroad, and reputable merchants, who complained that their business was being ruined by the system of undervaluations, were either coldly repelled or were subject to open or covert indignities and slurs.

2. I have no evidence that such is the case.

3. By actual measurement, but I am of the opinion that these verifications are not as thorough as they should be.

4. I have no evidence upon this point.

5. I have no evidence upon this point.

6. I answer the last clause only, as there are many whose position and experience will enable them to answer the inquiries preceding more intelligently than myself.

In my opinion, the present system of reappraisement on appeal in the matter of values, and the existing judicial system, in cases of appeal to the courts upon questions of classification, are sufficient if worked efficiently. A court might be established at this port whose sole business should be to attend to all customs cases, but I doubt the desirability of such a court elsewhere.

7. Silks, Hamburg edgings and laces, bisque, china, and glass ware, wool, aniline dyes, varnish, and linens. It is not.

8. In the case of the three lines of goods first named, chiefly through the manufacturing and consignment system, and in the case of bisque, china, and glass ware, by false packing charges, improper discounts, and false values on the face of the invoice. In the case of kid gloves and aniline dyes, varnish and laces, by false values on the face of the invoice. In the case of wool, by false packing and other charges, and false face values. The evidence as it applies to appraising officers at this port, under the former *regime*, is to my mind strongly circumstantial. (See answer to the first interrogatory.)

9. (1) Under Appraiser Ketchum's administration.

(2) Articles as stated under Interrogatory No. 7.

(3) Chiefly France, Germany, Switzerland, Austria, Russia, Scotland, England, and Ireland.

(4) Generally consigned to agents or "sole agents" to sell on commission, or to persons owning a part interest or a controlling interest in the foreign manufactory.

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(5) My statements apply principally to the port of New York. A strong presumptive evidence of the correctness of the foregoing statements is the fact that under the present appraiser values have been advanced upon practically the same proofs submitted by agents of the Department, consular officers, and others, as were submitted to Appraiser Ketchum without results. Appraiser Ketchum gave only a fraction of his time to his official duties, and assigned certain lines of goods to certain examiners, whom he expected, apparently, to be diligent only in getting the goods off from their floors with superficial examinations. I refer particularly to the examiners, Lawrence and O'Hara, in charge of bisque, china, and glass ware. The contrast between the manner in which these officers did their work and the present efficient examiner does his is very striking, while the gratifying results are observed with pleasure by all who are interested in the cause of good government.

10. There has been apparent confusion of ideas in regard to what constitutes true foreign market value, but it is believed that the law and regulations are as explicit as necessary upon this point. Much confusion has arisen from the provision of the new tariff relative to outside packages. These are believed to be in process of adjustment.

11. Estimated undervaluation of silks, 12½ per cent.; Hamburg edgings and laces, 25 per cent.; bisque ware, (some houses,) 50 per cent.; chinaware, (some houses,) 25 per cent.; glassware, (some houses,) 25 per cent.; kid gloves, (some houses,) 20 per cent.; aniline dyes, 25 per cent.; linens, 15 per cent.; wool, third to second class; varnish, 12 per cent. Articles could not be identified. Invoices might be, but without practical benefit.

12. The examiner, but frequently the deputy appraiser, and in many special cases the appraiser.

Salaries of examiners, $1,800 to $2,500 per annum; of deputy appraisers, $3,000 per annum; of appraiser, $4,500 per annum.

He is, and should have intelligent and controlling charge of questions of values, as they are constantly raised. Where no questions are raised, his approval of the returns to the collector is generally perfunctory.

13. I know of no such evidence.

15. The question is easily answered. The reason is, that under Appraiser McMullen everything is changed. That officer is at his post during office hours, and gives his sole attention to his official duties. His methods are direct and vigorous. He only inquires as to law and fact. His decisions are quickly reached and boldly announced. He is a man of single purpose. He has brought about many reforms in his department, both in its *personnel* and its organization. He is honest, fearless, just, and faithful, and his influence for good is necessarily felt throughout his department, and indeed throughout the entire customs service at this port.

16. It would be a benefit undoubtedly with some lines of goods, and would certainly aid to diminish a tendency to bribery in appraisements. I am not prepared to answer the last inquiry under this head.

17. I am unable to answer directly, not having been on duty at a large port prior to 1874. It is generally considered that the repeal of

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the "moiety law" has done much to encourage undervaluations. I do not think the modified legislation of 1874 respecting seizure of books and papers has much to do with false returns by appraisers.

18. To the first inquiry I should say not, with anything like a reasonable force. The second inquiry I am unable to answer, being unfamiliar with the business of the various consulates. To the third inquiry I answer that I think many complaints would be likely to arise. The last inquiry will be better answered by those entirely familiar with the facts.

19. On the other hand, I think that a change which should enable importers to appeal to the courts on questions of value would be highly prejudicial to the interests of the customs revenues. We have already had the experience of court methods on reappraisement at this port. This system was carried to a high degree of perfection under General Appraiser Ketchum, with probable loss of hundreds of thousands of dollars to the Treasury.

Under our present system, merchant appraisers of brains and character should be selected, who themselves have intimate knowledge of values and of commercial usage, they will avoid being misled by the interested testimony of witnesses, and will, with a good general appraiser, be enabled to reach practically correct results.

20. I beg to be excused from answering this question, as I have had but little to do with wool appraisements.

21. This practice has very generally prevailed, and still prevails, at this port. It is a most degrading and demoralizing feature of the public service. It can, no doubt, be checked by a careful supervision, through the agents of the Department, acting under the immediate orders of the Secretary. Such officers, if they do their duty, will for a time awaken the strongest antagonisms, and they must, therefore, have the strong support of the Department. I have the most reliable and direct information that inspectors, in speaking of their "good days," have claimed that they have made $50 in "tips" in a single day. They seldom get less than $5 from a passenger, and quite often $10. Sometimes a card is taken, and if valuable goods have been passed with a "convenient" *form* of examination, giving the wealthy and high-toned passenger "no trouble," the "gentlemanly" inspector may naturally look for $20 or $25. The honest officer is at a discount, and must be strong indeed to refuse what he comes to believe all accept.

22. I think not. There may be cases where it would be better to have the rates of duty lower for the reason referred to, but I have none in my mind at present.

23. It has, but probably not nearly to the same extent. The influences at other ports have been very different from those at New York. Here they have been combined and powerful.

24. As before shown, these returns have been made under legal forms. It is well known that, under the present law, an undervaluation of merchandise, even to the extent of 100 per cent., would not of itself be regarded as such evidence of intentional fraud upon the part of the importer as to warrant a district attorney in a criminal prosecution. It would be equally difficult to secure an indictment, much more a conviction, of an appraising officer for failing to advance goods 5, 10, 15, or 20 per cent., or even more, although good reasons might be shown why such advances should be made. A shrewd appraising officer will always be armed with counterbalancing considerations, which he will

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claim, with some show of reason, raised a doubt in his mind, and the "benefit of the doubt," using the phrase in its proper connection, would beyond question be given to the accused.

I am, very respectfully,

IRA AYER, JR.,
Special Agent in Charge.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 17.

N. W. BINGHAM—Entered the service as Deputy Collector of Customs in Vermont, June 10, 1861. Appointed Special Agent April 13, 1869.

OFFICE SPECIAL AGENT, TREASURY DEPARTMENT,
Boston, Mass., September 21, 1885.

SIR: In response to Department's circular letter of the 27th ultimo, (marked confidential,) submitting certain interrogatories in relation to the tariff and the administration of the law in relation to the collection of duties, I have the honor to submit the following answers:

I regret that the pressure of other public duties has prevented me from devoting to the subjects the time and attention that their importance demands, but I am consoled by the reflection that whatever is omitted in these will undoubtedly be supplied in the responses of others, to whom I understand the same questions have been submitted.

Question No. 1.—There is abundant evidence in the records of the Department and the several custom-houses that various kinds of imported merchandise have within the last few years been entered and passed at rates lower than those prescribed by law. Notably among these are aniline dyes, wool, marble monuments, proprietary medicines, and breeding-animals; as to each and all of which the particulars of the false classification are fully set forth in the reports of the special agents, particularly those of Special Agents Tichenor and Hinds, and of this office.

Reference is made as to wool to the reports of Special Agents Tichenor and Hinds, found in Ex. Doc. 101, 1st Sess. 48th Cong., and reports from this office dated November 12, 1879; February 12, 24, 28, 1880; March 5, 6, 8, 9, 12, 1880; and July 10, 1883.

As to aniline dyes, see reports from this office dated May 15, 1880; also reports of Special Agent Tichenor, of various dates. As to monuments, see my report dated May 26, 1879; and as to breeding-animals, see my report of May 7, 1883.

The articles above enumerated and the reports relative thereto are instanced merely as illustrations of improper classifications. The fact (that appears of record) that the efforts of the special agents resulted in most cases, wool of the third class excepted, in securing a change of rate upon the full presentation of the facts, in connection with the law, is evidence of itself of the impropriety of the original assessment, especially when it is considered that the importers have in most cases acquiesced in the assessment at the higher rate. It is believed that if the efforts of the agents had received proper recognition by the appraising officer at Philadelphia, the result as to wool would have been equally satisfactory.

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Question No. 2.—There is satisfactory evidence that through ignorance, carelessness, or fraud, merchandise subject to specific duty has been imported at the ports of Boston, New York, and other ports, upon which duty has been collected upon less than the true quantity.

The practice prevailed at this port for many years, and until corrected through the efforts of this office, of allowing arbitrarily eight pounds on every draft in the weighing of hogsheads of sugar.

Woollen and worsted goods have also been entered at less than the true weight. This is true also of cigars, leaf-tobacco, and many other articles subject to duty by the pound.

It was discovered and reported to the Department by this office on the dates of January 19, January 23, and September 27, 1880, respectively, that through collusion between the importers' weighers and the United States weigher false weights had been obtained upon importations of sugar by two importing houses in this city, by which the Government lost in duty nearly thirty thousand dollars, ($30,000.) The improper gauging of molasses at this port has also been discovered.

On the 21st day of July, 1885, I reported the improper return by the United States gauger at this port of the dutiable quantity of domestic distilled spirits which had been exported and had been returned to the United States, the correction of volume required by law having been omitted. The investigation resulted in collecting nearly two thousand dollars ($2,000) in delinquent duties from one importer, and the great discrepancy between the foreign gauge and the gauge upon importations furnished well-grounded reason to suspect, at least, that a much greater loss had occurred through fraud.

The fraudulent weighing of a cargo of tobacco at this port was discovered by this office in 1871, and the cargo, valued at one hundred thousand dollars, ($100,000,) was seized and forfeited. Still greater frauds were discovered by this office during the same year in the false weighing of and the false damage allowances obtained upon spices, which resulted in a verdict for the Government against the importer of four hundred thousand dollars, ($400,000.)

Question No. 3.—At this custom-house tests are at present made by actual measurements of portions of goods contained in the examination packages and sometimes by more extended tests. Formerly these tests were not so carefully made, and the fact was reported to the Department and the practice was corrected.

Question No. 4.—While there is no evidence such as would probably enable the Government to maintain an action in court against an entry clerk or deputy collector at this port charged with having, during the last few years, conspired with others to defraud the revenue by sending to the appraisers for examination false or bogus packages, there is evidence tending strongly to show that such a practice prevailed at this port during the years 1876 and 1877, by which large quantities of silk, lastings, laces, and other valuable goods were entered and passed as hide-cuttings, &c.

Extensive frauds of this character were brought to the attention of the Department by the Meredith Commission in their report, dated January 25, 1878, a copy of which was sent to Congress January 15, 1879.

These frauds are not as easy of accomplishment as formerly, especially at New York, for the reason that the importer is not now permitted to select the officer who shall order up his goods for examination.

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Question No. 5.—I have no evidence of false, or incompetent, or inadequate weighing that has occurred very recently, and none as to former practices in this respect, except as mentioned in my reply to Question 2.

Question No. 6.—This question can better be answered by the law officers of the Government.

I learn from the United States attorney for this district that there are pending in the courts here, suits as follows:

Three involving the question of duty on wool.

Fourteen involving the classification for duty of wool and webbing.

Five involving the classification for duty of manufactures of marble.

Eight involving the question of duty on aniline dyes.

Sixty-seven growing out of the act of March 3, 1883, in which the question of the dutiable character of boxes, cartons, &c., is involved.

Three involving the classification of white enamel.

Three involving the classification of albums bound in silk plush.

Eight involving the question of the duty on gilling-twine.

Six involving the question of the duty on iron show-cards.

Three involving the classification of hosiery, &c., manufactured of merino.

Twelve that cannot be easily classified.

Of these, the first seventeen are before the Supreme Court on appeal. The marble cases are continued under advisement as to the effect of recent decisions. The aniline-dye cases and five of the miscellaneous cases are before the Supreme Court, and the remainder are ready for hearing.

The oldest suit among the above named was commenced April 13, 1874. A few only are older than September, 1880.

The suggestion of erecting a separate tribunal for the trying judicially of actions growing out of impositions of customs duties and of internal-revenue taxes impresses me as one worthy of special consideration, and one that might well engage the attention of the Department, the courts, and of Congress.

It is of the utmost importance to importers and manufacturers, as well as to the Government, that disputed questions arising under the administration of the impost and excise laws should be speedily determined, and more especially does it interest the importers and the manufacturers, because such decisions are often necessary in order to enable them to make proper settlement with their customers and to safely determine as to the continuance of their trade.

More correct conclusions would be likely to be reached by such courts, because they would naturally become more familiar with the laws and customs of trade, under which questions presented for their determination would arise.

I can conceive of no practical objection to the system suggested, and the benefits which would result from it are self-evident.

Question No. 7.—The class of articles as to which I believe it to be susceptible of proof sufficient to convince a reasonable mind that the entire and full amount of duty prescribed by law has not been collected at New York are silks, gloves, woollen and worsted dress-goods, hosiery, embroidery, linens, aniline dyes, varnishes, chinaware, cutlery, ribbon-isinglass, lumber, and a great many other articles; indeed, there may safely be embraced among these all, or nearly all, merchandise that is consigned by foreign manufacturers and jobbers to their agents and representatives in New York.

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The evidence of undervaluation is in most cases of such a character that it ought not to be successfully controverted. The Department is already in possession of an overwhelming amount of testimony showing these undervaluations, which has been collected by its agents and consular agents abroad, and it is furthermore well known, and will not be contradicted, that as to most of the leading articles of importation from Europe, and especially from the continent, American merchants desiring to deal honestly are absolutely precluded from the importing trade. And this is equally true as to the houses of highest reputation and most undoubted reputation. There are practical difficulties which will readily occur to the mind in the way of an attempt to establish before a reappraising board upon an appraisement, or before the court upon a libel for forfeiture, the true and actual wholesale price or market value in a foreign country, because of the fact that legitimate importing trade has ceased, and there are few, if any, actual transactions of purchase and sale between foreign and American houses by which the appraisers or the court may test the integrity of the invoice and entry. And again as to reappraisement, it has been the practice, to a large extent, for persons to act as merchant appraisers who were themselves engaged as agents or consignees in similar transactions.

Question No. 8.—The failure to collect the proper duties has come about partly through the reasons suggested in my last answer, partly through ignorance or a want of care and patient attention, and undoubtedly in part through the dishonesty of customs officials. Instances of dishonesty among the custom-house officials have occasionally come to light, but, from the very nature of the case, guilty knowledge or intent on their part is most difficult to discover, especially in case of undervaluation, in which the act of the officer is supposed to be based upon his opinion and judgment, and this principle, equally or in a higher degree, applies to the question of the integrity of the action of the higher class of Treasury officials. I may be permitted to give it as my opinion that the heaviest weight of blame for these irregular and disastrous proceedings lies at the door of Congress. The passage of the act of June 22, 1874, was the signal for the inauguration of a general raid upon the public revenue and the honest importing interests. The readiness with which evil-intentioned men responded to the invitation marks one of the saddest and most disgraceful eras in the history of the importing trade of this country.

Question No. 9.—I have already answered, in substance, that the appraisers have reported to the collector false dutiable values—*i. e.*, values that were less than the actual wholesale price or true market value. These incorrect values have, to a greater or less extent, undoubtedly been reported ever since the first imposition of ad valorem rates of duty based upon foreign values, but especially since the imposition of high rates of duty made necessary by the expenses of the war of the rebellion, and more especially during the era of false invoices, dating from the passage of the act of 1874. This applies to all classes of merchandise, but particularly to carpet-wool, and those articles mentioned in my answer to the seventh interrogatory.

Silks are imported chiefly from Lyons, Zurich, and Horgen. Embroideries from St. Galle. Woollen and worsted dress-goods from Paris. (This includes German goods.) Hosiery from Chemnitz, Germany, and Nottingham, England. Linens from St. Galle, Switzerland; Hamburg, Germany; Belfast, Ireland; Dunfermline and Dundee, Scotland. Ani-

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line dyes from Berlin and Hamburg, Germany; Lyons and Paris, France; Basle, Switzerland; and London and Liverpool, England. Varnishes from London, England. Chinaware from Dresden, Sonneberg, Frankfort, Coburg, Wallendorf, Tetton, Suhl, Eichwald, Schleusingen, Rudolstadt, and Sittendorf. Cutlery from Sheffield, England, and Solingen, Germany. Lumber from Canada. Kid gloves from Berlin, Brussels, Grenable, Aix-la-Chapelle, and Prague, Paris. Ribbon-isinglass from Hamburg. Carpet-wool from Rosario, Cordova, Rio Grande, and Valparaiso, South America; Smyrna and Alexandretta, Turkey; Marseilles, France; Odessa and Moscow, Russia; London and Liverpool, England; and Glasgow, Scotland.

As I have already replied, these goods, except carpet-wool, have recently been shipped principally by the manufacturers or foreign jobbing-houses. The evil has principally been confined to New York, for the reasons heretofore stated, but to some extent it exists at the smaller ports.

I have already submitted, in a general way, an outline of the corroborative proof of the charge of undervaluation made by special agents of the Treasury and consular officers—the fact that merchants of large experience, high reputation, and unquestioned credit heretofore loyally engaged in the importing trade have, by reason of these undervaluations, been forced to purchase their goods in this country, and to abandon the importing trade. Aside from this general fact is the evidence that in most cases has accompanied the reports of the special agents and consuls as to the cost of production, actual sales, and prices demanded or advertised abroad.

Question No. 10.—There is now and has recently been considerable confusion, doubt, or conflict of opinion in the appraiser's department respecting elements upon which to base their reports of values, and it arises in part from what I deem to be a misapprehension of their duties, in this: while the law defines their duties in distinct terms to be to ascertain and report the wholesale price or true market value of imported merchandise, they have to some extent, at least, been led to believe that their duty was to report the dutiable value, which may or may not be in excess of the market value. The law provides that duty shall in no case be assessed upon a sum less than the invoice or entered value, and it also provides that goods obtained by purchase shall be invoiced at the actual price paid.

It has come to be a pretty general practice with the appraisers to return invoice values correct, when for any reason they are above the market value, as in case of small purchases at exorbitant prices, and, by a parity of reasoning, some appraisers have come to consider an actual sale price, although for any reason it is less than the usual wholesale price or true market value, to be the proper standard for their appraisement, while others have regarded it only as an element to be considered in ascertaining values.

With some appraisers proof of actual sales at a higher than invoice price is considered necessary in order to warrant an advance, notwithstanding the fact that the goods have been manufactured and sold for years at a cost of manufacture inconsistent with the invoice value.

Differences of opinion have also arisen to a very large extent since the passage of the act of March 3, 1883, as to whether the cost of the cartons and embalage, which constitute a part of the purchase price, shall be included in the price which they return. The intent of that act should be more clearly defined by Congress.

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Question No. 11.—I think it safe to estimate the average undervaluation of all merchandise subject to ad valorem rates of duty to be 20 per cent. On those enumerated in answer to Question 7, I believe it to be above rather than below 25 per cent.

Question No. 12.—The examiner (who is ordinarily the only officer in the appraiser's department who sees the goods) is, as a rule, primarily and chiefly responsible for a false return or value.

At the large ports I doubt if the invoices and the examiners' reports are, as a rule, very carefully scrutinized, the report upon the invoice made by the appraiser being based wholly upon the return of the examiner, and a thorough scrutiny and personal examination only occurs in cases especially brought to the appraiser's attention.

The appraiser is supposed to be provided with special and complete information, so far as is practical, of foreign market values, and if he fails to impart this information to his assistants and to the examiner, then he is so far primarily and chiefly responsible.

The salaries of examiners at the principal ports range from $1,400 to $2,500 per annum. The salary of appraisers at the port of Boston is $3,000.

As a matter of fact, the appraisers at the principal ports do little more than to sign the reports in a perfunctory manner, to construe the law and department decisions as to classifications in advising as to them, and to make special examinations in cases as to which their attention is particularly directed.

Question No. 13.—I have no such evidence.

Question No. 14.—As to this interrogatory, I can add nothing to what I have already written.

Question No. 15.—As to this interrogatory, I think it may safely be said that, while the frailties of human nature exist and the temptations to sin continue, until the means of detecting and securing the punishment of fraud abolished by the act of 1874 are restored, the success of false valuations will continue in the future as in the past, unless the Department, by its own action in the way of encouragement and support, shall more thoroughly than heretofore sustain its officers in their endeavors to effect a faithful execution of the law.

Question No. 16.—A change from ad valorem to specific rates of duty, as far as practical, would, in my judgment, greatly simplify the ascertainment of duty and the detection of fraud, but such a change should be accompanied by a thorough reorganization of the force of officers employed, so that officers of higher grade, and therefore commanding higher salaries, would be employed in the ascertainment of quantity, which would then be the sole basis upon which duty would be assessed.

I apprehend no practical difficulty in applying specific rates of duty to a large portion of textile fabrics, although it might, and probably would, be found necessary, as to some of the finer and more expensive fabrics, to add to the specific rate a slight ad valorem rate for the purpose of equalization.

For illustration: a duty based upon the weight of plain piece-silks would, as a general rule, be not only practicable, but it would result in special benefit to the consumer, because it would prevent the importation of weighted and adulterated silks, that are of little value to the purchaser, and give to them instead something more desirable and valuable. But as to figured and fancy silks, the principal cost of which consists of labor and design, a slight ad valorem rate, but not so great as

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to furnish a temptation to undervalue, might be added. Such a recommendation was made by the Meredith Commission, of which I was a member, and which was composed of officers of the Treasury Department and prominent importing merchants in the cities of New York, Philadelphia, Baltimore, Cincinnati, St. Louis, and Chicago, and at the invitation of the Secretary of the Treasury we presented our views in person to the Committee of Ways and Means of Congress.

Question No. 17.—I have already stated that, in my judgment, the repeal of the moiety law has resulted in largely increasing the undervaluations in invoices and entries, and has resulted, naturally, in the increase of incorrect reports by the appraisers, for the reason that the invoice, in the absence of contradictory evidence, would be taken as conclusive evidence of value. But the evils resulting from the repeal of the moiety law extend beyond this; they are not alone found in the encouragement given to illicit transactions, whereby the appraising officers are deceived, but the encouragement to give information is withdrawn, except in matters of comparatively small importance, and with those who are willing to be published in the courts, and annually to Congress, as informers, and the officers are deprived of the incentive to especial vigilance and the means of obtaining testimony from the books and papers of the importers. And, furthermore, the law is so cunningly devised as to make it almost impossible in the plainest case of fraud to secure a verdict for the Government, because of that unprecedented requirement that the jury shall return as a separate and distinct proposition the question of intent.

Question No. 18.—It would not be practicable in the large American consular districts, such as London, Paris, Berlin, &c., for the consuls or their agents, however numerous and alert, to personally examine all articles to be shipped from thence to the American ports, and thereby to verify the correctness of the invoice values, but as to a large majority of importations, and especially as to those of standard quality and value, it could be done.

I think it not unlikely that foreign governments would make complaint to this, should vexatious delays occur in examining values and certifying invoices; but if the consular force was sufficiently numerous and alert, and exercised proper discretion and judgment by confining their inquiries to the principal articles of production and sale, or to those particularly brought to their attention, no such delays would occur.

The consul's fee for certifying an invoice is $2.50, and in the United Kingdom, I understand, there is collected an additional fee of 50 cents for administering the oath.

Question No. 19.—As already stated, the appraising officers are only authorized by law to find the wholesale price or true market value of imported merchandise.

The dutiable value, where goods are obtained by purchase, may be in excess of the value which the appraising officers are by law required to find.

To be sure, under section 2930, Revised Statutes, which was compiled from the acts of August 30, 1842, and March 3, 1851, it is provided that the decision of the collector, when the reappraisement board shall disagree as to value, shall be final, and be deemed to be the true value, and that duties shall be levied thereon accordingly. But this section should be construed in connection with sections 2838 and 2854, Revised

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Statutes, which provide that merchandise subject to ad valorem duty shall be invoiced at the actual cost or price paid, and with section 2900, Revised Statutes, which provides that duty shall not be assessed upon an amount less than the invoice value.

It would seem that the only decision of the collector as to value that is by law made final and conclusive is that provided for in section 2930, Revised Statutes, and that provided for in section 2932. In the latter the exactions of duty by the collector are only made conclusive in the absence of protest and appeal, and in such cases are only conclusive against the persons interested in such exactions, which does not include the Government, since it cannot be said to be a person.

The action of the collector, which is made final under section 2930, is only that wherein he decides between the members of the reappraisement board, and can only embrace the subject-matter which, by law, that board may consider, namely, the wholesale price or true market value of the merchandise in the principal markets of the country whence shipped at the date of shipment to this country.

I doubt whether it would be safe or useful to the revenue, or would work any greater measure of practical justice to importers were the executive or judicial powers given greater jurisdiction to interfere with the ascertainment of dutiable value.

The question of market value, or of actual cost, (which, considered together, form the dutiable value,) is one of fact, and one that would not naturally call for the intervention of the executive or the courts. And, again, if the door were open to such appeal, there would be danger of interminable delays in the settlement of duties, and the multiplication of costs and other vexations which the importing interests desire above all things to avoid.

It might possibly be well to provide that at ports where there are naval officers the naval officer, instead of the collector, should decide as to market values between disagreeing appraising officers.

There is some degree of inconsistency in the arrangement by which the collector is to decide between the merchant appointed by himself and the general appraiser, but I doubt the existence of any such evils or hardships as to require a modification of the present system.

Question No. 20.—The necessity for raising increased revenue, which was forced upon the country by the inauguration of the late civil war, was undoubtedly seized upon by the wool-growing interests of this country as furnishing an opportunity to secure greater protection to that particular industry, and Congress, by the act of March 2, 1861, placed upon the duty-list low-grade wools which were then free, and, to a very considerable extent, increased the duty upon the higher grades. The interests of those engaged in the production of Merino and other high-grade wools seem to have more particularly engaged the attention of Congress.

On January 30, 1864, the low-duty limit was reduced from 18 to 12 cents per pound, and the rate advanced upon wool costing 12 cents or less per pound from 5 per cent. ad valorem to 3 cents per pound, which was an advance equivalent to from 20 per cent. to 45 per cent. On higher-priced wool the rate was also advanced, but to a less proportionate extent. It seems that the wool-growing interests of the country were not satisfied with the protection afforded by this act, and that they complained, among other things, that Mestiza or Merino wool, which had been intended to be excluded from the low rate, had actually

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come in at the lowest classification, and, as they claimed, in ruinous competition with the fine-wool-growing interests of this country.

A conference was had between the National Wool-Growers' Association and the National Association of Wool Manufacturers, which resulted in formulating the tariff of 1867, which was mutually agreed upon substantially as passed by Congress. In this act wool was divided into three general classes, viz., class 1, clothing-wool; class 2, combing wool; class 3, carpet and other similar wools. But the distinguishing features of the wools of the various classes were not so well described by the title as by the text. Particular mention was made in each class of the blood, and, as to wools of Merino blood, whether immediate or remote, they were classed as clothing-wool.

At the date of the passage of that act no machinery had been invented by which Merino wools or other wools of short staple could be successfully combed.

Improvements have since been made which enable manufacturers to comb wools of comparatively short staple.

By crossing the long-wool sheep of New Zealand, Australia, and other countries with fine Merino bucks, a very large amount of fine combing wool is grown abroad.

The question of blood, immediate or remote, is one, in many instances, most difficult for the appraising officer to determine, and it has been found necessary for the Department to aid them by furnishing type-samples of the various kinds of imported wools mentioned in the tariff, which samples have been selected from time to time by commissions appointed by the Department for that purpose, thus to a great extent placing the determination of the duty under the tariff practically in the hands of other than officers who are by law charged with this duty.

One of the most unfortunate features of the act of 1867 is that the dividing line between the higher and lower rate of duty in wools in class 3 is placed so very near the price at which those wools have for years been held for sale in foreign countries, thus affording a special inducement to undervalue, or to reduce the apparent value upon the invoice by the substitution of false and fictitious charges at the last port of shipment.

The act of June 6, 1872, simply reduces the duty 10 per cent., without making further changes. This act was repealed in March, 1875.

The act of March 3, 1883, abolished ad valorem duties, reduced the duties on carpet-wools from 3 cents and 6 cents to 2½ cents and 5 cents per pound, respectively, and lowered the dividing line between wools of the first class paying lower and those paying higher duty from 32 cents to 30 cents value, but the classification by race or blood remains the same as in the tariff of 1864.

Question No. 21.—It is not believed that at any of the larger Atlantic ports, except New York, the practice prevails to any extent among inspectors of baggage or other officers of the customs of accepting money or other valuable things from passengers arriving from abroad as a consideration for malfeasance or misfeasance on their part, or for any other purpose.

The only money believed to be received by officers upon the dock is that which is collected by the proper officers as duties upon goods subject to duty contained in the passengers' baggage.

It is, and has been for many years, an open secret that such reprehensible and illegal practices have prevailed at the port of New York.

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This was fully commented upon by the Jay Commission, in 1877, and was specially brought to the attention of Congress by the Secretary of the Treasury in 1878.

The only remedy that occurs to me would be by the appointment of honest and trustworthy persons as inspectors, by a watchful and constant supervision, and by subjecting the offenders in every instance to the severest penalties of the law.

It is an element of weakness in the law that in giving and accepting valuable considerations for official services the offence is the same, so that the passenger cannot testify against the officer without criminating himself.

Question No. 22.—Of course, the higher the rate of duty the greater is the temptation to evade it. The duty on bay-oil at one time was $17.50 a pound, and while this law existed none was legitimately imported. The high rate of duty formerly imposed upon ottar of roses and many varieties of essential oils, and upon quinine and morphine, when taken in connection with their value and the ease with which they can be handled and concealed, resulted in extensive smuggling of those articles.

It is also true of diamonds that, although the rate is but 10 per cent., large quantities are smuggled. Sugar is one of the largest articles of importation, and its rate of duty is among the highest, and yet substantially none is smuggled because of its bulk. Articles of standard value are not so often undervalued as are those whose value depends upon the fancy of the hour. As to the latter, whatever the rate of duty provided, unless it were the minimum, we might fairly expect undervaluation, because of the fact, well known to the importer, that the integrity of his invoice ordinarily could not successfully be challenged.

Question No. 23.—What has been true of the failure to enforce the revenue law at New York has, to some extent, been also true at the other large American ports, but in a far less degree.

When the importing trade was driven from its legitimate channels by the pernicious consignment system, it naturally drifted to New York, the great business centre of the East; and, as the successful consummation of one system of frauds is likely to invite the inauguration of others and result in evil and powerful combinations, it follows as a natural result that, as to fraudulent importations, that great port has become distinguished above all others.

Question No. 24.—No instance has come under my observation in which an appraising officer has made a false or fraudulent report to the collector of dutiable values and has not been complained of and punished.

As I have before stated, since the action of the appraising officer is, or is presumed to be, in every instance based upon his opinion and judgment, it would be most difficult to establish ordinarily any guilty knowledge or intent on his part, however erroneous his expressed opinion might be.

Very respectfully, your obedient servant,

N. W. BINGHAM,
Special Agent.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 18.

Additional Inquiry to Special Agent Bingham.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., October 2, 1885.

SIR: Your communication of the 21st ultimo, giving a very clear exhibition of the result of your inquiries into the condition of the customs service during the last few years, has been received. You are directed to prepare immediately, and transmit to me, an additional statement showing on what articles, and at which ports, there is at the present time, in your opinion, a failure to levy and collect the full rate and amount of duty levied by the existing law, together with the names of the officers who are, in your opinion, now at fault.

Respectfully, yours,

DANIEL MANNING.

N. W. BINGHAM, Esq.,
Special Agent, Boston, Mass.

No. 19.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Boston, Mass., October 10, 1885.

SIR: In response to your communication of the 2d instant, directing me to prepare and present an additional statement showing on what articles and at which ports there is at the present time in my opinion, a failure to levy and collect the full rate and amount of duty, together with the names of the officers who are, in my opinion, now at fault, I have the honor to report as follows:

I assume that it is only expected that I shall mention some of the leading and most important articles upon which the full amount of duty is not collected, confining the list to articles as to which the evils complained of are in a measure systematic at certain ports, in order that the attention of the Department may be directed to the ports where remedial action is most required.

The failure to collect the proper duties arises in part from undervaluations, in part from improper classifications, in part from incorrect entry and returns of quantity, in part from improper damage allowances, and in part from smuggling.

I am not prepared to assert that the practice at present exists, as in former years, of passing merchandise through the custom-house upon invoices containing false descriptions and by means of dummy packages.

The principal undervaluations, as I believe, occur at present upon articles that are consigned by foreign manufacturers or jobbing houses to their agents or representatives in this country. As to these, I think it may safely be said that undervaluation is the *rule* rather than the exception.

Occasional undervaluations of merchandise purchased abroad and imported by American merchants are discovered. Indeed, it is a matter of daily occurrence at the larger ports for appraisers to report advances in value, but the amount involved is generally inconsiderable

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and the undervaluation is not believed to be accompanied with fraudulent intent. I do not call to mind any particular class of merchandise so imported that is systematically undervalued upon entry except horses.

Among the most important importations under the consignment system are those of silks and silk goods, kid gloves, woollen and worsted goods, embroideries, china and glass ware, and cutlery. The system, has, however, absorbed nearly all leading articles subject to ad valorem rates of duty that are imported from the continent of Europe, and more especially from Germany. These importations are almost wholly made at the port of New York.

The classes of merchandise distinguished for being improperly classified upon entry are less numerous than those undervalued. Among these are sugar, wool, and animals imported from Canada ostensibly for breeding purposes.

The rate of duty imposed by law upon sugar is among the highest, and the revenue derived from importations of that article far exceeds that collected upon any other, reaching an average of over forty millions annually. The rate upon sugar testing over 75 degrees by the polariscope is increased $\frac{4}{100}$ of a cent per pound for every additional degree shown by such test.

I am informed that an examination of the returns of tests made at New York, Philadelphia, and Boston, of the same kind and quality of sugar, demonstrates that the returned tests at Boston range considerably higher than those at New York or Philadelphia.

The sugar examiner at this port estimates the average excess of the Boston tests over those at New York to be one (1) degree, and the average excess over those at Philadelphia to be two (2) degrees. This discrepancy may result from imperfections in the instrument, from improper sampling, or from carelessness in testing, and possibly may be attributed to design.

The importance of this matter can only be realized by considering the magnitude of the importations. During the fiscal year ending June 30, 1884, the quantity of sugar imported into the United States was 2,437,570,913 pounds, of which 2,417,401,137 pounds were returned as not above No. 13, D. S., and testing above 75 degrees. An error of one degree upon this quantity would make a difference in duties for or against the Government of $966,960.

During the same period there was imported at the ports of New York and Philadelphia, in all, 2,020,018,754 pounds of sugar, of which about two million pounds only was above No. 13, D. S.

The Department is in possession of abundant evidence tending to show that carpet-wool in large quantities has been passed at Philadelphia at less than the proper rate.

Owing to the general depression in business in Europe as well as in this country, the foreign market value of carpet-wool is just now so low as to bring it honestly within the low-duty limit, but on the revival of business the higher prices are so certain to be attained again that I consider it to be a subject worthy of present attention.

Under the tariff provisions relating to the importation of animals specially for breeding purposes, large numbers have been imported upon the northern and northeastern frontiers and passed through the custom-house free of duty that were, in point of fact, imported for other purposes, and not for breeding.

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I believe that the greatest losses arising from incorrect returns of weights occur upon importations of sugar at the port of New York. The returned weight of brown sugar entered at that port during the fiscal year ending June 30, 1883, was nearly one and a half million pounds, about three-quarters of the entire importation. Tests recently instituted will, I believe, establish the truth of the conjecture and convince the Department of the importance of instituting some vigorous and determined measures to correct the evil.

The liberal weighing of sugar at New York has been a matter of continuous and earnest complaint from importers at other ports for several years.

My attention has just been called to the circumstances of a reweighing of ninety-three hogsheads of sugar, March 28, 1883, by the deputy surveyor at this port, at the Boston sugar-refinery. The sugar was imported at New York, and the custom-house weights appeared upon the packages. The reweighing was not officially done, but was simply to test the foundation of complaints as to discrepancies between the true and the returned weights at New York. Although the sugar in this instance had remained some time subject to drying since the New York weights were taken, the true weights were found to average about ten pounds per hogshead in excess of the New York weights.

The sugar examiner, Mr. Keyes, informs me that a short time since he had occasion to observe a number of hogsheads of sugar that were imported at New York and purchased by a refiner in this city, which hogsheads were in process of being reweighed, and he noticed that the custom-house weights which were marked upon the hogsheads were from fifteen to twenty pounds less than the true weight.

The damage allowance system is one of the most fruitful sources of fraud in all the customs service, and one which Congress should be urged to abolish.

Under this system frauds are especially invited, easy of accomplishment, and comparatively free from detection.

At the port of New York there is a set of enterprising men, styled damage brokers, who, for a consideration, undertake to obtain liberal damage allowances upon any and all importations of merchandise liable to sustain damage upon the voyage of importation, and importers are often importuned by them to permit them to make claims for damages upon merchandise as to which the owner is satisfied that no damage has been sustained.

One of the largest importers of fruits and nuts in this city recently informed me that upon an importation of walnuts, part of which came into the port of New York and a part into Boston, and all of which were perfectly sound and bright when landed, his broker, without his knowledge, obtained for him, upon the New York importation, an allowance of about $200 in duty, and the broker, on being subsequently asked why he claimed damage on goods that were not injured, replied that he was obliged to do it because of heavy damage allowances that had been claimed and allowed upon contemporaneous importations.

I believe that at this port there is no ground for complaint on the part of the Government or honest importers in this regard.

Smuggling is to a greater or less extent carried on throughout our whole coast and frontier. There is, however, less temptation than heretofore to engage in this nefarious traffic upon the northern frontier, because of the high rates of duty imposed upon merchandise by the Provincial Government.

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I am unable to give the names of officers who are responsible for the failure to levy and collect full duty.

I have from time to time, as the malfeasance or misfeasance of customs officers has been discovered, reported the facts to the Department, with the names of the officers implicated, as I was in duty bound to do.

In my former communication I submitted that, as to officers whose official reports are supposed to be the result of their opinion and judgment, it was exceedingly difficult to establish any wrong purpose or intent upon their part. This especially applies to officers in the appraiser's department charged with the finding of values and the ascertainment of damage and with recommendations as to classifications. It also applies to the higher grade of Treasury officials who construe the law for the guidance of customs officers.

A feeling has prevailed among many of the more intelligent and conscientious officers for several years, and until recent changes were made in the customs bureau of the Treasury Department, that the law was frequently construed either in the interest of particular persons for unworthy purposes, or to wait upon a popular clamor coming chiefly from those whose interest it was to defeat the plain purposes of the law, and that, to a certain extent at least, erroneous decisions had, for the sake of consistency, been adhered to by which the revenue suffered great loss, and the rights of honest importers were correspondingly invaded.

Information was obtained by this office in 1879 that, upon importations of sugar at this port, through collusion between the Government weigher and the importers' weigher, false returns of weights were made, ranging from ten to five hundred pounds per hogshead, by which the Government lost in duty a sum reaching nearly thirty thousand dollars.

The quantity of sugar upon which duty was not paid as above stated was clearly shown by documentary evidence, and was in fact admitted by the importers as to some of the cargoes.

The color, Dutch standard, of the contents of each hogshead was and is a matter of record in the custom-house, having been obtained in the manner prescribed by law; and yet, with all the data necessary for a settlement by any reasonable rule in transactions between individuals in the possession of the Government, it was decided (see Synopsis, 4588) that the duties so falsely withheld could not be collected because of the wrong-doing of the importers' agent, through which it had come that the statute steps in ascertaining quantity could not be taken.

In this connection, I venture to refer to my report upon this subject, dated September 22, 1880.

The principles laid down in the decision above referred to are of frequent application, and, if unsound, operate to deprive the Government of important legal remedies in the assessment and collection of delinquent duties.

Two instances may be cited—one reported by this office on the 5th ultimo, and one referred to in my report of the 6th instant.

An importation of worsted yarn from Bradford, England, was made at this port in December, 1883, upon which the appraiser made an advance in value, and the case went to the appellate board on appeal.

It was clearly proven upon reappraisement that the price at which the yarn was imported was below its market value in England, and was a concession made to meet and defeat the tariff. The general and merchant appraisers disagreed, and the matter went to the collector for final determination.

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In answer to inquiries from the collector, the Department laid down the rule that the special price made for the purpose above suggested was to be considered, within the meaning of the law, to be the wholesale price or true market value in the foreign market, notwithstanding the fact that the Supreme Court, in the Cliquot's Champagne case (3 Wallace, U. S. Rep., 125) construed the term "market value," as employed in the law, to mean the price at which the goods were freely offered for sale *to all the world.*

I enclose a copy of my report upon that case, dated April 19, 1884.

It will be observed that the principle promulgated in the decision last referred to applies equally to all importations and opens the way for the wealthy and long-established factories and business houses of the old world to defeat the purposes of our legislation and to crush out our young competing industries.

Of vastly less importance, but forcibly illustrating the idea that I would present, are the decisions relating to the entry of animals imported from Canada upon the pretense that they are to be especially used for breeding purposes.

A perusal of these decisions, and the various reports from this office upon the same subject, will show with what difficulty a modification of the first decision that opened the door to free entry to everything breedable was secured, and will also show that while the law (for reasons too apparent to discuss) restricts the free entry of animals for breeding purposes to those imported from beyond the sea, the Department decided, in effect, that Canada is a country beyond the sea.

As to the return of false weights and of damage allowances upon goods that are evidently sound and bright, it may properly be charged against the officer that he has acted from corrupt motives and with guilty intent, or that at least he is guilty of criminal negligence in the discharge of his duty.

Very respectfully, your obedient servant,

N. W. BINGHAM,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

[Enclosure.]

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Boston, Mass., April 19, 1884.

SIR: Upon a disagreement between the general and merchant appraisers in the matter of reappraisement of certain wools and yarns, imported at this port from Bradford, England, by the Manchester Mills, the question coming before the collector for his decision, I am informed that he asked instructions from the Department as to certain legal questions involved, and has transmitted, for the better information of the Department, the documentary evidence in the case and the stenographer's report of the hearing. To these papers I would respectfully invite careful attention, for the reason that I am under the impression that they may aid materially in disclosing the real point at issue.

I had expected to have opportunity to present a summary of the evidence, with such suggestions as were deemed pertinent and important, but am prevented from doing so from the fact that through inadvertency the papers were transmitted to the Department without giving me a chance to review them, as the collector promised and intended. I think,

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however, that I can from memory give substantially the substance of the evidence in the case without going into details.

The evidence before the appellate board conclusively established two facts—

First. That the prices at which the yarns in question were sold at wholesale, at the date of the invoices, in Bradford, for delivery there, or on the continent, without restrictions, were higher than those expressed in the invoices, and in most cases were more than 80 cents per pound, which is one of the dividing-lines between a higher and lower rate of duty. (The invoice prices are less than 80 cents per pound.)

Second. That the invoice prices correctly represent the prices at which the goods in question were sold, (in this instance,) and are the result of a special concession made to meet the tariff barrier of the United States.

A fair, if not the unavoidable, inference from all the testimony is, that the sales in question were not made in the ordinary course of trade in this description of merchandise in Bradford.

I understand that Mr. Haserich, of the firm of Stoddard & Lovering, having a house in England as well as in this country, states in writing to the collector that he could purchase the yarns in question, at the date of the invoices, at the invoice prices or less, for export to any country, but whether this is merely a matter of conjecture or not I am not informed, as no opportunity was given the general appraiser or myself to examine him upon that point.

It is worthy of note that the opinion expressed by Mr. Haserich is in direct conflict with all the testimony bearing upon that point contained in the report of Special Agent Tichenor.

It should also be borne in mind that Mr. Haserich occupies substantially the position of a co-defendant in this matter, for the reason that his house has been largely engaged in similar importations.

This statement of Mr. Haserich would not be important but for the fact that it is claimed that under instructions contained in Synopsis, 3238, in relation to the dutiable value of certain books, the actual price paid for merchandise, or for which merchandise is sold for export, constitutes the dutiable value, although such price is lower than the price at which the goods are sold for consumption in the country from whence exported.

I do not think that the Department intended to give to said decision such broad scope of application, but, on the contrary, I believe it to have been the purpose simply to lay down a rule for the appraisement of books, a kind of merchandise which from the peculiarities of the trade therein it is especially difficult to appraise; but, whether this view is correct or not, it certainly cannot be that Congress intended to provide a method by which foreign producers could successfully defeat the purposes of legislation, as would be the case were it provided by law that special dutiable values, differing from and less than the ordinary market values, might be made through special concessions in order to meet and defeat the restrictive or discriminating provisions contained in our tariff laws; and in this connection I beg to suggest that such special transactions cannot be said to be "in the ordinary course of trade," any more than exceptions to well-defined rules can be held to constitute the rules themselves.

The court, in the Cliquot's Champagne case, (3 Wall., U. S. Rep., 125,) clearly defines the meaning of "market value" of goods as employed in the tariff, declaring it to be "the price at which they are

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freely offered in the market *to all the world;*" in other words, "such prices as dealers in the goods are willing to receive, and purchasers are made to pay," not with special concessions or under special restrictions, but, on the contrary, when the "goods are bought and sold in the ordinary course of trade."

By adopting this principle in the appraisement of dutiable merchandise, the appraising officer would be forced to disregard sales of merchandise at special prices for a limited and circumscribed market at prices less than those at which it is freely offered, bought, and sold "to *all the world.*"

In a letter to the collector at New York, dated June 12, 1869, (Synopsis, 406,) the Secretary declared that "the dutiable value of goods imported into the United States is the value at which such goods enter into consumption in the country of export."

It is true that the Department has held that goods in bond, having a known market value in that condition, as distinguished from their value duty or tax paid, may, when purchased in bond, be appraised for duty at the price paid, or rather at the value in bond; but whether or not this doctrine shall prevail when reconsidered by the present authorities it does not affect the case in question, for the reason that in the case of goods in bond it is their now tax-paid condition that is taken into account in determining their value, while in the case in question the importer only claims to sustain his invoice values by the special conditions of the *purchase and sale.*

In one case it is the *condition of the goods* that affects their value; in the other it is claimed to reduce the value on account of the condition of the sale.

It has been held that upon the importation of goods upon which a drawback was allowed by the country from whence exported to this, that no allowance should be made for such drawback in determining dutiable value.

With the exception of a remote inference that may possibly be drawn from the language contained in Synopsis, 3238, the decisions of the Department are all in harmony with the doctrine of the court above cited; and as to Synopsis, 3238, I would respectfully submit that it should be interpreted in connection with that which it reaffirms, viz., Synopsis, 3196, in which latter decision it was declared that when goods subject to a royalty, when sold for consumption in the country of production are imported into this country, no less value than the sum realized upon such sales for consumption can be accepted as a basis for assessment of duty.

The purpose of the tariff as relates to the merchandise in question is evidently twofold, viz., the collection of revenue and the protection of domestic industries.

Considering this, the impropriety of giving to the foreign producers the privilege of defeating the manifest purpose of Congress by making special concessions in price, whereby they may be enabled to introduce into this country at a *lower* duty goods which, by reason of their general value abroad, it is declared shall pay a *higher* duty, is too apparent to discuss.

I am, very respectfully, your obedient servant,

N. W. BINGHAM,
Special Agent.

Hon. CHARLES J. FOLGER,
Secretary of the Treasury.

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No. 20.

C. H. LAPP—Appointed Special Agent May 1, 1885.

OFFICE SPECIAL AGENT TREASURY DEPARTMENT,
New York, October 5 1885.

SIR: Referring to Department circular of August 27, containing twenty-four inquiries, and also to the circular of September 30, asking for a reply to same, I respectfully beg leave to say that a careful consideration of the subjects covered by said inquiries convinces me that my meagre knowledge of customs laws and regulations, wholly acquired during the five months I have been in the service, will not permit of my answering the questions in a manner at all satisfactory to the Department, or so as to in any way benefit the object sought to be attained.

Very respectfully, your obedient servant,

C. H. LAPP,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 21.

JAMES D. POWER—Entered the Department as a first-class clerk October 2, 1869. Was promoted through all the different grades. Appointed on the "Fraud Roll," and assigned to duty at San Francisco September 22, 1882; Inspector of Customs, October 5, 1883. Appointed Special Agent February 28, 1885.

OFFICE OF SPECIAL AGENT,
U. S. PUBLIC STORES, 402 WASHINGTON STREET,
New York City, October 2, 1885.

SIR: In reply to Department's circular (confidential) of August 27, 1885, I have the honor to submit the following:

Query 1.—Rates of duty are determined by the appraising officers by the exercise of their knowledge of the commodities under appraisement, the application thereto of the tariff law, and the rulings of the Treasury Department. In the performance of their duties, questions of doubt as to classification are of common occurrence, and mistakes are often made even by the most experienced officers.

Doubtful decisions affecting the merchants' interests are promptly questioned, appealed from to the Treasury Department, and finally to the United States courts for decision. The frequency of those appeals indicates errors of judgment on appraisement, and warrants the inference that mistakes adverse to the revenue must also be not uncommon. Such mistakes, when made, and appraisement having been concluded, are not likely to be heard of again, much less discovered.

Query 2.—I am unable to answer.

Query 3.—Tests of the correctness of invoiced measurements are rarely made, and then only in cases where there is reason to suspect the honesty of the importation or the character of the importer. In such instances the examiner verifies the measurement by a count of the metre or yard folds, as the merchandise is put up, or, as in the case of goods rolled on a board, by count of the number of folds from the centre

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to the outside, calculating an average length for each fold. The tag attached to each piece giving factory length is usually accepted as the correct measurement, and is invariably found to agree with the invoiced measure.

Query 4.—This query covers an assertion often made and but rarely verified, never within my knowledge. Collusion by the designation of false packages for examination at the public stores, while practicable except under such a system as now in use at New York, is attended with such risk of miscarriage or discovery that few would be willing to make the venture. In cases where this class of fraud was suspected, I have known whole consignments, and even cargoes, ordered to public stores for examination, without discovery in any instance.

Query 5.—The classes of goods weighed on the wharves are heavy and bulky, and, being ordinarily subject to a low rate of duty, do not afford the incentive to corrupt or bribe the weighing officer. With proper supervision by the weigher in charge of a district, inadequate or incompetent weighing could not well escape notice for any length of time. Discrepancies or returns of short weights uniformly by any assistant weigher may readily be discovered by variance with the invoiced and entered weights.

Query 6.—I am unable to answer.

Query 7.—The classes of goods coming under my personal observation known to be undervalued, as determined by advances made on appraisement and repeatedly affirmed on reappraisement, are cotton laces and embroideries, tanned sheep-skins, (chamois,) lithographic-printing presses, varnishes, hosiery, kid gloves, and knit woollen goods.

The evidences of undervaluation in cotton laces and embroideries were primarily based upon reports from the consul at St. Galle and upon complaints made by importing firms doing business in New York and other cities. The evidences of failure to collect the proper revenue upon the lines of goods named, while questioned by the consignees, cannot be controverted successfully.

Query 8.—Undervaluation, and consequent failure to collect the revenue, has been the steady growth of years, extending back to the days of the war and the high tariff of those times, and continued through succeeding years. It progressed each year, and so extended itself as to compel American importing firms to abandon purchasing abroad and buy, duties paid at the dollar price, through agents of foreign manufacturers or their consignees in New York.

So general has this system of consignment and agency business become, that New York is now the recognized market for silks, velvets, plushes, embroideries, and laces, and certain lines of fancy dress-goods. The American wholesale buyer can obtain better bargains in New York than from the manufacturer abroad, calculating transportation charges and imposts.

The growth of consignments has driven purchased importations away, so that consigned goods are often regarded as the standard of market value. According to the testimony of Examiner Fitch, now out of office, consigned goods were invoiced from 5 per cent. to 100 per cent. less than the purchased goods imported by leading American firms, the examiner's theory being that the purchasing houses paid more than the market value for their goods, and that the invoiced value of consigned goods was the true criterion of dutiable value.

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Lack of diligence and ignorance on the part of the assistant appraisers and their examiners are mainly responsible for undervaluations and the changes in trade brought about by its general prevalence in certain lines of goods. Appraising officers, in determining market values, attach but little weight to consuls' advices of market value, as shown by reports on file at the Department.

Query 9.—The appraising officers are by law directed to ascertain, by all reasonable means, the market value of imported goods, for the assessment of duties. In the discharge of this duty they are supposed to exercise their best judgment, and if, through mistake or wilful design, false dutiable values are returned, the error or fraud, in the absence of proof of collusion, no matter how suspicious the circumstances or conspicuously low the return of dutiable value, can be shielded under the plea of mistaken judgment.

While proofs of false returns of value cannot be adduced, the evidence of such returns may be inferred, with a reasonable degree of certainty, by discovery of undervaluation in lines of merchandise which had previously been passed at their invoice value without question.

Undervaluation had its origin in the high rates of ad valorem duties, and is not confined to any class or classes of articles, nor to any particular countries. It is practised chiefly by manufacturers abroad, who consign their products to agents and commission-houses in New York. It is also much practised by certain classes of importers through resident agents and forwarding agents in Europe, who make out invoices as shippers, without risk to themselves, at such prices as are likely to escape question at the New York custom-house.

Query 10.—Market value has always been an element of uncertainty in the minds of customs officers, some of whom have held that the prices actually paid in the markets abroad constituted the basis of dutiable value, even when such prices were known to be less than the ruling market value. Much doubt has also existed on the q uestion of charges for cartons, boxes, or other coverings required to place the goods in a marketable condition. In other cases it has been held that when the purchaser of large quantities of goods obtains reduced rates in consideration of the extent of the purchase, such low rate constitutes market value for the goods so purchased.

In a recent case coming under my observation the claim was made by a merchant appraiser that while the goods under appraisement were undoubtedly sold in England at higher rates to the wholesale trade in that country than to American purchasers and consignees, yet, in consideration of the extent of the purchases for the American trade, a special standard of dutiable value should be recognized for importations into the United States. If I am advised correctly this view is in harmony with a decision of the Department, in an unpublished letter to the collector of customs at Boston, defining a dual market value, viz., a ruling market price for the home trade and a special market value for the American trade.

In this connection it may be pertinent to call attention to Department Circular No. 30, paragraph 5, December 26, 1848, (Robert J. Walker, Secretary,) and to the principles therein laid down concerning the standard of market value. As far as my knowledge goes, the standard of market value, as defined by the circular mentioned, has never been modified or rescinded, although apparently overlooked in the Customs Regulations and the published decisions of the Department.

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Query 11.—An estimated average of undervaluation and loss of revenue can only be problematical and based upon meagre and theoretic data, except in some few lines of goods not subject to fluctuations in value. In textile goods, the constantly changing designs, patterns, quality, supply, and demand, and the doubtful character of many of the importing firms, must prevent the procurement of accurate data.

Articles undervalued and passed upon by the appraising officers can rarely, after the lapse of a short period, be identified.

Query 12.—It is the chief duty of an examiner to be conversant with the market value of goods upon which he passes, and if false returns of value are made, he is primarily responsible for such false return in the ordinary course of business. He may fix the responsibility upon the assistant appraiser by calling his attention to questionable invoice values, and in cases of doubt as to values, or when an advance is made, it is always customary for the examiner to seek advice from the assistant appraiser. While the assistant appraiser supervises the work of his division and gives general attention to the appraisement of goods, he must depend mainly upon the judgment of his examiner, whose experience should enable him to determine correct values.

Section 2940, Revised Statutes, provides that no person shall be appointed examiner at the port of New York who is not at the time of his appointment acquainted with the character, quality, and value of the article in the appraisement of which he is to be employed. The nonobservance of this provision of law by the appointments, in past years, of examiners entirely unfamiliar with the merchandise upon which they were to assess values contributed much to the growth of undervaluations.

The salaries of examiners at New York vary from $1,800 to $2,500—meagre compensation for the skill required and the trusts imposed.

Query 13.—I have no information as to this query.

Query 14.—See reply to Question No. 9.

Query 15.—If wilful false returns, through bribery or venality, have been made in the past, it is not unreasonable to presume that they are now made and will be made in the future. The purification of the service by the discharge of implicated officials and of others suspected of improper practices may deter and check others evil disposed from going wrong; but so long as there are inducements to corrupt an officer, so long will dishonest merchants or brokers make the attempt. This motive exists in the evasion of the payment of full duties under the existing high rate of ad valorem imposts.

Query 16.—Ad valorem rates of duty afford temptations and opportunities for fraud which cannot be guarded against, even by the most rigid rules and vigilant watchfulness. The assessment of values under this system is based upon expert knowledge of values, the most uncertain and arbitrary method that could be devised. Under the ad valorem system fraud has prospered and demoralized the importing trade, which has passed from the hands of American citizens into the control of men who have taken advantage of our high import duties to enrich themselves at the expense of the revenue and the ruined trade of American wholesale firms. Fraud of this nature is difficult to detect, and more difficult still to establish. In the absence of documentary proof, it resolves itself into a mere difference of opinion between experts; and the owner of the suspected goods can at all times procure experts who will maintain the correctness of his invoice prices, or he may select an easier

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and more convincing and efficacious line of defence by procuring affidavits from his buyer or partner abroad to the effect that the invoice cost was the actual price paid for the goods.

An examiner, if dishonestly inclined, may return false values under the eyes of the deputy appraiser or investigating officer without apprehension of discovery.

While fraud may be perpetrated under the system of specific rates by return of false weights and measures and by false classification, the officer lending himself to such fraud exposes himself to risks, sure in the end to lead to discovery, discharge from the service, and prosecution under the law, because false weights and measures and false classifications cannot, as in the case of undervaluation, be sheltered by the specious claim of mistaken judgment.

Specific rates of duty may largely be substituted for ad valorem rates in textile fabrics, but not entirely so without placing the most costly goods on a par with the cheapest. This is the chief objection against the specific rate; but admitting that the application of the system to textile fabrics would in certain lines of goods operate objectionably, the evil would not be near as great as the abuse of the ad valorem rate. France, after many years' experience and careful study by a commission of eminent citizens, almost wholly obliterated the ad valorem system, substituting therefor specific and, in a few instances, compound rates.

Query 17.—The repeal of the moiety law and the modification of the law authorizing seizure of books and papers restricted the power of customs officers in the pursuit of fraud. While the Government still has the power to examine books and papers, this power can only be exercised under the sanction and authority of a justice of a United States court, and the particular books and papers must be described before such sanction is given. Under the old law an officer could make an unexpected descent on a suspected importer and, having power to examine all books and papers, could discover fraud if any existed. While the power conferred under this law was arbitrary and liable to abuse, the honest merchant had nothing to apprehend from its operation.

The repeal of the moiety act removed all incentive to the giving of information by clerks or other employés possessed of knowledge of fraudulent doings by their employers.

While the repeal of the laws in question contributed in some measure to undervaluation, it is doubtful that such repeal or modification can fairly be said to have brought about the great increase of undervaluation in the past ten or fifteen years. About ten or fifteen years ago a new class of importers invaded the commercial life of New York, and their prosperity from the outset attracted others of their kind to enter the importing trade.

Restrictive and penal laws devised to protect the revenue cannot be effective so long as high ad valorem rates exist. Cause can always be shown to the satisfaction of a jury, in criminal prosecutions for undervaluations, that there was no wilful intent to commit fraud.

Query 18.—The American consuls in the chief commercial cities of Europe, by the extent and variety of articles shipped from their consular districts to the United States, cannot, without giving good reason for complaint from foreign shippers to their governments, on the ground of vexatious exactions and delays, give such personal examination to the verification of the correctness of invoiced values as would prove of

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value to the appraising officers in the United States. Commercial agents or special agents, few in number, stationed abroad could render valuable assistance to the consuls and to the Government by investigations of special lines of goods paying ad valorem duties. All such goods investigated by Special Agent Tichenor, when abroad, resulted in the collection of increased revenue.

Query 19.—Under existing law, a merchant, feeling aggrieved by an appraiser's assessment, has the right of appeal to a board of reappraisement, consisting of a general appraiser and a merchant familiar with the goods under appraisement. Appeals are generally decided quickly and equitably, and the appellant, as a rule, gets the benefit of any doubt which may exist.

A judicial tribunal for the hearing of cases involving questions of value would be but poorly suited to deal with such matters. Court methods are usually slow, and cases of undervaluation which are now settled in a half-hour might, under court forms and procedure, be under consideration for years. Time in the determination of market value is of great importance to the merchant whose goods are undervalued; postponements for a month or two may, by fluctuations in supply and demand, styles, designs, &c., so change the market value as to render expert testimony wholly unreliable. Under the law, the goods under appraisement, or one package in ten thereof, must be examined by the appraising or reappraising officers. There can be no appraisement or ascertainment of values unless the goods are present. Under court procedure it is presumed that the same rule would hold good, which would mean the detention of the goods for a long time.

Queries 20, 21.—I am unable to answer.

Query 22.—See answer to Questions 8 and 16.

Querry 23.—I am unable to answer as to failure to collect the revenue at the leading Atlantic ports, but from personal knowledge I am enabled to say that such was the case in San Francisco.

Query 24.—See answers to Questions 1 and 9.

I have the honor to be, very respectfully,

JAMES D. POWER,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 22.

C. C. ADAMS—Entered the Department as Chief of a Division, (Currency, September 1, 1874.) Was subsequently appointed Chief of Appointment Division December 28, 1874. Appointed Special Agent July 10, 1875.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Philadelphia, October 8, 1885.

SIR: I have the honor to acknowledge the receipt of the confidential circular dated August 27th last, and to submit the following answers to the questions contained therein:

Inquiry 1.—I believe that rates of duty have as a rule been properly levied and collected. Where not, it has been owing more to lack of system for comparison of these rates as levied at the different ports, and of knowledge on the part of the appraising officers, than to any other cause.

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At Boston and some of the other ports silk-plush covered albums were for a time returned at 35 per cent., as a manufacture not otherwise provided for, while at New York they were passed at 60 per cent. ad valorem, under section 2499. (See Synopsis, 5590.)

At Toledo silk lace, dutiable under the old tariff at 60 per cent., was returned by the appraising officer as cotton lace at 35 per cent. The error in the first instance was owing to a misapplication of law, and in the latter it seems to have been attributable to unfamiliarity on the part of the appraiser with the article upon which he had to pass.

In Boston certain "necktie silks," composed of silk and cotton, were passed by the appraiser, under the old law, as dutiable at 50 per cent., on the belief that cotton was 25 per cent. or over in value. In New York the same kind of goods were returned at 60 per cent. ad valorem, silk chief value. In Boston the facilities for determining the relative value of the different materials entering into the manufacture of the goods were not so complete as they were in New York, hence the discrepancy.

At this port and Boston the so-called "taffeta" or "plated" gloves were for a considerable length of time returned as "silk and cotton gloves, cotton chief value, manufacture of cotton, non-enumerated, at 35 per cent." In New York these goods were classified at 50 per cent., silk chief value. At this port they were passed without any test beyond that which the examiner made by mere sight and touch alone.

In Boston the tests were somewhat different, but not sufficient to determine the classification to which the goods really belonged.

Finally, after careful chemical tests by competent experts at Boston and New York, it was clearly shown that silk was chief value, so a uniform rate of duty was established by the Department on this class of merchandise. (See Synopsis, 6846.)

Under the present system, differences in rates of duty levied at the several ports will frequently arise, and there does not seem to be any easy or certain way of preventing them. They cause not only loss to the revenue, but serious loss to the importers paying the higher rates of duty.

The instructions of June 16 last to the general appraisers, directing them to require appraising officers to furnish them daily samples of all textile and other goods examined and appraised by them, of which samples can be taken, for comparison at a meeting of the board of general appraisers and others to be designated for the work, is a step towards a better system than now prevails in this regard.

To be of any practical use, however, it is important that comparisons of the samples taken should be made frequently, to the end that differences in classification and values may be corrected as soon as possible after they arise. And again, unless this is frequently done, the accumulation of samples will become so great as to render the work of handling, assorting, classifying, and recording, as well as comparison, difficult to perform, and, in consequence thereof, unsatisfactory in its results.

Inquiry 2.—Not within my knowledge.

Inquiry 3.—By now and then measuring a piece of goods; by weighing the same, ascertaining the average weight per yard, metre, or anne, and applying this to the entire number in the piece. Where goods are folded the length is ascertained by counting the folds. Many of the heavier fabrics are rolled by machinery, and these, it is claimed by some of the examiners, cannot easily be measured, as, once unrolled, it is

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difficult to get them back into the same compass again. My observation is that but little attention has been paid to the measurement of fabrics, the length being generally taken from the invoice.

Inquiry 4.—There is none that I am aware of that such has been the case for a number of years. The last transaction of this nature coming to my knowledge occurred at the port of Boston, where a large shipment of silk lastings, dutiable at the time of their importation at 60 per cent., was passed as hide-cuttings, *free*. I may not be correct in my impression that the lastings were passed upon false examination packages containing hide-cuttings, but I am in stating that silk lastings were passed as hide-cuttings. Previous to this, the most notorious transactions of the nature in question were the so-called Lawrence frauds, perpetrated at the port of New York.

Inquiry 5.—None at this port. I cannot say positively that there is at any other, but there is reason to believe that in at least two weighing districts at the port of New York, if thorough investigation could be had, it would be discovered that the methods pursued in those districts are questionable. I am told that memoranda of weights of weighable merchandise are furnished by the importers to the weighers, and that from these memoranda their returns are made up. These rumors refer to the districts in charge of Weighers ——— and ———.

Inquiry 6.—As this question involves so much relating to the duties of the law officers of the Government, I do not feel competent to answer it in all its bearings.

The number of collector's suits now pending at this port are given in the accompanying statement marked "A."

There does not appear to be any necessity in this district for the establishment of a new tribunal to try questions growing out of the execution of the internal-revenue and customs laws; and this, I believe, is the fact in regard to all the ports except, possibly, New York. I also believe that the present judicial system is sufficient, if properly arranged and managed, to meet the requirements of both the Government and the people. At this and other ports of like importance there ought not to be such great delay as exists in bringing suits.

Inquiry 7.—In New York silk goods of all descriptions, Swiss embroideries, feathers, artificial flowers, patent medicines, earthenware, varnishes, wool, and many other articles which I cannot now recall.

At Philadelphia, wool, cutlery, guns, lithographic prints, cotton yarns, embroideries, machinery, and medicinal preparations.

The evidence of failure to collect the proper amount of duty upon these articles is generally of such a character it cannot possibly be controverted.

Inquiry 8.—The failure has come about in various ways, among them, first, difficulty in obtaining correct information as to foreign market values; second, lack of proper effort on the part of examining and appraising officers to obtain values and to acquaint themselves with the character and history of the goods examined by them; third, fear on the part of some that if they advanced the values on an importer's invoice, he would use his influence, often powerful, to have them censured by their superior officers or dismissed the service; fourth, disinclination in a great many cases to acknowledge, by making use of reliable information, when placed before them, that they have for months, possibly for years, been passing goods at false values; fifth, in some cases there seems to be no doubt that failure to return proper values has

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been owing to the fact that the examiner was under obligations, pecuniary or otherwise, to the importer; sixth, by erroneous views as to what constitutes foreign market values.

At this port the Department was unfortunate in having for many years an appraiser who, in great measure, allowed his prejudices, with which he was filled to an unusual degree, to warp his judgment and to control his official action, to the detriment of the service and the revenue. He seemed imbued with the idea that he had mastered everything which could be learned or known in connection with the business of his office, and was a law unto himself.

His disposition was never to consider information obtained by consular officers and special agents if he could possibly avoid it. He held them, and anything they might have to offer, in the utmost contempt. That they should presume to present evidence touching the question of values, or showing fraud and undervaluation in the importation of merchandise, was to him something which ought not to be tolerated. Under such discouragements, and with too frequently no support from the Department, it is not to be wondered at that if for long periods but little was accomplished in the matter of putting an end to frauds, or that during such periods they increased.

That the revenue should suffer under such a state of misrule is not a matter for surprise. That it did suffer very seriously is abundantly shown by the history of the wool frauds and other similar transactions.

While it cannot be truly said that the appraiser referred to was either ignorant, indolent, or dishonest, some of the results of his administration of the important office of which he had control were the same as if he had possessed all these faults in combination. I mention these facts, not in any spirit of attack against a man now out of the service, but to show, although it goes without saying, that decency in office is as necessary as honesty, and that in the conduct of the public business they should travel together.

Inquiry 9.—To the first part of this question, marked (1), I answer ever since the cupidity of dishonest merchants and manufacturers was awakened and sharpened by the unwise legislation contained in the act of June 22, 1874, known as the anti-moiety law. (2.) Silks, fancy goods, embroideries, and almost every important line of merchandise shipped from continental Europe. (3.) Generally from Germany, France, Switzerland, and Austria. In a very much less amount from England, Ireland, and Scotland, owing to the character of the people and their laws in regard to false swearing. (4.) In a majority of cases by the manufacturers. (5.) This condition of affairs has existed in a greater or less degree at all the principal ports on the seaboard. As the bulk of the importations have been made at New York, the greater frauds have in consequence been committed there.

In regard to the values of embroideries, there is the evidence of honest manufacturers and importers, and the fact that large advances in values have recently been made and sustained. The same is the fact concerning earthenware and china. As regards silk goods, there has been greater difficulty in obtaining positive information as to correct values. In the matter of the wool frauds were statements, under oath by a member of one of the firms shipping the goods, that if it had not been possible for them to make the false charges and commissions which appeared upon their invoices, they could not have shipped the wool at the prices entered upon those invoices.

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In the matter of the undervaluation of cotton yarns were the statements of persons who had imported the yarns for years, and the fact that after the frauds in their values were discovered the person entering the goods, upon suit being brought against him for the recovery of the duties illegally withheld, offered to pay in compromise the sum of $15,000, and to that end deposited the amount named. This offer, however, was not accepted by the Government; so he withdrew his deposit, and finally settled the case by the payment of about $4,000.

Concerning the undervaluation of guns and cutlery at this port, the statements of the special agents have been sustained by the evidence of reliable American houses dealing in the same goods, and by the fact that all advances have been sustained on reappraisement.

Inquiry 10.—There has been and still is much confusion and doubt in the minds of many appraising officers as to what constitutes true market value.

High-class importing houses deal only in selected goods. With them the aim is to have everything as perfect as possible in texture, color, and finish. They will not handle defective pieces, or what are known as "job lots." Other houses will buy both, and, getting the poorer quality at prices less than is asked for the good alone, will use them to reduce the price of the latter and have their invoices made out accordingly.

If the prices at which the goods are entered are questioned here on examination, the importer is prepared to prove that the transaction was a *bona fide* purchase, and that the amount set forth on the invoice was the sum actually paid for the goods. There seems to be no doubt of the truth of this statement. At any rate the examiner has no means of refuting it, and having it in his mind, as many of them do, that the matter of market value depends upon the amount of money, credit, or other advantage which one purchaser may possess or claim to possess over another, the invoice is returned correct as entered.

As an example of this kind of reasoning, I have known of three invoices of identically the same goods, coming to as many different houses in New York, to be passed by the same examiner, on the same day, at three different valuations.

Inquiry 11.—This depends very much on the class of merchandise. In the wool, embroidery, and earthenware undervaluations, I would answer yes. In the matter of silk goods, it would be more difficult, although the advances which have been made on them ought to serve as a pretty safe guide in arriving at an average estimate of the percentage of undervaluation. In my opinion it will not, taking into consideration all classes of merchandise, fall below 20 per cent., and it may reach as high as 30 per cent.

Inquiry 12.—The examiner, undoubtedly. The number of examiners and their salaries at this port is, one at $2,000 and six at $1,700 each. Formerly they received $1,800 per annum each; but a reduction in expenses of collecting the revenue from customs, which went into effect on the 1st of January, 1877, cut them down to $1,700 a year each, where they have since remained, except in the case of the one now receiving $2,000. The appraisers at the principal ports cannot possibly examine the work of their subordinates in detail, and must necessarily forward their returns as made, except in cases to which their attention has been specially called.

Inquiry 13.—I have no knowledge as to this.

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Inquiry 14.—Scarcely. Dishonesty has undoubtedly had a share in this failure. So also have carelessness, lack of system, unwise legislation, ignorance, &c. While reasonably certain that dishonesty has been practised by certain persons lately in the service, it would be difficult to prove that such was the fact. As to the remainder of the question, I have no knowledge.

Inquiry 15.—If the present laws, which give to the dishonest importer advantage over the honest one, and which serve as a finger-board to fraud, are not changed, there can be no reason to believe that corruption will cease in the customs service.

The discharge of incompetent persons and those believed to be dishonest, and the adoption of the rule that every employé will be held to a strict accountability for his conduct, has led to a very decided change for the better in the administration of the customs business; and when the laws complained of are purged of their faults there will be but little inducement for officials to go astray.

Inquiry 16.—Undoubtedly. While it would not close all avenues to fraud—for cheating could still be carried on as to weights and measurements—it would be a great improvement over the present ad valorem system. Any faults which it might have could more easily be looked after and corrected than the undervaluations which are now carried on to such an alarming extent. I see no difficulty in applying specific rates to all textile fabrics.

Inquiry 17.—Yes.

Inquiry 18.—I think not; but much more could and ought to be accomplished in the direction of ascertaining the correctness of invoice values than is now the case. I can see that it would be exceedingly difficult and delicate for consuls to examine goods shipped from their respective districts to this country. Consignors and shippers in Great Britain would object, principally, to the delay which such examinations would cause. Only, probably, in the consular districts of Great Britain, and possibly Switzerland, could consular officers ascertain with any degree of safety and certainty the true value of goods shipped to this country. On the continent, as before noted, it is different. There is no special regard for the oaths taken to consular invoices, as there is no provision for punishment which can be applied if they are false. It is common report that in many instances the persons signing the invoices, and who are supposed to have taken and been sworn to the oaths thereon, do not go near the consulates, but sign their papers in their counting-rooms and send them by messenger to the consuls, who return them with their signature and seal attached.

As the great bulk of goods entered at fraudulent values in this country came from continental Europe, there would, in my judgment, be trouble in case of any attempt on the part of consular officers towards making an examination of goods coming from their districts. The persons interested would combine in making complaint to their respective governments, and the usefulness which the consuls can now exercise would be entirely swept away.

An examination of invoices coming to this port shows that the fee charged by the consul at London and at the other consulates in England is 10 shillings.

Inquiry 19.—It seems to me that the decision of an appraiser should be final as to values, except in case of probable fraud in his returns. Greater jurisdiction on the part of the executive or judicial powers

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would be apt to lead to confusion, and to cause serious delay in the final adjustment of values and the liquidation of entries. It would tend to make the work of collecting the revenue more difficult and burdensome than it now is, to both the importer and the Government.

Inquiry 20.—Owing to my many other duties, and the lack of anything like proper information on this subject, as well as the difficulty I would have in obtaining it, I am unable to answer this question.

Inquiry 21.—At the port of New York the practice of the payment of money by passengers arriving from foreign countries, especially Europe, to customs inspectors for "facilitating" the examination of their baggage prevails to a shameful extent. The fault of this lies not originally with the passenger. The inspector is primarily to blame, and he is bold and unscrupulous in his demands. Unless they are acceded to, he can, or has been able in the past, to put the man who had nothing dutiable in his possession to trouble, delay, and expense. To escape these, there are but few men who would hesitate in paying $5 or $10, although knowing and feeling they were not doing right. The inspector who will take the money has no conscientious scruples whatever. If the sum given him is small, he will say so, and intimate in plain language that it should be augmented, although there have been those on the force in New York who would take whatever a passenger could afford to give, even as low as 75 cents.

How to discover and put an end to these practices is a difficult question to answer. Collector Merritt employed a special officer to mingle with the crowd on the arrival of a steamer, and to note, so far as able, the actions of the inspectors and the manner in which they performed their duties. The result of his labors was the dismissal of something like a dozen inspectors in a short time, for taking money for passing baggage containing dutiable merchandise.

If inspectors felt reasonably certain that, if caught taking a bribe, or in passing merchandise without reporting it for duty, they would be punished under the law, it would effect in this respect a change for the better in their conduct.

Inquiry 22.—I think not, if the laws are changed so that the dishonest shipper's goods can be seized and confiscated on proof that the value at which they were entered was fraudulent.

Inquiry 23.—No; only partially so.

Inquiry. 24.—Lack of positive proof, probably, that they were false; difficulty in obtaining such proof in shape to be made available in a trial, and inattention to complaints which were made. In other words, the power of the complained against was greater than the power of those making the complaints.

I have the honor to be, very respectfully, your obedient servant,

C. C. ADAMS,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 20.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Philadelphia, October 9, 1885.

SIR: I have the honor to transmit herewith classified statement of the customs suits now pending in the United States courts in this district, to accompany my report in reply to the questions asked in the confidential circular of the Department dated August 27 last, transmitted to you on yesterday.

I am, very respectfully, your obedient servant,

C. C. ADAMS,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

Classified Statement of Customs Suits now pending in the United States Courts at Philadelphia.

No. 1.—Question under section 7, under the act of March 3, 1883, as to what *charges* should be included as a part of the *dutiable value.*

Number and term.	Date when case was at issue.	Number and term.	Date when case was at issue.
4. October session, 1883	Mar. 11, 1884	73. April session, 1884	Sept. 3, 1884
5. October session, 1883	Mar. 11, 1884	74. April session, 1884	Sept. 3, 1884
6. October session, 1883		75. April session, 1884	Sept. 3, 1884
12. October session, 1883	Mar. 11, 1884	76. April session, 1884	Sept. 3, 1884
13. October session, 1883	Mar. 11, 1884	77. April session, 1884	Sept. 3, 1884
14. October session, 1883	Mar. 11, 1884	78. April session, 1884	Sept. 3, 1884
15. October session, 1883	Mar. 11, 1884	79. April session, 1884	Sept. 3, 1884
16. October session, 1883	Mar. 11, 1884	80. April session, 1884	Sept. 6, 1884
17. October session, 1883	Mar. 11, 1884	83. April session, 1884	Sept. 6, 1884
32. October session, 1883	Mar. 11, 1884	84. April session, 1884	Sept. 6, 1884
64. October session, 1883	Mar. 11, 1884	85. April session, 1884	Sept. 6, 1884
74. October session, 1883		86. April session, 1884	Sept. 6, 1884
75. October session, 1883	Mar. 11, 1884	87. April session, 1884	Sept. 6, 1884
76. October session, 1883	Mar. 11, 1884	88. April session, 1884	Sept. 6, 1884
78. October session, 1883	Mar. 11, 1884	89. April session, 1884	Sept. 6, 1884
90. October session, 1883	Mar. 15, 1884	90. April session, 1884	Sept. 6, 1884
91. October session, 1883	Mar. 11, 1884	91. April session, 1884	Sept. 6, 1884
92. October session, 1883	Mar. 11, 1884	92. April session, 1884	Sept. 6, 1884
93. October session, 1883	Mar. 11, 1884	93. April session, 1884	Sept. 6, 1884
37. April session, 1884	June 10, 1884	94. April session, 1884	Sept. 6, 1884
38. April session, 1884	June 10, 1884	95. April session, 1884	Sept. 6, 1884
39. April session, 1884	June 10, 1884	96. April session, 1884	Sept. 6, 1884
40. April session, 1884	June 10, 1884	103. April session, 1884	
41. April session, 1884	June 10, 1884	104. April session, 1884	Sept. 6, 1884
42. April session, 1884	June 10, 1884	115. April session, 1884	Oct. 4, 1884
43. April session, 1884	June 10, 1884	118. April session, 1884	Oct. 4, 1884
46. April session, 1884	Sept. 3, 1884	119. April session, 1884	Oct. 4, 1884
57. April session, 1884	Sept. 3, 1884	120. April session, 1884	Oct. 4, 1884
58. April session, 1884	Sept. 3, 1884	121. April session, 1884	Oct. 4, 1884
60. April session, 1884	Sept. 3, 1884	122. April session, 1884	Oct. 4, 1884
61. April session, 1884	Sept. 3, 1884	123. April session, 1884	Oct. 4, 1884
62. April session, 1884	Sept. 3, 1884	125. April session, 1884	Oct. 4, 1884
63. April session, 1884	Sept. 3, 1884	126. April session, 1884	Dec. 19, 1884
66. April session, 1884	Sept. 3, 1884	127. April session, 1884	Sept. 6, 1884
67. April session, 1884	Sept. 3, 1884	128. April session, 1884	Sept. 6, 1884
68. April session, 1884	Sept. 3, 1884	19. October session, 1884	
69. April session, 1884	Sept. 3, 1884	61. October session, 1884	Feb. 27, 1885
70. April session, 1884	Sept. 3, 1884	77. October session, 1884	Feb. 27, 1885
71. April session, 1884	Sept. 3, 1884	20. April session, 1885	
72. April session, 1884	Sept. 3, 1884	27. April session, 1885	Sept. 23, 1885

No. 2.—Question whether *bichromate of soda* should be classified under the similitude clause of section 2499, Revised Statutes, as subject to duty

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at 3 cents per pound, or is an article not specially enumerated, subject to a duty of 25 per cent. ad valorem.

Number and term.	Date when case was at issue.
66. October session, 1884	February 27, 1885.
28. April session, 1885	September 7, 1885.

This suit has just been tried and verdict rendered as to fact. Question of law yet to be argued.

No. 3.—Question whether *Hoff's Malt Extract* is subject to duty as a *proprietary preparation*, dutiable at 50 per cent. ad valorem, or should be classified as beer, subject to a duty of 35 cents per gallon.

Number and term.	Date when case was at issue.
46. April session, 1883	March 11, 1884.
31. October session, 1883	March 11, 1884.

No. 4.—Question as to the value of *sponges*.

Number and term.	Date when case was at issue.
38. October session, 1881	May 2, 1882.
39. October session, 1881	May 2, 1882.

No. 5.—Question whether certain articles are a *manufacture of wool*, and subject to duty at 50 cents pound and an additional duty of 35 per cent. ad valorem, under Schedule L, class 3, or to a duty of 35 per cent., under Schedule M.

Number and term.	Date when case was at issue.
26. April session, 1877	September 3, 1877.
87. April session, 1883	March 15, 1884.
88. April session, 1883	March 15, 1884.

No. 6.—Question whether certain articles should be classified under Schedule C, act of March 3, 1883, as not specially enumerated, and subject to a duty of 45 per cent. ad valorem, or as *buttons*, subject to a duty of 25 per cent. ad valorem; also, question of charges.

Number and term.	Date when case was at issue.	Number and term.	Date when case was at issue.
56. April session, 1883	Mar. 11, 1884	129. April session, 1884	Dec. 19, 1884
58. April session, 1883	Mar. 11, 1884	51. October session, 1884	Feb. 27, 1885
67. April session, 1883	Mar. 11, 1884	52. October session, 1884	Feb. 27, 1885
4. April session, 1884	Apr. 5, 1884	6. April session, 1885	Sept. 7, 1885

No. 7.—Question whether certain articles are to be classified as subject to a duty of 20 per cent., as mineral *bituminous substances*.

Number and term.	Date when case was at issue.	Number and term.	Date when case was at issue.
15. October session, 1879	Mar. 6, 1880	16. April session, 1882	Sept. 11, 1882
13. April session, 1881	June 28, 1881	10. October session, 1882	Aug. 14, 1885
45. April session, 1881	Sept. 14, 1881	49. April session, 1883	Aug. 14, 1885
66. April session, 1881		62. October session, 1884	Feb. 27, 1885
57. October session, 1881	Aug. 14, 1885		

No. 8.—Question whether certain articles should be classified as *handkerchiefs or other manufacture of flax* subject to a duty of 35 per cent. ad valorem, or as a *manufacture of linen, emboridered*, dutiable at 30 per cent. ad valorem.

Number and term.	Date when case was at issue.
2. April session, 1885	September 7, 1885.

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No. 9.—Question whether *down quilts* should be classified as subject to duty at 50 per cent. under Schedule L, act March 3, 1883.

Number and term.	Date when case was at issue.
4. April session, 1885	September 7, 1885.

No. 10.—Question whether certain articles should be classified as *china or earthenware*, subject to a duty of 60 per cent. ad valorem, or as toys at 35 per cent.

Number and term.	Date when case was at issue.
117. April session, 1884	October 4, 1884.

No. 11.—Question as to duty on *steel blooms.*

Number and term.	Date when case was at issue.
33. April session, 1883	March 11, 1884.

No. 12.—Question as to *valuation* of certain *machinery*, and protest against merchant appraisement.

Number and term.	Date when case was at issue.
3. April session, 1882	August 30, 1882.

No. 13.—Question as to the rate of duty on certain articles known commercially as *hat-trimmings* or *hat and bonnet ribbons, &c.*

Number and term.	Date when case was at issue.	Number and term.	Date when case was at issue.
18. October session, 1875	Dec. 14, 1876	28. April session, 1884	June 10, 1884
59. April session, 1876	Dec. 14, 1876	59. April session, 1884	Sept. 3, 1884
33. April session, 1881	June 28, 1881	124. April session, 1884	Oct. 4, 1884
75. October session, 1881	Jan. 24, 1882	12. April session, 1885	
3. April session, 1884	Apr. 5, 1884		

No. 14.—Question as to the rate of duty on *marble.*

Number and term.	Date when case was at issue.
80. October session, 1883	March 11, 1884.
82. October session, 1877. This case is virtually ended, and duties refunded.	
61. October session, 1880. No narrative filed or bill of particulars furnished.	

No. 24.

GEO. W. WHITEHEAD—Entered service as Inspector of Customs port of Suspension Bridge, N. Y., December 4, 1879. Appointed Special Agent January 11, 1884.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Suspension Bridge, N. Y., October 13, 1885.

SIR: Respectfully referring to Department circular of August 27, containing twenty-four questions relating to the administration of customs laws, I have the honor to report that absence from official station under instructions from Department has prevented earlier attention to the subject.

My duties as agent of the Department have been confined to the service on the northern frontier, and I am, therefore, not entirely familiar with the service at seaboard ports, to which most of the questions refer.

In answer to Questions 1 and 2, I have to report that there is no evidence in my possession that the rates of duty and the full amount of duty prescribed by Congress have not been collected.

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3. Textile fabrics are measured or weighed as may be necessary.

4. At ports on the frontier the whole invoice is examined by appraising officers, except in case of goods arriving under immediate-transportation entry without appraisement. I have no evidence of collusion between the persons referred to.

5. With rare exceptions, the importations requiring weights or measures to be taken, as referred to in this question, are entries of grain and lumber. So far as my observation extends, the officers engaged in weighing and measuring are competent, and while it is often necessary to estimate quantities, as permitted by regulation, I believe that the full amount of duty has been collected. I have no evidence to the contrary.

6, 7, and 8 relate to subjects on which I have no evidence.

9, 10, and 11. There is satisfactory evidence that the appraising officer has reported false values in the district of Buffalo Creek for at least five years past on importations of cattle from Canada. The evidence to corroborate this statement is with dealers and other persons familiar with the Canadian markets, and can be produced whenever opportunity is afforded on reappraisals.

Appraising officers are unwilling to impose penal duties, and the result is, as I have frequently reported to the Department, that the *real* judgment of the officer is not returned. There is not so much attention given to the ascertainment of dutiable values as there is effort to avoid the imposition of penalties. In other words, the Government would receive a largely increased revenue from this source if no penalties accrued by reason of advances on appraisals.

A safe estimate can be made of the percentage of such undervaluations and the invoices identified. The cattle are consigned, however, and, having entered into consumption, such estimate or identification of invoices would be of no benefit.

12. In the cases last referred to, a deputy collector and inspector is acting as appraiser, at a salary of $3.50 per diem.

13. I have no evidence that consular or other officers have assisted in the presentation of false invoices.

14 and 15. These questions seem to me to refer to the action of appraisers at New York and other seaboard ports. I have no evidence of bribery or venality in connection with appraisals.

16. A change from ad valorem to specific rates is advisable, in my judgment, whenever such change is practicable, though I cannot see that the change would help to diminish bribery. If corrupt and venal influences can be brought to bear on officers, the incentive and opportunities will be quite as great under one form as another.

The great variety and the difference in cost of manufacture of texile fabrics render it impracticable, in my opinion, to apply specific rates to such goods.

17. I do not think the repeal of the "moiety law" has increased frauds on the frontier.

Section 16 of the act of June 22, 1874, which provides that the question of "intent to defraud" shall be submitted to the jury and a finding required thereon, renders it difficult to obtain a verdict for the Government in any action brought for violation of the customs laws.

18. It would be possible for consular officers in Canada to ascertain and report the true value of shipments, if allowed sufficient time for the purpose. As at present constituted, such consular service is of

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little aid to the customs service. Invoices are certified as presented, without the slightest knowledge on the part of the officer as to their correctness.

19. I believe that the basis on which ad valorem duties are to be collected should be ascertained by the appraiser, and that judicial interference would not be just to the importer, though it might be useful to the revenue.

20. The importations of wool on the northern frontier are, without exception, of the Canada combing wools—class two. The inconsistencies in the present wool tariff can be better pointed out and illustrated by customs officers at ports where different classes of wool are imported, and I will not attempt to discuss the subject.

21. I think the belief is general that the practice prevails of the payment of money to customs inspectors by passengers arriving at the port of New York. I have no evidence on the subject, and can only express the opinion that it is not difficult to ascertain whether or not the belief is well founded. If the practice exists, the detection and prosecution of a few cases, both of the officer receiving and the person paying money to prevent the examination of baggage, would go far towards correcting the evil.

22 and 23. These questions appear to me to relate to recent investigations by commissions of Treasury officers. I have no information on the subject.

24. All cases of fraud within my knowledge have been reported to the Department, and, if the case required, to the collector of customs and United States attorney.

Very respectfully,

GEO. W. WHITEHEAD,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 25.

O. L. SPAULDING—Appointed Special Agent July 28, 1875. Resigned March 3, 1881, and reappointed Special Agent December 24, 1884.

J. F. EVANS—Entered service in Register's Office April 8, 1862. Appointed to clerkship in Comptroller's Office September 5, 1863. Appointed Special Agent February 3, 1875.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
San Francisco, Cal., October 6, 1885.

SIR: We have the honor to submit the following reply to interrogatories contained in Department's confidential circular dated August 27, 1885.

1. We have no knowledge in our possession that the "rates of duty" prescribed by law have not been collected, except as to articles upon which the rates of duty have been a matter of controversy.

2. We have no evidence, nor does our experience lead us to believe, that legal duty has not been collected upon importations paying a specific rate.

Articles such as rice, coal, coke, sugar, cigars, glass, hemp, jute, railway-bars, tin, salt, &c., are not wholly weighed, but a sufficient

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quantity of each, not less than 10 per cent., to determine the quantity imported.

3. A percentage of textile fabrics, usually about 10 per cent., is opened, taken out of the case, measured or weighed, or both, as the case may be; samples are taken for use of the appraiser, and such of them preserved as are deemed to be of value for future use.

4. We know of no evidence showing collusion between entry-clerks, deputy collectors, and importers by which false or unfair packages are, or have been, sent to the appraiser for examination as representing the entire invoice. Such collusion might be practised. A safeguard against its possibility would be the occasional examination of entire cargoes.

5. We have no evidence of false weighing upon the wharves. Occasionally men are found to be incompetent, a matter which is corrected by the substitution of others familiar with the use of weighing implements and the method of testing and keeping them in order.

6. In respect to suits pending against collectors in Boston, New York, Philadelphia, and Baltimore concerning rates of duty, we have no knowledge except that of hearsay. The Government has been very unfortunate at San Francisco in its defence of suits against the collector. We would think the reasons for failure would be disclosed in reports to the Attorney-General by the United States attorney.

We do not think it would be judicious, as a rule, for the Government to advance its suits upon the court calendar in prejudice of other litigants. A remedy would be to create a special court of appeal at Washington to try customs cases. The present law allows payment of interest, in all cases where judgment is obtained against the United States, from the date of protest or of filing a perfected claim. This seems to be correct, as no good reason can be given why the Government should have the possession of the money of its citizens without paying for its use.

7. We are not sufficiently familiar with the business at New York to be able to specify all the articles imported there upon which the full duty has not been collected, but among the principal ones are silks, kid gloves, embroideries, laces, linens, crockeries, and woollen goods paying compound duties.

8. We are of the opinion that duties have not been fully collected upon some kinds of Chinese and Japanese goods at San Francisco, owing, in large part, to the lack of correct information on the part of appraisers.

The language of those countries not being understood, and the information to be obtained from trade-circulars meagre, appraisers are often obliged to guess the foreign market value of many articles, such as bronzes, vases, curios, manufactured silk goods, and the like. While there is no evidence of the guilty knowledge of appraisers, there is reason for belief that they have, either through indolence or timidity, often accepted the invoice value as the dutiable value rather than test the question of undervaluation.

9. We are of opinion that false dutiable values have been returned by appraisers at some of the leading ports, especially of consigned goods at the port of New York, where appraisers appear to have deliberately refused to consider apparently conclusive evidence furnished by consular officers and special agents abroad, as to undervaluation of articles mentioned in answer to the seventh interrogatory.

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10. There has been, and is now, much doubt, not only in the minds of appraisers, but among customs officers generally, respecting the dutiable value of merchandise coverings, growing out of the several constructions given to section 7 of the law of March 3, 1883.

11. We cannot make a "safe average estimate" of percentages of loss by means of undervaluations for any given period.

12. As between the examiner, assistant appraiser, and appraiser, we believe that the latter is responsible for a false return of value. It would seem to be the duty of an appriser to know, either from samples before him or by an examination of the goods, what he is approving when returning an invoice. The only exception would probably be at the port of New York.

13. We have no knowledge that consular officers connive at the presentation of false invoices.

14. We have no means at hand or knowledge in our possession to show that "false values have habitually and systematically been reported to the several collectors," or that the failure to collect the full amount of duty "has come of dishonesty," and accompanied by a guilty knowledge on the part of the Treasury or customs officials, by means of a corruption fund or otherwise. Some appraisers seem to have misconceived the nature of their duties and to have acted as if called upon to stand between the importer and the so-called extortionate demands of the Government. But to charge, in the absence of direct testimony, that such action arose from corrupt motives would be unwarranted.

15. False valuations will likely be practised in the future, as they have been in the past, whenever the opportunity offers. Any regulation upon the subject that does not include the careful scrutiny of business and inquiry as to the integrity and capability of officials must prove a failure.

16. A change from ad valorem to specific duty would greatly tend, we believe, to an honest collection of the revenue. Such an act would withdraw the chief element of fraud in appraisements—that of the importer's statement—leaving the dutiable quantity to be determined solely by the customs officers. We believe that specific rates can be applied to all textile fabrics, and whilst they might sometimes work apparent hardship, we think these would in the main be less than are now experienced from the unequal application of an ad valorem law.

17. While the repeal in 1874 of the law with respect to the payment of moieties has undoubtedly proven injurious to the revenue, we cannot observe the connection such repeal has had upon the action of appraisers, they not being officers included in the distribution of moieties.

The modification of the law respecting the seizure of any "business book, invoice, or paper" has proven detrimental to the proper enforcement of the revenue laws, and the enactment of section 16, act of June 22, 1874, requiring the question of intent to be submitted to the jury as a distinct proposition, has made conviction for fraud almost an impossibility. We believe this opinion is generally, if not universally, entertained by all officers of customs.

18. It would not, in our judgment, be at all practicable for consular officers, and indeed would be a physical impossibility, to personally examine merchandise to be exported from their consular jurisdictions to the United States. Numerous reasons could be stated in support of this position in addition to the reason that the influence tending to

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bribery and the making of false reports would likely prove more potent abroad than at home. We are not advised as to "what fees are now exacted on each shipment" by consuls for certifying invoices.

19. We do not believe that courts can be clothed with any more power than they now possess in the trial of customs cases. A special court for the trial of all revenue cases would, in our opinion, greatly expedite the settlement of cases under the present system of levying duties, but such a court would not be required were duties made specific instead of ad valorem.

20. The duty upon imported wool has been subject to frequent legislative changes, as shown by the following acts: June 30, 1864; March 3, 1865; July 26, 1866; July 14, 1870; March 2, 1867; March 3, 1883.

21. We do not find that the practice of paying money to inspectors for facilitating the landing of passengers' baggage has prevailed to any extent at the port at San Francisco. It undoubtedly exists at some of the Atlantic ports, notably at New York. The only remedy we could suggest would be an active supervision of the business by the responsible superior officers and the vigorous prosecution of offenders.

22. The evidence at hand tends to show that the present duty of $10 per pound upon prepared smoking-opium cannot be collected, and has greatly stimulated the activity of smugglers. The reduction of the duty 50 per cent. would increase the revenues materially from that drug, and correspondingly decrease its illicit introduction.

23. We cannot say as to whether the revenue has been properly collected at other Atlantic ports than New York.

24. The chief reason why persons have not been punished for making "false returns or reports to the collectors" appears to have been the lack of evidence to convict, as the law devolves the onus of proof of positive intent to defraud, as a separate issue, upon the Government.

Very respectfully,

J. F. EVANS,
O. L. SPAULDING,
Special Agents.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 26.

NORRIS WINSLOW—Appointed Special Employé December 20, 1882.
GEO. B. CHURCH—Appointed Inspector of Customs May 28, 1885.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Ogdensburg, October 3, 1885.

SIR: As directed by Department letter of the 8th instant, (G. W. M.,) to submit answers to certain inquiries contained in circular enclosed, even date therewith, and to visit such ports on the northern frontier as may be deemed necessary; also, to give attention to the general conduct of the customs business at the ports we might visit, we have the honor to report:

Department letter of the 16th instant (L. G. M.) directs that "exclusive and immediate attention be given the inquiries contained in said circular." We have, therefore, confined our observations to the propositions therein referred to.

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First inquiry.—"Keeping in mind the distinction between rates of duty and dutiable values, what evidence is there, if any, that the former have not within the last few years been levied and collected as the law prescribes?"

There is no doubt but that, during the period named, serious losses have occurred to the revenue by reason of erroneous classification of merchandise at the various ports on the northern frontier. We are of the opinion that this has not been so much the result of dishonesty or favoritism on the part of officials as from ignorance or neglect, and that it has been easier to follow precedent than to investigate the subject properly.

A remedy to this would be to have frequent visits to the various ports by competent and experienced specials, who should make a careful comparison with the classification of merchandise at the ports they may visit, with a view to a uniform practice, so far as may be consistent with the law and regulations and the locality and circumstances.

Second inquiry.—"Is there satisfactory evidence (and, if so, what is it) that on articles which the law says shall pay purely specific rates, without reference to values, the full amount of duty prescribed by Congress has not been collected?"

There is no reason to doubt but there has been gross negligence on the part of officials whose duty it is to ascertain the quantity of goods subject to specific duty, as called for by the certified invoice, as it is much easier to certify to the correctness of the invoice than to verify it by actual correct measurement or weight.

At the port of Rouse's Point there has formerly passed large quantities of hay, oats, and barley, where the invoice was certified as correct as to quantity and value, without weighing or any verification of the invoice.

At the port of Morristown, during the months of March, April, and May of the present year, there was received a large quantity of potatoes, which were invoiced at about four hundred bushels per car. These were received at the invoiced quantity, and certified as correct by the officers.

About the last of the shipments it was discovered that each car contained sixty to one hundred bushels in excess of the quantity invoiced, the revenue being defrauded of a large sum of money by the neglect of the officers of the port to properly discharge their duties. September 19 we found, at the said port of Morristown, certified invoices of eleven car-loads of lumber, shipped from Brockville, Ontario, to Kearns & Marshall, at Morristown. Three of said cars were received at said port September 3, two September 8, and six September 15. All of these had been delivered to the importer, quite a portion of the lot sold and delivered, and all of the lot, with the exception of three car lots, past identification. No inspection of any kind had been made by the officers; no entry, or report, or no duties collected.

During the years 1883 and 1884, about 700 tons of flax were entered for consumption at the ports of Buffalo and Suspension Bridge as tow, and paid duty as tow, at $10 per ton, which should have been entered as flax and paid duty at $20 per ton. It will be seen that a loss of $7,000 occurred to the revenue, purely by the negligence of the appraisers at said ports.

Third inquiry.—"In what manner, and by what tests, are the invoiced measurements of textile fabrics verified in the usual course of custom-house business?"

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By weighing and measuring. Importations of this character are very small on this, the northern frontier; in fact Rochester and Buffalo are the only ports where any considerable quantities of textile fabrics are received. Such are in immediate transportation bond from Atlantic ports.

Fourth inquiry.—"What evidence is there, if any, of collusion between the persons making entry of several packages of similar goods on one invoice and the entry clerk or deputy collector to send to the appraiser for examination a bogus or false package as a fair sample of one in every ten?"

We have failed to find any positive evidence relative to this inquiry.

Fifth inquiry.—"What evidence is there, if any, of false, or incompetent, or inadequate weighing or measuring on the wharves?"

During the navigation season of 1884, the Rathburn Company of Deseronto, Ontario, consigned to their house at Oswego, N. Y., per barge "Reliance," (said barge being owned and controlled by the Rathburn Company,) twenty-four cargoes of lumber. The average amount of each cargo was 192,908 feet, board measure.

At intervals during the season, as near as might be to alternate trips, said Rathburn Company sold to Messrs. Barnes & Co., box-shook manufacturers, at Oswego, N. Y., and delivered the same by said barge "Reliance," seventeen cargoes of lumber, the cargoes averaging 201,024 feet, board measure, about 8,100 feet per cargo more when delivering lumber sold than when delivering cargoes of like kinds of stock to their own house. The Hon. A. C. Mattoon, the inspector in charge of the port during the time referred to, informed us that the cargoes delivered to Barnes & Co. were no larger than those delivered to their own house; that he was unable to prevent the fraud, as he did not have in his force of inspectors a sufficient number of competent measurers. Inspector Mattoon has had thirty or more years' experience in the carrying trade on the lakes, and is thoroughly conversant with the carrying capacity of nearly every craft entering said port.

As a further answer to this proposition, we respectfully refer to cases cited above in answer to second inquiry.

Sixth inquiry.—"In respect to rates of duty and differences between importers and collectors growing out of decisions by the latter and the Treasury which have resulted in suits, does the existing law need amendment? How many such collectors' suits are now pending in Boston, New York, Philadelphia, and Baltimore? If they can be classified and the legal question at issue identified, how many suits are there in each classification, and how long has each untried suit been at issue and ready for trial? Cannot a plan be devised by the Attorney-General, the Solicitor of the Treasury, the district attorneys, and the judges by which these suits can be more promptly disposed of, and new suits, as they come up, be speedily put at issue and tried? Does the existing law in respect to the payment of interest as a part of the damages and and costs in 'collectors' suits' need amendment? Is there a necessity for a new tribunal to try judicially questions growing out of writs of external or internal taxation levied by the executive when tax-payers are dissatisfied, or can the existing judicial system be made sufficient if it be worked efficiently?"

We are unable to furnish the information called for in this inquiry, as the scope of our observations was confined by the Department instructions to the frontier ports, while the inquiry relates to the ports of Boston, New York, Philadelphia, and Baltimore.

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Seventh inquiry.—"Specify the class of articles, if any there be, on which the recent investigations or the existing facts now susceptible of proof conclusively show that the Treasury Department has, during recent years, failed to levy and collect in New York the entire and full amount of duty that the law prescribed. Is the evidence of failure of a character to be controverted successfully? And, if so, how, and why?"

Same reply as to the sixth inquiry.

Eighth inquiry.—"How has the failure come about? Has it come of the ignorance, or of the indolence, or of the dishonesty of Treasury officials? Is there any reliable evidence to show a guilty knowledge of the failure, or a conspiracy to promote it, among the higher class of Treasury or custom-house officials?"

Same reply as to the sixth and seventh inquiries.

Ninth inquiry.—"If there be conclusive or satisfactory evidence that the appraiser (not the general appraiser) has reported to the collector false dutiable values, then (1) how long has the falsehood been in operation, (2) on what class of articles, (3) from what places, (4) and were the articles shipped by the makers or purchasers, and (5) has the same general condition of things existed in the larger ports? If the proof of the false returns of dutiable values made by the local appraiser depends on the statements made by special agents of the Treasury or consular agents, what evidence is there to corroborate the latter as against the official action of the appraising department?"

Same reply as to the sixth, seventh, and eighth inquiries.

Tenth inquiry.—"Is there now or has there recently been confusion or doubt or conflict of opinion in the appraiser's department respecting any of the elements to be ascertained in order to fix and declare the dutiable value, and, if so, what? Is not the place and time and the standard to be applied already defined by the statutes in the opinion of the examiners, deputy appraisers, and appraisers?"

Same reply as to sixth, seventh, eighth, and ninth inquiries.

Eleventh inquiry.—"Can a safe average estimate be now made of the percentage of such undervaluation by the appraisers in any year or series of years, and the articles or invoices be identified?"

Same reply as to the sixth, seventh, eighth, ninth, and tenth inquiries.

Twelfth inquiry.—"As between the examiner, deputy appraiser, and appraiser, which is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector? What is the salary of such officer? Is the appraiser much else, ordinarily and in fact, than one who officially certifies to the collector the values fixed and reported to him by the examiners and deputy appraisers?"

In answer to the last paragraph of this inquiry, we beg to state: It has been for years, and is now, the practice to delegate the duties of an appraiser to an inspector or deputy collector, and in many instances incompetent persons are intrusted with this important duty. It is not an infrequent occurrence to find at some of the ports several of the inspectors are charged with and perform this duty. As a consequence, the service is inadequately performed, shrewd importers take advantage of such appraisers, and a loss to the revenue is the result. For five years previous to the year 1883, at the port of Oswego, N. Y., there had been practically no appraiser, or officer designated by the collector to perform the duties of appraiser. The records of the office show that during said period there had been no advance of value from the invoiced price in a single instance. An examination of the impost book by one

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familiar with dutiable values would be convincive that large amounts of money have been lost to the Government, owing to the neglect of the officer to correctly appraise imported merchandise.

Thirteenth inquiry.—"Is there satisfactory evidence that any Government officials in the consular department or elsewhere have assisted or consented to, or connived at, the presentation to the appraisers of such false evidence of foreign values? If so, what officers, when, and how?"

We do not find evidence that officials in the consular department have aided in procuring false evidence of value. At the same time, it cannot be denied that reforms are needed in the consular service in the Dominion of Canada. The compensation of many of the consuls and consular agents consists of fees, and, in order to increase the amount of such compensation, fees are divided with railroad and forwarding agents, and invoices often left, signed in blank, with such parties, and, at times, with shippers. They are at all times so fearful that they *will lose* trade, and when a shipper presents himself for an invoice, the agent is so anxious to secure the fees, both for certifying the invoice and an extra fee for making it out, (clerical work,) at the same time anxious to keep his customer's *trade*, that he is only too glad to certify to any value the shipper may suggest, however undervalued the invoice might be. No word or caution or instruction is given, for fear the shipper will take his next invoice to some other agent. During the years 1883 and 1884, Mr. Winslow, of this commission, secured the duties upon a large number of mares that had been imported by dealers, free, for breeding purposes, and then put them to labor upon horse railroads and other like uses. Many of these importers, when confronted, have given as an excuse that they were led to do it by the consuls. The incentive for the consul to do this was the extra fee. For instance, the dealer applies at the consul's office for an invoice of several horses. The consul at once sees a chance for an extra fee, and inquires if some portion of the animals are not mares. If the answer is in the affirmative, he at once suggests that the mares could be passed free, for breeding. The result is the revenue is defrauded of the lawful duties and the agent benefited the amount of the fees for the extra certificate, which, by his shrewdness, he has found a market for.

Large numbers of mares were found upon recent investigation to have been entered by the Detroit Street Railway Company, and passed free for breeding purposes, at the port of Detroit, Mich., when the fact was they were imported for labor on said railway, and were so used. The officers at said port could but have known the business of the importer, and that the animals were dutiable, and that duties should have been imposed.

Within the past month shipments of lambs by the car-load from Canada to the port of Morristown, N. Y., have been passed without inspection in any form, no attempt being made to even count them. This has been the practice at this port for several years. Often several car-loads of sheep and lambs at one shipment have been passed without counting or inspection.

Fourteenth inquiry.—"If under the previous administration of the Treasury false values have been habitually and systematically reported to the several collectors, and if the tariff law has not been faithfully executed, and if the full amount of duty has not been collected, can it fairly be said the failure has come of dishonesty and been accompanied by guilty knowledge on the part of Treasury or customs officials; and,

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if so, of whom? If money has been paid to American officials to get false reports of dutiable values, who has furnished and paid it? By what means and agency, and where, has such corruption fund been raised and disbursed?"

The several cases cited above we feel clearly demonstrate that false values are frequent and that the tariff laws have not been faithfully executed. We are inclined to the belief, however, that it is not so much the result of dishonesty as indolence and incapacity, coupled with a desire to please on the part of the officers, and secure influence to enable them to keep their places. It is well known by persons familiar with the service that it is a common occurrence, where an officer is firm and just with the Government and the importer, that he is openly threatened with the loss of his position. This has been carried to such an extent that many times officers are deterred from a faithful discharge of their duty, and it is often the case that the Department takes notice, to the detriment of the officer, of complaints of parties whose only grievances are, in fact, that they have not been allowed to pursue irregular practices.

Fifteenth inquiry.—"If the false valuations have come of bribery or venality, what reason is there to think that similar corrupt and venal influences are not now brought to bear, or that they will not be successful in the future as in the past?" It is next to impossible to remove the temptation from officers referred to in this inquiry. Our observations have convinced us that cases of bribery or venality are very rare. The irregularities which we have referred to herein have been more the result of negligence and incompetency than otherwise.

Sixteenth inquiry.—"Would a change from ad valorem to specific rates be a benefit to the revenue and help to diminish a tendency to bribery, provided the existing quantity of duty is to be levied in the future; and could specific rates be applied to all textile fabrics?"

There is no doubt but specific duty, so far as it can be applied, is the simpler and most convenient method of assessing duty.

As to textile fabrics, it would seem impracticable to apply specific duty to this class of merchandise, as it could only be based upon value.

Seventeenth inquiry.—"Have the false reports by the appraisers been increased by the repeal, in 1874, of the 'moiety law' and by the customs legislation of that date modifying the existing law, and especially modifying that of 1863 respecting seizure of books and papers?"

There seems to be no difference of opinion among those whose duty has brought them in contact with the operation of the act of June 22, 1874. While this act was passed as a reform measure for the protection of the revenue, had it been enacted for the purpose of enabling dishonest people to evade the tariff laws, it could not have better accomplished that object.

To prove, as this act requires on the part of the Government, the "intent to defraud" by persons accused of smuggling, in order to convict, is very difficult, to say the least. The fear of punishment being removed, as a consequence dishonest practices are more frequent, and frauds upon the revenue largely increased.

Eighteenth inquiry.—"Would it be practicable in the large American consular districts, such as London, Paris, Berlin, &c., for American consular agents, no matter how numerous and alert, to personally examine articles to be shipped from thence to American ports, and to verify the correctness of invoiced values? In which consular districts

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can American consular officers safely and surely ascertain and report the true invoiced values of every shipment?

"Is it likely that foreign governments in which such American consular officers are stationed would abstain from complaints to this Government if American consuls made vexatious delays in examining values and certifying invoices? What fees are now exacted on each shipment in London and in England by our consuls for certifying invoices, even of small articles and of little value?"

We are unable to procure on the frontier the necessary data to properly reply to this inquiry.

Nineteenth inquiry.—"Under the law as it now is, the rates of duty levied by a collector can be supervised and revised by the Secretary of the Treasury, and finally by the Federal judicial power, but, according to the analogies of State taxing laws, neither the Treasury Department, nor the President, nor the judicial power can interfere with, or revise, or set aside the decision of the appraising department respecting dutiable values if the forms of law have been complied with. Would it be safe or useful to the revenues, and just to importers that the executive or the judicial powers have greater jurisdiction to interfere with the ascertainment of the dutiable value, which is to be the basis on which the collector is to levy ad valorem rates?"

The question of value is one of fact. It would seem that the appraisers are the proper persons to investigate, take evidence, and determine the true dutiable value of imported merchandise.

Twentieth inquiry.—"The existing rate of duty on wool is a combination of an ad valorem and a specific rate. I desire to have prepared and presented to me a very careful and accurate analysis of the history of the several rates of duty on wool since 1860, and of the working of the complicated rates on wool that are now in force."

We find that substantially all the wool imported from Canada on the northern frontier is wool of the second class.

We give below the rates of duty assessed and collected since 1870 at the port of Ogdensburg, which we think will represent the practice of all the frontier ports:

1870: 10 cents per pound and 11 per cent. ad valorem.
1871: 10 cents per pound and 11 per cent. ad valorem.
1872: 12 cents per pound and 10 per cent. ad valorem.
1872: 10 cents per pound and 9 per cent. ad valorem.
1873: 10$\frac{8}{10}$ cents per pound and 10 per cent. ad valorem.
1874: 10$\frac{8}{10}$ cents per pound and 9 per cent. ad valorem.
1875: 12 cents per pound and 10 per cent. ad valorem.
1875: 10 cents per pound and 11 per cent. ad valorem.
1876: 10 cents per pound and 10 per cent. ad valorem.
1877: 10 cents per pound and 10 per cent. ad valorem.
1878: 10 cents per pound and 11 per cent. ad valorem.
1879: 10 cents per pound and 11 per cent. ad valorem.
1880: 10 cents per pound and 11 per cent. ad valorem.
1881: 10 cents per pound and 11 per cent. ad valorem.
1882: 10 cents per pound and 11 per cent. ad valorem.
1883: 10 cents per pound.
1884: 10 cents per pound.
1885: 10 cents per pound.

The reply to this inquiry is of necessity incomplete, from the fact that wool is not imported into the United States from Canada to any great

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extent, except wool of the second class. We understand that the reply to the inquiry should be confined to transactions, and have confined our observations to such.

Twenty-first inquiry.—"Is it believed that at the larger Atlantic ports the practice generally prevails, or prevail at all, of the payment of money by arriving passengers to customs inspectors of baggage, either to prevent or facilitate or hasten an examination of luggage to ascertain whether or not it contains dutiable articles; and if such a practice exists as the law condemns and forbids, can it be prevented, and how?" We are inclined to think that the instructions recently given by the honorable Secretary of the Treasury to the district attorney of New York, if diligently and faithfully carried out, will prevent future practices of this nature.

Twenty-second inquiry.—"Does the evidence tend to show that, in respect to the articles on which the Treasury has failed to collect the whole duty prescribed by the law, the rate has been carried by Congress beyond and above the line which the Government can surely protect, and into a region where smugglers and dishonest shippers will be very powerful in evading the law?"

We have failed to find any evidence that would lead us to the opinion that the rate of duty has been carried by Congress to a point where smugglers are powerful in evading the law. The repeal of the "moiety law" and the prompt prosecution of offenders will reduce smuggling and undervaluation to the minimum.

Twenty-third inquiry.—"Has what has been true of the failure of the Treasury Department to enforce the revenue law in New York been generally true, and for similar reasons, at the other large Atlantic ports?"

This inquiry refers solely to the Atlantic ports. We are unable to furnish or properly prepare an answer.

Twenty-fourth inquiry.—"If false returns or reports to the collectors of dutiable values have been made during a considerable time past, why have not the persons or officials concerned therein been complained of, arrested, indicted, and punished?"

The cases of this kind that have come under our observations have not, in our opiuion, been so much the result of dishonesty as from negligence and incompetency.

Very respectfully,

N. WINSLOW,
Special Employé.
GEO. B. CHURCH,
Inspector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 27.

WM. H. WILLIAMS—Appointed Special Agent June 21, 1881.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Cincinnati, Ohio, October 20, 1885.

SIR: I have the honor to submit the following report in reply to Department letter of August 27, 1885, submitting twenty-four inquiries relating to the administration of custom-house affairs:

1. I know of none.

2. None that I am aware of.

3. So far as the work of the appraisers in the tenth and thirteenth special agency districts have come under my observation, I would say by actual count or measurement.

4. I have no personal knowledge of any such transactions.

5. I know of none.

6. This question seems to be intended for the officers at the large sea-board ports; however, I am of the opinion that if the tariff law was so amended as to more clearly specify the classification of many articles, it would prevent much controversy and litigation between customs officers and importers. It is the alleged obscurity of the tariff act in regard to what is intended as the true rate of duty on many articles that leads to an honest diversity of opinion. Take, for instance, glycerine. It is a difficult question to determine where crude leaves off and where refined begins.

(2.) I am of the opinion that there should be a special tribunal to try judicially questions and controversies arising under our customs laws. Disputed questions would be quickly decided, and the monthly publications of the same, for the information of customs officers, would tend to uniformity of practice in the assessment and collection of duties.

Questions 7, 8, 9, 10, 11, 12, 13, 14, 15, refer to the large sea board ports, and do not come under my immediate observation; but, if we are to take the testimony of honest and reliable importers in the interior, there can be no question but what there has been a failure on the part of customs officers at New York to levy and collect the entire and full amount of duty prescribed by law.

Take, for instance, the firm of Marshall Field & Co., of Chicago, The John Shillito Co., of Cincinnati. Their facilities for the purchase and importation of merchandise are equal to any merchant in the United States. Their agents are in the principal markets of the world, and their integrity and financial standing are acknowledged as among the very best, yet these men tell us that they cannot import certain lines of goods and sell in competition with New York agents of foreign manufactories. These large dry-goods firms are run upon strictly business principles, and they know to a farthing what goods cost laid down at their stores. The slightest variation in foreign markets is cabled to them at once; in fact, every favorable condition of trade that exists with any merchant in this country exists with them, and yet they cannot sell, except at a loss, in competition with these New York houses. Travelling salesmen enter these stores and boast of their ability to evade the full payment of duties. An investigation of their prices, based upon known actual charges, such as freight, commissions, duties, &c., and the actual market value in the foreign market, substantiates their claim, and it also discloses the fact that the goods are offered for

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a little less than actual cost of honest importation, and without any legitimate profit to the importer. Among the articles that come under my observation are linens, linoleums, oil-cloths, thread, buttons, corsets, &c. I find that honest importers are loth to give information against these irregularities for two reasons:

First, that their trade demands these goods, and they are compelled to buy of these foreign agents in order to successfully compete with their rivals.

Second, that it brings a firm into disrepute and affects their trade to be known as an informer. It would seem that the oft-repeated remark made by the "drummers" and agents of foreign houses, that "they did not owe tribute to the United States Government," had so firmly ground itself into the avenues of trade that the sensibilities, even of our honest importers, had become dulled as to their duty as good citizens. However, I believe a system can be devised whereby the Department could be put in possession of this information without detriment to the informer, and with great value to the Government.

16. The objection to specific rates is often urged that it discriminates in favor of the wealthy, and the better class of goods are passed at the lower rate of duty; for example, a horse worth five hundred dollars pays no more than one worth one hundred. So of different kinds of live stock; but I am of the opinion that this objection can be overcome by classification.

A change from ad valorem to specific rates in all cases where practicable would, in my judgment, prevent fraud and simplify the collection of import duties, and I believe the existing amount of duty could be levied and collected on nearly all articles of merchandise. In the case of fine laces, silks, satins, &c., which become very much more valuable in proportion to their fineness and lightness, it might be necessary to use a combination of rates similar to that on wool at the present time. It is an admitted fact that in many of the cheaper grades of textile fabrics, our manufactures are able to defy competition and stand alone. I firmly believe, with the exceptions noted, that specific duties on textile fabrics, based on an intelligent classification, keeping in view the average duties now collected, with such additions or reductions as past experience may suggest, are not only desirable but practicable.

17. I am not able to state in regard to increase of false reports by the appraisers since the repeal of the moiety act of 1874, but there can be no question but what very grave abuses grow out of the enforcement of customs laws under this act, so much so that a universal demand went out for its repeal. Subsequent legislation, undoubtedly, went too far in the opposite direction. By the act of June 22, 1874, section 12 and 16, whereby the Government is compelled to prove an "intent to defraud" under the rulings of the courts, renders conviction very doubtful, to say the least, and customs officers have often felt it their duty to recommend a compromise for a money consideration, owing to the uncertainty of conviction under this act. I am of the opinion that it would be much better for the Government and for the best interest of honest importers, if that portion of the act requiring proof of "intent to commit a fraud" were repealed.

I doubt the advisability of the re-enacting of the law of 1863 or any other law that will permit the seizure of private books and papers. Such a law would be liable to abuse by overzealous officers, and might result in great injustice to an importer. I believe there would be but

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few cases, if any, but what an intelligent officer could procure his evidence without resorting to seizure of private books and papers.

18. I do no not believe it practicable for consuls to verify invoices as suggested in this question. It would cause vexatious delays and serious complaint on the part of importers, and no doubt would lead to protest on the part of foreign governments in ports where our consular agents were stationed.

I do not know what fees are charged by our foreign consular agents.

19. The liability of an appraiser to err in judgment is as great, if not greater, than any other customs officer. Many close questions arise which largely affect the interests of the Government or the importer. Many of the appraisers in the smaller ports are not experts, nor men of experience in the valuation of many kinds of merchandise. In cases where doubt arises, it is the practice of many of these officers to decide in favor of the Government, and leave the importer to protest and appeal. There can be no question but what the importer should have the right to appeal to the Department and to the courts, and especially would this be the case if a court of jurisdiction is to be established for the trial of cases arising under our customs laws.

Dutiable values are not always known nor easily ascertained by the appraiser at the time of appraisement, and I am of the opinion that no injustice would be done the importer or the revenues of the Government by the acts of an incompetent officer being subject to the revision of the Department and the courts. At the same, time I would keep in view that any change to be made in the present law should not be to invite litigation, but to collect the revenues of the Government with as little friction and embarrassment to honest importers as can be done with safety to the revenue.

20. Since the receipt of Department's letter, I have endeavored, at every favorable opportunity, to get the opinion of prominent wool-growers as to the effect of the present tariff on that industry. Within the limits of my district is situated the principal wool-growing territory east of the Mississippi river, and I must say I find a great diversity of opinion, but all agree upon this statement, that wool cannot be produced, except at a loss to the grower under the prices paid, since the passage of the tariff act of 1883; also, that a specific rate, regulated by the price, as under the present law, is very much to be preferred to a return to the compound rates of 1867. I am of the opinion that the low price of wool at the present time is not wholly to be attributed to the rate of duty as placed in the tariff of 1883, but that the disturbed condition of the trade, caused by the change in the tariff, not only of wool but of woollen goods, has had much to do with it. This is shown by an improvement in prices of this year over that of last, and as the relative value of these articles become fixed, it will, no doubt, still further add to the market price per pound.

It is claimed that the same classification has been in practice for over twenty years, and that changes have taken place in the breeding of sheep not only in our own but in foreign countries, and that a reclassification under the present rates should be made in justice to the wool-grower. I have no doubt this is true. In conversation with the largest wool-grower in Ohio, (Mr. Harpster, of Wyandotte County,) he expressed the opinion that the rates on wool valued at 30 cents or less per pound, in classes one and two, should be 12 instead of 10 cents. He also expressed the opinion that under the present rate of duty on the coarser grades of

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wool, (class three,) it was impossible for the American sheep-raiser to breed with success what is known as a mutton-sheep for the markets in our large cities, because the grower must depend in part on the wool produced for his profit, and the small protection afforded by the tariff, with the light fleeces of this kind of sheep, would not admit of this kind of industry.

I also addressed a letter to the Hon. Columbus Delano, a gentleman who has the reputation of being the best informed of any in our State on this subject. I have not received his answer up to the time of writing this report. As soon as it comes to hand I will forward it to the Department.

21. It is currently reported, and believed by most people, and passengers from abroad relate their experience of how they *fix* the customs officers on arrival of ship at New York by the payment to the inspector of a certain sum of money to have their baggage passed without critical examination, or only a small amount of dutiable articles reported to collector for payment of duty. The arrest and punishment of passengers engaged in these practices, as well as the officer, would no doubt lessen this evil.

22. I think not. The strong competition in trade is no doubt the chief cause of the dishonest practices to evade the customs laws.

Merchants and dealers are anxious to undersell their competitors, and they study the most feasible plan for that purpose; consequently we have undervaluation, bribery, smuggling, and other sharp practices of dishonest merchants, and will have so long as there is a duty to be collected.

23. Not to so great an extent.

24. Not in my province to answer.

Very respectfully, your obedient servant,

WM. H. WILLIAMS,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 28.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Cincinnati, Ohio, November 1, 1885.

SIR: I would respectfully submit the following report, with enclosure, as supplementary to my report of October 20, 1885, in reply to question No. 20 of Department letter of August 27, 1885:

I submitted several questions to Mr. Delano, of Mt. Vernon, Ohio, in regard to the tariff on wool, and its relations to the wool-grower. I consider him one of the best-informed gentlemen upon this subject in this country, and I quote his reply:

"I enclose with this note a printed copy of a statement which I made before the Ways and Means Committee of the House of Representatives, February 20, 1884, under the caption, 'Protective duty on wool.' You will find a history of the several tariffs or duties on wool from the commencement of our National Government to the date of my statement.

"This will answer the first part of your inquiry as well as I am able

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to answer. This 'history of the several rates of duty on wool' was made from the records of legislation on the subject, and it is correct, as I believe. You will find in the statement some information of value in regard to the condition of sheep-husbandry and wool-growing in the United States prior to and at the date of the wool and woollens tariff of March 2, 1867, and if you carefully pursue the subject, you will observe how this industry prospered and increased under the influence of this act, and how it has been injured in its prosperity by the act of March 3, 1883.

"In regard to the final clause of your inquiry, which refers to the working of the complicated rates on wool that are now in force, I have to say I think, as a rule, specific duties are preferable to ad valorem, and I am clearly of opinion that specific duties are advisable on wool, provided they are adequate in amount, and are expressed in clear and unequivocal terms; but this leads me to say that the classification of wools is an absolute necessity in any tariff act for their protection, and I am sure that no better classification has been, or is likely to be, made than that which was adopted in the act of 1867, and which was preserved in the act of 1883.

"The varieties and grades produced and consumed by our people were happily and accurately described and embraced in these acts. If any future legislation is had touching wools, it is important that this classification be not modified. It is equally important that the duties imposed by the act of 1867, *or a full equivalent therefor, be restored,* but this can be done by stopping all ad valorem and by increasing specific duties to equal the amounts thus dropped. Such a course will render evasions and frauds less easy, and thus facilitate an honest and fair compliance with law by importers.

"Nothing short of a substantial restoration of the act of 1867 will meet the just demand of a great industry, which in 1883 produced three hundred and twenty millions (320,000,000) of pounds, worth on the eastern markets one hundred and forty-four millions of dollars, ($144,000,000,) but which, under the influence of the act of 1883, is not worth over ninety-six millions of dollars, ($96,000,000.)

"I have one more word to add. Our carpet-wools have never been adequately protected, and this important fact I wish to emphasize, for there is nothing but folly in our economic policy that drives out of this country the production of carpet-wools, when we have such vast regions which nature seems to have provided for their especial production.

"Respectfully,

"C. DELANO."

It will be remembered that in my former report I stated that Mr. Harpster, of Ohio, the largest wool-grower in the State, claimed that a reclassification of duties on wool was necessary, in his opinion, but Mr. Delano thinks differently. I am inclined to the opinion that Mr. Delano is the best informed on the question, it having been the subject of careful study by him for many years.

I have the honor to be, very respectfully, your obedient servant,

WM. H. WILLIAMS,
Special Agent.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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PORT OF BALTIMORE.

No. 29.

EDWIN H. WEBSTER—Appointed Collector February 17, 1882.

CUSTOM-HOUSE, BALTIMORE, MD.,
Collector's Office, October 6, 1885.

SIR: Your circular letter dated August 27, 1885, was duly received at this office, but as I was absent from the city I could not personally reply to the queries therein presented, and embrace the first favorable opportunity to do so.

I notice by a careful consideration of your communication that some of the questions are more applicable to the port of New York than to Baltimore, several of them referring specifically to that port. I will endeavor to answer the questions, however, as well as the information attainable will allow, so far as this port is concerned, as I have no knowledge of the state of affairs at New York.

To the first and second questions, I answer none.

To the third, I would state that invoiced measurements of textile fabrics are verified in the appraiser's office by the examiners, under the supervision of the appraisers, by measuring, weighing, and examining under the glasses furnished by the Government, sample portions of such importations.

To the fourth and fifth, I answer none.

To the sixth, I report that the following suits are now pending in the United States circuit court at Baltimore, and, I am informed by the United States district attorney, are now ready for trial. These suits are all brought by importers against the Government:

Two suits on classification of duty on bottles containing natural mineral water and on malt-extracts, under act of June 3, 1874.

Eight suits on classification of iron ore, under act of March 3, 1883.

Twelve suits on subject of charges, under act of March 3, 1883.

I do not think that there should be any amendmnnt to the law in respect to the payment of interest, except that the rate of interest might be reduced to correspond to the rate paid by the Government on its bonds.

There is no necessity for a new tribunal to try questions mentioned in this interrogatory, so far as this port is concerned.

To the seventh, eighth, ninth, tenth, and eleventh, I have no knowledge.

In answer to the twelfth, I would state that there are at this port two local appraisers, and no deputy appraiser.

As between the examiner and the appraisers, I consider the first-named officer the one "primarily" responsible for all returns affecting the dutiable value of goods. When he cannot determine on the value, or has any doubt whatever as to the correct assessment or classification of merchandise, he reports the fact to the appraisers, who then make a personal examination and report the result to the collector, and in all cases in which goods are advanced in value over the invoiced price the appraisers are consulted.

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At this port the appraisers in many cases give personal attention to determining the classification and valuation of merchandise.

The salary of the appraisers is $3,000 each per annum, and of examiners, $1,600 and $1,800 per annum.

To the thirteenth, none.

To the fourteenth and fifteenth, I have no knowledge.

To the sixteenth. A change from ad valorem to specific duties would diminish the tendency to bribery by removing the opportunity therefor, and wherever practicable such change should be made; but in textile fabrics it would be impracticable to apply specific duties in many cases, or, if applied, the effect would be to diminish, and even prohibit, the importation of low-priced goods and increase importations of high-priced goods. At the same time the existing revenue would be decreased.

To the seventeenth. In my judgment, the re-enactment of the "moiety law" is not desirable. It led in many cases to acts of injustice upon innocent persons, and the seizure of books and papers under the act of 1863 was liable to the same objection.

To the eighteenth. I presume a sufficient number of consular agents might be appointed in such places as London, Paris, Berlin, &c., to personally examine articles to be shipped to the United States, but it would be attended with great expense and labor, and would occasion great vexation and complaint on the part of foreign merchants, manufacturers, and shippers. I consider such a scheme impracticable. The fee allowed by law to be charged by consuls is $2.50. I find, upon examination of a number of invoices from London and England, that the amount added varies slightly; in some cases the charge is 10 shillings 6 pence, in others 10 shillings 4 pence, besides in some cases an additional charge of 6 shillings is added for affidavit.

To the nineteenth. I do not think a change of the law would be advisable.

To the twentieth. I have no suggestion to make, except so far as I have stated in my reply to question number sixteen.

To the twenty-first. At this port the habit does not prevail of paying money to officers by passengers.

To the twenty-second. I have no knowledge of the Government failing to collect duties at this port.

To the twenty-third and twenty-fourth. I have no knowledge of any failure to enforce the revenue laws, or of any false returns or reports relating to dutiable values having been made, as far as this port is concerned.

I am, very respectfully,

EDWIN H. WEBSTER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 30.

A. STERLING—Appointed United States District Attorney July 29, 1869.

UNITED STATES ATTORNEY'S OFFICE,
Baltimore, September 18, 1885.

SIR: I submit the following replies to the interrogatories numbered 1 to 24, inclusive, in your circular, in which you say that in order that you may decide how much and what portion, if any, of the record of recent investigations of custom-house affairs shall be sent to Congress in your annual report, you desire careful and official replies to the following inquiries:

To the first inquiry I have no information except as to the customs district of Baltimore. From a long official acquaintance with that district, I have no evidence that the rates of duty have not been levied and collected as the law prescribes, but I am satisfied, from a good deal of opportunity to know, that they have been so levied and collected.

To the second inquiry I answer in the negative. Solely as to this district.

To the third inquiry I have to say that this question is so clearly applicable to the detail of the appraisers' office, and will be so fully set forth by them to the Secretary or the collectors, that it need not be here answered.

To the fourth inquiry there is no evidence. I feel sure that no fraud suggested by this inquiry has been committed here within the past sixteen years.

To the fifth inquiry I answer, there is no evidence here. I never heard of any false or inadequate weighing on the wharves.

In regard to the sixth interrogatory, I think the existing law does need amendment. The following cases against collectors are now pending in the circuit court for this district, with date of suit brought:

April 12, 1881—W. D. Marvel *vs.* John L. Thomas.

September 10, 1881—Same.

December 21, 1881—Same.

May 2, 1882—Same.

The question involved in these cases is, whether certain ore is dutiable as metallic ore not otherwise provided for, at 10 per cent. or 20 per cent.

January 5, 1883—Soyre *vs.* E. H. Webster. Mineral water, whether material or artificial.

January 31, 1883—Eisner *vs.* E. H. Webster. As to market value of malt-extract.

January 17, 1884—Rogge & Koche *vs.* E. H. Webster. Question of classification.

January 17, 1884—Hodges *vs.* E. H. Webster. Question as to packages being free or dutiable.

January 17, 1884— ——— *vs.* E. H. Webster. Claim of abatement for damage to cargo of fruit.

February 20, 1884—Moritz, &c., *vs.* E. H. Webster. As to packages, dutiable or free.

June 9, 1884—Hodges *vs.* E. H. Webster. Same question.

June 9, 1884—Fried *vs.* E. H. Webster. Same question.

June 9, 1884—Prior, &c., *vs.* E. H. Webster. Question as to classification.

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June 9, 1884—Rogge & Koche *vs.* E. H. Webster. Question of classification.

July 31, 1884—Moritz, &c., *vs.* E. H. Webster. Packages, whether free or dutiable.

July 31, 1884—Cator, &c., *vs.* E. H. Webster. Same question.

November 12, 1884—Hodges *vs.* E. H. Webster. Package, dutiable or free.

April 2, 1885—Hodges *vs.* E. H. Webster. Same question.

August 15, 1885—Hodges *vs.* E. H. Webster. Same question.

January 7, 1885—Marvel *vs.* E. H. Webster. Same question as to iron ores as above.

May 15, 1885—Marvel *vs.* Webster. Same question as to iron ores as above.

These suits, with two exceptions, are in regard to controversies well known to the Department, and the suits here have not been tried because similar suits in New York were expected to be tried and appeals taken to the Supreme Court of the United States, and it seemed better and more economical to the United States not to multiply trials unless trial here was directed by the Department. There is no difficulty here in getting such suits speedily tried, and I cannot answer the general question. I think there is no necessity for a new tribunal for such question; I think there is a need for special juries to try them.

To the seventh inquiry. I have no means of answering this inquiry.

To the eighth inquiry. I have no means of answering this inquiry.

To the ninth inquiry. No evidence here.

To the tenth. No means of answering this question.

To the eleventh. No means of answering this question.

To the twelfth. I have no information for me to answer this question satisfactorily.

To the thirteenth. I have no evidence or knowledge so as to answer this question.

To the fourteenth. I have no information so as to answer this question.

To the fifteenth. I must answer as in my reply to the fourteenth.

To the sixteenth. I think a change as to specific rates would be a benefit to the revenue and help to diminish the tendency to bribery, and that such rates might be applied to many classes of goods, but I do not see how they could be applied with justice to all textile fabrics, the values differ so enormously.

To the seventeenth. In my opinion, the legislation mentioned in this inquiry has had a direct tendency to increase successful fraud. The moieties to Government officers were, perhaps, obnoxious enough to be repealed, but so many frauds may be carried out which even vigilance may not detect that rewards to informers ought to be given in order to cause distrust among participants in frauds and induce the possessors of guilty secrets to reveal them.

I think the provisions requiring in cases of forfeiture trials, that a separate issue shall be submitted to the jury as to whether there was a specific intent to defraud the revenue, puts a greater burden on the prosecution in such cases than the circumstances allow.

The opportunity of showing the absence of fraud is so clearly in the possession of every honest importer that to try such cases and require the prosecution to prove guilt, as in ordinary criminal cases, is less than justice to the Government, and is not founded on sound principle.

Eighteen. I have no information to answer this interrogatory.

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I answer the nineteenth question in the negative, as to the judicial power. I think the executive department may have greater jurisdiction, and I think that as little as possible in regard to dutiable values should be allowed by the courts.

Twentieth. I have no means of answering this question.

Twenty-first. I have heard that this practice has, to some extent, existed in New York, where such an immense amount of luggage is introduced, but I have never heard that it prevailed anywhere else.

The only way I see to prevent it is by such supervision of a higher grade of inspectors or superiors over the inspectors of baggage, whose vigilance might deter and prevent such practice, and the trial and punishment of every inspector who may be proven to be guilty, as also, undoubtedly, by the increasing introduction of civil-service reform among the officers and the banishing of political influences and rewards.

Twenty-third. I answer this question in the negative, from all the information I possess.

Twenty-fourth. As far as I know, which is only as to this district, very few false reports have been made. I think, in all cases where the evidence has shown such reports, the proper prosecutions have been had.

Very respectfully,

A. STIRLING, JR.,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 31.

WILLIAM R. WILMER—Appointed Naval Officer February 17, 1882.

PORT OF BALTIMORE, MD., NAVAL OFFICE,
September 5, 1885.

SIR: In response to the inquiries of the circular dated August 27, ultimo, a copy of which, marked "strictly confidential," was addressed to me as naval officer of this port, I respectfully submit the following statements, *seriatim:*

1. I have no evidence that "the rates of duty," as distinguished "from dutiable values," have not at this port, "within the last few years, been levied and collected as the law prescribed."

2. I have no evidence of any kind that the duties referred to in paragraph 2 have not, in full amount, been collected as prescribed by Congress.

3. The invoiced measurements of textile fabrics are verified thus: The appraiser or examiner first compares the figures given in the invoice with those marked on a small tag or ticket attached to the goods; secondly, the verification is occasionally made by actual measurement; but thirdly, in general, while the *width* is actually measured, the *length* is ascertained by counting the folds in a sufficient number of pieces. This last method is regarded sufficiently accurate in the case of all regularly manufactured goods.

4. In reply to this inquiry, it affords me pleasure to say that during my incumbency of this office no such transaction as collusion between importers and deputy collectors or entry clerks has come to my knowl-

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edge; nor do I believe that such collusion has been perpetrated. The chief importers making entry at this port are men of the best mercantile reputation; and the *integrity* of our entry clerks has not been, in my knowledge, ever impeached.

5. In reply to the fifth interrogatory, I regret to say that the evidence of incompetency (*not fraud*) in the weighing department are of frequent occurrence. This incompetency exists either in the actual process of weighing or in the making out the returns from the weigher's dock-book, possibly in both. All the returns of the weigher, as well as those of the appraiser, are carefully scrutinized in the liquidating department of this office, and when the least appearance of discrepancy is presented in an undue difference between the quantity entered and that returned, attention is called to it, and the return, when erroneous, is corrected and indorsed "Amended by permission of the surveyor." So frequent do these errors occur that our liquidating department has learned to be very cautious in adjusting entries on returns of weight, and yet, with all their caution, in some instances the error has escaped their notice, but afterwards discovered by the chief weigher or by the importer.

6. I learn there are on the docket of the United States court of this city some twenty or more suits pending against collectors of this port, of which four are against the late collector, John L. Thomas, and the residue against the present collector, Edwin H. Webster; that seven of these cases involve the question of *rate of duty* on *iron ore;* two cases refer to *classification of merchandise;* and the remaining eleven cases have reference to the question of "*the charges*" for "cartons," "making up," &c., as a part of *dutiable value. None of these suits have been tried,* but all are awaiting the issue of similar suits before the courts in New York, or the final issue of such as may be taken by appeal to the Supreme Court. Without attempting to point out the way in which, under the present judicial system, this undesirable state of things could be remedied, its detriment to the revenue is manifest, in that, in case of adverse decisions, the amount of duty exacted in excess, with interest, must be refunded.

Such facts as these, together with evils incident to other departments of the whole present system, evidently demand at least an effort at improvement. This, I think, could be largely effected by—

First. A simplification of the terms of the tariff in stating classification and rates of duty.

Second. In the appointment of appraisers, examiners, weighers, entry clerks, and other officers of *ascertained capacity* and *integrity.*

Third. In the creation of a special tribunal, a tariff appeal court, the judges and attorneys of which to be men not only learned in *law* but also *expert* in revenue laws and all tariff questions; and also, if possible, men of sound practical knowledge in merchandise, manufactures, &c.

10. While I have not learned that any conflict of opinion exists in the appraiser's department relative to the elements to be ascertained in order to fix and declare dutiable values, yet, as between the appraiser's department and several of our large importers here, a considerable diversity of views prevails relative to the force and import of Treasury circular of July 2, ultimo, as expounding the operation of the present tariff in determining the true dutiable value of certain classes of merchandise, whether or not that dutiable value shall include the invoice charges for boxes, cartons, making up, &c. The merchants generally

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exclude these charges from their entries. The appraisers add them, and the additional duty is paid under protest and suit entered for its recovery. An immediate and definite decision of the question is very desirable.

12. While examiners and deputies are directly responsible to their chief, yet the appraiser himself must be held chiefly responsible to the collector for the accuracy of all reports of values, rates, or quantities to which he certifies. In some instances, no doubt, the appraiser must depend entirely upon his subordinates; but at this port the amount of business does not prevent the appraiser from making a personal verification of all reports on dutiable values.

There are two local appraisers in the custom-house at this port, at salaries of $3,000 each per annum; and, since the recent reduction of the force, there are five examiners, salaries of three at $1,800 each, and the remaining two at $1,600 each.

16. A change from *ad valorem* to *specific* rates, in every admissible case, would undoubtedly diminish the temptation to make false and fraudulent *valuation*, besides tending to *simplify the tariff*, an improvement which the present system urgently needs.

While *specific rates* could be applied to all textile fabrics, yet, in *grading the rate*, some reference should be had to *valuation;* otherwise, there would be no practical distinction between the coarser and finer and more costly fabrics of the same general class.

18. As our consuls and consular agents abroad at present certify to the *market value* of the currency in which the foreign invoices are made out, I cannot see what valid objection there could be to their verifying also the *market value* of the merchandise exported. Of course this would occasion some delay, but that delay need not be *vexatious*, and the beneficial results accomplished would more than compensate for any practical inconvenience.

19. I am clearly of the opinion that when the *methods* for ascertaining and determining the elements of the revenue, values, rates, quantities, &c., have been once declared, no department and no officer of the Government should have the authority to interfere with them. This is manifestly demanded by justice to the importer and by the best interests of the revenue.

21. While I have knowledge of money being offered by arriving passengers at this port to customs officers to influence them in the discharge of their official duty, the offer was indignantly rejected, and I have no reason to believe any such money has been received.

22. While Congress may not be able to enact revenue laws that unscrupulous men of capacity may not violate and circumvent with impunity, yet there is a principle of sound policy to be observed in all such legislation. *"As far as possible prevent the crime that cannot always be certainly detected and adequately punished. Destroy the gain of defrauding the revenue."* This may be done in part by the substitution of *specific* for *ad valorem* rates, but mainly by such a judicious revision of the whole tariff as shall reduce it to a point consistent with a safe and conservative revenue, but which shall offer no sufficient temptation to evade its provisions.

With reference to paragraph 20, the statistics extending over a period

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of twenty-five years *will require considerable time* to collect and arrange, but it shall be done at the earliest possible period.

Upon the topics named in paragraphs 7, 8, 9, 11, 13, 14, 15, 17, 23, and 24, I have no information.

Very respectfully,

WM. R. WILMER,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

—

PORT OF BALTIMORE, MD.,
Naval Office, September 9, 1885.

SIR: Referring to the statement made in my communication of September 5, 1885, in reply to your circular of August 27, 1885, designated as point 2, under subject 6, I desire to say in explanation that the remark relative to the qualification of certain officers in the custom-house was of *general application*, and not as referring especially to the present incumbents of this port.

Very respectfully,

WM. R. WILMER,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

—

PORT OF BALTIMORE, MD.,
Naval Office, October 7, 1885.

SIR: Referring to topic "20" of your circular of date August 27, 1885, relating to the subject of "wool" imported at this port, (the circular was marked "strictly confidential," and to which I replied September 5, 1885,) I have the honor to state:

1. That prior to the year 1870, the records of this custom-house are not in such form as to afford convenient access to the desired information, which could be obtained only by an actual examination of every page of each volume of the records for ten years. The time allotted for this report, with my limited clerical force, would not permit such examination of the period named. And this is the less to be regretted on this occasion as the period from 1860 to 1870 covered the time of our late civil war, during which, and for a considerable time after, all industries were in an abnormal condition.

2. That from 1870 to the present time our records on all subjects are full, complete, and accurate, and regularly indexed throughout. From these records I learn that the importations of wool at this port were, in weight (pounds) and in value, (dollars,) as stated in the accompanying table:

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Importations of Wool at Port of Baltimore, Md.

Year.	Quantity.	Value.	Average.
	Pounds.	*Dollars.*	
1870	242,756	25,763	
1871	1,109	108	
1872	30,017	4,877	
1873	25,684	3,893	
1874	12,793	1,624	
1875	28,519	3,966	
1876	13,681	2,257	
1877	39,442	4,945	
1878	8,666	816	
1879			
1880	83,693	15,512	
1881	49,874	5,915	
1882			
1883	110,480	16,399	
1884			
1885			
Total	646,714	86,075	10 cents per pound.

3. That under the tariff prior to the existing act of 1883 the duty on wool was a combination of a *specific* and an *ad valorem* rate, determined by the relation of the cost in the foreign market to the standard of 32 cents per pound for classes *first* and *second*, and that of 12 cents per pound for class third, to wit: For wool costing 32 cents or less, 10 cents per pound and 11 per cent. ad valorem; costing over 32 cents per pound—in 1870, 12 cents per pound and 10 per cent. ad valorem; in 1872, and subsequently, 12 cents per pound and 11 per cent. ad valorem; for washed wool, *double* those rates; and for scoured wool, *three times* the rates. Wools of class *three*, costing 12 cents or less, the rate was simply *specific*, 3 cents per pound; costing over 12 cents, 6 cents per pound; and the latter, if *scoured*, 18 cents per pound.

4. Under the existing tariff, the duty on wool is simply *specific*, and the rates are 10 cents, 12 cents, 2½ cents, and 5 cents, respectively; but while former *ad valorem* element no longer exists, the standard of value in the foreign market has been reduced from 32 cents to 30 cents per pound in classes *first* and *second*.

5. In addition to the above, derived from our records, I learn from other sources that in 1870 the product of wool in Maryland was 435,213 pounds, and in 1880, 850,084 pounds—an increase of nearly 100 per cent.

In connection with this it should be stated that, at any given price, American wool is superior to that of any other country, with the single exception of Australia, which produces the finest wool in the world.

6. In Maryland there are only fourteen woollen factories, and only one of any considerable extent. It is situated near this city. This factory, since the beginning of the present year, has purchased 1,200,000 pounds of domestic wool, and *imported none*. In 1880 they paid 30 cents per pound for best qualities, but now the price is 21 cents per pound.

7. In the whole United States, in 1860, the product of wool was 60,264,913 pounds; in 1870, 100,102,387 pounds; and in 1880, 240,681,751 pounds.

This marvelous development is due, no doubt, *originally* to the fostering influence of the tariff, but *now* wool-growing *is established as a permanent necessity for the proper cultivation of the soil.*

A material reduction of the present duty on wool would, no doubt, for a time disturb the home market, yet no interest requires the rate of duty to be advanced.

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The ratio of increase in this particular industry is but one among many others that assure us that the vast area of the United States, with its exhaustless capabilities of resources, will ere long be occupied by a mightier people than has elsewhere ever existed, and that the day is not distant when the United States will be able both to feed and clothe the world.

Very respectfully,

WM. R. WILMER,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 32.

GEORGE M. McCOMAS—Appointed Deputy Collector November 1, 1870.

CUSTOM-HOUSE, BALTIMORE, MD.,
Collector's Office, September 10, 1885.

SIR: Your communications of the 9th and 30th ultimo were duly received, and should have been responded to sooner, but, owing to inflamed eyes and the absence of the collector, I have only been able to attend to my official duties, and that contrary to the advice of my physician, and their present sensitiveness will compel me to make my reply more brief than I would otherwise have done.

Many of the questions submitted have almost exclusive reference to the port of New York, to which I feel incompetent to make any intelligent replies, and many other to undervaluations, which I am quite sure have not been the case at this port. I hereto attach replies to each paragraph. Though made under such unfavorable circumstances, I hope they may, to some extent, contribute to the laudable object you have in view:

1. I have no knowledge that, within the last few years or at any other time, any duties have not been levied or collected as the law prescribed or the Treasury Department has directed.

2. I have no satisfactory evidence that, on articles which the law says shall pay purely specific rates without reference to values, the full amount of duties prescribed by Congress have not been collected.

3. These duties are performed by appraisers and examiners by actual measurement and tests furnished them by the Treasury Department.

4. I have never seen the least evidence of collusion with entry clerks or deputy collectors and importers to send to the appraisers a bogus or false package as a fair sample of one in ten, and I feel assured that if any such proposition were made to any entry clerk or deputy collector at this port, the entire importation would be sent to the appraisers.

5. I have no evidence of false, incompetent, or inadequate weighing or measuring on the wharves, neither have I any suspicion of such being the case.

6. These legal questions, I presume, will be fully replied to by the collector and district attorney. I have never heard complaints here by importers of delay in settlement of suits, but have of the heavy expenses incurred in order to enter suits. The law, as it is now interpreted, is but just to the creditor respecting interest.

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7. This has reference to practices in New York, with which I am not sufficiently informed to express an opinion.

8. The same as 7.

9. I do not consider in any way applicable to this port.

10. There is now, and has been, confusion, doubt, and conflict of opinion, not only in the appraiser's department, but in the Treasury Department and courts, respecting elements to be ascertained in order to fix and declare the dutiable values, such as so-called charges, outer coverings, cartons, &c. The place and time are sufficiently defined by the statutes.

11. I do not think any safe average can be made of the percentage of undervaluation or of overvaluation of any year or series of years. I believe at this port there has been an average of overvaluations. There is no infallible standard of value by which to be guided.

12. As between the examiners and the appraisers for false returns of values to the collector, both would be equally responsible were the appraisers to accept the report of the examiners. At this port the appraiser satisfies himself by personal examination if he has any doubt of the report made by the examiner.

13. I do not know of any evidence of consular officials having assisted, consented to, or connived at false evidence of foreign value.

14. I do not know of any false value, under this or any previous administration, being habitually returned to the collector, nor of any money being paid to American officials for any such purpose.

15. I have no evidence that bribery has been used, under this or any other administration, to procure false valuation.

16. It would certainly be preferable, if it be possible, to substitute specific for ad valorem duties, but do not believe it can be applied to textile fabrics, except in a tariff levied for revenue only.

17. I have no data by which I can form an opinion.

18. I think it would be impossible for consuls to personally examine articles to be shipped and verify correctness of values. The delays and annoyances, as well as questions of values between shippers and consuls, would render such impracticable. Two dollars and fifty cents is the legal fee for consuls certifying invoices, of large or small amounts. I find the charges on invoices made in various ways. Where separated from the charge for the declaration, the charge is mostly ten shillings and six pence, occasionally ten and four pence, I presume dependent on the rate of exchange, but the charge for declarations is frequently included and charged as consuls' fees, in which cases it is generally from fifteen to sixteen shillings and six pence, dependent on copies of declarations.

19. The present law is certainly very unfair to the importers, and should be so amended as to give them a right of appeal to some higher and independent tribunal.

20. I presume this will be furnished by some one in the appraiser's department, and if made by one of experience, and has been appointed as the law requires, will be of value. The condition of my sight at present will not justify the research required.

21. The practice of giving inspectors fees for services in facilitating the examination of baggage does not prevail at this port. The inspectors know the law in such cases, and have been notified that it would be rigidly enforced; and it can be effectually remedied where it prevails by strictly enforcing the law.

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22. As a general rule, the inducement to smuggle is of articles paying the highest rates of duty, but they are not always the most easily concealed and disposed of. I think the efforts at this port have been of that class of goods which are most readily concealed and sold without much regard to the rates of duty.

23. I do not think there has been any failure to enforce the revenue laws at this port. The same reasons do not exist here and at other Atlantic ports as at New York. The volume of business is not so great; therefore there is not so much opportunity for designing persons to avail themselves of the rush of business. The importers in other cities are mostly American citizens, whereas in New York they are generally foreigners, and represent foreign manufacturers and merchants, who are not in sympathy with our laws and regulations; are in theory free-traders, and are located there solely for the purpose of making money for themselves and their foreign representatives.

24. At this port I do not believe there has been any intentional false returns of values to the collector, and am sure if there had been they would have been complained of and arrested.

Yours, most respectfully,

GEO. M. McCOMAS,
Deputy Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 33.

JOHN L. LINTHICUM—Appointed Clerk, Baltimore, May 12, 1873; Appraiser, December 31, 1874.

PORT OF BALTIMORE, MD.,
Appraiser's Office, October 8, 1885.

SIR: I have the honor to acknowledge the receipt of circular marked confidential, and regret that the duties of the office have been such as to prevent an earlier answer and the attention which the importance of the questions contained demands. I will endeavor to answer as best I can the questions, *seriatim*, as follows:

1. I have no evidence that the rates of duty as prescribed by law have not been levied and collected.

2. I have no evidence that the full amount of duties prescribed by Congress on merchandise paying purely specific rates has not been collected.

3. Textile fabrics are usually put up by the manufacturer in pieces, with folds of a yard or metre in length, or rolled on boards. Each piece has a label or card attached giving the number of yards or metres contained, and corresponding with the invoice. The goods are opened and examined, and a sample taken of each quality and price; a piece is then unfolded and the length of the fold measured and the number of the folds counted, which gives the number of yards or metres contained. Where the goods are rolled on boards, a piece is unwrapped and measured by the yard or metre stick. A discrepancy between the quantity invoiced and the quantity found is very rare.

4. I have no evidence whatever of any collusion between the entry clerk and the importers in the designation of packages for examination.

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Occasionally the appraiser finds it necessary, in order to make a proper examination of an invoice of goods, to make a requisition for additional packages where the entry clerk has omitted to designate a sufficient number, but this is a mistake that can easily occur, in consequence of the manner in which many invoices are made up, but I have never heard of any suspicion of irregularity in the matter.

5. I have no evidence of any incompetent or false measuring or weighing on the wharves. This is under the jurisdiction of the surveyor, and I have heard nothing to the contrary of its being correctly done.

6. (1.) In regard to the differences between collectors and importers as to the classification of imported merchandise, I don't see where the existing law could be amended with any advantage, except, perhaps, that the time now allowed to the importer in which to bring suit, if dissatisfied with the decision of the Secretary of the Treasury, might be reduced. I can see no good reason why the importer should not know as well in thirty days after notification of the decision of the Secretary of the Treasury whether he intends to enter suit or not as in ninety days, the time now allowed.

(2.) As to the number of collectors' suits now pending in Boston, New York, Philadelphia, and Baltimore, and their particular classification, I have no means of knowing, as the records of these suits are exclusively under the jurisdiction of the collectors of the several ports.

(3.) I can see no good reason why a plan cannot be devised by which these suits can be more promptly disposed of. I think that the principal cause of delay is on the part of the plaintiff; each importer is waiting for another to press his suit, knowing that he will incur certain expenses, even if successful, while others, whose suits involve the same issues, will get the same benefit from the decision without any expense. Another cause is the indifference on the part of district attorneys, in consenting to postponements and in not pressing the suits to trial.

(4.) In regard to the question of interest as a part of the damages and costs in suits against collectors, where it is finally decided by the courts that the collector has demanded and received more money as duties than the law requires, I think it to be entirely equitable that the importer should be allowed interest on the excess paid for the time that such excess has been in the possession of the Government.

(5.) While having no exact information as to the amount of business before the United States courts, I think, however, that the existing judicial system is entirely adequate, if efficiently worked, to dispose of all cases involving the proper rate of duty, and that there is no necessity at present for the establishment of tribunals expressly to try these questions.

7. I have not seen a copy of the report of the investigations referred to, and have no evidence in the matter whatever except newspaper reports and the repeated assertions of importers here that they can buy in New York certain goods much cheaper than they can import them, particularly silks and cotton and worsted coat-linings.

8. Having no information as to the facts elicited by the investigation referred to, it is impossible for me to give an opinion whether the failure to collect the whole amount of duty prescribed by law was caused by the ignorance, indifference, or dishonesty of Government officials.

9. I have no evidence whatever, and am therefore unable to give an answer to the questions embraced in this number.

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10. For some time after the law of March 3, 1883, went into effect there was a great deal of confusion and diversity of opinion as to what extent section 7 of said act affected dutiable values, and, also, as to what elements were to be considered as embraced in the market value of the merchandise, but I know of no difference of opinion recently. The existing decisions of the Department clearly set forth that section 7 does not in any manner affect the market value of merchandise, and that the market value is the value of the merchandise in the condition in which it is prepared for sale in the foreign market, and that the proper construction of section 7 is that it simply repeals pre-existing laws, which required to be added to the market value the value of the cases, boxes, packing, &c., which are necessary for the transportation of the merchandise, inland freight, commissions, and shipping charges.

11. I cannot see how it would be possible now to make a reliable estimate of such undervaluations for a specific time, unless samples of the different kinds and qualities of the merchandise undervalued could be produced, together with reliable proof of what were the real market values of the different kinds and qualities at the time of shipment to the United States.

12. At the port of New York, in consequence of the vast number of importations, I have no doubt that the whole time of the appraiser is occupied in certifying to the collector the reports of values by the assistant appraisers on invoices. In such an event the assistant appraisers are primarily responsible for any false returns made, as it is their duty, as far as it is possible, to supervise the examiners while making examinations, to examine the invoices and note the different qualities and prices, and to see the goods corresponding to the different prices. The examiners are assistants to the assistant appraisers, and where it may be impossible for the assistant appraisers to see all the merchandise examined, it is the duty of the examiner, where there is the slightest doubt as to the correctness of the value or classification, to call the attention of the assistant appraiser and exhibit a sample of the merchandise for his decision. An ignorant, indolent, or dishonest examiner can, in a great many instances, impose upon an assistant appraiser and cause incorrect reports of values to be made. At other ports, where there are no assistant appraisers, like the port of Baltimore, the appraisers are primarily responsible, the examiners are the assistants of the appraiser, and while at this port the appraisers personally superintend the examinations and see nearly all of the goods examined, still there are many instances in which they are liable to be imposed upon by an ignorant, indolent, or dishonest examiner. The salary of assistant appraisers at the port of New York is $3,000 per annum, and I think that the salaries of examiners range from $1,800 to $2,500 per annum. At the port of Baltimore the salary of appraiser is $3,000, and that of the examiners from $1,600 to $1,800 per annum.

(2.) As stated in answer to the first part of this question, the business at the port of New York may be of such proportions as to prevent the appraiser from doing anything else but simply certifying the reports of the assistant appraisers, and I have no information as to the number of duties performed by the appraisers at the various ports. It may be possibly true that at some other ports where there are assistant appraisers, the appraiser may do nothing more than to certify the reports of the assistant appraisers through sheer indifference, and not for want of time to supervise, in a measure, the examinations of the mer-

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chandise. As to the port of Baltimore, I can speak more thoroughly The appraisers here not only report the *values* of the merchandise to the collector, but they superintend the examinations, and see almost all of the goods which are examined at the appraiser's stores, and often, in the absence or sickness of an examiner, make the examination in his stead. All advances in values are made by the appraisers, and not by the examiners, and also all changes in the classification of merchandise, as you are doubtless aware that the classification by the collector on the invoice at the time of entry is, from the very nature of the case, only preliminary, and in a great many instances merely conjectural, for the reason that it is impossible, from the meagre descriptions and technical names on the invoice, to give the correct classifications, an actual examination of the goods being absolutely necessary for the purpose. The appraisers also answer all appeals from the importers to the Secretary of the Treasury on classification, which are always sent by the collector to the appraisers for an answer before they are transmitted to the Secretary of the Treasury. The appraisers also examine the goods on which an allowance for damage is claimed, either alone or in company with the examiner, who regularly examines the particular class of goods to which the damaged goods belong. If the goods damaged are textile fabrics, the appraiser and the examiner of textile fabrics make the examination; if earthenware, the appraiser and the examiner of earthenware, &c. In some cases, where the appraiser is prevented at the time by other duties, and the merchandise is of such a character that there is no difficulty in ascertaining the extent of the damage, the examiner is allowed to make the examination alone; but textile fabrics of all kinds, on which an allowance is claimed, are always seen by the appraiser.

13. I know of nothing that would amount to satisfactory evidence of collusion on the part of United States consuls in the presentation of false values to the appraisers. In the early part of the year 1881, it was discovered that all invoices of marble from Carrara, Italy, were undervalued, the importers receiving private invoices with much higher values than those certified by the consul. In explanation of this fact, they asserted that the consul, Mr. ——— ———, required the shippers to make up their invoices at these prices, and that he would not certify them unless they did so. It was also rumored at the time that the consul was interested in the marble business in Boston. Whether these statements were correct or not I do not know; however, the Department was informed about the matter, and some time afterwards a successor to Mr. ——— was appointed.

14. I have no evidence which would enable me to give a satisfactory answer to the question embraced in this paragraph.

15. If false valuations have come of bribery or venality, it is reasonable to suppose that the same influences would produce similar results in the future.

16. A change from ad valorem to specific duties would unquestionably do away with the motive for undervaluations, but would not affect the question of bribery. If false valuations have been caused by bribery, those that give bribes would only turn their attention to another class of officials, namely, inspectors, weighers, gaugers, measurers, and others who certify to quantities.

(2.) I cannot see how purely specific rates can be applied to textile fabrics with any degree of equity. In a few kinds of manufactures of cotton the number of threads to the square inch is a very good index of

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the value, while in the greater portion it is entirely unreliable in giving any idea of the value. The same is true in regard to manufactures of flax, jute, and hemp. In some few manufactures of flax, such as shirt linens, the number of threads to the square inch will closely indicate the value; but on the greater portion of the manufactures of these materials it would be no guide whatever. In manufactures of silk the difficulty in imposing specific rates will be still greater, owing to the wide range in the value of the yarns from which the fabrics are manufactured. You will find yarns of Bourette silk valued as low as 40 cents per pound, while organzine silk will reach as high as $8 and $9 per pound, thus demonstrating the impracticability of imposing either pound or square-yard duty on silk manufactures. On manufactures of wool the imposition of purely specific duties would be likewise inequitable in its discrimination against the coarser and cheaper manufactures and in favor of the finer and higher-priced. The present rates of duty, being only in part specific, discriminate against the cheaper fabrics, but not to the extent that purely specific rates would. I am unable to see how purely specific rates could be applied to any textile fabrics without discriminating in favor of the fine and high-priced manufactures.

17. If the appraisers are honest and capable men, the repeal of the moiety act should not have affected their reports of values in any manner whatever, except so far as it may have operated to deprive them of information through others, who would have possibly divulged in the hope of reward. If they are dishonest men, and their reports of values have been false, either intentionally or through sheer indifference because they were deprived of the stimulus of reward in the repeal of the law, they would be entirely unsafe as Government officers, under any circumstances, if the law was restored. I do not think, however, that there is any doubt that the general effect of the repeal has been to deprive Government officials of valuable information through the medium of informers, and has to that extent contributed to the increase of undervaluations. But as the law was liable to be used by dishonest officials for blackmailing purposes, to the detriment occasionally of an honest importer, who, rather than have suspicion rest upon his house by an investigation of his books, would pay a certain sum to the officials. I think its restoration to be a question of very doubtful expediency.

18. It would be entirely impracticable, in my opinion, for the consuls at London, Paris, Berlin, &c., to personally examine the merchandise shipped, and to certify the correctness of the values in some few articles which are of a uniform quality, and which vary very little in value from time to time. They might be able to verify the values, but in textile fabrics it is very doubtful if one consul in ten would be able to tell the nature of the component material of the fabric, much less the value, which is governed by the quantity and quality of the materials used and the mode of its manufacture. The only manner in which any degree of accuracy could be obtained would be the employment of experts in each particular line of merchandise shipped, which would be simply transferring the appraising department from home to the various consulates abroad; and while it would not prevent false values from being returned, as the consul would still be liable to be deceived through either the dishonesty, ignorance, or indolence of those so employed, the chances for detection would be very largely diminished.

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(2.) I am unable to name any consular districts where the consuls could safely and surely report the true values of every shipment.

(3.) It is reasonable to suppose that foreign governments would make complaints in case of any unusual delay on the part of the consuls in certifying invoices. The consuls could be of very great assistance to the appraisers in determining values by sending weekly, or even monthly, reports and prices-current of the various merchandise shipped from their consulates to the United States, but, to the contrary of this, we do not receive at this port a single report, or even price-current, from France, and only two from England, Scotland, Wales, and Ireland, viz., Manchester and Newcastle; none from the German Empire; none from Austria, Italy, and Spain; one from Switzerland, viz., a report from St. Galle, of the charges for stitching embroideries.

19. Upon a question of classification, which is one of law, it is proper that the courts should decide in case of appeal; but in regard to values, which is a question of fact, I think that it would be very unsafe to give the courts jurisdiction. The appraisers, in the first place, are supposed to be honest and capable men, and if not they should be, with a proper appreciation of their duties and of what the law requires; they should not advance values on mere suspicion, or simply for the purpose of being on the safe side in the event that the invoice values were shown to be incorrect; but wherever values are advanced the appraiser should have reasonable and just grounds for his action. In case the importer is dissatisfied and appeals, the general appraiser and a competent and reputable merchant hear the case upon its merits, before whom he has the right to appear, with witnesses, and present what other evidence he may have bearing upon the case. I consider these gentlemen vastly more competent to determine facts of this kind than the judge of a court, and that their decisions are more likely to be just to all parties than those of judges of courts, where technical rules of evidence prevail, or the verdicts of juries whose conclusions may possibly have been reached by the throw of dice. As the decision of the general and the merchant appraisers is final, unless fraud is shown, I think the present law might be amended so far as to give to the Secretary of the Treasury the power to order a rehearing of the case in the event the importer, within a reasonable time, can show to his satisfaction that he has in his possession evidence of undoubted value which he did not know of, or was unable to obtain at the time.

Many of the importers have the impression that they ought to have the right to make selection of the person to act with the general appraiser. They say that the merchant appraiser is also a Government officer, because he is selected by the collector, and that, therefore, their rights are not represented at all. I regard this reasoning as fallacious, and would equally apply to judges of the courts, who are appointed by the President. The idea of the provision in the law for the merchant appraiser is that he represents the rights of the importer, and his mere selection by the collector does not in any sense constitute him a Government officer, but is a wise and proper provision in order to prevent the selection of an improper person.

But in order to remove any objection in this direction, the law might be further amended by allowing the importer to select the merchant appaiser, provided he is a capable and reputable person, subject to the approval of the collector, and in the event of a disagreement between the general appraiser and the merchant appraiser in their decisions, the

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collector to decide, as at present, which report to accept; or, if deemed advisable, the number might be increased, and in addition to the general appraiser and the merchant appraiser as now appointed, allow the importer to select a proper person, subject to the approval of the collector, and in case of disagreement, if the general appraiser and one of the merchant appraisers constitute the majority, their report is to be accepted as the decision of the case, and in the event the two merchants constitute the majority, the collector to decide which report shall be accepted as the decision.

20. To give a careful and accurate analysis of the history of the several rates of duty on wool and their practical working would require a great deal of time, as the investigation would include not only the changes and modifications in the several acts, but also the different views of the leading members of Congress on the subject who were chiefly instrumental in shaping the legislation. While the wording of this paragraph would indicate that a history of the legislation on the raw material only is required, I take it that the history and the practical working of the various rates of duty on manufactures of wool are more particularly meant; and while I have not the time to go into the history of these various rates, I have compiled from the importations at this port for the last several months a statement of the various manufactures of wool and the rates of duty applicable to the various classes, the amount of duty and its equivalent in per cent. ad valorem, which I think, will give the Department some information as to the practical working of the different rates of duty. The statement is here appended.

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Statement of the Various Manufactures of Wool, &c.

Paragraph.	Description.	Quantity.	Weight.	Value per square yard and pound.	Value.	Rate of duty.	Amount of duty.	Per cent. ad valorem.
			Pounds.					
362	Woollen cloths, 28 to 56 inches wide	21,118 yds	31,367¾	$1.43⅔ per lb	$45,063 33	35 cts. and 40 per ct.	$2,904 04	64.36
362	Wool barège veiling, 14 to 22 inches wide	13,320.20 metres	495	$2.81 1-5 per lb	1,292 94	35 cts. and 40 per ct.	690 32	53.40
362	Wool cloths, under 80 cents per pound, 54 inches wide	550¼ yds	518	76½ cts. per lb	396 64	35 cts. and 35 per ct.	331 41	83.55
363	Worsted cloths, under 60 cents per pound, 54 inches wide	884 yds	902	59½ cts. per lb	537 15	18 cts. and 35 per ct.	350 56	65.30
363	Wool knit gloves	7,756 dozen	4,978¾	$2.80⅔ per lb	10,358 95	35 cts. and 40 per ct.	5,886 14	56.82
363	Wool knit hose	601 dozen	795	$1.38½ per lb	1,098 18	35 cts. and 40 per ct.	715 52	65.15
365	Dress-goods, coat-linings, &c., in part wool, under 20 cents	45,412 sq. yds		15 15-16 cts. per sq. yd	7,246 90	5 cts. and 35 per ct.	4,807 01	66.33
365	Dress-goods, coat-linings, &c., in part wool, over 20 cents	20,281⅔ sq. yds		41 cts. per sq. yd	8,352 24	7 cts. and 40 per ct.	4,760 62	57.00
365	All-wool dress-goods, &c., weighing less than 4 ounces	31,418 sq. yds		23½ cts. per sq. yd	7,395 29	9 cts. and 40 per ct.	5,785 46	78.23
365	All-wool dress-goods, &c., weighing over 4 ounces	23,312¾ sq. yds	6,842	$1.04 per lb	7,120 26	35 cts. and 40 per ct.	5,242 80	73.63
366	Wool shawls, as wearing-apparel	605 pieces	452	$1.88 per lb	849 98	40 cts. and 35 per ct.	478 29	56.27
362	Wool costumes, not made up, wholly or in part		357	$2.62½ per lb	938 37	35 cts. and 40 per ct.	500 30	53.31
367	Women's and children's wool coats, cloaks, &c	6,428 pieces	17,967	$1.28¾ per lb	23,161 95	45 cts. and 40 per ct.	17,349 93	74.90
363	Women's and children's wool coats, cloaks, &c., knit goods	657 pieces	1,191	$1.73⅓ per lb	2,065 46	35 cts. and 40 per ct.	1,243 03	60.18
368	Dress-trimmings		411	$5.43½ per lb	2,233 93	30 cts. and 50 per ct.	1,240 26	55.50
369	Axminster carpets	291¾ sq. yds		$1.16⅔ per sq. yd	339 36	45 cts. and 30 per ct.	233 09	68.68
370	Wilton carpets	774 sq. yds		$1.53 1-3 per sq. yd	1,185 85	45 cts. and 30 per ct.	704 05	59.40
370	Tournay carpets	96 sq. yds		$1.68½ per sq. yd	161 92	45 cts. and 30 per ct.	91 83	56.70
371	Brussels carpets	2,958¾ sq. yds		90¼ cts. per sq. yd	2,669 84	30 cts. and 30 per ct.	1,687 58	63.21
372	Patent velvet carpets	910½ sq. yds		98⅔ cts. per sq. yd	898 42	25 cts. and 30 per ct.	497 14	55.33
373	Tapestry Brussels carpets	1,728 sq. yds		64⅓ cts. per sq. yd	1,122 12	20 cts. and 30 per ct.	682 24	60.80
378	Patent mosaic carpets	978¾ sq. yds		$1.01½ per sq. yd	989 16	40 per ct		40.00

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21. It is generally believed that this practice prevails at the port of New York. In fact, the acknowledgments of passengers themselves have been so frequent that I do not think that there is any doubt on the subject. I have not heard that it prevails at other ports, although it may. I do not think that there is any such practice at this port; at least I have never heard of it. Any Government officer detected in receiving either money or a present from a passenger should be dismissed from the service immediately.

22. I have no evidence as to what articles on which the Treasury has failed to collect the whole duty prescribed by law, and am therefore unable to answer.

23. I have no information which enables me to speak of the other ports. I know of no instance at this port in which the duty prescribed by law has not been collected.

24. I am unable to answer for the want of information in the matter.

N. B.—No. 18. I omitted to answer the latter clause of this question, in reference to the charge by the consuls for the certification of invoices. The usual charge is 15*s.*, of which 4*s.* 6*d.* is the charge for the oath, which is taken before a commissioner, leaving 10*s.* 6*d.* as the consul's charge.

I have the honor to be, very respectfully, &c.,

JNO. L. LINTHICUM,
Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 34.

HENRY H. GOLDSBOROUGH—Appointed Appraiser January 19, 1875.

PORT OF BALTIMORE, MD.,
Appraiser's Office, October 6, 1885.

SIR: In reply to your circular of the 27th August, ultimo, propounding to me numerous inquiries, I beg leave to state:

1. That I believe the rates of duty, as distinct from dutiable values, have been levied and collected at this port as the law prescribes for the past ten years that I have been acting as an appraiser.

2. I have no knowledge or evidence that the full amount of duty prescribed by Congress on articles paying specific rates of duty, without reference to values, has not been collected at this or other ports.

3. The invoiced measurement of textile fabrics, such as woollen cloths and similar goods, paying a compound duty, is usually verified by actual measurement and weight of the contents of cases sent to us for examination, and a comparison of the same with the quantities and weights stated on the invoice.

In cases of cotton cloth, paying according to the number of threads to the square inch, counting the warp and filling, they are tested by the square-inch glass provided for such purpose; and in women and children's dress-goods, composed in part or wholly of wool, worsted, the hair of the alpaca, goat, or other animals, where a compound duty is applicable, the lineal yards are ascertained and reduced to square yards according to Heyl's tables, and duties assessed according to the different characters and respective qualities of the goods, and written reports made to the

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collector of the port of their respective classifications under the tariff law. In these, as in all other cases, we are governed by the synoptical series of decisions issued monthly by the Treasury Department.

4. I am not aware of any collusion between the persons making entry of goods and the entry clerk or deputy collector whereby any bogus or false packages are sent as fair samples of one in every ten.

5. I have no knowledge of any false, incompetent, or inadequate weighing or measuring on the wharves.

6. I do not know that the existing law in respect to differences of opinion between importers and collectors of the several ports of entry, resulting in suits at law, needs any amendment. I have no knowledge of the number of suits now pending in Boston, New York, Philadelphia, and Baltimore. The official record in each case will afford the best evidence of their respective classifications, the legal questions involved, the number and time of their institution, how long they have remained untried, and in what condition they are for trial. It is difficult to devise any plan for the prompt disposal of suits, as each suit must depend upon either written testimony, the personal attendance of witnesses, or the admissions of counsel and other causes, which generally gives ample opportunity for postponement and delay whenever desired by either side. If these can be remedied by the combined wisdom of the Attorney-General, the Solicitor of the Treasury, the district attorneys and judges, it will be an improvement greater than any that has ever yet been made in the way of expediting the trial of litigated questions. I do not think the existing law in respect to the payment of interest as a part of the damages and costs in suits by or against collectors of ports needs any amendment. It is just and equitable in itself, and the party succeeding in his suit should be entitled to compensation by way of interest, as a part of his damages and costs.

I do think there is a pressing and urgent necessity for the establishment at once and without delay by Congress of a new tribunal to try cases arising under our tariff laws, of classifications as well as of values. I am decidedly of the opinion that if a customs court should be created by the Congress of the United States at the four principal seaboard ports, say Boston, New York, Philadelphia, and Baltimore, that our customs service would be much improved and the mercantile community greatly benefited. They should be required to sit daily from 9 to 3 o'clock, and give their exclusive attention to tariff questions. They should not be confined to the above localities, but be made, under the direction of the honorable the Secretary of the Treasury, to serve within respective districts to be assigned them, and to decide all controverted tariff questions arising within their respective districts, furnishing the honorable the Secretary of the Treasury, from time to time, with written concurring and dissenting opinions in each and every case.

I would invest this court with the same powers as the circuit court of the United States, to issue writs, processes, and subpœnas, and compel the attendance of witnesses, issue commission to take testimony, impose and administer oaths, compel the production of books or writings which contain evidence as to any matter pending before it, to issue attachments and executions, to enforce its judgments and decrees, and to punish by fine and imprisonment for contempt of its authority, and make rules and regulations for the transactions of its business. Such a court, created with full judicial powers, and properly organized with an experienced lawyer at its head, and two competent assistants, (both of

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whom should be customs experts,) nominated and appointed by the President of the United States, by and with the approval of the Senate of the United States, would, in my judgment, relieve the mercantile community of much of the expense, annoyance, and delay they experience under the present existing system in the prosecution of what they conceive to be their rights. I would repeal all laws in reference to the appointment of general appraisers. I would give to the importers the same right of appeal from the decisions of local appraisers to this customs court as they now have to the general appraiser and the merchant appraiser. With a tribunal so constituted, customs cases all over the country could be disposed of in ninety days from the commencement of proceedings, as well as in the four or five years that are usually consumed under the present system. The Government and the importers would then both be relieved of the innumerable protests and appeals now pending, and which do not reach a final decision until passed upon by the Supreme Court of the United States, or, if by an inferior court, until acquiesced in and accepted by the Treasury Department or the importers as a correct adjudication of the questions involved.

7. I am unable to specify any articles upon which the officials at the port of New York have failed to levy and collect at said port the full amount of duty that the law prescribes.

8. I have no knowledge of the inquiries made under the interrogatories in this number.

9. I have no knowledge of either of the local appraisers at this port ever reporting to the collector false and dutiable values, or of the existence of any such practice at any other ports. Our returns are not based upon statements of special agents. The reports of foreign consuls on values (although now seldom received) are generally accepted as *prima facie* evidence of values, unless other and better evidence is produced as to the correct foreign market value.

10. There is not, nor has been at any time, any confusion, doubt, or conflict of opinion in the appraiser's department at this port respecting the elements of dutiable value. The statutes on this subject are as full as to place, time, and standard as could be desired, except the seventh section of the act of March 3, 1883. This section, I think, could be amended so as to distinguish more clearly the outside covering necessary for transportation from those inside boxes and coverings which usually form a part of their market value.

11. There being no undervaluations made at this port by the appraisers, no average estimate can be formed for any year or series of years.

12. As between the examiner and local appraisers at this port, I would say that the examiner is primarily liable, as he first examines the cases sent to this office, opens and counts the contents, and then reports in writing to the local appraiser for his sanction and approval. In cases of doubt, the classifications and values are determined by the local appraisers, who are held by the collector responsible for the correctness of their written report. In many cases, especially where the goods are examined at the piers and on the wharves, a mile or more distant from this office, the local appraisers have in a great measure to depend on the representation of the examiner. Samples, however, are generally brought by the examiners for the inspection of the appraisers and as a verification of the correctness of their oral report.

13. I have no evidence that any Government official, in the consular department or elsewhere, has assisted, or consented to, or connived at the

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presentation to the local appraisers at this port of false evidence of foreign values.

14. There having been no habitual or systematic reports to the collector of this port of false values, I am unable to speak of the several interrogatories embraced in this number.

15. There being no false valuations at this port on the part of the local appraisers and examiners connected with this branch of the customs service arising from bribery or venality, I am assured in the belief that the same state of affairs will continue to exist in this branch and in other branches of the service at this port.

16. I think a change from ad valorem to specific rates of duty would be beneficial to the revenue, and remove all inducement to tamper with inspectors and examiners. It would remove one of the fruitful sources of controversy between appraisers and importers as to foreign market value. Much uncertainty will always exist as to market value of goods paying an ad valorem duty, owing to the fluctuations of trade and commerce, and the consequent fluctuations in prices, which can only be remedied by the adoption of specific duties whenever practicable.

I would suggest that a specific duty be placed on the following articles: On Castile soap, 1 cent to 1½ cents per pound; Venetian red, ¼ of a cent per pound; salt-cake, ¼ of a cent per pound; olive-oil, salad, 40 cents per gallon; olive-oil for machinery, 25 cents per gallon; cement of all kinds, ¼ of a cent per pound.

I do not think specific rates of duty can be applied to textile fabrics. The great inequality of texture and price, and the confusion and injustice that would inevitably arise from the imposition of specific duties on this class of goods would render a change of the present system impracticable.

17. I have no data on hand upon which to form anything like a correct opinion in regard to the effect of the repeal of the moiety act, or whether any false reports by the appraisers elsewhere than at this port have been increased by its repeal. The modification of the law of 1863, investing customs officers with the power to seize the books and papers of merchants, was wise and judicious legislation. This right was liable to great abuse, and was productive in many cases of great injustice and wrong.

18. I do not think it would be practicable in the large American districts (consular) referred to in this interrogatory to personally inspect and examine the great variety of articles shipped from their respective consular districts to the seaboard for transportation to American ports, and verify the correctness of invoiced values of goods. If they have doubts as to correctness of values stated on any particular invoice, the present mode seems to me the best to detect and correct an attempt at undervaluation. The consul in such cases should state his views of the market value of such goods on the triplicate invoice sent to the collector of the port where the goods are to be entered without the knowledge of the shipper, manufacturer, purchaser, or importer. The foreign governments would, I think, be very likely to complain of the delays and vexations their merchants would be subject to from the exercise of such personal examinations of their goods. The usual fees of certification are 15 shillings, composed of 10 shillings 6 pence for consul's certificate, and 4 shillings 6 pence or affidavits or acknowledgments before a commissioner.

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19. I think it would be advisable to change the existing law which gives to the appraiser's department the sole and exclusive determination of dutiable value, if made in conformity with law, if the suggestions I have made in my answer to No. 6 should be incorporated as a part of the organic law respecting revenue cases. If a customs court should be established in the place of the several general appraisers, the importers should be given the right of appeal to said court within three days on all questions of value. If the law remains as it now is, I think there should be a change authorizing the appointment of an additional merchant appraiser, selected by the importer, and the two merchant appraisers and general appraiser should decide by a majority all questions submitted to them.

20. There has been so little wool imported into this port within the last ten years that it would be impossible for me to give any satisfactory history of the working of the complicated rates of duty now in force. A careful and accurate analysis of these rates since 1860 would require a thorough examination of all the acts of Congress. The compilation of Mr. Heyl, which is generally pretty accurate, would give the key to the solution of this question. It would, however, require more time and a more thorough examination than I could give to prepare an accurate statement on this subject, and the conclusions would be too voluminous to be incorporated in this report.

21. I have no reason to believe, or even suppose, that the practice of the payment of money by arriving passengers to customs inspectors of baggage for any of the purposes suggested in this interrogatory has ever prevailed at this port. No other punishment should be inflicted upon so unworthy a public servant than instant dismissal.

22. I know of no failure to collect the whole duty prescribed by law on imported articles by the officials at this port. I do not think the rates of duty are so high as to induce smuggling or cause dishonest practices by shippers.

23. The causes for the failure, whatever they may be, to enforce the revenue laws at the port of New York do not, I know, exist at this port.

24. There being no false returns or false reports made to the collector of this port of dutiable values, there has not been any ground for complaint, arrest, indictment, or imprisonment of any official since my connection, for the past ten years, with the appraiser's department at this port.

These answers are of course intended to convey my personal and individual knowledge of such acts and doings as have come within my observation since January 19, 1875, when I entered upon my duties as local appraiser at this port.

I am, sir, very respectfully, yours,

HENRY H. GOLDSBOROUGH,
Local Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 35.

HENRY CLAY NAILL—Appointed Surveyor March 17, 1882.

CUSTOM-HOUSE, BALTIMORE, MD.,
Surveyor's Office, October 14, 1885.

SIR: I have the honor, in reply to the inquiries contained in Department circular, dated August 27, 1885, touching "a correct appreciation of the results and the effort of our (the Department's) investigations of custom-house affairs," to submit the following answers, viz:

1. I have no evidence, "keeping in mind the distinction between rates of duty and dutiable values," that the rates of duty have not within the last few years, or at any time, been levied and collected as the law prescribed.

2. I have no evidence "that on articles which the law says shall pay purely specific rates, without reference to values, the full amount of duty prescribed by Congress has not been collected."

3. I have heard one, and perhaps both, of the "local appraisers" at this port describe, incidentally, in what manner and by what tests the invoiced measurements of textile fabrics are verified in the usual course of custom-house business. But, as it was not necessary for me to tax my mind with the subject, it having no connection with my official duties, I do not now recollect accurately in what manner and by what tests invoiced measurements are verified.

4. As to this inquiry, I have no information whatever upon the subject.

5. I am not aware of any evidence "of false or incompetent or inadequate weighing or measuring on the wharves," or, indeed, anywhere else in connection with the customs service at this port. On the contrary, I do know that the United States weigher gives the weighing and measuring of merchandise the closest attention, and that the scales are carefully tested and adjusted before weighing is begun; and if large quantities are being weighed, tests are made as the weighing progresses. Besides, when scales are returned to the scale-room after weighing has been completed, they are invariably cleansed, and then carefully tested as to their accuracy by the United States standard weights. A like care is practised in regard to tubs, &c., used in measuring merchandise, &c.

I have entire confidence in the fidelity and competency of the assistant weighers, arising from frequent and most careful examinations and tests of their weighing and measuring and their returns of the same; and as to the adequateness of weighing or measuring, the only complaint of the importer is that both are done with unnecessary exactness. The result, however, is that custom-house weights and measures are held by the trade in favorable esteem at this port.

6. The intimate relations of the collector of customs and the United States district attorney with the subject-matter of this inquiry so much better enables them to give a more intelligent opinion upon this subject than I could give that I shall therefore refrain from expressing any opinion in relation thereto.

7. In regard to this inquiry, I possess no information whatever.

8. In this, as in the case of the foregoing inquiry, I have no knowledge whatever.

9. I have no information touching this inquiry.

10. I am not in possession of any knowledge in regard to the matters submitted in this inquiry.

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11. I am unable to say whether or not such estimate of undervaluation could be made and the articles or invoices be identified.

12. In answer to this inquiry, I would say that, in my opinion, the appraiser is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector. It is clearly his duty to thoroughly fit himself to judge of the correctness of valuations, and it is incumbent on him to make such examination in each case as will enable him to determine whether or not the return be true or false. There are two local appraisers at this port, each of whom receives a salary of $3,000. The appraisers at this port, I have reason to believe, perform their duties fully up to the measure contemplated by law and regulations, and defer no part of their proper functions to the examiners. There are no deputy appraisers at this port.

13. I have no knowledge touching this inquiry.

14. I have no information whatever in regard to this inquiry.

15. If false valuations have come of bribery or venality in the past, I know of no reason to think that similar corrupt and venal influences would not now be brought to bear, or that they will not be successful in the future as in the past, unless steps are instituted to prevent the temptation from corrupt influences, and, in case such influences should be exerted, to see that they will not be successful. This, it seems to me, could be done by placing the matter in the hands of those who could discover the wrong-doing, and let the proper remedy be applied to stop such evil practices.

16. In answer to this inquiry, I would say that, in my opinion, it is probable a change from ad valorem to specific rates would be a benefit to the revenue and help to diminish a tendency to bribery, provided the existing *quantity* of duty is to be levied in the future. I think specific rates could be applied to all textile fabrics. But this rate would, however, have the effect to greatly lessen the amount of importations of cheap textiles.

17. I have no information touching this inquiry.

18. I do not believe it would be practicable to enforce what is foreshadowed by this inquiry in any sense. In the first place, I do not think it could be efficiently and reliably done; and in the next place, I am of the opinion that it would prove exceedingly vexatious on account of delays, as well as for other reasons, and would lead to almost endless complaints to this Government.

I do not know what fees are exacted by American consuls in each shipment in any of the ports of England for certifying invoices of articles of any size and value.

19. I can think of no reason why it would not be safe or useful to the revenue and just to importers that the executive or the judicial powers have greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates.

20. As this inquiry can be so much more intelligently answered by the appraisers of merchandise, owing to their familiarity with the subject, than any one else, I shall defer this inquiry to that branch of the service.

21. In response to this inquiry, I would say I have no belief or information as to any other port than this as to whether or not the practice generally prevails, or prevails at all, of the payment of money by arriving passengers to customs inspectors in regard to the examination of

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baggage or luggage, either to prevent or facilitate or hasten an examination of the same, to ascertain whether or not it contains dutiable articles, or to pass baggage or luggage without examining it at all. As to this port, I am confident in my belief that no such practice has ever prevailed since my induction into office as surveyor at this port.

The handling of passengers and their baggage and luggage is done under the supervision of the deputy surveyor of customs, aided by a district officer and a number of customs inspectors and a female inspector, on enclosed piers, from which all unauthorized persons are excluded; and I am satisfied that it would be impossible, under the scrutiny exercised, for this practice to prevail without immediate detection. And, while no effort has been spared to discover the offering of bribes by any one to customs officers under the direction of the surveyor, yet there has been no instance where there was even a suspicion that any customs officer had accepted money or any other valuable consideration that would in any way influence his official conduct.

22. I know of no evidence tending to show that the Treasury has failed to collect the whole duty prescribed by law in respect to any article by reason of Congress having carried the rate beyond and above the line which the Government can surely protect, or into a region where smugglers and dishonest shippers will be very powerful in evading the law.

23. I am not informed as to the cause of the failure of the Treasury Department to enforce the revenue law in New York, and hence I am not able to say whether or not similar reasons exist at the other large Atlantic ports, or that there has been a failure to enforce the revenue law at such ports.

24. I have no knowledge that false returns or reports to the collectors of dutiable values have been made at any time, and if such returns or reports have been made, I am unable to say why the persons or officials concerned therein have not been complained of, arrested, indicted, and punished.

I would respectfully state, in conclusion, that the delay in responding to the circular hereinbefore considered has arisen from severe illness, which compelled my absence from the post of duty for several weeks.

Very respectfully,

HENRY CLAY NAILL,
Surveyor of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 36.

J. H. BUTLER—Appointed Janitor, Portland, May 9, 1876; Examiner, Baltimore, August 5, 1877.

PORT OF BALTIMORE, MD.,
Appraiser's Office, September 14, 1885.

SIR: I have the honor to acknowledge the receipt of your circular letter of the 9th instant, marked "confidential," asking information in reference to customs business at this place.

In reply, I would respectfully state that at the port of Baltimore, so far as I am aware, the tariff laws are obeyed in spirit and in letter.

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there is no disposition manifested by the importers to evade the customs duty, and the amount of tax assessed is properly collected by the duly authorized agents of the Government.

A few cases of undervaluation are recorded, and some of these have been due to a delay in the shipment of the goods after the invoice covering the same has been certified to by the United States consul, the goods in the interval advancing in value above the price named, and the importer failing to note on his invoice entry the advanced price. This I have had to occur in the line of goods that I examine.

Other cases of advanced value have been due to the fact that the importer does not always enter the cost of the inside cases and cartons, or the cost of casks and barrels, which, with some articles of importation, are regarded by the Government as dutiable.

In regard to the undervaluation of merchandise in New York, I know nothing personally, but I learn that merchants of this city who formerly imported goods from abroad now buy the same class of goods in New York, and the reason given is that they can purchase goods more cheaply in that city than import them from Paris, London, or Liverpool.

In regard to specific and ad valorem duties, I would respectfully state that all duties should be, as far as possible, specific. With this end in view in my department of goods, I would respectfully suggest that instead of a duty of 20 per cent. ad valorem on the article largely imported and known as salt-cake there should be levied the same duty as imposed on soda-ash, viz., ¼ cent per pound. On Venetian red, instead of the present duty of 25 per cent. ad valorem the duty should be made ⅛ cent per pound. On olive-oil and on machinery-oil, in lieu of the duty of 25 per cent. ad valorem of the present tariff, the duty should be 40 cents per gallon on olive-oil and 25 cents per gallon on machinery-oil.

In regard to damage appraisement, I would respectfully suggest that allowance for damage during the voyage of importation be done away with altogether so far as the Government is concerned. Let the full amount of duty be collected, and then allow the settlement to be made between the importer on the one side and the insurance company and the ship's company on the other, but let the Government have no more part in it than it has when the damage occurs during the voyage of importation to free goods. This would greatly simplify the matter, and would remove all chance of fraud in this direction.

Desiring to do all in my power to correct abuses, to simplify the tariff laws, and to facilitate the collection of the revenue, the above is respectfully submitted by your obedient servant,

JAMES H. BUTLER, M. D.,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 37.

JOHN C. BRIDGES—Appointed Examiner May 25, 1878.

PORT OF BALTIMORE, MD.,
Appraiser's Office, September 18, 1885.

SIR: Referring to your circular letter of 9th instant, propounding certain inquiries concerning custom-house affairs, &c., I herewith respectfully offer the following replies:

1. None to my knowledge.
2. None to my knowledge.
3. Textile fabrics are not examined by me, they being in charge of another examiner.
4. I am not aware, nor have I heard, of any such cases of collusion.
5. I know of none, and never heard of any.
6. My duties are confined to the examinations of merchandise in warehouses and vessels at the wharves, and afford me no opportunity of acquiring the information asked for by the sixth inquiry, and am, therefore, unable to answer it.
7. I have no knowledge or information in respect to the matter to which the seventh inquiry relates.
8. See answer to seventh inquiry.
9. So far as this port is concerned, the appraiser's officers here, in my opinion, always exercise particular care to report correct dutiable values, and as to the practices at other ports, I have no knowledge or information.
10. It sometimes happens that imported articles do not specifically answer to the description of any one class of dutiable goods as contained in our tariff laws. In such cases, doubts necessarily arise as to the proper classification of the goods, but such cases have not, in my experience, occasioned any serious conflicts of opinion in the appraiser's department. In the main, the statutes furnish adequate standards for determining dutiable values of imported goods, but new kinds of goods from time to time come into the market, in reference to which it is sometimes difficult to determine the proper application of the tariff laws.
11. I am not able to say.
12. The examiner makes the valuation of the goods in the first instance, and his valuation, although always submitted to the appraiser for his approval, usually remains unaltered. I therefore think that the examiner should be regarded as primarily and chiefly responsible for any undervaluation. When any doubts are suggested about valuations, the appraiser, after his investigation, determines the matter. The examiners' salaries are $1,600 and $1,800 per annum.
13. None to my knowledge.
14. I am entirely ignorant of any such cases.
15. The only remedy for bribery and venality, if such exist, would, I think, be detection and punishment.
16. Specific duties would, I think, be simpler, and their collection accompanied with fewer difficulties; but whether a change from ad valorem to specific duties would afford any greater protection against dishonesty or bribery is difficult to say. I cannot state in regard to textile fabrics.
17. I do not know.

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18. Owing to the very extensive imports into the United States from the large cities of Western Europe, it would, I think, be impracticable to secure satisfactory examinations of such merchandise at the ports of exportation. It is more probable that the present custom-house system of the United States, with the examinations incident thereto, would secure correct valuations of imported goods than any system which it would be possible for the United States to enforce in foreign countries. Nor is it at all likely that foreign governments, most of which already view with disfavor our tariff laws, would encourage or submit to any extended system of examinations by our agents within their dominions. The regular consul fee fixed by law is $2.50. Whether any greater fees are in fact exacted I do not know.

19. I do not know.

20. This article is not embraced in my department of examinations of merchandise.

21. I have heard rumors that in New York, where large numbers of passengers are constantly arriving, such practices prevail, but I have no personal knowledge whatever of the matter.

22. I have not sufficient knowledge to enable me to express an opinion.

23. I think not.

24. I do not know, unless it be that the guilty parties were not detected. I have no knowledge of any such false returns or reports.

Very respectfully, &c.,

JOHN C. BRIDGES,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 38.

W. L. SHAW—Appointed Examiner May 25, 1878.

PORT OF BALTIMORE, MD.,
Appraiser's Office, October 2, 1885.

SIR: In answer to the confidential circular of the Treasury Department, under date of September 9, 1885, requesting replies to the inquiries therein propounded, I herewith subjoin my answer to the various interrogations, regretting that my official duties do not afford me time to give a more complete answer to details of facts and figures desired by you.

First. In answer to the first interrogatory—

1. I do not know of any.

2. I do not know of any.

3. In so far as the appraiser's office is concerned, actual measurement by the examiner.

4. I do not know of any.

5. I do not know of any.

6. Not conversant enough with the matter to answer.

7. Not conversant enough with the matter to answer.

8. Not conversant enough with the matter to answer.

9. Not conversant enough with the matter to answer.

10. (*a*) None that I know of. (*b*) Yes.

11. The appraiser ought to be able to answer this question; I cannot.

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12. Primarily, the examiner. In cases of doubt, merchandise and values are carefully examined by appraiser and examiner. Salary of appraiser, $3,000; salaries of examiners, $1,600 and $1,800.
13. I do not know of any.
14. I do not know of any.
15. I do not know of any cases specified in this question.
16. In my opinion, a change from ad valorem to specific rates would be a benefit, but do not think it could be applied to all textile fabrics.
17. I do not know.
18. (1.) I do not think it would be practicable. (2.) Unable to answer. (3.) Most likely it would. (4.) Two dollars and fifty cents, I think.
19. Cannot answer.
20. Have no data from which to compile such a statement.
21. In my opinion, the practice of feeing customs officers at this port does not prevail at all.
22. I do not know.
23. I do not know.
24. I do not know.

Very respectfully,

W. L. SHAW,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 39.

M. CLARA LEE—Appointed Examiner June 16, 1882.

CUSTOM-HOUSE, BALTIMORE, MD.,
Surveyor's Office, October 3, 1885.

SIR: My service as examiner is confined to the persons of female passengers on the steamers; consequently, I am not in a position that enables me to give you the information you desire in reply to the twenty-four questions. I can, in reply to the twenty-first question, say I have never seen any bribe or payment for service rendered accepted by any customs inspector of baggage at this port.

Very respectfully, your obedient servant,

M. CLARA LEE

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 40.

SAMUEL KNODE—Appointed Inspector July 18, 1873; Examiner July 16, 1883.

PORT OF BALTIMORE, MD.,
Appraiser's Office, October 7, 1885.

SIR: In answer to your questions contained in communication of September 9, 1885, I have the honor to make reply as follows:
1. None at this port.
2. No.

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3. By frequent actual measurements.
4. None at this port.
5. None here.
6. As that matter is entirely in the hands of the collector, I have no means of finding out.
7. I am unable to answer.
8. (1.) Indolence or dishonesty of officials. (2.) I know of no reliable evidence.
9. No such reports have been made from this office.
10. (1.) None now or recently. (2.) Fully defined, I think.
11. If it ever existed, the records, being preserved, should give details, and from them an average could be made.
12. The examiner is primarily and chiefly responsible, though usually all invoices are closely scrutinized by local appraisers before indorsement. Salaries of examiners at this port are $1,600 or $1,800. Yes; at this port the appraisers frequently assist in making examinations.
13. None to my knowledge.
14. If false values have been habitually reported, &c., it can be fairly said the failure is chargeable to dishonesty, and certainly been accompanied with guilty knowedge on the part of appraisers and examiners.
15. I know of none.
16. Yes, in all cases where it could possibly be applied; but specific rates could not be applied to textile fabrics.
17. Cannot answer.
18. (1.) No. (2.) None. (3.) They certainly would complain, and not without cause. (4.) Fifteen shillings.
19. I think it would be perfectly just and equitable that the executive or judicial powers should have greater jurisdiction.
20. Having no data to guide me, I am unable to answer, but I think a specific rate on wool would be much more satisfactory than the one now in use.
21. It has been frequently asserted, and has generally been received as a fact, that inspectors of customs are in the habit of receiving moneys, &c., as bribes at the port of New York, but I have never known of a case at this port. The only means I know to remedy the evil is to turn all dishonest men out, and keep turning out until you get honest men to enforce the laws.
22. I am unable to answer.
23. Not at this port.
24. I am unable to answer.

Very respectfully,

SAMUEL KNODE,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 41.

JOHN R. FELLMAN—Appointed Assistant Examiner December 29, 1874.

PORT OF BALTIMORE, MD.,
Appraiser's Office, October 7, 1885.

SIR: Respectfully acknowledging the receipt of your circulars of September 9 and 30, I must beg your indulgence for delayed answer. I have been seriously sick last month, and now I am suffering from a

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weakness of the eyes, preventing me from writing as fully and carefully as I wish to. Please accept the following answers to your questions as the best I can do under the circumstances:

Answers to Questions.

1 and 2. I am not aware of any.

3. By actual measurement with yard-stick, &c., and by calculations.

4. I do not know of any such evidence, and do not think such action has been practised at this port.

5. It is beyond my sphere of duty and observance, and therefore I do not know of any.

6. I think the tariff laws need amendment to prevent the occurrence of such differences; they should be more comprehensive and definite, avoiding all ambiguities and uncertainties. I have no idea of the number of suits pending, or of their different kinds and time of standing. I only know that a great many protests have been filed against making certain charges for packing, packing-boxes, &c., dutiable, and that many importers hope for refund of duty in consequence of judicial decisions. It would certainly be very desirable to have a new law for the quick liquidation of differences of opinion about rates of duty, and I do not see why such questions cannot be similarly settled as questions of value.

7. I am not sufficiently conversant with the irregularities charged to New York to offer any opinion about them or about a plan for controverting them.

8. It has never occurred to me that the irregularities charged to New York are due to ignorance, indolence, or dishonesty; but I cannot entirely exclude from my mind the idea, shared by a great many, that the New York custom-house is endeavoring to draw all the import trade to that city by the utmost liberality in fixing rates of duty or concessions made to importers not granted at other ports.

9. I am confident that false reports of dutiable value have never knowingly been made by the appraisers at this port during my time in office; to answer for any other port is impossible for me.

10. There has been no confusion, doubt, or conflict of opinion in our office on the question of dutiable values, but always an earnest endeavor to arrive at truth and correctness. The question of including or excluding packing-charges of various kinds has often been debated, but always with a view to comply strictly with the law and with existing decisions.

11. Not being aware of any undervaluations made by appraisers, it is impossible to estimate the amount of them.

12. We have no assistant or deputy appraisers at this port. I have been in office with old and with new examiners and appraisers, and I think that when an experienced examiner is with a new appraiser the former is the responsible party, whilst in the case of a new examiner with an experienced appraiser the latter evidently becomes the responsible party. Logically correct appears to me only that view which affixes to the higher grade of appointment and larger salary the burden of responsibility. An appraiser of late appointment, with experienced, faithful, and honest examiners, may feel perfectly at ease to sign anything presented to him by them. He is, nevertheless, the party

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legally responsible, and any attempt to shift the responsibility upon a subordinate would be unjust. The salary of appraiser here is $3,000; that of examiner, $1,600 to $1,800.

13. None have come to my notice.

14. I must emphatically say that no evidences of fraud or connivance at fraud on the part of Government officers have ever come to my notice.

15. In my opinion, none whatever.

16. In my opinion, specific rates of duty are preferable to ad valorem, as they would in a large measure take away the temptations to fraud; but I am well aware that in the case of textile fabrics and many other articles their application is utterly impracticable, and would work injustice.

17. I do not think they have; at least, no cases have come to my knowledge.

18. Such a thing would not, in my opinion, be practicable, and I have the greatest doubt that there is any consular district or place where it is possible to ascertain, to know, and give so-called market values with accuracy and certainty. It is very likely that foreign governments would object to vexatious delays in ascertaining and certifying market values by consular officers. The fee for consular certificates, irrespective of amount of value, is $2.50.

19. I think the manner of definitely settling dutiable values provided for in the present law is about as simple and equitable as it can be made, and if the determination of rates of duty could be made equally simple, it would certainly remove many great embarrassments. I think such a step could be made if the tariff laws would provide as many specific duties as possible, and word the provisions for ad valorem duties fully and without equivocation.

20. Very little wool is imported at this port, and such as is is not in my department, and I could not do justice to this question if I would attempt to do so.

21. Such a practice does not exist at this port.

22. It does not appear to me that any of the higher rates of duty are any special inducement or temptation to fraud and smuggling, and I do not think that the law is to blame in any particular case. It is more the fact that duty is levied at all.

23. I have always thought, and think so now, that the revenue laws are faithfully and promptly executed, at this port by local officers and the Treasury Department.

24. Having above said that I have no knowledge of false returns of dutiable values having been made at this port, I have no answer to this question.

All of which is respectfully submitted.

I have the honor to be, your most obedient servant,

JOHN R. FELLMAN,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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PORT OF BOSTON.

No. 42.

ROLAND WORTHINGTON—Appointed Collector May 16, 1882.

CUSTOM-HOUSE, BOSTON, MASS.,
Collector's Office, September 15, 1885.

SIR: I have to acknowledge the receipt of Department circular of the 27th ultimo, and, having carefully considered the various inquiries submitted therein, now beg leave to submit the following as responsive thereto:

1. I have no evidence, neither have I been able to procure any, that the duties "have not, within the last few years, been levied and collected as the law prescribes."

2. I have no evidence, neither have I been able to procure any, that the "full amount of duty prescribed by Congress has not been collected."

3. In verifying the widths and lengths of textile fabrics the yard-stick is used, much care being exercised to insure proper classification under the tariff. In case of possible change of rate, the widths are ascertained with great exactness, while the lengths are determined as often as is thought necessary to test the marked lengths on the tags. For the purpose of ascertaining whether the goods are over or under four ounces to the square yard, finely-adjusted scales are used, and as many pieces in any one case are weighed as may be thought necessary to make the classification sure.

4. I know of no collusion between the importer, or any one representing him, either directly or indirectly, and the entry clerk or deputy collector "to send to the appraisers for examination a bogus or false package as a fair example of one in every ten;" and, from the well-known character for official integrity and private worth of my subordinates having this important duty in charge, I am of the opinion that they would not be a party to such a nefarious proceeding, even if approached by any unconscionable importer or his agent.

5. I have no evidence of any false or incompetent or inadequate weighing or measuring on the wharves.

6. As regards the question of interest as a part of the damages and costs in "collector's suits," the rate, I understand, is governed by the laws of the State where suit is brought and trial had. Here in Massachusetts the public statutes provide that when there is no agreement for a different rate, the interest of money shall be at the rate of six dollars upon each hundred dollars for a year, but it shall be lawful to pay interest on contract for any rate. Other States, I understand, have similar provision on their statute-books, while some do not. I think it would be judicious that there should be some legislation on the subject to the effect that, in all such suits where judgment shall be rendered against the United States, a specific rate of interest should be declared, say 5 per cent. This would secure uniformity.

As regards the necessity for a new tribunal to try judicially questions growing out of rates of external or internal taxations I am clearly of the opinion that it is eminently desirable that a reform be introduced,

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but it is extremely difficult to determine just what that reform shall be.

Secretary Windom issued, under date of June 15, 1881, a circular letter, presenting, among other things, this general question. Replies, as requested, were made by several of the customs officers at this port. They were subsequently printed, with the views of officials at other ports, in pamphlet form, and I think were incorporated in the Secretary's report to Congress for that year.

I beg leave to refer the Department to that report, embodying, as it does, the views of the various officials at this and other ports on the question submitted, and which I consider worthy of consideration.

It has seemed to me that the existing judicial system of the Government needs reorganization. I very much doubt if, with all its efficiency, the desired relief can be effected as at present constituted.

Interrogatories 7 to 9 seem to have reference to a condition of affairs disclosed by the recent investigations by the official representative of the honorable Secretary, regarding which I have no knowledge other than what I have acquired through the public prints of the day. I would say that the same general condition of things does not, in my opinion, exist at this port. So far as my knowledge extends, whenever evidence, either oral or written, has been submitted by the Treasury agents bearing upon the question of undervaluation, the appraisers, having duly weighed the same, have made advance to invoice values. They have been in sympathy and accord with these officials.

10. The statutes of the United States would seem to clearly define the elements which compose the dutiable value of imported merchandise.

11. I have no data upon which to base an estimate. I have no knowledge of any instance coming within the scope of this inquiry.

12. I regard the examiner as the official primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector. The salary of the examiners at this port ranges all the way from $1,200 to $2,000 per annum.

13. I have no knowledge on this point.

14. The premises being conceded, I think it can "fairly be said that the failure has come of dishonesty and been accompanied by guilty knowledge on the part of Treasury or customs officials," but of whom I have no knowledge.

I have no knowledge that "money has been paid to American officials to get false reports of dutiable values," nor "who has furnished or paid it," nor "by what means and agency," nor "where such corruption fund has been raised and disbursed."

15. If the false valuations have come of bribery or venality, the vigorous measures recently adopted by the Department in its investigations of frauds on the revenue will, in my judgment, greatly retard, if not wholly eradicate, these alleged nefarious practices.

16. A change from ad valorem to specific rates, I am inclined to think would be a benefit to the revenue, and would help to diminish a tendency to bribery. Specific rates, it would seem, might be applied to all textile frabrics.

17. I have no data on which to base an intelligent opinion on this point.

18. I should consider the plan practicable and beneficial in results, provided there be an ample force of energetic and efficient consular agents. Unwarrantable delays in examining values and certifying in-

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voices would have a tendency to create complaints by foreign governments where such delays existed.

The fees appearing upon invoices, as charged by the cousuls in London and in England for certifying invoices, irrespective of values, is $2.50, which is the tariff rate prescribed by the Consular Regulations.

19. Basing my opinion upon the workings of the system at this port, I think that the law, (section 2930, Revised Statutes,) although somewhat arbitrary and summary in its provisions, in the main operates advantageously, as well to the Government as to the importer, and is satisfactory alike to both. It would be diffcult, it seems to me, to formulate a system which would be any improvement on the present method, which has been in operation ever since the act of August 30, 1842, took effect.

20. The following is a codification of the various tariff acts since 1860, imposing duty on wool, with the rates under each of the several tariffs therein enumerated. I exceedingly regret that I have been unable to procure facts and figures which illustrate the "working of the complicated rates on wool that are now in force."

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Rates of Duty on Unmanufactured Wool.

	Act of March 2, 1861.	Act of June 30, 1864.	Act of March 2, 1867.	Acts of June 6, 1872, and June 22, 1874.	Act of March 3, 1875.	Act of March 3, 1883.
Value less than 18 cents per pound	5 per ct.					
18 cents to 24 cents per pound	3 cts. per lb.					
Over 24 cents per pound	9 cts. per lb.					
12 cents or less per pound		3 cts. per lb.				
12 cents to 24 cents per pound		6 cts. per lb.				
24cents to 32 cents per pound		10 cts. per lb. and 10 per ct.				
Over 32 cents per pound		12 cts. per lb. and 10 per ct.				
Class 1.—Clothing, unwashed:						
Value 32 cents or less per pound			10 cts. per lb. and 11 per ct.	10 cts. per lb. and 11 per ct., less 10 per ct.	10 cts. per lb. and 11 per ct.	
Over 32 cents per pound			12 cts. per lb. and 10 per ct.	12 cts. per lb. and 10 per ct., less 10 per ct.	12 cts. per lb. and 10 per ct.	
Class 2.—Combing:						
Value 32 cents or less per pound			10 cts. per lb. and 11 per ct.	10 cts. per lb. and 11 per ct., less 10 per ct.	10 cts. per lb. and 11 per ct.	
Over 32 cents per pound			12 cts. per lb. and 10 per ct.	12 cts. per lb. and 10 per ct., less 10 per ct.	12 cts. per lb. and 10 per ct.	
Class 3.—Carpet:						
Value 12 cents or less per pound			3 cts. per lb.	3 cts. per lb., less 10 per ct.	3 cts. per lb.	
Over 12 cents per pound			6 cts. per lb.	6 cts. per lb., less 10 per ct.	6 cts. per lb.	
Class 1.—Clothing, unwashed:						
Value 30 cents or less per pound						10 cts. per lb.
Exceeding 30 cents per pound						12 cts. per lb.
Class 2.—Combing:						
Value 30 cents or less per pound						10 cts. per lb.
Exceeding 30 cents per pound						12 cts. per lb.
Class 3.—Carpet:						
Value 12 cents or less per pound						2½ cts. per lb.
Exceeding 12 cents per pound						5 cts. per lb.
Sheepskins	15 per ct.	20 per ct.	30 per ct.	Same as other wool.		
Class 1, washed			Double duty			
All classes, scoured			Treble duty			

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21. If general rumor be true, such a practice has existed at the port of New York. I do not, however, believe that it has prevailed at the port of Boston. An elevation in the moral tone of those to whom this somewhat delicate but responsible duty is assigned, and a strict and impartial enforcement of the law, would be productive of beneficial results and largely check the illicit practice.

The public statutes of the United States contain ample penal provisions. What is needed is their faithful enforcement by honest and trustworthy officials in all cases of guilty infraction.

22. As a general rule, I think that the higher the rate of duty the greater the temptation to evade the law.

23. I can only speak for the port of Boston, where it is my belief the revenue has been honestly collected and the revenue laws faithfully enforced. Such has been my aim and endeavor.

24. I should consider it to be my duty, under my official oath, to report all cases for prosecution where false returns or reports of dutiable value have been made. I am not aware, however, that any such instances have occurred at this port.

I have the honor to remain, sir, your obedient servant,

R. WORTHINGTON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

Since writing the above, I have procured, through the courtesy of the United States attorney for this district, a reply to my request for a list of customs cases pending in the United States circuit and district courts for the Massachusetts district "in respect to rates of duty and differences between importers and collectors growing out of decisions by the latter and the Treasury," a copy of which is as follows:

1. Cases involving the question of the duty on "wool:" Three cases. First suit, April 1, 1874; argued on agreed facts May, 1877. Decision by Clark, J., (in favor of United States,) May, 1880. Appealed to United States Supreme Court, 1882. Not yet decided.

2. Cases involving the classification for duty of "wool webbing:" Fourteen cases. First suit, December 17, 1878; argued on agreed facts February 9, 1881. Decision by Lovell, J., (for plaintiffs,) 1883. Writ of error to United States Supreme Court May, 1883. Not yet decided.

3. Cases involving the classification for duty of "marble:" Five cases. First suit, September 30, 1880. Question decided in Pennsylvania. (Cases probably to be discontinued.)

4. Cases involving the question of the duty on "aniline dyes:" Eight cases. First suit, August 13, 1881; heard on agreed facts November 25, 1885. Decided in favor of United States March 15, 1883. Gone to United States Supreme Court.

5. Cases involving the question of whether, under section 7 of the tariff act of March 3, 1883, the boxes, cartons, or coverings containing different kinds of merchandise shall be included as a part of the value of the merchandise contained therein as a basis of dutiable valuation: Sixty-seven cases. First suit brought August 25, 1883. Cases ready for hearing.

6. Cases involving the classification for duty of "white enamels:" Three cases. First suit brought September 20, 1883. Ready for hearing.

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7. Cases involving the classification for duty of albums bound in silk-plush covers: Three cases. First suit brought September 27, 1883. Ready for hearing.

8. Cases involving the question of the duty on "gilling-twine:" Eight cases. First suit, February 6, 1884. Ready for hearing.

9. Cases involving the question of the duty on "iron show-cards:" Six cases. First suit, April 18, 1884. Ready for hearing.

10. Cases involving the classification for duty of "hosiery, &c., made of merino:" Three cases. First suit, July, 1883; argued on agreed facts September, 1885.

11. Miscellaneous cases: Twelve in number, which cannot readily be classified. Five heard, decided, and appealed to United States Supreme Court. Seven ready for hearing.

Total number, 132 cases.

No. 43.

GEORGE B. SANGER—Appointed United States District Attorney, (Boston, Mass.,) June 20, 1873.

OFFICE OF THE UNITED STATES ATTORNEY,
DISTRICT OF MASSACHUSETTS,
Boston, October 10, 1885.

SIR: Your printed circular marked "strictly confidential," and to which you request an early reply, was received by me on the 10th ultimo. I have been prevented by illness from making an earlier reply, as stated more fully in my personal letter to you of the 8th instant.

The sixth article of the circular is marked, and it is to that alone, as I understand, that you wish me to reply. I therefore confine this letter to that article.

I think the existing law in respect to the matters enumerated in the first and second lines of said sixth article can be much improved by amendments, and that amendments are necessary and advisable, unless some more radical change is desirable, such, for instance, as the establishment of a new tribunal for the trial of revenue cases. I understand that in this inquiry you refer to the method of determining differences as to questions of revenue which have already resulted in suits, and that you refer specially to devising some method for the more speedy determination of such suits whenever they may be brought.

There are now pending in this district about one hundred and thirty-two suits, involving chiefly the rates of duty upon imported merchandise, a few suits only involving the method of determining the amount of the duty on a particular importation. Most of these suits are by importers against collectors. Only a small number, comparatively, are brought by the United States against importers, who have obtained possession of their merchandise before the rate and amount of duty thereon have been determined. These suits can be classified with substantial accuracy, according to the legal question involved, because there are ordinarily, in the course of commerce, many importations of the same kind of merchandise by the same or different importers, and when one importer has several importations of the same kind of merchandise, or several importers in the different ports of the district import that same kind of merchandise, and a question is raised by any one importer as

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to the proper duty thereon, all of them soon learn of it and are eager to take their chance of saving in duties; and as suits by importers against collectors must be brought within a given time, there may well be numerous suits pending at the same time, involving the same question, which have accumulated while the question in dispute was being settled. Thus, the one hundred and thirty-two pending above referred to constitute eleven well-defined groups, with an additional group of miscellaneous cases, eight in number, which cannot readily be connected with each other.

These groups are as follows:

I.—Cases involving the duty on wool where there was some time between the purchase and the exportation of wool, and the market value had in the mean time fallen materially: Three cases. First suit commenced in April, 1874; argued on agreed facts May, 1877. Decision by the circuit court, (Clark, J.,) in favor of the United States, May, 1880; writ of error to United States Supreme Court, 1882. Not yet decided. The decision will probably settle the other two cases.

II.—Cases involving the duty on wool webbing: Fourteen cases. First suit, December, 1878; argued on agreed facts February, 1881. Decision, by Lowell, J., in favor of plaintiffs, 1883; writ of error by collector to United States Supreme Court in May, 1883. Returnable at October term, 1883. Not yet decided. The decision in this case will probably settle the other thirteen cases.

It is expected that the cases in Groups I and II will be argued and decided at the October, 1885, term of the United States Supreme Court.

III.—Cases involving the classification for duty of "sawed, dressed, or polished marble, statuary," &c.: Five cases. First suit, September 30, 1880. These suits have not been pressed, as it was understood that the question was being litigated and tried in Philadelphia, where a decision is said to have been rendered, in part at least, against the United States.

IV.—Cases involving the duty on "aniline dyes:" Eight cases. First suit, August 13, 1881; heard on agreed facts November 25, 1882. Decided in favor of the United States, March, 1883. Plaintiffs carried the case to the United States Supreme Court, where it is still pending.

V.—Cases arising under the seventh section of the tariff act of March 3, 1883: Sixty-seven cases. First suit brought August 25, 1883. The Government is ready to try these cases at any time, but it is understood that there have been trials in another district.

VI.—Cases involving the classification for duty of white enamel: Three cases. First suit brought September 20, 1883. These cases are ready for trial.

VII.—Cases involving the classification for duty of albums bound in silk-plush covers: Three cases. First suit brought September 27, 1883. All cases ready for trial.

VIII.—Cases involving the question of the duty on "gilling-twine:" Eight cases. First suit, February 6, 1884. Government ready for trial.

IX.—Cases involving the duty on "iron show-cards:" Six cases. First suit, April 18, 1884; argued on agreed facts, before Clark, J., in December, 1884. No decision announced thus far.

X.—Cases involving the duty on hosiery, &c., made of merino: Three cases. First suit, July, 1883; argued on agreed facts September 8, 1885. Decision not yet given.

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XI.—Cases involving the question whether the value of a *patented* article, over and above the cost of manufacture and a reasonable profit, is dutiable. These are cases brought by the United States, and the Government claims that under the decisions in United States *vs.* Cousinery, 7 Benedict, 251, and subsequent cases to the same effect, it is entitled to judgment, as the importer should have paid the duties, protested, appealed, and then brought suit. And this question is pending in the United States Supreme Court, in a case that has been taken to that court from this district. There are four cases in this group.

XII.—Miscellaneous cases: Eight in number. Five have been tried, and are now in United States Supreme Court; three are ready for trial.

Undoubtedly, these customs cases may be more speedily tried and disposed of in the circuit court. I speak of this district, and suppose the same to be true of other districts. But when judgment has been obtained in the circuit court, the defeated party has TWO YEARS from its date within which to take out his writ of error and carry the case to the United States Supreme Court, and when entered there, as things now go, it will be four years before it can be reached and argued. Any arrangement, therefore, for expediting trials under the present system of courts will be likely to be only temporary, insufficient, and unsatisfactory. The cases are now mainly tried in the circuit court, which is overburdened with patent and other cases which, as the business of the country increases, will probably increase.

There is no doubt in my mind that a new tribunal for the trial and disposition of revenue cases, external and internal, properly constituted, is necessary, and should be at once established.

The principles upon which I would have the new tribunal established are—

First. That it should have jurisdiction throughout the United States.

Second. That there should be frequent terms of the court for the entry and trial of such suits monthly in the principal districts, and quarterly in others, at which all revenue cases should be entered and at which they may be tried.

Third. That there should be a court of appeals, composed of three judges of the court, which should hold terms two or three times a year in all the principal districts, and once a year or oftener in the other districts, if found necessary, at which all questions of revenue law raised and saved at the trials, whether before the court or by the jury, or at the hearings upon agreed facts, should be argued and decided, and that from the decisions of said court, if the amount involved did not exceed ——— thousand dollars, there should be no appeal or writ of error unless said court of appeals itself should deem any case of sufficient importance to have the opinion of the Supreme Court taken thereon.

Fourth. That all such writs of error and appeals should be advanced upon the docket of the United States Supreme Court, and be argued at the term they are entered.

To accomplish this, there should be at least five judges of the new court, any one of whom could hold any *nisi prius* term of the court in any district of the United States, but who should not hold more than two consecutive terms in any district. Three of these judges should constitute the court of appeals, and the judges should be so assigned to this duty that all should do equal duty as law judges. Their decisions upon all law questions should be at once put in print and published.

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Possibly the number of judges named is too small, if all the pending revenue cases which would be transferred to the new court were to be at once tried and disposed of. Probably, however, the court would work its dockets clear, except in one or two districts, in a year, and then it could readily dispose of accruing cases. Or it might first dispose of the new cases and devote its spare time to the disposition of the old cases. If the number of judges is found to be too small, it can be increased.

One great advantage of the new tribunal thus constituted, would be the frequency of the terms of the court, both for the trials of fact and for the settlement of questions of law. The number of terms of existing courts could not be so increased without disturbing materially the general business of said courts.

The advantage of having a court devoted to one main purpose, and trying and disposing of all the revenue cases in the country, is obvious as respects speed and uniformity, as well as justice and correctness of decisions.

I do not know that the establishment of such new tribunal would require any new officials, except that the court would prefer to have clerks of its own.

The above is a mere outline sketch indicating generally the objects and purposes of such a proposed new tribunal, and is made in the belief that some such new tribunal is necessary.

I do not think the existing judicial system, even if it be worked efficiently, can be made sufficient to accomplish what a new tribunal so constituted will perform.

As to the matter of *interest* as part of the damages in collectors' suits, if the Government has had the importers' money wrongfully, it should pay interest thereon. Likewise, if the United States should recover of the importer any amount due for duties, interest thereon should also be recovered. I think it would be well to determine by law what rate of interest should be paid in both these cases. Perhaps 5 per cent. *per annum* would be a proper rate for such interest; but upon this point I do not speak with any special confidence.

I think in the foregoing I have expressed an opinion upon all the matters referred to in the sixth article of the circular, and respectfully submit the same.

GEORGE P. SANGER,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 44.

JOSEPH H. BARNES—Appointed Clerk, Boston, November 15, 1865; Deputy Collector March 12, 1874.

CUSTOM-HOUSE, BOSTON, MASS.,
Collector's Office, September 23, 1885.

SIR: I have the honor to submit the following replies to the inquiries contained in the communication from the Department of the 9th instant.

1. I have no knowledge of any evidence that within the last few years rates of duty have not been levied and collected as the law prescribed.

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2. I know of no evidence that the full amount of duty has not been collected on articles paying purely specific rates.

3. The contents of the examination packages of textile fabrics are compared by the examiner with the invoice, and the width of dress-goods paying duty by the square yard is determined by actual measurement of the goods in such packages. The number of yards is not ordinarily ascertained by measurement. In the collector's office the invoiced lineal yards are converted into square yards after the appraiser has reported on the invoice.

4. I know of no evidence of collusion between persons making entries and the entry clerk or deputy collector to send to the appraiser for examination a bogus or false package.

5. I have no evidence of false or imperfect weighing or measuring on the wharves.

6. Differences between importers and collectors, growing out of decisions by the latter and the Treasury, resulting in suits, could, in my opinion, be more readily adjusted, and with great advantage to all concerned, by a tribunal created for the purpose of considering and disposing of such cases, its decision to be final and conclusive upon all parties. I believe there is a necessity for a new tribunal, and that the present system cannot be made sufficient for the purpose. I have not the data to enable me to answer the inquiry.

7, 8, 9. I have no official information regarding the recent investigations at New York, or of existing facts showing that during recent years the full amount of duty has not been collected at that port.

10. There has been confusion and doubt in all departments in determining whether, under the tariff act of March 3, 1883, the cost of the box or covering containing merchandise should form a part of the dutiable value of an importation.

11. If, upon a particular class of articles, there has been a systematic undervaluation, it would not be a difficult matter to examine all invoices of similar goods for a given period, and, by comparison with invoices known to be undervalued, fairly estimate the percentage of undervaluation on the whole.

12. The appraiser is chiefly responsible for a false return of value to the collector. The appraiser should be, and is, more than one who officially certifies to information furnished him by his subordinates. He is responsible for reports to which his signature is affixed.

13. I know of no evidence that Government officials, in the consular department or elsewhere, have connived at the presentation to the appraisers of false evidence of values.

14. If false values have been habitually and systematically reported to the several collectors, resulting in a failure to collect the full amount of duty, I think it can fairly be said that the failure has come of dishonesty. Such reports, if made to "the several collectors," would seem to indicate, not guilty knowledge on the part of Treasury or customs officials, but rather that these officials were misled by the systematic methods of interested parties at home and abroad. I have no knowledge that money has been paid to get false returns, nor do I know of a corruption fund.

15. If false valuations have come of bribery or venality, and the methods and parties implicated remain undiscovered, I see no reason why the evil practices may not continue and be successful while the present tariff laws remain in force.

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16. A change from ad valorem to specific rates would, in my judgment, help to diminish a tendency to bribery, and I believe specific rates could be applied to all textile fabrics.

17. I cannot say that false reports by the appraisers have been increased by the repeal, in 1874, of the moiety act, and by the customs legislation of that date modifying the existing law; but I believe, nevertheless, that such repeal and legislation were opposed to the best interests of the Government.

18. It would seem to be impracticable for American consular agents, in the large consular districts or elsewhere, to personally examine articles to be shipped to American ports and to verify the correctness of values. It is not likely that foreign governments would abstain from complaints if American consuls made vexatious delays in examining values and certifying invoices. I am unable to state what fees are exacted by our consuls for certifying invoices. From an inspection of London invoices, and of those from many other parts of England, it would appear that the fee is $2.50. Invoices from some parts of England do not exhibit the fees.

19. It would not, in my judgment, be either useful to the revenues or just to the importers to change the present law with respect to the method of determining dutiable values. In my opinion, a change of the nature indicated in the inquiry would lead to embarrassments and delays.

20. In reply to this inquiry, I give below the several rates of duty on wool under the various tariff acts since March 2, 1861, which, I fear, fails, owing to my inability to obtain the facts in the case, to meet the full scope of the inquiry:

Under the act of March 2, 1861, wool costing less than 18 cents per pound paid 5 per cent. ad valorem; wool costing 18 cents to 24 cents per pound paid 3 cents per pound; wool costing over 24 cents per pound paid 9 cents per pound.

Under the act of June 30, 1864, wool costing 12 cents or less per pound paid 3 cents per pound; wool costing 12 cents to 24 cents per pound paid 6 cents per pound; wool costing 24 cents to 32 cents per pound paid 10 cents and 10 per cent.; wool costing over 32 cents per pound paid 12 cents and 10 per cent.

Under the act of March 2, 1867, wools were divided, for the purpose of fixing the duties thereon, into three classes, to wit: Class 1, clothing-wools; class 2, combing wools; class 3, carpet-wools; and the rates provided under said act were as follows:

Class 1, clothing, costing 32 cents or less per pound, 10 cents and 11 per cent.; over 32 cents per pound, 12 cents and 10 per cent.

Class 2, combing, costing 32 cents or less per pound, 10 cents and 11 per cent.; over 32 cents per pound, 12 cents and 10 per cent.

Class 3, carpet, costing 12 cents or less per pound, 3 cents; over 12 cents per pound, 6 cents.

The foregoing rates to be doubled on wool of the first class if imported washed, and to be trebled on wool of all classes if imported scoured.

Under the act of June 6, 1872, the rates of duty on wool were fixed at 90 per cent. of those previously exacted under the act of March 2, 1867.

Under the act of March 3, 1875, the rates imposed by the act of March 2, 1867, were restored.

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The existing rates under the act of March 3, 1883, are as follows:

Class 1, clothing, costing 30 cents or less per pound, 10 cents per pound; over 30 cents per pound, 12 cents.

Class 2, combing, costing 30 cents or less per pound, 10 cents per pound; over 30 cents per pound, 12 cents.

Class 3, carpet, costing 12 cents or less per pound, 2½ cents per pound; over 12 cents per pound, 5 cents per pound.

Rates to be doubled on washed wools of the first class, and trebled on scoured wools of all classes.

21. I do not believe the practice prevails of the payment of money by arriving passengers to customs inspectors to prevent or facilitate an examination of baggage. It would seem that ordinary "detective" work in suspected localities, if any, could determine whether such practices prevail. If offences of this nature are found, punishments to the full extent of the law would be likely to prevent their repetition.

22. I have no evidence tending to show that rates of duty on any articles have been carried by Congress beyond the line which the Government can protect, and into a region where smugglers and others will be powerful in evading the law. Powerful attempts to evade the law may be met by increased vigilance on the part of Government officials.

23. Having no actual knowledge of the reasons for the failure to enforce the revenue laws at New York, I am unable to answer. I have no official knowledge of such failure beyond that contained in the inquiry, which does not recite the reasons.

24. I have no knowledge of the reasons why persons concerned in making false reports of dutiable values have not been arrested and punished.

Very respectfully, your obedient servant,

J. H. BARNES,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 45.

MARTIN A. MUNROE—Appointed Clerk, Boston, July 1, 1873; Deputy Collector May 22, 1882.

CUSTOM-HOUSE, BOSTON, MASS.,
Collector's Office, September 28, 1885.

SIR: I have respectfully to acknowledge the receipt of your communication of September 9, and would submit the following in reply to the inquiries contained therein:

1. I know of no evidence that rates of duty have not within the last few years been levied and collected as the law prescribed.

2. I know of no evidence that the full amount of duty has not been collected on articles paying purely specific rates.

3. Invoiced measurements of textile fabrics, such as dress-goods paying duty per square yard, are verified by examiners who measure the width of the goods. The number of yards in the piece is not usually verified, except where the examiner has reason to suppose there is an intended fraud. If, however, the goods are near the dividing-line

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between duty per square yard and duty per pound, the length of each piece is verified. After the invoice is reported on by the appraiser and returned to the collector's office, a clerk examines the extensions and converts the lineal measurements to square yards.

4. I have no knowledge of any attempt at collusion between persons making entry and the entry clerk or deputy collector in ordering goods to the appraiser for examination.

5. I know of no evidence of false or incompetent or inadequate weighing or measuring on the wharves.

6. Amendments which would simplify the existing tariff law would undoubtedly largely reduce the differences between importers and collectors as to rates of duty.

I have not the information at hand which would enable me to give the number or classification of collectors' suits now pending, nor the length of time the untried suits have been at issue and ready for trial.

I am not sufficiently familiar with the subject-matter of the other questions to offer any recommendation.

7, 8, 9. I am unable to answer.

10. I am not aware of any conflict of opinion in the appraiser's department as to what constitutes the dutiable value.

11. I am unable to answer.

12. In my opinion, the examiner is primarily responsible and the appraiser chiefly responsible for a false return of value to the collector.

The salaries of the examiners range from $1,200 to $2,000 per annum; the salary of the appraiser is $3,000 per annum.

The appraiser is, in my opinion, responsible for the doings of his subordinates.

13. I know of no evidence that any Government officials in the consular department or elsewhere have assisted, or consented to, or connived at the presentation to the appraisers of false evidence of foreign value.

14. If false values have been habitually and systematically reported by the appraiser to the collector, it would indicate, in my opinion, dereliction of duty and probably dishonesty on the part of the appraiser.

I am not aware of any money having been paid to American officials to get false reports of dutiable value, nor do I know of a corruption fund.

15. If there have been false valuations from bribery or venality, I know of no reason, as long as ad valorem duty is imposed, why there would not be the same in the future.

16. In my opinion a change from ad valorem to specific rates would have a tendency to diminish bribery, if there has been bribery, and, in consequence, would be a benefit to the revenue. I think specific rates could be applied to all textile fabrics.

17. I have no knowledge of any increase of false reports by the appraisers since the repeal of the "moiety law" and other customs regulations in 1874.

18. In my opinion, it would be impracticable for the American consular officers in any of the American consular districts in Europe or elsewhere to personally examine articles to be shipped from thence to the American ports, and to verify the correctness of invoiced values.

I think it very probable that foreign governments would not abstain from complaints to this Government if American consuls made vexatious delays in examining values and certifying invoices.

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Invoices received from London and elsewhere in England (with few exceptions) have printed on the consular certificates, "Received fee, $2.50," or "Received fee for this certificate, $2.50;" and I am of the opinion that our consuls in England exact a fee of $2.50 for certifying each and every invoice. The shippers in England, however, charge on the invoices for "consuls' fees" sums varying in amount from 10 shillings 4 pence to 17 shillings.

19. In my opinion, a change of the law in the ascertainment of the dutiable value would cause delay and inconvenience to the importer without material benefit to the Government.

20. The rates of duty on wool since 1860 have been as follows:

Act March 2, 1861, (to take effect on and after April 1, 1861:) Valued at last port from whence exported to the United States at less than 18 cents per pound, 5 per cent. ad valorem; exceeding 18 cents per pound and not exceeding 24 cents per pound, 3 cents per pound; exceeding 24 cents per pound, 9 cents per pound.

Act June 30, 1864, (to take effect on and after July 1, 1864:) Valued at last port from whence exported to the United States, exclusive of charges in such port, at 12 cents or less per pound, 3 cents per pound; exceeding 12 cents and not exceeding 24 cents per pound, 6 cents per pound; exceeding 24 cents and not exceeding 32 cents per pound, 10 cents per pound and 11 per cent.; exceeding 32 cents per pound, 12 cents per pound and 10 per cent.; if imported scoured, in lieu of the foregoing, three times the amount of such duties.

Act March 2, 1867, (to take effect on the passage of the act:) Wool divided, for the purpose of fixing the duties to be charged thereon, into three classes: Class 1, clothing-wools; class 2, combing wools; class 3, carpet-wools:

Class 1.—Valued at last port from whence exported to the United States, exclusive of charges in such port, at 32 cents or less per pound, 10 cents per pound and 11 per cent.; exceeding 32 cents per pound, 12 cents per pound and 10 per cent.; if imported washed, twice the amount of duty to which it would be subjected if imported unwashed; if imported scoured, three times the amount of duty to which it would be subjected if imported unwashed.

Class 2.—Valued at last port from whence exported to the United States, exclusive of charges in such port, at 32 cents or less per pound, 10 cents per pound and 11 per cent.; exceeding 32 cents per pound, 12 cents per pound and 10 per cent.; if imported scoured, three times the amount of duty to which it would be subjected if imported unwashed.

Class 3.—Valued at last port from whence exported to the United States, exclusive of charges in such port, at 12 cents or less per pound, 3 cents per pound; exceeding 12 cents per pound, 6 cents per pound; if imported scoured, three times the amount of duty to which it would be subjected if imported unwashek.

Act June 6, 1872, (to take effect on and after August 1, 1872,) reduced the duty 10 per cent., being 90 per cent. of the several rates of duty then levied.

Act March 3, 1875, (to take effect on the passage of the act,) repealed the 10 per cent. reduction, the rates remaining the same as provided for in act March 2, 1867.

Act March 3, 1883, (to take effect on and after July 1, 1883.) Wool divided for the purpose of fixing the duties to be charged thereon, into

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three classes: Class 1, clothing-wools; class 2, combing wools; class 3, carpet-wools.

Class 1.—Valued at last port whence exported to the United States, excluding charges in such port, at 30 cents or less per pound, 10 cents per pound; exceeding 30 cents per pound, 12 cents per pound; if imported washed, twice the amount of duty to which it would be subjected if imported unwashed; if imported scoured, three times the amount of duty to which it would be subjected if imported unwashed.

Class 2.—Valued at last port whence exported to the United States, excluding charges in such port, at 30 cents or less per pound, 10 cents per pound; exceeding 30 cents per pound, 12 cents per pound; if imported scoured, three times the amount of duty to which it would be subjected if imported unwashed.

Class 3.—Valued at last port whence exported to the United States, excluding charges in such port, at 12 cents or less per pound, 2½ cents per pound; exceeding 12 cents per pound, 5 cents per pound; if imported scoured, three times the amount of duty to which it would be subjected if imported unwashed.

I have not the information at hand which would enable me to give a careful and accurate analysis of the history of the working of the complicated rates on wool that are now in force.

21. I do not believe that a practice prevails at this port of the payment of money by arriving passengers to customs inspectors of baggage for any purpose whatever. If such a practice does exist, it seems to me that a system of espionage and prompt removal and punishment of the offenders would prevent future transgressions of the law.

22. As I have no knowledge of any evidence that the Treasury has failed to collect the whole duty prescribed by the law, I am unable to answer.

23. I am of the opinion that the revenue laws have been enforced at this port.

24. I am unable to answer.

I am, sir, very respectfully,

M. A. MUNROE,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 46.

JOHN L. SWIFT—Appointed Deputy Collector April 1, 1867; July 10, 1874; and May 22, 1882.

CUSTOM-HOUSE, BOSTON, MASS.,
Collector's Office, October 3, 1885.

SIR: During my vacation your "confidential circular," dated September 9 last, reached this office, and circumstances since my return have prevented that attention to its contents which its large range of inquiry would seem to demand. My duties as a deputy collector at this port are mainly confined to the supervision of the marine department, record-rooms, and statistical work. From my location in the building,

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many oaths to papers are taken before me, and a large number of permits come to my desk for final signature, but the casting of rates of duty, the immediate examination of invoices, and of documents relative to rates, measurements, and weights, are not within my sphere of duty. Having no knowledge whatever, directly or indirectly, of any neglect in the certification of invoices, of any false valuation of merchandise, or of collusion with shippers or importers, I respectfully suggest that there is nothing of official value for me to communicate upon the first seventeen questions of the circular addressed to me. My observation, from an extended term in the customs service, has led to a strong general conviction that the simplification of the rates of duty on imported merchandise is one of the chief needs of the customs service at this time. Constant change and new complications in the laws derange business methods and confuse legitimate commercial transactions; therefore, in my judgment, the proposition of Query 18, as to the practicability, in large American consular districts, for American consular agents to verify the correctness of invoice values, if not impracticable, is not desirable; nor would it be to the benefit of commerce, nor to the advantage of the customs revenue. Foreign verification and appraisement by experts, to be thorough, would cause great inconvenience and delay in the shipments of merchandise, and would embarrass the carriers who are advertised to sail on stated dates, and, in my opinion, the complaints would be general against such a system. I should think that under such a practice there would be greater liability for increased temptation to violate the revenue laws by undervaluation, by preference in examination of merchandise, and by inducements to connive with the foreign shippers than now exists. The distance of the agent from home control and supervision would add to this opportunity to defraud, and the system would aggravate rather than lessen the evils it sought to cure.

Qnery 19.—If the executive and judicial powers are not sufficient to sustain the collector in justly ascertaining the dutiable value of merchandise imported, it is not only desirable, but very essential, in my opinion, that such authority should be conferred by law, so that the representative of the Government would be able to meet promptly any attempts to evade the revenue laws by undervaluation.

Query 20.—The tariff rates of duty on wool since the year 1860 have been:

Act of March 2, 1861: Value less than 18 cents per pound, 5 per cent. ad valorem; value 18 cents to 24 cents per pound, 3 cents per pound; value over 24 cents per pound, 9 cents per pound; mixed to reduce value to 18 cents per pound or less to evade duty, 9 cents per pound; on sheepskins, washed or unwashed, 15 per cent.

Act of June 30, 1864: Value 12 cents or less per pound, 3 cents per pound; value 12 cents to 24 cents per pound, 6 cents per pound; value 24 cents to 32 cents per pound, 10 cents per pound and 10 per cent.; over 32 cents per pound, 12 cents per pound and 10 per cent.; mixed to reduce value and evade duty, highest duty; sheepskins, washed or unwashed, 20 per cent.

Act of March 2, 1867: Class 1—Clothing, unwashed: Value 32 cents or less per pound, 10 cents per pound and 11 per cent.; over 32 cents per pound, 12 cents per pound and 10 per cent. Class 2—Combing: Value 32 cents or less per pound, 10 cents per pound and 11 per cent.; over 32 cents per pound, 12 cents per pound and 10 per cent. Class 3—Carpet: Value 12 cents or less per pound, 3 cents per pound; over 12

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cents per pound, 6 cents per pound. Class 1, washed, double duty; all classes, scoured, treble duty; sheepskins, washed or unwashed, 30 per cent.

Acts of June 6, 1872, and June 22, 1874: Same as act of March 2, 1867, with a deduction of 10 per cent. from the several rates of duty.

Act of March 3, 1875: Several rates of duty under act of March 2, 1867, restored.

Act of March 2, 1883: Class 1—Clothing, unwashed: Value 30 cents or less per pound, 10 cents per pound; exceeding 30 cents per pound, 12 cents per pound. Class 2—Combing: Value 30 cents or less per pound, 10 cents per pound; exceeding 30 cents per pound, 12 cents per pound. Class 3—Carpet: Value 12 cents or less per pound, 2½ cents per pound; exceeding 12 cents per pound, 5 cents per pound. Class 1, washed, double duty; all classes, scoured, treble duty; on the skin, washed or unwashed, same as other wool.

I am unable, from any practical experience, to present an opinion that would be of any special value in accomplishing the apparent desired purpose of the query relating to the workings of the various tariff rates on wool.

To Question 21, with reference to "passing baggage," I respectfully answer that no such practice is known to me as that of illicit fees or perquisites in forwarding by preference baggage, or neglecting to collect the revenue on dutiable articles which it may contain.

In reply to Query 22, I have to say that in all cases within my knowledge, where there has been petty smuggling by vessels or attempts on a large scale to evade the full revenue liable to collection, the occasion of such efforts at fraud has been that the rate of duty has been so great that the risk of detection has been taken for private gain. Exceptional cases of avoiding duties upon articles of value that can be easily concealed for purposes of smuggling do not affect the recognized fact that high rates of duty inevitably lead to schemes against the revenue.

Upon Questions 22 and 23, from absolute lack of knowledge, I have no information to impart.

Finally, permit me to say that while there may have been, as there is always likely to be, individual cases of irregularity, of carelessless, of negligence, and of impropriety connected with the customs service, my candid judgment, from long experience, compels me to say that no systematic effort to collude with importers by accepting false weights, false measures, or false appraisements, or in any other manner, exists at this port.

Very respectfully, your obedient servant,

JOHN L. SWIFT,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 47.

DANIEL HALL—Appointed Naval Officer April 26, 1877.

PORT OF BOSTON, MASS.,
Naval Office, September 7, 1885.

SIR: I have the honor to acknowledge the receipt of your printed letter of the 27th ultimo, marked "strictly confidential," making certain inquiries touching custom-house affairs, questions of the tariff, &c.

I hereby submit replies to the same, answering the inquiries *seriatim*, so far as my official knowledge and experience enable me to do so:

1. I know of no evidence that the rates of duty prescribed by law have not been within the last few years duly levied and collected.

2. I know of no evidence that on articles upon which the law levies purely *specific* rates the full amount of duty prescribed by Congress has not been collected.

3. Till within the last few weeks, in the usual course of custom-house business at this port, the measurements of textile fabrics have been made by the appraisers, and the requisite calculations as to quantity made by them and reported to the collector and naval officer. These computations have not usually been revised in full in the collector's office (as I understand) or in the naval office, although important extensions of prices, quantities, &c., have been revised. Within a few weeks past a different practice has been instituted. The appraisers now report the lineal measurements of lengths and widths, but not square yards, to the collector and naval officer. With these elements or data, the calculations are made in the collector's office and naval office, and the results being compared with the invoice, the invoiced measurements are thus verified and corrected.

4. I *know* of no evidence of any such collusion as is here referred to. At the same time, charges of such collusion have been made, though not often at this port, and it is obvious that opportunities for such collusion exist, and should be shut off as completely as possible. To that end, in my opinion, some changes might be made in the system of ordering up goods for examination which would practically make this collusion impossible. For example, the naval officer might be authorized to order up additional packages, or change the designation of packages ordered by the collector, and either the packages ordered up by the naval officer or collector, or both, might be designated by lot. I hold that in custom-house business, wherever a door is left open to fraud, *somebody* will be sure to enter in. The only safe course for the Government is to leave none open, or to close all that can be closed.

5. There is no evidence within my knowledge of false or incompetent weighing or measuring at this port. I have sometimes, however, had occasion to object to weighing and taring as inadequate. Sometimes, upon my suggestion, additional weighing or measuring and taring has been made, but oftener I have been met by the suggestion, probably truthful, that those duties have been performed as fully as the force in that department would admit.

6. The regular course of my official duties has not brought me into any connection with suits against collectors, and I have no data upon which to answer the inquiries here propounded.

7. I have none but the most casual means, and those derived only from my general reading, of knowing the state of things at New York in this respect.

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8. For the same reason, I cannot answer this interrogatory.

9. Nor this.

10. I suppose this question to be designed chiefly, if not exclusively, for the appraiser's department. I know, however, that much confusion, doubt, and conflict of opinion have existed, and do still exist, in the appraiser's department respecting the elements of dutiable value, dependent upon the construction of section 7 of the tariff act of March 3, 1883. The decisions of the Treasury Department upon the construction of this section have been various and conflicting, and questions are even now constantly arising which do not appear to have been authoritatively settled.

11. I suppose this inquiry to be addressed exclusively to the appraiser's department.

12. And this also.

13. I am unable to say.

14. I have no reason, from all my knowledge on the subject, to believe that any failure to collect full amounts of duty has come generally of dishonesty on the part of Treasury or customs officials, or has been accompanied by their guilty knowledge. I cannot answer the last two inquiries.

15. If such frauds have been committed, I know of no reason to think that similar corrupt and venal influences are not now brought to bear, or to doubt that they will be as successful in the future as in the past, except so far as they may be prevented by additional laws, or by more stringent measures and additional vigilance in enforcing the laws that now exist.

16. This is a very broad and important question. I should say, in brief, that a change from ad valorem to specific rates, in respect to some classes of goods, would be a benefit to the revenue and help to diminish the tendency to bribery and corruption. But I have never been able to see how specific rates alone could be applied to advantage, and with justice also, to all textile fabrics. It seems to me that the double standard alone can be applied to this class of goods and preserve the ad valorem principle, which should enter to some extent into the adjustments of the tariff. Specific duties are simpler of application and easier to administer, but not, in most cases, so just as ad valorem.

17. No, I see no reason to believe they have been.

18. I should think the personal examination by consular agents of articles to be shipped to this country from large foreign ports would be impracticable, and that foreign governments would be quite likely to take exceptions to vexatious delays so caused. I do not know in which consular districts American consular officers could ascertain and report true invoice values more safely and surely than they do now.

19. I think not.

20. I presume that this question is addressed especially to the appraiser's department.

21. I think it is believed by many that such a practice exists in New York. I do not think such an impression prevails in regard to Boston, nor do I think such a practice prevails here to any considerable extent. I must, however, express my belief that customs inspectors of baggage do not perform their duties with sufficient and with constant and persistent thoroughness. In the routine of business a laxity and relaxation of vigilance in such matters grow up, and a constant renewal of effort

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and increased safeguards are required to secure a proper discharge of this important duty.

22. I think not.

23. I do not know to what, if any, degree such a failure has taken place in New York, but I do not think that statement would be true in the same sense if applied to Boston or other large Atlantic ports. There are obvious reasons why such a failure might be more liable to happen in New York than elsewhere, among which may be specified the great amount and hurry and confusion of its business, its large numbers of importers of foreign birth, its system of having merchandise consigned by manufacturers abroad to their own agents in New York, &c.

24. If such practices have prevailed, I know of no reason why the persons or officials concerned have not been brought to judgment and punishment. Anybody connected with the customs service of the Government, if he should have any definite knowledge or suspicion of wrongdoings such as are suggested in your letter and inquiries, would obviously be guilty of the gravest dereliction of duty if he did not promptly make them known and do all in his power to bring the offenders to exposure and punishment.

I am, sir, very respectfully, your obedient servant,

DANIEL HALL,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 48.

ADIN B. UNDERWOOD—Appointed Surveyor August 25, 1865.

CUSTOM-HOUSE, BOSTON, MASS.,
Surveyor's Office, September 4, 1885.

SIR: I have the honor to reply to the confidential communication of the Department of the 27th instant, duly received, that, as the duty of the surveyor of customs is chiefly confined to the superintendence and direction of the out-door officers of customs, he has no official information on the subjects embraced in most of the interrogatories contained in the communication. Upon the few on which this office has information, I have the honor to report as follows:

Interrogatory 4.—I have been informed, and believe, that during the administration of Collector Simmons at this port frauds on the revenue were committed by ordering bogus packages sent to the appraisers and valuable packages of merchandise delivered by the inspector on fraudulent and irregular permits. I am informed that Collector Beard, and I think also Special Agent Bingham, found evidence of these frauds, some of which I have seen, but which are not in my possession.

If the Department were to require, by regulation, that at ports where there are surveyors all permits for delivery of merchandise shall be addressed to him, be scrutinized by his office before being transmitted to the inspectors, and, on return by them, to be retained in his office, frauds like those referred to could not possibly occur. In that case the permits were returned to the collector's office, from whose files they were stolen by some collusion in that office.

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Interrogatory 5.—I believe the weighing and measuring of merchandise at this port is, as a rule, fairly and adequately done, with proper protection to the interests of the Government.

Importers are constantly complaining to this office and the collectors that our weighers do not give them full weights, and not such as buyers and sellers give to each other. In this respect I believe their statements are true. The law, however, does not require equitable weighing simply, but strict weighing of merchandise just as it is landed on the wharf, without any discretion on our part. In this connection, I beg to state that no regulation or custom here requires the surveyor to report to the collector or the Department the character and qualifications of the weighers whom he is required to employ and direct in their work, and for whose conduct he is practically responsible. Were there such a regulation, I believe he could better enforce more satisfactory results from the weighers (who do all the measuring) while in the performance of their proper duties.

Interrogatory 21.—I believe the practice does not prevail at this port of the payment of money by arriving passengers to the inspectors to facilitate the delivery of baggage, which is allowed to prevail at other ports. In my long service in this office I have made special efforts to prevent any corruption of the officers in this manner; I think, too, with success. If a similar regulation for the inspectors were to be made by the Department as I recommend for the weighers, it would give the surveyor an authoritative control over the inspectors, which he does not now possess, and which would be healthy.

Interrogatory 22.—As far as I know, the rate of duty has not contributed to cause smuggling of passengers' baggage, but the loose definition of wearing-apparel entitled to free entry and the want of a limit of amount. I think, if the law prescribed that wearing-apparel should actually and substantially have been worn by the passenger, and should not exceed a certain amount in value, that a good deal of smuggling of new clothing, on commissions and as presents for friends, &c., which is now carried on to a greater or less extent, would be prevented.

Very respectfully, your obedient servant,

A. B. UNDERWOOD,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 49.

HENRY S. BRIGGS—Appointed United States General Appraiser April 11, 1872.

OFFICE OF THE BOARD OF U. S. GENERAL APPRAISERS,
CORNER OF WASHINGTON AND HUBERT STREETS,
New York, October 8, 1885.

SIR: In transmitting herewith answers to the inquiries referred to me under Department letter dated August 27, 1885, I beg leave to state, in explanation of the great delay, that at the time of the receipt of the inquiries, and for some time subsequent, I was engaged at this port in holding reappraisements, and that since that time my time has been so much occupied, including a large portion outside of office hours,

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in official duty, that I have not been able to give suitable attention to the subject of the inquiries without postponing or omitting other duties.

I regret if, in the opionion of the Department, I have erred in considering that my opinion on the subject of the inquiries was not so important as the attention to other important duties.

Very respectfully,

HENRY S. BRIGGS,
United States General Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

—

PORT OF BOSTON, MASS.,
Office of U. S. General Appraiser, October 5, 1885.

SIR: I have the honor to submit such replies as limited opportunity to prepare them enables me to make to twenty-four inquiries referred to me by the Department, under date August 27, 1885, viz:

Inquiry 1.—I have no reason to suppose that there has been any intentional failure or neglect on the part of collectors to assess duty according to their understanding of the meaning of the statutes, nor that errors of judgment as to the classification for duty have resulted in very serious loss to the revenue.

Inquiry 2.—I have no evidence that there has been failure in the customs districts that have come under my observation to ascertain what duties have accrued under specific rates, nor that collectors have failed to assess and collect such as have been ascertained.

Inquiry 3.—It is altogether impracticable, with the present force of openers and packers, to test by actual measurement invoice quantities of textile fabrics, and such tests are only made when there is reason to suspect fraud or error. By long familiarity in the inspection and examination of such goods, both examiners and openers become expert in estimating approximately the number of yards in a piece.

Inquiry 4.—I have no evidence of any such collusion which has occurred within the last few years.

Inquiry 5.—So much of my time since the organization of the board of general appraisers, in 1877, has been occupied in consideration of questions of classification and valuation, that it has been impracticable to give but very little personal attention to the practical weighing and measuring of merchandise. My investigations have been limited to inquiries and comparisons of the weighers' and gaugers' and measurers' returns with invoice specifications. Some years since, in the course of these examinations, I was led to suspect, from the identity of the weighers' returns of tin-plates in large quantities with the invoice, in some cases *estimated* quantities, that the quantities returned had not been ascertained by actual weighing.

Inquiry 6.—I think there is need of a radical change in the provisions of law relating to questions of classification, which are now the subject of protest and appeal. After much consideration of the subject, I am satisfied that if these questions were *determined* by appraising officers instead of by collectors, there would be fewer appeals, and, in case of appeal, the Department would be enabled to obtain more readily and fully the information required for its decisions. This opinion is founded on these considerations: that appraising officers have always been re-

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quired to give these questions careful attention, in order to make their reports to the collectors in conformity with the Treasury regulations on the subject; their duties as *valuers* of merchandise gives them a much more thorough knowledge of its character and quality and the relations of one kind to another. Under the present system, they give their undivided time and attention to these two subjects, valuation and classification, and can examine each with much greater care than can collectors, so much of whose attention is necessarily occupied with many other subjects entirely foreign to this of classification. As I understand it, the practice now is for the Department to submit appeals to the collectors from whose ports they are received for special reports, then for the collectors to call upon the appraisers for special reports, then for these reports to be submitted to collectors and appraisers of other principal ports for their reports. At one time it was not an uncommon practice to refer such questions to the board of general appraisers for investigation and report. Although the discontinuance of this practice may imply a *discontinuance* of it, I respectfully refer to the fact that, under existing regulations and instructions of the Department, a large part of the time of these officers is devoted to the consideration of these questions. The duty is imposed by article 1399 of the "Regulations" of 1884, and in the Department circular (Synopsis, 3281) cited in that article it is declared to be one of the *principal* duties to secure uniformity in classifications. Whether the burdens of the Department could in any appreciable degree be lightened, or the determination of appeals facilitated, by the assistance of the board as now constituted, or by an increase of the number of its members, I am sure that *some* such board, composed of members who could give adequate attention to this subject, should be provided. If appellants were to understand that the Department's decisions would not be made until after a report from such a board and upon evidence and arguments thereto submitted, and thence forwarded to the Department (whenever required) in connection with its report, the final action would be facilitated.

I have no means of knowing the number of "collectors' suits" pending in the courts other than inquiry of the district attorneys, to whom I presume a similar inquiry has been addressed and it appears to me that most of the other points embraced in this inquiry lie within the province of the offices of the courts. I may observe, however, in respect to the last point, that some observation and information has led to the opinion that in many instances the interests of the Government have been prejudiced by the failure of the acting attorneys who conduct the trials to properly present the Government's case. The complexity of the questions growing out of the subject of classification is so great, and of such uncongenial character to such as do not make it a specialty, that it is not surprising, perhaps, that an ordinary case does not secure a more careful preparation than in many cases appears to have been made—a preparation indispensable to an intelligent and successful trial. I think the interest of the revenue would be greatly promoted by the appointment of one or more special attorneys, whose special duties should be the preparation for trial and management in the courts of all cases involving questions relating to the administration of the customs laws.

Inquiry 7.—My experience in the matter of reappraisements enables me to specify *manufactures of silk* as a class of articles on which there can be no doubt that the Department has for a long time failed to col-

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lect the entire amount of duty to which such goods are subject. While the evidence of failure cannot be *reasonably* controverted, in the judgment of those who are most competent to give a true verdict it is, *in fact*, controverted whenever, on reappraisement, a merchant sits as judge who is *particeps criminus*, in so far as he has failed to pay the full amounts of duty on similar goods imported by himself. How *successfully* it is controverted in such cases must depend upon how thoroughly the collector is able to inform himself as umpire between the merchant and general appraisers.

Inquiry 8.—How has the failure come about? By the difficulty, the impracticability, if not impossibility, of establishing a *market* value for the particular varieties of goods, the importation of which is wholly upon consignments by the foreign manufacturers and owners, and, secondly, by the lack of entire *confidence in estimates of the cost of manufacture*, furnished by reports of experts from the country of manufacture. Another prominent cause of failure has already been noticed in my remarks under the preceding inquiry. I have no evidence or information which would justify the opinion that there has been, at least within a recent period, either indolence or dishonesty. I have an impression, founded on observation rather than the opinion founded on positive knowledge, that one of the examiners in the silk department at New York, is not so competent as the incumbent of such a place ought to be.

Inquiry 9.—I have no knowledge which enables me to make intelligent answer to this inquiry.

Inquiry 10.—So far as this inquiry may relate to the *cost of manufacture* as a standard by which dutiable value is to be fixed, I have already adverted to a doubt existing among those I believe to be entirely conscientious and competent appraising officers, merchant appraisers included, as to the safety, with a due regard to a just and equitable valuation, of basing such valuation solely on the estimates of experts, about whom so little is known.

If under this tenth inquiry it is intended to invite consideration of the sufficiency of the definitions of the statutes and the instructions of the Department with respect to what constitutes *market values* and what the methods for the ascertainment of it, I might with propriety refer to an unpublished ruling of the Department, about eighteen months since, upon a question which arose on reappraisement at the port of Boston of certain worsted yarns, which ruling appears to me to involve a dangerous principle. There being a disagreement between the merchant and general appraiser, the collector was instructed, with respect to his duty as umpire, that he might consider the price at which merchandise was actually sold in good faith to American purchasers for the American market to be a market value on which duty might be assessed, although such price was lower than any prices at which such goods had been sold to, or could be purchased by, any other purchaser, either for the home market or for any country other than the United States.

Inquiry 11.—I have no data from which only can an intelligent answer be given to this inquiry.

Inquiry 12.—It seems to me that the examiner is *primarily* responsible for all returns of value, except in cases where he has been directly instructed by some superior appraising officer, or some other officer representing the Department, who is supposed to be vested with special authority by the head of the Department to supervise all matters relating to the administration of the customs laws. I have no reason to believe

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that the valuations of any appraising officer now in office are designedly false, but think that such errors as occur are mistakes of incompetency or ignorance. Such mistakes on the part of examiners are very liable to be propagated through the superior officers, for it is obvious that in the principal ports it is altogether impracticable for principal or assistant appraisers to scrutinize each act of the examiner, or even a very considerable part of the details of his routine duty. Such scrutiny would impose upon the appraiser the duty, in some cases, of a score of examiners, in addition to the other responsible duties of his office.

If the scope of this inquiry was intended to include ports other than New York, it is due that I should observe that at Boston the only principal appraiser now in office and one of the two assistant appraisers have given much personal attention to the examination of merchandise for the valuations which they certify. It should be borne in mind, however, that much of the attention of the principal appraiser is required to be given to questions of *classification.*

Inquiry 13.—The only instance of what I consider assistance or connivance in false valuations on the part of consular officers occurred several years since in the certification of the values of certain marble imported into Boston from Carrara, Italy, by a consul who was finally superseded.

Inquiries 14 *and* 15.—I have no such positive and definite knowledge on the subject of these two inquiries as would justify my undertaking to give information to the Department, unless exception is made in the case of an examiner of earthenware at New York, who has been removed under the administration of the present appraiser.

Inquiry 16.—It seems obvious that the *opportunity*, and so the *tendency*, to bribery would be very materially diminished by the substitution of specific for ad valorem rates of duty. The ascertainment of weights and measures is not subject to the honest errors of judgment and variance in the degree of skill among experts that are variable elements affecting the results in appraisements. It is also apparent that the accuracy and honesty of officers charged with the ascertainment of quantities can be much more easily inspected and tested than the methods and the conclusions of appraising officers.

With respect to the application of specific rates of textile fabrics, much can be offered in its favor, and yet there seems to be almost insuperable objections in respect to some kinds of fabrics. With respect to most it may be said that any practical standard or unit of quantity would operate to exclude from importation the coarser and cheaper varieties of many classes of fabrics. The present compound rates on woollen manufactures have received much, it seems to me, merited criticism for the effect in compelling consumers of the coarser grades of clothing materials and articles to pay a much larger percentage of tax than the consumers of finer and more costly goods. With respect to manufactures of silk, while it might be for the real interests of the consumers of such goods to practically put it out of their power to procure the *counterfeits* now imposed upon them, it may, perhaps, be fairly assumed that the exclusion of the foreign manufacture would result in the imposition of similar adulterations, at even higher prices, by *domestic* manufacturers. The ground of complaint with respect to wools might to a considerable extent be removed by the substitution of a rate regulated by the weight per square yard.

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With respect to a prolific source of difficulty under existing laws, viz., the valuation of cotton embroideries, recent investigation and participation in reappraisements in New York have convinced me that a rate of duty based on numbers of stitches should be substituted for the ad valorem rate.

Inquiry 17.—I have no doubt that the removal of the stimulus of the "moiety law" has resulted in a diminution of the amount of duties collected. The removal must necessarily tend to relax vigilance and carefulness on the part of honest importers and caution on the part of intentional violators of the customs laws.

I do not intend that the expression of an opinion respecting the *effect* of the repeal, made in conformity with the request of Department letter, should carry the inference that I should have recommended a restoration of the "moiety law" in case an opinion on that point had been invited.

Inquiry 18.—I do not see how the efficiency of the consular offices with respect to the certification of invoices and the investigation as to the values which are certified can be materially increased without very considerable increase of the number of subordinate offices at the consulates; nor that very reliable information respecting the values of commodities, which vary materially in respect to qualities of any given general character, can be furnished, except by the employment of a class of experts corresponding to the examiners in the appraiser's department who make the examination after importation.

Inquiry 19. I am somewhat in doubt whether by the use of the term "dutiable values" it is intended to recognize a distinction between such value and "market value," which distinction was clearly made by the law as it stood up to the enactment of the act of March 3, 1883, a distinction which under the present law can only hold with respect to such merchandise as is made for and consigned by the manufacturers to the United States only, having no sale in the country of manufacture and no *market* value there. With respect to such merchandise, not only the Department and the courts, but the statute itself, has provided one of the methods by which a value on the assessment of duty may be arrived at.

With respect to such classes of merchandise, appraising officers should be subject to instructions from the Treasury Department but with respect to the determination of questions of *market value* as defined by the courts and the Department, I think that any deviation from the principle that has been recognized and established by repeated decisions and rulings, that the action of appraisers should be independent and final, would result in inextricable and disastrous confusion and uncertainty in respect to the assessment of ad valorem duties.

The remedy for the possible evil arising from incompetency or unfaithfulness in appraising officers is sufficient in the power to remove such officers.

Inquiry 20.—Presuming that this inquiry has been addressed to some who have given special attention to the subject embraced in it, I have not undertaken to make a particular investigation, without which I could not make an intelligent answer. My attention having been directed, however, during visits to some of the customs districts on the Mexican frontier, to the carpet-wools produced in that country, and which are practically prohibited by their classification with second-class wools, by reason of a very slight admixture of merino blood,

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although costing less than 12 cents per pound, and being fit only for carpet manufacture, I would recommend a relaxation of the rule with respect to classification by *race* whenever its application would affect wool of the quality I have described.

Inquiry 21.—It is generally believed, and I think, with good cause, that the practice referred to in this inquiry has for a long time prevailed at the port of New York. I do not think it has prevailed at Boston. In respect to other ports, I have had no special opportunities for knowledge on the subject. Two expedients for the remedy of the evil are suggested—first, providing a compensation for the examining officers so ample as to remove the inducements furnished by petty bribes, as well as to secure the services of persons not susceptible to any such inducements; second, the absolute forfeiture of *all* the baggage of persons making false declarations, with a provision for relief, in the discretion of the Secretary, whenever it shall be satisfactorily shown that the misrepresentations have resulted from innocent mistakes rather than from fraudulent intent.

Inquiry 22.—In my opinion, any rate of duty which is high enough to protect domestic manufacturers is sufficient to make inducement for undervaluation, whether it be 20 per cent. on non-enumerated manufactures, 35 per cent. on cottons, 40 per cent. on woollens, or 50 per cent. on silk. If a reduction in either of these cases to the extent of 10 per cent. would cease to protect, there would be no great inducement for an undervaluation of the foreign product to greater extent than 10 per cent.

Inquiry 23.—I think not.

Inquiry 24.—I do not know.

Very respectfully,

HENRY S. BRIGGS,
United States General Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 50.

CHAS. S. SOULE—Appointed Examiner May 29, 1883.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 2, 1885.

SIR: I respectfully acknowledge the receipt of your circular of August 27, containing twenty-four questions, relative to the administration of the customs laws, to which I am requested to reply as completely as possible.

In reply, I most respectfully beg leave to state that I have been an employé in the appraiser's department since May 28, 1883, as an assistant in the laboratory of the sugar department, and my time has been fully occupied with my duties in that department.

Having had no opportunity of acquainting myself with the subjects of your inquiry, I can only reply to but few of the questions propounded.

Question 1.—Have no knowledge that the law has not been complied with.

Question 2.—Have no knowledge of any case where the full duty has not been collected, as prescribed by Congress.

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Question 3.—The invoiced measurements of textile fabrics are verified by weighing and measuring.

Question 4.—Know of no case wherein a false or bogus package has been sent to the appraisers for examination.

Question 5.—I know of no case of false or incompetent or inadequate weighing or measuring on the wharves.

Questions 6, 7, *and* 8.—I am not able to answer.

Question 9.—I know of no false reports of dutiable values made by the appraiser to the collector.

Question 10.—I know of no evidence that would be of any value.

Question 11.—I cannot answer.

Question 12.—The examiner is, in my opinion, primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector. The salary of examiners is from $1,200 to $1,800 per annum. At this port, each report of the examiner is carefully scrutinized by the appraiser before receiving his indorsement.

Question 13.—I know of no satisfactory evidence that any Government officials, in the consular department or elsewhere, have assisted, or consented to, or connived at the presentation to the appraiser of false evidence of foreign values.

Questions 14 *and* 15.—I cannot answer.

Question 16.—Should say that a change from ad valorem to specific rates would be a benefit to the revenue and help diminish a tendency to bribery. Cannot say as regards specific rates being applied to textile fabrics.

Questions 17 *and* 18.—I cannot answer.

Question 19.—Have no knowledge upon which to base an opinion.

Question 20.—I cannot answer.

Question 21.—Have no knowledge of the payment of money by arriving passengers to customs inspectors, but presume such cases have occurred.

Questions 22, 23, *and* 24.—I am unable to answer.

Very respectfully, your obedient servant,

CHARLES S. SOULE,
Examiner.

HON. DANIEL MANNING,
Secretary of the Treasury.

No. 51.

GEORGE C. JOSLIN—Appointed Clerk, Boston, September 17, 1869; Assistant Appraiser October 25, 1871.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 12, 1885.

SIR: I have the honor to acknowledge the receipt of your circular of 9th ultimo, marked "strictly confidential," and containing twenty-four questions relative to the administration of customs laws, and beg leave to submit the following answers:

1. The rates of duty prescribed by law I believe have been within the last few years levied and collected, except in cases where honest differences of opinion have arisen between officers of different ports, when, until a Department decision was reached, an improper duty may have been levied.

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2. I know of no cases where specific duties are prescribed in which the full amount of duties have not been collected.

3. Textile fabrics are measured by the examiners with yard-stick to determine the widths for basis of classification and number of square yards, the lengths of pieces usually being taken from the tags on the pieces; but measurements of length are frequently made with yard-stick to guard against fraudulent lengths being marked on the tags.

4. I have no evidence of any collusion between importers and entry clerks or deputy collectors, but have known of cases where special agents of the Treasury have claimed that cases have been sent to the appraisers for examination which did not represent the balance of the invoice, but never heard of their proving collusion with officials at this port.

5. I have never seen or heard anything to lead me to believe that the weighing and measuring on the wharves has been improperly performed.

6. The collectors usually adopt the rates of duty suggested by appraisers who inspect the imported merchandise, and are therefore better able to judge what rates are applicable under the law; but the appraisers who see the goods are often in doubt what rate to apply, for the reason that many paragraphs of the present tariff law are open to two constructions, and many conflict with others. This, I think, accounts for the numerous protests and appeals to the Department, and for the suits brought by the importers against the Government; therefore, in my opinion, the present tariff law might be much improved. I have no means of knowing how many suits are now pending at the four principal ports named. I believe suits might be more speedily disposed of under the present system, and see no reason for the creation of any new tribunal.

7. In answering this question I will confine myself to dry-goods, with which I am most familiar. The failure to collect the full amount of duties due the Government arises from the fact that the plan is fast increasing for foreign manufacturers to establish agents in this country and consign to them all the goods they send here, refusing to sell to any other buyers in America, even for cash, thereby placing upon appraising officers the burden of ascertaining the market values, which, in many cases, is very difficult. I have no doubt that the failure to find the proper dutiable values has in the past been due in part to each of the reasons you suggest, viz., ignorance, indolence, and dishonesty on the part of some, but cannot believe that the higher class of Treasury or customs officers have had guilty knowledge of the returns of such dutiable values.

At the larger ports the local appraisers cannot possibly examine into the dutiable value of all imported merchandise, and must of necessity depend upon the faithful and efficient work of subordinates, and as a result, in case of inefficiency on their part, they certify, honestly themselves, to values which should in some cases have been increased. In the past, officers have, I know, been appointed to examine goods purely on political grounds, when they had no knowledge of the goods which they were called upon to examine, (one such case occurred at this port; officer since discharged,) and such being the case, it seems to me not strange that undervaluations should go undetected and loss result to the Government.

Probably undervaluations are practised at all of the larger ports more or less, in a less proportion at this port than others, for the reason that

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a very large proportion of the merchandise imported here is actually purchased. Silk goods are nearly all consigned to agents in New York, and are, no doubt, largely undervalued, and when advanced by appraiser the advance often falls in reappraisement on account of the manner in which such hearings have been conducted in the past, the importers in the line of goods in question all combining and testifying against the Government. I have endeavored to cover Questions 8 and 9 in the above.

10. There has been for the past two years more or less conflict of opinion in regard to elements entering into the dutiable value of goods, but little at present. Place, time, and standard are clearly enough defined by the statutes.

11. I should say that there cannot.

12. The examiner is primarily responsible. Salaries of examiners at this port are from $1,200 to $2,000. Appraisers at this port have always paid much attention to matters of value brought to their attention by examiners, special agents, and others, and to a great extent supervised the work of examiners in their methods of finding dutiable values.

13. I have no knowledge that any consul or other Government official has furnished false evidence of values to appraisers.

14. I believe that it cannot fairly be said that the failure to collect the full amount of duties due the Government has been occasioned by dishonesty, although it may have been the case in some instances.

15. In my opinion, corrupt practices have steadily decreased in the past ten years, and may still decrease with strict Department rulings.

16. Specific rates of duty should be applied, I think, to the fullest extent possible, and could be applied to very nearly the whole line of textile fabrics. The objections offered by many would be overcome and trade soon adapt itself to the new order of things.

17. I think not.

18. In the large consular districts I do not think it would be practicable to supply a sufficient number of officers to personally examine merchandise to be shipped to this country; in the smaller districts it might. Foreign governments would be likely to complain if American consuls caused delays in examining values of invoiced goods. The usual fee now exacted by our consuls for certifying invoices is 10*s.* 6*d.*, or $2.50.

19. I am firmly of the opinion that dutiable values can only fairly be left to be decided by appraisers; importers would complain and suffer by delays in receiving their importations if the question of value must go to higher authority for decision.

20. I beg leave to refer you to report of Examiner Dimond on this subject. Mr. Appraiser Rice has for a number of years paid special attention to this subject, but it is to be regretted that his illness precludes his being on duty. It has not been my province to study the wool question, and I should fail to do it justice.

21. At this port I believe that the payment of money to officers who inspect baggage of passengers is not practised at all. I have frequently heard it said that at New York such was the practice, and a few years since most of our travelling public preferred to land in New York on returning from trips abroad rather than Boston, one reason being that they had little difficulty in passing their luggage. It can be prevented by the enforcement of strict orders from the Department and the punishment of the guilty when detected.

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22. Lower rates of duty on many of the lines of goods would unquestionably lessen the undervaluations and dishonest practices.

23. The same reasons do not exist to so great an extent at the other large ports, and therefore not generally true.

24. Allowing that such returns have been made, they have been made by the officials mostly with honest intent, and no persons other than the buyers and sellers knowing the facts, there has been no one to complain. It was not owing to intentional neglect, but pressure of business prevented me from giving the questions a proper consideration at an earlier day. On account of the death of one appraiser and lengthened sickness of the other, our working force has been lessened, while the fall business has been heavy.

I have the honor to be, very respectfully, your obedient servant,

GEO. C. JOSLIN,
Assistant Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 52.

CALEB A. SMITH—Appointed Storekeeper, Boston, May 26, 1879; Examiner July 1, 1880.

PORT OF BOSTON, MASS.;
Appraiser's Office, September 20, 1885.

HONORED SIR: In reply to your circular of 9th ultimo, have the honor to state that each examiner is an expert only in his own department, devoting his time and attention to his immediate duties, and therefore unable fully and satisfactorily to answer all your inquiries. Can answer only in a general way. My duties are confined to invoices of merchandise from West Indies, west coast of Africa, Canada, and British Provinces, of great variety. All goods on which the rates are specific are easily passed; many others of "ad valorem" there is almost always a question, such as animals, beans, pease, casks, calcined plaster, old yellow metal, poultry, seal and fish oils, canned mackerel, game, hub-blacks, timber, pickets, wood pulp, old rubber, asbestos, canned berries, leather, calf-skins, lime, and many others. A merchant in July, 1883, wished to import a lot of old yellow sheathing-metal, looked over the tariff for rates, and decided it was T. I., new, par. 186—all composition metal, of which copper is the component material, 3 cents a pound. This he decided to be almost prohibitory. Old yellow metal was not mentioned in the tariff. August 3, 1883, it was ordered to be put at 10 per cent.; February 27, 1884, at 20 per cent., at which rate of "ad valorem" it remains. Another had a car-load of pease and beans from Canada, (they are not mentioned in the tariff,) supposed to be 10 per cent., as vegetables. The decision was 20 per cent., as garden-seeds. How as to split pease?—20 per cent. also. He replies, crude is 10 per cent.; manufactured, 20 per cent.; or pease, 10 per cent., as crude; split, manufactured, 20 per cent. To-day a merchant asks the duty on canned mackerel. The tariff says, "Mackerel, 1 cent per pound;" another section says, "Prepared fish, or preserved, 25 per cent." I mark 25 per cent. He appeals. Also, a similar case in calcined plaster, canned berries, &c. A lot of parts of skates, whole, were 45 per cent.; as parts

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to be put together, the importer claims at 3¼ cents. Appeals. In these and similar cases, continually arising, there would be little or no difficulty if the duty was specific instead of "ad valorem." There are six steamers a week besides passenger-boats and sailing-vessels from the provinces. The duties since the abrogation of the treaty, 1st of July, will be greatly increased over any previous year, to the great delight of our New England fishermen. With such a variety of merchandise, it is quite difficult to get satisfactory prices to *base* your dutiable value, which would be entirely obviated by specific duties and a simplified tariff.

Have no knowledge of bribery or corruption in any department.

A specific duty would be a preventative, as a foreign manufacturer could not enter them undervaluation as in ad valorem duties.

Our appraiser, Rice, has always been at his post early and late, and knows thoroughly the business of each examiner, and in his (examiner's) absence attends at once to his business, that there may be no unnecessary delay. The examiners are devoted to their duties, and attend to them as if it was their own business.

Consular reports are similar to a price-current; they give you a general price of the market, but they are not in the market as a merchant to buy. As there is always a marked difference between a price asked for quotations and a price obtained by an actual sale of merchandise, therefore they can only give you an approximate price as to value.

Specific duties would obviate, in a great measure, the necessity of consular reports of merchandise values.

Your obedient servant,

CALEB A. SMITH,
United States Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 53.

P. AMBROSE YOUNG—Appointed Examiner May 20, 1880.

CUSTOM-HOUSE, BOSTON,
Appraiser's Office, September 25, 1885.

SIR: Respectfully referring to your communication of the 9th instant, requesting information as to the classification of merchandise and the assessment of duties under the present tariff act, I have the honor to reply to the several questions contained therein as follows:

1. On coal-tar colors: There has been a systematic undervaluation of this class of merchandise, owing to the high ad valorem duty and the great difficulty in *proving* "true market values," the manufacturers selling to consumers in the United States only through their agents. This was very clearly shown by the action of the Berlin company in entering their manufactures at this port very largely under market values, as was shown, after a long and patient investigation by myself, before advancing the price of the merchandise to "true market value. Upon a reappraisement, after incontrovertibly showing the true value of the various colors by tests of dyeing upon silk, wool, and cotton, and determining by chemical analysis their composition and kind, the represent-

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ative of the Berlin company, who came to this country specially to contest these cases, was forced to confess to an undervaluation of from 10 to 50 per cent. Even this amount was not sufficient to bring the price of the merchandise to the "true market value," although accepted by the appellant board, because given under oath, as all subsequent invoices. Those immediately following the hearing, as well as up to the present period, have shown that the advance in values of from 50 to 100 per cent., as originally made, was correct. The remedy for this condition of affairs is a *specific* duty.

2. Have no means of knowing that the proper duty is not collected where *specific* rates are applied. This could not occur, in my opinion, unless by palpable fraud in the classification as to *kind* of merchandise or in weighing.

3, 4, 5, and 6. Have no means of becoming acquainted with the method of doing the business described by these questions.

7. I have reason to believe that coal-tar colors and varnishes are undervalued at New York. Merchants here have repeatedly asserted that they can get their merchandise through New York at lower rates than at Boston; but this statement is hardly susceptible of proof.

8. The failure has come about, I think, through a lack of harmony and a proper interchanging of views between the officials in charge and the examiners and chemical experts in the laboratory. This fault is very liable to occur when the drug examiner is not an expert chemist.

9. Have no means of knowing the action of the appraiser, except as to the class of merchandise which I examine, viz: Drugs, medicines, chemicals, dyes and dyestuffs, paints, oils, and such like preparations. I have always been cheerfully sustained by the appraisers at this port.

10. There is some conflict of opinion as to including in the dutiable value of merchandise the cost of the "outer covering" in which the article is purchased, and also the cost of transportation from an interior town, where manufactured, to the port of shipment, where purchased.

11. Have no facts by which I could give an answer to this question.

12. The examiner, whose duty it is to *personally* examine the merchandise, of which he is supposed to be an *expert*, is solely responsible for any undervaluation or false return of the merchandise examined. The appraiser could not personally examine or be an expert in all matters coming before him. The salaries of examiners vary. At this port one of the appraisers officially certifies to the correctness of the report made to the collector.

13 and 14. Have no definite knowledge of matters covered by these questions.

15. It is unfortunate, if true, of the venality of Government servants. I am of the opinion that if a servant of the Government was held strictly responsible for his work, and freed from the fear of favoritism, political or other interference, he would be much more likely to stand firmly to the principles of honesty and the honest enforcement of the laws. Rigid supervision by authorized Treasury agents is the only *safeguard*.

16. There is no doubt in my mind but that a *specific rate of duty*, wherever practicable, would not only largely, but in fact wholly, prevent bribery. Wrong or fraudulent classification, as to *kind* or quality, could be prevented by requiring the preservation of the samples examined. This rule I have adopted at this port with good results.

Specific rates, I think, could be applied to nearly, if not quite, all textile fabrics.

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17. Have no knowledge of false reports by appraisers, and, therefore, cannot say as to the effect of the law. I think it a wise provision of law that gives to the Government the power to take books and papers in case of fraud or fraudulent intent on the part of importers.

18. Yes. I deem it not only practicable, but of the greatest importance, that the consular agents at all the chief markets of the world should be furnished with samples (where practicable) of all merchandise of which the invoice is presented to them for certification, and, after verifying the invoice price with the market price, forward the sample, with all information concerning it, to the appraiser of the port where it is intended to make entry. This is especially important in the case of coal-tar colors and chemical preparations. After a short time the knowledge and experience acquired by consular agents would prevent unnecessary delay, and therefore furnish no cause of complaint from foreign governments. Consular fees in London and England are from 10*s.* 6*d.* to 15*s.* 6*d.*

19. I am of the opinion that the law as it now stands is sufficient, not only to protect the Government, but also the honest merchant, and should not be changed. Cannot see where an honest merchant could be benefited by a lengthy legal process which can be avoided, and all matters can now be settled by the Department under the present law, through a clear and honest statement of the facts in each case.

20, 21, 22, 23, and 24. Upon the matters referred to in these questions I have no definite information to communicate.

Very respectfully,

P. AMBROSE YOUNG,
Special Examiner of Drugs, &c.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 54.

JOHN W. NASON—Appointed Examiner January 19, 1872.

PORT OF BOSTON, MASS.,
Appraiser's Office, September 26, 1885.

SIR: In answer to your circular of the 9th instant, addressed to me confidentially, I have the honor to make the following report, answering the questions as propounded in their order.

Very respectfully, your obedient servant,

JOHN W. NASON,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

1. I have no evidence that the rates of duty prescribed by law and Department decisions have not been levied and collected.

2. To my knowledge, there is no such evidence.

3. Never having had any experience in the handling or examination of textile fabrics, I cannot say.

4. I have no evidence on this point.

5. The Department of weighing and measuring being entirely distinct from my own, I have no means of knowing.

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6. Upon this subject I am not informed, the collector having all records of such suits.

7. I have no evidence on this subject.

8. I have no means of knowing.

9. There is no evidence, to my knowledge, that the appraiser has reported to the collector false dutiable values.

10. To my knowledge, there has been no doubt or conflict of opinion in the appraiser's department respecting the elements to be ascertained in order to fix and to declare dutiable value. The standard is already defined by the statutes to fix duty and values.

11. I have no information of undervaluation.

12. The examiner is primarily and chiefly responsible for a false return of value to the collector. The salaries of examiners at this port range from $1,200 to $2,000 per year. The appraiser at this port is always consulted when an addition to value or change of rate is made.

13. There is no evidence to my knowledge.

14. As far as my information extends, I do not know of any cases where the tariff law has not been faithfully executed and the full amount of duty collected according to law and Treasury Department decisions.

15. If false valuations have come of bribery or venality, I have reason to believe that they will not be as successful in the future, as I now believe that an officer detected in receiving bribes will be punished according to the law.

16. In my opinion, specific rates of duty would entirely remove all temptation to dishonesty on the part of exporters and importers, and greatly simplify the collection of the revenue. As to textile fabrics I cannot say.

17. I have no information that false reports have been made by the appraisers.

18. In my opinion, it would be practicable for the American consuls at all foreign ports to verify to the correctness of invoice values, as they do now in some consular districts in printed form—namely, London, Liverpool, Glasgow, and Sheffield—but there appears to be no uniformity in the form of certificates. Some read thus: "I do further certify that I am satisfied that the person making the declaration hereto annexed is the person he represents himself to be, that he is a credible person, and that the statement made in said declaration is true." Other certificates read: "That the actual market value or wholesale prices of the goods, wares, and merchandise described in said invoice in the principal markets of the country at the time of exportation are correct and true." Other certificates are the same as the last-named, with this addition: "Excepting as changed by me, and as set forth in the column of consular corrections of estimates." The consular fee in England is $2.50.

19. I do not think that the executive or judicial powers should have greater jurisdiction to interfere with the ascertainment of dutiable values.

20. I would respectfully state that this can be better answered by the special examiner of wool.

21. Of this I have no information, except from the common report that the practice prevails in New York. If such practice exists, I see no remedy, except the strict enforcement of the penalty at present prescribed.

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22. In my opinion, the evidence *does* tend to show that the duty prescribed by law on many articles of merchandise has been carried by Congress beyond and above the line which the Government can surely protect.

23. I have no evidence that the Treasury Department has failed to enforce the revenue law at the other large Atlantic ports.

24. If false returns or reports to the collectors have been made, (of which I have no proof,) I am unable to state why the persons or officials concerned have not been indicted and punished.

No. 55.

EDWIN D. WHITE—Appointed Clerk, Boston, April 5, 1878; Examiner June 16, 1882.

PORT OF BOSTON, MASS.,
Appraiser's Office, September 28, 1885.

SIR: I have the honor to acknowledge the receipt of Department circular without date, marked "strictly confidential," containing certain inquiries in regard to customs matters, and to herewith submit the following replies thereto:

Inquiry No. 1.—I am unaware of any cases where rates of duty have not been levied and collected as the law requires, except in cases which have been reported to the Department.

Inquiry No. 2.—I have no knowledge of any evidence whatever that specific rates of duty have not been collected at this port.

Inquiry No. 3.—This can be more satisfactorily answered by the examiner of textile fabrics, which are measured.

Inquiry No. 4.—I am not informed of any recent case of collusion between persons making entry of goods and the customs officers designating packages for examination. Some four years ago I was somewhat informed as to a case of that character at this port, where one Herman Hirsh, of New York, and one Pollard, of the firm of Wood, Pollard & Co., of this city, were suspected of and finally indicted by the grand jury of this district for the fraudulent importation of silks and other expensive goods contained in the nine packages not examined, while the tenth package, designated at the inward foreign desk in the custom-house and examined by the appraisers, was found to contain free goods, or those paying a low rate of duty. The extent of the frauds was never fully known, but was large. The indictments are still in the hands of the United States attorney in this city, but have never been tried.

Inquiry No. 5.—I am not informed upon this matter.

Inquiry No. 6.—Many of the suits since the passage of the tariff act of March 3, 1883, have grown out of the constructions given by the Department in regard to the inclusions in the dutiable value of merchandise of the cost of coverings of such merchandise. I am of opinion that the number of suits would have been very much smaller, indeed comparatively insignificant, had this portion of the tariff been declared to mean, as many of the most experienced and ablest officers in the customs service originally interpreted it, the exclusion from duty of all coverings and the imposition of duty upon the naked merchandise; and that this was the intent of Congress in the framing of that act, in-

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asmuch as one of its chief purposes was to reduce the amount of the revenue and to do away with the smaller vexations to which importers were subjected under the old law. Inasmuch as the highest law officer of the Government has confirmed the Department in its original and later decisions, and one court at least has done the same, it would seem that the only remedy, if one is deemed desirable, is by further legislation. I am not informed as to the number of suits now pending in this district.

The establishment of a board of arbitration, as suggested in the inquiry, for the more speedy settlement of suits has been before the Department heretofore, and the opinions of the then leading customs officers of the country were submitted at the time. There seems little doubt that such a board of experienced and capable men would be very useful.

Inquiry No. 7.—I am unable to answer.

Inquiry No. 8.—I am unable to answer.

Inquiry No. 9.—I have no reason to believe that the appraisers at this port have reported to the collector false dutiable values, which answers also sub-inquiries 2, 3, 4, and 5, except in the latter case. I would state that inasmuch as the appraiser's return is presumed to be based upon his honest judgment, it would be very difficult, apparently, to successfully impute to him a dishonest intent, even if undervaluation should be discovered.

Inquiry No. 10.—Whatever confusion or doubt or conflict of opinion in this department respecting elements to be ascertained to fix dutiable value have arisen have been almost entirely in the matter of charges for coverings of merchandise. For instance, different importers of the same merchandise often claim that they purchase it in different conditions, some that the coverings are not a part of the market value of the goods when bought by them, and others exactly the opposite. This is particularly true of many small articles of earthenware and similar goods.

Inquiry No. 11.—I am unable to state.

Inquiry No. 12.—The examiner is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collectors in this office, and undoubtedly at the larger ports. The signing by the chief appraiser of the reports of examiners is of a routine and perfunctory character, and it would be simply impossible for him to personally prove the correctness of such reports.

Inquiry No. 13.—I could not state.

Inquiry No. 14.—I am not informed upon this matter.

Inquiry No. 15.—If bribery and venality have existed at this port in the past, taking into account the similarity of human nature at all times, it is fair to presume that it may still exist, but it certainly is well secreted at this port.

Inquiry No. 16.—A general change from ad valorem to specific rates of duty would be a benefit to the revenue, and would help to diminish a tendency to bribery, inasmuch as it would do away with the incentive to undervaluation. In the case of some textile fabrics, like silks, it might be well to add a slight ad valorem rate, in order to protect the American importer and consumer from frauds in the manufacture of such goods.

Inquiry No. 17.—It would seem to be almost self-evident that the repeal of the moiety law removed a great and ever-present stimulus to

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customs officers, added to the requirements of their oath and their sense of official obligations to be not only true to their trusts, but to exercise extra vigilance. I do not believe that its repeal made any difference with an honest appraiser, like Mr. Rice, at this port, but its general effect could be in but one direction, and that the wrong one. The fact that books and papers of importers suspected of fraud cannot be summarily seized, makes it almost impossible to ascertain whether they have actually purchased merchandise at the prices named on their invoices.

Inquiry No. 18.—I am not aware how large a force is attached to the office of American consuls in London, Paris, Berlin, and similar large districts, so that I could not say whether it is practicable for them to personally examine articles to be shipped thence to American ports and to verify the correctness of invoice values; but if that is impossible, it would seem a matter of propriety, and in the interest of good morals, that their consciences should not be subjected to the strain that they must be when they attach their names to a certificate of which the following is a copy, taken at random from a number of invoices: "I do further certify, * * * that the actual market values and wholesale price of the goods, wares, and merchandise described in said invoice, and in the principal markets of the country, and at the time of exportation, are correct and true as set forth in the column of consular corrections of estimates." There are consular ports where the exports to this country are confined almost exclusively to a single article, and it would seem that there could be no excuse for the American consul there resident not giving such a certificate which would be final and satisfactory as to the market value of such merchandise at the time of exportation.

Inquiry No. 19.—It hardly seems possible that a more correct decision could be reached than is now obtained as to dutiable values by the action of the appraiser, and, if asked for, by the importer, by the general and merchant appraisers, and finally by the collector himself. The examiner making the original report and the appraiser approving it naturally obtain all the information possible to establish what was the true and actual market value and wholesale price of the merchandise in dispute in the principal markets of the country at the time of exportation to this country, and *they* would seem to be the best persons to obtain such information, as would also a merchant familiar with the merchandise, and the general appraiser, not only familiar with the merchandise, but with the customs laws and regulations affecting it, to be the best tribunal from which an equitable decision could be expected.

Inquiry No. 20.—The wool examiner at this port, who has had a long experience with such merchandise, will undoubtedly fully answer this inquiry. From some familiarity with the merchandise and the practice of importers, I have been led to the conclusion that there is something wrong in the dividing line between third-class, or carpet-wool, and the higher goods. Improved machinery now enables manufacturers to comb wools which were formerly considered fit only for carpets, and there has been an apparent tendency of late to get into the country under the third-class rate invoices of wool a part of which, at least, can be combed, and it requires great watchfulness on the part of the examiner and appraiser to prevent such importations. The difference in duty is so large that the temptation to such a practice is very strong.

Inquiry No. 21.—I do not believe that the practice generally prevails, or prevails at all as a practice, among customs officers at this port, of

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receiving money from arriving passengers, except for customs dues, either to prevent or facilitate or hasten the examination of luggage. I have never heard of such practice here, although it is not uncommon to hear of such practice in New York, and, indeed, passengers arriving at this port, annoyed at the thoroughness of the examination of their baggage, have stated that the next time they arrive from abroad they should land in New York. No accusation of such a practice has been made at this port, to my knowledge, against any officer performing such service. The remedy appears to be in the prompt punishment and disgrace of the offending officer. The great difficulty in reaching a conviction in such cases is that the giver and receiver of the bribe, the passenger and the officer, are alike guilty; and inasmuch as such transactions are not generally heralded by brass bands, the evidence necessary for conviction is generally confined to the offending parties, who are equally liable to the penalties of the law.

Inquiry No. 22.—In some cases, probably, the rate of duty is too high as far as the necessities or objects of the tariff are concerned, but the instances are very few where the rates are too high for the Government to protect or collect. The higher the rate the greater the incentive to undervaluation and smuggling; as, for instance, in the latter case, the article of bay oil, of which so little pays duty, while so much reaches this country. In smuggling, it would not seem that high rates of duty govern, any more than the convenient condition of the article, like diamonds, for instance, although subject to low duty.

Inquiry No. 23.—New York is a very large city, and the history of all great aggregations of people is that the larger they are the greater the number of rascals, and in an increased ratio with such population, and as one successful crime tempts the vicious to emulate it, so the greater the city the greater must be expected the violation of revenue laws. For that reason, if no other, the failure of the Treasury Department to enforce the revenue law in New York has not been true to an extent proportionate with population at the other large Atlantic ports.

Inquiry No. 24.—I am not aware of any instance in which false returns or reports to the collector of dutiable values have been made at this port.

Very respectfully, your obedient servant,

EDWIN D. WHITE,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 56.

GEORGE KEYES—Appointed Inspector, Boston, July 31, 1877; Examiner, May 19, 1879.

PORT OF BOSTON, MASS.,
Appraiser's Officer, September 28, 1885.

SIR: I am in receipt of your circular letter requesting answers to various questions in regard to the collection of duties, and the manner in which business is conducted by customs officials, and, in reply, have the honor to state that for several years my duties have been confined to the examination and appraisement of one article of import, and the

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various questions connected with that article arising from time to time at this and other ports. As this article (sugar) pays more than one-third of the whole amount of duties collected at this port, and a large proportion of the revenue derived from customs at all the ports, and as the various matters connected with the examination and appraisement of this article require constant watchfulness in order to obtain correct samples and accurate tests upon which to base the rates of duty, I have had but little if any opportunity to obtain the knowledge of other kinds of imported goods or of the duties performed by other officials which would be necessary to enable me to answer intelligently many of the questions in your circular. I shall, therefore, only reply to those questions which I have reason to suppose my knowledge will enable me to answer in such a manner as to be of some value.

Answer to Question No. 2.—The article of sugar pays a purely specific rate, without reference to value, but it is very doubtful if the whole amount of duty as prescribed by Congress is collected upon it at all the ports of entry. This is owing, in my judgment, to the method of ascertaining the rate of duty by polariscopic tests. The polariscope is an instrument which is very delicate, and requires the most careful manipulation, and the least carelessness on the part of the person using it affects the results obtained. The article to be tested is itself affected by different states of the atmosphere and different methods of sampling. Samples drawn and tested in damp weather absorb moisture, and the test will be lower than in clear, dry weather. The mere action of a sampler in wetting his trier will affect the sample to be tested, and the Government may be the loser to a large amount in duties by such slight matters as these. In my opinion, the whole method of collection should be changed and a specific duty of one rate should be established upon all sugars not refined.

Answer to Question No. 5.—There is no evidence of false or incompetent weighing of sugar at this port. I have had occasion to know something of the methods of business pursued by the weighers of this article, and I am certain that, so far as my knowledge extends, the weighing has been accurately and carefully done. I have known of many cargoes of sugar which have been reweighed after the Government weigher, and I have never known an instance in which the Government weight was not fully up to the reweight, while I have known many instances where it was impossible for the merchant weigher upon reweight to obtain as high weights as those of the Government upon which the duties had been levied.

Answer to Question No. 6.—In 1881 the Secretary of the Treasury issued a circular asking for information of a similar character to that contained in this question, and I had the honor of receiving a copy and sending an answer to the same. I have never seen any reason to change the views expressed in that answer, which were in favor of the establishment of a board of arbitration for the settlement of customs cases, similar to the board of arbitration which are established by all boards of trade in the larger cities of the United States. Such a board would dispose of all cases much more promptly and satisfactorily than they could be settled in the courts of law.

Answer to Question No. 7.—There has been for several years an almost constant complaint among the importers at this port in regard to the lower rates of duty upon sugar at the port of New York. From cases which have come to my knowledge, in which a comparison could be

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made, I have been satisfied that there was some foundation for these complaints. Statements in regard to different cases have been presented to the special agents of the Department at different times, and changes have resulted from investigations pursued by them in New York. The present regulation requiring the exchange of daily statements of the classification of sugars between the ports New York, Philadelphia, and Boston has in a great measure prevented the cause of complaint.

Answer to Question No. 8.—The failure to collect the full amount of duty upon sugar at the port of New York has, in my opinion, been attributable to carelessness in sampling of the article more than to any other cause. There is no evidence of any guilty knowledge among the higher class of officials in regard to it.

Answer to Question No. 12.—The examiners at this port are primarily and chiefly responsible in the usual course of business for any false returns to the collector. The salaries of examiners at this port range from $1,200 to $1,800 per annum. The appraiser's department at this port is established with two appraisers and two assistant appraisers. The business of the department is divided, one appraiser being at the head of those having the examination of dry-goods or textile fabrics, while the other is at the head of all officers having the examination of other kinds of merchandise. The appraiser under whose direction my duties are performed (Mr. T. G. Rice) has always been much more than one who officially certifies to reports. He has always given constant attention to the duties of his office and the various questions arising in regard to imported merchandise, and never, to my knowledge, signs a report about which there could be a question without carefully examining into the merits of the case. The assistant appraiser under Mr. Rice (Mr. J. E. Jones) has never taken any responsibility, and is an officer who is considered by his subordinates inefficient and ignorant of the duties of his position.

Answer to Question No. 16.—I have no doubt that a change from ad valorem to specific rates would be a benefit to the revenue and help to diminish a tendency to all difficulties between importers and the Government.

Answer to Question No. 21.—Several years ago I was familiar with the examination of baggage at this port, and I am certain that during the period of my acquaintance with the matter there was never a payment of money to any officer connected with such examination. If such practices prevail at other ports, the remedy is to have carefully-selected men for the service, who would have more respect for their office than to lower themselves to the level of hotel waiters and porters. They should be held strictly responsible, and at the same time be supported by their superior officer in the performance of their duties.

Answer to Question No. 22.—I think the evidence tends to show that the rate of duty upon sugar has been carried by Congress above the line where the Government can surely protect itself. During the past year the duty upon sugar has been nearly 100 per cent. ad valorem. Such a rate invariably leads to corruption, and will always render dishonest importers powerful in evading the law.

I am, very respectfully,

GEORGE KEYES,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 57.

C. H. PINKHAM—Appointed Assistant Weigher November 11, 1869; Inspector November 24, 1869; Examiner October 14, 1875.

PORT OF BOSTON, MASS.,
Appraiser's Office, September 30, 1885.

SIR: In answer to your circular of the 9th instant, addressed to me as strictly confidential, and desiring careful and official replies to certain questions therein propounded, I have the honor to report that, after a careful examination of the different questions to which you call my attention, I find that I shall be unable to intelligently answer many of them, from the fact that my official connection with the customs service has been such that I have had no opportunity to become familiar with many of the subjects under consideration.

As some of these questions refer to the action of officials at the port of New York, and others refer to questions which can only properly be answered by the collectors or principal appraisers at the different ports of the United States, I shall therefore confine myself to answering and giving opinions on those with which I may be familiar, and in doing so will take them in their order as presented by you.

I have the honor to be, very respectfully, your obedient servant,

C. H. PINKHAM,
Examiner.

HON. DANIEL MANNING,
Secretary of the Treasury.

1. I have no knowledge that rates of duty have not been levied and collected as the law and Department decisions prescribe.

2. I have no knowledge or evidence that on articles paying purely specific rates the full amount of duty prescribed by Congress has not been collected.

3. In my opinion, by actual weighing, measuring, or count, as the case may be.

4. I have no evidence, but, in my opinion, such collusion is possible.

5. I have no evidence.

6. I am not in a position to answer, but, in my opinion, the collectors of the various ports can furnish the information required.

7. I am uuable to answer.

8. I am unable to answer.

9. I have no evidence that the "principal appraiser" at this port has ever reported to the collector any false dutiable values.

10. In my opinion, there has been recently confusion and doubt as to the elements which form the dutiable value of merchandise. This is due, in part, to the very many interpretations of the law of March 3, 1883, in reference to outside and inside coverings of merchandise, the question being whether cartons and other inside and outside coverings should be included in the dutiable value of the merchandise.

In the examination of merchandise which comes under my supervision, viz., a majority of the articles coming under the provisions of Schedule B of T. I., new, pars. 127, 143, there are many cases where there is great doubt whether cartons and other packing charges are an element of the dutiable value of merchandise contained therein. This applies more especially to decorated china and glass ware, &c., from the potteries and factories of Germany and Austria, and also to many

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classes of merchandise which are packed in cartons and other packing. It is often difficult to determine whether or not such merchandise is offered for sale in the foreign markets in the condition in which exported, and the best expert testimony will oftentimes be conflicting. This question has led dishonest merchants and manufacturers to attempt to reduce the dutiable value of merchandise by making an exorbitant charge for cartons and packing, in some instances the charge being 20 to 30 per cent. of the whole value of an invoice; and if such charges were allowed and deducted, the Government would be defrauded in large amounts. It therefore becomes necessary for the appraising officer to scrutinize these invoices with more than ordinary care, that the Government shall not be defrauded and shall receive its just dues.

In my opinion, it was the intention of the law-makers of the act of 1883 that only the naked goods should be dutiable but as the instructions of the Department are such that the condition in which merchandise is offered for sale in the foreign markets is the condition in which it shall pay duty, it is often a vexed question to the appraising officer to decide what the condition is in which many classes of merchandise are offered for sale in the foreign markets.

In my opinion, some action should be taken by the incoming Congress explanatory of the act of March 3, 1883, and to so simplify and interpret the law that any intelligent merchant or customs officer can act understandingly as to what constitutes the dutiable value of merchandise.

In my opinion, the place and time and the standard to be applied, other than as before stated, are clearly defined in the statutes for purposes of determining market values.

11. I am unable to answer, but in my opinion they cannot.

12. In my opinion, the examiner or the assistant appraiser is primarily responsible for a false return of value to the collector. The salaries of examiners vary at this port from $1,200 to $2,000 per year.

The appraiser ordinarily and in fact is the one who certifies to the collector the values fixed and reported to him by the examiners. At this port it is customary for the examiners to consult with the appraiser in regard to advances in market values.

13. I am unable to say.

14. If false values have been returned to the collector, and the tariff law has not been faithfully executed, and the full amount of duty has not been collected, the fault has certainly come of dishonesty, or possibly by an error of judgment on the part of the appraising officers; and in my opinion, the examiner or assistant appraiser would be primarily responsible for such returns; and if money is paid to officials to get false returns of dutiable values, it is more than likely paid by the importer or his agent.

15. If false returns have come of bribery, I know of no reason why similar influences will not be exerted in the future as in the past, and that the same influences would be as liable to be successful in the future as in the past. Personally, I have no knowledge of any such dishonest practices.

16. In my opinion, a change from ad valorem to specific rates would be a benefit to the revenue, and should be applied where practicable. This would tend to diminish the liability to false invoices and undervaluations, and, while the Government would be better protected, specific rates would, in my opinion, be much more satisfactory to all honest importers.

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17. I have no evidence or proof that there have been false reports by the appraisers, before or since the repeal of the moiety law in 1874.

18. In large American consular districts, such as London, Paris, Berlin, &c., in my opinion, it would not be practical to personally examine articles to be shipped to American ports, but at smaller ports, I am of the opinion, it would be practical, as the varieties of goods from smaller ports are usually few in number.

In the district of Tunstall, in Staffordshire, England, in my opinion, the consul would be able to ascertain the dutiable value of merchandise, especially of *staple goods*. In this district almost all of the potteries for the manufacture of English china, and earthen ware are located, large quantities of the product of which are exported to the United States. The usual consular fees in England are 10*s*. 6*d*., or $2.50.

19. I do not think that the executive or judicial power should have greater jurisdiction to interfere with the ascertainment of dutiable values, which is the basis on which the collector is to levy ad valorem rates.

20. As regards the duty on wool, I have no knowledge, and no means at my command for ascertaining the history of the several rates of duty since 1860, or the working of the same.

21. It is common report that the practice does prevail of the payment of money by arriving passengers at the port of New York for the purpose of hastening the examination of baggage, or, perhaps, for other reasons. It must certainly be for some service rendered by the inspector if such moneys are paid, and, in my opinion, this cannot be prevented by any enactment of law, but by the employment of officers to perform that duty who are intelligent, of high moral character, and who are above being parties to a practice which the law condemns and forbids.

22. In the absence of any evidence, I am unable to answer, but, in my opinion, the rate of duty on many articles is above a line which the Government can surely protect; and, in my opinion, the rate of duty on many articles should be reduced to a point that will protect the varied industries of this country, but should not, at the same time, make the importation of many kinds of merchandise nearly prohibitory on account of the high rates of duty. It then becomes an incentive for dishonest shippers and merchants to make undervaluations of merchandise, thereby defrauding the Government out of its just dues.

23. I think not, although it is possible that such may be the case at ports other than New York, but of course in a much less degree.

24. I know of no cases where correct returns have not been made of dutiable values to the collector. If there have been such cases, I am unable to say why such persons have not been arrested, indicted, and punished.

No. 58.

WM. H. DIMOND—Appointed Examiner October 22, 1883, and April 22, 1884.

PORT OF BOSTON, MASS.,
Appraiser's Office, September 30, 1885.

DEAR SIR: In answer to your circular of September 9, 1885, I have the pleasure and honor to reply:

1. As far as I have observed, there is no evidence that the rates of duty have not been levied and collected as prescribed, and, I believe, with great care.

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2. Do not know of any.

3. Am not familiar with the system of the dry-goods department at the appraiser's, but would suppose the examiner would carefully examine textile fabrics according to manner prescribed by Treasury Regulations.

4. Know of none. In my department (wool) think it impossible for any collusion between the entry clerk, deputy collector, and importer. In cases of invoices of, say, English combing-fleeces, or Scotch carpet-fleeces, sold in bulk, and packed in bags or sheets in England or Scotland, say 5,000 pounds to 50,000 pounds, or more, they would be in many packages, usually numbered from No. 1 up. Sometimes one range of numbers would be ordered up for examination, such as Nos. 1, 11, 21, 31, &c., or Nos. 5, 15, 25, 35, &c., or Nos. 10, 20, 30, 40, &c., or odd numbers in ranges, always one in ten of each range and marks. It would be difficult to arrange them in England so that a low quality of wool could be picked out of the whole lot to be sent for examination. It has been the custom at this port to examine merchandise in bonded warehouse, and in cases of large lots, say, 100 to 300 bales. I will go to bonded store, after the various marks are arranged and piled by themselves, to make the examination. I can then see more bales than one in ten, and draw my sample from a much larger number. In examining such lots of English and Scotch, it has been my custom to take out whole fleeces, examine by opening the fleeces, take off enough from each for my sample, return balance to bale. By so doing I can better determine the classification and value of wools that come near the line between second class, or combing-wool, such as Scotch cheviot, and third class, or carpet (Scotch) wool, as Blackface Highland fleeces. Merino wools from Australia, Monte Video, &c., are assorted and packed in the country of production according to fineness of fibre, and sometimes bales will run lighter and brighter than others of same clip and mark, and all grown on same ranch from same sheep. The same system in ordering examination bales of Australian, Monte Video, East Indian, or carpet wools from Turkey, &c., in original packages exists, and I have sometimes found better wool among the examination bales than the general run of the whole lot.

5. I know of none. In an experience of some fifteen years as clerk of an importing house, have come in contact with many of the weighers on the wharves. Have never noticed any false weighing, or had occasion to question the weights as returned by Government weighers, though our books always showed that *merino* wool will invariably overrun the invoice weights, and a collection for excess of weight was always paid. On the contrary, all *cross-bred* wools from Australia and New Zealand, and combing wools (2d class) from England, will always fall short. Importers, in estimating costs of such, usually allow from 1 to 3 per cent. for loss in weight. Buyers of *merino* (1st class) are not willing to take Government weights, well knowing that after a few days from landing the wool will not hold out in weight, and on arrival at mill claims would be made on importer.

6. Am not familiar with the collectors' suits, &c. The Tariff Commission, in their report of December, 1882, vol. 1, page 42, recommended a "customs court" for such cases, and it appears to me to be a good thing. The testimony of Mr. Thos. G. Rice, appraiser in Boston, vol. 1, page 724, is confirmatory of same. There have been wool cases in question between the Government and importers, in which the im-

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porters have been sustained, where the loss, by delay and detention, of changes in the market, expenses, damage by moths, was very large; in one case of Cordoba wool, nearly $50,000, upon which there was no redress.

7. Do not know.

8. Do not know.

9. There certainly has been none in the wool department here since I have been an examiner. Am always pleased to receive ideas and reports of values, &c., of wool from special agents or consuls, in order to compare their reports with my judgment of the value and the classification.

10. I know of none, unless it be a doubt as to the market value of wool at the time and place of shipment. If we could have regular prices-current of wool in London and Liverpool, from regular and responsible brokers, and catalogues of the East India carpet-wool sales in Liverpool, it would be of great assistance. I *do now* have catalogues of the Australian London wool sales, sent by consul at London; also a report from Consul Grinnell, at Bradford, England; a price-current from Wedkind & Wilson, London, and one from H. Caune, Marseilles, probably sent by consul there. Several brokers in London and Liverpool, as Messrs. J. L. Bowes & Bro., Windeler & Co., Ronald, Son & Co., &c., publish prices-current, &c., and I would like to have them. Their reports were formerly sent here, but the practice has been discontinued. The place and time and the standard to be applied are well known, and it remains for the examiner to keep posted upon the market values at ports of shipment.

11. Think not. Samples of wool importations are kept into the second year after drawn—that is, the samples for 1883 were delivered to such importers as cared to call for them at the end of the year 1884, and the samples for 1884 will be so disposed of at end of 1885. Those not called for are turned over to collector, to be sold at auction as unclaimed merchandise. The invoices can be found any time, but beyond that time the samples could not be got.

12. Should think the examiner would be chiefly responsible in the appraiser's department of such magnitude as Boston, New York, Philadelphia, &c., where it would be next to impossible for the appraiser to view every invoice and examination package. The salaries are not evenly distributed among the examiners; they vary considerably. In my experience Mr. Rice, the appraiser at this port, has always given his personal attention to all cases where a question has arisen, and I make it a rule to always call his attention to any case that varies from the regular routine, even if there is no change to note.

13. I do not know. I believe none in regard to wool invoices since my connection with the department.

14. It is stated in Ex. Doc. 101 that there were large inportations of Scotch carpet-wools which were said to be undervalued. A lengthy report was made by special agents and consuls, all of which appears in evidence. I learn that a lot of Cordoba South American (3d class) carpet-wool to Boston, on which was a question of undervaluation, was decided in favor of importer; but it has been a mystery how certain Scotch wools could be imported under the low duty to Philadelphia.

15. Would suppose the publicity given to importations to Philadelphia spoken of in Ex. Doc. 101 would prevent any repetition of the operation.

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16. Specific duties can be more surely collected when the nature of the article is such as to make it practicable to impose such.

17. I do not believe so.

18. Think it would be difficult. Think it would be better for consuls to certify to invoices of merchandise sold in their own consular districts. For instance, there have been invoices of wool, bought and packed in Scotland and shipped from Glasgow to Boston, which were made and certified to at Bradford, England, the home of the branch house of the Boston firm of importers. Fees on several invoices of wool now before me, as follows: Marseilles, $2.50; Liverpool, $2.50; Bradford, $2.50; London, $2.50; Valparaiso, Chili, $3.50. No mention of fee on invoices from Buenos Ayres or Smyrna.

19. In my judgment, it would be not judicious to make any change, as, if the appraisers or examiners were capable men and well posted in their respective departments, it would only tend to delay and complicate matters.

20. The tariff law in force in 1860 provided for a duty on "wool, unmanufactured, and all hair of the alpaca, goat, and other like animals," costing under 18 cents per pound, 5 per cent. ad valorem; over 18 cents per pound and not over 24 cents per pound, 3 cents per pound; exceeding 24 cents per pound, 9 cents per pound. Under this law, the importations of wool were principally confined to carpet-wools from South America, Russia, Turkey, &c., which are always of a low value and came in under the 5 per cent. ad valorem rate of duty, and fine wools of a low cost from the Cape of Good Hope and Montevideo, and paid 3 cents and 9 cents per pound. This law was in force till the act of March 2, 1867, in which the classification by race or blood was made and the compound of specific 10 cents and 12 cents per pound and ad valorem 10 per cent. and 11 per cent. duty on first and second classes and a specific duty of 3 cents and 6 cents per pound on third-class wool was made. The importations of carpet-wools have not decreased, but largely increased with the increase of carpet-machinery. The importations of better wools from Australia and New Zealand have enormously increased, while Cape wools have fallen off. The importations, also, of combing English fleeces for worsted spinning have very largely increased.

The new classification of merino (class 1) and English combing fleeces, (class 2,) which was the result of an agreement between the wool-growers and worsted combing manufacturers, by which (class 1) merino clothing-wool must be imported unwashed to enable it to be brought in at 10 cents per pound, when combing (class 2) and carpet (class 3) could be brought in washed at the low rate of duty, makes it imperative for the buyer in London or Melbourne to be very careful about selection of the choicest and lightest unwashed wool, in order to come under the 10-cent or 12-cent clause, they having no chance to buy good washed colonial wools, on account of double duty.

A large amount of money has been made by importers under the tariff, but manufacturers cannot compete with the European manufacturers, who can have the choice of light, washed, first-class wool which is practically prohibited here.

There has been no change in tariff legislation since then, except the repeal of the discriminating duty of 10 per cent. additional on wools grown east of the Cape of Good Hope, until the act of March 3, 1883, when the ad valorem duty was stricken out on first and second class

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wools, and a reduction of one-half cent and one cent per pound on third-class wool was made. The dividing line between the value of first and second class, paying 10 cents per pound and 12 cents per pound, was reduced to 30 cents from 32 cents per pound, cost.

There is but little first-class washed wool imported during the year 1884, but $3\frac{1}{1000}$ per cent. of the whole importations of class 1 wool was washed, while all the second-class wool was washed.

I have made a table of the importations of wool for 1884, which is annexed. I forwarded to Mr. Tingle, special agent, with several reports, speeches and data furnished by Mr. Rowland Hazard, Providence, R. I., and prices-current, annual reports, &c., by Mr. George William Bond, of this city, which will be very valuable to him.

Recapitulation of Importations of Wool for 1884.

Classification.	Bales.	Pounds, (unwashed.)	Value.
Class 1—Merino wool	30,078	11,431,151	$2,729,461
Of which were washed	85	35,525	14,934
Class 2, (washed)	5,555	3,078,442	721,282
Class 3	33,379	15,944,287	1,785,301
Of which were washed	12,558	4,275,736	608,587
Miscellaneous, camel's hair, raw, noils and tops, waste, and cattle-hair	5,308	2,325,853	593,155
Total importations	74,320	32,779,733	5,829,199

21. It would seem possible to prevent such by having as inspectors of baggage, &c., only such men as are reliable, honest, and above suspicion, and to enforce a penalty against the passenger giving and the officer accepting a bribe.

22. Do not think so.

23. Think not, in Boston, for, as stated in answer to No. 1, think great care has been exercised at this port.

24. Should judge, if so, the importer would not make complaint, but if men of strict integrity and ability were in official positions and only did their whole duty, there would be but little to complain of.

My replies to your several questions have of necessity been more closely confined to my single department, and for the time I have been examiner, namely, two years next month. In conclusion, I will say that I think the business in Boston has been honestly done.

Very respectfully, yours,

WM. H. DIMOND,
Examiner of Wool.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 54.

J. T. LEARY—Appointed Clerk and Sampler October 15, 1879; Examiner May 7, 1880.

PORT OF BOSTON, MASS.,
Appraiser's Office, September 30, 1885.

SIR: Respectfully acknowledging the receipt of your circular, marked strictly confidential, containing certain queries to which full and complete replies are requested, I have the honor to state that as I have charge of the sugar laboratory, and as my time is fully occupied with the duty of testing sugars by the polariscope, I have had no opportunity of acquiring such a knowledge of the subjects covered by your inquiries as would enable me to make a satisfactory reply. I will endeavor to reply as far as my limited knowledge will permit.

Question 1.—I have no evidence that the rates of duty prescribed by law have not been levied and collected.

Question 2.—I know of no articles paying purely specific rates of duty upon which the full amount of duty has not been collected.

Question 3.—Textile fabrics are either weighed or measured, as the case may be.

Question 4.—I personally know of none, nor have I ever heard rumors of such during the period of my employment.

Question 5.—I have only heard of one instance of incorrect weighing on the wharves, and the weigher was dismissed in consequence.

Question 6.—In regard to differences between importers and collectors out of which have grown suits I have not sufficient knowledge to venture an opinion as to whether the law needs amendment or not. I cannot tell how many such suits are pending in either of the ports named; I cannot tell as to the duration of these suits. A proposition was made some two years ago to establish a separate tribunal, to have jurisdiction in customs cases only, which would thus relieve the docket of the circuit court, and hasten the settlement of cases arising from differences between importers and collectors.

Question 7.—I cannot specify the class of articles upon which the full amount of duty was not collected in New York.

Question 8.—I do not know.

Question 9.—I do not think the appraisers at this port have reported false values to the collector. I am not aware that the appraisers' returns of dutiable values have ever been questioned, or reported against, by the special agents of the Treasury.

Question 10.—I am not aware that there is, or has been, any conflict of opinion in this office between the appraisers and their subordinates as to the elements to be ascertained in order to determine the dutiable value. The opinion has been held that the intent of Congress in the tariff of 1883 was to make the dutiable value of imported merchandise the value of such merchandise exclusive of all charges for packing, packages, cartons, sacks, or coverings of any description whatever.

Question 11.—No.

Question 12.—The examiner is primarily responsible for a false return of value. His salary is from $1,200 to $1,800 per annum at this port. In most cases the appraiser can have but little knowledge, but at this port he is frequently consulted, and the reports of examiners are carefully scrutinized by him before receiving his indorsement.

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Question 13.—I do not know that any Government officials have assisted in the presentation to the appraisers of false evidence of foreign values.

Question 14.—I cannot answer.

Question 15.—It is presumable that they would.

Question 16.—The substitution of purely specific for ad valorem rates of duty would, in my opinion, be a benefit, and secure to the honest importer protection, and to the Government a more exact collection of the revenue. With such rates of duty, the honest importer would be enabled to know exactly the amount of duty to be paid, and could dispose of his merchandise without the vexatious delay which the settlement of the dutiable value now entails, while the dishonest would no longer have the opportunity to defraud the Government out of its just dues by the presentation of false invoices and undervaluations.

Question 17.—As the "moiety law" was repealed before my entrance into the service, I have no means of comparison.

Question 18.—I think it would be next to impossible for consuls to make such examinations as referred to, though I think it might be done in some instances. I do not know in which of the consular districts this is possible, but believe there are many districts in which the number of articles of export are few in number, and in such cases it would be possible to determine positively the correctness of invoice values. The fees for certifying to invoices are in London $2.50 for each invoice.

Question 19.—In my opinion, it would not be desirable to change.

Question 20.—I have no means at my command of preparing such a report on the wool question as you request.

Question 21.—In regard to the practice referred to by passengers arriving from abroad, I have no personal knowledge, as I have never had any experience on the wharf, but I presume it does occur.

Question 22.—The only article of imported merchandise with which I have to do is sugar, which yields a large portion of the revenue. Being an article which is highly taxed, the temptation to evade the law and secure lower rates of duty is very great. The act of March 3, 1883, fixes the method by which the rates of duty shall be determined, and if the sugar is honestly sampled and tested there can be no opportunity for successful attempts at fraud. If the officers of the Government are honest and do their duty fairly, the Government must, and in my opinion does, receive the full amount of duty to which the merchandise is liable.

Question 23.—I am unable to answer this question.

Question 24.—As stated, I am not aware that false returns have been made to the collector, the appraiser at this port being an able and conscientious officer, who is thoroughly informed as to values, with long experience and good judgment to aid him.

Very respectfully, your obedient servant,

J. T. LEARY,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 60.

C. G. FITCH—Appointed Clerk June 3, 1872; Examiner March 19, 1880.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 1, 1885.

SIR: In reply to your circular letter propounding twenty-four questions, I respectfully beg leave to reply to them in their respective order, as follows:

1. I know of no evidence to the contrary.
2. There is no satisfactory evidence.
3. In the examination of the merchandise which comes within my province, viz., machinery, fruits, and liquors, I am not brought in contact with the examiners of textile fabrics, and am unable to state what tests are applied by them to verify the measurements.
4. There is no evidence at this port of any such collusion, but it could be easily accomplished if the customs officials and the importers were so disposed.
5. Know of no evidence or case in proof.
6. Have no knowledge, as the several inquiries come more especially within the jurisdiction of the collector of the port than of the appraiser's department.
7. Know of none within my personal knowledge.
8. Know of none within my personal knowledge.
9. Know of none within my personal knowledge.
10. Doubt has sometimes existed as to the proper interpretation of the Treasury decisions, especially in regard to the coverings of merchandise. Second. It is.
11. I know of no cases of undervaluation by the appraisers.
12. The examiner. Second. Yes. His detailed supervision is constant, and cases referred for his decision daily, and might say hourly.
13. None that I know of.
14. I know of no such false returns nor guilty connivance with Treasury or customs officials at this port.
15. No attempt to bribe or induce with consent to false returns or undervaluations is within my knowledge.
16. In my opinion, it would, as a whole, prove an equal benefit to the Government and the importer. It would effect an easier collection of revenue, and largely reduce the number of cases now referred to the Treasury Department and Federal courts for decision.
17. Know of no false reports at this port.
18. In the large European ports, where there is such an endless variety of merchandise shipped from thence to this country, it would be almost impossible for the consuls to personally examine the articles shipped and verify the invoice values; but in the smaller ports, where the value of the articles exported is comparatively few, they could easily find the true market value, and so make the consular certificate of some value and assistance to the customs officials, which is not now the case. Fees, 10*s.* 6*d.*, or $2.50.
19. With honest officials and the existing law fully complied with, I think the interests both of the Government and the importers are fully protected.
20. I can give no answer that would be of value to you.

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21 and 22. The examination of baggage and the knowledge of duties collected does not fall within my official duty or observation, and only know from rumor that such practice largely exists at the port of New York. As both parties, the briber and bribed, are amenable to the law, it behooves each to shield the other. As a preventative, officers should be appointed who are above corruption, and who would report to the proper authorities any person offering a bribe, upon whose head punishment should follow swift and sure. A few examples would soon break up this demoralizing practice.

23. I know of no failure to enforce the revenue law at this port. Have no personal knowledge of what has occurred at other ports.

24. I know of no false returns of dutiable values made to the collector of this port.

Very respectfully, your obedient servant,

CHARLES G. FITCH,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 61.

C. W. C. RHODES—Appointed Inspector July 11, 1867; Storekeeper January 6, 1869; Examiner June 24, 1880.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 2, 1885.

SIR: In reply to your circular of the 9th ultimo, desiring replies to certain inquiries therein, I have the honor to state that after careful examination of the different questions propounded, I find I shall be unable to answer many of the questions satisfactorily, from the fact that my official position in the customs service has not brought me in contact with the subject-matter contained therein. I therefore beg leave to confine myself to such questions as I may be familiar with, and in so doing will take them in their order as presented in the circular.

Very respectfully, your obedient servant,

C. W. C. RHOADES,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

1. So far as my knowledge extends, I believe the rates of duty have been levied and collected as prescribed by law and Department decisions.

2. I have no information which would lead me to suppose that on articles paying purely specific rates the full amount of duty prescribed by Congress has not been collected.

3. By measurement, weighing, or count, as the rate of duty may require.

4. I have no such evidence; and while admitting such collusion might be possible, in my opinion there is no such practice at this port.

5. I have no such evidence.

9. I know of no evidence that the principal appraiser at this port has ever reported to the collector any false dutiable values.

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10. There has been conflict of opinion in appraiser's department which, I think, arises principally from the ambiguity of the tariff law.

12. In my opinion, the examiner or principal appraiser is primarily responsible for a false return of value to the collector. The salaries of examiners at this port range from $1,200 to $2,000 per annum. At this port the appraiser certifies to the collector the values fixed and reported to him by the examiners. It is also the practice for the examiners to consult with the appraiser in regard to advances in market value.

13. I have no such information.

14. If false values have been returned to the collectors, and the tariff law has not been faithfully executed, and the full amount of duty collected, it might come of dishonesty, or possibly by error of judgment, or absence of the necessary information unobtainable at time of examination, which, I think, would be an exceptional case, and, in my opinion, the examiner would be responsible for such returns; and if money is paid to officials, I should judge the importer or his agent would be more than likely the one to furnish the money and pay it.

15. Personally I have no knowledge of any such bribery; but, if such has been the case, I know of no reason why it cannot be repeated as successfully in the future as in the past, providing the same corrupt official retains his power.

16. I am of the opinion a change from ad valorem to specific rates would be a benefit to the revenue and the importer where it can be practically applied, protecting the Government from false invoices and the honest importer from dishonest ones. In my opinion, it could not justly be applied to all textile fabrics.

17. I have no knowledge that the appraiser, either before or after the repeal of the moiety law in 1874, ever made any false reports.

18. In large American consular districts, such as London, Paris, Berlin, &c., I am of the opinion that it would not be practical to personally examine articles to be shipped to American ports; but in smaller ports, where the articles exported are few in variety, I am of the opinion that it would. I am also of the opinion that our consuls in most ports could furnish much more information than they do, which would be invaluable to the appraisers in determining correct dutiable value.

19. I do not think that the executive or judical power should have greater jurisdiction in the ascertainment of dutiable values, which is to be the basis on which the collector is to levy ad valorem rates.

21. I am of opinion that the practice does not prevail at this port to any extent, if at all, having had considerable experience both as an inspector and appraising officer at the arrival of foreign passenger-steamers. It is currently reported that the practice does exist at the port of New York for the purpose of hastening the examinatian of baggage, and I know of no way of preventing it other than the employment of such officers for that duty whose moral character will prevent them from aiding and abetting in a transaction which Government relies upon them to prevent and the law condemns and forbids.

22. In the absence of any evidence, I am unable to answer; but, in my opinion, the rate of duty on many articles should be reduced, not so low as to injure the varied industries of the country, and at the same time not so high as to make importation of some merchandise nearly prohibitory. On account of excessive rates of duty, it would have a tendency to induce dishonest importers and shippers to undervalue their merchandise or otherwise evade the law.

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23. In my opinion, it is not, although possibly such may be the case at other ports in a less degree.

24. I have no evidence of such false returns. I am unable to say why such persons, if any there be, have not been arrested, indicted, and punished.

No. 62.

WALTER S. GLOVER—Appointed Assistant Sampler May 26, 1879; Examiner June 11, 1883.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 2, 1885.

SIR: I have the honor to acknowledge the receipt of your circular of August 27, 1885, in which you propound certain queries, with a request for full and complete replies.

In compliance with your request, I beg leave to state that I am employed as an assistant in the sugar laboratory, and as the only merchandise of which I have any knowledge is sugar, with which my time is fully occupied, I am unable to reply to the questions in a manner that would satisfy your inquiry.

As an employé in the sugar laboratory, I have no opportunity of acquiring a knowledge of the application of customs laws to imported merchandise, nor means of ascertaining whether the existing laws are fully complied with, and the proper amounts of duty collected. Will endeavor to answer questions the best I know.

Question 1.—My knowledge as to this question is that all duties have been collected as the law directs.

Question 2.—Can give no reason why duties have not been collected to the full amount where they pay a specific rate.

Question 3.—The manner in which invoice measurements are verified on textile fabrics is by actual weight or measure.

Question 4.—Have no means of knowing if such collusion exists.

Question 5.—As to weighing and measuring on wharf, believe that it is conducted in a business-like manner. Know of but one case where there has been trouble, and in that case the officer was discharged.

Question 6.—I can see no way of giving information in regard to above question.

Question 7.—I cannot specify articles on which duties have not been correctly levied. I do not think I could point them out correctly, if there are any such.

Question 8.—I cannot answer.

Question 9.—I have no evidence of such having occurred.

Questions 10 *and* 11.—My position is such that I have no knowledge to aid in giving a correct answer.

Question 12.—The examiner is, in my opinion, responsible in the usual course of business, in fixing the dutiable value. Their salaries are from $1,200 to $2,000 yearly. The appraiser is one who, after the examiner has verified the merchandise and values, certifies to the same after careful consideration.

Questions 13, 14, *and* 15.—I am unable to answer.

Question 16.—As to a change from ad valorem to specific rates, my opinion is that on all articles to which said rates could be applied would result in an increase of the revenue.

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Questions 17, 18, 19, *and* 20.—I have had no opportunity of gaining knowledge as to the above questions.

Question 21.—I have never heard of any bribery of officers on the wharf by passengers arriving at this port, but think there may be. If there are any dutiable goods, they are sent to the proper place for examination by the officer in charge, and no fee is to be paid, his compensation from the Government being sufficient.

Questions 22, 23, *and* 24.—I cannot answer.

Very respectfully, your obedient servant,

WALTER S. GLOVER,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 63.

THOMAS H. DUNHAM, JR.—Appointed Examiner November 1, 1883.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 3, 1885.

DEAR SIR: In answer to your instructions of the 9th ultimo, that, for a specific purpose, you may have "careful and official replies" to certain enclosed inquiries, I take pleasure to comply as there detailed:

1. The evidence that the duties have not been fully collected arises from the application of ad valorem duties on certain classes of goods, when specific duties would have produced an exact and uniform amount on the same goods of equal measure and weight.

2. Decisions of the Department, rendered under a possible misapprehension of the facts, have caused purely specific rates, as prescribed by law, to be changed to an adverse ad valorem rate.

3. Your respondent has never had the examination of textile fabrics, and therefore cannot say.

4. No knowledge of any is held by your respondent of collusion between the importers or other persons and customs officials with the intent mentioned.

5. Your respondent knows of none.

6. Statistics have not been in possession to enable me to answer these queries; but it seems practicable, with our present knowledge, gained by such long experience, that more speedy and satisfactory decisions and decrees could be obtained by some different method or tribunal where facilities might be made for the ascertainment of the intent of Congress than is now accomplished through the existing slow, because of its overburdened, judicial system. It is thought the Attorney-General, the Solicitor, the district attorney, and the collectors could bring the cases to a much more speedy end, and the Government receive its dues more promptly.

7. I have no knowledge through which to answer these questions.

8. In its application to this port, I should say that the failure to collect the entire amount of duty is because of the action taken by the Department, such as one Assistant Secretary deciding on an appeal in favor of, and another Secretary adversely to, the Government on the same kind of merchandise. Both cannot be right, and the first decision is as often right as is the second. In fact, the methods of appeal

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from the collector and appraiser, such as the importers appearing personally and by attorney before the Department and there pleading their cases, is prolific of injustice and loss to the Government.

9. No case of the kind has come to my knowledge.

10. To the question contained in the first part of this article, I reply in the negative; to the latter part, in the affirmative.

11. No undervaluations are now known to exist to your respondent, and those that have existed were brought before the proper tribunal without his personal or official connection therewith.

12. Under the present system the examiner is responsible. The salary of your respondent is $1,400 per annum. As the examiners have separate classes of goods to scrutinize and report upon, the aggregate number of questions of doubt that arise with them at large ports of entry is necessarily great; and as these questions go to the appraiser for him to deliberate upon and solve, so he must be an encyclopædia of rates of duty, classifications, and values, and decide them rapidly, or he will not have time to certify to the current reports, much less inspect them. The assistant appraiser should have the duty, in addition to any other he may now have, of inspecting, and, if need be, cause the revision of any and all reports made by the examiners, and thus become, what he now is not, responsible with the appraiser and examiner for errors of his own committing that may be found in reports to the collector.

13. None, to my knowledge.

14. I have never known of such.

15. If any now exist, I should say that changes from ad valorem to specific duty would aid materially in its future prevention.

16. Yes, emphatically, except in the case of textile fabrics. This class of goods not being handled by your respondent, he is not qualified to judge. The ascertainment and finding of dutiable values may be said to be more fruitful of dissatisfaction than that of all other causes combined, and bears a like relation to the customs that the old income-tax did to the internal revenue.

To transfer any considerable quantity of goods to specific duty, without doubt would necessitate an increase of the force of weighers and gaugers; but it is equally safe to predict that the existing amount of duty, nevertheless, would be maintained.

17. It is believed that any false reports by appraisers in consequence of the repeal of the "moiety act" of 1874 have been offset by reduced rates and additions to the "free-list" by legislation since that date.

18. It is impracticable. While an American consul should be something different from an "ornamental representative" of this Republic, it would seem that the qualifications of a detective is not necessary; that he should be in harmony with all other customs officials, especially in time of peace; and with his own Department he should be exact, prompt, and watchful. In fact, a full compliance with the requirements of the existing rules and regulations, as far as lies in his power, certainly would be satisfactory.

19. Only in so far as to aid, if possible, the appraisers in the finding of a true value.

20. A different examiner from myself has the supervision of all the wool that is entered at this port. I respectfully would refer this question to him. His name is W. H. Dimond.

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21. No charges have been made against any official at this port to the knowledge of your respondent. He, therefore, presumes that the present system is efficient and the employés satisfactorily honest.

22. In reply, I would say that the amount of smuggling, if any, is so trivial that it is buried out of sight in the question of valuation, and therefore need not be feared.

23. Not knowing the reasons for the failure at New York, I cannot say, but believe that the Department is fully able, and at present does enforce the revenue law at this port.

24. No such returns or reports are known to the writer as having been made.

I am, very respectfully, your obedient servant,

THOS. H. DURHAM, JR.,
Examiner.

HON. DANIEL MANNING,
Secretary of the Treasury.

No. 64.

J. W. TRAFTON—Appointed Clerk July 31, 1875; Examiner September 2, 1876.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 5, 1885.

SIR: I have the honor, in reply to circular from the Treasury Department marked "strictly confidential," of date September 9, 1885, to make the following statement:

1. Article 336 of the Treasury Regulations prescribes that "the clerks of the collector and naval officer charged with the examination of entries will compare the classification made by the importers with the description of the goods given in the invoice, and see that the several articles are entered at the rates provided by law." This duty, if performed at all at this port, must be done, generally, in a very hurried manner, and my own opinion is that the entry clerk passes the entry as marked by the importer, without any examination whatever; consequently, if the invoice offered for entry is one covering the same kind of goods, but paying different rates of duty, depending upon the cost per square yard, and requiring some little work to mark the invoice correctly, the importer is allowed to make entry at one rate of duty. This is always corrected at this office by each examiner in making his report upon the invoice, and I have no knowledge of any loss to the Government in consequence, but so long as the regulations require the invoice to be classified as correctly as possible without seeing the goods, the provisions of the article should be enforced.

2. I have no knowledge of any kind of merchandise being passed at other than the rate of duty prescribed by law.

3. The invoiced measurements of all textile fabrics are generally accepted as being correct, except in such instances where a doubt as to the honesty of the importer or the correctness of the invoice may arise, and then the goods are measured.

4. I have no evidence of any collusion between any person making an entry of merchandise and the deputy collector or entry clerk; but as there is nothing to prevent such collusion, think the law should be

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amended so that the naval officer should designate a certain number of packages for examination in addition to those ordered up by the collector.

5. I have no means of knowing the manner in which the duty of weighing or measuring goods on the wharf is performed.

6. In my opinion, the law as it now stands is sufficient to secure justice both to the importer and the United States Treasury Department. In regard to the number of suits on file, have no information whatever.

7 and 8. Silks and German dress-goods. It is a fact that our Boston importers can buy these goods in New York cheaper than they can land them. This probably arises not from dishonesty of officials, but from the difficulty of getting the correct foreign values of these goods.

9. Have no reason to believe that the appraisers at this port have ever reported false dutiable values.

10. Since the act of March 3, 1883, went into force there has been a great deal of doubt and conflict of opinion in regard to the dutiable value of various articles of merchandise, par. 7 of section 2513 being generally construed by all importers as intending to relieve them from the payment of duties on all cartons and coverings of all kinds, no matter whether necessary for the proper marketable condition of the merchandise or for its protection while in transit; consequently, an act which was intended for the partial relief of an importer has been taken advantage of by them in various attempts to defraud the Government out of its just dues in the amount of duties on imported merchandise. In fact, the tendency now is by most all shippers of goods to reduce the dutiable value of the merchandise and make it up by the most exorbitant charges for cartons, rolling and papering, strings, labels, cases, &c., which they claim are not dutiable, and which amount in some cases to over 20 per cent. of the whole invoice. In view of this fact, in my opinion, this section of the tariff should be amended so as simply to make the outside covering in which the goods are packed for shipment free of duty.

11. I do not think it possible to make any safe estimate of undervaluations.

12. The examiner, although official courtesy would oblige the examiner to consult with the appraiser in cases where a large amount was involved, or where any doubt should arise as to values or rates of duties. The salaries of examiners at this port are from $1,200 to $2,000, one only receiving the latter amount. The appraiser's duty must necessarily be confined mostly to official correspondence and certifying to the reports made upon the invoices by the examiners, at the same time the efficiency of the force depends a great deal upon its head.

13. I have no evidence of any official in the consular department giving false foreign values to any appraiser.

14. I think not, unless there is proof of dishonesty. I know of no money being paid to officials for the purpose of getting false reports of dutiable values.

15. If false valuations have been brought about by bribery in the past, I know of no reason why the same should not continue.

16. In my opinion, a specific rate of duty on all kinds of goods is the only remedy for the undervaluation of merchandise, and from tests made on textile fabrics am satisfied that it can be applied to them with good results.

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17. I have no knowledge of any false reports having been made at any time by any appraiser.

18. I do not think it would be practicable for consular agents to personally inspect goods and certify to the correctness of invoiced values; but I do think that they should critically examine invoices presented for certification, and see that the three copies are identically the same, and that the footing of each sheet of an invoice is comprised in the total amount to which they certify. It is now the practice of many makers of invoices to make a separate sheet containing all charges for cartons and other expenses, many of which enter into the dutiable value of the merchandise. In some cases this sheet is attached to all three copies of the invoice, but the amount is never included in that certified to by the consul. In other cases this bill of charges is simply attached to one copy of the invoice, which goes to the importer. Then, again, it does not accompany either copy of the invoice, but is sent direct to the importer. Ten shillings and six pence (10*s.* 6*d.*) is the fee charged by all consuls in England for certifying to an invoice.

19. I do not see any necessity for any change in the law in relation to reappraisements of merchandise.

20. This is a matter with which I am unfamiliar, and can give no information.

21. I have no evidence of money being paid by passengers to inspectors for the purpose of expediting the examination of baggage. If such practice prevails, it can only be prevented by a strict enforcement of the law and punishment of both parties engaged in the transaction.

22. I think not. So long as there is a tariff and dishonest men, so long will there be undervaluation and attempts to evade the payment of duties.

23. I presume that the same reasons for the failure of the Treasury Department to enforce the revenue law in New York would apply to all ports.

24. I am not cognizant of any false returns or reports of dutiable values.

I am, sir, very respectfully, your obedient servant,

JNO. W. TRAFTON,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 65.

B. R. WALES—Appointed Clerk January 5, 1873; Examiner December 1, 1884.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 5, 1885.

SIR: In reply to circular dated September 9, 1885, I have the honor to submit the following:

1. As far as my knowledge reaches, the evidence is strong that the law has been followed.

2. The weight of evidence is in favor of obedience to the laws.

3. In many cases it is impracticable to test the quantities of textile fabrics, and if the importers are well-known merchants it is seldom

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necessary. If, however, there is the slightest suspicion of improper dealing, it is our custom to verify by actual measurement. The lack of facilities for rebaling goods prevents us from verifying invoices as often as we should if we had them.

4. The absence of evidence forces me to believe that nothing of the kind has ever occurred. There is a report that such collusion took place several years ago, and the case is now in the hands of the district attorney.

5. I know of no evidence, and, from my knowledge of the men employed, should hesitate to give credence to any reports to that effect.

6. To this question I cannot reply, as the matter belongs rather to law department.

7. Importers here in Boston say that articles such as silks, laces, and dress-goods, especially those manufactured in France and other countries of Continental Europe, can be bought in New York, duty paid, at a less price than they can import direct from the manufacturers, and instances can be quoted in proof of such assertions.

8. The cause of the failure to collect the full amount of duty is difficult to comprehend. The most charitable view is that it is owing to the lack of that technical knowledge of the cost of manufacture, and hence the market value, which is best obtained from an actual experience in the mill where these goods are manufactured.

9. Speaking of the port of Boston, I do not believe that false values have been reported by the appraiser.

10. The act of March 3, 1883, section 7, repealing charges for boxes, &c., has occasioned much disturbance, as importers deduct the value of cartons even when the goods are sold with the carton. The value of cases also, in many instances, seems to be exorbitant.

11. I do not think that there has been any undervaluation at this port—that is to say, any systematic undervaluation. There may be occasional and accidental cases, but no percentage could be made.

12. In every case the examiner is the responsible party, and the one who is called upon to fix the values of merchandise. If he is not satisfied, he may refer the matter to the appraiser. The salary of examiners varies from $1,200 to $2,000, one receiving the last amount. The appraiser may be acquainted with the work of the examiners, or he may be merely the clerk to approve the recommendations of the examiners.

13. There is no evidence that the consuls have knowingly assented to false values. They might, however, take more pains and assure themselves that all the charges were included. In many instances these charges are placed upon a separate sheet and never reach the examiner, but are kept by the merchant.

14. I have not the necessary information.

15. To this I must necessarily make the same reply.

16. My own opinion is that specific rates could be applied to all textile fabrics, and certainly the duty could be more easily collected. Of necessity, this diminishes the tendency to bribery, if such exists, as it removes the advantages.

17. I very much doubt if false values, whether made by the importer, appraiser, or any one else, have been increased by the repeal of the "moiety law." I have always noticed that a law offering rewards for the detection of crime apparently increases the number of criminals. I have always believed that the reward was more sought after than the detection of crime.

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18. It would be utterly impracticable for the American consuls in the large districts, either by themselves or by deputy, to ascertain the true values. Such a proceeding would necessarily cause delay, and complaints would be quickly made to the Government by those inconvenienced. On many invoices the amount of $2.50 is acknowledged as having been received by the consul, and I believe that to be the amount customarily received.

19. This method seems autocratic, but any other would divide responsibility; hence I see no advantage in such a division. If the appraiser is a business man, thoroughly acquainted with his duties and capable of fulfilling them, the sense of personal responsibility would make him very careful, much more so than if he thought there was a higher reviewing power.

20. This calls for a high practical knowledge, and hence I cannot answer it.

21. I do not believe that such is the case here. Among all my acquaintances who have arrived at this port, I have never heard such a thing even hinted at, and I am positive, if such had been the custom, that knowledge of the fact would have reached me.

22. It is a well-known principle of law that the greater the inducement the more liability that the law will be broken; hence, the higher the duty the greater the inducements to defraud. Some of the high duties are almost prohibitory, and offer a premium for dishonesty.

23. Boston importers are usually merchants who buy outright. The consignment of goods offers the greatest inducements to fraud, and are the most difficult to detect. The competition of buyers is a great safeguard against undervaluation, as it encourages a close watch upon the sales of competitors.

24. It is wellnigh impossible to collect evidence of fraud. When parties who have been in collusion quarrel, a chance exists that such evidence may perhaps be given. Coming from one who is *particeps criminis*, such evidence cannot be received implicitly, and must be substantiated by other testimony. It is of no benefit to cause the arrest unless the conviction is reasonably sure to follow, for that would arouse the sympathies of the public in favor of such a suspected person.

I have the honor to remain your obedient servant,

B. R. WALES,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 66.

JAMES BIRD—Appointed Inspector April 5, 1871; Clerk April 29, 1871; Examiner April 23, 1872.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 6, 1885.

SIR: In reply to the circular from your office, dated the 9th ultimo, in which you request that careful and official replies be made to certain inquiries therein set forth, I have the honor to submit the following answers:

1. As far as my knowledge extends, the rates of duty have been levied and collected as the law prescribes.

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2. As far as my knowledge extends, the duties on articles paying specific rates of duty have been fully collected.

3. I have no knowledge on this subject, textile fabrics not being passed in my department.

4. I have no knowledge on this subject.

5. I have no knowledge on this subject.

6. I have not sufficient knowledge on this subject to enter into the matter understandingly.

7. I have no definite knowledge on this subject.

8. I have no definite knowledge on this subject.

9. I can only say that, as far as my knowledge extends, the full and proper amounts of duties have been collected on merchandise imported into this port.

10. Although in some instances there has been a doubt as to what elements enter into the dutiable value of imported merchandise, the recent interpretations of the law by the Department, as set forth by Department decisions, have, I think, determined most of the questions in dispute.

11. Having no definite information or knowledge of the subject, I cannot say; but probably not.

12. The examiner, I should say, would be chiefly responsible for a false return of value to the collector. The salaries in this office range from $1,200 to $2,500, the latter amount being the salary of the drug examiner. One examiner receives a salary of $2,000, the others from $1,200 to $1,800. The appraisers at this port are, in my opinion, fully acquainted with all the details of the business connected with the classification and valuation of imported merchandise, and, although relying upon the integrity, knowledge, and judgment of their examiners, whose reports they indorse, they have a careful supervision of all the details connected therewith.

13. I have no knowledge on this subject.

14. It can be fairly said that the failure has come of dishonesty or gross incompetency of the appraising officers, and if money has been paid, it has been done by dishonest importers or their agents.

15. If the practice of bribery has obtained, it is likely to continue in the future.

16. I am decidedly of the opinion that a change from ad valorem to specific rates would have a tendency to benefit the revenue and protect the Government in a great measure from fraud. As to specific rates on textile fabrics, I have no knowledge on the subject, they not coming under my supervision.

17. I have no knowledge on the subject.

18. In my opinion, it would be impracticable in the larger American consular districts to examine articles and verify values; but perhaps in the smaller it might be done with advantage. In my opinion, foreign governments would complain at any vexatious delay in examining values and certifying invoices. Fees exacted in England, 10*s.* 6*d.* sterling.

19. In my opinion, the laws under which dutiable values are determined are good and sufficient ones.

20. I have no knowledge on this subject, it not being passed in my department.

21. It is a matter of common report that these dishonest practices prevail at New York. (I have heard no other port mentioned.) In my

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opinion, the employment of honest and reliable officers would obviate the difficulty.

22. In some instances the high rate of duty on certain articles has undoubtedly led to smuggling and other dishonest practices.

23. As to New York, or any other port than Boston, I have no definite knowledge. In my opinion, the duties at the port of Boston have been honestly and faithfully collected.

24. For the reason that the guilty parties have been successful in keeping their transactions secret.

I have the honor to be, sir, very respectfully, your obedient servant,

JAMES BIRD,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 67.

CHAS. J. COLLINS—Appointed Examiner May 29, 1883.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 6, 1885.

SIR: I respectfully acknowledge the receipt of your circular of August 27, 1885, (received September 10, 1885,) containing certain questions relative to the administration of the customs laws, and also the circular of September 30, 1885, which has just come to hand, owing to absence on vacation.

I desire, most respectfully, to state that I have held my present position—that of assistant in the sugar lanoratory—for a little more than two years, and, as I have had no experience in any other department, I have little or no knowledge of the application of the laws to imported merchandise, or its results, to aid me in properly complying with your request.

As my duties as assistant in the sugar laboratory are such as to demand all my time and attention, it leaves me no opportunity for learning of matters, a knowledge of which is necessary to satisfy your inquiry.

For the reasons given, I can only answer a few of the questions.

Question 1.—I have no evidence.

Question 2.—I know of none.

Question 3.—I have observed the examiners in the dry-goods department connected with this office both weighing and measuring fabrics, and, from this, presume that these are the usual tests.

Question 4.—I know of no collusion between persons making entry and Government officials. Have never heard of or know of a bogus package being sent to the appraiser's office as an examination package; think, if it was the case, rumors of its discovery might reach me.

Question 5.—I have no evidence of any and have heard none.

Question 6.—The whole subject of this question I am entirely unacquainted with.

Questions 7, 8, *and* 9.—I cannot answer.

Question 10.—I personally have no knowledge of conflict of opinion between the appraisers and their subordinates as to the determination of the dutiable values of imported merchandise. The subject has been

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much discussed in my presence, and, in my opinion, the appraisers and their subordinates are in full accord.

Question 11.—I can make no estimate whatever.

Question 12.—I consider the examiner primarily and chiefly responsible for false returns of value, inasmuch as he has to deal directly with the merchandise, and it is his duty to make such inquiries as will clearly establish its correctness. I have no knowledge of appraisers at other ports and their practices in relation to invoices, but at this port I know that the appraiser has personal knowledge, in very many cases, of the merchandise under examination, and can thus certify to the reports of his subordinates without hesitation.

Questions 13, 14, *and* 15.—I have no knowledge.

Question 16.—The opinion prevails that a change from ad valorem to specific rates would be a benefit, and if bribery exists it would soon cease, as there would no longer be any advantage to be gained through its agency.

Question 17.—I do not know.

Question 10.—I have not much information relative to the duty of United States consuls abroad, or the amount of labor attaching to their positions. Presume that in some cases the duties are so light that the consuls might verify, beyond question, the correctness of invoiced values.

Question 19.—I have no opinion.

Question 20.—I cannot prepare such a paper as you desire.

Question 21.—I presume money is often paid, though I do not know it. I should look with suspicion and doubt upon an official who would receive or a passenger who would offer money for such doubtful service, and, being equally guilty, would consider them deserving of equal punishment, which I presume the law provides.

Questions 22, 23, *and* 24.—I am unable to answer.

Very respectfully, your obedient servant,

CHAS. J. COLLINS,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 68.

THEODORE E. CURRIER—Appointed Examiner August 10, 1865.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 7, 1885.

SIR: I have the honor to submit the following answers to questions asked for in circular of the 9th ultimo:

1. As far as I know, duties have been collected as the law prescribed.

2. I have no evidence that the full amount of duties assessed on goods paying purely specific rates have not been collected.

3. The invoiced measurements of textile fabrics are generally accepted as correct; should there be any suspicion that the yards or metres were not correct as invoiced, it has been our custom to test one or more pieces.

4. I have no evidence of collusion between person or persons making an entry of several packages of similar goods on an invoice, and the entry clerk or deputy collector to send to appraiser's stores for examination a bogus or false package as a fair sample of one in ten.

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5. I have no means of knowing, as my duties have been in the appraiser's office.

6. In my line of duty I have not any way of ascertaining the facts as asked for in Question 6.

7. It is a fact that importers of dry-goods at this port cannot import piece-silks and German worsted dress-goods and compete with merchants who buy the same kind of goods through manufacturers' agents in New York. In my opinion, the full amount of duty can be collected on silks and worsted dress-goods by assessing a specific duty.

8. I know nothing positively. From what I hear, I should think it was caused either by indolence or dishonesty.

9. I have no satisfactory evidence.

10. There has been some confusion in fixing the value of goods, or the cartons and outside coverings. The standard to be applied is more clear now than it was at the time of passage of the new tariff act, March 3, 1883.

11. I do not know.

12. In the regular routine of business the examiner is primarily responsible for the values of merchandise. Should there be any uncertainty of correct values, the appraiser would be consulted. The salaries of the examiners are $1,200, $1,400, $1,600, $1,800, and one at $2,000 per annum. The appraiser has charge of all correspondence of the office, and it is impracticable for him to have a special knowledge of all merchandise examined.

13. I have no evidence.

14. I do not know.

15. Past experience shows there is chance for improvement.

16. I think that a change from ad valorem to specific rates would be a benefit to the revenue, as dishonest importers could not be benefited by undervaluation of their goods. In my opinion, specific rates could be applied to all textile fabrics.

17. I do not know of any false reports by the appraisers at any time.

18. It is my opinion that the American consular agents abroad could, in many instances, be of great assistance to the revenue by ascertaining values before certifying to invoices. The fee exacted by the consuls in London and England for certifying invoices is 10 shillings 6 pence sterling.

19. The appraisers ought to be better qualified to be judge of values of goods than any others. I see no reason for limiting their responsibility.

20. The wool-question I cannot answer, as no one but the expert examiner can make a correct report upon it.

21. Any passenger who pays an inspector money for examining baggage should have his seized, and any officer receiving money should be dismissed the service.

22. In my opinion, a high rate of duty is a temptation to the dishonest to smuggle.

23. I do not think it is true at this port.

24. If false returns and reports to the collector have been made, no one could be punished without evidence.

I have the honor to be, your obedient servant,

THEODORE E. CURRIER,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 69.

GEORGE Y. WELLINGTON—Appointed Examiner November 15, 1871.

PORT OF BOSTON, MASS.,
Appraiser's Office, October 7, 1885.

SIR: In response to your circular, marked "strictly confidential," dated September 9, 1885, I have the honor to reply that I am one of three examiners of the appraiser's department in Boston employed in what is known as the "hardware division." In this division, the merchandise to be examined covers all manufactured articles, not including dry-goods, machinery, earthen, china, and glass ware, drugs, chemicals, liquors, and cigars. There is probably a larger variety of classifications under the tariff law in this division than in any other in this department. In reply to your different questions, I can only answer from own knowledge and experience.

Query 1.—I have never had reason to doubt that the tariff law at the port of Boston has been honestly enforced and the duties collected as prescribed by law. If any complaints have been made, I have not heard of them.

Query 2.—I have no knowledge but what, when specific rates of duty are assessed, the full amount of duty has been collected. In the hardware division we have always been particular in obtaining the true weights and measures where specific duties apply.

Query 3.—I have had no experience in examining textile fabrics, therefore am ignorant of the tests applied.

Query 4.—I have never heard it intimated that at this port there was ever any collusion between the importer, deputy collector, and entry-clerk as to ordering bogus packages for examination, nor have I ever heard an importer dictate to the entry clerk the packages he wished sent for examination.

Query 5.—Never having visited the wharves while the Government officers were engaged at their work, I am unable to state whether the work there has been properly or improperly done.

Query 6.—The present tariff law contains many points of doubtful meaning, and, in my opinion, should be amended. Protests and appeals from importers who honestly differ with the appraisers are of daily occurrence, and many suits against the collectors are instituted, all arising from the different constructions placed upon the law. I know not how many suits are now pending, but presume the number is large. Some means should be adopted, either by legislation or otherwise, to hasten the decisions of the suits now pending, and provision made to have some tribunal before which suits in customs cases may be tried, and the decisions there made to be final. The present system is insufficient to hear and act upon all these suits.

Query 7.—I am not acquainted with the methods of doing business at the custom-house at New York, nor with any officer connected with the customs or appraiser's office at that port. The frauds reported from there, in my opinion, arise from the class of foreign agents and merchants to whom lying is a pastime; they have no interest in this country only to cheat the Government and buy up, if possible, its officials. Specific duties would in a great measure counteract these frauds, and the examining officers should be true and tried men, supplied through the Department with every information possible pertaining to the foreign market value of the merchandise imported.

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Query 8.—I cannot understand why the Government, when such frauds were carried on so openly as reported, did not investigate the matter and bring the guilty parties to justice. I do not think it was indolence or ignorance, but sheer rascality; and I would judge that the conspiracy extended from New York to Washington, yet I have no positive knowledge of any kind relating to the matter.

Query 9.—I have no knowledge whatever of any false returns being made to the collector from the appraiser's office at this port. Due attention is always paid at this office to representations made by consular and special agents, and if their statements are sustained by good evidence, they are adopted.

Query 10.—There has been confusion as to the elements of dutiable values, especially since the tariff of March, 1883, came in force. The conflict between the importers and the Government is chiefly as to the elements of value of dutiable goods—whether the duty attaches to the naked goods or to the same with the usual coverings and cartons included in the condition they were purchased. Personally, I believe the intent of the law is to apply to all merchandise in the condition with its usual coverings that it is exposed and offered for sale in the markets of the world, and the duty to be assessed is upon such merchandise at its true market value on the day it is shipped from the port of exportation.

Query 11.—I hardly believe that a safe average estimate of the percentage of undervaluation can be made for more than one year, if for that time, as so many elements have to be considered in reaching the facts.

Query 12.—The examiner usually makes all returns on the invoices of merchandise examined by him, said report being indorsed by the appraiser or assistant appraiser. In this office the examiner consults with the appraiser on all questions of doubt. The salary of the examiners here is $1,600 and $1,800 per year. I do not believe, from what I know of the corps of examiners here, that there is one who would knowingly make a false report upon any invoice.

Query 13.—I have no evidence of any consul presenting a false invoice, knowing it to be such, to the appraisers; yet I think the consuls should scrutinize the invoices they certify to with more care than at present.

Query 14.—An examiner's position is not an enviable one; his work and responsibilities are great. On his judgment mainly the Government depends for the honest assessment of all its duties. Shut up year after year within the four walls of a building, he is supposed to know the market prices of the world. From my own experience with the large variety of merchandise I examine, I often have to seek for expert knowledge from those whom I think will give me an honest opinion. I do not believe that false values are reported as correct from this office knowingly by any examiner, and I do not believe that any examiner connected with this office ever accepted a bribe. I do not believe there was ever any corruption fund connected with the customs service at Boston.

Query 15.—The only way to guard against dishonest practices is a reorganization of the different departments, so that a proper supervision can be had over all officers; and even then there will be some fraud.

Query 16.—Specific rates should be applied wherever possible, and if it were only possible to have a tariff for revenue only, specific rates would be the only rates. I cannot answer as to textile fabrics.

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Query 17.—I believe in a "moiety law," but not such an one as was repealed in 1874. I think one could be framed, not oppressive, but at the same time beneficial to the interests of the Government.

Query 18.—I think it would be impracticable for American consuls at the larger ports to personally examine articles shipped from thence; but in the smaller consular districts I think it could be done successfully. The Treasury Department should have at the larger ports its agents to personally examine and report to the Department as to values and the methods adopted abroad to cheat the Government here; also, agents to travel from one consulate to another in the smaller districts. The information gained should be sent to the general and principal appraisers at the larger ports, for their benefit and for the examiners. I do not believe the foreign governments would object to this. The consular fee for certifying to each invoice is $2.50.

Query 19.—I think the executive and judicial powers should have such jurisdiction as to be able to obtain every fact as to the true dutiable value of all merchandise.

Query 20.—I am not conversant with the assessing of duty on wool, never having had any experience therein.

Query 21.—I presume the practice of paying money to officers by passengers to facilitate the examination of baggage does prevail, but I have never seen it done or ever heard a passenger arriving at this port stating that he had paid any fee for baggage examination. The proper course is to make it a penal offence to give or receive any perquisites for such service.

Query 22.—A high tariff is tempting to a smuggler. The old war tariff twenty years ago caused a large amount of smuggling. There would be less evasion of the law under a low tariff than with a high tariff.

Query 23.—I think the port of New York an exception to any other port. The importations there are immense, and the importers are generally foreign agents, who hesitate at nothing in order to swindle the Government.

Query 24.—That the Government, in justice to its honest officials, should have punished the dishonest ones is true, but why it did not I cannot tell.

I have answered all the questions in your circular as well as I can, and, in closing, allow me to apologize for the delay. During September my two colleagues took their vacation, and my work was largely increased, so that I had not the time to give to these questions the thought and care that I wished. With this explanation,

I remain, respectfully, yours,

GEO. Y. WELLINGTON,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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PORT OF BROWNSVILLE, TEX.

No. 70.

JAMES O. LUBY—Appointed Collector May 13, 1884.

CUSTOM-HOUSE, BROWNSVILLE, TEX.,
Collector's Office, September 9, 1885.

SIR: I have the honor to acknowledge the receipt of your communication of August 27, 1885, and, in reply to the inquiries contained therein, I would state that many of the questions submitted for replies thereto, particularly in regard to pending suits in respect to rates of duties and the importation of textile fabrics; that by reason of the limited class of importations into this district, principally from Mexico, and consisting of commodities upon which no duties are levied, and the dutiable importations being of live animals, wool, &c., the questions of value and class upon appraisement seldom result in a legal or other dispute.

I will now proceed to answer the questions *seriatim:*

1. There is no evidence that the duties accruing upon importations into this district within the last few years have not been levied and collected as the law prescribes.

2. No; as in answer to first question.

3. There have been no importations upon invoice of textile fabrics. Some few articles of small value imported by passengers from Mexico have been assessed for duty, basing such assessment upon the number of threads per square inch tested by ¼-inch magnifying or microscope glass.

4. There is no evidence of collusion. Examinations are made by myself, or some officer designated in each instance, of such packages imported.

5. None. From personal supervision, am satisfied weighing, &c., correct.

6. No suits instituted; and in respect to rates of duty, the other questions embodied in this cannot be answered by me, by reason of no circumstances described existing in this district.

7. There is no evidence of a failure in this district to levy and collect the entire and full amount of duty prescribed by law.

8. None.

9. None.

10. No confusion, &c., in appraising department, probably owing to limited importations, although it would appear that the statutes and decisions in regard to appraisements are ample to prevent such confusion, even were the articles imported more numerous in class.

11. No evidence of undervaluation by appraisers.

12. In answering this question, it becomes necessary to describe the manner of appraisements in this district, particularly in regard to live animals, which is the principal item of dutiable importation. The several consular officers in Mexico bordering upon this district have been very strict in noting upon invoices any variance between the purchaser's value and the market value of the port from whence imported, and thereby prevented undervaluation. The manner of importing these

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animals is by swimming the river at the regular licensed ferries of this port and the several sub-ports of the district. The permit to land is placed in the hands of a mounted inspector, to supervise such landing, examine and report upon number, marks, and values. The inspector thus becomes primarily and chiefly responsible for a false return of value to the collector, but, as the market values are so well known, it would be almost an impossibility to introduce animals undervalued by the importer without detection. Should a variance occur when reported by inspector, personal inspection is had. In the case of wool, &c., personal examinations are made by myself or deputy.

13. No.

14. No evidence, as heretofore stated.

15. No.

16. In my opinion, the imposition of ad valorem duties tends to frauds upon the revenue.

17. Not in this district.

18. I am informed that it is the invariable practice of consular officers along the Mexican frontier to examine dutiable articles shipped to the United States, and no complaints from that Government or shippers appear to have been made.

19. I consider the law as it now exists, if properly administered, to be sufficiently just to both importers and the Government. In our State law, the person rendering property for taxation can appeal from the decision of the assessor to what is termed a board of equalization, consisting of the county commissioners, whose action is final as to values placed on property assessed. As this board rarely occupies over two days in their deliberations, an injunction or mandamus would scarcely lie against them, unless it was sued out before they adjourned. As their functions as a board of equalization ceases on adjournment, there is no law whereby they could be compelled to reconvene. Adequate provision is, however, made in our State penal laws for the punishment of boards of equalization, assessors, and persons rendering property for assessment who might conspire to defraud the Government by the undervaluation of property assessed for taxation.

20. The class of wool imported into this district is what is termed "coarse Mexican," properly belonging to class three under the present tariff. It is a light, dry wool, generally free from dirt, and loses very little from scouring, probably not over 20 per cent.; and, in view of the fact that merino wools of class one will lose 60 per cent. and over when scoured, it appears to me that the present tariff discriminates in favor of the Mexican wool. As there are no wools imported into this district but of class three, as described, I have not been afforded an opportunity of observing the various workings of the tariff on wools of other grades.

The wool industry of this State previous to and up to the close of the war of the rebellion was but an experiment. After the war, the wool tariff under act of March 2, 1867, coupled with the adaptibility of of this State for wool culture, gave an impetus to that industry. Within later years the increase in price of land and labor, incidental to sheep raising, has caused a decline in that industry. While the present tariff might be more uniform and less complicated, I think it affords ample protection to the wool industry of the country, and enables the wool-growers of the United States to compete with the cheap labor of foreign countries, and at the same time our Government derives a return there-

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from, which would be not the case if the tariff was strictly prohibitory in its character.

21. All dutiable articles in baggage of passengers is detained until duties are paid at the custom-house, and there is no evidence that customs inspectors have permitted any dutiable articles to pass without payment of duties.

22. There is an illicit smuggling of cigars and mescal (a Mexican liquor) on a small scale, the duties on which are in the nature of a prohibitory tax; but no serious result to the revenue is caused by the small amounts introduced by these petty smugglers, and I would dislike to suggest any reduction in articles of luxury, such as cigars and liquors.

23. Not known.

24. None to be reported.

I am, sir, very respectfully,

JAMES O. LUBY,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF BUFFALO.

No. 71.

A. D. BISSELL—Appointed Collector May 15, 1885.

CUSTOM-HOUSE, BUFFALO, N. Y.,
Collector's Office, October 3, 1885.

SIR: Respectfully replying to your circular letter of August 27, ("strictly confidential,") I would state that the subjects therein contained do not seem to apply to this district. I have determined, however, to give specific answers to the questions therein propounded.

1. No evidence of any neglect, either intentional or otherwise.

2. No evidence of any kind.

3. Goods are compared with invoices, and verified by measurements. Tests are made according to best obtainable methods to arrive at accurate results, exercising all necessary care in detail.

4. No evidence of fraudulent designation of packages.

5. No weighing done on wharves at this port at the present time.

6. No recommendation on this proposition.

7. No information as to whether the entire amount of duty prescribed by law has been collected at port of New York.

8. No evidence that any Treasury official has been, either directly or indirectly, implicated.

9. No evidence of present appraiser making false statements. This is also true of previous appraiser. Sub-questions 2, 3, 4, 5 are answered by previous reply: No evidence of any such implication.

10. Confusion, to a certain extent, has existed in determining the value of Canada live-stock. The standard as defined by law is sufficient.

11. No safe way of making estimate of any undervaluation. It only exists, possibly, in live-stock in this district, Weights, quality, and

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other circumstances entering so largely into the proposition, no average can be arrived at.

12. I find no intentional fraud by any specified officer. The appraiser at this port examines goods and arrives at as close an estimate of value and as correct classification as his brief experience will permit.

13. No evidence of collusion as between consular agents and customs officials. Consuls are very careless in issuing certificates.

14. Undervaluation possibly has obtained in live-stock. Difficulty in following the law has been the cause. No evidence of payment of money. This clause of question is not applicable.

15. Answered by reply to No. 14.

16. Specific duties are more easily computed and more readily understood. I believe that the more nearly duties are specific, the safer and surer is the collection of the revenue. It would be very difficult to formulate a specific duty on textile fabrics, without taking into consideration the question of value.

17. No data from which to form an opinion exists in this district.

18. Judging from the volume of immediate-transportation business coming to this port, I would conclude not, except by the employment of large force of officers. (2) Cannot designate them; probably not, excepting in cases made very prominent. One dollar and fifty cents for certificates on importations, where the value is less than $100; $2.50 where value of importation is over $100.

19. I think not. The appraiser, whose duty it is to examine importations, is the proper and competent officer to fix value.

20. We receive only wool of second class. No complications have occurred in collecting revenue.

21. No data for determining.

22. The incentive to smuggle in this district is very small; almost no object in it.

23. What the influences are in New York which cause people to evade the revenue exist in all districts—*i. e.*, pecuniary benefit. In districts where the business is light, the opportunity to detect is greater as more attention can be given to detail.

24. No evidence of fraud existing in this district, there would be no reason to expect criminal or civil prosecution.

Very respectfully, your obedient servant,

A. D. BISSELL,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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PORT OF BURLINGTON, VT.

No. 72.

B. B. SMALLEY—Appointed Collector September 1, 1885.

CUSTOM-HOUSE, BURLINGTON, VT.,
Collector's Office, October 5, 1885.

SIR: In answer to your circular of the 4th of September, I beg respectfully to say that I will answer the several questions therein as fully as I can; but as I have been in office only a little over one month, I cannot go as fully into details as I would be glad to.

1. In answer to Interrogatory No. 1: Inmy opinion, the mere fact that large lines of foreign goods can be and are bought of the New York agents of the manufacturers at considerably lower prices than they can be imported by the merchants of this country, is to me very strong proof that the duties are not collected as the law prescribes. This applies more especially to silks, dress-goods, ribbons, gloves, and what are generally termed articles of luxury, upon which an ad valorem or mixed duty is assessed.

2. In answer to Interrogatory 2: Judging from the reports of the special agents of the Treasury Department on the subject, there is abundant proof that the full duties have not been collected in all cases where the rates are purely specific. This is especially true in regard to the importation of Italian marble into the ports of Boston and New York. My attention has been more particularly called to the importation of marble, as the State of Vermont is so largely interested in it, and its producers suffer so severely by the frauds perpetrated on the revenue. As I understand it, the fraud is largely due to false classifications.

3. In answer to Interrogatory 3. In this district the importation of textile fabrics is exceedingly small, and, unless there is something to particularly excite suspicion, the manufacturers' measurements are accepted.

4. In answer to Interrogatory 4: I have very little personal information on this subject. It is current talk among importers that "dummy packages," so called, are often sent to the appraisers which contain goods of a very different kind and value from the main portion of the invoice, and that this has been done in collusion with the revenue officials.

5. In answer to Interrogatory No. 5: So far as the district of Vermont is concerned, I think there is no such evidence.

6. In answer to Interrogatory No. 6: I think the present law governing customs cases is sufficient. As a matter of practice, I think the courts should give priority to the trial of Government cases of all kinds on the motion of the district attorney, or perhaps it would be better to obtain the same result by a change in the law which would govern all United States courts, thus making the practice uniform in all sections, instead of having it depend on the rules of each court.

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With a change in the law giving Government cases precedence, and with proper attention on the part of the law-officers of the Government, I think speedy trials can be had in *all* revenue cases.

I think that interest should be paid in all cases where the Government has collected money illegally. I see no need of any new tribunal, to try the class of cases referred to, and think there is none.

7. In answer to Interrogatory No. 7: I have no personal information on the subject, except as to marble, and on that I think the frauds have been gross at New York, Boston, and Philadelphia. The evidence as to such frauds is, I think, *plus*.

8. In answer to Interrogatory No. 8: I think it comes about through the dishonesty of the importer in making, and the gross carelessness of the revenue officers in allowing, the false classification of goods.

In answer to Interrogatories 9, 10, 11, and 12: There being no official appraisers in my district, and presuming that you would get full information on the subject from districts where there are such officers, I will not attempt to express any opinion on the subject, matter of the interrogatories.

13. In answer to Interrogatory No. 13: I know of no cases of actual fraud on the part of consular officers. I think that counsular certificates are often issued by consular officers in the Dominion of Canada, where the certifying officer knows nothing at all as to the value of the property referred to in the certificate. This applies more especially to horses, cattle, and sheep.

14. I have not sufficient information in regard to the subject-matter of Interrogatory No. 14 to attempt to answer it.

15. In answer to Interrogatory 15: If frauds have been committed by the revenue officers, I know of but one way to prevent like frauds being committed in the future, and that is to have such changes made as will weed out the dishonest and incompetent officials, and put in their places honest and competent men.

16. In answer to Interrogatory No. 16: Theoretically, I think the ad valorem system correct; practically, I think specific rates the best, as I think specific duties would simplify the work of collecting the revenue, and would greatly lessen the tendency to bribery and fraud. I think specific rates can be applied to all textile fabrics.

17. In answer to Interragatory No. 17: In my opinion, frauds on the revenue have been *largely* increased by the repeal of the "moiety" law. I think it would be for the interests of the Government to have it reenacted, with proper guards to prevent abuses under it.

18. In answer to Interrogatory No. 18: I do not think it practicable to have American consular agents examine every article shipped to the United States, nor do I think any foreign government would consent to its being done on their territory.

20. I have no *data* from which to make the report called for in Interrogatory No. 20.

21. In answer to Interrogatory No. 21: I think it is generally believed that the practice prevails at all the larger Atlantic ports of giving money to inspectors to pass baggage with very slight or no inspection at all. This practice can only be prevented by the substitution of honest for dishonest officials. The recent circular of the Secretary of the Treasury on this subject, and the action thereunder, has had a very great influence in stopping the practice referred to.

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22. In answer to Interrogatory No. 22: It is doubtless true that the higher the rate of duty the greater is the temptation to defraud the revenue.

23. In answer to Interrogatory No. 23: Yes, in my opinion.

24. I am unable to answer Interrogatory No. 24.

Very respectfully,

B. B. SMALLEY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF CHARLESTON, S. C.

No. 73.

THEODORE D. JERVEY—Appointed Collector July 25, 1885.

CUSTOM-HOUSE, CHARLESTON, S. C.,
Collector's Office, September 16, 1885.

SIR: In reply to your confidential circular of August 27, addressed to collectors of customs, permit me to say that my assumption of the duties of this office is so recent that I have not acquired the practical knowledge requisite to make any suggestion of value on the points desired.

Very respectfully,

THEO. D. JERVEY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF CHICAGO.

No. 74.

JOHN HITT—Appointed Special Deputy Collector January 7, 1878.

CUSTOM-HOUSE, CHICAGO, ILL.,
Collector's Office, October 26, 1885.

SIR: I respectfully acknowledge the receipt of your circular dated August 27, 1885, containing twenty-four questions.

You request me to prepare at an early date a careful and official reply, with adequate completeness of details of facts and figures. I have been delayed by the press of work incident to a change of collectors of customs at this port. Before proceeding to reply in detail, I would observe that my position as a deputy collector at an inland port

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has not been favorable for the acquirement of the knowledge necessary for the satisfactory answer of questions so broad in their scope. My experience is necessarily limited to the operations of this custom-house.

Question No. 1.—The only evidence that the rates of duty levied and collected at this port for several years past have not been correct is the fact that a number of suits have been brought in the United States district and circuit courts of the northern district of Illinois against the collector for the over-collection of duties. Seventeen of these cases were lately heard by the court, and in thirteen cases the decision was against the Government, that the rate of duty exacted was erroneous and too high. When it is considered that about 7,000 warehouse and consumption entries are liquidated here yearly, the rates of duty levied and collected appear to be generally correct.

Question 2.—I believe that the full amount of duties prescribed by Congress upon articles paying a specific rate of duty has been collected at this port. My reason for making this assertion is that the appraiser rarely finds a claim for damage allowance to be well founded, and only allows a trifling damage in any case. The work of weighing and gauging is carefully done. Complaints have been made by Messrs. P. D. Armor & Co., packers, that bulk-salt received from Canada by vessel was weighed in favor of the Government. I have not known a case for several years where short weights occurred or deficient gauge.

I desire to recommend the adoption of specific duties instead of ad valorem duties wherever practicable. There is less opportunity to defraud the Treasury under the system of specific duties. Competent, honest officers can collect specific duties in every case in full by simply doing their duty, but in the case of the ad valorem system it is impossible to prevent fraud in many cases, no matter how earnestly the effort is made by experienced officers to collect duties correctly.

Question 3.—The verification of the invoice measurement of textile fabrics is attended to by the appraiser. He tests the widths of the piece-goods found in the packages sent to him for examination. At this port, one package in ten is sent to the appraiser, and as many more as may be necessary. Textile fabrics are always in packages, and the actual width as found by the appraiser is noted upon the invoice whenever a discrepancy occurs. Such discrepancy rarely occurs.

Question 4.—There is no evidence of any collusion here between the chief entry clerk and the person making entry, whereby a false package was sent to the appraiser for examination. I never knew such a case.

Question 5.—There is no evidence of false or dishonest weighing or measuring at this port, at the wharves or at the depots. An occasional error has been discovered now and then, but nothing that would warrant calling any of the weighers incompetent.

Question 6.—The existing law relative to differences between importers and collectors growing out of decisions made by the latter and affirmed by the Treasury Department is good enough for practical purposes. The courts do not sit often enough here, so that cases are sometimes pending two or three years. There are about fifty suits pending now in Chicago. I do not know anything about suits against collectors of customs at the eastern ports. At this port a number of the suits grow out of the change in the law made March 3, 1883, whereby the dutiable value no longer includes the value of the usual and necessary coverings of goods. In my experience, the slowest prog-

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ress in the courts has been made with proceedings for forfeiture in cases of seizure. I do not doubt that the principal law officer could devise a plan whereby a more speedy disposition of these suits could be obtained. An appropriation by Congress of sufficient sums of money whereby a jury could be obtained three or four times each year would be the best plan. I think that it is just to pay interest from date of the payment of the disputed amount, and the law permitting such payment is not in need of amendment.

The customs court recommended by the late Tariff Commission should be created by the next Congress. It would be a step in the right direction.

Questions 7, 8, *and* 9.—I cannot answer these questions intelligently.

Question 10.—At this port there is very little doubt in the appraiser's department in the return of dutiable value. I judge that this is the fact by the official returns of the appraiser. It is rarely the case that his opinion is not also the opinion of the collector's office.

Questions 11 *and* 12.—These questions apply to the great ports, and I am only acquainted with this port. The salary of the appraiser of this port is $3,000 per annum. One man in this city, Philip D. Armor, pork-packer, tells me that his pay-roll shows forty-three names of employés who are paid $3,000 per annum, and still higher. The Treasury ought to pay the appraiser of this port $5,000 per annum. He is, next to the collector, the most important officer of customs here, and upon his judgment and fidelity depend the proper collection of duties. The appraiser here is not a figure-head but gives his personal attention to the returns signed by him. He draws his opinions himself, and they are almost always in his own handwriting.

Question 13.—No specific case has come to my knowledge where an invoice evidently too low had been certified as correct by the consul in wilful violation of the truth.

Questions 14 *and* 15.—As the tariff law has been faithfully executed in this small port, (and I only know by hearsay that the full duties are not collected at the great ports,) I am not able to say that either the customs officers or Treasury officials have been notoriously corrupt and lax in the discharge of their duties. It is certainly the fact that the importing influence in the West is not strong enough yet to interfere here with the proper collection of duties by means of bribes and the daily solicitations of their brokers. How the case may be in the East I know not, but I believe the full duties are not collected. I am clear that the prospect ahead for less venal and corrupt influence being used in the custom-houses of the country than has been the case for twenty years past is encouraging. At any port where a collector and appraiser act in harmony the problem is not difficult to practically suppress undervaluation in its grosser forms, and to keep ordinary fraud within narrow bounds. If there is even indifference on the part of either of these officers, the duties will not be collected correctly. When the Treasury itself is active in support of every measure and policy to secure the full duties, as is the case now, the time is not far distant in the future when we may fairly hope for a successful execution of the tariff law.

Question 16.—I have already expressed the opinion that a change from the ad valorem system to specific rates will be a benefit to the revenue, and will help to diminish the tendency to bribery. The west-

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ern man could import with such a change of system, and feel that he had a fair chance with the agents of European manufacturers located in eastern ports. It will not apply conveniently to textile fabrics in all cases, but generally it will be found to be an improvement.

Question 17.—The repeal of the moiety act, June 22, 1874, was a blunder of the first magnitude, so far as the revenue was concerned. The fact remains that public opinion did not sustain the methods adopted by Special Agent Jayne and other agents of the Treasury. The reaction resulted in the repeal of the moiety act. Since that repeal undervaluation has increased greatly at the great ports, if we may believe the testimony of the merchants here, who cannot import silks and many kinds of goods by reason of the system of agents of European manufacturers stationed in New York.

So long as the Government must prove, not only fraudulent acts, but that the party meant to defraud when doing such acts, to the satisfaction of a jury, the convictions will probably be infrequent. The conscience of the country is not sensitive in regard to frauds upon the customs revenue. Few people class an intentional failure to pay lawful duties as a criminal offence, especially if the matter has not been found out at the custom-house. The very name of the informer is odious. It is probable that the law as it stands is quite as severe as the public sentiment will sustain. The loss to the revenue by this laxness of opinion is, in my judgment, many millions each year.

Question 15.—I doubt the possibility of consuls abroad acting successfully as appraising officers. In the great centres, as Manchester, Berlin, Paris, &c., it would be easiest to quote the market values and see that the invoices agree with such values.

Foreign governments would probably complain if the consuls delayed making certificates to invoices until they were sure the values were correct. The consuls can in any event send valuable information home. The fee allowed by law is $2.50 for each invoice.

Question 19.—The court could be safely vested with the power of revision of the decisions of the appraiser in all cases.

Question 20.—Wool is not imported at this port.

Question 21.—The practice is generally believed here to prevail at Atlantic ports of fees being paid, or rather bribes, to inspectors by passengers. So many people state that they paid money to the inspectors upon their arrival by steamship, and found it to their interest to fee the inspector examining their baggage, that I accept the correctness of their testimony. I doubt whether this practice can be prevented entirely, but it can be greatly lessened by the personal attention of the surveyor. No officer of less rank can make much headway breaking up the custom.

Question 22.—There is little doubt that the high rate of duties prescribed by the tariff for several years past has made smuggling and undervaluation more profitable and tempting than a more moderate tariff would have done. The repeal of the moiety act in 1874 should have followed, logically, a considerable reduction of the tariff. It pays well to evade the provisions of the present tariff law, and is not very dangerous. The jury may find that the accused did not have the *intent* to defraud the revenue.

Question 23.—I do not know enough about the Atlantic ports to answer this question.

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Question 24.—The reasons why persons making false returns of values to the collectors have not been indicted and punished have been already partially indicated.

The overpowering influence of the importing interest concentrated at the port of New York, where two-thirds of the duties are collected, has been thus far an overmatch for the Treasury Department.

The customs service is not organized to win in such a struggle. It has no chief officer who is vested by law with the general superintendence of the assessment and collection of all duties imposed by the customs laws, such as the Commissioner of Internal Revenue.

The Commissioner of Customs is not such an officer, but is charged with examination of customs accounts.

A radical change must be made in customs organization, so that its chief officer shall be charged by express statute with the superintendence of the collection of the customs revenue. Legislation will be required to create such an office. At present the chief officer of internal revenue outranks the Commissioner of Customs in salary, in the importance of his duties, and in public estimation. The Secretary of the Treasury knows where to locate the fault, if there is failure to collect internal taxes. He ought to have an equally good organization for the customs service.

In conclusion, I would express my belief that customs administration is improving daily, and that the Department may confidently look forward to greater efficiency.

I am, very respectfully,

JNO. HITT,
Special Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 75.

WM. J. JEWELL—Appointed Deputy Collector January 7, 1878.

CUSTOM-HOUSE, CHICAGO, ILL.,
September 16, 1885.

SIR: I have the honor to acknowledge the receipt of your favor of the 9th instant, and respectfully reply thereto as follows:

1. It is difficult to determine in some cases what rate of duty should be levied, when the tariff would seem to be capable of authorizing two or more interpretations; and as it is the rule of the customs officers to assess the highest rates in doubtful cases, their decisions may sometimes seem arbitrary.

2. Specific rates, not dependent on values, are clear and easy, but there should be no allowance for damage.

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3. One package out of every invoice, and one out of every ten packages of exactly the same character and description in an invoice, is designated by a deputy collector for the appraiser's examination and report as to quantity and value.

4. It would require a very bad importer and a very bad deputy to form such an alliance, and it could not possibly go on for any length of time without discovery.

5. There is no evidence of this character, and any material difference between a weigher's return and invoice and bill of lading would certainly have been discovered by one of the two or three examining clerks, whose duty it is to check the same in the usual routine of the custom-house business.

6. Could all differences go to a single court and be finally settled there, the questions at issue could be identified and disposed of with quick dispatch. It is very questionable whether interest should be charged or allowed on suits growing out of uncertain interpretations of law.

7 to 24. In answer to these questions, I would be obliged to speak on hearsay, and I feel that I have not the competent knowledge to enable me to give such information as would be of use. I may say that imports of wool (unmanufactured) at this port have been comparatively nothing.

Very respectfully,

W. J. JEWELL,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 76.

F. C. GREENE—Appointed Deputy Collector January 7, 1878.

CUSTOM-HOUSE, CHICAGO, ILL.,
Collector's Office, September 19, 1885.

SIR: Respectfully acknowledging the receipt of your printed letter of the 9th instant, in which I am requested to make careful reply to certain inquiries made therein concerning the tariff and the enforcement of the tariff laws, numbered 1 to 24, I beg leave to say, in reply, that since my connection with the customs service some eighteen years, I have served but a short time in the entry and warehousing division; therefore, any opinion I might express on most of points involved in the questions submitted would necessarily be of little value.

However, I will dispose of the questions in their order, so far as they are applicable to the business of Chicago, (having no knowledge other than hearsay of the customs affairs of any other port, to the best) of my ability, as follows:

1. The only evidence known to me that duties have not been levied and collected according to law is the fact that there are usually a number of suits pending in the United States courts against the collector for duties alleged to have been paid in error.

2. I don't know.

3. The appraiser examines certain packages designated by the collector, and makes a return thereof to the latter.

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4 and 5. I don't know.

6. It would seem that the officers named might arrange for a prompt trial of such suits. I am of opinion that, in justice to the importer, in most cases interest should not be charged or allowed in "collectors' suits."

A "customs court" for the final adjudication of customs cases is advocated by many well-informed persons, as it would insure earlier decisions, and consequently more uniformity in practice, and would, of course, very much relieve the United States courts.

As regards questions numbered 7 to 24, I will say that I have no reliable data or information upon which I could frame an answer of any interest or importance.

I am, very respectfully,

F. C. GREENE,
Deputy Collector of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 77.

JAMES H. GILBERT—Appointed Deputy Collector April 24, 1883.

CUSTOM-HOUSE, CHICAGO, ILL.,
Collector's Office, September 12, 1885.

SIR: Your confidential circular of the 9th instant was duly received. In reply, I beg leave to state that I cannot answer any of the questions except No. 5. The remainder, with the exception of No. 21, refer especially to the entry and warehouse and appraiser's departments, of the working of which I have not direct knowledge. As regards Question 5, I beg leave to state that I do not think there is the slightest evidence of any false, incompetent, or inadequate weighing or measuring, either at the docks or depots in this port. Our three weighers are competent, men of large experience, and I sincerely believe honest.

Question 21, referring to the proper examination of baggage at the Atlantic ports, I cannot answer specifically, or except from hearsay.

My department is simply for receiving, unloading, and delivering bonded freight, and also weighing, gauging, and cigar inspection, corresponding in other ports to the surveyor's department.

Outside of questions referring to my department, my answers would not be authoritative, but merely surmise.

Very respectfully,

JAMES H. GILBERT,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D C

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No. 78.

JOHN A. FITCH—Appointed Deputy Collector, Vermont, October 26, 1866; Inspector, Chicago, May 10, 1867; Deputy Collector, Chicago, October 1, 1875, and February 18, 1882.

CUSTOM-HOUSE, CHICAGO, ILL.,
Barge Office, September 24, 1885.

SIR: Your letter of the 7th instant, marked "strictly confidential," came safely to hand, and has been carefully read. In answer, I beg leave to say that I am employed in the barge office at this port, in connection with the marine interests on the lakes, and am unable from personal information to answer the inquiries you make or offer suggestions that will be of value to the Department in connection therewith.

I am, respectfully, yours,

J. A. FITCH,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 79.

CHARLES H. HAM—Appointed Appraiser February 26, 1877.

PORT OF CHICAGO, ILL.,
Appraiser's Office, September —, 1885.

SIR: I am in receipt of your circular of the 27th ultimo, marked "strictly confidential," in which you "desire that careful and official replies" be made to certain inquiries thereto appended, "with adequate completeness of details of facts and figures," &c.

Permit me to premise by saying that the evidence I shall offer in support of my opinion is chiefly, if not entirely, circumstantial; but I do not, therefore, think it less worthy of consideration. In the outset, I must frankly admit that I believe the frauds on the customs revenue are chiefly confined to the port of New York. The main reason for this fact may be the circumstance that a very large proportion of the customs business of the country is transacted at that port. I believe it to be a fact that the magnitude of the business of the New York custom-house has had a tendency to render its management, in a measure, independent of the control of the Treasury Department. But this will appear more fully as I proceed.

The first question of the circular is as follows:

1. "Keeping in mind the distinction between rates of duty and dutiable value, what evidence is there, if any, that the former have not within the last few years been levied and collected as the law prescribed?"

The evidence that "rates of duty have not been levied and collected as the law prescribed" is this: That certain classes of foreign merchandise, notably French silks, are sold in this country by the manufacturers' agents at a less price than they can be imported for by the American merchant.

Marshall Field & Co., of Chicago, are among the heaviest importers in the United States. They are large dealers in silks and silk goods, but they do not import silks. John V. Farwell & Co., Carson Pirie,

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Scott & Co., and Jas. H. Walker & Co. are large importers of miscellaneous dry-goods, and dealers in silks and silk goods, but they do not import silks.

The reason why they do not import silks is the fact that they can buy them cheaper in New York of the agents of the foreign manufacturers. This question will receive further elucidation farther on.

2. "Is there satisfactory evidence (and, if so, what is it) that on articles which the law says shall pay purely *specific* rates, without reference to values, the full amount of duty prescribed by Congress has not been collected?"

There is evidence satisfactory to me—that is to say, (provided old abuses have not been entirely reformed,) evidence of frauds in the weighing department.

In 1878 a commission, consisting of the late Mr. Meredith, general appraiser, and Special Agents Bingham and Hinds, was created by the Secretary of the Treasury to investigate the New York custom-house. While the commission was engaged in the investigation of the appraiser's office, I was ordered to New York to consult with the members thereof. While there, Mr. ——— ——— made the following statement. I copy from my memorandum made at the time:

"*July* 13, 1878.——— says, some months ago special agents investigated the weigher's department, New York custom-house; found all the heads of divisions (7) corrupt. ——— reported the fact to the Secretary of the Treasury, whereupon, with the Secretary and Assistant Secretary Hawley, he called upon the President, and it was recommended that all seven be dismissed and seven new weighers be appointed. The President directed the order to be made, but before it was executed, one ———, a Congressman from New York State, called upon the President and urged him to countermand the order. He(———) insisted that its enforcement would cost him his position as Representative in Congress. Finally, the President consented, countermanded the order, and directed that the collector be directed to act upon the special agents' report, whereupon ——— removed four of the best men, retaining the three worst."

I believe that specific rates of duty should be substituted for ad valorem rates, and that the opportunities for fraud would be thereby greatly diminished. But the due execution of any law requires honest and efficient public servants.

3. "In what manner, and by what tests, are the invoiced measurements of textile fabrics verified in the usual course of custom-house business?"

Usually the manufacturers' marks are accepted, but not always. If suspicion is aroused, measurements are made. At this port scarcely any consigned goods are received. In August last I had two consignments from Japan. In both cases the goods (silks) were undervalued. I advanced the first case, and on appeal the merchants sustained me and 1½ per cent. more. On the second case I advanced the invoice, and the merchants disagreed, the collector taking the highest return, which, however, was considerably less than my advance.

4. "What evidence is there, if any, of collusion of persons making entry of several packages of similar goods on one invoice and the entry clerk or deputy collector to send to the appraiser for examination a bogus or false package as a fair example of one in every ten?"

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This was formerly a favorite method of committing fraud. It went by the name of the "dummy-package fraud." A fraud of this description constituted the basis of the charge of the Bingham, Hinds, and Meredith commission against John R. Lydecker, special deputy collector down to 1878. The report of that commission to Secretary Sherman should be in the files of the Treasury Department. On the strength of it, Secretary Sherman demanded of Collector Arthur the removal of his chief deputy, Lydecker, and upon Collector Arthur's refusal to remove Lydecker, Arthur was removed. The case, as I recollect it, was this: The invoices called for cheap clocks; the cases sent to the appraiser (designated by Lydecker) contained cheap clocks, dutiable at 35 per cent. ad valorem; but the cases not sent to the appraiser contained fine silks, dutiable at 60 per cent. ad valorem. For further particulars of this case, I refer to the report of the Bingham, Hinds, and Meredith commission before alluded to.

I am informed by one of the most reputable importing-houses in Chicago, Messrs. Wilson Bros., that the goods of a certain English manufacturer of hosiery have lately been detained at the New York custom-house, and the Messrs. Wilson think they have grounds for believing that the "dummy-package fraud" is involved in the case. The way for the appraiser to detect this form of fraud is to call for particular packages not designated for his store by the collector.

5. "What evidence is there, if any, of false or incompetent or inadequate weighing or measuring on the wharves?"

I perhaps sufficiently covered the grounds of this question in my answer to the second interrogatory. But I desire to call attention to the disclosure of fraud in the weighing department of the New York custom-house made by Special Agent B. G. Jayne in 1872–'73. Mr. Jayne was a special Treasury agent from the 3d of June, 1869, to February 17, 1874.

Under the moieties act he made about eighty seizures for various kinds of fraud, and recovered something like three million dollars. Mr. Jayne allowed me to examine his books, and I found there evidences of every species of fraud possible in connection with customs business, from bribery for $5 to thousands of dollars.

False weighings seemed to be a large source of fraud. I copy from my private memorandum, made at the time, a single case:

"*Sample case, information of pepper by Townsend, Clench & Dike.*"

Dock-book weight	727,868 pounds.
Return	669,201 pounds.
Cheat	58,667 pounds.

"At 15 cents per pound, duty lost amounted to $8,800.05.

"In the same case there was a fraudulent allowance for damage on 69,974 pounds, at 15 cents per pound, $10,496.10.

"And the books of the importer showed sales of 729,984 pounds more than the weight of the entire importation, as shown by the dock-book weight. The weigher was bribed. The importers were entirely respectable, and paid in settlement, $33,748."

I shall have occasion again to refer to Mr. Jayne in connection with the repeal of the "moiety law."

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6. "In respect to rates of duty and differences between importers and collectors growing out of decisions of the latter and the Treasury which have resulted in suits, does the existing law need amendment? How many such collectors' suits are now pending in Boston, New York, Philadelphia, and Baltimore? If they can be classified and legal questions at issue identified, how many suits are there in each classification, and how long has each untried suit been at issue and ready for trial? Cannot a plan be devised by the Attorney-General, the Solicitor of the Treasury, the district attorneys, and the judges by which these suits can be more promptly disposed of, and new suits, as they come up, be speedily put at issue and tried? Does the existing law in respect to the payment of interest as a part of the damages and costs in 'collectors' suits' need amendment? Is there a necessity for a new tribunal to try judicially questions growing out of rates of external or internal taxation levied by the executive when tax-payers are dissatisfied, or can the existing judicial system be made sufficient if it be worked efficiently?"

I do not think that the law in regard to or governing customs cases needs amendment.

I trust I shall be excused from answering the portion of this question referring to the number, &c., of pending suits at the great Atlantic ports, since I may assume that these facts are more easily obtained by the officers at those ports. I believe a plan can be devised by the Attorney-General, &c., as outlined in this question, "by which these suits can be more promptly disposed of," &c.

I do not think there is need of a new tribunal to try customs cases, nor do I think that the law in relation to payment of *interest* as a part of the damages and costs in collection suits needs amendment. It seems to me, if suitors are entitled to recover, they are entitled to *interest*. But my general reason for replying as above to the different numbers of this question is this: I believe that, through a change of practice already in part inaugurated, the number of appeals, and hence of suits, can be greatly diminished. I allude to the late order in regard to the daily return of samples. If the scope of this order can be enlarged so as to comprehend the establishment of a sample bureau *at Washington*—and I emphasize the place of its establishment because I believe it should sit away from New York—which bureau, consisting of experts, shall be required to act upon all samples daily, and report its action at once to all collectors and appraisers—if this can be done, I believe appeals and suits would be far less numerous.

For a full exposition of my views on this subject, I beg respectfully to refer to my letter to the Department under date of June 20 last.

My suggestion, that in the event of the creation of a sample bureau, its session should be held away from New York, is based on the fact of the hostility of the merchants of New York City to interior ports of entry. In support of this proposition, I quote from the fifth report of the Jay Commission, as follows:

"The twenty-third point presented was in regard to the equalization of appraisement at different ports. The committee of the chamber (of commerce) remarked that the inequality of appraisement, growing out of so many collection districts, there being over one hundred where duties are collected, especially under our complex and intricate tariff, is a most serious injury to trade. * * * They suggest that correct duties are most probably assessed where the importations are largest, and where there is the best organized corps of appraisers; and they

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say 'that what the merchants unanimously demand, and what they recommend, is a plan to correct the evils and to equalize appraisements at the different ports—a plan that shall be at once simple, thorough, and rapid, speed in rectifying evils of this kind being especially important.'"

The committee add:

"In these views we entirely concur, and we think a system can be readily arranged by which the classification and rates established at the New York custom-house shall be known and recognized at every port in the country, and by which the question as to what is the rate in any particular case may be determined with the least possible delay, assuming the appraisers to be experts."

It was often remarked in a satirical way during the administration of ——— and ———, that instead of the New York custom-house being "run" by the Treasury Department, the Treasury Department was "run" by the New York custom-house. But here is a serious proposition by a commission constituted by the Treasury Department, that one custom-house, the custom-house of New York City, should control and regulate all the other custom-houses of the country—a proposition that the Treasury Department should abdicate its functions in favor of one of its creatures.

7. "Specify the class of articles, if any there be, on which the recent investigations or the existing facts now susceptible of proof conclusively show that the Treasury Department has, during recent years, failed to levy and collect in New York the entire and full amount of duty that the law prescribed. Is the evidence of failure of a character to be controverted successfully? And, if so, how and why?"

With the results of "recent investigations" I am not familiar. I believe, however, judging from a general knowledge of the subject, that there is a failure to collect the full amount of duty prescribed by law at the port of New York on staple silks, and perhaps many other classes of high-duty-bearing goods. I am confident of the fact, particularly in regards to silks, because large importers of other fabrics in Chicago do not import silks, although they handle large quantities of silk goods.

Twelve years ago, or thereabouts, Messrs. Keith Brothers, of this city, then the largest establishment of the kind in the United States, imported silk ribbons very extensively. Suddenly they stopped importing altogether. They told me at the time that they lost heavily on all their importations; that they could buy in New York at figures from 20 to 30 per cent. less than it cost them to import. They have never resumed the importation of ribbons.

Messrs. Marshall Field & Co. import from time to time a case or two of staple silks, simply to secure circumstantial evidence on the subject of undervaluation of silks at the port of New York, and they inform me that they invariably lose money on such importations. I need not observe that Chicago merchants of the rank of Field & Co., Farwell & Co., Keith & Co., Carson Pirie, Scott & Co., and many others I might name, can buy goods in France as cheap as any merchants in the world. They are driven out of the silk markets of the world by the undervaluation of consigned silks.

8. "How has a failure come about? Has it come of the ignorance, or of the insolence, or of the dishonesty of Treasury officials? Is there any reliable evidence to show a guilty knowledge of the failure, or a

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conspiracy to promote it, among the higher class of Treasury or custom-house officials?"

I am not prepared to say and prove that the failure has come about through the ignorance, indolence, or dishonesty of Treasury officials. I know of no evidence of a conspiracy between Treasury officials and custom-house officials to defeat the law. I think the removal of ——— and ——— was for the good of the service.

9. "If there be conclusive or satisfactory evidence that the appraiser (not the general appraiser) has reported to the collector false dutiable values, then (1) how long has the falsehood been in operation, (2) on what class of articles, (3) from what places, (4) and were the articles shipped by the makers or purchasers, and (5) has the same general condition of things existed in the larger ports? If the proof of the false returns of the dutiable values made by the local appraisers depends on the statements made by special agents of the Treasury Department or consular agents, what evidence is there to corroborate the latter as against the official action of the appraising department?

I think there is "satisfactory," but perhaps not "conclusive," evidence of the return by appraisers of false dutiable values. The evidence I characterize as *satisfactory* is such as I allude to in my reply to Question 7; but that is not such evidence as would be required by a court called upon to convict of the crime of defrauding the revenue. (1) The disclosures made by the special agent of the Treasury, B. G. Jayne, referred to in my reply to Question 3, show that enormous frauds were committed in 1871, 1872, and 1873. The details of those disclosures show that fraudulent practices had at that time not only reached huge proportions, but became both systematic and bold. The names of bribed officials, with the amount paid them, were found on the books of the guilty importers. In some cases the importers gave them notes, in sums as high as $2,000, in payment for the services of corrupt officials. I cite these circumstances to justify my conclusion that fraudulent practices so systematic and bold must have been of slow growth. In other words, I think the practice of fraud in the New York custom-house is of at least twenty years' duration. It probably originated during the war. (2) It relates to silks, ribbons, laces, kid gloves, and doubtless many other kinds of (3) German and French high-rate-of-duty-bearing merchandise, usually (4) consigned by the foreign manufacturer to his agent in New York. (5) I believe this "condition of things" is peculiar to the port of New York, and that it does not exist at the other large coast ports, nor at any interior port.

I know of no evidence in corroboration of the statements of special agents in cases where the goods subject of alleged undervaluation have passed out of the control of the customs authorities, except the declaration of merchants that they are driven from the foreign markets by such undervaluations.

10. "Is there now, or has there recently been, confusion or doubt or conflict of opinion in the appraiser's department respecting any of the elements to be ascertained in order to fix and declare the dutiable value; and, if so, what? Is not the place and time and the standard to be applied already defined by the statutes, in the opinion of the examiners, deputy appraisers, and appraiser?"

I do not think that there has been confusion or doubt in the appraiser's

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department in regard to the elements entering into "dutiable value." I think the rulings of the Department are correct in this respect. I took the ground immediately upon the passage of the act of March 3, 1883, that it was intended by the "sacks, crates, boxes," &c., mentioned in section 7 to describe *shipping coverings;* and hence that cartons, &c., necessary for the due protection and proper exposure on sale of merchandise in the country of production, as well as the place of export, should make a part of the dutiable value. But it is possible to make the statute plainer. It would doubtless be wise to amend it, since importing merchants are united in the opinion that all coverings are, under section 7, exempt from duty, and are united in contesting the right of the Government to impose duty thereon.

11. "Can a safe average estimate be *now* made of the percentage of each undervaluation by the appraisers in any year or series of years, and the articles or invoices be identified?" Not even approximately.

12. "As between the examiner, deputy appraiser, and appraiser, which is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector? What is the salary of such officer? Is the appraiser much else ordinarily and in fact than one who officially certifies to the collector the values fixed and reported to him by the examiner and deputy appaiser?"

If the appraiser attends strictly to the duties of his office, he is primarily responsible for the entire conduct of it and for each act of it, for he should exert as direct a supervision of his subordinates as the merchant exerts over his employés. In a well-organized and properly-conducted appraiser's office, the appraiser should not be more liable to imposition than the head of the house in a well-organized mercantile establishment.

I do not mean to imply by this that the appraiser should personally supervise the examination of every package of merchandise; such a supervision would be impracticable. But it is practicable for the appraiser to overlook, and closely, too, the entire operations of his force; and it is also practicable for him to *personally* examine and decide all nice and difficult questions of classification and value. This should be an inflexible rule of office procedure, enforced by precept and example; and such a rule, it need scarcely be remarked, requires the constant presence of the appraiser during office-hours in the offices and appraising-rooms of the appraiser's department.

The appraiser's salary is $3,000 per annum; the salaries of examiners in my office run from $1,400 to $2,000 per annum.

What I have said about a comparatively small office (like that at Chicago) may not apply to the port of New York.

I think the organization of the New York appraiser's office is, to say the least, unfortunate. It is many-headed, one chief appraiser and ten assistant appraisers; and the ten assistants are appointed by the President, not on the nomination or necessarily the recommendation of their chief, the appraiser.

I do not see, under the condition of things, how the appraiser can enforce his wishes. Above all, I do not believe it possible for him to maintain the *morale* of the large force thus only nominally under his control; and this is what I discovered to be the great difficulty in the way of an honest assessment of the revenue in the appraiser's office of

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New York in 1878, in the course of the investigation already alluded to in this report.

13. "Is there satisfactory evidence that any Government officials in the consular department or elsewhere have assisted or consented to, or connived at, the presentation to appraisers of such false evidence of foreign values? If so, what officers, when, and how?" I know of no such evidence beyond what I have already stated.

14. "If under the previous administration of the Treasury false values have been habitually and systematically reported to the several collectors, and if the tariff law has not been faithfully executed, and if the full amount has not been collected, can it *fairly* be said the failure has come of dishonesty, and been accompanied by guilty knowledge on the part of Treasury or customs officials; and, if so, of whom? If more has been paid to American officials to get false reports of dutiable values, who has furnished and paid it? By what means and agency, and where, has such corruption fund been raised and disbursed?" I believe there has been bribery, but have not the means of proof at hand beyond the circumstantial evidence to which I have from time to time drawn attention in this report.

15. "If the false valuations have come of bribery or venality, what reason is there to think that similar corrupt and venal influences are not now brought to bear, or that they will not be successful in the future as in the past?" I believe that similar corrupt and venal influences *are* now brought to bear, and that they are in a degree successful. Witness the fact that honest merchants who desire to import all the foreign merchandise in which they deal, but are prevented from doing so, and are compelled to purchase certain classes of goods of the foreign manufacturer in "dollars and cents," as the phrase is, meaning duty paid, in New York.

16. "Would a change from ad valorem to specific rates be a benefit to the revenue and help to diminish a tendency to bribery, providing the existing *quantity* of duty is to be levied in the future; and could specific rates be applied to all textile fabrics?"

I am decidedly of the opinion that a change from ad valorem to specific rates would greatly diminish the tendency to bribery and every species of customs frauds; and this I believe to be true whether the "*quantity*" of duty to be collected shall be great or small.

Undervaluation has always been, and still is, I believe, a prolific source of fraud—the chief source of fraud. Roughly estimating, I should say that more than 75 per cent. of all the customs-revenue frauds are committed through the undervaluation method. Some frauds are committed through false and excessive damage allowances; formerly very heavy frauds were committed by that means, but of late not so heavy. Some frauds are committed through false weights, &c.; but the great source of fraud is undervaluation, and the substitution of specific for ad valorem rates will change all that.

I think specific rates *can* be applied to all textile fabrics. It will be an arduous undertaking, but it can be accomplished. Specific rates make up almost exclusively the English and the German tariffs. The body of statistics, weights of ad-valorem-duty-bearing goods, now being collected by the appraisers of the several great ports of the country, under the letter of instruction of the Department bearing date June

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29 last, will be a valuable aid in finding the equivalents of ad valorem rates in specific rates of duty. I think the opinion is almost universal that strictly specific rates should be substituted for ad valorem rates.

The Jay Commission (1877) stated that of the merchants who had addressed them on the subject, "one hundred and sixteen were in favor of the change to specific duties, and but five against it." That commission also called attention to the fact "that the 'British Isles,' with a population of 35,000,000, derive nearly as much revenue from customs on ten commodities as the United States, with a population of 40,000,000, receive from over 2,500 articles, excluding sugar and molasses."

This is a very suggestive fact, touching the question of economy in collecting the revenue.

17. Have the false reports by the appraisers been increased by the repeal of 1874 of the 'moiety law,' and by the customs legislation of that date modifying the existing law, and especially modifying that of

In replying to a letter from the Jay Commission, (1877,) Mr. C. A. 1863 respecting seizure of books and papers?"

Arthur, then collector of the port of New York, said:

"I herewith enclose a schedule covering the years from 1873 to 1877, inclusive. From the schedule it will be seen that, whereas in 1873 the seizures, &c., amounted to $773,310.09, in 1877 the total amount was only $120,131.09. I attribute this decrease to the discouraging effect of the legislation of 1874."

The civil-service commission of 1871, known as the Curtis Commission, estimated that one-fourth of the revenues of the United States were lost in their collection.

The Jay Commission (1877) quote this estimate, and proceed to show, approximately, what the losses were in 1876 on that basis, and find such losses at the port of New York alone to be $36,000,000.

They also say: "Some facts submitted by the importers touching the offer of foreign manufacturers to deliver in New York goods at a lower rate than they can honestly be imported at, *would not seem to indicate increasing strictness and success in protecting the revenue.*" The circumstances of the repeal of the moiety law show, I think, that it ought not to have been repealed, and go far to show that it ought to be re-enacted. (1) It was repealed on the heels of a series of enormous frauds, which were discovered through its aid—the seizure of books and papers. (2) It was repealed against the protest of those Government officials who had found it an efficient means of detecting and punishing fraud. (3) It was repealed at the demand of the persons who had been proven guilty of its violation. At least I am informed, and believe such to be the facts. And if these *are* facts, the repeal legislation of 1874 was little less than infamous. "Have the frauds been more extensive since the repeal?" I cannot absolutely say.

The Jay Commission, (1877,) three years afterwards, found a state of things in all its branches of the custom-house service in New York very favorable to fraud, to say the least. They say "the investigation showed that ignorance and incapacity on the part of the employés were not confined to the surveyor's department, but were found in other branches of the service—creating delays and mistakes, imperilling the safety of the revenue and the interests of importers, and bringing the service into reproach. It was intended by chiefs of departments that

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men were sent to them without brains enough to do the work, and that some of those appointed to perform the delicate duties of the appraiser's office, requiring the special qualities of an expert, were better fitted to hoe and to plow. Some employés were incapacited by age, some by ignorance, some by carelessness and indifference," &c.

The report shows that the law (section 5452, Revised Statutes) against gratuities to revenue officers had become a dead letter; collector admitted that it was not, and could not be enforced. I beg to refer to his entire letter to the commission, under date of May 17, 1877, printed in the "second report," in support of the foregoing proposition, that an important statute had then been allowed to become a dead letter.

In the course of his testimony before the commission, Collector Arthur said, regarding complaints against the different departments of his office, "some are for inefficiency, some are for neglect of duty, some for inebriety, and some for improper conduct in various ways, some for want of integrity, and some for accepting bribes."

I need not enlarge upon this branch of the subject. The disclosures of the Jay Commission and those of the Bingham and Hinds Commission (1878) show, I think, clearly enough that if frauds are not *more* extensive since the repeal of the moieties act in 1874, they are, at least, not less extensive.

I am constrained to give the following quotation from the "third" report of the Jay Commission, page 5: One of the weighers testified that a schedule (Appendix M) of irregular fees had been adopted by the 'board of weighers' to make those charges uniform, which they illegally collect from merchants, ship-owners or agents, and city weighers, for special returns, certified copies of returns, and other certificates; *that the weighers frequently delay to make returns of weight to the custom-house until the importer pays him these irregular charges for a copy of his return of weight.* It is proper to add, in regard to this allegation, that certain weighers addressed a note to the commission denying that the list in question had been adopted by the weighers; *but fees mentioned in it were shown 'to accord with those that were proven to have been paid.*"

I wish to submit for consideration the proposition that dutiable merchandise should be weighed under the direction of the appraiser and not of the collector.

The appraiser is the assessing officer; he determines the amount of duty due to the Government, reports the fact to the collector, and the latter official collects the money. This course is pursued in regard to all ad valorem rate of duty-paying goods. But in regard to certain specific rate of duty-paying goods, heavy articles handled by the weigher's department, the duty is practically both assessed and collected by one officer, the collector, the appraiser simply stating what the legal rate of duty is, but knowing nothing of the quantity of merchandise upon which duty is assessed and collected.

I see no good reason why the moieties act, covering power to seize books and papers, should not be again made part of the machinery for collecting the customs revenues, whether that revenue shall continue to be raised, as now, largely by ad valorem rates, or, as I hope it will be, wholly by specific rates.

I do not think that honest merchants ever have or ever would object to such a law as oppressive. It is to the interest of honest merchants that the revenue should be collected; not a part of it, but all of it.

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A member of one of the large importing houses here said to me recently: "I think the repeal of the moieties law, under the circumstances, (and he knew the circumstances as I have described them in this report,) was a very iniquitous act." To the question, "Would you object to Government officials looking at your books?" he replied, promptly, "I am willing that Government agents should at any time examine my books to the last detail."

18. "Would it be practicable in the large American consular districts, such as London, Paris, Berlin, &c., for American consular agents, no matter how numerous and alert, to personally examine articles to be shipped from thence to American ports, and to verify the correctness of invoiced values? In which consular districts can American consular officers safely and surely ascertain and report the true invoiced values of every shipment? Is it likely foreign governments in which such American consular officers are stationed would abstain from complaints to this Government, if American consuls made vexatious delays in examining values and certifying invoices? What fees are now exacted on each shipment in London and in England by our consuls for certifying invoices, even of small articles and of little value?"

I do not think it is practicable for consular agents to materially aid the appraising officers in fixing foreign market values. It is certainly impracticable for them to examine the contents of packages in large districts, such as London, Paris, &c. I am not prepared to say in what districts such a practice would be practicable.

The assumption of the question that foreign governments would, under the circumstances named, interfere to protect the commerce of their subjects, is doubtless well founded.

I am without any particular information on the subject of consular fees. If illegal fees are charged, I am not aware of it. I am of opinion, in a general way, that frauds upon the revenue must be prevented, if at all, at home. I doubt if the consular service, even if well administered, could be made of much use in detecting frauds. I believe, however, that special agents have obtained valuable information for the customs department in the course of their employment in foreign countries, and may doubtless do so hereafter if sent abroad.

19. "Under the law as it now is, the rates of duty levied by a collector can be supervised and revised by the Secretary of the Treasury, and finally by the Federal judicial power; but, according to the analogies of State taxing laws, neither the Treasury Department, nor the President, nor the judicial power can interfere with, or revise, or set aside the decision of the appraising department respecting dutiable values, if the forms of the law have been complied with. Would it be safe or useful to the revenues and just to the importers that the executive or the judicial powers have greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates?"

I do not think it advisable to change the law in regard to the supervision and revision by the Secretary of the Treasury and the judiciary of rates of duty "levied by a collector." I do not think there are any serious difficulties in this direction. I would not enlarge the jurisdiction of the executive or the judicial powers.

20. "The existing rate of duty on wool is a combination of an ad valorem and a specific rate. I desire to have prepared and presented to

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me a very careful and accurate analysis of the history of the several rates of duty on wool since 1860, and of the working of the complicated rates on wool that are now in force."

This is not a "wool port." Hardly any, if any, importations of wool are now, or ever have been, made at Chicago. I am, therefore, entirely unacquainted with the "working of the complicated rates on wool." I therefore beg, respectfully, to be excused from further reply to this question.

21. "Is it believed that at the large Atlantic ports the practice generally prevails, or prevails at all, of the payment of money by arriving passengers to customs inspectors of baggage, either to prevent or facilitate or hasten an examination of baggage to ascertain whether or not it contains dutiable articles; and if such a practice exists as the law condemns and forbids, can it be prevented, and how?"

It *is* believed that at the port of New York the practice generally prevails, or did prevail down to a late date, of the payment of money by arriving passengers to prevent examination of baggage and assessment of duty on its contents.

I believe the practice of receiving money by baggage inspectors for connivance at frauds can be prevented precisely as a merchant prevents peculation in his ware-rooms—by a rigid business system and vigilance in enforcing observance of it from highest to lowest of the force of employés.

In a letter to the Jay Commission, under date of May 9, 1877, A. B. Cornell, then naval officer, discussing the subject of "gratuities," said: "These clerks, whose administrative action may accelerate or retard business, or otherwise affect the interest of importers, *are but human;* and whenever there is a coincidence of temptation, frailty, and opportunity, *there can naturally be but one result.*"

The italics in the foregoing quotation are mine. I have no sympathy with the theory that it is "natural" for men to steal; that it is "but human" to indulge in petty thieving. I believe it to be the duty of an official charged with the control and supervision of a large number of men, first, to impress upon them a sense of duty to be honest, and, next, to see that they are honest. I believe that the men who hold theories like those implied in the passage quoted from Mr. Cornell are responsible for the fraud and corruption which have so long prevailed in the New York custom-house.

22. "Does the evidence tend to show that in respect to the articles on which the Treasury has failed to collect the whole duty prescribed by the law the rate has been carried by Congress beyond and above the line which the Government can surely protect, and into a region where smugglers and dishonest shippers will be very powerful in evading the law?"

I am of the opinion, of course, that a low rate of duty is less difficult of collection than a high rate, but I believe that a high rate can be collected. The excise on whiskey (90 cents per gallon on an article worth about 15 cents) is evidence that a very high tax *can* be collected. The frauds on the revenue through the manufacture of whiskey were enormous, probably, from 1870 to 1875–'76; but the attention of the Government being specially directed to the subject, they were suppressed, and now I believe the excise on whiskey is almost fully collected. The fact that collection is not a question of rate wholly, or even chiefly,

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is shown by the circumstance that the customs revenues are, as a rule, faithfully collected at all the large Atlantic ports except the port of New York. I assume this to be a fact because in all the investigations with which I am familiar, covering a period of about fifteen years, I am not aware that any very extensive frauds have been discovered at either of the other Atlantic ports—Boston, Philadelphia, or Baltimore.

23. "Has what has been true of the failure of the Treasury Department to enforce the revenue law in New York been generally true, and for similar reasons, at the other large Atlantic ports?"

I think not. My answer to Question 22 covers the ground of this question.

24. "If false returns or reports to the collectors of dutiable values have been made during a considerable time past, why have not the persons or officials concerned therein been complained of, arrested, indicted, and punished?"

I cannot answer this question better, I believe, than by quoting two passages from Collector Arthur's letter to the Jay Commission, of May 17, 1877. The first of these quotations relates to the subject of "gratuities" bestowed upon certain clerks by importers, *nominally* for hastening the clearance of goods, and is as follows:

"The strict law now on the statute-book has proved practically inoperative, for the simple reason that it has been found impossible to procure the evidence of its violation. A strenuous effort in this direction was made a year or more ago, but, as the testimony could come only from the importers or their brokers on the one side, or the entry clerks on the other, and as neither can be compelled to testify, the attempt wholly failed. *I do not believe that any new regulation not involving a change in the mode of doing business can be more successful.*"

The second quotation relates to the subject of bribing inspectors of passengers' baggage, and is as follows:

"I have read the remarks of the surveyor as to the inspectors, who are more immediately under his control; and concur in what he says. I may, in addition, call your attention to the fact that when last year a prosecution was instituted against inspectors who were alleged to have received money for passing passengers' baggage, it failed, because it was necessary to prove not only the receipt of the money, but that it was received as an inducement to an illegal act, and, consequently, that there were dutiable goods in the baggage. The latter fact it is impossible to prove, unless the baggage is seized on the spot, which, with the present facilities for examination of baggage, cannot ordinarily be done in those cases where the payment of money can be detected."

I believe a thorough examination of the history of frauds, great and small, at the port of New York will show that the officials of that port, high and low, have been of the opinion that it is impossible to prevent frauds, and that this is the main reason why the persons and officials guilty of frauds have not been punished.

Another class of influences may be referred to as contributing to the failure generally of a faithful execution of the laws, and that is political influence. The following-described case of this class transpired shortly previous to the investigation of the Bingham and Hinds Commission, in 1878, to wit, the Austin case, where an entry clerk was convicted of receiving money from a broker. Upon Secretary Sher-

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man's order prohibiting the acceptance of gratuities, the broker discontinued the practice. After a while Austin demanded money, the broker refused, citing the order of the Secretary. The entry clerk sneered at the idea of his being influenced by an order of the Secretary. Finally, the case was carried before Collector Arthur, and the offence was so serious that he promptly removed Austin.

In addition to these various contributing causes to the failure of punishment of persons and officials for frauds on the customs revenue is the general cause of the failure of justice in this country, through an indisposition to punish respectable criminals—a feeling of false sympathy and tendencies.

In conclusion, permit me to say that I believe undervaluation can be suppressed at the port of New York (it exists, I believe, to no considerable extent at any other port) in a very short time, when the collector, the local appraiser, and the general appraiser shall resolutely determine that it shall cease. And in support of this view I call attention to the nature of the law touching undervaluation, to the fact that it places absolutely in the hands of those three officials the question of foreign market value, and that without appeal. I think that this great power should be exerted strenuously, because I would show no mercy to the foreign manufacturer guilty of an attempted fraud upon the Government of the United States.

This (following) is, I believe, the routine course of consignments: The foreign manufacturer invoices his goods to the agent in New York, and swears before the consul of his district that the invoice is in all respects true; that it contains the true market values of the goods, &c. When the goods arrive in New York the agent there enters them at the custom-house (often) at an advance of from 5 to 9 per cent. over the invoice prices, swearing that such advance represents the true foreign market value, &c., and admitting thereby by implication that his principal, the foreign manufacturer, swore falsely before the consul. When the goods reach the appraiser he (often) advances them over the entry price from 5 to 9 per cent. So far, it is a struggle on the part of the foreign manufacturer and his agent, assisted (perhaps) by the appraiser, to avoid a penalty. If the appraiser raises the goods beyond the penalty line, there is a merchant appraisement, in which event, as before remarked, the local appraiser, the general appraiser, and the collector are jointly (assuming that they are agreed in a determined purpose to break up undervaluation) masters of the situation.

After such a course as I have described, I do not think that the foreign manufacturer should be shown any mercy. I think he should be compelled to pay duty on every franc of the value of his merchandise.

Yours, respectfully,

CHARLES H. HAM,
United States Appraiser.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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J. A. NOWAK—Appointed Examiner February 3, 1885.

PORT OF CHICAGO, ILL.,
Appraiser's Office, October 19, 1885.

SIR: In accordance with Department circular of the 27th of August last, marked "strictly confidential," I submit replies to the following questions:

3. The invoiced measurements of textile fabrics are verified at this office by actual measurement of the width of the fabric, and as often as expedient of the length. Dress-goods in roll or piece are occasionally measured in the length, it being difficult to reroll them in their original shape. I have so far found no error in the invoiced measurements of the length.

10. There is no doubt, confusion, or conflict of opinion at this office respecting any of the elements to be ascertained in order to fix and declare the dutiable value. The place and time and the standard to be applied are, in my opinion, sufficiently defined by the statutes and the Department decisions.

12. The examiner is primarily responsible, in the usual course of business, for a false return of value to the collector. The salaries of examiners at this office, I am informed, vary from $1,000 to $2,000 per annum. At this office the appraiser is consulted, and decides all doubtful questions, and exercises a general supervision over all business transacted.

16. A change from ad valorem to specific duties wherever it can be made would certainly be a benefit to the revenue and simplify the bsuiness of collecting the same.

I know of no way in which a simple specific duty could be applied to textile fabrics that would be satisfactory in its operation.

The remaining questions I omit to answer for want of sufficient reliable information on the various subjects.

I would also apologize for my late answer on the ground of illness.

Very respectfutly,

J. A. NOWAK,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 80.

H. S. WHEELER—Appointed Examiner September 13, 1872.

PORT OF CHICAGO, ILL.,
Appraiser's Office, September 23, 1885.

SIR: In reply to your circular letter of date September 9, I would say I am an examiner of fourteen years' experience in all classes of merchandise, and am familiar with rates and classifications, but beyond that I have not been in contact with higher authorities, and you will undoubtedly have better answers from better sources.

Question No. 1.—I have no positive evidence beyond the statements of importers as to practices in other ports made at our office for objective purposes, and possibly true.

2. My position as examiner in appraiser's department precludes the possibility of my answering this question with full knowledge.

3. By weighing and measuring.

4. None in this port, as it is not without our scope to call on importers and see other packages of same invoice.

5. I am in no way connected with the weighing department beyond my position as examiner, and in this port we have full confidence in the weighing department.

6. In answer to this question, my views are expressed better than I can express them by the appraiser of this port, Mr. Ham.

7. I do not know of any.

8. So far as I have an opinion, the failure has been at the great port of this country, and perhaps at small ports of entry; but as to reliable evidence, I have none.

9. I consider the appraiser *decidedly* beyond all suspicion as to this port.

10. None whatever. When in doubt we consult our chief, in whom we have all confidence in all respects.

11. This question is by preceding ones, I think, answered.

12. We have no deputy appraiser; everything goes over the appraiser's desk, or the desk of the chief clerk in his absence, which is very seldom.

13. None to my knowledge.

14. My position in this port does not enable me to answer this question.

15. No reason beyond human nature.

16. This is a great question. I from my experience am inclined to a specific duty, if it can be properly brought about.

17. I think we have had more seizures since 1874, but we have no false reports from this office.

18. Unless duplicate appraisers were established abroad, my opinion is that it would be impracticable for consuls to see all the goods.

19. This is a question involving the right of a general government as to its judicial rights, and one I can hardly discuss.

20. My idea is that a combination on wool duty is as good as on any other article. I have already expressed my opinion as in favor of a specific duty.

21. It was the prevailing opinion that the inspectors at the port of New York were too lenient with arriving passengers, but of late years, under new order of things, I think this has not prevailed so extensively.

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22. This may possibly be the case, but my position precludes a valuable idea as to this question.

23. From my acquired knowledge, I am of the opinion that New York has been more loose in this respect than other ports.

24. This question refers more to other ports than this one, because I think we are clean in this respect; so I cannot say why such persons or officials have not been complained of, if such exist.

I am, sir, very respectfully,

H. S. WHEELER,
Examiner of Merchandise.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 81.

FRANK E. BARNARD—Appointed Inspector, Brazos, February 1, 1866; Deputy Collector and Inspector, Corpus Christi, October 10, 1868; Examiner October 22, 1883.

PORT OF CHICAGO, ILL.,
Appraiser's Office, September 26, 1885.

DEAR SIR: In reply to your favor of the 9th instant, I would respectfully state that my duties as examiner of tea at this port do not familiarize me with the levying or collection of duties.

Any answer I might make would not come from personal knowledge, but from hearsay only, and consequently would be of no value to the Department.

Very respectfully,

FRANK E. BARNARD,
Tea Examiner, Port of Chicago.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 82.

WILLIAM H. LECKIE—Appointed Examiner February 3, 1885.

PORT OF CHICAGO, ILL.,
Appraiser's Office, October 3, 1885.

SIR: I am in receipt of your printed circular, dated September 9, marked "strictly confidential," requesting me to answer certain questions propounded by you. In reply, I will answer the following questions, viz:

Question 1.—Answer: I can only say that at Chicago the duty has been levied and collected according to law and the decisions of the Department.

Question 2.—Answer: I am of the opinion that all goods that pay purely specific duties are properly, or should be, collected.

Question 3.—Answer: The invoice measurement is generally accepted, except when the goods seem to be over weight or in excess of the invoice quantity given. In such cases, goods have been measured and generally found to be correct.

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Question 4.—Answer: I have no evidence of any collusion between persons making entry of several packages of similar goods on one invoice and the entry clerk or deputy collector to send to the appraiser's store for examination a bogus or false package as a fair sample of one in every ten.

Question 5.—Answer: I have no evidence of false or incompetent weighing on the wharves, as that is properly under the charge of the collector.

Question 12.—Answer: The examiner is usually responsible for a false return in dutiable value of merchandise to the collector. The salary of examiners in Chicago range from $1,000 to $2,000, the examiner drawing the largest salary being the longest in the service. The appraiser at this port has ever since I have been connected with the office been consulted on difficult points of the law in classifying goods, and has given general and just satisfaction.

Question 16.—Answer: I think a change from ad valorem rates to those of specific would be a benefit to stop the undervaluation of goods; and although some goods might not pay such a high rate of duty as now collected, all reputable merchants would be on the same level and could import goods by paying the same rate of duty.

Question 18.—Answer. I think it would be practicable in every consular district for American consular agents to examine goods bought for shipment to the United States, and find out from other dealers or manufacturers as to the correctness of the value of said goods. It seems to me that it would require a very small amount of time to examine samples submitted by exporters, and that it would not be within the power of foreign countries to object to the small delay thereby occasioned. The fee prescribed by law is, I believe, $2.50 for a consul's certificate, and I know of no drawback that can properly be allowed.

Question 19.—Answer: I think it would be entirely unwise to allow any law to be enacted to interfere with the dutiable value fixed by the appraiser to be changed, provided the same was according to law, and the appraiser was honest, competent, and understood his business.

The other questions submitted by the Secretary, I am not familiar enough with to answer them intelligently, and respectfully hope that those I have answered will be of some benefit.

Very respectfully,

WILLIAM H. LECKIE,
Examiner, Appraiser's Office.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 83.

JAMES M. BARNES—Appointed Clerk, Chicago, October 11, 1883, and May 6, 1884; Examiner February 3, 1885.

PORT OF CHICAGO, ILL.,
Appraiser's Office, October 5, 1885.

SIR: I respectfully acknowledge receipt of your letter dated September 9, requesting me to reply to certain questions therein contained.

By way of premise, permit me to say that my appointment to the customs service dates back only to October 12, 1883. I will, therefore,

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beg leave to be excused from answering any questions or parts of questions not within the boundaries of my experience. I believe that any information which I might compile would be far less acceptable to you than the actual experience of men who have had an opportunity to investigate for themselves.

Question 1.—In answer to the first question, I would respectfully say that I believe there is some variation in the rate of duty assessed upon the same article at different ports. This, however, is not intentional fraud, as I believe, but is the result partly of ambiguity in the law itself, and partly from the conflicting opinions of the different appraisers. Take, for example, "edible beans and pease." The Department holds at one time that they are "garden-seeds," and dutiable at the rate of 20 per cent. ad valorem; at another time that they are "vegetables," and dutiable at the rate of 10 per cent. ad valorem. No doubt conflicting opinions on this subject have also existed at the various ports. This is only one of numerous cases. The precise application of the word "partly," in paragraphs Nos. 216 and 363, T. I., new, have also caused rates of duty to vary at different ports. I am not aware that wrong classifications have been made intentionally.

Question 2.—The main opportunity of defrauding the Government of the full amount of duty on goods which pay purely *specific* rates lies in false and inadequate returns by weighers and gaugers. I can give you no accurate information of misconduct on their part; but I have heard it stated that false returns have formerly been made at the port of New York. Goods of this character which are found, in connection with others, subject to ad valorem rates of duty, are carefully weighed at this office.

Question 3.—In case the goods contain wool, the weights are compared with the invoiced weights, and the widths with the invoiced widths. In goods not containing wool, the widths are always compared, and an examiner's familiarity with them would enable him to detect an important departure from the invoiced quantity. It is not customary to ascertain the actual lineal measure of such goods, on account of injury to them.

Question 4.—I can submit no evidence upon this question. I am aware that this form of fraud is possible, but can be guarded against and thwarted by the appraiser and his examiners, provided several packages other than those designated by the deputy collector be called to the appraiser's store for examination.

Question 5.—In general, the weight of the sample box, cask, or barrel ordered to the appraiser's store have been found to correspond with the return of the weighers. I am unable to produce any evidence of fraud.

Question 6.—I believe that certain portions of the existing law could be revised in such a manner that many doubts would be removed from the minds of both importers and customs officers. For example, let us take a piece of silk of such a character that it may be used both for trimming hats and for other purposes. The appraiser returns the goods as manufactures of silk, dutiable under T. I., new, 383, at the rate of 50 per cent. ad valorem. The importer appeals to the Department, claiming that this silk should be classified as "hat-trimming," at the rate of 20 per cent. ad valorem, in accordance with paragraph 448. The Department then affirms the classification made by the appraiser, whereupon the importer carries the case into court. Both importer

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and appraiser are honest in their opinions. The dispute arises from the fact that each places a different construction upon the paragraph cited.

I am unable to give information in regard to "collectors' suits" at the ports mentioned, but I am of opinion that the Attorney-General, the Solicitor of the Treasury, the district attorney, and the judges can succeed in obtaining a speedy trial.

If suits are allowed to remain so long at issue, it seems only just that the merchant should receive interest upon the money thus recovered. However, if a speedy trial could be obtained, the payment of interest would be unnecessary. A new tribunal could be formed composed of men specially adapted to the work in hand, by means of which more correct verdicts could be obtained and the suits be more promptly disposed of. The present system could be made much more efficient if properly managed.

Question 7.—There is no doubt that silks are systematically undervalued at the port of New York. I speak confidently, from the fact that Chicago importers are compelled to buy their silks in New York. They are unable to import direct on account of inability to compete with the New York agents of the foreign manufacturers, who have paid duty on a less valuation than would be accepted by the customs officers at other ports. Recently, while in conversation with an importer who had just returned from France, I was informed that he could import advantageously everything except silk goods. These he could buy in New York on much more favorable terms. I see no good reason why the appraising officers in New York should not become very expert in determining the true foreign values of silks, and thus be able to thwart every attempt at undervaluation. Of course, vigilance, integrity, and familiarity with the goods will enable the customs officers to collect the full amount of duty. The same may be said of such other articles as are undervalued.

Question 8.—There are a number of reasons for this failure:

1. The high rate of duty on silks invites attention to this particular field.

2. The fact that the foreign manufacturers consign their goods direct to their agents in New York causes them to be more desirous of invoicing at less than their value.

3. A desire on the part of New York merchants to compel interior buyers to repair to them instead of seeking the foreign market.

4. The complex manner in which the appraising department of that port is conducted.

It seems only a logical conclusion to say that dishonesty must have been practised in order to accomplish the result now obtained. Whether such dishonesty has reached beyond New York, even to the Treasury Department, I am unable to say. But it is certain that silk goods could not have continued to be undervalued for any prolonged period without a guilty knowledge on the part of the appraising officers.

Question 9.—I believe satisfactory evidence can be produced showing that at ports other than New York certain lines of goods have been continually undervalued, and, as a result, appraisers have unintentionally reported to the collector false dutiable values. I refer particularly to Japanese goods. Sometimes these goods are consigned by the manufacturer to his agent, and sometimes imported under *bona fide* purchase. This is also an inviting field for undervaluation, owing to the high rate

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of duty imposed on such goods, and the general ignorance of appraising officers and merchants in regard to the foreign value of such goods. Many of these articles are manufactured in private houses in Japan, and for this reason importers claim that prices are necessarily very elastic. I am of opinion that nearly all ports have suffered from undervaluations of this kind. One firm of this city was honest enough to admit that his consignment of Japanese goods was undervalued, and voluntarily raised the prices to the market value on making entry.

Question 10.—The only conflict of opinion respecting elements of dutiable value which I can recall was in regard to the propriety of including certain outer coverings, such as barrels containing Portland cement, in the dutiable value of the goods. A recent decision of the Department has very properly settled this matter. But the number of appeals which have been made upon cartons, &c., shows that the merchants do not properly understand the force of section 7.

Question 11.—I do not know that an average estimate could be made of the undervaluation referred to; but a large number of the invoices, especially Japanese, could be identified.

Question 12.—Of course the dutiable values are usually made up by the examiners and deputy appraisers, subject to the inspection of the appraiser, and any doubtful question regarding such dutiable value is referred to the judgment of the appraiser. The appraiser, is, therefore, primarily responsible for a false return.

At this office the appraiser receives $3,000 per annum. There are also four examiners, whose salaries are, respectively, $2,000, $1,800, $1,600, and $1,400 per annum.

The appraiser should be a man of extended experience with merchandise, of broad culture or range of information, and thoroughly conversant with the customs laws and regulations; he should, in fact, be able to intelligently decide all questions referred to him by his examiners.

Question 13.—I am not aware that any consular agent has connived at fraud in presentation of false values to appraisers.

Question 14.—I have previously stated my views on this question, and can furnish nothing more conclusive than that which has already been given. I am unable to point out individuals, or explain how such corruption fund has been raised.

Question 15.—I see no reason to believe that similar corrupt influences will not be brought to bear in the future as in the past. A strenuous effort on the part of the Treasury Department would of course have a very beneficial effect, and cause those who are engaged in such corruption to be extremely cautious. If fraud shall be eradicated, it will be due to an earnest effort on the part of both Treasury and customs officials. I believe it can be accomplished. Honest, earnest work is necessary.

Question 16.—I am greatly in favor of the application of specific rates of duty to all classes of goods for which it is practicable; and if such rates are not made dependent upon values, the evils of undervaluation are necessarily removed. Having fixed a *specific* rate upon goods independent of their value, the tendency would be to import only articles of good quality, since inferior articles would be subject to the same rate of duty as those of better quality. The main thing to be guarded against in that case would be false weights and measures, and these

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could be safely guarded by means of only a portion of the care now bestowed on foreign market values.

I am convinced that specific rates could be applied to textile fabrics, but am unable to see how rates could be made elastic enough to cover the various classes of such goods without having reference to values. Even then there is little danger of undervaluation, except in goods approaching some of the qualifications in value prescribed by the law.

In silk goods, however, the value is often a question of weight. In such cases weights could be substituted for values.

Question 17.—Having had no experience with the operations of the "moiety law" or the law in relation to the seizure of books and papers, as referred to by you, I would respectfully ask to be excused from answering this question.

Question 18.—It seems to me that such a plan would be open to objections. The same work of examination would need to be done again when the goods arrived in the United States. It would also cause delay in the shipment of goods and be a source of complaint, both at home and abroad. Yet consular officers can certainly render valuable aid to appraising officers in obtaining foreign values.

I know of no consular district in which the consul would be able to furnish the true values of every shipment; but there are certain places which export large quantities of a standard line of goods, whose values should be well known to the consul. Edinburgh, Bradford, Nottingham, Belfast, Birmingham, St. Galle, and Chemnitz are among this class.

The usual consular fee is 16*s.* 6*d.*

Question 19.—I am not in favor of placing such unrestrained power in the hands of any one man. No doubt the appraiser's familiarity with goods makes him peculiarly fitted for fixing foreign values. Yet, in case of an error in judgment or inexperience on the part of the appraiser, or a dispute between the appraiser and an importer in regard to values, there should yet be a reserve power to which appeal may be had. Merchant appraisement alone is not sufficient.

Question 20.—I may very properly be excused from answering this question, inasmuch as no unmanufactured wool is received at this port. I might describe the working of the tariff rates on woollen manufactures, but I understand your question to refer only to unmanufactured wool.

Question 21.—The opinion is prevalent here that money is paid to inspectors of baggage at New York, in order to hasten examination, and also to prevent proper examination when it would result in finding dutiable articles. Such a practice can be overcome only by vigorous measures on the part of both the higher customs officials and the Department.

Question 22.—The articles which are undervalued are in almost every instance subject to a high rate of duty. They also belong to a class of which the values are fluctuating and not easy to be obtained by customs officers. With the prospect of such good results on the one hand, and the probability of escaping detection on the other, the foreign manufacturer yields to this great temptation. I am not prepared to say that the Government cannot collect the full amount of duty even on the highest duty-bearing goods. It, of course, requires hard work and vigilance. But I do believe the expense and labor of collection is intensely increased on account of certain excessive rates of duty. No

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doubt smuggling and dishonesty are greatly increased on account of the high rate of duty on silks alone.

Question 23.—I do not believe that the same combination of circumstances and evil results which have existed at New York are to be found at the other Atlantic ports. The volume of business and the location of the agents of the foreign manufacturers are circumstances peculiar to New York.

Question 24.—As I believe this evil has existed principally at New York, I will confine my reply mainly to that port.

(1.) A desire to favor New York and her merchants as against the Government.

(2.) The volume of business and the manner in which the appraising department is organized and conducted have made detection difficult.

(3.) Where so much business is done and so many merchants and customs officers interested, and the evil has taken such deep root, the political prestige of the parties concerned has become very formidable.

Allow me to add, by way of digression, that I believe that the civil-service law applied to minor positions will be a very important factor in removing such political influence. I believe that instances are numerous where New York customs officials have been spared from merited punishment solely on account of the political forces which they were able to set in motion.

Hoping this necessary delay in answering will be excused,

I remain, yours, very respectfully,

JAMES M. BARNES,
Examiner, U. S. Appraiser's Office.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF CINCINNATI.

No. 84.

WILLIAM CALDWELL—Appointed Surveyor April 21, 1885.

CUSTOM-HOUSE, CINCINNATI, OHIO,
Surveyor's Office, October 10, 1885.

SIR: In reply to your communication of August 27, 1885, I have the honor to answer the interrogatories therein contained as follows:

1. I know of no evidence that the rates of duty have not been levied and collected as the law prescribed.

2. I know of no evidence that the full amount of purely specific rates has not been collected.

3. Invoice measurements and weights of textile fabrics are verified or corrected by the appraiser at this port by actual measurement and weighing. The appraiser with the examiner examines the merchandise personally.

4. I know of no instance at this port of collusion of the kind referred to in the question.

5. I know of none.

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6. Since I have taken charge of the office at this port no differences between importers and the collector growing out of decisions by the latter and the Treasury in respect to rates of duty have resulted in suits. So far as I know the present law works satisfactorily.

7. I know nothing about the facts inquired about in questions 7, 8, and 9.

10. There is not now or has there ever been any conflict of opinion respecting the ascertainment or fixing the dutiable value of merchandise. The means defined by the statutes are ample, were they fulfilled. Consular officers are derelict in their duties in forwarding market rates of merchandise in their respective districts. Many consular officers make no report to this office whatever of merchandise exported from their districts. This is particularly the case in the French districts, Paris included. No market reports or samples of textile fabrics are received at this port from Paris.

11. I know of no undervaluation at this port.

12. Appraisers are solely and entirely responsible for the return of dutiable values to the surveyor. The appraiser at this port examines each and every invoice of merchandise, and holds himself responsible for the correct valuation, believing it to be his full duty, as required by the statutes. Any false returns reported would be directly and justly charged to him. He in every case at this port reports the dutiable value. His salary is $3,000 per annum.

13. Have no knowledge of facts asked for in questions 13, 14, and 15.

16. I do not believe that specific duties entirely would be beneficial or possible, or would they help to diminish the tendency to bribery. Specific rates cannot be applied to all textile fabrics. Values must control the rate of duty on textile fabrics or else prohibit the importation of certain grades.

17. So far as this port is concerned I do not think that the repeal of the moiety law, and the other legislation referred to in this question, has increased the false reports by appraisers.

18. I have no knowledge which would justify me attempting to answer the first, second, and third part of this question. The fee exacted by consul in London and in England for certifying invoice is $2.50.

19. I know of no dissatisfaction at this port with the working of the present system. I have heard of no complaints from importers, nor do I see that the Government is being wronged thereby, and therefore I see no reason for a change in the law in respect to the ascertainment of the dutiable value of merchandise, or to extend the jurisdiction of the executive or judicial powers to interfere with the same.

20. The present rate of duty on wool is not a compound duty, but is specific—so much per pound. There is no wool imported at this port, and so can give but little information as to the workings of the present tariff.

21. Question 21 does not apply to this port.

22. I know of no evidence tending to show that the Treasury has failed to collect the entire duty prescribed by law on any article at this port.

23. This is a matter I know nothing of.

24. I know of no false returns or reports of dutiable values having been made at this port.

Respectfully submitted.

WM. CALDWELL,
Surveyor of Customs.

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PORT OF DETROIT.

No. 85.

WILLIAM LIVINGSTONE, JR.—Appointed Storekeeper January 16, 1877; Collector December 20, 1883.

CUSTOM-HOUSE, DETROIT, MICH.,
Collector's Office, September 10, 1885.

SIR: I have the honor to acknowledge receipt of confidential circular request for information and my views on customs laws and the administration thereof, &c.

Premising my reply thereto with the statement that my experience in the customs service has been somewhat limited, that all this experience is confined to the administration of this office, and trusting that it will not be overlooked that the answers herein to the specific questions asked have reference only to this port, I proceed to reply.

For the sake of brevity, I take up the inquiries in their numerical order, referring to the number of the section or paragraph without stating its substance. To the

1 and 2. Would say that I know of no evidence.

3. Invoiced measurements of textile fabrics are verified usually by a comparison of the tickets or cards on the pieces or bolts with the invoice. In cases of doubt or suspicion as to the correctness of the carded quantity, actual measurement is made to verify them.

4. Know of no such evidence, and am satisfied there is none to sustain such a charge against the officers at this port.

5. Know of no evidence of any false, incompetent, or inadequate weighing or measuring on the wharves or elsewhere.

6. I can suggest no amendments to existing laws as regards the settlement of differences between importers and Government officials as to rates of duty, unless, indeed, the establishment by law of a tribunal having especial jurisdiction of such cases might be considered advisable. I believe such a tribunal would tend to a prompter settlement of such cases. Whether a plan could be devised by the law officers of the Government for the more prompt disposition of these cases under existing law, is a question, it seems to me, that can be answered by those officers only. The judiciary is all powerful in their sphere, and unless they entered heartily into such an arrangement it would most surely fail.

Few cases ever get to court from this district, one only having been taken there in several years, that of D. M. Ferry & Co., against me, as collector, on the question of classification of seeds, as to what do and do not constitute "garden seeds." This was decided by the United States district court here in March last, and in this case the honorable Attorney-General has directed the suing out of a writ of error to the Supreme Court. As to the question of interest as part of damages in collectors' suits, I do not feel competent to give an opinion.

7 and 8. I do not and cannot have any knowledge on these points.

9. No evidence is in existence, that I am aware of, and I am positive no charges were ever made to this office, that the appraiser at this port ever knowingly reported false dutiable values. The only complaint

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ever made to my knowledge against the appraiser here, is that he leans too much towards the Government, and returns values, if anything, too light.

10. There was at one time, but not recently, some doubt in the appraiser's department as to what should and what should not be included to make dutiable value under section 7, act of March 3, 1883, but there is none now; the law, as defined by the decision of the Department, it is believed, now being fully understood.

11. Is answered, so far as I can answer, by reply to the ninth paragraph.

12. Speaking for this port and generally here, the appraiser is responsible for all returns of values. The only exception that occurs to me is in the case of returns of values of live stock, for which a special stock inspector is primarily responsible, the appraiser generally accepting his report of values in such cases. This stock inspector receives a compensation of $2.50 per diem.

The appraiser has one assistant, a deputy collector and examiner, salary $2,000 per year, but the appraiser ordinarily is responsible, as, when present, he personally examines into all matters of this kind. This can be done at this port, but at the larger ports it would be impossible, and at such ports the primary responsibility for return of values would rest on the deputies and expert examiners who pass directly upon the goods.

While the appraisers may be, and perhaps are, legally responsible for the acts of their subordinates, it seems to me they are not morally so. It would be a manifest injustice to hold an appraiser responsible for return of false values of goods of a class for the examination of which an expert is employed in his department.

13. I know of no evidence on this point.

14. As false values have not to my knowledge, or in my belief, been knowingly reported to this office by the appraisers or customs officials, I can only say that if false values have been reported in any instance, I believe such returns were not tainted with fraud on the part of the officials. It has always been my opinion that, within a certain limit, it is almost if not quite impossible to detect undervaluation, and my experience has satisfied me that the customs laws are honestly and conscientiously enforced at this port, and that while it may be and is possible that the revenue is defrauded to some extent at this port by reason of false valuation, I am well satisfied that it is not with the connivance of customs officials. Indeed, if the statements of some importers here are to be believed, goods are valued here higher than at other ports, and that the errors, if any, in valuations reported are always in favor of the Government and against them.

15. If false valuations have in fact come of bribery in the past, I see no reason why they should not be procured by similar means in the future, nor do I see any absolutely certain way to prevent it. True, the change from ad valorem to specific rates of duty would stop the false return of *values*, but then the motive for bribery would still exist, only instead of the appraising officers, the inspectors, weighers, and gaugers would be the persons sought to be influenced corruptly to make false returns of *quantity*. Fraud of this latter kind, however, I think could, if not more easily discovered, be more easily prevented by frequent irregular transfers of such officers from one subdistrict to another. These irregular transfers of inspectors, weighers, &c., I believe are the best preventives of bribery.

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16. This question is in the main answered above. I do not believe a change from ad valorem to specific rates would help to diminish a tendency to bribery. It would only subject another class of officials to temptation, as false returns of quantity can be more easily prevented, or at least be made more difficult of procurement, than false returns of value. I think that where, presuming that the existing quantity of duty is to be levied in the future, a change from ad valorem to specific rates can be made, it would be desirable and a benefit to the revenue to make them.

As to making such change apply to textile fabrics, I am inclined strongly to the opinion that it could *not* be done. These fabrics are so varied in weight, texture, price, and the uses to which they are put, and the list of them, under new commercial designation and new combinations of component materials, is being so constantly augmented, that I very much doubt the practicability of establishing specific rates calculated to bring into the Treasury the existing quantity of duty.

17. This question I cannot answer from any personal knowledge. If by "false reports" is meant the reports by appraisers of values *below* the true value, then I do not see how the repeal of the moiety clause would have even a *tendency* in that direction, though the modification of the law of 1863, respecting seizures of books and papers, it seems to me, might have the effect to increase such false reports.

18. I do not think it would be practicable to have personal examination of goods shipped from the larger consular districts in Europe. Indeed the same might be said of the smaller districts, even in Canada, unless the consular force was largely increased. I cannot tell in what consular districts officers could safely and surely ascertain and report true values of *all* goods shipped to the United States from their districts. There are some districts where, as regards the ruling or principal articles of export therefrom, officers should be able, with some exertion, to get the true market values. At the same time a person known to the public in those districts, even as an officer of the United States consular service, must necessarily work at a great disadvantage in getting such information. As regards United States consular officers in Canada, with whom we have principally to deal, my experience has been that they do *not* exert themselves, or, at least, if they do, not successfully, to procure and furnish information of any value to the customs. The certification of invoices by them seems to be a mere matter of form, and in ascertaining the true values of goods little if any consideration is given to the consular certificates at this port. It seems to be only necessary for a shipper to present an invoice at a majority of the consulates or agencies in Canada to have it certified.

Judging the other United States consulates by those in Canada, I have come to have little confidence in them as a protection from fraud by undervaluation. While I do not feel myself competent to express an opinion as to what foreign governments would or would not be likely to do if American consuls made delays in examining values, &c., it seems to me that the United States have certainly the right to protect its revenue in its own way, and I do not think the foreign shipper would consider it to his interest to object. As regards fees of consuls in London, and England generally, all invoices therefrom received at this port are marked "Fees $2.50."

19. As to ascertainment of dutiable values I do not think it would be any safer, more useful to the revenue, or more just to importers that the executive power should have greater jurisdiction to interfere. The ju-

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dicial power, it seems to me, cannot well be extended, as they have all power now. The laws as they stand now seem to me to be as fair and equitable, both for the Government and the importers, as they can well be made. Both are protected by them; both have resort for final settlement of disputes as to value, &c., to the Federal courts.

20. As to duty on wool, while I am not perfectly clear as to what is meant by a history of the several rates of duty on wool since 1860, if by "history" is meant the moving *causes* for the various changes, the going back beyond the laws to get the objects and aims of the legislators in framing them, then I am not in a position to do it. This is not, and has never been, a wool-importing district. The appraiser informs me that there has not been imported direct into this district to exceed $200 worth of wool in ten years, and I am therefore not in a position to discuss this question intelligently. I can only give the laws as they were in 1860, and since, showing the changes in the tariff on wool, which I do below, viz:

In 1860 the duty on *all* wool was 24 per cent. ad valorem (act March 3, 1859, vol. 11, U. S. Stats., p. 192.)

In 1861 the law was changed as follows, viz: All valued at place whence exported to the United States at 18 cents or less than 18 cents per pound, at 5 per cent; exceeding 18 cents per pound, at 3 cents per pound; exceeding 24 cents per pound, at 9 cents per pound.

Importations in other than ordinary condition to evade revenue or reduce value below 18 cents per pound, dutiable at 9 cents per pound. (See act March 2, 1861, Vol. 12, U. S. Stats., pp. 183 and 196.)

The law was changed again in 1864 as follows, viz: Wool, valued at 12 cents or less per pound, at 3 cents per pound; exceeding 12 cents and not exceeding 24 cents per pound, at 6 cents per pound; wool, exceeding 24 cents per pound and not exceeding 32 cents per pound, at 10 cents per pound and 10 per cent.; exceeding 32 cents per pound, at 12 cents per pound and 10 per cent.; condition changed to evade duty subjecting all to the highest rate, viz, 12 cents per pound and 10 per cent. (See act June 30, 1864, Vol. 13, U. S. Stats., p. 206.)

See also second proviso, sec. 9, act of July 28, 1866, Vol. 14, U. S. Stats., p. 330, which provides, as regards long combing or carpet wools costing less than 12 cents per pound, charges added to which would bring value above 12 cents per pound, an additional 1 cent per pound accrues.

Up to this time no distinction seems to have been made in the tariff laws on wool except on the basis of value, but by the act of March 2, 1867, Vol. 14, U. S. Stats., p. 559 *et seq.*, a new distinction in addition to that of value is made, to wit: the kinds of wool, classing merino and kindred wools in one class, English long wools in another, and South American, Turkish, Egyptian, &c., in another, the classes by this law being: first, clothing wools, merino, &c.; second, combing wools, Leicester, Cotswold, and other long wools; third, carpet wools, South American, Turkish, Egyptian, &c., and the duties being fixed as follows:

Class 1.—Value, excluding charges, 22 cents or less per pound, at 10 cents and 11 per cent.; excluding 32 cents per pound at 12 cents and 10 per cent. If imported washed, double above rates.

Class 2.—Value, excluding charges, 32 cents or less per pound, at 10 cents and 11 per cent.; excluding 32 cents per pound, at 12 cents and 10 per cent.

Class 3.—Value 12 cents or less per pound, at 3 cents per pound. Exceeding 12 cents per pound, 6 cents per pound.

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All wools imported scoured, dutiable at three times amount of duty to which subjected if unwashed. Condition changed to evade duty or reduce value dutiable at twice the rate to which otherwise subject.

By joint resolution March 22, 1867, Canada long wools added to class 2 (see U. S. Stats., vol. 15, p. 21).

By act of June 6, 1872, U. S. Stats., vol. 17, p. 281, existing duties reduced 10 per cent. This act repealed and old rates restored by act March 3, 1875 (see sec. 4, Supplement Revised Statutes, vol. 1, p. 153).

The act of March 3, 1883, vol. 22 U. S. Stats., p. 508, the last legislation on this subject, preserves the same divisions into classes as former acts, and imposes duties on wool, as follows, viz:

Class 1.—Value 30 cents or less per pound, at 10 cents per pound; value exceeding 30 cents per pound, 12 cents per pound. Imported washed, double above duties.

Class 2.—Value 30 cents or less per pound, at 10 cents per pound; value exceeding 30 cents per pound, 12 cents per pound.

Class 3.—Value 12 cents or less per pound, 2½ cents per pound; value exceeding 12 cents per pound, 5 cents per pound. Imported scoured, all classes, duties three times the rates to which otherwise subject.

As hereinbefore stated, there being no importations of wool at this port, I cannot give the workings of the law in reference thereto.

21. While I have no personal knowledge of such practice, it is the general belief the practice does prevail at the port of New York of the payment of money by arriving passengers to inspectors of baggage, either to prevent absolutely or at least to hasten the examination of baggage.

As to the adoption of any course to prevent this, I am free to say I do not think it can be done. When the general traveling public, and more especially that class of Americans who cross the ocean (presumably the first class in intelligence) are educated up to a belief that in morals it is equally as wrong to tender as to accept a bribe, there may then be devised a method to prevent these corrupt practices. In my opinion the Government officers as a rule are as honest *as the general public.* The stream does not rise above its source.

22. There can be fixed no rate of duty so low as to remove absolutely all inducement to smuggle, and in that sense there is no line below which the Government can surely protect.

There are some rates of duty so high, however, as to offer great inducements to smugglers and dishonest shippers, the profits of whom make them powerful in evading the law. I do not believe the present rates are too high to preclude their collection in the main, and put the rates where you will there will still be dishonesty in the shippers; those shippers who are dishonest now to make $1,000, will be equally dishonest if the profits of their frauds amount to $500.

23. I have no knowledge on this subject.

24. This question, so far as it relates to this port, has been answered in other parts of this report. False returns have not, to my knowledge, been made to me, either of dutiable values or quantities. Should there be such I shall not be slow to inform the Department and take proper legal steps for the prosecution and punishment of the offender.

I am, very respectfully, your obedient servant,

W. LIVINGSTONE, JR.,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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PORT OF GALVESTON.

No. 86.

A. G. MALLOY—Appointed Collector February 28, 1881.

CUSTOM-HOUSE, GALVESTON, TEX.,
Collector's Office, September 21, 1885.

SIR: In compliance with circular of August 27, 1885, I have to submit the following in reply to the inquiries:

1. I am not in possession of any facts to warrant a statement that duties have not been levied and collected as prescribed by law.

2. There is no case within my knowledge where the full amount of duty has not been collected.

3. By actual examination and measurement of a certain percentage of the goods of each invoice.

4. I know of no collusion at this port between importer and entry clerk or deputy collector.

5. Weighing or measuring on the wharf has been correct.

6. The existing laws, if amended, would not probably reduce the controversies between officers and importers. I have no information relative to suits pending in the cities mentioned. It might be proper to give suits where the United States is a party precedence in the courts, so far as practicable, without manifest injury to other litigants. I cannot see that any amendment to the law is necessary relative to interest. The present judicial system efficiently administered would satisfy beyond question the end desired.

7. I have no personal knowledge on which to base a statement.

8. Same as No. 7.

9. Same as No. 7.

10. No confusion or conflict of opinion has arisen at this port as to the fixing of dutiable values under the law.

11. Probably not.

12. It is believed the examiners or deputy appraisers would be primarily responsible, as in the large ports it might be impracticable for the appraiser to personally examine and verify importations with invoices. None of that special class are employed at this port, the collector acting as appraiser, assisted by a general clerk.

13. Have no knowledge of facts to warrant statement.

14. Same as No. 13.

15. The employment of men of character and ability at adequate compensation would no doubt have the effect to reduce the number of cases of bribery said to occur at the great ports.

16. An entire change from ad valorem to specific duties could not be made without placing many articles on the free list, such as machinery, works of art, toys, musical instruments, manufactures of leather, &c. I think that specific rates could not be applied to many textile fabrics except on a basis of valuation, such as brocaded or embossed silks and similar fabrics, and if the rate of duty depended on valuation the same incentive to undervaluation would remain. Specific rates could, however, be applied to many articles that now pay ad valorem duty with-

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out changing the amount of duty collected on such articles, such as iron, cotton-ties, cement, brick, &c.

17. I cannot state.

18. I do not think it practicable in the large districts for consular officers to personally examine all articles; and if they were required, and failed to examine goods and invoices promptly, no doubt there would be complaints. The fee exacted appears noted on invoices, usually at 15 shillings, if the invoice be large or small.

19. If after the production of evidence it became manifest that dutiable values as decided by the appraising department were erroneous, the executive and judicial powers should have authority to correct the error.

20. No wool being imported at this port, I am unable to make a statement as to the history or influence the several rates of duty since 1860 has exerted on the markets.

21. I have heard that such practices do exist at the large ports, but have no proofs. The prosecution of both passenger and inspector might reduce the number of cases.

22. There are some articles upon which, if the rate of duty was lowered, the incentive to smuggling would not be as active as it is at present. I would mention cigars and laces.

23. Have no evidence as to the facts, but presume the same influences would prevail at all large ports.

24. It is believed generally on account of the intercession of political influence.

Very respectfully,

A. G. MALLOY,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF MOBILE.

No. 87.

WILLIS G. CLARK—Appointed Collector July 14, 1885.

CUSTOM-HOUSE, MOBILE, ALA.,
Collector's Office, September 15, 1885.

SIR: Your circular letter, dated August 27 and marked "confidential," was duly received, and I improve the earliest opportunity to reply. Nearly all the interrogatories propounded were evidently designed for the larger ports, and I would find no data in the business of this customs district on which to base an intelligent opinion or afford information which would aid the purpose sought. I will, however, go through the questions *seriatim*, and answer where I can and so state where I cannot.

1. I find no evidence that rates of duty have not been collected.

2. I find no evidence that the full amount of duty prescribed by Congress on articles which the law says shall pay purely specific rates has not been collected.

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3. Imports of textile fabrics have for several years past been so light in this district that the invoiced measurement has been verified by actual measurement of the fabrics.

4. There is no evidence of collusion here in the imports mentioned.

5. There is no evidence, so far as I can learn, of false, incompetent, or inadequate weighing or measuring on the wharves at this port.

Interrogatories 6 to 16, inclusive, seem to pertain chiefly to New York and the large Atlantic ports, and doubtless any opinion on the important matters suggested is not expected from customs officers so far removed from such ports and without the proper information to form correct opinions thereupon.

16. I am decidedly of the opinion that a change from ad valorem to specific rates would not be a benefit to the revenue, although it might possibly diminish, to some extent, opportunities for bribery. It appears to me that it would be exceedingly difficult to make specific duties, provided the same amount of revenue is to be raised, bear as equitably and justly upon consumers as ad valorem rates, particularly with regard to textile fabrics which vary so materially in value.

18. Of the matters embraced in this interrogatory I have not sufficient information to venture a reply, and do not suppose it is expected of a port of such limited foreign business as this.

19. I cannot see that any evil could result to the revenues, or to the importers, if the jurisdiction of the executive or judiciary was enlarged as suggested, but on the contrary, can conceive of cases in which equity and justice might be subserved thereby.

20 to 24. As these interrogatories pertain to the large ports, and mainly to Atlantic ports, I do not attempt a reply to them.

Regretting that my brief experience in the office of collector and the limited scope afforded by the business of this port have allowed me to give only such restricted and imperfect response to the important questions submitted in the circular under review, whose far-reaching significance and value I appreciate,

I am, very respectfully, your obedient servant,

WILLIS G. CLARK,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF NEW ORLEANS.

No. 88.

B. F. JONAS—Appointed Collector July 18, 1885.

CUSTOM-HOUSE, NEW ORLEANS, LA.,
Collector's Office, September 3, 1885.

SIR: I am in receipt of your confidential circular of August 27, and regret that in my answer I will be able to give you but little information of interest or value, because of my short official tenure and limited experience during this period of summer dullness and business inactiv.

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ity. This office (with the exception of its partisan interference in politics) has been run fairly well, and no complaints have as yet reached me of mismanagement or unjust discrimination. I have as yet heard no complaints, and have discovered no evidence of fraud or collusion between importers and collecting or inspecting officers in entering, falsely invoicing, or sampling merchandise, or in any way defrauding the Government of its proper revenue. Many of the subordinate officers do not possess my confidence to any great degree, but the chiefs are men of my selection, in whom I have confidence, and I think I can keep matters perfectly straight until, through the civil-service process, I can secure a thoroughly competent and reliable service. I have heard no complaint of false or incompetent weighing or measuring on the wharves.

I think necessity exists for a new tribunal to try judicially questions growing out of external or internal taxation, &c., as suggested in your sixth interrogatory. The Federal courts at present are overcrowded, and these cases, which require immediate consideration, are greatly delayed. I should think the examiner and deputy appraiser chiefly responsible for a false return of value to the collector. The former receives (at this port) $1,800 per annum, the latter $2,500. While I know nothing of the matters inquired of in the thirteenth and fourteenth interrogatories as having actually occurred, I can say that nothing of the kind could be done without guilty knowledge and connivance on the part of Treasury or customs officials. The only guard against such occurrences is to be found in stringent laws for their punishment when detected, and in the careful selection of subordinate officers of good character and reputation. I have found many in office of thoroughly bad reputation, whom I am getting rid of as rapidly as possible.

I would be inclined to think myself that a change from ad valorem to specific rates would be a benefit to the revenue, and help to diminish and guard against fraud, but my deputy collector, a gentleman of large experience in the customs service, is of opinion that a mixed tariff is a necessity. I am satisfied that the eighteenth interrogatory can be answered in the negative. What is difficult to do at the home port would be impossible abroad. A fee of $2.50 is exacted by our consuls abroad for certifying invoices, &c. I think in answer to the nineteenth interrogatory, that it would be safe and useful to the revenues, and just to importers, that the judicial powers should have greater jurisdiction to entertain appeals from and correct the rulings of collectors and other Treasury officials in questions of the dutiable value and rates of duty imposed upon merchandise.

There is no wool received at this port, and I can furnish you with no statement in answer to the twentieth interrogatory.

I am informed that the custom referred to in the twenty-first interrogatory does not exist at this port. It can only be prevented by strict supervision, and the appointment of honest officers.

I am, very respectfully,

B. F. JONAS,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 89.

R. SINNOTT—Appointed Surveyor January 28, 1885.

CUSTOM-HOUSE, NEW ORLEANS, LA.,
Surveyor's Office, October 3, 1885.

SIR: The printed letter from your office, dated August 27, 1885, marked "strictly confidential," was received in due time, and every effort has been made to prepare a reply thereto. The short time I have been in office, the amount of work involved in organizing my department, with a limited and inadequate working force, both clerical and of day and night inspectors, has prevented an earlier reply. I find myself unable, even at this late day, to answer so fully and intelligently as the importance of the information sought demands, or as I would be glad to do. Most of the queries can be, and doubtless will be, fully answered by the officers in charge of the departments to which they specilaly refer.

As close an investigation as I have been able to make of the practices of former officials in this custom-house has failed to show any evidences of fraud or collusion between importers and the customs officers at this port. There is no evidence of "false or inadequate weighing."

I have been at some pains to obtain the views of prominent importers on the sixteenth query. It is generally believed that a change from *ad valorem* to *specific* rates would be a benefit to the revenue, and the change would help to diminish a tendency to bribery, and "specific rates can be applied to all textile fabrics." I fully concur in these views.

While there is nothing to evidence illegal practices on the part of officials of this custom-house, yet it is believed by many in interest that in some way discriminations have been made against this port and in favor of New York, either by the officials here or at the latter port. These discriminations are mainly attributable to the difference in appraisement of goods at the two places. Merchants here who were once large importers *direct* now import through New York, where it is claimed that goods of the same class are appraised from 12½ to 25 per cent. lower than here. It might be well to make a more thorough inquiry as to these statements, and, if found true, some plan of forcing a uniform mode of appraisement should be adopted. If these differences actually exist at different ports it seems to argue in favor of adopting specific rates on all goods.

I think it would be safe to the revenue and eminently just to importers to give either the executive or judicial powers greater jurisdiction in supervising or revising the ascertainment of the dutiable value on goods valued by the appraisers, as suggested in the nineteenth question of your letter. The mode of appeal should, as much as possible, prevent vexatious delays to importers.

I have attempted in this to reply only to questions Nos. 4, 5, 16, and 19, as coming more immediately under my duties. The other questions, for the reasons already stated, and for the want of information on the subjects referred to, I am unable to answer satisfactorily either to you or to myself.

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In reply to questions addressed by me to importers on these subjects I was answered by each "that similar queries had been answered in letters to the collector," which I suppose have been forwarded.

Very respectfully,

R. SINNOTT,
Surveyor.

Hon. DAN'L MANNING,
Secretary of the Treasury, Washington, D. C.

No. 90.

HENRY P. KERNOCHAN—Appointed Naval Officer May 11, 1885.

PORT OF NEW ORLEANS, LA.,
Naval Office, September 3, 1885.

SIR: I am in receipt of circular letter from the Department dated August 27, 1885, and marked "strictly confidential," and have the honor to reply to the queries therein, seriatim, as follows:

1. None to my knowledge.
2. None to my knowledge.
3. By actual examination and measurement in the appraiser's department, I believe.
4. None to my knowledge.
5. None to my knowledge.
6. Does not seem to refer to this port.
7. Does not seem to refer to this port.
8. Does not seem to refer to this port.
9. I have no information on this subject.
10. I have no information on this subject.
11. I have no information on this subject.
12. The examiner. I should suppose $1,800 per annum. I think not.
13. None to my knowledge.
14. I have no information on this subject.
15. I have no information on this subject.
16. I have not been long enough in the service to venture an opinion.
17. Same answer as above.
18. I should not think this practicable. The consular fees in London and other English ports, as shown by the invoices themselves, appear to be 15 shillings or $2.50 per invoice.
19. I have not beeu a sufficient time in charge of office to be able to formulate an opinion upon this point.
20. There is so little wool imported through this port that the desired information seems hardly available.
21. If practiced at this port, such practice has not come to my knowledge.
22. I have no information on this point.
23. I have no information on this point.
24. If practiced here it has not been brought to my knowledge.

Very respectfully,

HENRY P. KERNOCHAN,
Naval Officer.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

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No. 91.

A. H. LEONARD—Appointed U. S. District Atttorney June 15, 1878.

UNITED STATES ATTORNEY'S OFFICE,
EASTERN DISTRICT OF LOUISIANA,
New Orleans, September 28, 1885.

SIR: In reply to the sixth query of your confidential circular I will state, that there are three suits of the character referred to pending in this district. Two of them were removed from the State court in May last to the United States court, and the third, which was recently instituted, will be removed. The question involved in them is whether the cost of the packages in which goods are imported can legally be added to the dutiable value of the goods.

In my opinion there is no necessity here for a new tribunal to try judicially cases of the nature mentioned. There is but little delay in disposing of them in court.

In this connection I would ask your attention to the case of United States *vs.* Spanish brig Purissima Concepcion on appeal from the circuit court of this district to the ensuing term of the supreme court. The case presents two important questions: (1) Whether when goods are irregularly imported the burden of proof is on the master or consignee to show that there was no fraudulent intent, or whether the burden is on the United States to prove that the intention was fraudulent; (2) whether the expression "actual intention to defraud," as used in the sixteenth section of the act of June 22, 1874, is to be construed as limited to acts which cause a pecuniary loss to the United States, or whether it includes all acts of deceit which have the effect of defeating or evading any requirement of the law, although no pecuniary loss may result.

Very respectfully,

A. H. LEONARD,
United States Attorney.

PORT OF NEW YORK.

No. 92.

EDWARD L. HEDDEN—Appointed Collector June 29, 1885.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, October 10, 1885.

SIR: In response to the several questions propounded in the confidential circular addressed to officers of the customs, a copy of which has been sent to me, I have the honor to answer the same to the extent of my knowledge and belief, at the same time remarking that the limited time during which I have held the office of collector of customs at this port renders it impracticable to set forth as fully as I should desire such answers as a longer experience would justify, and to several of the questions as noted I most respectfully refer to those departments of the service to which they especially and particularly refer, and I have

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directed the several deputies and others to whom the circular has been sent to give the fullest particulars within their knowledge on the questions submitted.

1. I have no knowledge or information that duties have not been collected in accordance with the laws with reference to the distinction between rates of duty and dutiable values.

2. I am not aware that the full amount of duty has not been collected on articles paying purely specific duties, except that the ascertainment thereof is open to criticism in many cases, especially in weights and tares, to which I shall refer more particularly in answer to other questions bearing upon the same subject.

3. Invoice measurements of textile fabrics are presumably verified by the appraisers, but this is probably only the case so far as the particular package ordered for an examination may be taken while the package is in the custody of the appraisers. In all cases of *specific* duties the weights or measures are ascertained by actual weights and tares or measures by officers appointed for those duties. Where ad valorem duties are prescribed, it would seem quite as important that the *quantities* described in the invoice as textile fabics be ascertained, in order that the proper amount of duty should be collected, as in the case of goods to be weighed or gauged. Considering the very large percentage of duties collected on textile fabrics, there should be a more thorough system to ascertain or verify the measurements of such invoices, and in the absence of actual taking of such measurements great frauds on the revenue are not only possible but of probable frequent occurrence, and undetected for want of *actual* measurement. I have at present under investigation an importation of silk goods suspected of being *undermeasured*.

An experimental remedy would be to order a greater number of packages to the appraisers, with orders to *verify* the measurement of entire contents, and I consider that the additional force required would more than justify the expense. Should undermeasurement be detected as of frequent occurrence, nothing less than the thorough examination and measurement of entire invoices would remedy the matter, somewhat after the English system.

4. Since the adoption of the present system of passing import entries there is no evidence of any collusion between the importer or his agents and officer of the customs, and I consider that it is practically improbable that such collusion can occur. It is, of course, possible to occur, but only through the co-operation of several persons. The present system of distributing the entries among the several deputies is a check upon any collusion, and has worked so far to the satisfaction of the several collectors, my predecessors. Constant vigilance is exercised, however, in this matter, and the deputy collector of the fifth division informs me that he does not consider any modification of the present system necessary in the absence of any apparent requirement therefor.

5. Since my accession to office, almost my first attention was given to the probability of there being not only great looseness and irregularity in the weigher's department, and evidence was easily accessible and obtained of fraudulent returns of goods certified as having been weighed by United States weighers that never had been on their scales, but the weights had been taken wholesale from the books of city weighers appointed by importers, a practice which has been of frequent occurrence. Other instances where goods having been delivered before

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weighing, the weights had been *guessed* at and entered in the dock-books and so returned. I have no doubt that such practices have been of common occurrence, and the surveyor has been investigating the matter, and is giving it his almost daily attention, with one result, already of notorious application, in the removal of Weigher Bacon, in the Brooklyn district. Nothing less than the removal of every weigher under this system will remedy the matter, and the appointment of more honest and competent men in their place.

I have just had occasion to remove the *measurer* of marble, wood, &c., for gross inefficiency in his department, who has occupied the position for many years to the detriment of the service and just complaint of importers.

The subject of *tares* is also receiving my attention, as I am satisfied that very grave abuses exist in this relation, and instead of the actual tares required by law invoice tare has been accepted by weighers from the importer without verification, but no doubt under improper incentives.

6. This question involves a discussion of almost the entire tariff system. The differences between importers and collectors, both as to rates of duty and classification, have increased to a great extent since the last tariff became a law, involving as it did great changes in the assessment of duties, especially in abolishing all charges as part of the dutiable value, and the addition of disputed package-charges to make market value. The decision of Judge Wallace, in the carton case, has disposed of that question, without, however, removing the friction, and I still have disagreements between the general and merchant appraisers referred to me on the same question, the importers seeming to disregard the decision, and calling for reappraisements where the cost of the carton is added to make "market value."

My own opinion is that market value, as *necessarily construed under the law*, often works great injustice to the merchant, and in many instances is impossible to verify with any sort of correctness, and, therefore, vague, and almost guess-work.

The remedy most applicable is the adoption of specific duties on every article where practicable.

Regarding the number of suits pending and their class, I have not sufficient information at hand to answer in this respect. So far as I can learn, the number of suits pending does not involve distinct or very many different principles. The practice, as I understand it, is to have a test suit to dispose of any given question involved, and the calendar of such suits, with sufficient rapidity, and I do not consider that any new tribunal is necessary.

Regarding the matter of accrued interests on judgments, I understand that it is the practice of the courts to determine the question of interest in such cases when raised by the district attorney.

7, 8, 9.—I cannot answer these questions, except in a general way to express my belief that the duties required by law, and the method of their collection, is open to great improvement by the selection of more intelligent and competent officers, with especial reference to the qualifications required in the several departments. Whether the service can secure the necessary expert knowledge required, especially as *examiners* in the appraiser's department, for the limited compensation of such officers, I very much doubt. Hence, the duty of such officers—in my opinion of the *very first importance*—is performed very frequently

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in an unskilful and perfunctory manner, often through ignorance or indolence, or both, and without any *guilty intent*, or even perhaps *neglect;* yet the service is for that reason not performed as *faithfully* nor as *effectually* as a more expert class of officials would render, if the salaries of examiners should be sufficient to command the very best class of men for this service, the pivot, as it were, of the revenue to be collected.

10, 11.—In answering these questions it is only necessary to refer to the many recent cases of "confusion and doubt and conflict of opinion" regarding the construction of several of the clauses of the last tariff, especially as to the question of what constitutes market value, as before mentioned. Notably in cotton embroideries, as well as many other articles of foreign manufacture, it is claimed that the dutiable value shall be estimated at the cost of production. While this method has the sanction of law, (see sections 7 and 9, tariff of March 3, 1883,) it works a great injustice to the *merchant* who buys in the foreign market the same article, paying the "market value" thereof, which, on the newest and most attractive style of goods, command a *very large profit* to the manufacturer and dealer in such foreign markets, while at the same time similar goods are *consigned* to our markets and the invoices presented for entry at *cost as stated*, thus putting a *bona fide* purchaser abroad at a great disadvantage on entering his invoices of similar goods in competition. Hence, the numerous reappraisements called for in several classes of merchandise where this irritating question of "market value" is constantly arising, and is in the nature of an "irrepressible conflict" under the ad valorem system.

An average estimate of the percentage of undervaluation in any year or series of years, or the identification of the invoices, would, it seems to me, be almost impossible at this time, and more or less unreliable.

12. Primarily the examiner is, in my opinion, chiefly responsible for a false return of value. The salary of the appraiser is fixed by section 2729, Revised Statutes, at $4,000 per annum; assistant appraiser, (section 2731, Revised Statutes,) at $3,000 per annum; and examiners, (section 2745, Revised Statutes,) not to exceed $2,500 per annum.

I find that there are sixty-eight examiners in all, receiving salaries as follows: Seven, at $1,200 per annum each; thirty-two, at $1,800 per annum each; eight, at $2,000 per annum each; and twenty-one, at $2,500 per annum each; there being eight vacancies at present existing among all these classes, and, as I have before remarked, no very high standard of expert knowledge, so needful to the appraiser's department, can be obtained for such compensation.

The present appraiser is, both ordinarily and in fact, one who intelligently deals with any question which may be raised as to values reported by the examiners and assistant appraisers, which is a great deal more than can be said of some of his predecessors.

13, 14, 15.—I am not aware that false evidence of foreign values has been traced to foreign consuls or other Government officials.

16. I have for many years advocated the adoption of specific duties on every article imported, where practicable, as well for the diminished opportunity for fraud and the more economical collection of the revenue. Under any system, of course, fraud is possible and probable, requiring constant vigilance in its detection. I am of the opinion that so long as we must collect revenue upon imports, the system should be simplified

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by the adoption of *specific duties* and increasing the *free-list*, and confining the tariff of duties to as few articles as possible to yield a sufficient amount of revenue, and thereby reduce the number of employés. Specific duties would, in my opinion, increase the revenue by diminishing the extensive undervaluations. The *quantities* of goods imported are easily ascertained, while the *values* are difficult to establish as a basis for ad valorem duties. Absolute and exact facts are better than changeable values.

17. I have no knowledge sufficient to answer this question. I am of the opinion that the repeal of the "moiety law" has deprived the Government of millions of dollars of revenue, and one of the direct influences to cause undervaluations. The law had some obnoxious features, which, in the hands of venal officers, made it *odious* to American citizens; but any law of the kind must severely deal with fraud; but its terms, however severe, need have no terrors for the innocent. A moiety law which shall be the incentive to honesty, rather than a premium on fraud, would not be so unpopular as to cause serious objection to the examination or even seizure of books and papers.

18. I am of the opinion that it would be entirely practicable for consular agents, if selected for their commercial knowledge or experience, to verify the correctness of invoiced values of at least a majority of articles, especially leading staples, in the principal markets of the world. Consular fees for certifying invoices are the equivalent of $2.50 for each.

19. This question I cannot satisfactorily answer, from the limited experience during my few months of office.

20. I have been unable to procure a suitable analysis of the history of the tariff on wool since 1860.

21. The practice of payment of money by arriving passengers to inspectors is generally believed to prevail, and always has prevailed. The recent instructions issued by the honorable Secretary of the Treasury will, no doubt, have an excellent effect in limiting the practice.

22, 23, 24.—I have no knowledge, at present, on these questions.

The confidential circular is herewith returned.

Very respectfully,

E. L. HEDDEN,
Collector.

HON. DANIEL MANNING,
Secretary of the Treasury.

No. 93.

Additional to Collector Hedden.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., September 19, 1885.

DEAR SIR: I am not receiving from some of the examiners distinct replies to Question 12 of the series of questions sent out by this Department. Will you see to it that the examiners answer this question fully, *freely*, and promptly.

Respectfully, yours,

DANIEL MANNING,
Secretary.

EDWARD L. HEDDEN, Esq.,
Collector of Customs, New York.

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No. 94.

JOSEPH TRELOAR—Appointed Chief Clerk November 24, 1855.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, September 18, 1885.

SIR: I have the honor to acknowledge the receipt of your letter of the 5th instant, enclosing a copy of your circular letter, in which are propounded twenty-four questions as to the operation of the tariff laws.

First question.—As to whether the rates of duty imposed by the tariff have been collected, I answer that, accepting the interpretation of the law as given from time to time by the courts and by the Treasury Department, and assuming that the United States appraiser has not erred as to the value where the rate is fixed by the value of a specific quantity, I am unaware of failure to collect the proper rate of duty. Right here I ask what advantage is there in a tariff of rates regulated by value over purely ad valorem duties? I answer that there is no advantage; on the contrary, it tends, if anything, to complicate the functions of the customs officers; and the imposition of duties at rates governed by the number of threads to the square inch, as in cottons, is still worse.

Second question.—As to whether the full amount of duties, where they are purely specific rates, have been collected, I answer that cases have been, I believe, discovered where the true quantity has been greater than that on which duties were collected; but the Treasury Department has held that, after the duties have been liquidated and the goods have passed from the custody of the Government, the entry cannot be opened for the assessment of additional duties on proof other than the customs officers' returns. (See Synopsis, 4588.)

Third question.—This question, which relates to the testing of invoice measurements of textile fabrics, is one for the appraiser to answer. It is, of course, of the first importance to the safety of the revenue.

Fourth question.—As to the possibility of collusion between the importer and the deputy collector to send to the appraiser for examination a bogus or false package, I answer that, while there is a possibility, there is not a probability of such collusion under the present practice at this port. The importer does not know to which of the many deputies his entry will go for designation of the package unless informed by the distributer who apportions the entries by numbers among the several deputies, and that is not probable. No intimation of such an occurrence has reached me.

Fifth question.—As to inaccurate weighing or measuring on the wharves, I refer to my answer to the second question, and state, further, that this office has received numerous complaints from importers of excessive weights and gauge returned by the customs officers, but my memory fails to recall a single notification that the quantity as returned by the officer was *less* than the actual quantity. This would seem to imply that mistakes all run one way! But do they? I think not.

Sixth question.—In respect to suits brought against collectors by importers for recovery of alleged excessive duties, I transmit herewith a copy (marked "A") of my communication on the subject, addressed to Mr. Ex-Secretary Windom, under date of July 10, 1881. If any interest shall be allowed on judgments obtained in such suits, why

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should it not be at a low rate; and why should not one and the same appropriation be made for the principal and interest?

I raise the question as to the allowance of any interest in such cases, for the reason that it is natural to assume that the importer has realized from the consumer the duties actually paid by a price based thereon; and if the importer recovers judgment, the consumer, whose money has gone into the National Treasury, pays again, and as a result the importer and his "claim agent" are enriched at the expense of the consumer and the Government to the amount of the judgment. Why, then, should interest, which oftentimes amounts to more than the principal, be allowed in such cases? But a well-considered, clear, and comprehensive tariff would more than anything else lessen the number of such suits.

Seventh question.—Referring to the "recent investigations," the inquiry is made on what articles has the Government failed to collect the "full amount of duty?" Although I have no evidence on which I can put my hands, I have gathered from my intercourse with officials that the undervaluations which have been established by appraisement and reappraisement are of silks and other costly fabrics, with perhaps some few lines of other goods.

Eighth question.—How have such undervaluations come about? By venturesome experiments of enterprising importers, (not to use harsher terms,) the probable want of full knowledge of the market value of the many kinds of merchandise by the appraising officers, and in some cases by *cupidity* on the part of some of those officers.

Ninth question.—How long have such false valuations been in operation; and what evidence is there to sustain the Treasury and consular agents as against the official appraisements? Such false valuations have been, I believe, since there has been a tariff, and, I doubt not, will continue so long as we have a tariff, for the old adage that "every man's hand is against the tax-gatherer" is as true to-day as ever it was.

The special agents being known to the community as detectives, competing importers naturally go to them with statements, which otherwise would probably be made to the collector, that other importers dealing in the same line of goods are underselling them at prices which give suspicion to evasion of the duties, and in this the special agent weaves his case.

Tenth question.—As to whether there has been any conflict of opinion in the appraiser's department as to the elements of dutiable value, I leave for the appraiser to answer.

Eleventh question.—As to an estimate of the percentages of undervaluations, I also leave for the appraiser.

Twelfth question.—As to which of the appraising officers are primarily and chiefly responsible for undervaluations, if responsibility attach, it is chiefly with the examiner and assistant appraiser. The statute provides that the salary of assistant appraisers at this port shall be $3,000 per annum, and that that of examiner shall not exceed $2,500 per annum. The responsibilities of the positions warrant, in my judgment, salaries of $5,000 and $4,000, respectively, for these officers. The duties of the appraiser are far from being perfunctory; mooted questions are constantly before him. Upon no officer of the customs does more varied and greater labors devolve, and upon no one's intelligence

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and integrity does the safety of the revenue depend more. His salary is $4,000 per annum, and it should be at least double that sum.

Thirteenth question.—I am unaware of the connivance of Government officials in the presentation to the appraiser of false evidence of foreign values.

Fourteenth question.—Prosecutions have been had against customs officers as parties to fraudulent undervaluations, but I have failed to learn that they have been carried to conviction.

Fifteenth question.—Judging by the past, I apprehend that danger to the revenue from bribery will not cease. Conviction in court in such cases is undoubtedly difficult, for the reason that the required testimony cannot be given by one party or the other without criminating himself.

Sixteenth question.—As to whether a change from ad valorem rates to specific rates would be beneficial to the revenue, and as to whether specific rates can be applied to all textile fabrics. Of course specific rates would simplify the ascertainment and collection of the imposts; and while it may "diminish a tendency to bribery," I do not see that it would close the door to that vicious evil, for the quantities may be falsely stated. Specific rates can certainly "be applied to all textile fabrics," but would it be just to tax the *inferior* article at the same rate as the *superior* article? Would it not be anti-democratic in discriminating against the poor man? Some will say that it will encourage the importation of the best goods. Suppose it does; what advantage is that to the consumer who cannot afford to buy them? The benefit would be to the rich and not to the poor!

The substitution of specific rates for ad valorem when practicable is desirable. It seems that all imported commodities should be taxed proportionately to their worth.

Seventeenth question.—As to the effect of the anti-moiety law of June 22, 1874. It has increased the number of entries by *pro forma* invoices, in many of which the value has been understated. In some instances where the *pro forma* invoice values have been too low, the appraiser has made additions thereto, while in others he has not; but of the causes of the omission I am not informed. Some of such omissions were discovered and cured, but I am not prepared to say that none have passed undiscovered.

The collector called attention to this danger in his letter of April 8, 1882, a copy of which is transmitted herewith, marked "B."

Experiments by importers dangerous to the revenue by such invoices are encouraged by the Attorney-General's opinion that the additional (penal) duty of 20 cent. ad valorem does not attach for undervaluations in entries made on such invoices. In this connection, I forward herewith (marked "C") a copy of a memorandum made by me, under date of June 3, 1874, when this anti-moiety law was submitted to this office in the shape of a bill. Just look at the sixteenth section, which puts the *onus probandi* on the Government of proving "an actual intention to defraud the United States." How can an intention to defraud be proven short of a plea of guilty? This provision should be repealed, and the seventy-first section of the organic act of 1799, which put the *onus probandi* on the claimant, substituted therefor.

Eighteenth question.—As to the practicability of United States consuls personally examining goods and verifying values. This, I am persuaded, would lead to vexatious delays and complaints. It was in a degree tried after the passage of the act of March 3, 1863, (vol. 12

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Stat., p. 737.) I think it was when the consuls refused to certify when they suspected undervaluation therein, and also refused to certify invoices *after* the goods had been shipped. The result was instructions to consuls to certify invoices after as well as before shipment, and to notify collectors when, in their (the consuls') judgment, the invoices are undervalued. (But see section 1715, Revised Statutes.)

Nineteenth question.—The finality of appraisements without the interference of the "executive or the judicial powers?"

In my judgment, any further appeal than that provided in section 2930, Revised Statutes, would tend to complicate and prolong disputes and lead to no good. Many of the complaints, if not the great bulk of them recently made, would, I am convinced, have been avoided had the Department held originally under the act of 1883, as you have said, that the questions as to whether certain so-called charges are elements of market value are for the appraiser to determine.

Twentieth question.—As to the history of the several tariffs on wool, I leave for the appraiser and others to answer, saying for myself simply that the wisdom of compound duties has never been manifest to me.

Twenty-first question.—As to the payment of moneys by arriving passengers to inspectors of the customs, I answer that it is generally believed that the practice has existed for many years. How can it be prevented? By espionage, such as is possible by having baggage examined at one stated place, and by the sure dismissal and prosecution of the offending parties. By the way, I know of no law for the examination of baggage on the steamers' wharves. It is permitted by Treasury regulations only as a convenience to passengers.

Twenty-second question.—My observation has been that frauds on the revenue by smuggling and otherwise are mostly practised on costly goods, such as diamonds, jewelry, and silks and satins. Diamonds are so easily smuggled, I am of opinion that it would be wise to put them on the "free-list."

Twenty-third question.—Referring, as it does, to other ports than New York, I pass it.

Twenty-fourth question.—As to the prosecution of persons, including officials, concerned in undervaluations, I can recall none that was had for undervaluation, simple and pure, other than suits for the forfeiture of the goods in the proceeds of which some one is, as a rule, interested as informer or seizing officer. It has often occurred to me that in such cases the appraising officers should be called upon to explain their delinquency, and that if found to be with a guilty knowledge, they should be prosecuted, and if from incompetency, they should leave the service.

Under any system of taxation, the safety of the Government revenue must, in the main, rest upon the expert knowledge and integrity of its officials.

Submitting the foregoing, I am, with high respect, your obedient servant,

JOSEPH TRELOAR,
Chief Clerk of the Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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[Enclosure.]

A.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, July 10, 1881.

SIR: I have the honor to acknowledge the receipt of a printed copy of your letter of the 15th ultimo, relative to the present method of disposing of disputed questions under the tariff laws.

It has occurred to me that many of the questions would be avoided if the suggestion of the late assistant collector at this port to a committee of Congress were heeded, and that was, referring to the tariff schedule on cottons, "stop taking duties by the microscope." Many more would be cut short, in all probability, if, after they were presented to the head of the Treasury, they were made the subject of special reports to Congress for further legislation.

Had such course been pursued, the Treasury might not have been depleted of millions of dollars for the benefit of so-called "claim-agenti," as in what are known as the "fruit" and "silk-ribbon" cases. The United States appraiser's return as to the character or nature of imported merchandise has been decided by the highest tribunal in the land to be "*final and conclusive.*" (See 24 Howard's Reports, page 525.) There is no law for an appeal from such return. Perhaps it would be well to provide by law for an appeal from the local appraiser's return as to the *nature* of merchandise (now entertained by the Treasury Department) to a board of general appraisers consisting, say, of three members, to be designated from time to time by the Secretary of the Treasury, who should also have power to direct as to the time and places at which the board shall sit. The board to examine the merchandise for themselves, and to call for such persons and papers as they may need, *positively excluding*, however, from their proceedings *counsellors learned in the law* who shall seek to appear for the appellants. The statute to declare the decision of a majority of such board "*final and conclusive*" as to the *nature* of the merchandise. Would not such a board be better qualified by the character of their official functions than the collector can be to decide as to the market values where the general appraiser and merchant appraiser disagree? Why not amend section 2930, Revised Statutes, by substituting the board for the collector? The decisions of the board on appeals, if made final and promulgated to the officers of the customs at the several ports for their information and guidance, would leave only questions as to the legality of the proceedings of the board and as to the rates of duty chargeable. With the *nature* of the merchandise finally determined, there would be little, if any, room for doubt as to the correct rates of duty under the tariff; and such questions as may arise in regard thereto will, of course, call for interpretations of the language of the statute, which properly belong to the courts. The difficulties connected with the assessment of duties on sugar are easily cured by the substitution of ad valorem duties for the present rates according to the Dutch standard, which it has been demonstrated is impracticable. A clear and comprehensive law, which shall designate a time *before and after* which it shall not be competent to protest and appeal against the duties exacted, would go far to secure the object aimed at in your letter.

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The present law, as it has been construed, does not serve the purpose for which it is believed it was intended, viz., the filing of protest *after* liquidation of the duties, whether the entry be for consumption or for warehousing. There is no liquidation known to the custom-house of a "withdrawal entry." If the rate of duty is by authority changed before the goods are withdrawn, the original warehousing entry is necessarily reliquidated, and that, and not the withdrawal, is the liquidation contemplated by the statute; and the acceptance of protests *before* liquidation tends to swell the great number of such documents without ground therefor.

Respectfully submitted.

JOSEPH TRELOAR.

Hon. WILLIAM WINDOM,
Secretary of the Treasury.

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[Enclosure.]

B.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, April 8, 1882.

SIR: It would be a dereliction of duty on my part not to bring to your attention the fact, which is daily made evident to this office, that the revenue is endangered by entry of imported merchandise by so-called *pro forma* invoices, which do not represent the true value.

Taking advantage of the decisions of your honorable predecessor of May 23, 1879, (Synopsis, 4025,) based on the opinion of the Attorney-General, (see Synopsis, 4149,) and October 6, 1879, (Synopsis, 4234,) that the additional (penal) duty provided by section 2900, Revised Statutes, for undervaluation in the entry does not accrue on entries made on such invoices, many importers invariably make *pro forma* invoices far below the true market value. For illustration: Entry No. 24788 was made in February for "650 bags heads cabbage" by *pro forma* invoice No. 13561, in which the value is given as "crowns, 2,000," and the only addition made thereto by the United States appraiser was "shipping charges, 80 crowns;" but the consular invoice subsequently produced is for 4,000 crowns, just double the amount stated in the *pro forma* invoice. *Pro forma* invoice No. 13153, last month's series, is for "5 cases cottons, value £150," entered as dutiable at 35 per cent., while the consular invoice is for "worsted dress-goods, value £384, 11*s.*, 8*d.*," which are dutiable at 6 cents and 35 per cent., and 8 cents and 40 per cent. Another *pro forma* invoice, (No. 15385,) last month, which is for goods purchased from a dressmaker in Paris, was advanced by the United States appraiser 60 *per cent.* From the fact that in many cases the importer presents his consular invoice quite promptly after the appraiser has made his return and the goods have been disposed of, this office regards it as probable that entry is made by *pro forma* invoice in some cases even where the consular invoice has been received. By such an entry the importer may test the judgment of the United States appraiser as to the value without incurring the penalty for undervaluation; and it will be patent to the Department that the opportunity is open to the importer in such cases to procure a verified invoice in amount not to exceed that returned by the appraiser.

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It could not have been the intention of the law-makers to thus encourage such deceptive practices to the danger of the revenue and the injury of honest importers.

With all due deference to the opinion of the Attorney-General, that the additional (penal) duty provided for in section 2900, Revised Statutes, applies only in cases where entry is made by consular invoice, (that, in his judgment, being the "original invoice," as used in that section,) I submit that section 10, act of June 22, 1874, provides for an entry upon affidavit accompanied "by a statement in the form of an invoice or otherwise." Now, then, is not a statement in the *form of an invoice* the original invoice for the purposes of entry? The act of 1874 is clear that there must be a statement of value, whatever its form, on which to base an entry, and thereby clearly recognizes and provides for the requirements of previous enactments for the entry of imported merchandise by invoice.

By way of explanation, it is proper to state right here that the act of August 30, 1842, imposed the so-called penal duty for undervaluation *in the invoice*, but by the acts of July 30, 1846, March 3, 1857, June 30, 1864, and March 3, 1865, now section 2900, Revised Statutes, the importer is permitted to add on entry to his invoice price such sum as, in his opinion, shall raise the same to the actual market value.

If the importer elects to make an entry (there is no compulsion) by an invoice received from the shipper, not certified, he is not deprived of the opportunity to make an addition thereto on entry for market value; and if he makes an invoice himself he cannot complain if he takes the responsibility in his own hands and involves his goods in a penalty by undervaluing them. Whether an importer adds to the value given in an invoice to make market value or in preparing a *pro forma* invoice declares the total value, it is one and the same thing. The statute, section 2900, provides, as I have before stated, that an importer on making entry may add to the value given in his "*original* invoice," and that if the "appraised value shall exceed by 10 per cent. or more the value so declared in the entry," the additional (penal) duty shall be collected.

The law does not say *certified* invoice, it simply says *original invoice.* And is not the invoice by which entry is made the original invoice, whether it be verified or *pro forma?* Certain it is that a *pro forma* invoice is recognized by the tenth section, act of June 22, 1874, as it is by section 2847, Revised Statutes, for the purposes of entry, and, being so recognized, it cannot under the law be regarded other than as the "original invoice" on which entry is made.

The Supreme Court has decided (17 How., 93) that the penal duty under section 2900 attaches irrespective of fraudulent intent. The twelfth section of the act of June 22, 1874, referred to in the opinion of the Attorney-General, which provides punishment for an intended fraud, is, therefore, not pertinent to the question under consideration. This twelfth section does not repeal or even modify by implication the said section 2900, Revised Statutes.

If the instructions and practices under this act of 1874 must continue so long as it remains on the statute-book, then I beg to submit for your consideration whether the disadvantages thereunder to the revenue and to the honest importer should not be brought to the attention of Congress. It may not be out of place to state that the then Acting Secretary, Mr. Hawley, in his letter of November 2, 1878, accepted the Attorney-

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General's opinion herein referred to for the purpose of the case of Messrs. Baldwin, Sexton & Peterson, notwithstanding that Mr. Assistant Secretary French, in his letter of August 27, 1878, held that under the rulings of the court there was no law to relieve the case.

I am, with high respect, your obedient servant,

W. H. ROBERTSON,
Collector.

Hon. CHAS. J. FOLGER,
Secretary of the Treasury.

—

[Enclosure.]

C.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, June 3, 1874.

Memorandum: The solvency and life of a government are dependent upon the certainty of the collection of its revenues, and strict laws are an absolute necessity to insure their payment into the national Treasury; and such statutes may be efficiently executed without injustice to the citizen who, having the welfare of his country at heart, would not knowingly commit a fraud upon it. Stringent laws are as essential to the honest tax-payers as to the Government, for smuggled and other fraudulent importations would not fail to destroy the business existence of loyal and conscientious merchants. No government can afford laws that would be inimical to the interests of such citizens, and yet our Congress has a bill before it which, if it become a law, will certainly encourage frauds upon the revenue and drive from trade and make bankrupt the honest importer, who of course could not compete in prices with those who might successfully evade the payment of the just impost.

Honest men have no fears of stringent enactments made for the certain collection of the revenue, and it is no evidence to the contrary because certain parties who have felt the halter draw with no good opinion of the law have been before the committees of Congress praying for statutes less conducive to the safety of the revenue.

Laws are made, or should be, for the protection of uprightness and integrity, and not for the immunity of evil-doers from just punishment, who alone fear the rigors of the law, as they should.

The plea that has been made by many of innocence after confession of judgment is an absurdity to be looked for only in dishonest and cowardly men, and to intelligent and thoughtful minds it could only be evidence of guilt.

It is the law of the land that there must be probable cause of seizure; and if an officer of the customs seizes without probable cause, no indictment on the statute lies for resisting him in the seizure, and in the absence of cause such resistance would naturally be offered and looked for. And in cases where there are grounds for mitigation the Secretary of the Treasury is (by the act of March 3, 1797) empowered to remit fines and forfeitures until the proceeds have been actually received for distribution. And such prayers are not unfrequent, and if they are not made it may reasonably be concluded that there are no good grounds for such petition or it would be advised by counsel, learned in the law, employed by the defendant in such cases.

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And then, again, seizures made by the collector are at his own peril, and in a failure to establish probable cause he would personally be liable for damages. Moreover, he is under heavy bonds for the faith, ful collection of the revenue. Will any man in that office take the great responsibility of making seizures without a fair and equitable compensation? No. And it would be unreasonable and contrary to the laws of nature to expect it. An incentive or reward is a necessity to the sure punishment of offenders.

The customs officer, of course, would execute the law; but deprive him of his just moiety, and he will and must avoid personal risk. The experiment of detecting frauds without moieties has been tried and found wanting, (see the act of February 11, 1846,) and in the absence of a proper equivalent to the seizing officer, and with a high tariff in operation, smuggling and frauds on the revenue generally would be encouraged and run riot in every port of the United States.

By the bill before Congress the principal or *subordinate* officers, or persons employed in the customs service, *shall* report to the district attorney violations of the revenue laws. Such a provision of law could not fail to destroy the usefulness of a superior officer and to bring forth certain insubordination that must be disastrous to the most important branch of the Government, for *what would be every officer's business would be no officer's business.*

The eighth section of the bill provides that no importation exceeding $100 in value, except "personal effects," shall be admitted to entry without a certified invoice or an affidavit and informal invoice. The exception would not cover household effects which, in the case of passengers arriving, are equally entitled to favor, and the present laws recognize the two as distinct; and there would be no relief for consignments of green fruits and other *perishable* merchandise in cases which must occur where there is no data on which to make an informal invoice.

As to section 18, it is not *now* lawful for any officer of the customs, special agent, or district attorney to compromise any penalty or forfeiture.

Section 20 declares that whenever any merchandise shall have passed free of duty, or wherever the duties have been liquidated and paid, such settlement shall, in the absence of fraud and in the absence of protest by the importer, "*be final and conclusive upon all parties.*" This sweeps away the long and well-settled rulings of the courts, that the Government never loses its rights to the duties. No officer is infallible any more than legislators, and if by any chance dutiable goods are classified as free, the honest importer could not pay nor could the collector receive the duties due, and thousands of dollars would be lost to the Treasury in cases of continual occurrence of merchants reporting more than a year *after liquidation* additions to their entries for payment of duties which they voluntarily offer. They could not be received under this section of the bill after the lapse of twelve months. This in itself should be regarded as sufficient to condemn the bill.

The proposed salaries for officers are not at all commensurate to their duties and responsibilities, and do not compare favorably with the compensation allowed to attachés of third-rate insurance companies and other private institutions, where the trusts in their hands is but thousands of dollars to the millions of money received and accounted for by the functionaries named in this bill.

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The evils complained of by the merchants would be cured by abolishing special agents act of May, 1870, and the repeal of the seventh section of the act of March 3, 1863, which provides for the seizure of books and papers.

The employment of such agents has been but a hindrance to the service and a detriment to the best interests of the revenue, and no hue and cry was heard from importers until such officials came to the surface. They should be wiped out, and the collector left without such foreign interference.

JOSEPH TRELOAR,
Chief Clerk.

I hold the foregoing truths to be self-evident.

C. P. CLINCH,
Assistant Collector.

I fully concur.

S. G. OGDEN,
Auditor.

NOTE.—Mr. Clinch and Mr. Ogden (both now deceased) were each in the service for forty years, and were high authorities in revenue matters.—September 18, 1885.

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No. 95.

Additional Inquiries to Chief Clerk Treloar, New York.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., September 25, 1885.

SIR: Your attention is again invited to my letter of the 5th instant, and to the enclosed circular. Your reply of the 18th instant has been received, but it has not the "completeness of details" expressly called for by my previous communications.

Your experience in the custom-house at the port of New York has been so long, and your official relation to the several collectors has been such that candid and complete replies by you to each of the questions propounded should be of service to the Executive and to to Congress. The communications made from time to time by the collector at New York to this Department concern every branch of the customs service at that port, and a great part of those letters bear your initials. My object is to ascertain from the local officers the present actual condition of the customs service throughout the country, and especially at the port of New York. Some of my inquiries refer to what has been done or omitted within the last few years, but your replies need not go further back than two years. When evidence or opinions are called for by the inquiries, I wish a direct, explicit, and full reply from each officer to whom the circular is sent, without regard to the evidence or the opinions that may be satisfactory to another officer, and also without regard to the relative functions of the several officers, whether in the collector's or appraiser's branch of the service. I wish the views of each officer receiving the circular letter on each subdivision of each question, unless such officer shall say that he has

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no opinion thereon and no evidence on which he feels entitled to form an opinion. You will be free in the expression of your views to criticise the decisions of this Department and the conduct of any of your superior or associate executive officers.

If you are cognizant of any failure at any point of the customs service in New York to execute the law, you are directed to fully explain what you believe to be the character and cause of the failure, in addition to such failure as may be disclosed by a distinct and categorical answer to each branch of each of the several questions. You are also authorized, as chief clerk of the customs at New York, to make known, if you shall deem it useful for the accomplishment of the objects I have in view, to your associates in New York, and especially in the appraiser's department, the thorough and straightforward manner in which I expect each one of my inquiries to be dealt with. Your immediate attention will be given to the matters covered by these instructions.

Very respecfully,

DANIEL MANNING,
Secretary.

JOSEPH TRELOAR, Esq.,
New York, N. Y.

No. 96.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, September 29, 1885.

SIR: I have to acknowledge the receipt of your letter of the 25th instant, calling for further answers from me to the questions asked in your circular letter as to the conduct of the customs business at this port.

It is due to myself that I should say that nothing was further from my purpose to be other than "candid" in the replies that I have already made; and that where they were not as full as might have been expected, I naturally assumed that explicit responses would be made by those immediately in charge of and responsible for the transaction of the business to which the questions relate.

I shall, however, cheerfully give my attention again to your circular, and offer such additional replies as my experience will enable me to make; and I shall not delay in so doing, but as my time is fully occupied at my desk from early to late, I ask your kind indulgence as to time.

I remain, with high respect, your obedient servant,

JOSEPH TRELOAR,
Chief Clerk of the Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 97.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, October 14, 1885.

SIR: I have the honor again to refer to your circular making certain inquiries as to the customs affairs, and to submit the following additional replies:

First question.—As to "what evidence is there, if any, that the rates of duty have not within the last few years been levied and collected as the law prescribed," I answer that, if I am correct in my views as to the proper construction of the law, there has been failure to levy the prescribed rate by reason of Treasury decision of January 12, 1884, (Synopsis, 6110,) that photographic albums composed of leather, paper, and metal were dutiable at the rate chargeable on the component of *chief value*. This, in my judgment, is not sound, for the reasons that the tariff imposes stated rates of duty on manufactures of which leather is a "part," of which paper is a "part," or of which metal is a "part," the imposition of any of said rates not being dependent, under the law, on any one of the materials being component of chief value; that section 2499, Revised Statutes, as amended by act of March 3, 1883, provides that "if two or more rates of duty should be applicable to any imported article, it shall be classified for duty under the highest of such rates;" and that the rate of duty, 45 per cent. ad valorem, imposed on manufactures of which metal is a part is the highest of the several rates prescribed for manufactures of which leather, paper, and metal may each be a "part." This ruling, which of course applied in principle to other manufactures, although not absolutely revoked, has practically become null and void by decisions under your administration of the Department.

The Department decided November 27, 1883, (Synopsis, 6046,) that beans and pease were *exempt* from duty; March 28, 1884, (Synopsis, 6273,) that they were dutiable at 20 per cent. ad valorem; and June 1, 1885, (Synopsis, 6948,) in acquiescence of the ruling of the court, that they are dutiable at 10 per cent. ad valorem—all under the same law.

The Department decided August 22, 1885, (Synopsis, 7080,) that shelled lobsters preserved in vinegar are exempt from duty. Conceding that shelled lobsters, canned, are exempt from duty under the provision for "shrimps or other shell-fish," (T. I., new, 783,) by reason of the proviso to section 2499, Revised Statutes, as amended, I submit, are they not dutiable under that same proviso by being preserved in vinegar, vinegar being a "dutiable material and used" in their preservation? I think so.

The Department held April 26, 1883, (Synopsis, 5678,) that certain so-called "granulated rice" is dutiable at 20 per cent. ad valorem, under section 2513, Revised Statutes, as a manufactured article "*not herein* [in the tariff] *enumerated or provided for.*" I hold that, by assimilation to cleaned rice, granulated rice is "provided for" by virtue of section 2499, Revised Statutes, at 2¼ cents per pound, that being the rate imposed on cleaned rice, and that my position is not inconsistent with the decisions of the court cited by the Department for a contrary conclusion. In addition to those decisions, I refer to that in vol. 2, Curtis C. C., 499.*

*Since writing the foregoing, I have been informed that the United States circuit court in Philadelphia has just made a decision as to the classification of bichromate of soda, which confirms my views as to the force and application of section 2499, Revised Statutes.

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In this connection I submit it as my judgment that any finding by the collector as to the character of merchandise will not stand in law, the return of the United States appraiser in that regard being, in my opinion, binding. My reasons for this opinion are set forth in my communication to the collector under date of July 30, 1885, a copy of which I transmit herewith.

One other decision of the Department which comes to my mind and which I think is not sound, is that of July 28, 1885, (Synopsis, 7046,) adhered to under date of August 5, 1885, (Synopsis, 7063,) as to the classification of so-called dressed furs. These furs are imported in the form of *rugs*, and as rugs they are provided for in the tariff by name; and, being so imported and provided for, no subsequent change or alteration of their form can effect their classification as rugs under the tariff. The collector submitted the same view in his letter of the 4th of August last, a copy of which is also transmitted herewith for ready reference.

Then again, (although the amount rather than the rate of duty is involved,) the Department, in Synopsis, 7096, adheres to article 470, Regulations, 1884, that "in cases of disagreement between merchant and general appraisers on reappraisement * * * the collector is not bound to follow either," but may for himself on the evidence determine the market value for assessment of duties.

The law, section 2930, Revised Statutes, provides in such case that "the collector shall decide between them." If he "is not bound to follow either," but may fix an independent value, then I submit that he does not "decide between them," but, on the contrary, *he puts them both aside*, and may, as the present collector has done in one case, find and adopt for assessment of duties by himself a value *lower than the lowest* returned by the disagreeing appraisers!

Had Congress intended that the collector should exercise the powers of appraiser, it would have so legislated; but it has not. The appraisers have the power, by statute, to examine the goods and to take testimony as to the value; and if they disagree, I submit that there is nothing for the collector to do in "deciding between them" but to adopt one or the other of their reports of the appraisement made by them in the mode provided by law. The statute looks to an appraisement as a basis for the assessment of duties, and the collector cannot legally make an appraisement, and therefore I repeat that he cannot, in my judgment, adopt for duty purposes a value other than that returned by an appraiser.

Second question.—As to evidence, if any, that the full amount of duties have not been collected where the rates are purely specific, I add to my answer of the 18th ultimo, that, if my memory serves me correctly, I have incidentally heard Mr. Special Agent Bingham mention an importation in Boston where the actual quantity was discovered to be greater than that on which duties were assessed, and in that case the impression is on my mind that the rates were specific. I can recall no developed similar case at this port.

Third question.—I am not advised of the methods employed by the appraiser in verifying the invoiced measurements of textile fabrics.

Fourth question.—I am unaware of any evidence of collusion, for several years, between importers and customs officers, to send for examination a bogus or false package.

Fifth question.—From my own knowledge I can add no evidence to that given in my answer of the 18th ultimo of false or incompetent or

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inadequate weighing or measuring on the wharves. I have at times heard statements made that there was looseness in weighing, but I have not had before me "evidence" to establish such a case. I have seen from time to time amended returns made by the weighers where importers have alleged that the original returns were excessive and the weighers have admitted clerical errors on their part.

At a port of the magnitude of this, I submit that the service would be benefited if the surveyor had two or three additional deputies, whose business it should be to visit daily all the inspectors engaged in discharging vessels, and all the weighers. Such supervision would, I am impressed, bring good results. The surveyor has now but one deputy.

Sixth question.—First subdivision: In respect to differences between importers and collectors which have resulted in suits, does the existing law need amendment? Yes; if the Department's construction thereof is allowed to stand, that a protest against a liquidation may be lodged *before* the liquidation is made; in other words, before there is any ground for protest. I think I have heretofore remarked that it might as well be held that a promissory note may be protested before it is due. The law (section 2931, Revised Statutes) is that protest shall be made within ten days "after" liquidation. See Department's decision, 4079, revoking 3730, which was based on a decision by Chief-Justice Waite, sitting in circuit. The conclusion of the Department in 4079 is to me astounding, in that it accepts the decision of the court, which is *against* the Government "until a decision of the Supreme Court shall be had upon the question."

How the question is going to get to the Supreme Court under such circumstances I do not know; certain it is that the importers will not take it there. The present rule increases such papers, and encourages claim agents to make them where they would not if compelled to await the result of the liquidation. If a proviso were inserted in the law that protests lodged *before* liquidation will be regarded as invalid, there would be no room for question.

Second subdivision: It is reported to me, from the division in charge of such matters, that from December 4, 1866, to September 30, 1885, 10,063 suits have been instituted against the collector at New York, and 5,772 discontinued, leaving 4,291 pending suits of what are known as the "new series." I am informed that the number of the "old series" pending cannot, without much time and labor, be determined.

Third subdivision: It is impracticable for this office to classify the suits, and how long each untried suit has been ready for trial can be answered intelligently by the district attorney only.

Fourth subdivision: It seems to me that perhaps the law officers of the Government might devise a plan for the prompt disposal of pending suits by which test cases may be tried in court for the settlement of the legal points involved, and sending to referees all those involving simply questions of fact. From what I hear, I judge that the great want is active and thorough lawyers as assistant district attorneys in the place of those who, although they may be naturally bright, are comparatively but new beginners in the profession. The Government would, I am fully persuaded, be the gainer by the employment of the best legal talent in the trial of revenue cases.

Fifth subdivision: As to whether the law in respect to the payment of interest as a part of the judgment in such suits needs amendment, I beg to refer to my answer of the 18th ultimo.

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Sixth subdivision: In my judgment, there is no necessity for a new tribunal to try such suits. I am impressed that the present system "can be made sufficient if it be worked efficiently," and, in my opinion, it can be worked efficiently if the district attorney has for assistants able and experienced lawyers.

Seventh question.—As to the class of articles on which the Government has, during recent years, failed to levy and collect the full amount of duties, I refer to my answer of the 18th ultimo, and add that I have no knowledge of evidence other than the reappraisements which were the result of the recent investigations by special agents, and those, as I have said before, related principally to silks, satins, laces, and other costly fabrics, and I do not see how such reappraisements can be "controverted successfully."

Eighth question.—How has the failure to collect the full amount of duties come about? By venturesome experiments, as I said in my answer of the 18th ultimo, of enterprising importers in invoicing and entering their goods at less than their true market value, and the failure of the appraisers to return the correct market value; but I am not aware of any evidence to show a guilty knowledge of the failure, or a conspiracy among officials to promote it.

Ninth question.—First subdivision: If there is "evidence that the appraiser (not the general appraiser) has reported to the collector false dutiable values, how long has the falsehood been in operation?" The evidence that such false returns have been made is in the fact of forfeitures for undervaluations, and I believe that they "have been in operation," more or less, ever since there was a tariff; but suits for forfeitures for undervaluation have seldom been brought, and, when brought, have at times failed by reason of the burden put on the Government to prove "intent to defraud," as provided by the so-called anti-moiety law.

Second subdivision: Such undervaluation has not been of any particular class of goods, but of a variety of articles, sometimes one and sometimes another.

Third subdivision: The articles have come from different places.

Fourth subdivision: They have represented consigned (manufacturer's) goods as well as purchased goods, but mostly the former.

Fifth subdivision: Whether the same general condition of things has existed at other ports I cannot say.

The proof of false returns of dutiable values by the local appraisers is in the fact of advances made by them at the instance recently of special agents, which advances have in a measure, I believe, been sustained on reappraisement.

Tenth question.—First. I have been given to understand that there has been doubt and conflict of opinion in the appraiser's department respecting elements of dutiable value consequent upon the seventh section of the act of March 3, 1883, revoking previous laws which made certain charges elements of dutiable value.

Second. Some of the assistant appraisers hold to the opinion, I believe, under the law as it now stands, that it is the *naked* goods only that are dutiable, while others hold to the opinion, under section 2906, Revised Statutes, that it is the market value of the goods in their *marketable* condition that is dutiable, which, of course, includes the cost of cartons, labels, wrappers, cards, and such like necessary to that condition. The latter is my view, and, as I believe, it is that of the present appraiser, and his view, I assume, controls the practice of his department in that regard.

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Eleventh question.—An average estimate cannot *now* be made, in my judgment, of the percentage of undervaluations in any year or series of years. It would, I am impressed, be next to impossible, if not quite impossible, to identify the articles or invoices.

Twelfth question.—As to the officers responsible for undervaluations, I can add nothing to my answer of the 18th ultimo.

Thirteenth question.—As stated in my answer of the 18th ultimo, I am unaware of any evidence that Government officials have assisted, consented, or connived at the presentation to the appraisers of false evidence of foreign values.

Fourteenth question.—First. I do not know that "false values have been habitually and systematically reported to the collectors" under the previous or the present administration of the Treasury Department, nor that any failure to faithfully execute the tariff law "has come of dishonesty" or by guilty knowledge on the part of Treasury or customs officials, and, therefore, my answers to the two other subdivisions of this questions as to any corruption "fund" are in the negative. But, as I stated in my previous communication, certain attachés of the appraiser's department were reported to the district attorney for alleged fraudulent practices, and the prosecution, I have since learned, failed in conviction.

Fifteenth question.—As to the dangers from bribery, I can add nothing to my answer of the 18th ultimo.

Sixteenth question.—As to the effect of a change from ad valorem to specific duties, I beg to refer to my answer of the 18th ultimo.

Seventeenth question.—Referring to my answer of the 18th ultimo, I will add that I for myself have no doubt that the repeal of the moiety system and the legislation modifying the law of 1863, respecting the seizure of books and papers, have increased false entered values, and, as a consequence, false appraised values.

Eighteenth question.—First. It is my decided opinion that it would be impracticable for consuls, no matter how numerous and alert, to personally examine merchandise and verify the correctness of invoice values.

Second. I am unaware of any consular district in which such officers can "safely and surely ascertain the true values of every shipment," especially of purchased goods. They may, of course, ascertain the general market value of a given article.

Third. It is quite likely that foreign governments would "not abstain from complaints to this Government" of such examination of goods by our consuls. They would not, I am confident, tolerate such action.

Fourth. The law, section 2851, Revised Statutes, provides that consuls shall be entitled to demand and receive for the verification of each invoice two dollars and fifty cents, and no distinction is made whether the merchandise is of little or great value. An exception is made by section 1721, Revised Statutes, as to invoices from the British North American provinces, for the verification of which the fee is one dollar each. In addition to the consular fee of $2.50, the invoices from London and England show a charge of four shillings and sixpence for "commissioner's fee." In this connection, I find of record in this office a letter from the Treasury Department, dated October 6, 1862, in which, in a case presented by Naylor & Co., the collector is informed that the Secretary of State had received a communication from the

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United States consul at London, who writes that "as foreigners cannot legally administer oaths to British subjects, all oaths to invoices made by such subjects have to be taken before a magistrate, qualified according to English law to administer oaths, some one authorized by the consul being in attendance to witness the signing of the papers." But consuls were instructed by the State Department, in its circular, No. 35, of April 27, 1863, that, by the 1st section of the act of March 3, 1863, now section 2854, Revised Statutes, "the declaration is substituted for the oath heretofore required." I take it for granted that the English law covers "declarations" as well as "oaths." Certain it is that invoices from England have thereon declarations made before "a commissioner to administer oaths in the supreme court of judicature in England," and a certificate of the United States consul verifying the declarations.

Nineteenth question.—As stated in my answer of the 18th ultimo, it would not, I am of the opinion, "be safe or useful to the revenue" for the executive or judiciary to have greater or other powers than are now provided by statute in the ascertainment of dutiable values. Market value, which is now dutiable value, is a question of fact and not of law, and is a living issue. In many cases, if made the subject of protest and appeal and suit, it would be years before the question would be settled. Perhaps it will be said that the law, as it stands, is arbitrary; and I answer that "all revenue laws must of necessity be arbitrary."

Twentieth question.—As to the history of the several tariffs on wool since 1860, I learn from the appraiser that his assistant, Mr. Strong, has made a very full report. If in addition to that a statement of the importations of wool and the revenue derived therefrom under the several tariffs shall be desired, I beg to suggest whether it may not be readily obtained from the Bureau of Statistics or the Commissioner of Customs in Washington; if not, then an order to the collector at this port would probably secure it from the auditor's department of this office, so far as the importations into this district are concerned.

Twenty-first question.—I will add to my answer of the 18th ultimo, as to the payment of money by passengers to inspectors of baggage, that the belief is almost universal that such payments are constantly made.

I can suggest no plan under the present system of examining baggage, unless it be the employment from time to time of keen and trustworthy detectives, who shall not be known, to the end that the guilty parties shall be discovered and punished. The discovery and punishment of even one or two would have a salutary effect. As it is now, it is almost impossible to secure the necessary proof to convict, the act of the giver and the act of the taker being both condemned by law.

Twenty-second question.—As to whether the evidence tends to show that the rates of duty have "been carried by Congress beyond and above the line which the Government can surely protect, and into a region where smugglers and shippers will be very powerful in evading the law," I answer that while attempts to evade the legal impost are the most tempting as to goods paying the highest rates because of their great value, my experience convinces me that the greatest vigilance is necessary to the safety of the revenue, whether the rates are high or low, undervaluation and smuggling being practised as to goods on which the tariff imposes different rates.

Twenty-third question.—Refers to transactions at ports other than New York, with which I am not acquainted.

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Twenty-fourth question.—As to why the persons or officials concerned in false returns of dutiable values have not been complained of, arrested, indicted, and punished, I answer that I am aware of but two or three cases of officials being complained of to the district attorney in that regard, and they were discharged, I am informed, for want of sufficient evidence. Many cases, however, have arisen where the circumstances gave rise to very strong suspicions of wrong-doing, and if they were not reported to the United States attorney, I assume that it was because those specially charged with the investigation of such matters failed to find sufficient evidence to warrant prosecution. I repeat the suggestions made in my answer of the 18th ultimo, "that in such cases the appraising officers should be called upon to explain their delinquency, and that if found to be with a guilty knowledge they should be prosecuted; and if from incompetency, they should leave the service."

In addition to the foregoing, and in obedience to your direction, I point out failures to execute the law.

First. The 25th section, act June 22, 1874, (vol. 18, page 186,) provides "that public cartage of merchandise in the custody of the Government shall be let, after not less than thirty days' notice of such letting, to the lowest responsible bidder giving sufficient security, and shall be subject to regulations approved by the Secretary of the Treasury." I am unaware of any "letting" of cartage in accordance with this law, except the cartage of goods ordered to the public store for examination.

Unclaimed goods—that is, goods not entered and goods bonded for warehousing—are, under the statute, "in the custody of the Government;" and yet, as I understand it, no "letting" of the cartage thereof "to the lowest responsible bidder" has been made. It has been given in the main to the parties bidding and contracting for the transfer of the so-called "public-store packages," and not, I believe, at the same prices as are paid for those packages. In this connection, I report the fact that complaints are received almost daily from importers of delays on the part of the public-store cartmen in transferring packages. This, I can readily conceive, is a very serious matter to importers, and should be remedied. From all that I can gather, the service is indifferently performed. Other contractors should, in my opinion, be substituted for the present ones, and that, too, at once.

Second. The retention of unclaimed goods on the steamers' wharves for forty-eight hours after they are landed, as authorized by the Department's instructions of May 5, 1878, (Synopsis, 3230.)

The law, section 2966, Revised Statutes, as amended by section 24, act of June 26, 1884, provides that when it shall appear by the bill of lading that the merchandise is to be delivered immediately on arrival, the collector may take possession of the goods, and the same section, as well as section 2963, declares *how* he shall take possession, the latter section distinctly providing that "merchandise * * * not * * * entered * * * shall be deposited in the public warehouse, and shall *there* remain at the expense and risk of the owner," and the liability of steamship companies for goods remaining on the wharf is, under the statute, section 2871, Revised Statutes, only for such as may be landed at night.

When bills of lading were first drawn, with the condition to deliver the goods immediately on arrival, under the act of August 3, 1854, the steamship companies defrayed the first forty-eight hours storage charges, as an offset to the right of the importer to have three days' notice, under

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the last provision in section 2966, Revised Statutes, before the collector shall take possession of the goods when the bill of lading is not conditioned as stated.

The instructions in question, which are clearly, in my opinion, without warrant of law, are the outgrowth of the so-called "Jay Commission," which investigated the customs service at this port some years since. The instructions are beneficial only to steamship companies, and foreign corporations at that. Such favors are certainly not in the interest of importers, for deliveries to them and transfers to the public store are delayed by the piling of the goods on the wharves, not to mention the dangers by theft and fire. Some two or three years since quite considerable cargo of the steamer "Egypt" so landed was destroyed by fire. Whether the owners have ever succeeded in making any recovery from the steamship company I am not informed, but certain it is that, by virtue of section 2984, Revised Statutes, the Government lost the duties on such destroyed cargo.

Third. The failure to execute the law, section 2939, Revised Statutes, as to the representative packages that shall be sent to the United States public store for examination and appraisement. To execute the law to the letter in this regard will require a store of at least twice the capacity of the one now occupied for that purpose, and a large increase of examiners and verifiers. I recall a case where the United States circuit court held that the 20 per cent. additional duty did not attach for undervaluation because of the failure to send for examination the legal number of packages; but now, as a rule, where undervaluation is found, all the goods are ordered in for appraisement.

Fourth. As a matter of fact the actual "lading" (as required by sections 2627 and 3035, Revised Statutes) of goods exported for drawback is not superintended by officers of the customs, and the present force is not equal thereto. As it is, the officer, as a rule, sees that the goods are deposited at the wharf and receipted for by the export vessel.

Fifth. In conclusion, conceding that the Department's instructions in Synopsis, 4919, are not contrary to law, in accepting bills of lading as evidence of exportation of goods for drawback of duties where the amount does not exceed $100, instead of a bond for the production of certificates of landing abroad, I am impressed that if frauds are not practised thereunder, the door is open for them, for the Department must know that an officer is not in charge of an outgoing vessel as he is of an incoming vessel.

Submitting the foregoing, I am, with high respect, your obedient servant,

JOSEPH TRELOAR,
Chief Clerk of the Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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(Enclosure.)

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, August 4, 1885.

SIR: I beg to acknowledge the receipt of your letter of the 28th ultimo, in which you hold, on the appeal of J. & A. Boskowitz, that certain so-called dress furs are dutiable at 20 per cent. ad valorem.

An interview, since your decision, with an importer of high standing who deals largely in furs, prompts me to present for your consideration the statement made by him, verified by my own experience, and which will not, it is believed, be denied by the appellants, that furs in the condition in which those in question were imported—*i. e., sewed together*—are, without further manufacture, bought and sold as *rugs*. It is true that the larger portion of them are, *after* importation, taken apart, resewed in larger sizes, and sold as robes; but I submit that the provisions of the tariff apply to imported goods in the condition in which they are landed, and not to their subsequent altered condition. The Department has so held in its letter of February 2, 1878, on application of Mr. E. Aymard as to certain burr millstones; in its letter of March 21, 1881, on appeal of Henry Barlow as to certain so-called samples and in its decision of October 25, 1878, (Synopsis, 3748,) on certain old brass tubes.

The furs under consideration are, in the form in which imported, *rugs*, and were so found and returned by the United States appraiser; and as other like importations will doubtless be made, the question presents itself, can the *judgment* of the appraiser as to the *character* of imported merchandise *be directed?*

The United States Supreme Court has held "that any dispute as to the *nature* of the produce imported and its consequent classification in the invoice and entry were questions of fact within the jurisdiction of the appraiser." The appraiser's classification as to rates of duty are, of course, only advisory. The furs imported by the present appellants are not, as understood by this office, dissimilar to those which the Department decided December 19, 1882, (Synopsis, 5454,) to be dutiable at 45 per cent. ad valorem, as *rugs*, under the provision therefor in the old tariff, and the only change in the new tariff in regard thereto is a reduction of the duty to 40 per cent. ad valorem.

In view of the foregoing, I recommend that the United States appraiser shall take sworn testimony, as provided in section 2922, Revised Statutes, so that he may determine for himself whether or not furs sewed as are those in question are merchantable as *rugs*.

If an importer brings his goods into the United States in a form to meet the plain provisions of the tariff, I fail to see how any subsequent treatment of the goods can avail to avoid such provisions.

Please instruct me.

I am, with high respect, your obedient servant,

E. L. HEDDEN,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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(Enclosure.)

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, July 30, 1885.

SIR: In the matter of the appeal from your assessments of duties on certain so-called granulated rice, I feel that I would fall short in the conscientious discharge of my official duty were I to fail to point out the practical difficulties which stand in the way of the collector in his taking testimony as to the character of the rice. They are the laws, as defined by the highest judicial courts, which make it the duty of the United States appraisers to ascertain the character of imported merchandise, and the absence of any statutory authority for any other method.

The appraiser reports the character of imported merchandise to enable the collector to range or classify the same under the tariff. Were it otherwise, the collector would be under the necessity of examining and determining for himself the character of imports. As it is, the appraiser reports whether the goods are of the character described in the invoice, and this he must first determine, else he cannot intelligently make return as to the market value, for if an appraiser may report the value of a crude article as that of one not crude, where would be safety to the revenue in his action?

Section 2899, Revised Statutes, provides that no merchandise shall be delivered until inspected or appraised, or until the same "shall be found correctly and fairly invoiced and put up, and so reported to the collector." Certainly merchandise would not be "fairly invoiced and put up" if falsely described as to its character; and by whom but by the appraiser does the law require that that fact shall be determined and "be reported to the collector?"

The United States Supreme Court has decided, in 24 Howard, 525, that "it was competent for the appraisers to correct the misdescription in the invoice and entry, or disregard it, so as to perform their duty as required by law. Unless they have that right, then the grossest frauds may be committed by an importer with perfect impunity; and if they have that right, as *clearly they must, then it follows that any dispute as to the nature of the produce* imported and its classification in the invoice and entry *were questions of fact* within the jurisdiction of the appraisers, and their decision is final and conclusive."

It is true the law (section 2902, Revised Statutes) provides that the appraiser shall, "by all reasonable ways and means in his power," ascertain the true *value* of imported merchandise; and it cannot be denied that the first and one of the most essential "ways" of reaching that fact is the determination of the character of the merchandise which governs the classification for duty.

Moreover, it is competent for the appraiser, and not for the collector, under section 2922, Revised Statutes, to call before him "and examine upon oath any owner, importer, consignee, *or other person touching any matter or thing* which he may deem material in ascertaining the true market value * * * of any merchandise imported;" and certainly the fact as to whether the rice is granulated or not is material to the ascertainment of its value. The question as to the tariff classification of the rice is now before the honorable Secretary of the Treasury on an appeal under section 2931, Revised Statutes, and if in his consideration of the appeal he remits the case to the officers of the customs for review by them of their action, I submit that such review would properly proceed under the law by action, first of the appraiser, as to the cor-

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rectness of his return as to the character of the merchandise, which guides the collector in his assessments of duties, the appraiser calling before him, and examining under oath, persons touching the matter in dispute, and furnishing such testimony as he might obtain, together with his views thereof, for the information of the honorable Secretary. I take it that the appraiser, in making his return, was governed by the instructions in Treasury circular of the 25th ultimo, which confines granulated rice to cases where "the *substance* must indicate that it has been subjected to an intentional process of grinding or manufacture;" and that but for such instructions he would not have declined to receive and consider documentary evidence as to the fact. He certainly, from the very nature of his duties, is the best qualified to determine the weight that should be given to such evidence.

Submitting the foregoing with deference, I am, very respectfully, your obedient servant,

JOSEPH TRELOAR,
Chief Clerk of the Customs.

Hon. E. L. HEDDEN,
Collector of the Customs, Port of New York.

No. 98.

WM. DORSHEIMER—Appointed United States District Attorney July 1, 1885.

OFFICE OF THE UNITED STATES ATTORNEY
FOR THE SOUTHERN DISTRICT OF NEW YORK,
New York, October 19, 1885.

SIR: In your letter of September 8 you direct my attention and request my replies to the sixth paragraph of the inquiries thereto appended.

This paragraph reads as follows:

"In respect to rates of duty, and differences between importers and collectors growing out of decisions by the latter and the Treasury which have resulted in suits, does the existing law need amendment? How many such collectors' suits are now pending in Boston, New York, Philadelphia, and Baltimore? If they can be classified and the legal question at issued identified, how many suits are there in each classification, and how long has each untried suit been at issue and ready for trial? Cannot a plan be devised by the Attorney-General, the Solicitor of the Treasury, the district attorneys, and the judges, by which these suits can be more promptly disposed of, and new suits as they come up be speedily put at issue and tried? Does the existing law in respect to the payment of interest as a part of the damages and costs in 'collectors' suits' need amendment? Is there a necessity for a new tribunal to try judicially questions growing out of rates of external or internal taxation levied by the executive when tax-payers are dissatisfied, or can the existing judicial system be made sufficient if it be worked efficiently?"

The existing law to which your inquiry refers is, as I understand it, the tariff act of March 3, 1883.

Under this act a large number of collectors' suits have arisen in this district, but only two of such suits have thus far been tried, viz: Ober-

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teuffer *vs.* Robertson, N. S., 9055, and Windmuller *vs.* Robertson, N. S., 9295.

The Oberteuffer suit arose under the seventh section of this act, and involved the question of the dutiability of certain cartons containing hosiery. It was tried in May, 1884, and a verdict was rendered for the defendant. A report of the trial, together with the opinion of the court, was transmitted to the Department May 17, 1884. Subsequently, the plaintiffs moved for a new trial, and elaborate briefs were submitted by both sides. After due deliberation the court denied the motion. A report of the argument of this motion, together with the opinion of the court rendered thereon, was transmitted to the Department August 22, 1885.

The Windmuller suit involved the rate of duty on edible "beans." Your predecessor in office, on March 28, 1884, (see Treasury Decisions, No. 6273,) held that such "beans" were dutiable at 20 per cent. ad valorem, under the provision for "garden-seeds, except seed of the sugar-beet." On the trial of this suit, the court held that such "beans" were dutiable at 10 per cent. ad valorem, as vegetables. In this decision, as appears by the letter to the collector of June 1, 1885, the Department acquiesced.

With the limited data furnished by these two suits only before me from which to judge, I am not prepared to express any opinion as to whether the existing law needs amendment in respect to rates of duty and differences between importers and collectors, growing out of the decisions by the latter and the Treasury Department, which have resulted in suits.

The number of collectors' suits now pending in this district is about twenty-three hundred (2,300.) Of these suits about one hundred and ninety-five arose under the acts of July 30, 1846; March 3, 1851; and March 3, 1857. The remaining suits arose under various acts passed since 1857.

In these suits, as in all suits of a similar nature, the pleadings permitted by the practice of the courts do not disclose the precise issues in controversy. Those issues can only be accurately determined from the plaintiffs' protests, which, with very few exceptions, are now on file at the custom-house. The time and force at the command of this office have not permitted the examination of any protests now so filed, or the ascertainment of the exact dates of issue in all these suits; but, so far as the records of this office make known the various issues in pending suits, they have been set forth in a statement herewith enclosed, together with the number of suits involving each issue, the number of suits at issue, and which of such issues have been tried.

Besides those issues there are undoubtedly many other issues of law or fact, which would appear from a thorough and complete examination of the papers and protests in each of these suits.

Of these suits no one is now fully ready for trial. It has been the practice of this office, as I understand, to prepare for trial a sufficient number of these suits, with different issues, to occupy the time allotted by the court for the trial of collectors' suits, and, as I am informed, a sufficient number of these suits, with different issues, can be prepared for that purpose for the coming term of court.

In none of these suits, as already suggested, do the pleadings give any intimation of what the issue really is, or what is the Government's defence, and in but very few of these suits put at issue prior to May 23,

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1883, does there appear to be in this office or elsewhere within the control of the Government any note or memorandum as to what were the facts on which the action of the Government officers was based, or what witnesses are available for the defence.

On May 23, 1883, on the request of my predecessor in office, the then Secretary of the Treasury instructed the collectors of customs in this district, on the receipt by him from this office of the bill of particulars in each collector's suit not then at issue or thereafter brought, to ascertain and report in writing to this office, for the purpose of enabling it to draw intelligently the answer therein, and to assist it in preparing such suit for trial so far as the same can then be so prepared, certain facts, of which the following only are now required:

1. Whether the protest and appeal and suit are within the periods respectively limited by law.

2. Under what clause of the statute the goods in question have respectively been classified, with reference to the paragraph of Heyl's Digest under which such clause can be found.

3. A copy of the protest or protests, with reference to the paragraph of Heyl's Digest upon which the plaintiff relies.

4. What are the facts as to the material, quality, texture, or use to which the article may be applied, upon which the classification complained of is adopted and the classification claimed by the importers is rejected.

5. What officer of customs or other persons, so far as known to the customs officers dealing with the case, are acquainted with the facts or will be of value to the Government as witnesses to maintain the issues on its part?

Since these instructions were issued, this office has transmitted to the collector, as soon as served, the bill of particulars in each collector's suit not then at issue or thereafter commenced, and the collector has been ascertaining and reporting to this office the above-mentioned facts therein.

On receipt by this office of one of these reports, the answer is at once drawn in the suit to which the report refers, and the report thereafter filed with the other papers therein.

As the collector's part of this system has since its inauguration been, and is now being, carried out by him, long periods of time elapse between the receipt by him of the bill of particulars in these suits and the making by him to this office of his reports therein. In some suits such periods have amounted to about two years.

If the collectors' reports in these suits could be made to this office, within say, twenty days, or some other reasonable time, after the receipt by him of the bills of particulars therein, much would be done towards putting this office in a position speedily to put at issue new suits and to prepare for trial each issue involved therein.

As a part of a plan to secure the more prompt disposition of these suits, I recommend that the collector be required (and if he has not sufficient force for that purpose, that sufficient force be furnished him to enable him) hereafter to make his reports in these suits to this office within such time as suggested. Suits involving new issues can then, with the information given by these reports, be immediately put at issue; each of the new issues in the suits at issue be prepared for trial; the suits involving the same (one for each new issue so prepared for trial) placed upon the calendar of the court for the next term, and, it

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is believed, tried at such term. At the same time it is also believed that as many of the old issues as the force in this office can prepare for trial can also be tried at the same term.

As another part of such plan, I recommend that as soon as an issue in any of these suits, whether new or old, has been tried, and the decision of the court at such trial acquiesced in, and a refund in all suits involving an issue of the same kind as the one tried has been ordered by the Department, the collector be required at once to adjust such suits in accordance with the principles laid down in the decision of the court; that if, for want of sufficient facts because of some legal question, or for some other reason, the collector is of the opinion that he cannot so adjust any one of such suits, he be directed to report at once such suit to this office, and that the same be referred to a referee for his determination of the whole suit, if the issue in question be the only issue involved; and if there be other issues involved, then for the determination of the issue in question only.

I think that the saving to the Government of interest alone which would be effected if this course were pursued would be much more than sufficient to pay the expenses of a referee, whether he were compensated for his services at the same rate as a referee is in the State courts or by a fixed salary per annum to be paid by the Government.

Under the present plan, when the trial of an issue in one of these suits results in a decision in favor of the plaintiffs, and the Department acquiesces in such decision, and instructs the collector to adjust, in accordance with the principles thereof, issues of the same kind as the one tried in all other suits, he proceeds to carry out such instructions; but, as experience shows, before he has gone far, he comes upon a suit which, for want of sufficient facts, or because of some legal question, or for some other reason, he cannot adjust.

Such a suit, unless the plaintiffs concede it should not be adjusted, is brought by them into court. The court and jury are told by them that the principles governing the suit have been settled by the court and acquiesced in by the Department, but that, for some technical reason, the Government refuses to adjust and pay it, and that, to get the money justly due them, they are obliged to trouble the court and jury to retry the issues involved.

Under such circumstances the time of the court is taken up in retrying an old issue when an issue never before tried might be tried; the jury is restless and impatient, and a prejudice is created in their minds, if not in the mind of the court, against the Government which works to its disadvantage, not only in the suit then before the jury, but in all other suits that come before the same jury, or any of them.

Some time, of course, would elapse before the effects of the plan proposed by me would be realized, as would be the case with any new plan; but, as I am now advised, I believe that if such a plan be thoroughly tried, with a sufficient force at the custom-house to prepare the collector's reports as soon as possible after the bills of particulars in suits have been served, and with a sufficient force in this office to attend to the necessary legal work connected with these suits, it would secure as prompt a disposition of them as can be reasonably expected.

As to the payment of interest as a part of the damages and costs in these collectors' suits, I think the existing law needs amendment. In my opinion, the law should be so amended as to provide for the payment of interest on the damages recovered or found due from the time

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the exaction of duty on which the damages are based up to the date of the payment thereof, and for the payment of such interest, as a part of such damages, and at the time such damages are paid, subject to the exception that no interest should be allowed during the time that the plaintiffs are guilty of gross laches in prosecuting their claim; or, if the same can be collected without prosecution, in collecting the same.

With my present views on the subject, it does not seem to me that there is any necessity for a new tribunal to try judicially questions growing out of rates of external or internal taxation levied by the executive when tax-payers are dissatisfied. The existing judicial system, in my opinion, is sufficient in the case of questions growing out of internal taxation, and, with the plan suggested by me, can be made sufficient in the case of questions growing out of external taxation.

Very respectfully,

WILLIAM DORSHEIMER,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury.

Statement of issues in suits brought by importers against collectors of customs to recover alleged excessive duties and now pending in the southern district of New York; the number of suits involving each of such issues; the dates of issues of such suits; and the suits tried, if any, which involved such issues, so far as ascertained.

Acid, bromo-fluoresic.—Classified under the act of 1874 as an "aniline dye," dutiable at 50 cents per pound and 35 per cent. ad valorem; and under the act of 1883 as "coal-tar color or dye," dutiable at 35 per cent. ad valorem, but claimed to be an acid used for chemical or manufacturing purposes, and free of duty. Number of suits, 9; not at issue, 2. The dates of issue in suit at isssue are various dates from July, 1879, to August, 1885.

One suit, Matheson *vs.* Robertson, N. S., 8365, arising under the act of 1874, was tried February 7 and 8, 1884; verdict rendered for the plaintiffs. Trial reported to Department February 26, 1884. Suit now in United States Supreme Court.

Acid, rosalie.—Classified under the act of 1883 as "coal-tar color;" claimed to be an acid for chemical or manufacturing purposes, and free of duty. Number of suits, 13; not at issue, 7. All these suits were commenced since the beginning of this year, 1885. The dates of issue of those at issue are at different dates since March 20, 1885.

Acid, picric.—Same question involved as in rosalic-acid suits. Number of suits, 3; all commenced since January 16, 1885. Number not at issue, 2. Dates of issue in the one at issue, since June 13, 1885.

Acid, carbolic.—Classified under the act of 1883 as a preparation of coal-tar, not color or dye, dutiable at 20 per cent. ad valorem; claimed to be free of duty as acids for chemical, medicinal, or manufacturing purposes. Number of suits, 3; at issue, 1. Date of issue, May 9, 1885.

Art, works of, statuary, &c.—Classified for duty under the act of 1874 or 1883 as manufactures not otherwise provided for, composed of iron, &c., or other metals; claimed to be "statuary," dutiable at 10 per cent. ad valorem, under act of 1874, or dutiable at 30 per cent. ad valorem, under the act of 1883. Number of suits, 71; not at issue, 14. Dates of issue of those at issue, from November, 1881, to April, 1885.

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Antiquities, collection of.—Paintings, framed, classified under the act of 1874 as "paintings," the frames, as manufactures of wood. Silver-ware, classified under the act of 1883 as manufactures of silver; bronze vases, tripod, and chest, classified under act of 1883 as manufactures of bronze, &c.; all claimed to be "collection of antiquities, specially imported and not for sale," free of duty. Number of suits, 3. Date, of issue. September 10, 1883; March 15, 1884; and February 2, 1885. respectively.

Albums.—Classified under act of 1874 or act of 1883 as manufactures of their materials of chief value; claimed to be dutiable as manufactures of paper not otherwise provided for, or as "blank-books," or as "books." Number of suits, 5. Dates of issue in two suits, May 28, 1882, and May 5, 1885, respectively. The other three suits not at issue.

Articles made on frames.—(1) Classified under section 2 of the act of March 2, 1867, as manufactures of wool, or as manufactures of worsted; claimed to be dutiable, under section 22 of the act of March 2, 1861, and section 13 of the act of July 14, 1862, as "articles made on frames;" (2) similar question under act of 1874; (3) or classified under the act of 1874 as worsted wearing-apparel, and claimed to be dutiable under that act as "articles made on frames," the act of August 7, 1882, (22 U. S. Stats. at Large, page 301,) amending the paragraph beginning with the words "clothing, ready-made, and wearing-apparel" of Schedule M, section 2504, by inserting the word "wool," being inoperative, or illegally enacted and void. Number of suits, 172; not at issue, 18. Dates of issue of suits at issue, from April 27, 1876, to April 29, 1885.

Krause *vs.* Arthur, N. S., 3684, arose under laws prior to act of 1874. In that case a verdict was rendered for defendent.

Vietor *vs.* Arthur, N. S., 4192, arising under act of 1874, was tried and verdict rendered for plaintiffs. Case subsequently affirmed by Supreme Court and acquiesced in by the Department. Both of these cases were reported November 13, 1877.

Vietor *vs.* Arthur, N. S., 2887, arising under law prior to act of 1874, was tried in 1883, and verdict rendered for plaintiff. Trial reported December 24, 1883. This case has been taken to United States Supreme Court.

Burlaps.—Classified under act of 1874, or under act of 1883, as ducks, canvas, padding, &c., or manufactures of flax; claimed to be dutiable at the rate of duty imposed on "burlaps." Number of suits, 8; not at issue, 7. Date of issue of the one at issue, May 2, 1885.

Buttons.—Classified under act of 1883 as manufactures of brass, &c.; claimed to be dutiable as "buttons," or as gilt or plated articles, &c. Number of suits, 43; not at issue, 32. Dates of issue of those at issue, from September 22, 1884, to July 10, 1885.

Baskets.—Classified as a manufacture of silk under the act of 1874 and the act of February 8, 1875, (18 U. S. Stats. at Large, 307,) and claimed to be dutiable as baskets. Number of suits, 1. Date of issue, May 28, 1882.

Dye-wood decoction, or dye-wood extracts.—Classified under act of 1883 as colors not specially enumerated or provided for, dutiable at 25 per cent. ad valorem; claimed to be dutiable at 10 per cent. ad valorem, as extracts and decoctions of dye logwood and other dye-woods. Number of suits, 1. Date of issue, February 11, 1885.

Plush bags.—Classified for duty under acts of 1874 and February 3, 1885, as manufacture of silk; claimed to be dutiable as a manufacture

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of cotton not otherwise provided for. Number of suits pending, 1. Date of issue, February 28, 1882.

Balls, woollen tennis.—Classified under the provision in Schedule L of the act of 1874, for "all manufactures of every description made wholly or in part of wool," dutiable at 50 cents per pound and 35 per cent. ad valorem; claimed to be dutiable at 50 per cent. ad valorem, as "toys." Number of suits, 2. Dates of issue, October 4 and November 27, 1882, respectively.

Bindings or galloons.—Classified under act of 1874 as galloons wrought by hand or braided by machinery, made of wool or worsted, &c., dutiable at 50 cents per pound, and in addition 50 per cent. ad valorem; claimed to be dutiable as manufactures of worsted, &c., dutiable at 50 cents per pound, and in addition 35 per cent. ad valorem. Number of suits, 19; not at issue, 3. Dates of issue in those at issue, from September 7, 1883, to June 16, 1885.

Bone-ash charcoal, (bones burned, calcined, ground, or steamed.)—Classified under the act of 1874 as "black of bone," or under the act of 1883 as "bone black;" claimed to be free of duty, as bones burned, calcined, &c. Number of suits, 23; not at issue, 1. Dates of issue in those at issue, from January 6, 1882, to September 23, 1885.

This issue has been tried three times.

In Wardener *vs.* Robertson, N. S., 8363; verdict for plaintiff; paid; trial reported December 24, 1883. In Peters *vs.* Robertson, N. S., 8053; verdict for defendant; trial reported February 21, 1884.

In Harrison *vs.* Robertson, N. S., 7454, there have been two trials. First trial resulted in verdict for plaintiff. First trial reported January 31, 1885; case retried, resulting in a verdict for defendant. Second trial reported June 7, 1885; case taken by writ of error to United States Supreme Court.

Beans.—Classified under the act of 1883 as "garden-seeds," dutiable at 20 per cent. ad valorem; claimed to be free of duty, and if not free, dutiable as "vegetables," at 10 per cent. ad valorem. Number of suits, 44; not at issue, 41. Dates of issue of the three suits at issue, September 24, 1884; March 21, 1885; and January 23, 1885, respectively.

Windmuller *vs.* Robertson, N. S., 9295, tried in 1885. Verdict for plaintiffs on claim that beans, under act of 1883, were not dutiable at a greater rate than 10 per cent., and Department acquiesced in this decision.

Water-colors.—Classified under the act of 1874, under the provision for "aniline dyes and colors, by whatever name known," dutiable at 50 cents per pound and 35 per cent. ad valorem; claimed to be dutiable at 25 per cent. ad valorem, as "moist water-colors used in the manufacture of paper hangings." Number of suits, 1. Date of issue, October 25, 1883.

Colors and coloring-matter.—Classified under act of 1874 as "aniline dyes," dutiable at 50 cents per pound and 35 per cent. ad valorem; claimed to be dutiable under the same act, at 20 per cent. ad valorem, as manufactured articles not otherwise provided for. (Section 2516, Revised Statutes.) Number of suits, 39; not at issue, 4. Dates of issue in suits at issue, from April 25, 1879, to September 22, 1884.

One suit, Pickhardt *vs.* Merritt, N. S., 5798, involving the rate of duty on certain of these colors, was tried in January and February, 1884, resulting in verdict for defendant. Trial reported February 25, 1884. Case taken to Supreme Court by plaintiff.

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Bonnets, hats, &c., for men, women, &c.—Classified under act of 1883, at various rates of duty, as manufactures of worsted, wool, &c., or as knit goods; claimed to be dutiable, under Schedule N of the same act, at 30 per cent. ad valorem, as bonnets, hats, &c. Number of suits, 6; not at issue, 3. Dates of issue in suits at issue, August 16, 1884; April 29, 1885; and September 23, 1885, respectively.

Emery ore.—On shipboard in port, but unentered July 1, 1883; classified for duty under act of 1874 as emery ore, at $6 per ton; claimed to be free under act of 1883, as emery ore. Number of suits, 1. Date of issue, December 18, 1884.

Cotton linings.—Being a small part of completely manufactured wool caps; classified for duty under act of 1874, at 50 cents per pound, as manufactures of wool; claimed to be dutiable under same act, at 35 per cent. ad valorem, as manufactures of cotton not otherwise provided for. Number of suits, 1. Date of issue, March 4, 1884.

Chimney lamps.—Classified for duty under act of 1874, at 40 per cent. ad valorem, as articles of glas, cut; claimed to be dutiable under same act at 35 per cent., as plain, &c., not cut. Similar question under act of 1883. Number of suits, 7; number not at issue, 1. Dates of issue in suits at issue, from September 7, 1880, to September 10, 1883.

One suit, Schneider *vs.* Robertson, N. S., 8172, tried December, 1884. Verdict for plaintiffs. Trial reported December 13, 1884. To be taken to the Supreme Court.

Colcothar, dry.—Classified for duty under act of 1874, as "painters, colors" at 25 per cent. ad valorem; claimed to be dutiable under same act as colcothar, dry, or oxide of iron, and free of duty. Number of suits, 13. Dates of issue from November 30, 1881, to August 16, 1884.

One suit, Hill *vs.* Robertson, N. S., 8173; tried December, 1883. Verdict for defendant. Trial reported December 24, 1883. Costs paid by plaintiffs and suit discontinued.

Compositions, glass and paste, not set.—Classified under act of 1874, as imitations of jet, dutiable at 35 per cent. ad valorem; claimed to be dutiable under same act at 10 per cent ad valorem, as "compositions of glass or paste," not set. Number of suits, 7. Dates of issue, from January 6, 1882, to June 12, 1884.

Foreign moneys, such as "Chinese taels," pesos of United States of Colombia, "Mexican dollar," "Austrian florin," &c.—Value estimated in silver dollars for purpose of duties; claimed that value should be estimated in gold dollars. Number of suits, 35. Dates of issue, from March 7, 1876, to March 17, 1884.

Cryder *vs.* Merritt, N. S., 6477; issue as to Chinese tael. Decided in favor of plaintiffs. Trial reported December 17, 1884; acquiesced in by Department.

Hadden *vs.* Merritt, 5936; issue as to Mexican dollar. Decided in favor of defendant. Trial reported November 1, 1880. Case taken by plaintiffs to Supreme Court, and affirmed by that court.

Embroidery and embroidered articles.—Classified under the act of 1874 for duty at various rates of duty as "manufactures of worsted," &c.; claimed under the same act to be dutiable at 35 per cent. ad valorem, as embroidery, or manufactures of cotton. Classified under the act of 1883 at various rates of duty under various classifications; claimed under the same act to be dutiable at 35 per cent. ad valorem, as embroideries, or manufactures of linen embroidered, &c., or manufactures of cotton. Number of suits, 45; not at issue, 25. Dates of issue in suits at issue from May 20, 1876, to June 13, 1885.

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Egg-yolks.—Classified under the act of 1883 for duty at 20 per cent. ad valorem, as a non-enumerated article; claimed under same act to be free of duty under the provision for "articles in a crude state used in dyeing or tanning," or for "eggs," or for "albumen," &c. Number of suits, 6; not at issue, 5. Date of suit at issue, March 25, 1885.

Enamelled paintings.—Classified for duty under act of 1874 at 45 per cent. ad valorem, as "manufactures of copper;" claimed to be dutiable under same act at 20 per cent. ad valorem, as non-enumerated articles. Number of suits, 1. Date of issue, July 13, 1882.

Eosine.—Classified under the act of 1874 as an "aniline dye," at 50 cents per pound and 35 per cent. ad valorem; claimed to be dutiable under the same act as a non-enumerated article, at 20 per cent. ad valorem. Number of suits, 5. Dates of issue, from December 9, 1882, to September 13, 1884.

Granite, dressed and polished.—Classified under the act of 1861 or 1874 as "articles manufactured," &c., not enumerated, at 20 per cent. ad valorem; claimed under the act of 1870 or 1874 to be dutiable at $1.50 per ton, as granite and monumental and building stone, or that the same is so dutiable by virtue of the similitude clause. Number of suits, 20. Dates of issue, from May 1, 1872, to January 30, 1882.

Dodd *vs.* Arthur, N. S., 1907, tried; verdict for defendant. Trial reported April 13, 1878.

Coleman *vs.* Murphy, N. S., 1667, tried; verdict for defendant. Trial reported January 29, 1874.

Moffitt *vs.* Arthur, N. S., 4727, tried; verdict for defendant. Trial reported December 18, 1883. This last case, the plaintiffs state, will be taken to the Supreme Court.

Handkerchiefs, embroidered.—Classified under Schedule C of act of 1874 as "handkerchiefs," dutiable at 40 per cent. ad valorem; claimed to be dutiable under Schedule M of the same act at 35 per cent. ad valorem, as articles embroidered or tamboured by hand, &c. Same question under the act of 1883. Number of suits, 12; not at issue, 7. Dates of issue, from July 20, 1877, to August 31, 1885.

Iron ore.—Classified under act of 1874 as mineral substance in a crude state not otherwise provided for, at 20 per cent. ad valorem; claimed under same act to be dutiable at 10 per cent. ad valorem, as articles unmanufactured, non-enumerated. Number of suits, 7. Dates of issue, from January, 1880, to March, 1884.

Marvel *vs.* Merritt, N. S., 6077, tried; verdict for defendant. Trial reported November 7, 1881. Taken by plaintiffs to Supreme Court.

Leaf-tobacco.—Classified for duty under act of 1883 as leaf-tobacco, of which 80 per cent. not stemmed, at 75 cents per pound; claimed to be dutiable under the same act at 35 cents per pound, under the provision for "all other tobacco in leaf, unmanufactured and not stemmed." Number of suits, 4; not at issue, 1. Dates of issue in suits at issue, February and April, 1885.

Iron nail-rods.—Classified for duty under act of 1874 as "bar iron, rolled or hammered," &c., at 1¼ cents per pound; claimed to be dutiable under same act, under the provision for "all other descriptions of rolled or hammered iron, not otherwise provided for," 1¼ cents per pound. Number of suits, 9; not at issue, 2. Dates of issue in suits at issue, from April 22, 1882, to August 27, 1884.

Filtering-paper.—Classified for duty under act of 1883 as paper not specially enumerated, dutiable at 25 per cent. ad valoren; claimed to

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be dutiable under same act as a manufacture of paper not specially enumerated or provided for, at 15 per cent. ad valorem. Number of suits, 3. Date of issue, April, 1885.

Lava tips.—Classified for duty under act of 1883 at 55 per cent. ad valorem, under the provision for "all other earthernware, &c., composed of earthy or mineral substances, not specially enumerated or provided for;" claimed to be dutiable at 25 per cent. ad valorem, under the provision for brown earthernware, &c., not ornamented. Number of suits, 3; not at issue, 2. Date of issue of suit at issue, May 1, 1885.

Magnesia, calcined.—Classified for duty at 50 per cent. ad valorem, under the provision for "proprietary medicines" contained in the act of 1874; claimed to be dutiable under same act at 12 cents per pound, as "calcined magnesia." Same question under act of 1883. Number of suits, 7. Dates of issue, from November 17, 1879, to July 9, 1885.

Ferguson *vs.* Arthur, N. S., 4842, tried, and verdict rendered for defendant. Trial reported November 17, 1879. Case taken to Supreme Court by plaintiffs.

Mousseline delaines.—All worsted dress-goods, classified for duty at 24 per cent. ad valorem, as "delaines," under the act of 1846, as amended by the act of 1857; claimed to be dutiable under the same acts at 19 per cent. ad valorem, as "manufactures of worsted." Number of suits, 32. Dates of issue, from August, 1857, to November, 1861.

Hutton *vs.* Schell, O. S., 339, tried in 1859 and 1873, resulting in disagreement of jury; a third trial. in 1879, resulting in a verdict for plaintiffs.

Whiting *vs.* Schell, O. S., 328, tried in 1884; verdict for plaintiffs. Trial reported December 27, 1884; case before the Department.

Mineral waters.—Classified under act of 1874 as "artificial mineral water," dutiable at 25 per cent. ad valorem, and in addition 3 cents per bottle; claimed to be "natural mineral water," and under same act to be free of duty. Number of suits, 7. Dates of issue, from October 23, 1879, to August 3, 1881.

Most-favored-nation clause.—Various articles classified for duty as provided by the acts in force at the time of their importation; claimed by virtue of the most-favored-nation clause in the treaty between the countries from which such articles were imported, and the Hawaiian treaty of January 30, 1875, to be free of duty. Number of suits, 29; not at issue, 17. Dates of issue in suits at issue, from September 6, 1882, to September 17, 1884.

Bartram *vs.* Robertson, N. S., 7996, tried; verdict for defendant. Trial reported February 16, 1883. Case taken to Supreme Court by plaintiffs. This case arose prior to the act of 1883. In the case not at issue the plaintiffs rely on the eleventh section of the act of 1883.

Steel-rail crop-ends.—Classified under act of 1883 at 45 per cent. ad valorem, under general provision in Schedule C for "steel not specially enumerated or provided for in this act;" claimed to be dutiable at 20 per cent. ad valorem, as a non-enumerated article. Number of suits, 2; not at issue, 2.

Pipe bowls, stems, &c.—Classified for duty under act of 1874 as pipes, smokers' articles, &c.; claimed under same act to be dutiable as manufactures of wood. Similar question under act of 1883. Number of suits, 4; not at issue, 3. Date of issue in suits at issue, June 10, 1885.

Paper for printing photographs.—Classified under act of 1874 as "manufactures of paper, or of which paper is a component material, not otherwise

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provided for;" claimed to be dutiable as "paper, sized or glued, suitable only for printing-paper." Similar question arising under act of 1883. Number of suits, 18; not at issue, 3. Date of issue, from December 29, 1882, to September 23, 1885.

Paper parasols.—Classified under act of 1874 as umbrellas, dutiable at 45 per cent. ad valorem; claimed under same act to be dutiable at 35 per cent. ad valorem, as manufactures of paper or wood not otherwise provided for. Number of suits pending, 9. Dates of issue, from February 14, 1880, to January 13, 1883.

Yaye *vs.* Merritt, N. S., 6808, tried; verdict for defendant. Trial reported December 19, 1884.

Printing-paper.—Classified for duty under the provision of the act of 1874 for "all other paper not otherwise provided for," dutiable at 35 per cent. ad valorem; claimed to be dutiable under the provision of the same act for paper, "printing, unsized, used for books and newspapers exclusively," dutiable at 20 per cent. ad valorem. Similar question under the act of 1883. Number of suits, 14; not at issue, 3. Dates of issue of suits at issue, from June 29, 1881, to July 8, 1884.

Lawrence *vs.* Merritt, N. S., 7026, tried; verdict for defendant. Trial reported December 24, 1883. Taken to Supreme Court by plaintiffs.

Printed matter.—Classified for duty, under act of 1874, as manufactures of paper, or of which paper is the component material of chief value, dutiable at 35 per cent. ad valorem; claimed to be dutiable, under the same act, as printed matter, at 25 per cent. ad valorem. Number of suits, 4. Dates of issue, from July 11, 1877, to November 30, 1881.

Saxony dress-goods.—Classified for duty at 30 per cent. ad valorem, under the act of March 2, 1861, as manufactures of worsted, and in addition at 2 cents a square yard, under the provision contained in the act of July 14, 1862, for delaines, &c., and all goods of similar description not exceeding in value 40 cents per square yard; claimed that, while these goods were dutiable, under the act of 1861, at 30 per cent. ad valorem, they were not, under the act of 1862, dutiable at 2 cents a square yard, but were, under that act, dutiable at 5 per cent. ad valorem, as manufactures of worsted, or of which worsted is a component material not otherwise provided for. Number of suits, 32. Dates of issue, from February, 1866, to February, 1873.

A case involving this issue was tried in 1867, and a verdict rendered for defendant. In the same year another case, Schneider *vs.* Barney, O. S., 3015, was tried, and a verdict rendered for plaintiffs. Subsequently the Supreme Court ordered a new trial. A second trial resulted in a verdict for defendant. The Supreme Court again ordered a new trial, and a third trial resulted in a verdict and judgment for defendant. The third trial was reported November 29, 1879, and at the October term for 1884 the Supreme Court affirmed that judgment.

Cotton hosiery and other cotton goods.—Classified for duty at 24 per cent. ad valorem under the act of 1846, as amended by the act of 1857, as manufactures composed wholly of cotton which are bleached; claimed to be dutiable at 19 per cent. ad valorem, &c., under the act of 1846, as amended by the act of 1857, where these articles are specifically enumerated. Number of suits, 15. Dates of issue, from May, 1864, to January, 1871.

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One case, Cochran *vs.* Schell, O. S., 1865, as to cotton laces and insertings, tried in 1882; verdict and judgment rendered for defendant. Trial reported May 16, 1882. Affirmed by Supreme Court in 1883.

One case, Bursdorff *vs.* Barney, O. S., 2185, as cotton hosiery, tried; verdict and judgment for defendant. Trial reported November 1, 1880. Case affirmed by Supreme Court at October term for 1884.

Prime or drawback allowed by laws of France to French manufacturers who exported to the United States certain worsted goods made by them. Duty was levied under the act of March 3, 1851, upon the market value at which the goods sold for consumption in France, including the "prime;" claimed the prime was not dutiable—*i. e.*, that the market value for the purposes of duty was the French market value less the prime. Number of suits, 3. Dates of issue, June, 1860; April, 1861; and April, 1864.

One suit, Hutton *vs.* Schell, O. S., 625, tried; verdict for defendant. Trial reported November 12, 1880; suit paid.

Plaid woollen flannels.—Classified for duty under the act of 1846, as amended by act of 1857, at 24 per cent. ad valorem, as "manufactures of wool;" claimed to be dutiable under same acts at 19 per cent. ad valorem, as "flannels." Number of suits, 3. Dates of issue, December, 1858, and May, 1864.

Nets, spot-nets, &c., silk and cotton.—Classified for duty under the act of June 30, 1864, or under the act of 1874, at 60 per cent. ad valorem, as "silk laces;" claimed to be dutiable at 50 per cent. ad valorem under the provision in the act of 1864, or the act of 1874, for manufactures of silk, or of which silk is the component material of chief value, not otherwise provided for. Number of suits, 51. Dates of issue, November 20, 1873, to October 10, 1878.

Drew *vs.* Grinnell, N. S., 898, tried in 1879; jury disagreed. In 1880 again tried, with same result. In 1881 again tried, and verdict for defendant. Trial reported April 16, 1881. Case taken that year to Supreme Court by plaintiffs.

Various nets, cotton.—Classified for duty under the act of 1883 as "cotton laces;" claimed to be dutiable under same act as manufactures of cotton not otherwise provided for. Number of suits, 5; not at issue, 2. Dates of suits at issue, from September 23, 1884, to August 25, 1885.

Mirror-plates.—Classified for duty under Schedule B of the act of 1874, or Schedule B of the act of 1883, at various rates of duty as looking-glass plates; claimed to be dutiable (under the act of 1874 or 1883) under the provision for articles of glass, cut, engraved, &c. Number of suits, 9; not at issue, 6. Dates of issue in suits at issue, from January 10, 1885, to March 25, 1885.

Lead-ashes.—Classified for duty under act of 1874 at 1½ cents per pound, as lead ore or as old scrap-lead fit only to be remanufactured; claimed to be dutiable at 10 per cent. ad valorem, as a non-enumerated raw or unmanufactured article. Number of cases, 1. Issue joined July 12, 1880; one case tried, and verdict for defendant. Trial reported December 24, 1883.

Ivory keys for pianos and organs.—Classified under acts of 1874 and March 3, 1883, as ivory veneering; assessed as manufactures of ivory, at 35 per cent. and 30 per cent. ad valorem. Claimed to be parts of musical instruments, dutiable at 30 per cent. and 25 per cent. ad valorem, under old and new tariffs, respectively. Number of suits, 1. Issue joined September 23, 1885.

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Steel blooms.—Classified as manufactures of steel, and duty assessed at 45 per cent. ad valorem. Defendants claim duty should be assessed at rate of 30 per cent. ad valorem. Number of suits, 23; not at issue, 2.

This issue has been tried in Downing *vs.* Robertson, N. S., 7977, and the plaintiffs recovered a verdict in their favor, in which verdict the Department acquiesced. Reported to Secretary of Treasury February 27, 1883. Issue has been joined in these suits at various times from June, 1882, to February, 1885.

Steel rods.—The plaintiffs protest against certain duties alleged to have been assessed upon the costs of freight of various steel rods from the inland place of manufacture to the seaboard, and claim that under section 7, act March 3, 1883, the same were not dutiable. Number of suits, 12; at issue, 4.

Jewelry.—Pins, buckles, bonnet-pins with solid heads, brooches, and clasps of brass and iron, &c. Classified under acts of 1874 and 1883 as manufactures of the different metals whereof said articles were constituted, and duty assessed at 35 per cent. ad valorem under the tariff of 1874, and at 45 per cent. ad valorem under the tariff of 1883. Plaintiffs claim that these articles are only liable to a duty of 25 per cent. ad valorem, as jewelry, under the law of 1874 and 1883. Number of suits, 62; at issue, 48; not at issue, 14.

The dates of issue in suits at issue are at various times from December, 1874, to September, 1885. As to some of these articles, under the act of 1874, the court has decided in favor of the plaintiffs in cases of Hecht *vs.* Arthur and Holzinger *vs.* Arthur, and the Department has acquiesced in such decisions. (See Synopsis, 5103 and 5315.) In nearly all these cases questions of fact remain to be determined.

Glucose—grape-sugar.—Classified under act of 1874 as a "non-enumerated manufactured article," and assessed at 20 per cent. ad valorem; claim only dutiable at 10 per cent. ad valorem under similitude clause, as "assimilating to gum substitute or burnt starch. Classified under act of 1883 as "liquor-coloring," assessed at 50 per cent. ad valorem, by assimilation to "brandy-coloring;" claimed to be glucose and grape sugar, dutiable at 20 per cent. ad valorem. Number of suits, 30; at issue, 29; not at issue, 1. Issue has been joined in suits at issue at various dates from October, 1880, to September, 1885.

Arnson *vs.* Merritt, 6534, tried, and verdict for defendant. Reported February 4, 1885, to Secretary of Treasury.

Window-glass.—The method of assessing duty is here in dispute—not the rate of duty. Duty is assessed on the weight, estimated on the basis of the actual sizes and quantities of the examination packages, while the importers claim duty should be assessed on the commercial standard weight of the packages. There is no question as to the classification; cases arise both under the old and new tariff. Number of suits, 24; at issue, 19; not at issue, 5. Dates of issue, at various times between May, 1884, and September, 1885.

Carpets, rugs, &c.—Duty was assessed at 10 per cent., under section 2501, Revised Statutes, tariff of 1874, as articles, goods, or wares of the growth or product of countries east of Good Hope, imported from places west of Good Hope. Plaintiffs claim goods were bought east of the Cape of Good Hope, but protest against a discriminating duty of 10 per cent., because they were brought from the countries where they were produced, and are only transshipped in England or France. Number of suits, 10; at issue, 9; not at issue, 1. Issue was joined in the suits at issue at dates varying from March, 1881, to October, 1884.

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Jewels, (precious stones.)—Dutiable at 10 per cent.; classified under tariff of 1874 as jewels or precious stones. The value of this merchandise was advanced over 10 per cent., upon a reappraisement thereof, under section 2930, Revised Statutes. The additional duty of 20 per cent. ad valorem, under section 2900, was, therefore, assessed. The recovery of the penal duty is the object of this suit. There is no question as to the duty assessed upon the merchandise as precious stones. Number of suits, 1. Issue joined January 15, 1884.

Philosophical instruments, opera-glasses, &c.—Classified under act of March 3, 1883, as manufactures of brass and glass, assessed at 45 per cent. ad valorem; claimed to be dutiable at 35 per cent. ad valorem, as philosophical instruments. Number of suits, 16; at issue, 5; not at issue, 11. Dates of issue are between January, 1885, and August 25, 1885.

Fossil meal.—Classified under act of March 3, 1883, as a manufactured article not otherwise provided for, and a duty of 20 per cent. ad valorem was assessed; claimed to be manufactured earth, dutiable at $3 per ton, and natural or crude clay, dutiable at $1.50 per ton. Number of suits, 2; at issue, (issued joined, December 6, 1884,) 1; not at issue, 1.

Fans.—Classified under act of 1874 as manufacturers of silk, assessed at 60 per cent. ad valorem; claimed to be fans, dutiable at 35 per cent. ad valorem. Number of suits, 2; at issue, (January 2, 1885,) 1; not at issue, 1.

Wool waste.—Classified under act of 1874 as scoured wool costing 25 cents or less per pound, and duty assessed at 30 cents per pound and 33 per cent. ad valorem; claim, "wool waste," dutiable at 12 cents per pound. Number of suits, 1. Issue joined January 25, 1884.

Gilling-twine.—Classified under act of March 3, 1883, as flax thread, assessable at 40 per cent. ad valorem; claimed to be gilling-twine, dutiable at 25 per cent. ad valorem. Number of suits, 3; none at issue.

Skins.—Classified under act of 1874 as sheepskins with the wool on, tanned, not otherwise provided for, 25 per cent. ad valorem; claim under same act that a duty of 20 per cent. only should be assessed, as skins, dressed and finished, of all kinds, not otherwise provided for. Number of suits, 3. All at issue, on December 14, 1876; April 3, 1877; and April 4, 1877, respectively.

Shirtings.—Classified as manufactures of silk, silk chief value, under act of 1874, and assessed with a duty of 60 per cent. ad valorem, and discriminating duty of 10 per cent. Plaintiffs protest against discriminating duty, as goods were manufactured in England, although material did come from east of Good Hope. Number of suits, 2. Both at issue, April 16, 1881, and October 29, 1884.

Rosaries.—Classified under acts of 1874 and 1883 as beads, and a duty of 50 per cent. ad valorem assessed upon them.

Plaintiffs claim that 35 per cent. and 40 per cent. ad valorem is the right rate of duty, and claim they should be classified as manufactures of different metals, wood, &c. Number of suits, 14; at issue, 10; not at issue, 4. Issue joined at dates between March, 1882, and September. 1884.

Benziger *vs.* Robertson, N. S., 7749, tried; verdict for defendant. Trial reported December 24, 1883. Case taken to Supreme Court by plaintiff.

Velours chappe.—Classified under act of 1864 as silk and cotton velvets, and a duty of 60 per cent. ad valorem was assessed; claimed to

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be velours chappe, manufactures not otherwise provided for, composed of mixed materials, in part of cotton, &c., and only liable to duty at 30 per cent. ad valorem; also claim reduction of 10 per cent. of said duty under act of June 6, 1872. Number of suits, 4; at issue, 4. Dates of issue, between June, 1873, and July, 1877.

Oelberman *vs.* Arthur, N. S., 2830, tried; verdict for defendant. Trial reported October 23, 1876.

Shawls.—Classified under act of 1874 as worsted cashmere shawls, ready-made, and assessed at 50 cents per pound and 40 per cent. ad valorem, as shawls, or as ready-made wearing apparel, claim should be assessed at 50 per cent. and 35 per cent. ad valorem, under same section of the tariff, as woollen shawls. Number of suits, 32; not at issue, 17. Issue joined at dates between January 11, 1877, and September, 1884.

Strauss *vs.* Merritt, N. S., 6881, tried; verdict for defendant. Reported December 13, 1884.

Amber.—Classified under act of 1883 as a non-enumerated manufactured article, and a duty assessed at 20 per cent. ad valorem; claimed to be amber, and free. Number of suits, 1; not at issue, 1.

Rubber goods.—Classified under act of 1883 as toys, assessed at 35 per cent. ad valorem; claimed to be dutiable at 25 per cent., as articles of rubber. Number of suits, 3; at issue, 2; not at issue, 1. Issue joined June 5, 1885, and June 10, 1885.

Rubber webbing.—Classified under act of 1883 as rubber webbing, assessed at 30 cents per pound and 50 per cent.; claimed to be dutiable at 30 per cent. only, as India-rubber fabrics. Number of suits, 5; at issue (June 16, 1885,) 1; not at issue, 4.

Silk and cotton shirts, drawers, &c.—Goods classified for duty under act of June 30, 1864, at 60 per cent. ad valorem, as silk shirts, drawers; claimed to be dutiable under act of March 2, 1861, as modified by act July 14, 1862, at 35 per cent. ad valorem, as articles made on frames. Classified for duty at 60 per cent., under the provision for silk vestings and pongees contained in Schedule H of the act of 1874; claimed to contain 25 per cent. or over in value of cotton, flax, wool, or worsted, and by virtue of the act of February 8, 1875, and act of 1874, to be dutiable as manufactures of silk, or of which silk is the component material of chief value, at 50 per cent. ad valorem, or classified for duty at 60 per cent., under the act of February 8, 1875; claimed by virtue of that act and act of 1874, to be dutiable at 50 per cent. ad valorem, as manufactures of silk, or of which silk is the component material of chief value. Classified for duty under Schedule H, act 1874, under the provisions for silk vestings, pongees, &c., at 60 per cent. ad valorem; claimed to be dutiable under same schedule as manufactures of silk, or of which silk is the component material of chief value, not otherwise provided for, at 50 per cent. ad valorem. Number of suits, 236; not at issue, 31. Dates of issue are between January 12, 1876, and Febuary 2, 1885.

Fleitman *vs.* Arthur, N. S., 4707, involving question whether silk and cotton hat-bands were dutiable at 60 per cent., under act of 1874 and act of February 8, 1876, as containing less than 25 per cent. of cotton, or whether by virtue of these acts they were dutiable, as claimed by plaintiff, at 50 per cent., on the ground that they contained 25 per cent. of cotton or over, was tried and verdict rendered in favor of plaintiff. Trial reported November 26, 1880.

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There is a question of fact in all these cases, whether the goods in suit contain less or more than 25 per cent. of cotton, &c., even after the principle of law has been decided for estimating value of cotton.

Plaques.—Classified under act of 1874 as manufactures of earthenware or porcelain, copper, &c.; claimed to be dutiable under same act at 10 per cent. ad valorem, as paintings not otherwise provided for. Number of suits, 10; not at issue, 1. Dates of issue, from April 28, 1881, to June 1, 1883.

Tiffany *vs.* Merritt, N. S., 6367, was tried and verdict rendered for plaintiff on this issue. Trial reported November 7, 1881. The principles decided in this case were acquiesced in by the Department. Questions of fact still remain to be ascertained.

Pins.—Classified under act of 1883 as manufactures of steel, &c., not specially enumerated or provided for; claimed to be dutiable as pins, solid head or otherwise, and if not so dutiable, dutiable at the rates per pound. Number of suits, 10; one suit at issue, August 28, 1885.

Fancy articles, consisting of boxes, inkstands, watch-stands, pocket-books, mirrors, clasps, buckles, lockets, pins, &c.—Classified for duty under act '74 and '83 as manufactures of silk and paper, manufactures of glass and iron and brass and iron, manufactures of horn, manufactures of metals, &c.; claimed to be dutiable as jewelry, inkstands, &c., or under the provision for card-cases, pocket-books, &c., or similar articles, or as gilt ware, &c. Number of suits, 16; not at issue, 8. Dates of issue in suits at issue, from September 10, 1883, to October 13, 1884.

Linen laces.—Classified for duty under acts of 1874 and 1883 as manufactures of flax; claimed to be dutiable as thread lace under acts of 1874, and as flax or linen lace under act of 1883. Number of suits, 74; not at issue, 9. Dates of issue, from March 6, 1877, to January 2, 1885.

McBurnie *vs.* Robertson, N. S., 8299, was tried in 1882, and a verdict was rendered for plaintiffs. Trial reported February 4, 1885. Department acquiesced in the decision.

Manufactures of hair, calf-hair, and cotton and goat-hair and cotton.—Classified for duty under sixth section of act of June 30, 1864, as manufactures of cotton, and assessed with a duty of 35 per cent. ad valorem; claimed to be dutiable under second section, act June 2, 1872, at but 90 per cent. of 35 per cent; or classified for duty under act of 1874 at 50 cents per pound and 35 per cent. ad valorem, as manufactures of wool of every description, made wholly or in part of wool, not otherwise provided for; claimed to be manufactures of cotton, not otherwise provided for; or claimed to be dutiable by similitude clause as such manufactures of cotton; or claimed to be manufactures composed wholly or in part of worsted, hair of the alpaca, goat, or other like animals; claimed to be dutiable under provision for hair-cloth, known as crinoline-cloth, and all other manufactures of hair, under the act of 1870; or claimed to be dutiable, by virtue of similitude clause, under the provision for manufactures of fur, or, by virtue of similitude clause, to be dutiable at no more than the highest rate chargeable upon any of the component materials of said goods. Number of suits, 61; not at issue, 2. Dates of issue, from January 11, 1877, to October 27, 1882.

Herman *vs.* Arthur, N. S., 2156, as to the 10 per cent. reduction, claimed by the plaintiff under act of 1872, was decided by Supreme Court, October, 1877, in favor of defendant. (96 U. S. Rep., p. 141.)

Butterfield *vs.* Arthur, N. S., 4237, involving the claim of plaintiffs that they were dutiable under the provision for crinoline-cloth and

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manufactures of hair, was decided in favor of defendant. (16 Blatch., 216.)

Butterfield *vs.* Arthur, N. S., 3482, involving the same question as last stated, was also decided in favor of the defendant, and reported January 23, 1880.

Herman *vs.* Arthur, N. S., 5027, involving claim of the plaintiffs that their goods assimilated to manufactures of cotton not otherwise provided for, dutiable at 35 per cent. ad valorem; decided in favor of the defendant. Trial reported December 24, 1883. Case taken to Supreme Court on appeal.

Butterfield *vs.* Arthur, N. S., 3991, involving the plaintiffs' claim that certain other of these goods were dutiable under provision for crinoline-cloth, was decided in favor of plaintiffs. Reported February 21, 1883.

In Fox *vs.* Arthur, N. S., 4968, Supreme Court held that certain of these goods were dutiable by virtue of the similtude clause under act of 1874, as manufactures composed wholly or in part of the hair of the goat, and not, as claimed by the plaintiffs, as manufactures of cotton. (108 U. S. Rep., p. 125.)

Hat materials and trimmings of silk and cotton, gimps of silk and cotton, feathers the manufacture of silk and cotton and feathers, &c.—Classified under acts of 1874, February 8, 1875, and 1883, as silk and cotton goods, or manufactures of silk and cotton, and assessed with a duty of 60 per cent. or 50 per cent. ad valorem under the old tariff, and at 50 per cent. ad valorem under the new; claimed to be hat-trimmings or materials, dutiable at 30 per cent. under the old, and 20 per cent. under the new tariff, or else dutiable as manufactures of cotton, at 35 per cent., under both old and new tariffs. Number of suits, 139; not at issue, 53. Issues joined at dates between August, 1877, and September, 1885.

Theatrical scenery and costumes, theatrical scenery, properties, and professional wardrobe.—Classified under act of 1874 as manufactures of flax and other material, flax chief value, assessed with 40 per cent. ad valorem; manufactures of silk, cotton, and metal, at 60 per cent.; manufactures of human hair and horse-hair, 40 per cent.; wearing-apparel, at 50 per cent., 40 per cent., and 35 per cent.; claimed to be "wearing-apparel" in actual use and other personal effects, professional implements, instruments and tools of trade, occupation, or employment of persons arriving in the United States, and therefore free; classified under act of 1883 as manufactures of cotton, leather, wood, and iron, assessed at 35 per cent.; at 60 per cent. as manufactures of silk, and at 50 per cent. as manufactures of wool; claimed to be free as "professional implements and tools of trade." Number of suits, 2; at issue, 2. Issue joined on October 1, 1881, and January 26, 1885.

Cotton goods.—Manufactures of cotton, &c., classified under various provisions of the cotton sections, &c., of laws of '74 and '83 at different rates of duty, and claimed to be dutiable under various other provisions of the cotton sections, &c. Number of suits, 96; not at issue, 44. Dates of issue, from June 8, 1876, to March 26, 1885.

Newman *vs.* Arthur, N. S., 4671, involving the classification of certain cotton Italians, was tried in 1880, and a verdict rendered for the defendant. Trial reported November 22, 1880. Affirmed by the Supreme Court, (see 109 U. S. Rep., 132.)

Butterfield *vs.* Merritt, N. S., 6679, involving the classification of certain other cotton goods, was tried in 1881. As to some of the goods

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in suit a verdict was rendered for plaintiff, and as to others a verdict for defendant. Trial reported November 9, 1881; further report May 24, 1882.

Charges and commissions.—Question arising under law of March 3, 1881; fully reported to the Department July 29, 1885, and August 4, 1885. Number of suits, about 90.

Charges, &c.—Question arising under section 7, act of March 3, 1883; Numerous boxes, sacks, crates, coverings, &c., have been made a subject of duty; claimed by the importers to be free of duty. Number of suits, 478; not at issue, 299. Dates of issue, from March 15, 1884, to September 23, 1885.

Oberteuffer *vs.* Robertson, N. S., 9055, tried; verdict rendered for defendant. Trial reported May 17, 1884. Plaintiffs made motion for new trial; motion denied. Report thereof made to Department August 22, 1885. Plaintiffs are preparing to take this case to the Supreme Court.

No. 99.

Inquiry to United States District Attorney at New York.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., September 5, 1885.

SIR: Please cause to be prepared an exhibition of the total number of suits or proceedings for forfeiture and for value begun at the port or in the southern district of New York, on account of customs fraud, between the date of the enactment of the law of March, 1863, to strengthen the moiety system, and its repeal or modification, in 1874, and the total sum of money at any time paid into the registry of the court or into the custom-house by the claimants or defendants in those suits or proceedings, in compromise or in settlement, or in consequence thereof. And also cause to be prepared a similar exhibition of the total number of similar suits or proceedings, and the total sum of money received therein, since 1874 and the repeal, in 1874, of the moiety law.

Respectfully, yours,

DANIEL MANNING,
Secretary.

Hon. WILLIAM DORSHEIMER,
District Attorney, New York, N. Y.

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No. 100.

OFFICE OF THE UNITED STATES ATTORNEY
FOR THE SOUTHERN DISTRICT OF NEW YORK,
New York, October 20, 1885.

SIR: I have the honor, in response to the request contained in your letter of September 5, 1885, of transmitting herewith a detailed report of the cases begun in this district during the period from March, 1863, to date, for forfeiture in value under the customs laws, together with the information requested by you, so far as it appears upon the dockets of this and the clerk's office.

Very respectfully,

WILLIAM DORSHIEMER,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 101.

NOTE.—Accompanying the letter of the United States attorney (No. 94) is a tabulated statement of the cases begun in the southern district of New York since March, 1863, of which the following is a summary:

SUMMARY.

	Number of suits.	Amount recovered.
Suits commenced after March 1, 1863, and before June 22, 1874:		
In rem	747	$1,284,039 20
In personam	210	2,412.193 33
Total	957	3,696,232 53
Suits commenced since June 22, 1874:		
Seizure cases	8	9,669 95
Seizure and forfeiture docket	200	264,237 22
In personam	46	119,867 55
Total		393,774 72
Grand total	1,211	4,090,007 25

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No. 102.

LEWIS McMULLEN—Appointed February 27, 1852; appointed Appraiser April 23, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 2, 1885.

SIR: In answer to the circular received from the Department dated August 27, 1885, requesting answers to thirty-four inquiries, I respectfully submit the following replies:

Inquiry No. 1.—There is no evidence, and the various channels invoices have to pass through make it almost impossible that the full *rates* of *duties* prescribed by law have not been levied and collected.

Inquiry No. 2.—There is no evidence that specific rates of duty have not been fully collected as prescribed by law.

Inquiry No. 3.—The invoiced measurements of all textile fabrics are verified. The yard or metre stick is used. The width of all goods is actually measured. The length is also verified, particularly when cause for suspicion exists or when an error is apparent.

Inquiry No. 4.—No evidence exists of collusion between the importer and customs officers in relation to ordering bogus packages for examination. If such collusion existed, it would be very hazardous, and discovery would be almost unavoidable from the examination of merchandise under existing regulations.

Inquiry No. 5.—Pertains to the collector of the port.

Inquiry No. 6.—(1.) The present existing regulations concerning protest and appeal in differences between importers and collectors are considered ample and well-devised. The fact alone that through the final decisions of the Department a uniform assessment of rates is obtained is of such advantage that seeming hardship to the importer is fully compensated for by the benefit derived from the present procedure.

(2.) Pertains to the collector of the port and district attorney.

(3, 4, 5, 6.) Pertain to the district attorney.

Inquiry No. 7.—French and Swiss goods have, as a rule, been undervalued for several years past. The custom seems to exist that nearly all invoices from France or Switzerland are made out "for custom house use in the United States" at an undervaluation. This is verified by the fact that at various times invoices have been presented to the appraising officers stating the full value paid for the merchandise, accompanied by undervalued invoices (for customs use) for the same merchandise, duly executed before the American consuls abroad.

Inquiry No. 8.—The certification of consular officers stationed in France, excepting the district of Lyons, is of such a simple and irresponsible nature as to take away any seeming obligation on the part of the person offering the invoice for authentication. This procedure is so unlike that of any other consulate outside of France, that it is believed that to this easy mode and the unquestioned acceptance of the invoices may be attributed the almost universally prevailing undervaluation of French merchandise.

Inquiry No. 9.—It is not known that false dutiable values have been reported by any of the appraising officers to the collector.

Inquiry No. 10.—(1.) Doubt and confusion, also conflict of opinion, may have existed under the previous administration of the appraiser's department, but do not now exist.

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(2.) The statutes defining the manner of arriving at the true foreign market value seem to be sufficiently defined to enable the examiners, assistant appraisers, and the appraiser to determine the actual market value of imported merchandise.

Inquiry No. 11.—A safe and correct estimate of undervaluations can be made by calculating the value of the merchandise, taking as a basis the amounts collected for values advanced by the appraiser, which should be a matter of statistical record in the collector's department.

Inquiry No. 12.—(1.) For a false return of value to the collector the examiner would be primarily and chiefly responsible.

(2.) His salary varies from $1,200 to $2,500.

(3.) The appraiser officially certifies to the collector the values fixed; but in the port of New York it would be a physical impossibility thus to certify personally; an approval stamp is therefore used, and the assistant appraiser who signs the examiner's return upon the invoices then becomes, for this purpose, the responsible appraising officer. In illustration, it may be stated that during the past three years invoices and appraisement orders have been received as follows:

Year.	Invoices.	Appraisements.
1882	217,438	12,104
1883	213,606	14,784
1884	205,762	14,735
Total	636,806	41,623

Of these, more than one-half had to be stamped two or three times. All invoices, however, upon which the advance is 10 per cent. or over, involving a penalty, as well as all damage allowances, are personally approved by the appraiser.

Inquiry No. 13.—There is no evidence of connivance by any Government officer of assisting any appraising officer in undervaluing foreign goods.

Inquiry No. 14.—It would be unjust to ascribe a failure to collect the full amount of duty on merchandise to dishonesty. While suspicion may have arisen, and close observation may have suggested doubt as to the integrity of an examining officer, such distrust has, as far as known, always been followed by dismissal of the suspected party.

While bribery may, in some instances, have benefited an importer, it is not believed that at the port of New York any organized corruption-fund has been disbursed in order to defraud the revenues.

Inquiry No. 15.—Bribery or corrupt influences are not believed to be the source of false valuations. The competition in trade is the main cause, the desire to obtain foreign merchandise as cheap as possible, the well-known levity with which custom-house oaths are regarded by the importing public, the inability or unwillingness to prosecute violations of bonds given by importers, all contribute to undervaluations, unjustly ascribed to bribery.

Inquiry No. 16.—Specific rates of duty, under proper safeguards, would undoubtedly benefit the revenues and help to diminish any tendency to bribery. The present rates could in many instances very nearly approximate to specific rates.

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In regard to textile fabrics, the ever-changing styles and fashions and the consequent change in the mode of production would require such an adjustment of the scale of duty as to prevent the importation of cheaper classes of textile fabrics.

Inquiry No. 17.—It is not believed that the repeal of the moiety act has increased false reports by appraising officers, but no doubt exists that the repeal of that act, and the consequent inability to examine books and papers, has emboldened many importers to undervalue their goods with impunity.

Inquiry No. 18.—(1.) It is believed that at the bottom of most undervaluations lies the neglect of consular officers to verify the correctness of invoice values. What can now be done at consulates like Bradford, Manchester, Liverpool, Lyons, St. Galle, or Elberfeld, should equally well be done at other consular districts.

(2.) If the class of merchandise exported from a consular district varies very little, it would be much easier to ascertain the true market value of each shipment at the place of production, where sales to other markets than the American can be observed.

(3.) It is not believed that vexatious delays would occur in thus examining values before certifying to invoices.

(4.) Consular fees exacted in London appear to be now 10 shillings and 6 pence, with a fee of 3 shillings sterling for notary's fees. This amount appears in nearly all invoices charged to the importer here. Invoices of productions of the interior of a country are frequently verified by consols at the seaports, the shipping merchant at such seaport making up the invoice, thus disguising from the appraising officers the place of production.

Inquiry No. 19.—It is believed that it would be neither safe nor useful to change the present mode of ascertaining dutiable values. While the law is arbitrary, as all laws are, it would lead to endless appeals or lawsuits. Custom has sanctioned the present mode; importers are accustomed to it.

Inquiry No. 20.—This inquiry will be answered by assistant appraiser Strong, in charge of the wool department, who has given the subject his particular attention.

Inquiry No. 21.—Pertains to the United States surveyor of the port.

Inquiry No. 22.—There is no evidence to show that duties have been evaded on account of existing rates of duty. Silk goods, paying under the old tariff 60 per cent., are now, at 50 per cent., just as much undervalued as heretofore.

Inquiry No. 23.—This inquiry concerns the other ports.

Inquiry No. 24.—It is not a fact that false returns of dutiable values have been made to collectors at the port of New York for considerable time past. Sporadic cases have been discovered and complained of. The suspected parties have, in some instances, been arrested and indicted, but on account of miscarriage of proceedings in court never punished except by dismissal.

Very respectfully your obedient servant,

LEWIS McMULLEN,
Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 103.

Additional Inquiries to Appraiser McMullen.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, October 10, 1885.

SIR: Your reply to my circular letter dated August 27, 1885, has been received, and your immediate attention is directed to the following additional inquiries, the relation of which to those in my circular is indicated by the numbers given below:

No. 7.—My seventh inquiry related to "the full *amount* of duty that the law prescribed." You reply, that "French and Swiss goods have as a rule been *undervalued* for several years past," and that "nearly all invoices from France and Switzerland are made out * * * at an *undervaluation.*" I infer that by "undervalued" and "undervaluation," in that connection, you mean that the invoices as presented have not contained the actual cost of purchased goods or the fair market value of manufactured and consigned goods. Am I correct in my inference? If not, please explain fully your meaning, and also give your opinion in respect to the specific inquiries in the seventh question.

No. 8.—Am I to understand you as expressing the opinion, in reply to my eighth question, that the failure of French shippers to declare the true invoice value has come, in great part, from the conduct of the American consular officers?

No. 9.—Please say whether or not the appraising officers have, during the time of which you speak, reported as "value correct" the French and Swiss invoices to which you have referred? Have the appraisers, as a rule. advanced the invoice values to make correct dutiable values?

No. 11.—My eleventh inquiry related to a failure of the appraisers to advance the invoice value to make dutiable value, and to the assessment of the rate of duty by the collector on the false value returned to him by the appraisers. Your reply seems to refer only to invoices whenever the invoice value was advanced by the appraisers.

No. 12.—Your table of figures presents a total of 636,806 invoices and only 41,623 appraisements. Has there not been an appraisement on each invoice? And will you explain whether or not the law, in your opinion, requires the personal inspection of the merchandise by the appraiser and personal approval by him of the appraisement, where the invoice is reported to the collector "value correct," as when the invoice value is advanced?

No. 15.—I infer that by your fifteenth reply you intend to say that "competition in trade is the main cause" of false values in invoices and the desire of importers to pay as little duty as possible, and that by "false valuations" you do not refer to false returns made by the appraiser to the collector. Will you explain how the revenue can have suffered at all if it be true that the appraisers have returned full dutiable values to the collector; and, also, will you explain to what "bonds" you refer as those that have not been presented by the collector?

No. 17.—If the repeal of the "moiety act has emboldened importers to undervalue their goods with *impunity*," has not the revenue suffered by such invoice undervaluations?

No. 18.—Will you please to give me your opinion whether or not the full amount of duty imposed by Congress on silks from France and Switzerland has within the last two years been generally levied and

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collected at the port of New York? And, also, whether or not the full amount is *now* collected at New York; and, if not, then explain why not.

No. 24.—During how long a time last past is it your opinion that all imported merchandise entered at the port of New York has been appraised at the full and fair dutiable value required by law?

Respectfully, yours,

DANIEL MANNING,
Secretary.

LEWIS MCMULLEN. Esq.,
Appraiser, New York City.

No. 104.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 22, 1885.

SIR: Respectfully referring to your letter of the 10th instant, relating to my replies to circular letter dated August 27, 1885, I present the following answers to the additional inquiries, each being indicated by the corresponding number of the above circular:

No. 7.—Your inference as to my statement of undervaluation of French and Swiss invoices is quite correct. The invoices from those countries do not present the actual market value of the merchandise at the time of shipment of purchased goods, as well as consignments. Innumerable advances to such invoices have been made. Reappraisements have been called for, but under the previous administration of the general appraiser's office very few of the advances were sustained, the majority being reduced to a trifle less than 10 per cent. to avoid the penal duty of 20 per cent. This circumstance, with the limited number of persons who could be selected as unbiased merchant appraisers, has been one of the contributive elements that led to the failure to levy full amounts of duty. To successfully controvert this failure, more importance should be placed to any advances made by the experienced appraisers. If on reappraisement the general and merchant appraiser disagree, and no compromise to a lower valuation can be made, the collector, often without any ocular inspection of the merchandise, decides upon the value, and if it be in favor of the merchant appraiser's view, the thrifty and unscrupulous importer will be strengthened again in his belief that raids upon the Treasury may be successfully made by undervaluation.

While examiners as a whole compare in character favorably with the employés of any of the large mercantile houses in this city, it cannot be denied that the higher pay offered by merchants to experienced persons in their service compels the employment of examiners who, while acquainted with the class of goods assigned to them, have yet to learn the difficult work of ascertaining the true market value in the different principal markets of the countries of exportation. This may, in some instances, also have been one of the causes of the failure referred to.

No. 8.—I also desire it to be understood in this connection that in my reply to the eighth question I am fully convinced that the present existing undervaluation of French invoices is largely to be ascribed to the irresponsible manner in which American consular officers certify to such invoices. For instance, at many consulates the certificates of consuls

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state solely the total amount as per invoice. In many instances goods from well-known manufacturers are invoiced by French commission houses, whose only relation to the merchandise consists in seeing the same properly packed and shipped.

It is also of frequent occurrence that goods are shipped from the place of manufacture to a seaport, and there before the consul at the seaport declaration is made by the shipper. The consul, under such circumstances, cannot know the market value of the goods. There is none, because no such goods are produced or sold there. This easy mode of obtaining a consular certificate is undoubtedly one of the reasons that led to the almost universal undervaluation of French merchandise, and, if taken in connection with the fact that the principal manufacturers have their own selling agents at this port, attempts at undervaluation are constantly made.

No. 9.—No invoices of which I have spoken as undervalued have ever been passed "value correct." All such invoices have been advanced to make market value. How far, however, these advances have been sustained on reappraisement I am unable to say. I must, however, also remark that, under my predecessor, many invoices have been recalled, the advances reconsidered and reduced without the concurrence of the examining officers. This practice does not exist now.

No. 11.—This inquiry should have been answered as follows: No safe average estimate could be made at this port of any undervaluation not detected; and while it is possible that slight undervaluations have inadvertently been overlooked, it is believed that no great losses have occurred by this evasion of duty. Collusion between examiners and importers have been discovered, but the guilty parties have been prosecuted, and fines and penalties recovered.

No. 12.—The table presented in reply to this question was intended to show that during the periods stated 636,806 invoices and 41,623 appraisement orders—total, 678,429 appraisements—had been in this department. The law does not, in my opinion, require personal inspection of the merchandise by the appraiser, although this is frequently, I may say daily, done whenever questions of classification or valuation require it. While the appraiser directs and supervises all appraisements of merchandise, it is the duty of the assistant appraiser diligently and faithfully to examine all goods, wares, and merchandise under the direction of the appraiser.

While these reports are carefully scrutinized, and the attention of the appraiser is called to any deviation from the rules and regulations, and while corrections and revision are ordered by him, the various other duties devolving upon him make it impossible for him to personally affix his approval. It would require his signature from one thousand two hundred to one thousand five hundred times per day. An approval stamp is therefore used. The rapid delivery of goods, passed to make room for new arrivals, causes daily a great rush of business during the afternoon hours, and would make it a physical impossibility to certify personally to correctness of invoices. The appraiser, however, daily scrutinizes and approves, personally, all invoices advanced over 10 per cent.; all damage allowances; all the reports from assistant appraisers on protest and appeals; all requisitions for material required; all recommendations of names of merchant appraisers to the collector, besides the correspondence and current business of his office, giving advice and instructions to examiners and assistant appraisers, receiving calls from importers and brokers inquiring about importations, tariff interpre

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tation, decisions, &c. This so much occupies the appraiser's time that it necessitates his constant attention from 8 o'clock A. M. to 5 o'clock P. M. and later.

No. 15.—This inquiry was not properly replied to in my answer. While stating the main causes of undervaluations, it should have been stated that bribery or venality is not the cause for reporting false valuations to the collector. An unintentional omission, a lack of sufficient information to advance an invoice, a doubt as to the origin of an importation, may occasionally cause a small loss to the revenues, but a systematic attempt at fraud could not be carried on undetected, and the fines and penalties have in all such cases repaid all losses. The "bonds" alluded to in my reply are those provided for by section 2899, Revised Statutes.

No. 17.—The word "impunity," in my reply to this inquiry, should convey the meaning that the repeal of the "moiety law," while emboldening importers to undervalue their goods with impunity, does not mean that such undervaluations are not detected in consequence of the prohibition to examine books and papers.

No. 18.—It is my opinion that the full amount of duty on silks from France and Switzerland has not been generally levied and collected at this port for the past two years. Strenuous efforts to correct the evils existing have been made by removing persons who gave cause for distrust, and it is believed that the full amount is *now* collected; but the objections to reappraisements, above stated, are not wholly overcome, although no blame of any kind attaches to the present general appraiser.

No. 24.—It is my opinion that during my administration for the past five months all imported merchandise entered at this port and subject to appraisal here has been faithfully and fairly appraised at its full dutiable value in conformity with the law.

Very respectfully, your obedient servant,

LEWIS McMULLEN.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 105.

SILAS W. BURT—Appointed Deputy Naval Officer April 29, 1869; as Clerk and Comptroller May 24, 1873; as Naval Officer July 11, 1878, and July 11, 1885.

PORT OF NEW YORK, NAVAL OFFICE,
September 21, 1885.

SIR: With respectful reference to your confidential circular of the 27th ultimo, propounding twenty-four distinct inquiries regarding certain points in the customs laws, regulations, administration, and practice, I have the honor to report as follows:

The series of questions, as a whole, appears to be based upon recent investigations by your Department with which I am not acquainted, either as to details or conclusions. This is particularly true as to Questions Nos. 7 to 15, both inclusive; but while my disconnection with the Department for two years past disqualifies me from treating the specific queries as to recent frauds by either importers or officials, I believe that my former long experience enables me to express an

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intelligent opinion upon the questions of a general nature broached in your circular. While that circular invites unrestrained candor in expression, I would premise that my references to the Treasury Department are more particularly applicable to its administration prior to your own charge of it. My official experience in customs matters was gained between the years 1868 and 1883.

I have settled opinions upon many customs matters not touched upon in your circular, and which future opportunities may lead me to express.

I have attempted to answer such of your queries only concerning which I have information and consequent opinion, and have placed at the head of each answer the number of corresponding number in the circular.

1. I am convinced that the rates of duty have generally been levied and collected at this port in accordance with the law as construed by the Treasury Department, and upon the presumption that the classifications certified by the appraiser were correct. My assurance of this rests upon the great improvement in the liquidation of entries accomplished in this office within the past twelve years. Prior to that period the liquidations were made in most cases in a perfunctory way, the returns of the appraiser, weighers, gaugers, and inspectors being accepted as unalterable, and the liquidating clerks being generally ignorant of the latest decisions. Great attention was given to the correct arithmetical rendering of foreign measures, weights, and currencies into our equivalents, and to the correct calculation of duty according to the official returns, but beyond these there was generally no critical examination. During the period of twelve years past, it has been the practice in this office to examine with great care all returns, and whenever there was an apparent discrepancy between the classification returned by the appraiser and the invoice description of the goods, or with the advisory rate given by the appraiser, or whenever the rate did not accord with the decision extant by the Department, the invoice has been sent (if possible) to the appraiser for reconsideration and correction. In this way a large number of erroneous returns have been corrected. There has been much embarrassment, and I believe loss to the revenue, arising from the obstructive action of the collector's office in claiming that all such invoices must be returned through that office to the appraiser, a claim strangely sustained by the Department. In this way there have been serious obstacles and delays in procuring corrections, and in some cases the way to correction has been blocked by the refusal in the collector's office to return the invoice to the appraiser. A very questionable point of official punctilio has been allowed to obstruct the lawful function of this office in securing accuracy and promptness in the collection of the revenue. I would add that it is obvious that the result of such uncorrected error is a loss to the revenue, since the importer is alive to his own interests and secures the correction of errors of overcharge of duty, while the naval officer is the final guardian of the revenue so far as it depends upon the liquidation of the entries, and as such should have every facility to inquire, inspect, and to ask for the reconsideration by all officers of their returns, when these are elements in the assessment of duty.

To return to the question in its broadest bearing. I will add that on account of the wrong constructions of law by the Treasury Department the lawful rates of duty have not always been levied and collected. I

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am not able by positive evidence to assert that any of these constructions were corruptly procured, but for ten years prior to 1885 I have had no confidence in the conduct of these decisions by the customs division. Whatever the motives, there were such peculiar, unsubstantial, illogical, and inconsistent decisions and reversals thereof as inflicted incalculable injury upon the revenue, the merchants, and, above all, upon the people as consumers.

2. As noted under the last answer, prior to the reorganization of the liquidating division of this office, in 1874, it had been the custom, as sustained and defended by the principal officers under the collector, to accept a customs weigher's return as final and unalterable, no matter what its discrepancy with the invoice. Under such a practice the vast frauds perpetrated by the weighers between 1864 and 1869 were not only possible, but, considering human frailty, were encouraged. The loss of revenue in detected and proven cases was very great, but formed only a small proportion of the aggregate loss.

For over ten years past the discovery in this office of any material discrepancy between the weigher's return and the invoice weights, or between either of these and the standard or commercial weights of similar packages of goods, has led to a reference to the weigher for explanation, and to a personal examination of the original "dock-book" of weights by the chief liquidator of this office when necessary. The records show that in this way not only a large number of serious errors have been detected and corrected, but that it has also led to greater care and accuracy by the weighers, and to a more close inspection and verification of the dock-books by the surveyor.

Notwithstanding these corrective influences, I am persuaded, as I have been for years, that there should be a radical reorganization of the weigher's department at this port, which should be placed under the charge of an experienced official, whose sole duty it shall be to superintend all the weighing, gauging, and measuring at this port not transacted in the appraiser's department. Personally convinced that specific duties must at an early day be substituted for the most of the present ad valorem rates, I believe that such an organization of the weigher's department is an important and urgent duty of the Department. Specific duties rest upon the ascertainment of facts and conditions existing while the goods are in the custody of the Government, and the verification of these facts and conditions can be insured by the adoption of proper methods and the employment of efficient and trustworthy officials under good organization and discipline. An early movement towards the establishment of such a *corps* is indicated by the increasing tendency to a specific-rate tariff, and by the policy of careful preparation for a prompt and satisfactory administration of such a tariff. It is taken for granted that such an important corps of officers would be selected and retained without any other considerations than those touching their fitness.

6. I have long been of the opinion that a radical defect in existing laws respecting the decision of differences as to rates of duty between importers and collectors is the privilege granted the former to institute *ex parte* and *quasi* legal proceedings before the Secretary of the Treasury, acting as a judge in chambers, for so the present right of appeal to that officer may justly be considered. The Treasury Department is essentially executive, and, as the decision of these appeals has been treated as a judicial function, there has been a disposition to ignore the

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executive function, in order that it might not clash with or extinguish the privilege of appellate adjudication. As an evidence of this disposition, I would allude to the action of the Department relative to the very important and extensive changes in the rates of duty under the act of July 14, 1870, which changes were to go into effect upon January 1, 1871, or nearly six months later. The Department was requested by this office, in November, 1870, to give instructions as to many points in the administration of the new law which seemed obscure or doubtful. The reply was that these would be decided upon the submission of actual cases after the law went into effect. I beg leave to quote the following from my letter of November 28, 1870, to the then chief of the customs division:

"I cannot agree with you as to the desirability of allowing all questions under the new tariff to be decided by a formal appeal to the Department in cases as they arise. If the customs officials and the merchants here represented two opposing interests and the Treasury Department represented an independent and uninterested tribunal, your view of the case would certainly be correct, since the court should not prejudge a case. But the customs officials are the subordinates of the Treasury Department, and the final decision rests in the United States courts. The action of the Department on customs questions referred to it is confined to the approval or disapproval of the acts of its own local agents, and it is therefore incumbent upon it to so instruct these agents as to avoid the necessity of overruling their decisions, and so preserve the reputation of the Department, and, by an intelligent harmony, prevent the expenses and vexation, both public and private, originating in uncertain action. Of course, there are questions, many of them very important, that cannot be anticipated, and which, developed in actual practice, must from time to time be referred to the Department for specific action or the decision of general principles. But there is, in anticipation of the new tariff, a large class of questions which can readily be foreseen, and, if thoroughly examined and determined in advance, there would result greater ease and economy in the administration of the law at this port, where the mass of business will be so heavy and persistent that any obstacle will cause great friction."

I have never seen any reasons for change in my opinions as expressed fifteen years ago, and the outcome of the action then was the development of a vast number of appeals which might have been prevented by prior instructions on points that could as well have been decided in advance as after the enforcement of the new rates, and this result holds good in regard to all the subsequent changes of tariff and the appeals originating under them.

Among the executive duties imposed upon the Secretary of the Treasury is the superintendence of the collection of duties on imports, and he is empowered and directed to give directions to the collectors. As was held by Justices Stone and McLean in the case of Cary *vs.* Curtis, (3 How., 236,) the power to entertain appeals on questions of duty from the acts of these subordinates "unites in the same Department executive and judicial powers." The latter powers have in fact been largely exercised by a clerk in the Department, known as the chief of the customs division, but, whether exercised by this clerk, or by the secretary, or assistant secretary, the proceedings have been *ex parte* so far as the pleadings were concerned, and in other respects informal, without the

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power to compel witnesses and bound by no rules of evidence, code of procedure, or other safeguards thrown around all legally constituted tribunals. At the best these decisions have not had the authoritative force of a court decree, and too often have been controlled by the superficial views or interested advice of the clerk in charge. There is no other administrative officer in the world having charge of such a vast volume of important business as the Secretery of the Treasury of the United States, and this volume increases yearly. It would be a great relief to transfer to some fit tribunal the decision of these appeals, the accumulation of which has embarrassed an overburdened Department and led to delays very harassing to importers, obstructive to commerce, and burdensome to the people, who as consumers of dutiable goods have generally to pay all the excess of duties originally exacted, and also the cost of its refund, without any benefit from the latter.

The effect of such a system has been to render collectors timid and tentative in their administration, and to encourage the imposition of the highest rate of duty for which there was a colorable pretext. In this course they have been further encouraged by customs brokers, who subsequently, as claim agents, have shared in the refund of the excessive duties they originally instigated. While such abuses have been greatly abated by the more careful and thorough liquidation of entries instituted in recent years, there remains a powerful incentive to overcharge, which must be constantly guarded against.

It is obviously for the interest of the revenue, the merchant, and the consumer that the rates of duties should be promptly and finally settled, and this can only be done by a properly constituted judicial body. In Great Britain the statutes provide that the importer, if dissatisfied with the rate of duty imposed by the collector, shall commence suit within three months from the date of payment, otherwise the original assessment shall be final and conclusive, there being no intermediate appeal to the executive departments. This was also the procedure when the British tariff covered a large number of dutiable articles. Should such a course be pursued here, the overburdened calendars of the existing courts would suggest the establishment of a special tribunal. In a special report made by me to Secretary Windom, on July 15, 1881, I proposed that such a court might be constituted by law in the first three circuit districts, with the addition of the Maryland district. This territory would comprise the ports of Boston, New York, Philadelphia, and Baltimore, at which over nine-tenths of the customs revenue are collected. Such a court, to be known as the "court of exchequer," or by any other appropriate title, and composed of three or more judges, might have original jurisdiction of all suits instituted under our revenue laws within the district named, outside of which the present circuit courts could act as "courts of exchequer" for the limited amount of litigation that would originate beyond that district. Before such a tribunal all issues might be speedily tried, with privilege of appeal on issues of law direct to the Supreme Court. I am not versed in juridical matters, and so have presented an outline only, which could be modified and completed by others. The main point to be considered is that all the interests concerned demand some method—prompt, authoritative, and definitive—for determining customs disputes.

I would suggest the feasibility of requiring suitors to prove damages by evidence that they had not reimbursed themselves for the alleged

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excess of duties by including such excess in the price of the goods as sold by them.

As regards the present allowance of interest upon such refunds of excess in duties, I can advise no amendment to the law. If there has been an overcharge of duties which has inflicted positive damage upon the payer, he is entitled to interest upon such overcharge, and though the rate of 6 *per cent. per annum* is much more than is given by the Government to its bondholders, it cannot be expected that the rate given to voluntary creditors upon long-period securities should govern the allowance to judgment creditors. Keeping this in view, I do not think the present rate of 6 per cent. is excessive.

10. There is now and there has recently been confusion, doubt, and conflict of opinion respecting the elements to be ascertained in order to fix and declare dutiable values, and this confusion, doubt, and conflict have not been confined to the appraiser's department. Under the sixth answer I have alluded to certain difficulties arising from lack of opportune instructions from the Treasury Department, which has generally concluded to confine its expression as to rates of duty, bases of value, &c., to the judgment of special and actual cases. The result has been that customs officers have started off without general or particular instructions as to the changes effected by new laws, and, consequently, have felt a certain timidity and doubt in their official action, which have sown the seed for a great harvest of protests, appeals, and refunds. The disputes as to rates and methods of estimating dutiable values have been carried by appeal to the Department upon special aspects of the individual cases. Even with an earnest desire to be consistent, the absence of antecedent principles carefully considered and clearly enunciated has often led to great error and confusion in these Departmental decisions in their relation to general basic principles. The subsequent reversal or modification of these decisions by no means repairs the injury. I cannot conceive any method whereby the present procedure can be made satisfactory. In determining these appeals upon individual cases, there are insuperable difficulties in this procedure arising in the distracting complexities of details advanced by the appellant which are often only apparent elements in the actual problem, and therefore obscuring its solution, while there are presented only informal and inadequate opportunities for forming a correct judgment, at a distance from the goods, the officers and official records, and competent testimony.

No question since the passage of the act of March 3, 1883, has been so much vexed as that concerning the determination of dutiable values. The difficulties on this point have been attributable in part to the fact that several bases of value are recognized in the statutes, and that there has been no authoritative and fixed decision as to what should constitute each of these values in customs practice. There is, first, the certified *invoice* value, which is by law the *minimum* value for imposing duty; secondly, the *entered* value, which may be more than the invoice value, and is conclusive as to the importer; thirdly, the *market* value, which is to be ascertained and certified by the appraiser; and, fourthly, the *dutiable* value, which is to be determined by the collector and naval officer (under instructions of the Secretary of the Treasury) in all cases where the "market" value and the "dutiable" value are not identical.

In the minds of customs officials there has too frequently been a lack of discrimination between these several values, which are not neces-

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sarily identical, and are subject to distinct conditions and differential treatment under the statutes. The failure to recognize these distinctions, as also to perceive that the act of March 3, 1883, in rejecting certain elements on dutiable values did not positively define a new basis, lead both officials and importers into such confusion and dispute as to engender nearly a hundred thousand appeals from this port alone.

I would digress here to remark that it is unjust to commercial interests to have a reduction or, indeed, any change in tariff rates and values go into effect coincidently with the passage of the law or within ninety days of that passage. Great consideration is due to those merchants who have still in market goods upon which higher duties have been paid, and in larger view it is desirable that mercantile interests should be enabled to prepare for and accept such changes without shock. Through some inadvertence this principle was violated in permitting the provisions of the seventh section of the act of March 3, 1883, to become operative on and after that date, and thus suddenly reducing dutiable values without previous preparation for them by either importers or officials. No general antecedent instructions could be given by the Department, but they could have been prepared and promulgated at an early day after the operation of the law began. A *résumé* of the then existing conditions will illustrate the origin of the confusion as to values and the ease with which some general principle could have been applied with advantage to all concerned.

Prior to March 3, 1883, there was a permanent and trustworthy standard for fixing dutiable values, and that was to include therein, in addition to the market value, every expense incurred before the goods were placed on board the vessel in which exported. There had been some slight exceptions to this general rule, but they were few, well defined by the Department, and well understood by officials and importers under the experience and settlements of nearly twenty years. The seventh section of the above-quoted act completely destroyed this accustomed standard, and neither in that section nor in any of the others was there a new standard established. I hold that it was the unquestionable province and duty of the Treasury Department to repair this omission in the law, and to positively define the new standard at the earliest possible moment. As the old law had made the placing of the goods on the deck of the vessel as the point of demarcation between dutiable and non-dutiable charges, so the Treasury Department could have established the placing of the goods in the case, crate, box, or covering in which packed for exportation hither as the new point of demarcation. Such a decision would be consonant with the general tenor of the law, would have furnished an easy test, applicable as was the former standard, and would have been accepted by the importers with little question. But the matter gradually drifted into a sea of doubts, where officials differed from each other, special cases came before the Department under varying aspects, and there was the prospect of distinct decisions upon every article on the dutiable lists. Inconsistent decisions might be quoted how cartons containing certain goods were elements of value, and containing other goods were not, and it is no wonder that there were doubts, confusion, and conflict of opinions in the customs official's mind. The recent decision on this point by Judge Wallace goes far to quiet these disputes, and I would interpolate here that this judicial opinion accords with that of the experienced officers under me, who for two years vainly attempted to secure

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some general ruling to the same effect. I earnestly believe, however, that great good would be accomplished by a positive determination by the Department as to what in customs practice shall constitute the several values, viz., invoice, entered, market, and dutiable. There are debatable questions and illogical practices rife as to all these points which interfere with the smooth discharge of business and unnecessarily remain to irritate the public. I would add that in all official papers in references to value there should be prefixed the qualifying adjective to clearly denote what value is meant.

In conclusion, it would seem that the drift of all recent opinions is to accept market and dutiable values as identical. Market value is the value of the goods in a marketable condition—*i. e.*, as exposed for sale and ready to be packed in the "usual or necessary sacks, crates, boxes, or covering," after sale and for the purposes of transportation; and as this marketable condition represents the dutiable condition also, the market value and the dutiable value may be considered as one and the same.

12. While the question of the primary responsibility for valuations may be controlled by the internal economy of the appraiser's office, in which outsiders are not necessarily versed, it is my opinion that examiners are the officers so responsible. Their maximum pay at this port is $2,500 *per annum*, a much less compensation than is given by mercantile houses to those employed by them as experts in the quality and value of goods, and in this respect, as in so many others, the Government suffers through indisposition to secure the best service. I would qualify this, however, by remarking that it is the experience in civil-service examinations that such reputed experts in merchandise, though highly recommended by the trade, do not exhibit a very high degree of efficiency in determining either absolute or relative market values of goods upon inspection of samples submitted to them. It might be said that the most highly qualified experts were deterred from entering these competitive or special examinations by the low compensation attached to the position of examiners of goods, but there have been candidates so highly recommended by merchants as to be accepted as experts who have lamentably failed in these practical tests. It may, therefore, be deduced that appraisement in the absence of the invoice as a guide is untrustworthy, and this is confirmed by the instances of wrong valuation often detected in entries by appraisement when compared with the values in the invoices subsequently produced. Except in a few rare instances of highly qualified examiners, it would seem that appraisement under our customs laws is not a matter of exactness, but an empirical proceeding, largely dependent upon a knowledge of the values in the invoices. If this be so at this great port, where the examinations are made by professed specialists in each great branch of merchandise, what must it be at lesser ports, where a comparatively few, or even a single official, appraises the whole body of the importations.

Another instance of the defective nature of appraisements may be deduced from the fact that in certain lines of goods there are no advances made upon the invoice values, although the temptations and opportunities for undervaluation are as great in these lines as in others where advances are frequently made and sustained. These considerations lead me to discredit more and more the ad valorem system of appraisement.

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I take occasion to remark here that, in consideration of these uncertainties, there should be some amendment in the methods of recording on invoices the advances of values. These are too frequently limited to the simple phrase "add to make market value," when a more explicit record would relieve the addition from its apparently arbitrary character. A similar practice by the general appraisers should be amended, for, as the question of values is so evidently one of personal opinion, there should be some reason on record for that opinion.

16. I have long been convinced that a change from ad valorem to specific rates would not only be a benefit to the revenues, but would go far to relieve their administration from the friction and inevitable injustice that have made it in a measure odious. I might give here a *résumé* of my reasons for this opinion as frequently expressed officially hitherto, but I presume the Department is fully apprised of all the arguments adduced on either side. I will therefore simply say that the ad valorem system is theoretically the perfect system, and that this has engaged its support by those who have only had opportunity to view it as an abstract proposition. This prejudice in its favor must surely give way before the overwhelming evidences that in practice, particularly with high rates, it breeds injustice, contention, and commercial obstructions that are almost intolerable.

The United States is the only one of the great nations that retains to any extent the ad valorem method of assessment on imported goods. All the European tariffs except that of Turkey are "specific rate," with very inconsiderable exceptions in each.

The average rate of customs taxation, as based by percentage upon the total value of *all* merchandise imported, is higher in the United States than elsewhere. The average rate as given for different periods is as follows:

Year.	Average rate.	Year.	Average rate.
1821	21	1867 to 1870	45
1831	23½	1871	40
1841	11½	1872	34½
1851	22⅛	1873 to 1875	29½
1861	15	1876 to 1880	30
1862 to 1865	30	1881 to 1884	29¼
1866	40		

The reductions in average rates from 1870 to 1875 are almost entirely due to additions to the free-list, particularly those of tea and coffee.

A similar table of average rates in Great Britain is as follows:

Year.	Average rate.	Year.	Average rate.
1800	22	1850	20
1810	30	1860	12
1820	31	1870	7
1830	31	1880	5½
1840	33		

And the latest statistics indicate the percentages, in France, 9½; German Empire, 6½; Austria-Hungary, 3½; Belgium, 7; Italy, 8; and the Netherlands, $\frac{66}{100}$.

It will be noted that the average rate here is much higher than in any of the other countries named, but, as the most heavy taxes in those countries are assessed by specific rates, it will be obvious that such ad valorem rates as they retain are below ours.

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In 1845, when the average rate of customs taxation in Great Britain was the highest during this century, the highest ad valorem rate (except when "optional") was 25 per cent. Our present tariff has many classes of goods assessed 30, 35, 40, 50, and 60 per cent., and even some at 75 and 100 per cent. The present tariffs of European countries contain very few rates above 20, and the great mass are at 5 and 10 per cent.

It may be fairly said that no country ever attempted such a difficult administrative task as has our own in the imposition of such high ad valorem duties, which have encouraged the most extended, ingenious, and baffling schemes for their evasion. It is probable that no ad valorem rate exceeding 25 per cent. could be assessed without loss by undervaluation, and that such loss would proportionally increase with the increase of rate. Indeed, I am myself convinced that after the corrupting influences of the present high rates there would be no security in a reduction to a maximum rate of 25 per cent., or even lower. The ingenious methods of evasion and fraud so long rife would not be abandoned, and though their absolute effect upon the amount of revenue would be diminished, they would continue to work injustice and strife.

The long-continued falsification of values would prevent the exact conversion of the present ad valorem into equivalent specific rates based upon actual and relative values, as also it would obviously be impossible to preserve such equivalents in the face of fluctuating values. It would not, however, be difficult to prepare a schedule of specific rates to replace a great part of our present ad valorem rates, without material departure from the original intention of the law, whether that intention were purely to obtain revenue or for protection, primarily or incidentally.

As to your particular question whether "specific rates are applicable to all textile fabrics," I should say *yes*, though there might be danger of constructing a classification too complicated were relative values to be the paramount consideration. Specific rates on such fabrics might be based on weight or superficies, and in some cases, as at present, further differentiated by the number of threads in a given space. In some cases, both weight and square yards might be taken as elements in the assessment of duty.

18. I should not deem it practicable for American consular agents to personally examine all articles to be shipped hither, nor indeed any part of them. No matter how numerous and alert such agents were, their function would not be recognized as an inherent or legal right, and would not have such protection under the laws of foreign countries as would insure the successful exercise of such a function. Even were it possible to obtain the recognition and protection of such rights by treaty stipulations, the attempt to organize such an administrative measure simply for the protection of our revenue or the protection of our manufacturers, would be very repugnant to popular sentiment in the foreign countries, and so obstruct and defeat the purpose, while injuring our general commercial relations with the people of such countries. Under the most favorable conditions of the laws and popular sentiment abroad, such a verification of goods and prices would be imperfect, and liable to fraudulent collusions. It would simply duplicate abroad all the difficulties we encounter here in the effort to satisfactorily administer an ad valorem rate system.

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For sixty years the consular certification of invoices has been one of the provisions for protection against undervaluations, and has been as ineffectual as any of the other means adopted for the same end. I have given my opinion before several Congressional and other committees that this certification might be abolished without great danger to the revenue.

This conclusion has been based upon official observation, from which I have deduced only the following practical advantages from such classification, and these questionable: 1st, that it is proof of an actual commercial transaction at the place of certification, an advantage that inheres only to real sale and purchase, and not to the consignments which are the source of most trouble in appraisement; 2d, that it furnishes a basis for true reduction of depreciated currencies, though this might be as well accomplished by general reports of fluctuations made at stated periods; 3d, that it gives a weak appraiser an assurance of authenticity, which is, however, more often detrimental than advantageous to the revenue. Probably the injury arising from such dependence in appraisement upon the consular certificate is largely due to the generally heedless manner in which such certifications are rendered, so far as they relate to market values. There have been exceptions to this general objection, but even the most efficient and conscientious consuls are baffled by the consignment of goods specially manufactured for our market. I will not dwell upon what might be accomplished in rendering such certification more valuable by a better consular system, with appointments made for fitness alone, and the reward of promotion for recognized good service. We are placed at immense disadvantage in our competition for foreign trade, as in all our other commercial relations, by the inferiority of our consular service as compared with the permanent and trained service of other countries. Not the least among the elements that have contributed to the commercial supremacy of Great Britain is the efficiency of her disciplined consular service. But, whether our service be efficient or otherwise, the best cure for losses by undervaluation is the substitution of specific for ad valorem rates, which would render certification of invoices unnecessary. For a defective certification by an officer, often acting perfunctorily, and at the best without personal knowledge, acting in a foreign land beyond strict official supervision, the specific-rate system would substitute an absolute test of the goods by positive and immutable standards, applied while the goods are in the possession of the Government by officers subject to perfect discipline and surveillance, and whose reports could be promptly and unerringly verified and corrected.

This substitution would cut off the present income from fees for certification, an income that sustains the total consular expenses; but many times this amount would be returned to the Treasury by a better method of assessment.

Should the present ad valorem system continue, I would suggest that, in lieu of the certification of invoices, the consuls should send frequent reports of prices-current, with samples attached, when practicable, which might be transmitted by the Treasury Department to the appraisers. I admit that this would be a defective course, but it would be better than the present method as administered.

19. I do not think it would be safe or useful to the revenue or just to importers to give the executive or judicial powers greater jurisdiction to interfere with the ascertainment of dutiable values upon an

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appeal from the original appraisement. It is an ascertainment of fact and not of law, and is to be determined by an arbitration by experts, either official or non-official; and in the latter case these experts may be considered as a "jury" to determine the facts. Sections 2609 and 2930 of the Revised Statutes, in the provisions for original appraisement and for reappraisement by two merchants, recognize this jury principle of experts—a principle in the decision of facts alone so interwoven in our commercial as well as judicial system that any departure from it would seem ill-advised. I further believe that such a departure in this instance would increase the present uncertainties and disputes.

20. I have not the time to make a satistactory analysis of the history of duty rates on wool since 1860, as it would require a careful collation of statistics not readily obtained, and the task can be, and probably will be, better performed by some other officer. I will, however, say that I think that the present classification by value has all the defects of a purely ad valorem rate, and that in carpet-wools the *doubling* the rate per pound at a certain point in value is the worst possible expression of the ad valorem system. It offers a temptation to fraud and perjury such as no government should, and from which it must inevitably, suffer loss.

21. I am convinced, by what I learn in social intercourse, that money is paid by arriving passengers to customs inspectors of baggage, and that such payments are considered by passengers as the general rule, not in many cases for the purpose of fraudulently entering goods without payment of proper duties, but simply as a *douceur*, or fee, to obtain early and speedy attention. Even in the latter aspect, this practice is demoralizing, and reduces the customs officer to the level of the hotel-waiter or boot-black, while there can be no doubt, from the many detected cases, that bribery of the inspectors enables the perpetration of many frauds upon the revenue. It is unfortunate that the Treasury Department felt constrained to discontinue the enforced examination of all baggage at the barge office here, where a more close scrutiny and surveillance could be maintained than is possible upon the crowded and inconvenient piers of the steamship companies. But even on those piers I believe the long-standing abuses of *douceurs* and bribes might be abated by a vigorous discipline. In this office similar unauthorized fees were formerly received by employés, in some cases largely exceeding in the aggregate the recipient's compensation from the Government, but by interdiction, supported by a firm and constant discipline, the practice has been entirely broken up. I can see no reason why similar measures should not be successful if applied to the inspection of passengers' baggage, and also why they should not suppress other illegal practices of a similar nature in the customs service, which undoubtedly exist to the demoralization of the employés and to the discredit of the administration with those who suffer from such exactions.

22. The adherence to an ad valorem rate system, with such high rates, induces me to answer this query decidedly in the affirmative. I do not think there is much loss through smuggling, but there has been an immense loss through undervaluations, and I can conceive of no practicable method to prevent this loss. Secretary Robert J. Walker, in his annual report on December 3, 1845, in urging the enactment of the purely ad valorem tariff prepared by him, (which became law on July 30, 1846,) laid down the general principles upon which this tariff was

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constructed, and among them suggested "that all specific duties be abolished and ad valorem duties substituted in their place, *care being taken to guard against fraudulent invoices and undervaluation, and to assess duty upon the market value.*" It cannot be disputed that such "care" has proven to be impracticable, and that neither consular certification, penal duties, nor any other statutory provision has been found effective in guarding against great losses in undervaluation. This was so under the "Walker tariff," and the difficulties have been greatly enhanced since then by the great proportion of foreign goods consigned here for a market, and the invoices for which represent no actual sale, and consequently no basis for valuation by market value, forcing recourse to the difficult and faulty computation of a dutiable value prescribed by the ninth section of the act of March 3, 1883. That this impossibility of equitably enforcing a heavy tax inheres solely to the ad valorem method is evinced by the ease with which the present specific duty on distilled spirits is collected, a duty that on some grades exceeds *four hundred* per cent. ad valorem, yet it would be absolutely impossible to collect such a duty based upon values, since the temptation to undervaluation would be too strong to be resisted on the one hand or prevented on the other.

I have in my answer to the sixteenth question (*supra*) shown the high average rate of duties imposed by us, as represented by a percentage on total imports, and that a large part of this is attributable to the excessively high ad valorem duties, which are the source and nurse of most of the existing frauds, disputes, and malcontent attending the collection of customs duties.

Upon a review of what I have written above, I observe that the queries attach to only a part of the field of customs administration, and they do not call for opinions regarding damage allowances, drawbacks, warehousing, official oaths and fees, and many other points of interest which I presume will be investigated by you. On some of these I have already sent communications to the Department, and will be prepared to promptly report further when required.

In conclusion, I beg leave to add that I apprehend my answers are so colored by my strong convictions regarding the impolicy of ad valorem rates that I may have inadvertently disregarded the points sought by you. If there is to be a positive adherence to our present ad valorem tariff, I admit that its defects in practice might be partially abated by a more thorough administration, requiring, as a part, a larger expenditure for salaries of certain important officers, an increase that would be returned many fold by the larger receipts in duties. Much of the present injustice, friction, contention, irritation, and consequent clamor and censure, might be prevented by judicious amendments of the law and regulations, some of which I have alluded to herein. At the best, however, all these would amount simply to making the best of a system that, with a heavy rate of tax and considering human infirmities, can never be administered without grave losses to the revenue and to the people, both as taxpayers and consumers, and vexation and injury to importers.

All of which is respectfully submitted by your obedient servant,

SILAS W. BURT,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 106.

Additional Inquiry to Naval Officer at New York.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., September 30, 1885.

SIR: I have read with care your interesting reply to my circular letter of the 27th ultimo. Your allusions to the condition of customs matters between 1868 and 1883 are instructive. The object of my circular was to obtain accurate information from the local officers of the several ports respecting the condition of the service within the last few years, and also to ascertain what is its *present* condition.

I desire, therefore, that you will, excepting where otherwise indicated herein, give to me your views on such of the inquiries, applying them, so far as applicable, to the execution of the custom law at the port of New York *to-day*. You will especially inform me whether or not the difficulty of obtaining by you a correction of returns made on invoices *now* exists; and also whether or not, and, if not, why not, weighers' returns are *now* satisfactory to you. To the sixth inquiry you need not give more time; but to the seventh, eighth, and ninth, applied to the present date, I wish that your replies may give your opinion fully, and especially in regard to the present condition of the appraising department in New York.

In reply to the twelfth, you are requested to be more specific in explaining the relation of competitive examinations to what you deem the insufficient salaries of examiners, and also your views respecting the fitness of competitive examinations to obtain the most competent and upright experts in the character, quality, and market value of imports, from time to time, in the principal markets of the country of exportation. I do not need to trouble you further with the sixteenth, but I wish your views on the seventeenth, in connection with the thirteenth, fourteenth, and fifteenth.

Your replies to the eighteenth, nineteenth, twentieth, and twenty-first need not be enlarged, excepting to say specifically to what you refer by the phrase in the twenty-first, "illegal practices of a similar nature in the customs service."

The twenty-second, twenty-third, and twenty-fourth need not be further dealt with by you.

Truly, yours,

DANIEL MANNING.

Mr. SILAS W. BURT,
Naval Officer, New York, N. Y.

No. 107.

PORT OF NEW YORK, NAVAL OFFICE,
October 15, 1885.

SIR: In compliance with the request conveyed in your letter of the 30th ultimo, I have the honor to report further in regard to several of the points presented in your letter of August 27 last.

I have to inform you that I do find obstacles in the way of a free communication with the appraiser, arising from the refusal of the collector

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to transmit the invoices to the appraiser, the authority to refuse being conferred by the Treasury Department. From 1878 to 1880, I could communicate directly with the appraiser, with great benefit to all interests and injury to none.

This obstruction to the proper function of the naval officer is only a part of the general tendency, for ten years past, to degrade that officer. The Treasury Department has ignored his legal status, and because the collector is undeniably the principal officer of customs at the port has treated the naval officer as subordinate to the collector, when the law intended that he should be independent and co-operative in all matters touching the amount of duties collected. Though, at the port, the naval officer represents directly the Secretary of the Treasury as the guardian of the revenue, the collector's influence has so overwhelmed the subordinates in the Treasury Department that, in the differences between the collector and the naval officer, the decision is generally given to the former in spite of reason and consistency. I trust you will not deem me prolix if I give an illustrative example, which may also be instructive as to decisions generally. Prior to October, 1884, both the collector and naval officer at this port were agreed in assessing lentils at 10 per cent., as vegetables. An entry clerk in the collector's office, by inadvertence, passed an entry of lentils free, and when this office refused to coincide, the collector, in spite of long-continued practice, insisted upon the free entry, and the matter was referred to the Treasury Department, and the arguments on both sides were submitted. On October 21, the Department declared lentils free, as held by the collector, although during the whole discussion that officer was inconsistently exacting 10 per cent. on all entries of lentils. Of course, after the decision of the Department, they were admitted free. Subsequently the United States courts decided edible beans and pease to be subject to duty of 10 per cent., as vegetables, and on June 24, 1885, my predecessor wrote to the Department, again urging that lentils were dutiable at 10 per cent. No reply was ever received, but the collector soon after resumed the assessment of 10 per cent., though the Departmental ruling (Synopsis, 6608) has never been revoked, and probably, under its terms, lentils are still admitted free at other ports.

You ask if weighers' returns are *now* satisfactory to me. Through the new methods adopted in 1879, the weighing of merchandise, so far as accuracy of weights is concerned, has been conducted in a manner substantially satisfactory. From that date there has been a gradual improvement in the promptness of returns, though in this respect there is room for further improvement. I can only urge, in addition, the more complete organization of all the customs officers making metric tests under a single expert head. This would accomplish a uniformity of procedure and an economy in the conduct of the business.

In regard to the seventh, eighth, and ninth queries in your circular, I can only give general answers. I believe that your special agents have reported as to the classes of goods where undervaluation was undeniable, and I have not the power to make such investigations as would add to your information on that subject. All the reports of appraisement on every entry of merchandise finally come to my office, and are subjected to a careful scrutiny, and in this manner I become apprised of many defects, not specifically of general undervaluation on any line of goods, but of inconsistencies, ignorance, and carelessness. Before I enlarge upon this point, I desire to say that the present condition of

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the appraiser's office here is the outgrowth of many years of futile attempts to perform a difficult task—*i. e.*, the correct valuation of imports—and this futility is not altogether attributable to bad administration, but in part to the almost impracticable character of the task. However, to my own knowledge, for years much of the service in that department has been bad. There have been many efficient and upright men engaged in the work of appraisement, conspicuous among whom has been the present appraiser, but there have been associated with them men without qualifications as appraisers or examiners, and others untrustworthy, as many detected frauds have proven. I have known men to be appointed examiners, and even appraisers, of classes of goods they had never had the least previous knowledge of, and others with the more dangerous equipment of a "little knowledge," allied with a conceit of omniscience in regard to their professed specialty. I know that the present appraiser recognizes the peculiar conditions that environ his official task, and that he is earnestly striving to improve the character of the service, but, in consideration of the difficult nature of the work and scarcity of trained workers to be obtained, no decided reform can be improvised, and it will require patient and long-continued effort before any great improvement can be manifested.

In the final liquidation of entries in this office many errors are daily detected in the appraisers' returns, which may be attributed more generally to carelessness than to ignorance, and yet if not corrected would injure the revenue and weaken the confidence of importers in the accuracy and fairness of our assessments. These errors are in classification as well as in valuation, and are confined to no particular classes of goods. As examples of these, I will quote several current cases of errors detected in this office and returned to the appraiser for correction:

(1.) An entry of worsted dress-goods, weighing over 4 ounces per square yard, and therefore dutiable at 35 cents per pound and 40 per cent. ad valorem, were reported as under 4 ounces per square yard and dutiable at 9 cents per square yard and 40 per cent. ad valorem.

(2.) Upon an importation of fifteen cases of woollen cloaks, nine were entered for immediate consumption and six were warehoused. Although all were identical, the warehoused goods were advanced in value and the others not.

(3.) Certain goods were classified as "worsteds in part," at 7 cents per square yard and 40 per cent. ad valorem, when they were dutiable at 35 cents per pound and 40 per cent. ad valorem.

(4.) Certain alcoholic perfumery, dutiable at 50 per cent. ad valorem, was returned as "manufactures of metal," at 45 per cent. ad valorem. Tooth-brushes, dutiable at 30 per cent., were returned as "quill toothpicks," at 20 per cent.

(5.) Goods returned as rugs, at 40 per cent. ad valorem, should have been whole carpets, dutiable at 45 cents per square yard and 30 per cent. ad valorem.

In all the above cases the corrections were made as indicated. It is conceded that, in the transaction of the vast amount of business at this port, a certain ratio of such errors may naturally be expected, particularly in the most busy periods of the year, and which errors it is the peculiar duty of this office to detect and have corrected. But there are a greater number of these errors than are excusable on any plea, and they indicate defects either in the service or in the methods of administration; and I think, too, that they suggest the possible perpetration of

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errors in appraisement which it is not the province of this office to detect, and, indeed, which it would be difficult for anybody to detect without special acquirements and an examination of the goods. I mean that the errors that are detected disclose a carelessness and irresponsibility that is not necessarily confined to the field where I and my subordinates glean. And though I am able to make these disclosures, I am not as ready with the practical remedy, since this is directly involved in the difficulty of obtaining competent and trustworthy officials to perform the delicate and precise work of appraisement. Thorough discipline and better methods of administration may reduce to the minimum the errors of inadvertence and haste, but these would not remedy the defective valuations of merchandise.

In attempting to measure with precision the absolute efficiency and accuracy of an appraiser of merchandise, we lack an infallible standard. The exact market price of any certain article upon a certain day in a certain mart seems *a priori* to be not only an assured fact, but fact, but also one readily attainable; but in practice it seems to evade the grasp. From my own official experience, I should assume that an appraiser who never varies more than 5 per cent. from the average market values as deduced from the best sources of information open to the department is a fairly competent officer. I would further qualify this by placing the limit of divergence somewhat higher and lower in certain grades of goods; on staple goods the limit should be low, and on fancy goods and those of certain materials the limit should be higher. In an examination of a candidate for position of examiner of any class of merchandise, I should consider the above variation as normal.

Granted a force of appraisers and examiners as efficient and upright as could possibly be procured, I would insist upon two fundamental rules as essential to any satisfactory accomplishment of the work: First. That the assessments of value should be uniform. A regular rate of undervaluation of any article of importation means a certain loss to the revenue, which may be repaired, if detected, by regular additions to the invoiced values, and, if not detected, may be replaced by a legislative increase of taxes; but such a regular undervaluation works no relative injury to the importers. On the other hand, differential and unequal assessments inflict injustice upon honest importers which cannot be repaired, and is the source of great and justifiable discontent. This injustice is not restricted to original appraisements, but often occurs in reappraisements. One of these cases is now before me, where two importers of the same goods by the same vessel have been very differently treated; in one case the dutiable value was reappraised *one hundred and thirteen* (113) *per cent.* higher than in the other. I have requested a reconsideration, and without doubt the values will be equalized, but there should be such a system of valuation as would prevent such disparities, and the discontent of importers and discredit of the customs service that follow them.

Second. That in every group of dutiable goods to be appraised by an examiner, there should be selected some staple article or fabric as standard or "key-note" for the group. By concentration of attention and research upon the prices current and fluctuations of foreign value in a single article, there would be a greater probability of accuracy than if the same attention were distributed among all the articles in the group. In the absence of positive information as to changes in the foreign values of other articles in a group, their appraisement could

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be based upon the current valuation of the "key" article; in other words, its fluctuations would be communicated proportionately to the other articles grouped with it. This course would tend to a systematic valuation, and consuls could keep the appraising officers apprised of all changes in the values of the "keys." Such a method would be of great advantage to appraisers at the smaller ports. I will concede that some articles could not thus be collated into groups, and would have to be treated *sui generis*, but I believe that with our extensive schedules of dutiable articles, constantly increasing by "assimilation" and other additions, some such arrangement and simplification are the only feasible means of relief from some of the most gross defects in our assessments based upon foreign values. The two rules should be supplemented by such a recast of business methods as would enforce direct responsibility, and break up that dependence upon individual and exclusive examiners of the various lines of goods which has worked such injuries in the past.

I believe the position of appraiser at this port to be the most difficult one in the entire United States service outside of Washington. The delicate function of determining values of goods at all dates and in all the marts of the world is complicated and often thwarted by the inadequacy of the information and the inefficiency of the agencies through which a determination is to be reached.

I believe that the present appraiser is making such progress as defective methods and instruments will permit. He brought to his official task a large experience and trained ability, and has accomplished a marked improvement in all respects since he assumed office. Whatever reformatory changes may now be introduced, it will require a considerable time to obtain the best results from them. The work is beset with perplexities and difficulties, and the conservative influence of old methods will be a drag, both within and without the service, while the highest possible attainment when reached will not be altogether satisfactory, since the ad valorem system has the inherent taint of impracticability.

In regard to my expression as to the inadequacy of compensation allowed examiners of goods, I had reference only to such of them as appraise fabrics of a complex character, or where there are frequent changes in the composition, styles, fashion, and values. I did not intend to express or infer any relation between the pay of examiners and their selection by competitive examination. Whatever the method of selection, the matter of compensation would control to some extent the class of applicants, and if too low would deter applications for position by those outside best qualified. There are certain staple goods which are so regular in all respects that a qualified examiner might be procured from those in the lower grades of the appraiser's force. Many good examiners now in service were educated in classification and valuation of certain goods while holding inferior places in the appraiser's department.

In my letter of September 21, I alluded to the experience in competitive examinations for these places as indicating an inability to value goods by the inspection of samples alone. Since then further consideration induces me to modify the deduction that this inability would necessarily denote a hopeless incapacity to appraise. The failures may be in some cases attributable to the great range of valuation by a Government examiner, which must cover the whole field of imports of any

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class of goods, while in private business such a range is rare by any single importing concern. In a recent competition for examiner of china and all other ceramic wares, each competitor claiming to be an expert was found qualified in certain lines of goods and lacking in others, according to his business experiences, but would probably soon acquire equal proficiency in the whole field. It fact, I am informed that the appointees selected from this examination have been very satisfactory.

In reply to your direct query, I would answer that, in my opinion, as good examiners can be procured by open competition as in any other way, while this method is protected from the abuses so often manifested in the old methods of selection. I believe, also, that the competitive method is less liable to imposition upon the service of persons in the interest of importers. This cannot be altogether guarded against, but it would be more easy to impose upon the appointing power through subtle political and personal influences in the absence of open competition.

Permit me to say here that I hope, in your quest for some better method of assessment by ad valorem rates, you will not be favorably inclined to the scheme of "home valuation." A bill proposing this method, with penalty for undervaluation by the privilege of Government purchase at invoice values *plus* 10 per cent. was prepared by the chamber of commerce of this city in 1880, and introduced in Congress. On April 28 of that year I made a report on this bill to Secretary Sherman, by request, and adduced such arguments against the home-valuation method as led the projectors to desist from pressing its passage. I presume my report is in the files of your office, and, should the home-valuation plan be resuscitated, the arguments advanced five years ago are quite as applicable now.

Among the statutory provisions to sustain the ad valorem system, the "moiety law" was the most radical and stringent. I believe there has been a more general undervaluation since its repeal. I do not believe, however, that it would be wise to revive either the distributory shares to the principal officers of customs or the seizure of papers and books. Both the provisions are impolitic, and the seizure of papers, &c., is such a harsh and arbitrary exercise of sovereign power in a free country that it should be resorted to only when the public safety absolutely demands. I believe that the sixteenth section of the "anti-moiety law" (act of June 22, 1874) should be repealed, since it is impossible to prove fraudulent undervaluation under its provisions.

In my original answer to your twenty-first query, I meant by "illegal practices of a similar nature in the customs service" the receipt of gratuities, not only by the inspectors examining passengers' baggage, but by those officers on other accounts, and by others, including clerks, &c., down to almost the lowest grade of messengers. I know of nothing more difficult to obtain than direct and positive evidence of such practices, even when, by general consent, they are admitted as existing. Merchants and brokers have had an unfortunate experience in complaints of these exactions, since the culprits have in many cases had sufficient influence to escape dismissal, and remained in place to wreak their vengeance upon the complainants by such annoyances and delays as placed the latter at disadvantage with their less candid business rivals. I have therefore been obliged to promise not to divulge the names of my informants, but know them to be trustworthy. They

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assure me that gratuities are common throughout the collector's department, and, while small in individual amount—ranging from twenty-five cents to a dollar each—they make a large annual aggregate in the expenses of custom-house transactions. In nearly all, if not in all, cases these gratuities are not directly demanded, but, if they are not paid, there are vexatious requirements, objections, and delays, sufficiently plausible as a defence in case of complaint. I hope it will not be considered invidious on my part if I also say that I am assured by the same informants that no such gratuities are paid in the naval office. I began the work of suppressing these in 1878, and, by strict and persistent discipline, soon succeeded in thoroughly eradicating abuses that had existed for half a century. It therefore affords me peculiar satisfaction to know that there has been no retrogression in this respect.

I have answered your queries candidly and so far as I could from personal knowledge or trustworthy information at my disposal. I have run the risk of criticising the business methods in other offices, and I trust that your invitation to do so will relieve me from the imputation of disparagement of my official associates. You may find tedious my constant refrain that the satisfactory collection of high ad valorem duties is an impracticable attainment. But I am so imbued with this conviction that I can conceive of no possible escape from some of the difficulties that surround our present course but a resort to the simpler system of specific rates adopted by every other important nation. Yet so attractive are the theoretical features of ad valorem rates, and so apparently insuperable the obstacles to any reform in customs collection laws, that the present methods of assessment will probably be continued. In such case it seems to me that both the *personnel* and the procedure in the appraiser's department could be greatly improved. Some progress has been made in securing a better service, and this should be accompanied by such changes in business methods as will secure uniformity in assessments and simplicity in the regulations under which these are made. I beg to add that I believe it is an opportune time to accomplish such reforms, now that we have an appraiser so well epuipped by experience and special ability, and whose devotion to duty and personal integrity are beyond question.

All of which is respectfully submitted by your obedient servant,

SILAS W. BURT,
Naval Officer.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 108.

H. S. BEATTIE—Appointed Surveyor of Customs, New York, June 27, 1885.

CUSTOM-HOUSE, NEW YORK, SURVEYOR'S OFFICE,
October 6, 1885.

DEAR SIR: In answer to the interrogatories contained in the printed circular, marked "confidential," under date of August 27, 1885, I have the honor to make the following answers:

First.—The evidence that the rates of duty within the last few years have not been levied and collected as the law prescribes is of a presumptive nature. An inspector, in examining baggage, may fail to discover and report articles which have not been declared; and an inspector, in discharging merchandise, may fail to notice that the goods discharged do not agree with the goods permitted.

One of the most notable instances of the latter failure is the well-known Lawrence case, in which the attempted fraud might have been detected by a sharp and experienced discharging officer, as the suspicion of such an officer might fairly be excited by difference in the appearance, weight, &c., between the packages sent to the public store and those sent to the importer. Of course, in this Lawrence case the fraud was made possible through the venal connection of the deputy collector with Lawrence.

Invoices have been found which purported to contain an account of goods upon which a low rate of duty was paid, while a portion of them paid a higher rate, indicating, apparently, that the importer hoped to see the cases upon which the lower rate of duty was paid sent to the public store.

There is no good reason to believe that efforts similar to these are not now made to defraud the revenue.

Second.—There is evidence of such action on the part of weighers and gaugers as to indicate that on the part of the former merchandise is sometimes returned as weighed when it has not been weighed; that excessive tares are allowed; and, as to the latter, (gaugers,) that in some cases they discriminate in favor of the importer for a consideration.

The collection of the full amount of duty prescribed by law on articles which pay purely specific rates depends on the honesty of the weigher or gauger; and while the evidence against the integrity of some of these officers is such as to produce a moral conviction of their guilt, without additional facilities for the discovery of evidence, through the seizure of the books and papers of importers, legal proof of their guilt cannot be made.

Third.—The appraiser is supposed to measure accurately the goods which are contained in the public-store packages, and his measurements are noted on the invoices. If the measurements of the public-store packages agree with those on the invoice, it is assumed that the measurements of the other packages on the invoice are correct. The critical attention of the liquidating clerks in the collector's office, who ought to have an extensive knowledge of the goods imported, would assist in the detection of glaring discrepancies in the invoices.

Fourth.—I have no knowledge of any recent illustration of the collusion referred to in the fourth interrogatory; but with the Lawrence case, already referred to, in view, I see no reason to assume that such collusion may not exist.

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Fifth.—(See answer second.) A comparison by the liquidating clerks of the invoices of different importers would assist in detecting the direction in which legal proof, might be made.

Sixth.—Most of the troubles between the importers and Government officials upon the question of rates of duty are attributable to the vagueness of the tariff laws. Until the meaning of a tariff act has been judicially determined, the bringing of numerous suits against collectors of customs is inevitable.

The decision of the Treasury Department, under date of July 2, 1885, in the matter of "Protests and Appeals on 'Charges,'" will, in my judgment, do more to prevent the bringing of suits than any action which has been taken in the last fifteen years.

Equity would seem to require the payment of interest and costs, where the verdict is against the Government, in suits brought against a collector to recover for overpaid duties. In some cases the Government might lose by such payments, but I see no reason why a successful suitor against the Government should not be compensated for the use of his money the same as he would be had it been used by a corporation or private individual.

It is generally conceded that in the southern district of New York another part of the district or circuit court should be organized, as the time consumed in these courts in hearing patent and other cases leaves comparatively little time for the hearing of cases which arise out of the administration of the customs and internal-revenue laws. In the case of The United States *vs.* George Hughes & Co., which was, I believe, tried in 1875, and which arose out of alleged undervaluations, not less than six weeks of the time of the court were consumed in its trial, although the amount involved did not exceed $90,000. A more recent illustration of the time consumed in the trial of a cause is the case of The United States *vs.* Boyd.

Seventh and Eighth.—In respect to the collection of duty upon merchandise subject to ad valorem duties, the duty should, I think, be levied upon the value of merchandise as found by the appraiser. He is designated by law as the official whose judgment is the accepted basis for the assessment of duty. He is furnished with certain methods of informing his judgment, and he should use all the means available to him that he may arrive at a correct valuation of merchandise. What those means are must be largely left to him. The principal sources of his information must be the prices named in the invoices which pass under his inspection, and it is to be presumed that due weight is given to the invoices of goods imported by houses of high standing, whose manner of doing business is beyond reproach. Assistance may be received through information obtained from consuls and from intercourse with importers. But the changes in the manner of doing business—as, for instance, in the case of imported silks—within the past ten years are so radical that possibly some new system may have to be devised to meet the changes in the methods of doing business. Formerly silk goods were imported by jobbing-houses; to-day—they are largely imported by the agents of manufacturers, and this change in the mode of doing business has to a great extent caused the existing confusion in the valuation of certain lines of goods, such as silks and embroideries.

Ninth.—There is not satisfactory evidence that appraisers report false dutiable values of articles. They have done so in the past, but

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there is no evidence accessible, under existing methods of investigation, that many, if any, of such reports are now made.

Tenth.—The statutory law provides that the time, place, and circumstances of examining dutiable values shall be in the discretion of the appraiser, deputy appraiser, and examiner.

Eleventh.—I hardly think it possible to obtain a trustworthy estimate of the percentage of undervaluations for any series of years.

Twelfth.—In passing upon the value of imported goods, the assistant appraiser is chiefly responsible. The examiner passes upon the goods, which the assistant appraiser rarely sees, but the latter is required to sign every invoice, and in doing so he ought to examine the invoice to ascertain that the examiner has made no mistakes. In all instances where the examiner may be in doubt as to a particular case, it is customary for him to call upon the assistant appraiser to make a personal examination of the goods, so that the assistant appraiser is really the one upon whom responsibility rests. The general appraiser signs his name to an invoice in a ministerial capacity, and his duty seems to be mainly to provide general rules for the guidance of the officers at large.

Thirteenth.—In the case of wool, the duty thereon being based upon its cost at the port of shipment, a slight variation in making up the invoice would place the wool in a lower grade of duty than it would be were the invoice properly made out. A consul, by omitting to ascertain whether the invoice in such a case were properly made out, could readily assist in occasional loss to the revenue; but I think that the official sins of consuls consist rather in acts of omission than of commission, and that there is not much affirmative evidence of their conspiring to present false evidence of foreign values.

Fourteenth.—In cases in which there is a return of false value on imported merchandise, the appraiser is the official who is directly responsible for it. It is his business to fix the value, and he is the person upon whom, if the fixed value is not correct, responsibility should be placed. Government officials have not at present the facilities which they formerly enjoyed for obtaining evidence of violations of laws by importers and dishonest officials. The repeal of the moiety act has undoubtedly withdrawn some of the facilities which, under it, existed for the discovery of frauds upon the revenue. The statute, in my judgment, was made unpopular through the venality and blackmailing proclivities of special agents of the Treasury Department, who took advantages of its provisions to enrich themselves. I do not think that its re-enactment would be popular; but from personal knowledge of the cases of attempted fraud upon the revenue which were developed while it was in operation, and repeated interchange of views with Federal officials, including many customs officers, and the majority of court officials in the southern district of New York for over a period of fifteen years, I am satisfied that increased facilities for the ascertainment of the contents of the business records of dishonest importers should be furnished.

Fifteenth.—It is fair to assume that the revenue is being continually defrauded, but it is almost impossible to obtain such evidence as would be admitted in a court of law with any reasonable assurance that a verdict for the Government could be secured.

Sixteenth.—A change from ad valorem to specific duty rates would reduce the tendency to venality and corruption, for the reason, among

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others, that under the ad valorem system the values to be determined are foreign values, and under the specific system the quantities to be determined are home quantities. Further, the fraud which comes through the operations necessary to determine foreign values would be eliminated.

I would also suggest that one advantage of specific duties is that I think they tend to induce the importation of a higher class of commodities than those which are brought in under ad valorem duties, for the reason that, the duty being equal in both cases, it is so heavy upon cheap goods that it becomes unprofitable to import them, while it is comparatively light upon high-priced goods, and the advantage, therefore, is in favor of the consumer, who would be furnished with a better article. It would be also in the nature of a protection to the home manufacturer of the lower-class goods.

It also occurs to me that if the specific system were applied to other kinds of imported merchandise than those of liquors and cigars, the consumer would be more likely to get what he desired to buy, as the Government brand upon the goods would be an authentication of their grade or quality.

Seventeenth.—From answers already made in this communication, my opinion clearly is that the absolute repeal of the moiety act and the modification of the act of 1863, respecting the seizure of books and papers, have diminished the facilities for detecting false reports of the appraisers.

Eighteenth.—The consular agents, without expert knowledge, cannot, with more than approximate exactness, verify the correctness of invoice values. The fee to the consul in England is 10*s.* 6*d.*, and 4*s.* 6*d.* is usually charged for the oath. There is a uniform charge for each shipment, irrespective of the quantity or value.

Nineteenth.—Under the decision of the courts, an aggrieved importer has relief as against incompetency in fixing the dutiable value of goods, as determined under the present procedure, and, of course, he has always relief against known fraud in fixing such values. The existing machinery for securing to an honest importer a remedy for every wrong is, in my judgment, sufficient for all practical purposes.

Twentieth.—I would require more time than I have had at my disposal since the receipt of your letter, to furnish a suitable answer to the twentieth interrogatory. However, if necessary, I will make an effort to forward you an answer to it during the present week.

Twenty-first.—The practice referred to in the twenty-first interrogatory is believed to, and I think does, prevail at this port. Since I assumed office I have had several complaints made against officers for such practices, and in each of these cases I have immediately, upon satisfying myself that there was reasonable ground for the charge, recommended their removal from the service, and they have been removed. The enforcement of the strictest discipline, constant surveillance of the men, and their instant dismissal from the service when discovered in wrong-doing, seems to be the only methods available for the prevention of these practices. A greater effort than has been heretofore made should be made to procure for inspection duty men of integrity. Much too little attention is given to the question of character in the selection of men for this class of the service. Their compensation seems to be sufficient for the intelligence required, and is considerably

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above that of the average mercantile clerk. Complaint is occasionally made that, by reason of their being continually removed from one point to another, they are subjected to a trifling daily expense for car-fare, which, some of them claim, was formerly allowed from a contingent fund provided for such purposes. I believe it in the interest of the service to remove the cause for this or any other reasonable complaint on their part, so that they may have no complaint against the Government which would lead a callous conscience to justify itself in wrong-doing. My impression is that most of these men expect to supplement their stated compensation by the reception of gratuities, and that, the evil being one which has its root in the moral character of the individual, the policy to be immediately pursued to eradicate it is to remove, as quickly as the convenience of the service will permit, those who have been living in an officially immoral atmosphere, and to insist upon the very best vouchers for honesty being furnished by the new men who may be introduced into the service.

As an aid to the removal of the evil, I think that at this port there should be more assistance furnished for the proper supervision of inspectors, weighers, and gaugers. This force, I am satisfied, has not been properly supervised in the past. In fact, in order to secure proper supervision, some man sufficiently removed from the regular force, both by difference in his compensation and the dignity of his position, should be able to be in attendance upon the arrival of any vessel that may come into port. When, as sometimes happens, several arrive at about the same time, it is utterly impossible to cover the inspection force so as to make them feel that they are under official supervision such as may result in their disgrace if they are detected in wrong.

Twenty-second.—I do not think that Congress has carried the duties to so high a figure that the effort or disposition to smuggle is thereby much increased. Of course, if duties on articles were so low that they could be as cheaply purchased in the home as in the foreign market there would be no profitable motive for smuggling; but the reduction of the duties on certain classes of merchandise, as in silks, does not, from all the information tha- I can gather, lessen the efforts of merchants who desire to take advantage of their rivals by dishonorable methods to defraud the revenue. It really necessitates, on their part, an increased effort to commit fraud, as otherwise they could not survive.

I would remark here that the present administration is the object of considerable odium from emigrants and citizens in poor circumstances coming from foreign countries, from the fact that seizures of articles of trifling value, often in the aggregate not amounting to the value of over $6, are seized and duty exacted upon them, while persons of wealth, in view of the Astor decision, are permitted to land duty free many thousands of dollars' worth at a time. I have observed an article worth not exceeding four or five dollars (the only dutiable article in the possession of the passenger) seized and duty exacted. In view of the large number of poor people who come to this port with little articles of about the same amount in value, it would seem to me that the administration would popularize itself by returning to the $5 limit which formerly obtained. I have not yet learned at whose suggestion the $1 limit was fixed, but I am under the impression that the determination was a comparatively recent one, and, like some other practices which were introduced immediately prior to the present administration taking

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office, the effect excites a prejudice in the popular mind against the present government.

Twenty-third.—I think it has.

Twenty-fourth.—The facilities for making legal proof to fasten crime upon the suspected are so few that prosecuting officers would hardly be justified in incurring the expense which would be involved in making the attempt. The power to seize books and correspondence in cases of fairly well-founded suspicion would frequently disclose sufficient evidence of fraud to secure conviction; but such power should be so exercised as not to allow the force of the Government to oppress those against whom it is directed, and an official who can be shown to have misused the power thus granted should receive prompt punishment therefor.

In the case of weighers and gaugers, as I have already stated, evidence presumptive of fraud exists. The tare of many articles of merchandise not scheduled has frequently been obtained by the weigher; without the direction of the collector or any other apparent authority, by directly connecting with the merchant and taking the tare from his invoice. In this port that practice has been so general and so long continued that offence is taken at the order of a superior officer when he insists upon his subordinates living up to the requirements of the statutes. Individuals are designated by the chief weighers to do the taring for a district or a section, apparently on the plea that it is in the line of economy of administration, but much more likely for the reason that by having the same persons assigned to this work a channel for corruption can be successfully laid. The returns which purport to show that actual weights have been taken are in some cases shown to have been the result of mere copying from the returns of city weighers; and in some cases weights are returned by a so-called lead-pencil act, by which is meant that a weigher has been occasionally permitted to fill out the weights in the dock-book or return from his head. Gaugers are known to receive compensation from importers for making returns of gauges some time prior to the time when an official return can be furnished, for which a consideration is received from the importer of so much per cask. That such a practice results in and offers an inducement to a gauger to gauge generously and liberally in behalf of the importer and against the Government there can be no doubt. To make legal proof against persons suspected of these practices, obviously it is necessary either to bribe the confidential clerk of the importer or to seize the evidences of his payments to customs officers.

I have now in my possession written evidence of such returns having been made and the receipt of a consideration therefor. This evidence comes to me in the only way that such evidence can be procured, namely, either through bribing somebody or getting it under the pledge of absolute secrecy. Through the latter means I have received the evidence which is temporarily in my custody. Whether an importer would set up the claim that this sort of service is rendered to him in an unofficial manner, and is paid for as a service rendered to him by the officer in his private time, and that therefore no wrong is done to the Government, I cannot state; but that such a practice obtains, and that it tends to demoralize and corrupt the service I have no doubt.

Some of these matters have been brought to the attention of the collector by me, but as yet no plan has been devised, and I do not see

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that any can be devised until after I am informed of what, if any, assistance can be had from those who have the facilities for the procurement of legal evidence.

I simply deem it my duty in this connection to draw your attention to the matter.

I have the honor to be, very respectfully, yours,

H. S. BEATTIE.

Hon. DANIEL MANNING,
Washington, D. C.

No. 109.

TREASURY DEPARTMENT OFFICE OF THE SECRETARY,
Washington, D. C., October 14, 1885.

SIR: In the latter part of your answer to the twenty-second question, you speak of a $1 and of a $5 limit. The Customs Regulations of 1874, article 1059, give to collector of customs "discretionary power to remit the assessment of duties in cases where the dutiable value of an importation is less than $1 in amount; also to dispense with the seizure of goods less than $1 in value, except in cases of habitual or intentional violations of the revenue laws or prohibited importations."

In January, 1878, Collector Arthur advised the Department that "while the general practice of this office has been governed by the provisions of article 1059 of the Regulations, limiting the free admission to packages of less than $1 in dutiable value, free permits have been granted in cases where the duties amounted to less than $2, for the reason, as reported in the letters of my predecessors of December 19, 1865, and July 17, 1869, that the cost of collection would exceed the amount of duties. * * * Such practice by this office as reported by my predecessors was not disapproved by the Department."

The Department is not aware of any regulation fixing the limit at $5, but, as you refer to such a limit, please furnish the Department by return mail with whatever information you have in regard to this matter.

Respectfully, yours,

DANIEL MANNING,
Secretary.

H. S. BEATTIE, Esq.,
Surveyor of Customs, New York City.

No. 110.

CUSTOM-HOUSE, NEW YORK,
Surveyor's Office, October 16, 1885.

SIR: Referring to your communication of the 14th instant, relative to a practice which has at times obtained at this port, of admitting articles the dutiable value of which in the aggregate did not exceed $5, I did not refer to any customs regulation, but to the custom observed by the inspectors, consented to by the appraisers and permitted by the collector, of passing articles found in the baggage of passengers, of the amount aforesaid in dutiable value, *free*. The practice, as I am in-

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formed, had become so general as to have all the force and effect of any practice or custom authorized by a statutory provision or a Treasury regulation.

I have made diligent inquiry of the subordinates of the present collector and surveyor to ascertain the origin of or authority for such departure from the requirements of the regulations; but while I have found a general *consensus* of opinion as to the prevalence of such a custom obtaining on the wharf, I have been unable to obtain any official record authorizing or approving of the custom.

General Williams, the deputy collector who represented the collector at the barge office prior to the expiration of the Starin contract, assures me that the practice was supposed to have the approval of the collector, and presumably of the Secretary of the Treasury, and furnishes the following extract from a report which was made by him to Collector Robertson, the date, however, of which he has not furnished, and the original of which Collector Hedden appears to be unable to find:

"I find that it has been the practice on the wharf that when the *duty* on merchandise found in baggage did not exceed $5, to *pass the same free.* My attention was called to this practice by complaints of passengers whose luggage, having been mislaid, was afterwards found in 'public store,' and upon the appraisement of the same they were compelled to pay duty at the custom-house; whereas, if the case had been acted on at the barge office or on the wharf, according to the practice in vogue, *it would have been passed free, the duty being under* $5. At the custom-house duty amounting to $1 and over is collected."

The requirements of the regulations having been so long and so generally disregarded in this as in some other matters to which I referred, I intended to merely convey to the mind of the honorable Secretary of the Treasury that the strict enforcement of the regulations under the present customs officers was not calculated to make the administration popular with passengers bringing with them petty articles, such as trifling presents for friends, having no intention to defraud the revenue, and availing themselves of a privilege heretofore enjoyed through the loose practices permitted by executive officers at this port. Briefly, the enforcement of the provisions of the regulations has developed complaint and clamor against the administration on the part of passengers because they are now denied privileges which they heretofore enjoyed without authority of law.

Yours, very respectfully,

H. S. BEATTIE,
Surveyor.

HON. DANIEL MANNING,
Washington, D. C.

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No. 111.

H. WHEELER COMBS—Appointed United States General Appraiser December 4, 1877.

OFFICE OF THE BOARD OF U. S. GENERAL APPRAISERS,
CORNER OF WASHINGTON AND HUBERT STREETS,
New York, October, 1885.

SIR: Referring to Department circular of August 27, requesting careful and official replies to the twenty-four (24) questions contained therein, I have the honor to state that I would have replied sooner but for the fact that since its receipt I have been constantly engaged on the official work of the commission of which I am chairman; consequently I have not had the opportunity to give as much thought to the investigation of the subjects as their importance demands. Many of the questions can only be answered after long experience in the customs service and practice in customs matters. I came into the service in July, 1884, and have had but little over one year's experience; consequently my answers are based more on theory than practice or experience.

1. The monthly reports of appraisers and collectors forwarded to the general appraisers show that at different ports merchandise is frequently erroneously classified, and in consequence the proper rate of duty not collected. Manufactures of two or more different component materials are frequently thus erroneously classified. Articles composed of silk and cotton are often classified as "cotton chief value" at 35 per cent., when silk is chief value and the duty under the law should be 50 per cent. ad valorem. This also occurs with many other manufactures where the rate of duty is to be determined by the component material of chief value.

Paragraph 233, T. I., new, provides for "manufactures of wood, or of which wood is the *chief component part*, * * * at 35 per cent." Some appraising officers construe this literally, and classify for duty under this paragraph when "wood is the chief component part," although other materials, such as silk, velvet, glass, or metal, may be the component material of *chief value*.

Proprietary preparations, which should be classified under paragraph 99, T. I., new, at 50 per cent., are often put under paragraph 93, T. I., new, at 25 per cent. Antiquities, so-called, are often admitted free of duty, when they should be classified under paragraph 216, T. I., new, at 45 per cent.

"Artificial mineral waters" are often admitted as "natural," free of duty.

"Istle or Tampico fiber" is admitted free of duty under paragraph 636, T. I., new, while I am of the opinion that it is provided for as a "vegetable substance," under paragraph 333, T. I., new, at $15 per ton. If I am correct in this opinion, the loss through this source is enormous, as there are many thousands of tons imported annually.

From this it will be seen that the rates of duty have not, within the last few years, been levied and collected as the law prescribes.

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2. Appraisers frequently mistake refined articles for crude, and levy a lower specific duty than the law provides. Instances, however, of failure to collect *specific duty*, as provided by the law, are rare in comparison with ad valorem.

3. Sometimes by actual measurements of the goods contained in the examination packages; more frequently by measuring and counting the folds and estimating the aggregate.

4. I know of no evidence of such collusion.

5. I am not aware of any. My experience, however, is too limited to render my answer of any value or entitle it to any weight.

6. I am of the opinion that the law needs amendment in many particulars, especially in its provisions for the assessment of ad valorem rates of duty. All articles should, as far as practicable, be enumerated, and non-enumerated articles or manufactures should be divided into as few classes as possible. Classification by assimilation to like manufactures or articles is difficult, uncertain, and varying. Non-enumerated manufactures might be classed under a few principal heads, such as cotton, silk, flax or jute, wool, wood, iron or metal, &c., not to be determined by the "component material of chief value," but by its distinctive and prominent features. I am not able to state how many suits are pending now at Boston, New York, Baltimore, and Philadelphia. I am of the opinion that the existing judicial system can be made sufficient to try cases arising out of taxation levied for customs or revenue if worked efficiently.

7. It is impossible for me to specify the class of articles.

8. It has probably been due to ignorance, mistake, and in some cases possibly to dishonesty or corrupt influences. I know of no evidence to show guilty knowledge or conspiracy on the part of the higher class of Treasury or customs officials.

9. I am unable to answer.

10. There is doubt, confusion, and conflict of opinion in the appraisers' department as to the elements to be ascertained in arriving at market value. Especially is this so with respect to coverings (both inside and outside), charges, &c. Many appraising officers, as well as merchant appraisers, regard bona fide purchases, although below the ruling market value in the open market, as dutiable value. Prices in the open markets vary according to the magnitude of the transaction, and it is often difficult for the appraising officer to determine whether the price for small, medium, or large lots is the true market value. I am unable to state whether the "time, place, and standard to be applied is already defined by the statutes in the opinion of the examiners, assistant appraisers, and appraisers." In my own opinion they are.

11. It seems to me impossible to estimate or ascertain the amount of undervaluation by the appraiser. An average of the undervaluations by importers might be made, if *all* appraisers have kept a record of their "additions" to make market value.

12. I should say the examiner is primarily responsible. Salaries vary at different ports and are in my opinion entirely too low to command or retain the services of competent men. Business houses pay much higher salaries to men who possess the expert knowledge requisite to

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qualify them for the position of examiner. In the ordinary course of business at the large ports the appraiser can do but little else than certify the values found by his assistants.

13. I do not know.

14. If false values have been habitually and systematically reported to the several collectors, and if the tariff law has not been faithfully executed, it can be *fairly* said the failure has come of dishonesty or corruption, and been accompanied by guilty knowledge on the part of *some* Treasury or customs officials. I have no knowldege of any money having been paid to American officials to get false reports of dutiable value.

15. I know of no reason why the same influences should not be brought to bear, or why they should not prove as successful in the future as in the past.

16. I answer in the affirmative to both inquiries embraced in this question.

17. I am unable to say.

18. I do not think it *practicable* in the large American consular districts for the consular agents, no matter how numerous or alert, to personally examine articles to be shipped from thence to American ports, and to verify the correctness of invoiced values. I do not know of any consular district where the "American consular officers could safely and surely ascertain and report the true invoiced values of *every* shipment." It is not likely that foreign Governments would abstain from complaints to this Government if vexatious delays were occasioned in examining and certifying invoices. I cannot state what fees are exacted in London and in England for the certification of invoices. Invoices of merchandise of less value than $100 are not usually certified.

19. The ascertainment of "market value" should, I think, be left entirely with the appraiser. The Secretary of the Treasury should, however, have the power to direct appraising officers as to what place should be taken as the principal market of any country for a given article of merchandise so that all importations of the same goods from the same country would be assessed for duty at the same market value. I am also of the opinion that he should have the power to direct as to what elements shall be considered in the ascertainment of dutiable value for merchandise not sold or offered for sale in the open markets.

20. I have been so constantly engaged on other official business as to render it impossible for me to prepare the statement desired.

21. It is generally believed that such practices do exist. I have no knowledge upon the subject. It might be prevented if the penalty for not declaring the contents of the baggage was made sufficient to deter travelers from attempting to get dutiable goods through as baggage.

22. High rates of duty make smuggling, undervaluation, and evasion of the law profitable, consequently the attempts to smuggle and

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undervalue is more frequent upon this class of goods than upon those where the duty is lower.

23 and 24. I cannot answer.

Very respectfully, your obedient servant,

H. WHEELER COMBS,
U. S. General Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury,
Washington, D. C.

No. 111½.

GEORGE V. BROWER—appointed United States general appraiser July 3, 1885.

OFFICE OF UNITED STATES GENERAL APPRAISER,
CORNER OF WASHINGTON AND HUBERT STREETS,
New York, October 12, 1885.

DEAR SIR: I regret that I am unable to give you any information of value in answer to your letter of August 27, 1885, and the inquiries there propounded, having been in the customs service for only three months last past, and that time has been very busily occupied in the learning of reappraisements.

I find, however, that nearly all of the leading merchants and importers with whom I come in contact daily, favor a specific duty. They believe specific rates could be applied to all textile fabrics. Many of the merchants, and in other branches of industry than textile material, are preparing a draft of rates for the purpose of presenting the same to the next session of Congress. They are of the opinion that this system would be fairer to the domestic manufacturer and to all importers and merchants, as when they are called upon to act on reappraisements they see the efforts that are made by a large class of importers to constantly undervalue their goods or merchandise.

In my short experience it is safe to say that scarcely a day passes but more or less cases are before me where the evidence of undervaluation is almost conclusive.

I would have replied to your letter sooner; have withheld doing so hoping to acquire some knowledge that would be of assistance. What I have written is simply to corroborate those who have been in the service for a longer time and will answer more specifically.

Respectfully, yours,

GEO. V. BROWER,
General Appraiser.

Hon. DANIEL MANNING,
Secretary.

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No. 12.

FREDERICK H. WIGHT—Appointed Chief Clerk New York Custom-House March 26, 1867; appointed Deputy Collector October 26, 1883.

CUSTOM-HOUSE, NEW YORK CITY, COLLECTOR'S OFFICE,
September 25, 1885.

SIR: I have to acknowledge the receipt of your circular letter of the 9th instant, and requesting official replies to the questions contained therein. I beg to preface my reply by stating that in March, 1867, I resigned my position in the appointment room of the Treasury Department and accepted the position of inspector at this port. After two and a half years, I entered the warehouse division, and have served as clerk, chief clerk, and deputy collector of the same; therefore, after carefully reading the several questions, I find that they treat of matters that have not come within the scope of my duties, and what I could say would be in the nature of hearsay evidence only.

Any and all information connected with the warehousing of merchandise and the exportation or transportation thereof in bond and under the I. T. law, I can furnish at a moment's notice. Therefore, I simply touch upon Questions 4, 7, and 21.

No. 4.—I do not believe that there has been for years past any collusion between importers and deputy collectors to influence the ordering of any particular packages for examination. My predecessor, Robert Des Anges, tried that business, and it placed him in the Albany penitentiary for two years.

No. 7.—In connection with this question, I desire to refer to the "damage allowance" business. Until the present Secretary took charge of the Treasury Department and appointed a commission, Messrs. Tingle, Spaulding, and Tichenor, (special agents,) I had been unable to get an official investigation of what is known as "warehouse damages."

My attention was first attracted by the sudden "blowing out" of several *damage brokers*, and their display of fine wearing-apparel, diamonds, &c.; and as I had known them as "hangers-on" around the custom-house for years, I felt sure that something was wrong, and that the sudden wealth of these men must be a corresponding loss to the Government. The commission heard my statement; I furnished them papers, entries, and invoices, and they proceeded to investigate; and I am informed that it resulted in the collection of several thousand dollars that had been allowed for "damage" in the report of the examiners.

The remedy, as applied by the honorable Secretary, *was so effective* that both damage brokers and the former damage examiners have disappeared. As a further result, there are not *five* damage applications now where there used to be twenty-five.

No. 21.—Money to customs inspectors examining baggage. There is not the slightest doubt but that such practice exists; the great trouble is to fairly detect it. The passenger is equally guilty; for if the officer made the first advance the passenger can easily make it known to the deputy surveyor or his representative and obtain redress. It is very difficult to obtain positive proof of guilt in such cases, hence the difficulty of suggesting a remedy. I have no doubt, however, that the practice is of less extent than might be supposed from common rumor.

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Appreciating the compliment of a reference of the circular to me, I am, very respectfully,

F. H. WIGHT,
Deputy Collector, and ex-officio Storekeeper of the Port.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 13.

J. E. JONES—Appointed Deputy Collector July 22, 1885.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, October 5, 1885.

I have the honor to state in reply to your communication propounding a series of questions in regard to the collection of the revenues at this port, that I am and have been for some time past devoting all my spare time examining the questions referred to, and will in a few days forward the most intelligent report that my brief acquaintance with custom-house duties will permit.

Your obedient,

J. E. JONES,
Deputy Collector.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 14.

B. F. WYMAN—Appointed Deputy Collector July 20, 1878.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, October 5, 1885.

SIR: I have the honor to acknowledge the receipt of your communication of 9th ultimo, in which you request me to answer at the earliest practicable day certain questions contained therein, relative to the administration of customs laws, with a view to your forthcoming annual report to Congress.

In reply I desire respectfully to state that a majority of the questions embraced in your circular do not come within the scope of either the business or duties of the division of which I have charge in this office, and I am consequently not in a position to express an opinion in detail from my practical knowledge of the various matters covered by your interrogations.

As to inquiries 1 and 2, none to my knowledge.

3. By the examination of the goods and report of the appraiser.

4. So far as my knowledge or observation goes I answer emphatically, *none*. Collusion of the kind mentioned would be nearly, if not quite, impossible under the present system of distributing entries, which was intended and adopted to prevent anything of that kind.

5 to 15 inclusive. I have no means of knowing, and consequently am not in a position to answer.

16. In my opinion such a change would be practicable, and with few exceptions, perhaps, applicable to the various classes of imports.

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18. In the manufacturing towns it might be possible for the consul to ascertain the wholesale prices of goods by visiting the various factories for that purpose; but such an arrangement would probably cause some delay in the certification of invoices, and consequently, perhaps, lead to some complaints to this Government. The consular fees charged in England are 10*s.* 6*d.* sterling, in addition to which there is a commissioner's fee of 4*s.* 6*d.*

19 to 24 inclusive. My duties do not cover these matters, and I have no information concerning them on which to base an answer.

Very respectfully,

B. F. WYMAN,
Deputy Collector, Sixth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 115.

CHARLES DAVIS—Appointed Cleaner, Chicago, January 1, 1883; Deputy Collector, New York, September 5, 1885.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, September 30, 1885.

MY DEAR SIR: I am in receipt of your communication of 9th instant, making inquiries relative to the business of this department.

I became connected with the custom-house September 6, and was assigned to the fourth division, as deputy in charge.

It is officially designated as the *navigation department*, and all business pertaining to the "entrance and clearance of vessels," "enrolling, registering, and licensing of vessels," "granting protection to seamen," "recording bills of sale and mortgages of vessels," &c., is transacted in my division.

Your inquiries do not seem to apply to the special duties appertaining to the fourth division, and, owing to the brief official experience I have had, my impression is that I could not give you any information that would be of service to you.

Very respectfully,

CHARLES DAVIS.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 116.

WM A. JONES—Appointed Clerk, New York, May 21, 1869; Deputy Naval Officer April 15, 1875; Deputy Collector March 3, 1879.

CUSTOM-HOUSE, NEW YORK,
UNITED STATES PUBLIC STORES,
402 *Washington Street, October* 5, 1885.

SIR: Before proceeding to answer the twenty-four questions propounded in your communication of the 9th ultimo, it is proper for me to state that, having been many years in my present position, where I have had nothing to do directly with either the entry or appraisement

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of goods, but simply have charge of the receipt of all merchandise, its care and custody while in the public stores, and its delivery to the merchant or transfer to warehouse, after the appraiser has examined, appraised, and made return of the same upon the invoice or appraisement order, as the same may be—this, together with the supervision of the force employed, including clerks, laborers, watchmen, &c., and the care and custody of all Government property in said buildings, the receipt and delivery of all non-dutiable samples, and the stamping with customs and internal-revenue stamps all cigars, cigarettes, snuff, tobacco, &c., constitute the principal duties of the deputy collector in charge of the United States public stores at this port, and leave him little opportunity to study in detail the intricacies of the appraisement and classification of merchandise, or all the technical points and rulings relating to the entry of the same.

I would further state that, as I have been able to obtain but little "official" information as to the "results and effects" of the recent investigations into customs affairs, I am probably not so well able to enlighten you concerning that matter as some others who are, doubtless, familiar with the whole subject.

I will now take up the questions consecutively, and answer those that I can.

1. I know of no evidence tending to show that the rates of duty have not been honestly levied. But that these levies have often been erroneous is evinced by the many rulings of the Treasury Department changing those rates, notably the recent ruling upon broken rice.

2. Some years ago abundant evidence was furnished the Department to prove that certain sugar importers were not paying full duty upon goods of this character, by reason of fraudulent weights, and, I think, in some instances, as was shown, by getting their goods entered at a lower classification than they should have borne. I have no evidence that such is the case at the present time; but, inasmuch as the article in question pays a far greater amount of revenue than any other imported into the country, the field is an immense one, and should be carefully guarded, and the only way to do this is to employ only men of fearless honesty and tried integrity, both in the weigher's and appraiser's departments.

3. The invoiced measurements of textile fabrics are at present verified only as to width. With present facilities, it would be impossible to do more.

4. I know of no proof at this time of such collusion. With the present system it would be not only a very difficult but a very hazardous undertaking, and must include the importer, the deputy, who orders the goods, and the examiner, who passes them, and who is liable at any time to order in other cases from the same invoice. From my knowledge of the deputies who order the goods for examination at this port, and a careful scrutiny of many of the invoices passing through the appraiser's hands during the past five years, I feel pretty confident that this particular kind of rascality ceased some years ago, when Colonel Des Anges, then a deputy collector, was arrested, tried, and convicted for this offence.

5. If there be evidence of this kind, I know it not, nor have I the means of obtaining the same.

6. I am not sufficiently familiar with the points involved in this question to give an intelligent reply.

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7. Recent investigations have shown, if I am correctly informed, that there has been a failure to collect the full amount of duty upon the following articles: Certain lines of silks, laces, cotton embroideries, decorated china, and glassware. Whether the evidence of failure can be "controverted successfully" I am unable to state.

8. In my judgment, from a lack of knowledge, in some instances at least, if there be any reliable evidence to show a guilty knowledge of this failure on the part of the higher Treasury or customs officials, the same is not in my possession.

9. As I have no definite knowledge on this subject, I am unable to answer.

10. Confusion, doubt, and conflict of opinion have, to my knowledge, frequently existed in the appraiser's department respecting the elements to be ascertained in order to fix dutiable value, and this condition of things, in my judgment, arises not only from the many contradictory decisions that have from time to time been rendered by the Treasury Department, but from the apparent contradictions and ambiguity to be found in the present tariff laws.

11. In my judgment, no.

12. The examiner, whose salary may be anywhere from $1,600 to $2,500, in the discretion of the Secretary of the Treasury. The appraiser is generally little "else ordinarily" than "one who officially certifies the value fixed and reported to him by the examiner, and has a general supervision of the appraiser's department."

I consider, however, that the present incumbent at this port is much more than that, and, by reason of his long experience and mature judgment, is better equipped for the place than any man who has filled it for many years. But, notwithstanding this fact, it is of the greatest importance that the examiners in the several divisions should be men of inflexible honesty, and thoroughly familiar with the character, quality, and value of the merchandise upon which they are called upon to act. Men of this stamp we now have in the service, but they are greatly underpaid; and in view of the fact that there is so little security of tenure, I wonder we have so many.

While in conversation with one of the leading and most honorable dry-goods importers of this city a short time since, the name of a certain examiner came up, and he stated that the Government would not be likely to retain his services much longer unless some provisions were made for an increase of salary. "Why," said he, "that man's expert knowledge, together with his high character, would, if connected with a first-class mercantile house, command a salary of, say, anywhere from $5,000 to $10,000, while the Government is paying him but $2,500;" which statement is undoubtedly true. But a few days ago an examiner resigned from the third division, appraiser's department, where he was receiving $2,500 per annum, to take a position in a mercantile house at a salary of $5,000.

No Government where the tenure of office in the civil service is not more secure than ours can expect to get first-class service for third-rate pay.

13. If there be satisfactory evidence of this character, I have no knowledge of the same.

14. Am not prepared to say that failure has come from dishonesty, although instances of that kind may have existed. If money has been paid to American officials for the purpose suggested, I have no knowl-

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edge of the fact. In my opinion, the failure has arisen in a great measure from ignorance and lack of experience on the part of examiners at the various ports throughout the country; for it is a well-known fact, although I cannot at this moment cite a case, that merchants of this port have frequently found it to their advantage to have certain kinds of merchandise entered at some other port—say Boston, Philadelphia, or Baltimore—as they were thus able to enter the same at a less rate of duty or lower valuation than at this port. My remedy for this would be the establishment by act of Congress of a board of experts or United States general examiners—men only of acknowledged ability and high character, whose duties should consist in a general supervision of the appraisement of merchandise throughout the entire United States, with a view to establish uniform rates and uniform values for merchandise of like character throughout the whole country. I believe such a board, properly equipped and sustained by the Government, and co-operating with the consular service abroad, would result in the saving of millions of revenue to the Government and save a vast amount of vexatious and expensive litigation. The functions of such a board are now partially covered by the general appraiser's office and the special agents' bureau, but they do not fill the bill.

15. Covered by answer to the preceding question.

16. A change from ad valorem to specific rates might be a benefit to the revenue and lessen a tendency to bribery. But, in my judgment, it is absolutely impossible to so adjust such rates as to equally distribute the burden of taxation upon all classes of taxpayers.

17. Have no knowledge upon which to base an intelligent reply.

18. In my judgment, it would be utterly impossible for American consular agents to examine all articles shipped from the leading European ports to this country and verify the correctness of invoiced values. I have no means of knowing the exact amount of fees exacted by our consuls for certifying invoices, but have often heard bitter complaints by persons from whom these fees were exacted upon articles of trifling value.

19. In my judgment, it would not only be safe to the revenue but insure justice to the importer could matters of this character be referred either to the executive or judicial power, though it would doubtless add very greatly to the duties already devolving upon those branches of the Government.

20. Being a subject with which I am not at all familiar, will not attempt a reply.

21. Though I have no personal knowledge on this subject, I have good reason to believe that the practice prevails to a greater or less extent at the leading ports. But whether it can be prevented, and how, is a problem that I am unable to solve.

Some few years ago a reverend gentleman, president of one of the leading colleges of the country, arrived from a summer trip in Europe, and while chatting in my office and waiting for the permit for some articles which he had brought over and which were dutiable, I asked if he had had any trouble about the examination of his baggage on the dock. "Oh, no," said he, "I never have any trouble in that regard; I usually give the inspector five or ten dollars, and always get along nicely." I suggested that, inasmuch as it was a violation of the law, and that inspectors were likely to pass dutiable articles free for persons who treated them so generously, that it was hardly the right thing to do. "But," said he, "we don't do it for that purpose at all, but simply

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as a recognition of the officer's courtesy in facilitating the examination," &c., and that "the custom was prevalent throughout the world." Now, while nearly every member of society, from the clergyman down, is ready upon his return from abroad to fee the inspectors who pass their baggage, how are you going to stop it? I know of but one way, and that is to return to the barge-office system, and have all baggage sent into a separate room for examination by men who neither see nor come in contact with the passengers.

22. Have not sufficient definite information upon this point to answer intelligently.

23. Doubtless it has.

24. Am unable to answer this question, but presume it can be satisfactorily answered by the officer in charge of the law division of the custom-house or the United States district attorney.

All of which is respectfully submitted.

I remain, very respectfully, your obedient servant,

WM. A. JONES,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 117.

N. G. WILLIAMS—Appointed Deputy Collector July 1, 1872; Entry-clerk July 20, 1877; Deputy Collector July 22, 1878, and August 6, 1881.

CUSTOM-HOUSE, NEW YORK CITY,
Collector's Office, October 8, 1885.

SIR: Referring to your circular letter of the 19th ultimo, marked confidential, propounding twenty-four questions relating to custom-house affairs, I have the honor to reply in answer to Questions 1 and 2 I have no evidence pro or con.

Question 3.—The tests and measurements belong peculiarly to the appraiser only. However, I know that in the case of woollen goods the verification is made by counting the number of pieces, and then weighing one piece. The weight governs the quantity; when there is any doubt actual measurement is made. Upon the appraiser's report to the collector the liquidating clerks verify the accuracy of the invoiced quantity with such report, and liquidate accordingly.

Question 4.—Working under the present system of numbering entries and distributing to the entry clerks pro rata, collusion with the importer is practically impossible. I know of no evidence in recent years implicating deputy collectors in such practices.

Question 5.—During the administration of Collector Merritt, the "civil-service" board of examiners, of which I was then chairman, were ordered to investigate the whole force of assistant weighers, and report upon their competency. In the performance of that duty we visited every pier in this collection district, and witnessed the actual work of each weigher, critically examined each dock-book, and closely examined each officer as to his duties. We reported the force to be generally efficient, but we found a few officers who did not or could not figure up their own books. In one case, where the importer had demanded actual tare, we found the weigher absent in a liquor saloon one-quarter mile away, and the importer's agent in possession of the dock-book, making

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weight and tares for himself, I immediately reported the facts to the collector; the officer was at once suspended, and dismissed the following day.

While making this investigation, I discovered some practices which, in my individual judgment, seemed to be radically wrong, viz: Permission is granted to unlade sugar from the importing vessel into lighters, and transported thence to and discharged into the private shed of the sugar-refining company. An assistant weigher is, or was at that time, detailed permanently to duty at such refinery. My argument with the collector was that, considering the frailty of humanity and the sharp competition in the sugar trade, it was wrong to expose an officer whose pay amounts to but $3 or $4 per day to the great temptation incident to such a responsible place.

As it seems to be impracticable to weigh the sugar at the vessel's wharf, I can only suggest that the weighers be alternated for every cargo. The employment of temporary assistant weighers is demoralizing to the force, for the reason that he is apt to slight his work, or, in other words, *average* weights, in order to make a record as a fast workman, and thus pave the way for more permanent employment. The effect on the regular weigher is that, in order to preserve his reputation with his foreman, he is tempted to average also.

Permission to weigh on lighters, in my judgment, should not be granted, as the motion of the lighter, especially if the water is rough, precludes the possibility of accurate adjustment of the scales; and, more than that, I am informed thirty tons more a day can be weighed on the dock than on a lighter. Weighing heavy goods, such as sugar, steel blooms, &c., on platform scales should not be allowed; they are too apt to get out of order, and that, too, without detection; whereas with the beam, the fulcrum and resistance being continually before the eye, any trouble is instantly detected. I am informed that warehousemen have great influence in the weigher's department, and that if a weigher does not suit them they can get them transferred. No complaint or charge against a weigher should be entertained unless made in writing and the weigher heard.

Questions 6 *to* 11, *inclusive.*—I am unable to make satisfactory answer.

Question 12.—The examiner is primarily and chiefly responsible; salary is $ .per annum. The assistant appraiser is secondarily responsible. The appraiser ordinarily is simply the certifying officer to the collector of values fixed by the examiner and assistant appraiser. But I may add, as cognate to the above answer, that the present appraiser is something more than a mere certifying officer, for, from his long experience and practical knowledge of merchandise, he is competent to criticise and supervise understandingly the work of the examiners.

Questions 13 *and* 14.—Cannot answer.

Question 15.—If it is true, and I believe it is, that false valuations have in the past been induced by bribery and venality, and also that such influences will be just as potent in the future as in the past, or until the civil service is completely divorced from political influences, and officers have a reasonable assurance of permanancy in their positions during good behavior.

Question 16.—I believe the change from ad valorem to specific rates would essentially diminish the tendency to bribery, and that specific rates could be applied to all, or nearly all, textile fabrics.

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Question 17.—I believe that undervaluations of invoices have greatly increased since the repeal of the "moiety law." Although the law was denounced and made to appear as very unpopular, it is nevertheless true that it was beneficial to the best interests of the Government, and it afforded the honest importer appreciable protection against the dishonest practices of swindling importers. The sentiment against the law was stirred up and formulated by men inimical to the interests of the business men of the country. The practical effect of the repeal of the law has been to drive honest American importing houses out of trade, so that to-day the vast bulk of the importing business is in the hands of foreign agents, who have no respect for our revenue laws and are mercenary to the last degree. I believe it is this class of men who are most guilty of corrupting officers in the revenue service. Congress should restore the law to the statute-book.

Question 18.—I do not think it is practicable or possible for consular agents in London, Paris, Berlin, &c., to personally examine *all articles* shipped from thence to American ports, but I should think they could become familiar with the market values of the most important articles of manufacture which are exported to this country, and by inviting the manufacturers to furnish their consular officers with a catalogue of their productions, with a manufacturer's price-list, they might thus gain a fair knowledge of market values of the bulk of the goods exported to this country. As this question relates to the certification of invoices, it may be considered as within the scope of a full answer to state that my present duty at this office is the consideration of applications to enter by *pro forma* invoice. Referring to section 2859, Revised Statutes, it is found that in almost every case where regular importers apply for permission to enter by *pro forma* invoice they have violated the essential conditions of the privilege conveyed in said section. It has developed that universally they have written to their consignors not to get invoices certified for amounts under $100. Also, that some importers habitually enter by *pro forma* invoice for large amounts, claiming and making oath that the non-receipt of their certified invoice is the delay at the Paris consular office. I have been unable as yet to verify the truth of this assertion, and am now notifying these importers that they must conform to the requirements of the statute law. I have a growing suspicion that some of these importers have made entries in the past by *pro forma* invoice for the purpose of experimenting with our appraisers. I shall endeavor to defeat such practices in the future. The fee exacted by our consuls in London and England for certifying invoices is $2.50 for each invoice, without regard to value; the commissioner also exacts a fee of 2*s.* 6*d.* for each invoice.

Questions 19 *and* 20.—Have not sufficient data to answer.

Question 21.—It is the common belief that the practice generally prevails of the payment of money by arriving passengers to inspectors of baggage, first, as gratuity for hastening the examination of their luggage, and second, as bribes to pass baggage containing dutiable articles without the payment of duty. It is my opinion that the practice can be prevented by making one general landing-place the order of the day. Then a good executive officer could soon invent and inaugurate a system whereby the examination of all luggage would be under constant and practical surveillance. This plan would be quite or almost as effective as if the luggage were sent to the "public store" for examination, and much less expensive. The steamship companies should land passengers

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and luggage at the "Government pier," at their own expense. This they now do at Liverpool, England. In answer to this question relating to baggage, I prepared a much longer reply, but, upon reading it over, concluded to cut it out. It was a condensed narrative of my experience and observations while in charge at the "barge office," and which led me to positive conclusions as to the venality which was, and had been, running rampant through this branch of the service. As an experiment, if, on the arrival of one of the large "Cunard" steamers with, say, five hundred passengers, the honorable Secretary should, after the passengers' declarations had been made and *handed in*, order, without any previous warning, a critical or exhaustive examination of every piece of baggage, the result would probably be a startling disclosure of the inefficiency, or worse, of the practice or system now in vogue. Of course the whole proceeding should be carried out under the supervision of a competent executive officer, and, as in carrying out a plan of battle, every move should be inviolably secret.

Question 22.—I think it does, and I am also of the opinion that whatever may be the rates of duty, so long as competition is so aggressively sharp, and goods are sold on such close margins of profit, smuggling will continue and dishonest shippers will try to evade the revenue laws. The chief danger from the operations of smugglers and dishonest shippers is in the importation of staples and all bulky goods which are sold on small profits, and not, as many suppose, on the lighter or fancy articles of commerce; the proportion is as thousands to hundreds.

Questions 23, 24.—I have no data to draw upon.

Respectfully submitted.

Your obedient servant,

N. G. WILLIAMS,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 118.

CAMDEN O. ROCKWELL—Appointed Deputy Collector May 12, 1883.

CUSTOM-HOUSE, NEW YORK, COLLECTOR'S OFFICE,
September 14, 1885.

SIR: My line of duties while in the custom's service have been limited to, first, administering oaths on entries; second, ordering packages to public store for examination; third, signing miscellaneous papers. My absolute practical knowledge cannot, therefore, cover many of the questions asked in your confidential circular of the 9th instant.

Question 4.—Ans. The method of distributing entries at the port to entry clerks and deputies makes it quite impossible to systematically enter into collusion with the person making the entry to send a "false or bogus" package to public store for examination.

Question 9.—Ans. Not strictly pertinent, but bearing on the question of dutiable values, I take the liberty of expressing myself on the immediate transportation business. I think it is apparent to the most superficial observer that there is great opportunity for undervaluation, even without the connivance of the appraiser, but because of his ignorance.

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The larger ports of entry necessarily have assistant appraisers and examiners, who are experts in certain particular lines of merchandise. Inland ports of entry are liable to receive a great variety of merchandise, and the appraisers and examiners, to be able to fix dutiable values, must possess the knowledge and sagacity which in larger or original ports of entry it is found necessary to delegate to men well skilled in some one or two particular lines of goods. Immediate transportation without appraisement is no doubt a convenience to the inland merchant, but the discrimination which it makes against the merchant at the port of entry, and the liability to undervaluation of goods, should condemn that part of the system relating to appraisement. The appraisement should be made, in my opinion, at the original port of enrtry; the goods may then be transported in bond and duties paid at the terminal port.

Question 16.—Ans. All duties should be *specific* as far as possible; whether applicable to texile fabrics I cannot say.

Question 21.—Ans. To this question I cannot answer with positive knowledge. In a general way, from hints gathered here and there, I believe the practice of receiving money by customs inspectors has been too common. Conviction and punishment of an officer or two to the full extent of the law would no doubt lessen the evil. This should in some way be done, without involving the passenger, who certainly is not generally willingly or wilfully guilty. The fee system which prevails so largely in Europe, and the custom which prevails in some countries of officers collecting the customs duties immediately upon examination, are mitigating circumstances in favor of the passenger.

I have the honor to remain, very respectfully, your obedient servant,

CAMDEN O. ROCKWELL,
Deputy Collector of Customs, Port of New York.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 119.

WILLIAM BARRE—Appointed Deputy Collector July 1, 1885.

CUSTOM-HOUSE, NEW YORK CITY, COLLECTOR'S OFFICE,
September 10, 1885.

SIR: Your confidential circular of 9th instant duly received. My recent appointment to the customs service (August 1, 1885) renders it quite impossible to furnish the Department at this time with information of any practical value.

Very respectfully, your obedient servant,

WM. BARRE,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 120.

N. B. BARTRAM—Appointed Weigher July 8, 1879, and August 8, 1881.

CUSTOM-HOUSE, NEW YORK CITY, COLLECTOR'S OFFICE,
September 28, 1885.

SIR: I have the honor to acknowledge the receipt of your communication of September 9, and to reply as follows: I may begin by saying that my position is that of deputy collector in charge of the fifth division. The fifth division is divided into two bureaus, viz., the bureau of the entry of merchandise for warehouse and consumption, and the bureau of liquidations. The former is composed of the entry clerks and their assistants, (stampers, messengers, &c.,) who make the preliminary estimate of duties on which goods are delivered to the importer, except cases ordered for examination, (a penal bond being taken on all entries for consumption for the production of any or all of the goods so delivered in case they should be required by the collector.) Second, the bureau of liquidations, where the invoices, having been returned by the appraiser, are got together with the entries, weigher's and gauger's returns, &c., and are adjusted, and additional or refund duty ascertained.

There are other duties imposed upon me, notably the granting of all "free permits," which a reference to the assignment card issued by the collector will show.

Question 1.—To my knowledge, I say none. All entries are liquidated upon the appraiser's and weigher's or gauger's returns, and when inspecting these, if the liquidators note any deviation from the laws or regulations, the returns are sent back for correction and adjustment. These liquidations are all submitted to the naval officer, where they are carefully scrutinized and not passed until, in their opinion, they are correct. Granted, then, the honesty and ability of the appraiser, there can be no doubt that the legal duty is collected.

Question 2.—I say no. In my opinion the weigher's and gauger's departments were never in better condition than now. I had charge as weigher, five years since, of a large and important district for about six months, and the only possible chance that I could see for any crooked work was in the case of "tares." On all heavy goods, as sugar, &c., "actual tare" is ascertained, and it is only on such goods (as it cannot be ascertained on the wharf without damaging the goods) as bristles, fancy soaps, &c., that it is furnished by a clerk called the "tare clerk," who visits the importer's store and there weighs and tares the goods, or, quite as frequently, takes a memorandum of the tare from the importer and furnishes it to the weigher. I gave considerable attention to this subject, but could see no remedy for it except in employing a different grade of clerk. The man that was furnished to me for this duty received $2.50 per day.

Question 3.—The appraiser reports on the invoice the weight or measurement of all textile fabrics, and these are accepted by the liquidators, unless some error is discovered or question raised by the liquidator, when the report is referred back.

Question 4.—I answer, absolutely none. I order no cases for examination myself, being too busily engaged otherwise; but the entries are all furnished to the deputies, who are seated immediately in my rear. All entries are received by one clerk—receiving clerk—who notes the

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number of the entry on a sheet numbered for the purpose each day. He then notes in pencil on the entry the number of the entry and the initial of the entry clerk to whom it comes, and it then goes to the stamper, who stamps the number on the bill of lading, the entry, the invoice, and the permit; thus all the vital parts of the entry bear the same number clearly and legibly stamped thereon. After being stamped, the entries are distributed to the entry clerks in series of two, as called for by the numbers. From the entry clerk, after being passed by him, the entry is put into a leather bag and transmitted to the naval office. After being passed there, it is returned in the same manner to the collector's office, (its departure for the naval office and its return to the collector's office being noted on a numbered sheet.) The entries are then distributed by a messenger *pro rata* among the deputies, who order the cases. Thus it will be seen that no entry clerk knows whose entry he is to pass, and no deputy knows whose entry he will order the cases upon. To successfully order a dummy case would require a combination of at least a dozen men. The receiving clerk, the entry clerks, and the stampers and messengers are all under my immediate eye from a seat upon a raised platform.

Question 5.—I have answered this question in my remarks to Question 2.

Question 6.—This should be treated by the deputy of the seventh, or law division.

Question 7.—On the subject of No. 7, I desire to say that, in my opinion, with trifling exceptions, the Department has not failed to collect the entire and full amount of duty that the law prescribes, but that in my belief the importers have been oppressed and treated with outrageous unfairness by the special agents. Until about January 1, 1885, I was charged with the appointment of merchant appraisers. About that time the collector took the appointment of them into his own hands. Mr. Tingle, the special agent who had charge of the investigation into the undervaluation of silks, chose to assume that there was something wrong in the appointment of merchant appraisers, and I suspect that the collector acted at his instigation and that of Mr. Treloar, his chief clerk. The collector (Judge Robertson) was, however, very particular to assure me that he had the most unbounded confidence in me, and that he took the matter into his own hands solely because there was to be an investigation, and he desired the utmost care upon the part of the collector's office. Mr. Tingle, however, in a very fresh letter to the Secretary (copy enclosed) took occasion to reflect upon me, and I answered him. (See my letter to the collector, forwarded to the Department February 5, 1885, (copy enclosed,) and I presume now in the files of the special agents' office.) I heard no more from Mr. Tingle.

The collector began appointing the merchant appraisers for Mr. Tingle, and continued to do so through his raid on the silk men, and he was beaten continually for two months, during which time he made *one* seizure, which was afterward released. When the merchant appraiser and general appraiser disagree, the case goes to the collector for a final decision. After the active participation of the special agents in the appraisements, I remember of but one instance in which the then collector decided in favor of the merchant appraiser. His stereotyped report was, "I concur with the general appraiser." An idea seems to prevail among some officials at this port that in addition to collecting

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the just duties they must help protect something. The examiner who *raises the invoice* reports five names to the appraiser to send to the collector, from which a merchant appraiser is to be selected. It is an understood rule that the first man on the list is the man preferred by the appraiser; so that it is plain that unless you have a competent and upright collector, who has the knowledge and sense of common fairness to select a merchant appraiser who is "free from bias," the importer has not the least chance.

The competition, for instance, is so keen between manufacturers and importers and between consignees and buyers that it is almost impossible for one to deal fairly with the other. Besides, all values in Europe during the past two years have been upset by the depressed state of business there. A special agent came six months ago to investigate the china and glass ware importers. I know him very well, and believe him to be a good officer. I took occasion to say to him that if he found anything wrong with a certain large firm I should lose my faith in humanity, as I had known all three of the gentlemen for years, and I believed them to be strictly honest. He made two cases against them, in one of which the examiner raised one invoice $6\frac{2}{3}$ per cent. and the other 50 per cent. A merchant appraiser was demanded, and the merchant appraiser advanced the first invoice $4\frac{2}{10}$ per cent., and the general appraiser $11\frac{2}{10}$ per cent. In the second case the merchant appraiser sustained the invoice, and the general appraiser advanced it 50 per cent. Both cases, consequently, went to the collector for decision, and he, after a patient and careful investigation, sustained the merchant appraiser in both cases. Thus, after a delay of six months, the importer gets his goods, after having locked up in general order store 1,200 cases during that time, which he dare not enter without a decision, having been unable to keep contracts and suffered heavy losses meanwhile. This treatment will break any but the strongest house. In these cases the examiner is absolutely under the control of the special agent, and thinks if he fails to obey him and raise an invoice at his dictation he will surely lose his place, so that the only hope a merchant has is in a courageous collector. Now for the result: The importer had a right, it seems to me, to expect that the result of these two test cases, from which there was no appeal, would mean something, but the appraiser informed him that he should again advance his invoices unless he consented to add 15 per cent. To go through this system of appeal again was simply ruin; he consequently raised his invoices. Please bear in mind that these invoices, from the first advance by the appraiser, then the appeal to a merchant appraiser, then the decision of the collector, and afterward the adjustment by the liquidation, are all under my eye, and receive my personal attention at every stage.

Question 8.—It has not come about, in my opinion.

Question 9.—My remarks on No. 7 may be applied in answer to this query.

Question 10.—Let the examiners and appraisers answer.

Question 11.—The invoices on file in the New York custom-house will show the advances made by the appraiser, but these advances are no test of undervaluation. A merchant will frequently stand an advance of less than 10 per cent. to get possession of his goods. Delay and detention is death to him, and if he can see any possible way in which he can avoid loss by standing the advance he will do so. In other words, the small advance of an invoice is but a sweating device of the examiner and special agent.

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Question 12.—The assistant appraiser is the man who should be held responsible. He is supposed to examine every invoice and to certify it to the appraiser. He signs the return on the invoice, while the appraiser's name is merely stamped upon the invoice in a perfunctory way.

Question 13.—No knowledge on this point.

Question 14.—This query is answered in my foregoing remarks. I have no knowledge of the use of money.

Question 15.—See answer to No. 14.

Question 16.—Undoubtedly it would. I believe specific rates can be applied generally to the tariff.

Question 17.—No. This law was properly repealed; it produced the infamous "Jayne."

Question 18.—

Question 19.—Undoubtedly greater jurisdiction should be given to the executive or judicial power. Any merchant who has an invoice raised should have the privilege of demanding that his goods be seized by the collector, (claims for damages being waived.) This would bring the case into court and a trial speedily be had.

Question 20.—The rates on wool are now entirely specific, as provided for by the tariff of 1883, and not a combination of specifics and ad valorems. The whole trouble with the tariff is that it places the dividing-line between 2½ and 5 cents at 12 cents per pound. Now, this is just about the price of Scotch Highland wool, and by allowing a 2½ per cent. discount and 1 per cent brokerage the price is reduced below 12 cents, and a saving of 100 per cent. in duties accomplished. The same is also true in regard to Donskoi wool, where by an addition of charges, the same result is accomplished. In my opinion, if the dividing-line was fixed at 10 cents instead of 12 cents, all the trouble would cease.

Question 21.—There is no doubt but that arriving passengers "tip" the officers on the dock, much as you would a waiter at a hotel. This is the general feeling in the case. This is now, however, at a minimum, and I do not believe it can ever be thoroughly stopped.

Question 22.—I think not.

Question 23.—I have no knowledge of any other port.

Question 24.—I believe that the false reports have been made under instructions from the special agents; that the special agents have been working in their own interest to get up an excitement, and to show that they (the special agents) are indispensable. Their very failure to procure the arrest or indictment of anybody is proof positive, to my mind, that they are frauds.

Yours, very respectfully,

N. B. BARTRAM,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 121.

C. A. STEVENS—Appointed November 13, 1875; Assistant Appraiser July 14, 1883.

PORT OF NEW YORK,
Appraiser's Office, October 8, 1885.

SIR: Referring to the inclosed printed circular from the Treasury Department, signed by you and addressed to me, in which you request a detail of facts and figures in answer to certain interrogatories therein contained, numbered from 1 to 24, inclusive, I have the honor to submit the following answers, numbered to correspond with said interrogatories, to wit:

1. Please see answer to the seventh question.

2. I have no knowledge that the full amount of specific duty prescribed by Congress has not been collected.

3. No textile fabrics for measurement are returned for duty in the second division.

4. I have no knowledge that bogus or false packages of merchandise have been at any time ordered to the appraiser's department for examination.

5. I know of no evidence showing that false, incompetent, or inadequate weighing or measuring is conducted on the wharves.

6. I have no knowledge whatever regarding pending suits.

7. On March 5, 1883 (see ss. 5604), the Department accepted as conclusive the result of the trial of the case of Drepenbroeck *vs.* Robinson, the verdict being that certain church figures, which were cast or molded from a mineral substance are "statuary" or "works of art," dutiable at 10 per cent. ad valorem. The importers claimed that the so-called "statuary" was produced by students of a so-called "art school" at Munich, Germany. It is a well-known fact that the so-called "art school" of Meyer & Co., at Munich, is simply an establishment devoted to the manufacture of all kinds of church decorations, and has no more claim to the rank of a *school of art* than the establishment of Froe Robert, of Paris, France, and several other establishments where similar articles and figures are produced from a similar material, and in precisely the same manner, and which articles and figures, under Department ruling, are returned for duty under the provision for *components*.

On February 15, 1884 (ss. 6176), the Department acceptedas conclusive the result of the verdict in the trial at Chicago of the case of the Elgin National Watch Company *vs.* Jesse Spalding, which was to the effect that "enamel" (a fusible glass) should be classified as a *watch material*, dutiable at 25 per cent. ad valorem It is well known in the trade (which fact has been called to the attention of the Department) that the most extensive dealers in enamel do not recognize or class any of it as specially, or exclusively, intended for use in the manufacture of watches, and that a very much greater portion of it is used in the production of thousand of articles other than watches. For ten (10) years prior to the above-named decision enamel was classified as a *manufacture of glass* and returned for duty as such.

Regarding the character of the testimony taken in the two cases above mentioned, or the causes which led the Department to accept the result of said cases as conclusive, I have no knowledge.

Previous to the month of May last plain, glazed, and decorated earthenware, bath and wash tubs, also plain, glazed, and decorated earthen

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tiles, were returned for duty at 20 per cent. ad valorem by Examiner Lawrence, who was discharged from the Government service last April. In the month of May aforesaid the articles in question were transferred to the second division, where they were returned for duty at 55 per cent. and 60 per cent. ad valorem, which rates have been sustained by Department decisions.

8. Every one is liable to commit errors, but there can be no excuse, when merchandise is before an officer for examination, for his rating it incorrectly for duty on the plea of ignorance, and if it is done for dishonest motives there must be a way of proving it.

I know of no reliable evidence to prove a guilty knowledge of the failure, or a conspiracy existing among the customs officials now in office to promote the failure to collect in New York the entire and full amount of duty that the law prescribed.

9. Please see answer to the seventh interrogatory.

10. The statutes provide ample means for fixing dutiable values on merchandise.

11. In my opinion it could not be correctly accomplished.

12. The examiner, whose salary is from $1,800 to $2,500 per annum. The assistant appraiser must have such watchful supervision over the examiners as will enable him to know that they are performing their duties correctly and honestly. The appraiser officially certifies to the collector the values reported to him by the examiner and assistant appraiser.

13. I know of no such evidence.

14. Regarding this question I have no knowledge.

15. I know of no method or system which could be adopted which would prevent a dishonestly disposed person from attempting to corrupt others. Therefore it is reasonable to presume that bad influence will find its victim now as it has in the past.

16. In my opinion a change from ad valorem to specific rates of duty is the only means by which the evils and abuses now existing can be properly overcome and corrected.

17. I have no means of knowing, but as a matter of opinion I should say they had not.

18. In my judgment it would be impracticable for any consular agent to personally examine merchandise with a view to verifying the correctness of quantities or of market values before shipment. If it were practicable for him to do so in any instance, it would be necessary for him to see the merchandise packed and shipped in order to know that the same class of articles were forwarded that he had examined and certified to the value of. I presume that all consular agents are liable to be approached for dishonest purposes by dishonest shippers.

The delay and annoyance which must arise from any attempt to examine and verify all merchandise shipped from a consular district in order to verify quantities and ascertain correct market values would, it seems to me, be the source of unending complaint and vexation.

The usual fee exacted by consuls in England for the certification of an invoice is $2.50.

19. In my opinion the appraising officer should be held to a strict account for his action in assessing values on merchandise as the law prescribes, and no benefit would accrue to the Government or importer by a division of responsibility with the executive or judicial power.

20. This question will undoubtedly be answered more properly by experts in the wool department.

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21. I have no knowledge that money is offered by passengers or that the same is received by Government officials while in the discharge of their duties. So long as weak men hold offices of trust, and foolish men exist and travel, possessed of a disposition to tempt them, I do not think that such practices can be altogether prevented.

By sending all passengers' baggage, except hand-bags and satchels, to the appraisers' stores for examination, means would be afforded for fixing the limit of responsibility, for the reason that under existing regulations a limited number, comparatively speaking, of the owners of baggage would be liable to come in contact with the officers whose duty it would be to examine and return the same. Such a change would, undoubtedly, cause much delay and annoyance, as well as some additional expense for brokerage, to the passengers.

22. If smugglers and dishonest shippers have the disposition, and can evade the laws because of a high tariff, it does not seem to me that a reduction of duty would have the effect to diminish their desire to continue to do so.

23. I know of no reason why the evils existing, and failures to enforce the customs laws at the port of New York, should not prevail at all the Atlantic ports.

24. I do not know. My knowledge regarding the facts desired to be elicited by some of the foregoing questions being limited, I fear that I have not been able to give any satisfactory or valuable information in answer to them. Such answers, however, as I have given are strictly according to the best of my knowledge and belief.

Very respectfully,

C. A. STEVENS,
Assistant Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 122.

WILLIAM KENT—Appointed Clerk, Boston, January 2, 1866; Clerk, New York, January 28, 1871; Assistant Appraiser May 15, 1878.

PORT OF NEW YORK,
Appraiser's Office, October 8, 1885.

SIR: In reply to your confidential circular in relation to customs matters, I beg to submit the following remarks touching each of your twenty-four questions, in numerical order:

1. There is no evidence in this division that rates of duty have not, within the last few years, been levied and collected according to law, accept on such articles as, from their character, two or more rates equally apply, and, as a rule, the highest rate has been adopted until overruled by the appraiser, or by a decision of the Treasury Department or of the courts.

2. Purely specific rates of duty on goods examined in this division apply only to combed silk (50 cents per pound), the importation of which is extremely limited in quantity, and no evidence exists that full duty has not been collected.

3. Textile fabrics, if imported by firms of unblemished reputation, are only now and then actually measured through the medium of a yard-

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stick; but if imported by firms of doubtful integrity, the scrutiny becomes more general, and in a few cases goods have been found to exceed by actual measurement the lengths described on invoice and ticket, in which cases they have been confiscated.

In merchandise paying compound duties, errors in weight are discovered to be more frequent, and greater care required in verification.

4. Of late years I have had no knowledge of collusion on the part of any entry clerk or deputy collector to send a bogus or false package for examination as a fair sample of one in every ten.

5. Having no goods for examination on wharves, I have no knowledge of any false, incompetent, or inadequate weighing or measuring.

6. The existing law respecting rates of duty and differences between importers and collectors should be amended at the earliest practicable moment; the suits pending at this port alone amount to many thousands. I know not how many, nor do I know anything concerning the number pending at other ports; many cases can and ought to be classified and consolidated, especially in cases of long standing where but one, or at most a few articles of the same general character, are in controversy. Many merchants appeal from the duty assessed on a great variety of articles when they have but little hope and no expectation of obtaining a verdict in their favor. Their hope lies in the fact that the defendant's case is generally but half prepared and worse tried. Take, for instance, the article of so-called "silk-thread lace." This case was tried in April, 1875, and resulted in a verdict in favor of the plaintiffs, thereby reducing the rate from 60 to 30 per cent. ad valorem (in conformity with Schedule C, 42 T. I., old), on the ground that this article was made upon a cushion with thread wound on bobbins moved by hand. This included, subsequently, all cotton laces made in like manner. Then suit was brought to recover on "linen torchan" lace, with the same result, and finally a linen lace made upon a frame with a needle came into the same category as the result of another suit, so that in this case I have now nearly two thousand invoices (almost worn out) as a first instalment to re-classify for the fourth time, and when the end will be reached no one can foresee. To remedy this evil I would suggest the creation by law of a new tribunal, modeled somewhat after that recommended by the old tariff commission, to try judicially all questions growing out of said differences.

With such a tribunal in session for a few months, the docket could be cleared and all new cases settled by a session of a few days at this port once in three months, thereby saving to the revenue large sums in interest, secure uniformity of classification at all ports, and in my opinion obtain many verdicts in favor of the Government which, under the present system, are lost almost by default.

7. Speaking only for the third division, the principal articles which have been undervalued consist of silks, velvets, and cotton embroideries, all of which have undergone a thorough investigation during the last few years, the latter article very recently. I have the honor to state that much the greater portion of silks and velvets are consigned by the manufacturers to their agents here, and as a rule are invoiced below their real value; but the following statement will, I think, serve to show that this class of merchandise has not reached the distributor's hands without proper additions being made to approximate very nearly to dutiable values.

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Total advances on invoiced values by this division during a period of six years and six months:

1879	$950,108 00
1880	1,127,284 00
1881	925,495 00
1882	1,360,800 00
1883	1,442,011 00
1884	1,703,275 00
1885 (six months)	791,163 00
	8,300,136 00

on which an average duty of nearly 50 per cent. has been collected.

I also add a condensed statement of the invoiced values of a great number of silk shipments, with the estimated values of experts employed by the Government at Horgen and Zurich in Switzerland and at Lyons in France, together with the action of the appraising officers at this port, which will explain the work accomplished.

	Francs.
Invoice value	4,644,455.93
Expert value	5,137,437.55
Appraised value	5,150,128.50
Appraised value over invoice value	505,672.57
Appraised value over expert value	12,690.95

or 1.29 per cent. over the experts, and 10.88 per cent. over invoiced values.

It is true that the estimates of the experts are alleged to cover the cost of material and labor without including manufacturer's profits, wear and tear of machinery, and office expense; but it should be remembered that great depression in trade has prevailed for many years throughout all Christendom; half the looms in the silk districts being idle, the same rule applies to Germany and England, while in this country public sales embracing from 10,000 to 22,000 packages of domestic goods have been forced on buyers at prices below the cost of manufacture. When Parliament has appointed a commission to inquire into the causes of this general stagnation, and devise a remedy, is it strange, I ask, if we are unable in all cases to reach the high-water mark in prices?

Furthermore, I inclose a clipping from a morning journal which tells a tale not inappropriate here, and explains why the silk industry abroad is in such a deplorable condition.

Respecting cotton embroideries, no considerable undervaluations have been found to exist. Indeed, upon the stitch basis I cannot see how it is possible they can. It has ever been true that in the past very many invoices have been advanced to make market value, most of which covered embroideries alleged to have been regularly bought in the open market, but were clearly undervalued according to the stitch principle, and which could not have been detected by any other means. I could enlarge upon this subject for hours, but as all the facts appertaining to this question are about to be laid before the Department by the commission in session, I forbear.

8. The failure, if any, to do better has not come of ignorance, indolence, stupidity, or dishonesty on the part of Treasury officials, nor is there any evidence to even suspect any conspiracy among higher class of Treasury or custom-house officials. Whatever shortcomings there may appear to be, it is not easy to effect any considerable improvement in the service rendered by those under my charge.

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9. There has been no conclusive or satisfactory evidence that the present appraiser has reported to the collector any false dutiable values unless it be in certain instances upon cotton embroideries imported from St. Gall, Switzerland, by so-called manufacturers. In the instances referred to I have been requested to further advance values by him, through, as I believe, the influence of certain special agents of the Treasury, which, in my judgment, were not warranted in fact. Such evidence as there may be, if any, to corroborate the statements of the special agents, made by the local appraiser as against the views of the appraising officers, will probably be found in the report about to be submitted to the Department by the commission now in session.

10. There is not now, nor has there been, any confusion or doubt or conflict of opinion in this division respecting any of the elements to be ascertained in order to fix or declare the dutiable value, except the method of ascertaining the value of embroideries, the local appraiser advocating the stitch principle as the true basis of valuation. In all else the standard to be applied is well defined by the statutes, in the opinion of the appraiser, assistant appraiser, and the examiners.

11. No sure average of the percentage of undervaluations can now be made by the appraiser for any year or series of years. Invoices could be identified, but articles only by invoice descriptions. This work would require an enormous extra clerical force, and employ their time for months, if not for years.

The preceding table in reference to the percentage of undervaluations on silk invoices affords a fair index of all consignments of French and German goods.

12. The examiner is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector. His salary ranges from $1,800 to $2,500 per annum.

The appraiser sees comparatively few invoices. His certification to the collector is usually affixed by a stamp applied by an employé of the invoice bureau, except on such invoices as have been advanced in value 10 per cent. or more. These he signs in person.

13. I have no satisfactory evidence that any Government officials in the consular department or elsewhere have assisted, consented to, or connived at, the presentation to the appraisers of false evidence of foreign values.

14. False values have been habitually reported to the several former collectors, but it cannot fairly be said that the failure, if any, to collect the full amount of duty has come of dishonesty, or been accompanied by guilty knowledge on the part of Treasury or customs officials, except such as have been publicly reported and punished in the past, whose names I cannot recall. I know of no money paid to American officials to obtain false reports of dutiable values, or, if any has been paid, who furnished it. I never heard of a corruption fund having been raised and disbursed.

15. If false valuations have come of bribery or venality, I know of no good reason why similar corrupt and venal influences may not still continue; but from the experiences of life I am constrained to say that the appraiser's department, as at present conducted, will in respect to integrity, honesty, and faithful service compare favorably with any public or private institution in the land.

16. In my opinion a change from ad valorem to specific rates of duty would not tend to diminish bribery, because I doubt if it exists now to

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any considerable extent; besides, specific rates can be applied to but few textile fabrics without imposing the heaviest burdens upon the poorer classes.

No. 17. There is no denying the fact that false invoices have largely increased in number and amount by the repeal of the moiety act in 1874.

No. 18. It would not be practicable in the large American consular districts for any number of consular agents, no matter how alert and skillful, to personally examine a tenth part of the articles shipped to this country or verify the correctness of invoiced values. If this could be done, would it not tend to a reliance on their work and beget indifference and carelessness on the part of examiners here? In my opinion, vexatious delays caused by the examination of goods in the several consular districts, and the certification of invoices, would soon embroil the two Governments in sharp controversy.

No. 19. I do not think it would be safe or useful to the revenues or just to importers to enlarge the jurisdiction of the executive or judicial powers respecting the ascertainment of dutiable values, which forms the basis on which ad valorem rates are levied. Its adoption would work mischief.

No. 20. Wool is an article concerning which I am comparatively ignorant, and can offer no information.

No. 21. This question is one I cannot answer; I know nothing about the subject-matter.

No. 22. I hardly think that if the tariff should be considerably reduced smugglers and dishonest shippers would cease to ply their nefarious calling. Indeed sometimes I think that Frenchmen and Germans would undervalue free goods from habit, if not designedly.

No. 23. Respecting this question, I can only say that if I was a dishonest shipper of merchandise from abroad I would enter all my goods at any other port than New York.

No. 24. I deny that intentional false returns of dutiable values have been reported to the collector during my entire service of nearly twelve years in the appraiser's department.

Respectfully,

WILLIAM KENT,
Assistant Appraiser, Third Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 123.

DANIEL J. MOORE—Appointed Clerk March 24, 1873; Examiner December 31, 1873; Assistant Appraiser August 25, 1874, and July 25, 1885.

PORT OF NEW YORK,
Appraiser's Office, October 1, 1885.

DEAR SIR: Your circular of the 27th of August asking for answers to twenty-four questions was duly received.

The attention of my examiners has by me been called to the necessity of answering *fully* and *freely* those questions.

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In regard to my answers, I feel that I have not been sufficiently long in the employ of the department to answer intelligently the questions asked.

Very respectfully,

DANIEL J. MOORE,
Assistant Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 124.

FRANK HAY—Appointed Assistant Appraiser March 8, 1873.

PORT OF NEW YORK,
Appraiser's Office, October 2, 1885.

SIR: Circular paragraphs 1 and 2.—Respectfully referring to your confidential circular, without date, I beg to say that I have no evidence, neither have I reason to believe, that the specific rates of duty on glass covered by the provisions of T. I., new, paragraphs 137 to 141, inclusive, and the ad valorem duties on leather covered by paragraphs 460, 461, and 462, have not been levied and collected as the law provides.

Circular question 16.—I think a change from ad valorem to specific rates of duty on leather would be a benefit to the revenue and greatly simplify its collection.

The examiner is primarily and chiefly responsible in the usual course of business for a false return of values to the collector. Salaries of examiners from $1,800 to $2,500 per annum.

7 and 8.—I know of no such class of articles.

10.—The place and time and the standard to be applied is, in my opinion, already defined by the statutes.

Statement showing the character of merchandise examined in the eighth division, together with suggestions looking to the adoption of equitable specific duties in place of those now in force.

All products of the sugar-cane now pay specific rates of duty under the provisions or T. I., new, paragraphs 236, 239, 240, 241, 242. Also sugar candy, not colored, 5 cents per pound, and confectionery, valued at over 50 cents per pound, 10 cents per pound under paragraph 244.

Glucose and grape sugars now pay a duty of 20 per cent. ad valorem under paragraph 21. Average price per 100 pounds for the past three years, $3. Equitable specific rate, 60 cents per 100 pounds.

Glass (Schedule B, paragraphs 137, 138, 139, 140, 141) now pays specific rates of duty either by measure or weight.

Enameled and ground glass now pay ad valorem rates of duty under Treasury decision dated October 2, 1879 (SS. 4229). These should pay specific rates as cylinder glass at the same specific rates as colored cylinder glass now pays under T. I., new, paragraphs 137, 138.

Bent glass paying ad valorem duty under Department ruling dated January 20, 1880 (SS. 4398), should pay specific rates according to kind, whether cylinder or polished plate, as the case may be.

This would be in harmony with a legal decision in the case of Howard *vs.* Merrill, referred to and acquiesced in by the Hon. Secretary of the Treasury in decision dated February 18, 1884 (SS. 6180).

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T. I., new, paragraph 461; duty, 20 per cent.—Tanned calf-skins, chamois, and enameled leather: Quantity, 1,121 dozen; weight, 24,624; value, $23,121.40; per pound, $1.10; per dozen, $4.39. Equitable specific duty, 20 cents per pound.

Goat and sheep skins dressed and finished: Quantity, 1,578 dozen; weight, 10,650 pounds; value, $15,562 50; per pound, $1.40; per dozen, $9.08. Equitable specific rate of duty, $2 per dozen.

Skins for morocco, tanned but unfinished: 7,803 skins, weight, 6,212 pounds; value, $3,284.76; average price per pound, 53 cents; duty, 10 per cent.; equitable specific rate of duty, 5 cents per pound.

Circular questions 1 *and* 2.—Sugar and other cane products, T. I., new, paragraphs 235 to 241, inclusive. Respecting the sampling of raw sugars imported at this port I have no positive evidence, but have reason to believe that for some time prior to and during the administration of the late appraiser, A. P. Ketchum, the force then employed in sugar sampling was much demoralized. For reasons only known to himself the late appraiser failed to even consider my urgent appeals looking to a thorough reform in this branch of the service. When urged by me to remove, or even transfer, from my division an examiner who in my own mind I believed to be corrupt, he told me that this person's "political backing was too strong." Very soon after Mr. McMullen assumed the duties of appraiser the reforms in this direction commenced. The corrupt and inefficient elements heretofore existing have already been pretty thoroughly eliminated. The sugar examiners now assigned to do outside work are under the immediate supervision of Examiner Robert E. Bowne, and are all, I feel sure, united in the desire and endeavor to do thoroughly careful and honest work. Nothing less will be accepted by the appraiser. I may add that already a very decided and gratifying improvement in the morale of the force is manifest.

Respecting questions 3, 4, 5, 6, 8, 9, 11, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, and 24, I desire to say that I am unable to answer them in any satisfactory or useful manner.

Very respectfully,

FRANK HAY,
Assistant Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 125.

D. C. HALSTED—Appointed Assistant Appraiser July 22, 1885.

[Confidential.]

PORT OF NEW YORK,
Appraiser's Office, October 3, 1885.

SIR: Referring to the "circular marked strictly confidential, and containing twenty-four questions relative to the administration of customs laws," which was sent to me from the office of the honorable Secretary, I have respectfully to state, in reply to inquiry numbered 12, that, as between the examiner, deputy appraiser, and appraiser, I consider the examiner primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector; for the reason that the

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examiner, in the performance of his duties, has the handling and examination of the goods relative to which the return of value to the collector is made, and there cannot be a false return of value made without the knowledge and agency of the examiner.

The assistant appraiser, relying upon the honesty and integrity of the examiner, may certify to an incorrect return of value by indorsing the written return of the examiner, but the assistant appraiser should be held responsible for the return, for the reason that he has full opportunity to investigate the returns and has the power to change them. The salary of the examiners, as known to me, is eighteen hundred dollars per annum, and the salary of the assistant appraiser is three thousand dollars per annum.

The present appraiser, Mr. McMullen, is in fact an experienced official, and is capable, prompt, and efficient in giving information and advice in all matters pertaining to the business of the Department.

Referring to inquiry numbered 16, I have respectfully to state that I do not believe that a change from ad valorem to specific rates would be a benefit to the revenue, nor help to diminish a tendency, if any exists, to bribery. I have no knowledge of textile fabrics, and therefore I do not know whether specific rates can be applied to them.

I am of the opinion that ad valorem rates of duty should be applied in preference to specific rates, as far as possible, to all kinds of goods, for the reason that a more just and equal assessment can more readily be made thereby; and further, by scaling specific rates based upon actual valuations opportunities for evasions and frauds are largely increased.

Referring to inquiry numbered 18, I have respectfully to state that I believe it would not be practicable in the large American consular districts, such as London, Paris, Berlin, &c., for American consular agents, no matter how numerous and alert, to personally examine articles to be shipped from thence to the American ports, and to verify the correctness of invoiced values. I am of the opinion that there are not any consular districts in which American consular officers can safely and surely ascertain the true invoiced values of every shipment.

The fees now exacted on each shipment in London and in England by our consuls for certifying invoices, even of small articles and of little value, is 10 shillings and 4 pence sterling—equal to $2.50 for each invoice.

With reference to all the other inquiries contained in the circular, viz, numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 19, 20, 21, 22, 23, and 24, I have respectfully to state that I have not sufficient knowledge of the subjects to make a just reply.

With reference to the system of the certification of foreign invoices, I have most respectfully to state that in 1863, when the law was enacted, establishing the present system of triplicate invoices, and consular certificates therefor, it was believed by myself and many other importers at that time, that the law was adopted as a "war measure" on the part of the Government to check and prevent the secret importation of all goods, contraband of war, and that so soon as practicable that portion of the law would be repealed as unnecessary and expensive. The old system prior to that time was fair, just, and comprehensive. The merchant received an invoice from his correspondent, he retained here a copy in his invoice-book, and he presented this invoice as his original and only invoice to the collector of customs, and made oath

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thereto accordingly at the custom-house, and in the event of irregularity or fraud being discovered the goods were seized and an immediate and thorough investigation was had and proceedings taken accordingly.

I have most respectfully to say that I can not see how the ordinary mode, as now adopted, of the certification of triplicate invoices by United States consuls in foreign ports can be a safeguard to prevent undervaluations or false invoices of goods imported.

Very respectfully,

D. C. HALSTED,
Assistant Appraiser Ninth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 126.

DAVID C. STURGES—Appointed Assistant Appraiser December 1, 1869.

PORT OF NEW YORK, APPRAISER'S OFFICE,
October 15, 1885.

SIR: I have the honor to acknowledge the receipt of a "strictly confidential" circular from the Department, in which I am requested to make "careful and official replies" to certain twenty-four principal inquiries, with their subdivisions, submitted therein. As the Department seeks, without doubt, to possess itself of such facts only as are known to me officially, or such suggestions as spring directly from my official experience in the administration of the tariff laws, I shall confine myself for the most part in the replies which follow to the full consideration of such of the inquiries only as address themselves to that knowledge or experience.

Inquiry No. 1.—I have no knowledge that the rates of duty have not within the last few years been levied and collected as the law prescribed, saving as hereinafter stated.

Inquiry No. 2.—I know of no evidence of any kind tending to show that there has been any failure at this port, at any time, to collect the full amount of purely specific rates of duty prescribed by Congress. Failure to collect such duties could arise only through failure on the part of the gauger, weigher, or appraising officer, for any cause, to make correct reports to the collector of the measure or weight of merchandise charged, in whole or in part, with specific rates of duty, or from incorrect classifications.

Inquiry No. 3.—I am not officially familiar with the manner in which invoiced measurements of textile fabrics are verified in the usual course of the examinations made in this Department. No textile fabrics are examined in the division of which I have charge.

Inquiry No. 4.—This question appears to have been suggested by the developments in the Lawrence case, which was a conspiracy of somewhat extended ramifications. The evidences of such collusions come to light not before but after their exposure. With the present safeguards I doubt if it would be possible to repeat the Lawrence experiment.

Inquiry No. 5.—This inquiry relates to transactions not within the official jurisdiction of this department.

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Inquiry No. 6.—I respectfully submit the same answer as to Inquiry No. 5.

Inquiry No. 7.—I can specify no class of articles on which recent investigations or existing facts show that the Treasury Department, during recent years, has failed to levy and collect at this port the entire and full amount of duty prescribed by law. This statement does not cover, of course, cases of unknown or hypothetical undervaluations.

I have not been made acquainted with the results of recent investigations, and, therefore, can form no judgment of their value as evidence, and I have no knowledge of existing facts tending to show the suggested failure.

Inquiry No. 8.—My answer to Inquiry No. 7 may also be taken as my answer to this inquiry.

Inquiry No. 9.—My answer to this inquiry is also, for the most part, contained in my answer to Inquiry No. 7.

In any controversy as to market values arising between the appraising officer on the one side and the special agent or the consular officer on the other, (supposing each to be equal to the other in intelligence and integrity,) I think the presumptions are decidedly in favor of the judgment of the appraising officer. The judgment of the appraising officer is presumptively the judgment of an *expert*, who is engaged constantly in the critical examination of the qualities and values of imported merchandise. The special agent and the consul are rarely experts, and their judgments, for the most part, are founded upon alleged evidences of value, extrinsic to the merchandise, and very rarely, if ever, upon an *examination* of the merchandise itself. In other words, their judgments are generally founded upon secondary evidence. I do not, of course, deny the value of such evidence in special or exceptional cases, nor do I call in question the importance of the contributory service frequently rendered by the special agents, and sometimes by the consuls, in determining the correct market value of imported merchandise.

Inquiry No. 10.—There has been, undoubtedly, and still is, some confusion, doubt, and conflict of opinion, in the private judgment of the officers of this Department, as to the construction to be given to section 7 of the act of March 3, 1883. This is due, in part, to the circumstance that neither the constructive rulings of the Department nor the determinations of the courts have been altogether free from such confusion and conflict. The practice of this department has been rendered approximately consistent and uniform through the active supervision and clear instructions of the appraiser.

I submit the following statement of facts as in part illustrating the confusion, &c., referred to:

It was recently held here, by General Appraiser Briggs, that vegetables in tins are dutiable on the value of the naked vegetables, when such value is separately stated on the invoice, *provided* that the purchaser actually purchased the vegetables and the tins separately; and that the vegetables are dutiable on their naked value *plus* the value of the tins only when the purchase is made in the tins, at a price covering the value of the tins.

This ruling was made in the case of the appeal of Thurber, Whyland & Co. from the action of this department in adding the value of the tins to make the true market and dutiable value of the vegetables.

Succeeding in their appeal, under this ruling, they paid duty on a

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value, approximately, of 47 francs only per case of 100 tins, while all other importers paid duty upon a value, approximately, of 67 francs per case of 100 tins. If this ruling were accepted as correct, it would seem that the value upon which the purchasing importer is to pay duty is made to depend upon his own determination of the conditions under which he makes his purchases, and it will follow that there will be two differing dutiable values for the same merchandise purchased on the same date, from the same seller, in the same market, at the same total price. But this department has not followed the ruling in the case of Thurber, Whyland & Co., and continues to add the value of the tins to make the correct market value of the vegetables in all cases where such value is not included in the entered value. It is but just to the general appraiser to say that his ruling was distinctly put upon the ground that it followed the decision of Judge Wallace in the recent case of Oberteuffer *et al. vs.* Robertson.

Inquiry No. 11.—This inquiry reverts to the matters grouped under Inquiry No. 9. I think no "safe average estimate can be made" of undervaluations judicially undetermined, or that are alleged upon evidence of indeterminate relevancy and value.

Inquiry No. 12.—In the very necessities of the case, the examiner must be held "primarily and chiefly responsible, in the usual course of business," for incorrect determinations and returns of the value of merchandise.

The work of the deputy appraiser, like that of the appraiser, is largely executive, administrative, and supervisory. He has a more immediate and direct supervision of the work of the examiner than the appraiser, and is in the theory of the service officially responsible for the proper and faithful performance of that work.

In all cases, of course, in which he personally examines merchandise, or in which his advice and assistance are sought by the examiner, his responsibility is personal, direct, and single.

The salaries of the examiners vary from $1,200 to $2,500 per annum, the latter being the maximum compensation provided by law.

The appraiser is very much else, "ordinarily and in fact, than one who officially certifies to the collector the values of merchandise reported to him by the examiners and deputy appraisers." I know of no officer intrusted with the administration of the tariff laws, whose duties, properly performed, partake less of *routine*, or less permit perfunctory performance, or which demanded higher qualifications or more severe and strenuous attention and application.

Inquiry No. 13.—I have no knowledge of the existence of any evidence of the practices referred to in this inquiry.

Inquiry No. 14.—In my judgment, it *can* "be fairly said" that the recited delinquencies, when they have been "habitual and *systematic*," have come of dishonesty and corruption. No other conclusion is possible under the terms of the inquiry. I have no knowledge of such practices, nor of the "payment of money" to "American officials;" nor any knowledge of the agencies employed for the purposes specified.

Inquiry No. 15.—If "false valuations have in the past come of bribery and venality," there is no reason to doubt that bribery and venality will produce like results in the future. I have no exclusive official or personal information that "false valuations" have been brought about by corrupting agencies in the past, nor any knowledge of any case in which such agencies are "now brought to bear."

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Inquiry No. 16.—In the abstract, I do not favor "specific rates of duty," for the reason that such rates necessarily involve inequality in taxation, or, in other words, inequitable taxation. Such rates unavoidably impose the highest per cent. of taxation upon the cheapest merchandise and the lowest per cent. upon the most expensive merchandise. Necessities are overtaxed and luxuries are undertaxed. It has been proposed to mitigate these acknowledged defects by providing a graduated series of rates, adjusted to arbitrary divisions founded upon the weight, measure, or cost of the merchandise.

It may be said, on the other hand, that the specific system would undoubtedly simplify and cheapen the administration of the tariff laws, and that it would to a certain extent neutralize the frauds peculiar to the ad valorem system. But, on the other hand, it would almost certainly develop frauds peculiar to itself. I think it would tend to divert rather than "help to diminish the tendency to bribery." If undervaluations are secured by bribery, of course bribery in that direction would be checked by a system in which the duty is not dependent upon value. There is no possible common basis of comparison between the two systems on which the question of "benefit to the revenue" can be even approximately determined.

Inquiry No. 17.—"False, or, more accurately, incorrect reports of value by the appraisers," have no necessary connection with the repeal of the "moiety law" of 1874. The appraising officers were in no measure benefited or affected by that law, nor by the law of 1863, "respecting the seizure of books and papers." I know of no certain *data* by which it can be clearly shown that undervaluations have been either more numerous or more important than before the repeal of that law. I think the claim that such results have followed the repeal is largely speculative and theoretical.

Inquiry No. 18.—It would certainly not be "practicable" for the consular agents in the large districts to "personally examine" the merchandise covered by the invoices they certify. Nor can I see that large advantage would result to the Government from such an examination, even if every consul were an expert, and the volume and variety of the merchandise did not make such a proposal chimerical. The law must still place the final appraisal in other hands. And then what safegaurds would assure the integrity of the consuls against the temptations that would certainly beset them if any superior weight were to be given to their certified judgments?

Inquiry No. 19.—It is my clear and decided conviction that the determination of all appeals from the action of the appraising officer, involving questions either of *market values* or of *classifications*, should be determined, primarily, by judicial methods, with right of further appeal to the higher branches of the "Federal judicial power."

Such a change from the present chaotic method (or no method) would certainly be "safe, useful to the revenues, and just to the importer" and the Government, and is imperatively required by every consideration of equity and sound policy.

Inquiry No. 20.—I have no official knowledge of the matter covered by this inquiry.

Inquiry No. 21.—I have no direct knowledge as to this alleged practice. Rumor has grown hoarse in proclaiming its existence, and I know of it chiefly as a matter of rumor. If such practices prevail, as I cannot doubt that they do, to some extent, I think they could be corrected, in great meas-

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ure, by sending all baggage to the public stores for examination, or by providing some other suitable place where it could be examined as thoroughly. Passengers might be required to furnish a full list of their accompanying baggage, together with a sworn statement of the value or cost of all new dutiable material contained therein.

It would be necessary only that the penalties for false statements should be made more severe than in the case of merchandise regularly entered, to secure a very general compliance with the proposed requirements.

Inquiry No. 22.—I do not know what "evidence" there is to show that the Treasury has failed to collect the whole duty prescribed by law at this port, nor if such alleged failure be established by conclusive evidence, nor whether it is confined to such articles as are charged with high rates of duty. It is my conviction that the keen competitions of commerce would be quite as likely to result in undervaluations as high rates of duty. The final and conclusive objections to extreme rates of duty are not to be found in that direction. The higher rates of duty are, as a rule, imposed upon merchandise too bulky to admit of active smuggling, especially at the great seaports.

Inquiry No. 23.—Presumptively, if there has been "failure on the part of the Treasury Department to enforce the revenue law" at this port, there has been a like failure, and "for similar reasons," at the other "large Atlantic ports." The agencies through which the Department enforces that law have not at this port been inferior, in any respect, to the agencies employed at other ports. Facts recently come to my knowledge demonstrate that there must be a large loss of revenue by reason of the failure to collect duty upon the full market value of merchandise at the interior ports. I have no knowledge of any failure to enforce the revenue law either at this port or any of "the large Atlantic ports."

Inquiry No. 24.—I have no knowledge of the reasons why "persons or officials concerned" in making "false reports to the collectors of dutiable values have not been" arrested, indicted, and punished.

Respectfully submitted.

D. C. STURGES,
Assistant Appraiser, Tenth Division, Appraiser's Department.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 127.

GEORGE N. BIRDSALL—Appointed Examiner April 20, 1877; Assistant Appraiser June 15, 1878.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 18, 1885.

SIR: I am in receipt of your printed circular (without date) requesting "careful and official replies" to the twenty-four inquiries submitted. Following, numbered to correspond, are replies to the questions referred to:

1.—I have no evidence that the rates of duty have not been levied and collected as the law prescribed.

2.—I have no evidence that upon articles which pay specific rates only the full legal amount of duty has not been collected.

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3.—The widths of textiles are always measured; the lengths occasionally, to verify those on the invoices or tickets. Where goods are bought and sold by the piece of a given number of yards, the lengths are frequently verified by actual measurement while undergoing examination, using, in making such measurements, the yard or metre stick provided for such purposes, while resort is sometimes had to weighing to test the lengths.

4.—No evidence of collusion of the character specified within my knowledge.

5.—No evidence of "false or incompetent or inadequate weighing or measuring on the wharves" to my knowledge.

6.—I could not suggest any amendment to the law that would prevent such differences. I do not know how many collectors' suits are pending in Boston, New York, Philadelphia, and Baltimore. I should judge that "a plan might be devised" by which these suits could be more speedily disposed of. The law might be amended so as to require the payment of interest, at the legal rate in the State where judgment is rendered, in all cases, whether the judgment is in favor of or against the United States. The existing judicial system might accomplish the work of trying causes growing out of rates of duty or taxes, if efficiently worked; if otherwise, a customs tribunal would, and almost has, become a necessity. Such a tribunal would, in my opinion, more speedily settle disputes in matters of customs and internal taxation.

7.—No evidence has been submitted to me showing conclusively "that the Treasury Department has during recent years failed to levy and collect in New York the entire and full amount of duty that the law prescribed" on such merchandise as is assigned to my charge for appraisement. As to other merchandise, I have only hearsay evidence, gained from a slight knowledge of matters recently investigated at this port, and which, I believe, have been fully inquired into and reported upon.

8.—In the instances referred to, it came about by the then appraiser ordering the examiner to reduce advances below the penalty point in cases of some favored importers. These cases have been recently investigated, I am informed, and reports made to the Treasury Department by the commissions appointed for the purpose.

9.—(1.) I cannot state how long the reporting of false values had existed. (2.) I am informed the articles so reported consisted of kid gloves, ornamental feathers, worsted or hair yarns, and Scotch caps. (3.) The places of manufacture or shipment are not known to me. (4.) I do not know whether they were shipped by the makers or purchasers. (5.) I do not know whether a similar condition of things has existed at other ports. The examiners' statements would, in some instances, appear to corroborate those of the special agents of the Treasury.

10.—There has been doubt and some conflict of opinion respecting the inclusion in, or addition of, the value of cartons, tillots, and other so-called charges to the market value of the naked merchandise. So far as I am aware, there is no difference of opinion as to the time and place and standard to be applied in determining the value of the merchandise *per se*.

11.—I do not think a *safe* average estimate can be made of such undervaluations, and I do not know that the articles or invoices can *now* be identified.

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12.—If such false return of values occurs through ignorance or carelessness, the examiner would primarily be responsible, and, providing the assistant appraiser had confidence in the integrity of his subordinate, and had not closely supervised the particular appraisement, the assistant appraiser would also be responsible in part. Examiners' salaries range from $1,800 to $2,500, assistant appraiser at $3,000 per annum. The appraiser does much more than "officially certify to the collector the values fixed and reported to him by the examiners and assistant appraisers." He assigns the merchandise to the different subordinates for examination and appraisal; his knowledge of the various classes of merchandise, and the ability of his subordinates in the appraisal of them, enables him to so distribute them that they may be faithfully and intelligently inspected and valued. In fact, the appraiser selects, causes to be appointed, and assigns to duty the subordinates under him. He also makes rules and regulations for the government of the business transacted within his department, and sees that the laws and rulings of the Treasury are uniformly enforced throughout every branch of it.

13.—I have no evidence that any Government officials have connived at the presentation to the appraisers of undervalued invoices.

14.—If true, I think it cannot be *fairly* said the failure to collect all the revenue has come of dishonesty on the part of customs officials. In some instances it may be true. I have no evidence of money being used to induce officials to report false values, nor have I ever heard of a "corruption fund" for such purposes, or of the means to raise and disburse it.

15.—If undervaluations have come by corrupting customs officers, the same means may be tried again. Whether they be successful depends upon the honesty of the present incumbents and the vigilance of those officers whose business it is to supervise the work done by them.

16.—In my own judgment, a change from ad valorem to specific rates would not benefit the revenue nor help to diminish a tendency to bribery. I think bribery could be less easily detected. False weights or measurements could be reported through collusion, and after removal of the goods the fraud could not easily be discovered. Specific rates can be applied to textile fabrics generally.

17.—I am of opinion that the repeal of the moiety provisions by the act of June 22, 1874, has caused more undetected undervaluations, because it removed an extra incentive to work for their detection. This dishonest importers have availed themselves of, they knowing that if the incentive is not there the risk of detection is lessened.

18.—I think it is not practicable in large consular districts, such as London, Paris, &c., for our consular agents to examine all articles of merchandise designed to be shipped to the United States to verify the correctness of invoice values; but that it may be feasible for the consuls to familiarize themselves with the values of the leading articles of export to this country. I cannot state in which districts it can be safely and surely done in every shipment. I have no doubt complaints would be made of vexatious delays if it were attempted to hold invoices in order to examine values before certifying thereto. The legal fee is $2.50. I do not know personally what fees may be exacted in "London and in England by our consuls for certifying invoices."

19.—It is my judgment that it would be no more safe or useful to the revenues, nor more just to the importers, if the executive or the judi-

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cial powers had greater jurisdiction in the matter of the ascertainment of dutiable value, the basis for the levying of ad valorem rates of duty. Take away from the appraiser his right to apply the knowledge of values and the judgment he has acquired by experience, and require him to conform to an inflexible rule in determining values for duty purposes, and he becomes, so to speak, a mere machine and of little value.

20.—Regarding an "analysis of the history of the several rates of duty on wool since 1860," &c., I beg to defer to the opinions which may be expressed to you by the assistant appraiser and examiner having charge of the appraisal of that merchandise, my own experience in that direction being limited. I would merely add that I am not in favor of compound rates.

21.—The feeing of inspectors of baggage may be better prevented by a regulation that each incoming passenger must be supplied with a blank declaration, having also printed thereon that no fees are to be paid to customs officers, and specifying thereon the penalty for violation of the law in that respect.

22.—The evidence, so far as known to me, does not tend to show that where the Treasury Department has failed to collect all the duty the rate is too high, because it is not every invoice of merchandise subject to the high rate that is undervalued; it is believed to be only those entered by dishonest and favored importers which are undervalued, and they would be as apt to defraud were the rates lower, although the inducement is not so great. These undervaluations might be detected by employing only competent experts and comparison of invoices and merchandise.

23.—I have no knowledge as to the manner in which frauds have been perpetrated at the other large Atlantic ports.

24.—Some officials suspected of guilty knowledge of undervaluations have been complained of and removed from office. Why they were not arrested, indicted, and punished I am not informed.

I am, very respectfully, your obedient servant,

GEO. N. BIRDSALL,
Assistant Appraiser.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 128.

EDWARD ROWE—Appointed Assistant Appraiser July 2, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 28, 1885.

SIR: In reply to the communication of the Treasury Department covering a series of questions addressed to me and requesting a reply in detail, I have the honor to state that many of the questions do not come within the range of my knowledge, and to those that do I herewith submit a statement in the following order: 3, 7, 8, 10, 11, 12, 15, 19, 23.

3. The only true test that can be made is in a personal measurement of the goods, and it is impossible to do this. The goods, however, are

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measured when the examiner has reasons for so doing. The usual course is to count the turns and measure the width. The examiner in textile fabrics in this division informs me that in an experience of many years he has never known any attempt to defraud by false measurements.

7. In the article of leather gloves, I have the daily evidence of an attempt to undervalue by the shipper, and, in the hope of successfully stopping this practice, have every case imported sent to this division for personal examination, with the result that fully 20 per cent. of the invoices are advanced.

8. The examination by the commissioners of the glove business and the testimony taken by them will fully answer this inquiry, as also the question No. 9.

10. There is the usual difference of opinion that will arise in all cases where the merchandise under consideration is of a mixed character and not more clearly defined. This, however, arises from a want of expert knowledge in the framers of the tariff act; but a regard and dependence upon the Treasury circular, so far as the examiner and appraiser are concerned, settle the matter.

11. I think it could be done.

12. I look upon the examiner as the most important factor in the collection of the revenue on imported merchandise, for it is upon his acquaintance with and his expert knowledge in connection with his character and honesty alone that the Government can depend on for an honest return of the revenue and a protection to the honest importer, as it is upon his return that much of the duty is collected. His salary is from $1,800 to $2,500. This amount of salary, in my mind, does not command such ability as the Government should have any longer than a better opportunity presents itself to the incumbent. Beyond this, such insufficient salaries for the talent demanded and the power possessed open up a large field for temptation in time of need.

The duty of the appraiser and deputy appraiser, if they gave such attention as their position demands, has not only a general knowledge of his divisions and its doings, but also that of his examiners and the duties they perform, by consultation on the classification of and advance deemed necessary to make, and the correct rate of duty to be paid on the merchandise.

15. I think the most effective way to stop bribery or venality, for the present or the future, is to obtain the services of the best and most efficient class of experts and give them salaries sufficient to pay them for their services, a proper recompense, and thereby render them free from temptation.

I do not think the change from ad valorem to specific duty would have any effect in making consignors from abroad more honest in their invoices. To my mind, the only way to prevent venal and corrupt practice is for the Government to have active, efficient, and honest officers to protect the revenue. Specific rates could be applied to textile fabrics, but the result would be that the burden of taxation would fall upon the poor.

19. I am of the opinion that a change of the existing law and practice now in use would only tend to create confusion, and still more complicate the collection of the revenue, and be of no advantage to the importer.

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23. I am of the opinion that in the ports of entry throughout the country goods are entered at a lower rate of duty than in New York, owing to a want of knowledge on the part of the examiner and appraiser in a proper classification of the merchandise and the foreign market value.

Very respectfully,

EDWARD ROWE,
Assistant Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 129.

CHARLES E. STOTT—Appointed Assistant Appraiser July 22, 1885.

NEW YORK, *October* 1, 1885.

SIR: I have to regret that my brief service in the position that I have the honor of occupying does not enable me to respond in a more com, plete manner to the questions proposed in your confidential circular.

Below I have the pleasure of submitting such answers as my acquaintance with the subjects will allow me to make.

Very respectfully,

CHAS. E. STOTT,
Assistant Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

Questions 1, 2, 3, 4, and 5. Cannot state.

6. Certain sections of the law seem somewhat obscure, and between others there appears to be some conflict of opinion. To the remainder of this inquiry I can return no reply.

7, 8, and 9. Can give no information.

10. While there exists in this division a fair understanding of the principal elements of dutiable values, doubts of the real intent and meaning of section 7 of the act of March 3, 1883, do arise, which materially affect the question under consideration, and occasion not unfrequently some diversity of opinion. There seems also a want of harmony between section 2499 and paragraph 92, Schedule A, in the classification of new productions in the line of chemical salts that are from time to time being placed upon the market.

11. Am not able to state.

12. The examiner primarily, but not altogether. The assistant appraiser inherits a fair share of responsibility in the premises. Salaries of examiners vary. From what I have realized of the demands upon the appraiser's time, I would say that he could scarcely do more than officially certify the appraisements of the examiners and deputy appraisers; but from the scrutiny certain elements of duty receive at the hands of the present incumbent, it would appear that his duties are not performed in a perfunctory manner.

13, 14, and 15. Cannot say.

16. A change from "ad valorem" to "specific" rates would undoubtedly check the tendency to certain corrupt practices. As to the

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application of specific rates to textile fabrics, have not sufficient knowledge of said fabrics to state.

17. Cannot say.

18. I do not think it would be practicable. Cannot name the districts where the consular officers could accurately ascertain invoice values. Complaints would be sure to follow delays of any kind.

19. I do not think that a disturbance of the existing law would be attended by any beneficial result.

20, 21, 22, 23, and 24. Cannot say.

No. 130.

RODNEY SMITH—Appointed Examiner October 14, 1874.

PORT OF NEW YORK, APPRAISER'S OFFICE,
Barge Office, October 8, 1885.

SIR: The following are my replies to your interrogatories in as full and explicit form as my limited time from other official duties will permit of:

1. I know of no evidence to the contrary.

2. I am not aware of any.

3. This question can best be answered by the examiners who pass upon textile fabrics exclusively.

4. I am not aware of any evidence of collusion, and have heard of only one official who has been guilty of the act, and I am pleased to say that he left the service as soon as his crime was proven.

5. I am not aware of any.

6. This question is respectfully referred to the district attorney.

7. I am unable to specify any articles, within my own knowledge, where such a failure has occurred.

8. If there has been any failure in this regard, I do not think it owing to ignorance, indolence, or dishonesty of the Treasury or custom-house officials; nor do I know of any reliable evidence to show a guilty knowledge of the failure or a conspiracy to promote it.

9. I am not aware of any evidence that the appraiser has reported false dutiable values to the collector. I believe such a practice could exist only for a short period in the same line of merchandise; importers are too watchful in their own interest to permit its continuation. I do not believe that the evidence furnished by special agents of the Treasury or the consular agents can at all times be implicitly relied upon. I can see no reason why they would not at times be misled.

10. I have never heard of any confusion or conflict in the appraiser's department. The statutes seem to me to be clear in regard to the standard to be applied.

11. I think not.

12. The examiner, in all cases, except when his judgment is overruled by his superior officer. The assistant appraiser approves the report of the examiner. He should have such supervision over his division as to enable him to know the character and ability of his examiners, and he should be consulted in all cases of doubt, or when raising an invoice, in order that he may feel satisfied that all due precaution has been exercised for the proper protection of the revenue. The appraiser should also be made aware of, and consulted in, all matters of any magnitude

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before final action is taken and the examiner's report completed. Ordinarily, from the press of business, he is obliged to accept and officially certify to the values fixed and reported to him by the examiner and assistant appraiser. From $1,400 to $1,800.

13. Not to my knowledge.

14. I am not aware that false values have habitually or even occasionally been reported to the collector with any guilty knowledge of the fact. Under the previous administration of the Treasury, it is my firm belief that the tariff law has been as faithfully executed as was possible with its many complications.

15. If false valuations there has been, I am not prepared to believe that they were the result of bribery or evil intent, but more likely to have occurred from inexperience of the examiner or the want of facts known only to the manufacturer or the producer of the merchandise.

16. I am not prepared to say that a change from ad valorem to a specific duty would be a benefit to the revenue. I do not think it would change the propensities of man. If dishonest in levying the tariff in one form, I scarcely believe he would be honest in the other. I am not prepared to say.

17. I do not believe that the repeal of the moiety law has affected the reports of the appraiser in the slightest degree. I always had grave doubts of its utility or justness, as it gave such a wide range for the levying of blackmail.

18. I should say not. Fees, $2.50.

19. To my mind, the law in its present form affords all the safeguards required. I fail to see what usefulness to the revenue, or what additional justice to the importer, could be derived from increasing the jurisdiction of the executive or judicial powers.

20. This question I respectfully refer to the expert in the wool department.

21. No doubt this practice has prevailed, to a certain extent, in all of the larger ports in years past, especially soon after the war, at which period, and for some years after, the examination was much less thorough than at the present time. I am satisfied that the examinations have been improving in thoroughness from year to year, which has had a tendency to deter many from bringing dutiable goods in their luggage, thereby decreasing the necessity or the inclination to fee any one. It is also my firm belief that this pernicious habit has about reached the minimum. If a fee is passed, I am inclined to believe it only intended as a gratuity after the work is done, and not for any corrupt purposes.

22. I am not aware of any evidence that would prove that the Treasury has failed to collect the whole duty prescribed by law. Nor do I believe that by decreasing the rate of duty a rogue could be made honest. The motive to undersell his competitor would be the same, the gain perhaps not quite so large. I believe in the Government's ability to protect.

23. I can see no reason why not; the cause and effect I believe to be the same.

24. If such things have been done, and the culprit not complained of, the facts are beyond my knowledge.

Respectfully submitted.

RODNEY SMITH,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 131.

ALONZO P. CARNER—Appointed Clerk July 3, 1872; Examiner August 3, 1876.

PORT OF NEW YORK, APPRAISER'S OFFICE,
October 7, 1885.

SIR: In reply to the letter of the honorable Secretary of the Treasury of a recent date, requesting answers to certain questions therein contained, I make the following answers:

First question.—There is no evidence within my personal knowledge.

Second question.—There is none to my knowledge.

Third question.—I do not examine textile fabrics, therefore am not the proper person to give this information.

Fourth question.—I know of none.

Fifth question.—I know of none.

Sixth question.—The United States district attorneys are the proper officials to give this information.

Seventh, eighth, and ninth questions.—I have not sufficient knowledge respecting the information desired in these questions to give an opinion that will be of value to the honorable Secretary of the Treasury.

Tenth question.—There has been considerable doubt as to the construction to be placed upon section 7 of the act of March 3, 1883, owing to the somewhat conflicting decisions of the Department, particularly as to whether the value of the usual and necessary sacks, boxes, or coverings of any kind, should be considered as an element of dutiable value. The latest decisions of the Department, however, would seem to have cleared up the matter considerably.

Twelfth question.—In my judgment, the examiner is primarily and chiefly responsible, as he has both the invoices and merchandise before him, and, therefore, has the means of detecting anything fraudulent in the importation, either as to quality, quantity, or valuation, whereas the deputy appraisers and appraiser must necessarily make a more superficial examination. It would not, in my judgment, be practicable for either of them to have the merchandise before them; and, besides, it would be almost impossible, in view of their other duties, to make a personal examination.

Thirteenth question.—If there is satisfactory evidence, I am not aware of it.

Fourteenth question.—I think it can be fairly said that the failure has come of dishonesty in many cases and in incompetency in many others; and when from dishonesty, it has, no doubt, been accompanied by guilty knowledge on the part of the examiners, deputy appraisers, and deputy collectors.

Fifteenth question.—I believe that some of the removals made by Appraiser McMullen, together with the belief that the Secretary of the Treasury has been and is endeavoring, if possible, to ascertain any and all corrupt practices connected with the collection of the revenue, has had and is having, for the present at least, a beneficial effect with those who in the past have been guilty of such practices; and, should the Treasury Department relax or cease its efforts in this matter, I believe such practices will, in a measure, return and be engaged in by those who have been guilty of them in the past.

Sixteenth question.—I believe such a change in respect to many articles should be, for the reason that the duties could be more easily deter-

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mined, and the question of undervaluation, which has been one of the principal means of defrauding the Government, would not arise.

Seventeenth question.—I believe this question can be more satisfactorily answered by some other official.

Eighteenth question.—It would no doubt be very beneficial if in all consular districts the goods to be shipped could be examined and the market value ascertained before shipment. The market value could be more easily ascertained in those places than here if competent persons were designated, and they were faithful and diligent in the discharge of their duties. I do not see why such a practice might not be obtained in nearly all of the consular districts.

Nineteenth question.—As I am not a lawyer, I do not consider myself competent to answer this question.

Twentieth question.—I do not, and never did, examine wool, and, therefore, cannot answer this question.

Twenty-first question.—It is so believed, and it can only be prevented by appointing competent and honest men to perform such service. The presence of Treasury agents at such examinations cannot but have a beneficial effect, provided they are also vigilant and honest.

Twenty-second question.—I do not know on what articles the Treasury Department has failed to collect the whole duty prescribed by law.

Twenty-third question.—As far as I know, it has; and I know of no reason why it should not be.

Twenty-fourth question.—If false returns and reports to the collectors of dutiable values have been made in times past, I know of no reason why the guilty parties have not been arrested and punished, unless it be that they have not been detected in such criminal practices.

I beg the honorable Secretary of the Treasury, in considering my answers, to keep in view that in my department I am detailed to examine chiefly the following articles: Spices, fruits, fish, vegetables, seeds, oil, nuts, &c.

I have the honor to remain, your most obedient servant,

A. P. CARNER,
Examiner in the Tenth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

132.

DANIEL W. LEE—Appointed Examiner May 9, 1871.

PORT OF NEW YORK, APPRAISER'S OFFICE,
October 10, 1885.

SIR: Respectfully referring to your circular of September 27, containing twenty-four questions relative to the administration of customs laws, I have the honor to state that in respect to the matters referred to in some of these questions I have not sufficient experience or knowledge to give the desired information.

In reply Question 10, I would say that the doubts which have existed as to some of the elements of dutiable value have been nearly all settled by the decisions of the Department and of the courts.

Probably a clearer definition of market value would be desirable.

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There is an uncertainty, when the price for home consumption differs from the price for export, as to which should be taken as the correct dutiable value. With some merchandise quite a difference in these two prices exists, especially when the merchandise is protected by a patent or copyright at home and not so protected abroad.

The price actually paid by the importer, when the merchandise is bought by fair and open purchase, would seem to constitute market value, even if lower than that prevailing for the home market. This seems to be in accord with the decision of the Department of May 15, 1877, (Synopsis, 3238,) which states that "the general range of prices actually paid for books shipped from foreign countries to the United States" may properly be accepted as a standard for the "actual market value or wholesale price" prescribed by law as a basis for assessment of duty.

11. No safe average estimate can now be made of the percentage of the undervaluations of appraisers in any year or series of years. The merchandise which may have been undervalued has in most all cases gone into consumption, and an attempt to estimate the undervaluation must be almost altogether a matter of guess-work and of no real value whatever.

12. As between the examiner, assistant appraiser, and appraiser, the examiner is held to be primarily and chiefly responsible for a false return of value to the collector. Of course neither the assistant appraiser nor the appraiser can make a personal inspection of all the articles sent to the public store for examination, while the examiner to whom they are sent, and who does see them, must be held to be so far responsible as the facilities which he has for obtaining market value will enable him to do so. The assistant appraisers and the appraiser can approve or disapprove of the returns made by the examiners, or amend them, or ignore them altogether and make themselves such returns as they may deem to be more correct. The appraiser is much more ordinarily and in fact than one who officially certifies to the collector the values fixed and reported to him by the examiners and assistant appraisers.

The correct ascertainment of values and the proper classification of the merchandise imported are probably as important duties as any in the custom service, and require the utmost care and vigilance as well as skill.

The appraiser, in addition to having the discipline of his department to supervise and maintain, is constantly called upon to decide the differences which arise between the importers and examiners as to the proper classifications, and even values, and his decision is final, so far as his department is concerned.

There is probably no other department in the customs service where the knowledge and efficiency of the head of the department exerts so much influence on his subordinates, or where such continued careful, personal supervision is necessary.

16. Specific rates of duty are in all cases desirable when they can be justly levied. There are, however, many articles on which a specific rate would be either prohibitory on the cheaper class, or merely nominal on the more valuable. Thus, printed matter varies in value from 20 cents to $15 and more per pound; and while the present rate of duty of 25 per cent., which is at about the rate of 5 cents per pound on the cheaper publications, is almost and in fact altogether prohibitory on some of them, 5 cents per pound would be merely nominal on those of

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high value. On such merchandise as this an ad valorem duty seems to be the fairest, and will bring in more revenue to the Government.

18. It would seem to be practicable in all the American consular districts for American consular agents to personally examine articles to be shipped from thence to American ports, and to verify very nearly the correctness of the invoiced values of the same. It is not to be supposed that they could ascertain the correct dutiable value of each shipment, but they could investigate such goods and invoices as there was a doubt about their being properly valued. There need not be vexatious delays, as when the same kind of merchandise is regularly exported the investigation could be continued until the consul was satisfied, and his action in regard to the invoices could then be determined.

If the consul could be empowered to withhold his certificate when the shipper refused to give any explanation, it would probably, in most instances, induce him to reconsider his refusal. It does not seem likely that any foreign power would listen to the complaints of any shipper who would not give a consul any opportunity of satisfying himself that his invoice prices were correct.

It is desirable that the consul shall require the shipper to state *separately* on his invoice the market value of the merchandise, as required in section 654 of article 30 of the consular regulations, relating to the authentication of invoices.

Many invoices, after giving the prices of the merchandise, state that these prices include the cost of transportation, case charges, consul's certificate, &c., and an amount to cover these is deducted from the invoice. It is often very difficult to ascertain the correctness of these charges, and their elimination from the cost of the goods is much to be desired, and will prevent the covering up of some fraud.

Government agents stationed abroad, who could assist the consuls in investigating suspected undervaluations, might be of great assistance. They or the consuls might be furnished by the appraisers with the names of shippers or manufacturers of whom information was desired, and the information obtained by them might materially assist the appraiser's department in the ascertainment of dutiable values.

19. The ascertainment of dutiable value is the ascertainment of a fact. It is doubtful if it would be judicious for the executive or the judicial powers to endeavor to ascertain these facts. It would overburden either of them with a great number of appeals, the executive especially, if it cost the importer nothing to appeal. It is not probable that either the executive or the judicial powers would be able to give the same time and attention to the subject as the appraisers and reappraisers, or that they could arrive at any fairer result. The present system of appraisement and reappraisement, if conducted by competent appraisers, is likely to give the best results attainable.

22. A high rate of duty will always cause dishonest importers to attempt to evade it, and it is doubtful if these rates are really beneficial, either to our home industries or to the people at large.

Very respectfully,

DANIEL W. LEE,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 133.

JAMES E. WELCH—Appointed Examiner September 29, 1875; May 7, 1878.

PORT OF NEW YORK,
Appraiser's Office, October 10, 1885.

SIR: In reply to your circular letter, without date, I respectfully submit the following:

In answer to interrogatories 1, 2, 4, 5, 7, 8, 9, 11, 14, 15, 17, 20, 22, 23, and 24, the scope of my duties has not been such as to enable me to form a correct opinion.

3. By actual measurements.

6. The existing law and system are cumbersome and expensive, involving vexatious delays, and operating in many cases to debar importers who have just claims from prosecuting them. There can be no good reason why a plan should not be devised and put in execution whereby disputes between the Government and importers should be promptly and expeditiously settled, at a small expense.

The other questions under this number I cannot answer.

10. I am of opinion that cases frequently arise in which there is a conflict of opinion among the appraising officers with regard to the proper and correct methods of ascertaining dutiable values.

12. The *examiner* is primarily and chiefly responsible, in the usual course of business, for all returns of values. In cases of doubt or dispute he will consult with the assistant appraiser of his division, but these cases are comparatively rare. In still more rare and exceptional cases the appraiser will be consulted, but in such cases his decision will be judicial rather than technical. The appraiser is the executive officer of the department, and is rarely an expert in any kind of merchandise. The present honored chief of this department is, however, a notable exception to this rule, he having from long experience acquired technical knowledge of a high order in many varieties of merchandise. The duties of the assistant appraiser are, as relating to the business of his own division, analogous to the duties of the appraiser, largely administrative, and thus rendering it impossible for him to make a personal inspection of goods.

The maximum salary of an examiner is $2,500; the minimum has always been $1,800, until two or three years ago, when Appraiser Ketchum raised several clerks of lower salaries to the grade of examiner, without raising their salaries.

13. I cannot speak as to the *integrity* of our consuls abroad, but in an experience of ten years upon the docks in connection with the examination of passengers' baggage, I have had weekly evidence of the utter and deplorable ignorance of our revenue laws and regulations on the part of our foreign consuls. Tourists and others are constantly misinformed by them as to rates of duty, and many articles which consuls should know to be dutiable are declared by them to be exempt from duty. Confusion and discontent are bred of this inexcusable ignorance.

I would recommend that a copy of Heyl's Tariff, and a copy of Treasury laws and regulations be furnished to each of our consular agents abroad, with an admonition to carefully study the same.

16. I do not believe that a change from ad valorem to specific duties would be a benefit to the revenue. I am unable to see how specific rates

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could be applied to textile fabrics without bearing unequally and unjustly against either the higher or the lower grades. In my opinion, the present specific portion of the compound rates applied to woolen fabrics should be abolished or superseded by an equable ad valorem rate.

18. In my opinion it would be a physical impossibility for an American consular agent at either of the large cities named to personally examine all the articles shipped thence to American ports, nor, were he able, would such examination have the slightest value as determining the value of such articles, our consuls being for the most part men wholly without the knowledge or experience to fit them for this service.

19. This question relates to a subject so broad and so important that while I have very decided opinions concerning it, it can hardly be treated within the limits of this communication. I will only say that I am so impressed with the fallibility of human judgment that I regard it as a most dangerous principle that the conclusions of any one man, however gifted he may be, should in all cases be final and conclusive, never subject to review.

21. With regard to this matter I have no knowledge beyond common report, nor am I able to suggest any remedies other than those now in operation.

Respectfully,

JAMES E. WELCH,
Examiner.

Hon. DANIEL MANNING,
Secretary.

No. 134.

JAMES S. DUMOND—Appointed Opener and Packer, New York, February 19, 1879; Clerk and Verifier June 30, 1883; Examiner July 16, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 10, 1885.

SIR: Referring to a circular from the Treasury Department, marked strictly confidential and signed by you, with the request to answer certain questions, I have the honor to submit the following answers. Questions from 1 to 6 I have no knowledge.

7. The only article coming before me for examination, which the Government have failed to collect the full amount of duty, is decorated plaster and wood church statuary, consigned to A. Diepenbroeck, of this city, and admitted as works of art, at 30 per cent. ad valorem, instead of paying duty according to material.

8. I do not know.

9. I have no knowledge.

10. I have no knowledge of there being any confusion or doubt or conflict of opinion in this department concerning the dutiable value of goods.

11. It could not.

12. The examiner is chiefly responsible for a false return of value, as it is impossible for either the appraiser or assistant appraisers of the different divisions to personally examine merchandise passing through this department. The appraiser officially certifies to the collector the values reported to him by the examiners and assistant appraisers.

13, 14, 15. I do not know of any.

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16. I think a change from ad valorem to specific rates would benefit the Government; and, also, if there is any bribery, it would have a tendency to stop it. We have no textile fabrics in this division.

17. I do not know.

18. It would not be practicable for consuls to examine goods before shipment. Consul fees, $2.50.

19. It would not.

The balance of the questions, I have no knowledge.

Respectfully,

JAMES S. DUMOND,
Examiner of Toys, Musical Instruments, &c., Second Division.

Hon. DANIEL MANNING,
Secretary of Treasury.

No. 135.

JOSEPH FREED—Appointed Clerk and Verifier June 4, 1873; Examiner September 26, 1883.

PORT OF NEW YORK,
Appraiser's Office, October 5, 1885.

SIR: Respectfully referring to your circular indorsed strictly confidential, I have the honor to submit the following reply:

1. To my knowledge, none.
2. I know of no evidence that such is the case.
3. Have had no experience with that class of merchandise.
4. I know of no evidence that such is the case.
5. I know of none.

Questions Nos. 6 to 11 and Nos. 13 to 24 can be answered intelligently only by persons who have very carefully investigated and considered the subjects referred to—a Treasury agent, for instance.

12. The examiner is privately responsible for the return of values to the collector; the salary of such officer ranges from $1,400 to $2,500 per annum. At a port like this, where so much business is transacted, it is impossible for the appraiser to do anything more than certify the examiner's return.

Very respectfully,

J. FREED.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 136.

J. McC. FARRINGTON—Appointed Examiner September 1, 1868.

PORT OF NEW YORK,
Appraiser's Office, October 14, 1885.

SIR: I have the honor to acknowledge receipt of a circular marked confidential, to which I reply as follows:

1. The only knowledge I have of failure to collect the rate of duty prescribed by law has arisen from a misconstruction of the statutes. When cases of this nature arise they are easily remedied by an appeal to the Department for ruling upon the disputed point.

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2. I believe there is evidence, but I cannot speak from personal knowledge. It, however, only applies to improper classification. Frauds or mistakes of this nature are, however, easily detected and short-lived. A ruling on a classification is so sweeping as to tie the hands of an appraiser or examiner. If, after such ruling, an appraiser or examiner should not properly classify the article it would virtually convict him of either cunning or fraud, or else establish his incompetency. In either case the Government has a sure and speedy remedy. With appraisements ad valorem the case is different. The market value, always varying is fixed according to the judgment and in the best evidence of the examiner.

In the exercise of this duty he has far greater latitude than under specific rates, when classification is, or can be, fixed by rigid departmental decisions, and in proportion to his latitude is there room for collusion and fraud. In my own department all the articles appraised bearing specific rates are two, namely, fruit juices and ginger ale, and from my twenty-three years' experience, I believe to fix a specific rate for these articles would redound to the interest of the Government and importer.

12. The examiner is personally responsible for the true appraisement of all articles passing through his hands. While his standing in the department is unimpeached, his action on an invoice is practically final so far as the Government is concerned, the assistant appraiser and appraiser in their executive capacity simply certifying to his findings. The assistant appraiser is responsible, in a general way, for the good conduct of his subordinates, and would be primarily responsible for any fraud committed by an examiner or any subordinate in his division after a previous irregularity by an examiner or subordinate had been called to his attention. The appraiser holds the same relation to the assistant appraiser that the assistant appraiser has to the employés in his division. The salary of an examiner is from $1,800 to $2,500 per year, and is inadequate to the duties and skill required of him.

16. I have practically answered this question in No. 2. I believe that it is possible to fix specific rates to textile fabrics, although the problem is an exceedingly difficult one to solve.

21. I cannot speak from personal knowledge. I believe, however, from continued reports that fees are in many instances paid to inspectors by passengers arriving at this port. It is my conviction that this practice of offering and receiving a fee is far more general than commonly believed. In my opinion there is only one way to break up this practice. As long as the inspectors are allowed to meet the passengers the practice will be continued to a greater or less extent. If the baggage could be examined in a room to which the passengers had no access, and between the arrival of a steamship and the completion of the baggage examination, the inspectors could be kept apart from the passengers. The opportunities for collusion would be reduced to a minimum and the practice thereby virtually broken up.

The balance of the questions I cannot answer from any facts in my possession.

Respectfully,

J. McC. FARRINGTON,
Examiner Tenth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 137.

WILLIAM H. WARD—Appointed Examiner June 1, 1876.

APPRAISER'S DEPARTMENT,
New York, October 10, 1885.

SIR: In reply to the circular of the Hon. Secretary of the Treasury, of a recent date, requesting answer to certain questions, I make the following reply:

1. There is no evidence to my knowledge.
2. There is none that I know of.
3. I am not the examiner of textile fabrics, and am not the proper person to give this information.
4. I do not know of any.
5. I do not know of any.
6. The United States district attorneys are best qualified to give this information.
7, 8, 9. I have no knowlege covering these questions that would be of value to the Hon. Secretary of the Treasury.
10. There has been much doubt as to the construction to be placed upon section 7 of the act of March 3, 1883, owing to the somewhat different decisions of the Department, as to whether the value of the usual and necessary sacks, boxes or coverings, should be considered as elements of dutiable value. The late decisions of the Department, however, would seem in a manner to have cleared up the matter.
11. It would be very difficult.
12. In my judgment the examiner is chiefly responsible, as he has the invoices and merchandise before him, and therefore should detect anything fraudulent in the importation, whereas the deputy appraisers and appraiser must necessarily make a more cursory examination; it would be impracticable for either of them to have the goods before them.
13. There is no informatiou to that effect that I know of.
14. I think it can be fairly said that the failure has come of dishonesty in many cases and incompetency in others, and when from dishonesty on the part of the examiner the assistant appraiser would likely discover it in a short time.
15. I believe that the knowledge and experience of Appraiser McMullen, together with the belief that the Secretary of the Treasury has been endeavoring if possible to ascertain all corrupt practices connected with the collection of the revenue, has had and is having a beneficial effect.
16. I believe a change to specific rate might be desirable on many articles.
17. I believe this question can be better answered by some other official.
18. It would no doubt be very beneficial if in all consular districts the goods to be shipped could be examined and the market value ascertained before shipment. The fact of such investigation would prove a check to undervaluation.
19. As I am without legal knowledge I do not consider myself competent to answer this question.
20. I do not and never have examined wool; cannot answer this question.

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21. It is so reported, and it can only be prevented by appointing competent and honest men to perform such service.

22. I do not know of any articles the Treasury Department has failed to collect the duty prescribed by law.

23. As far as I am informed it has.

24. If false returns and reports to the collectors of dutiable values have been made in time past, I know of no reason why the guilty parties have not been punished unless it be that they have not been detected in such criminal practices.

In conclusion, I beg the honorable Secretary of the Treasury in considering my reply to keep in mind that in my department I am detailed to examine chiefly the following articles: Baskets, pipes, meerschaum, willow, amber, chalk, marbles, matches, &c.

I have the honor to remain, your most obedient servant,

W. H. WARD.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 138.

JOHN W. CORNING.—Appointed Examiner May 14, 1883.

PORT OF NEW YORK,
Appraiser's Office, October 13, 1885.

SIR: Referring to letter from Secretary without date, requesting answers to twenty-four questions relative to custom matters, I have the honor to state, in answer to the questions, taking the same in their numerical order, as follows:

1. None that I know of my own knowledge.

2. None that I know of my own knowledge.

3. By measuring the fabric in the piece per inch or per yard and calculating the whole amount with the inch or yard as the unit, comparing and verifying the result with the statements contained on the invoices.

4. None that I know of my own knowledge.

5. Regarding bulky merchandise paying duty by weight or measure, I am unable to speak, not having the handling of the same. With regard to small articles, however, contained in passengers' baggage, inadequate weight or measure cannot be otherwise than often taken, owing to the absence at the time of any proper implements for determining the weight or measure.

6. My answer is only that of a layman, as I have no knowledge of the court business involved in suits with the collector, and can only venture the expression that in my judgment the adoption of specific duty would correct many of the evils complained of.

7. None than I know of my own knowledge.

8. Answered by reply to previous questions.

9. I am not acquainted with custom-houses of any other port than New York, and have no personal knowledge that the appraiser there has ever reported any false dutiable values.

10. There has been and is considerable doubt and conflict of opinion about the question of charges which many importers claim are exempt from duty under section 7, act March 3, 1883.

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11. There being such decided and difference of opinion regarding undervaluations, that in my judgment *any* estimate of the same would be only speculative.

12. The examiner is primarily and chiefly responsible, and his salary varies from $1,400 to $2,500 per annum. Under several administrations of the office, I am informed the appraiser was not much else than one who certified to the collector the values fixed and reported to him by the assistant appraiser.

13. None that I know of my own knowledge.

14. I am unable to answer this question from any personal knowledge or belief on the subject.

15. No reason unless it be the vigilance of the administration now in power.

16. In my judgment specific duties are to be preferred to ad valorem, and if there were an accommodating spirit among interested parties, could be applied to all textile fabrics.

17. I have not sufficient specific information to answer this question.

18. My answer must be the same as that made to the previous question.

19. In my judgment the courts of the United States should have jurisdiction to interfere when the advances involve charges, and in all other cases when the advances are greater than 5 per cent.; and also in the case of all advances of a less amount where the importer shows an actual purchase and sale.

20. Not being an expert examiner of wool, I am unable to answer the question.

21. I have no personal knowledge of any such practice existing at the port of New York.

22. I do not possess sufficient information on this point to express an opinion.

23. Answered by previous question.

24. Not possessing any personal information or knowledge that false returns or reports have been made to the collector, I am unable to make further answer to the inquiry.

All of which is respectfully submitted by

JNO. W. CORNING,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 139.

GEORGE C. HAMMILL—Appointed Examiner June 29, 1878.

PORT OF NEW YORK,
Appraiser's Office, October 20, 1885.

SIR: In reply to your circular of inquiry (marked "strictly confidential") on the subject of our custom laws, their operation, evasion, &c., is at hand, and finds me, I am sorry to confess, wholly unable to render any valuable assistance to the Department in its consideration of this important matter.

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A majority of the questions propounded are addressed to specialists in branches of the service very different from the one in which I have the honor of serving.

On the subject of our consular service and the practicability of a closer examination of goods before their shipment, together with all questions touching our custom relations abroad and custom reforms at home, I do not feel myself sufficiently the "political economist" to venture an opinion, which would of necessity be both crude and unprofitable.

The 12th question is the only one of the many to which I am able to give even a comparatively comprehensive answer. As between the examiner, deputy appraiser, and the appraiser himself, I look upon the examiner as the official primarily responsible in the usual course of business for a false return of value to the collector. It is the examiner who inspects and grades the importation, and upon his report is based the subsequent action of the deputy appraiser and the appraiser himself.

As to whether or not the appraiser is ordinarily only an unnecessary middle man between examiner and collector, I can offer no opinion; certainly his duties embrace the certification of examiners' reports and their transfer to the collector. What other or more important jurisdiction he may have I am unable to say. My reason for fixing upon the examiner as the one most likely in the ordinary course of events to attempt a false return of valuation, arises from the fact that collusion in this case would embrace only importer and examiner, whereas in the case of a false return from appraiser to collector unless an understanding existed between importer, examiner, and appraiser, the danger would be so greatly augmented as to render the scheme unfeasible.

I do not think that in our public service this latter example of systematized machine work, dishonesty is as liable to be put into operation as the individual unfaithfulness in the first case, when a single transaction between importer and examiner settles the business, and in a great measure confines and minimizes the risk.

I can only say in response to the question asking for direct information on existing irregularities in the service, that I know of none; and, allow me in this connection to assure you that as an honorable man and honest official I shall ever protect the administration of my department affairs with watchful interest and best service as a trust, the violation of which affects my personal honor.

With many regrets for the unavoidably meager contents of this letter, and with assurance of my willingness to assist you in any manner and to any extent consistent with my information, I have the honor to be,

Very respectfully, your obedient servant,

G. E. C. HAMMILL,
Examiner, Cigar Department, Tenth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury:

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No. 140.

JOHN Q. MITCHELL—Appointed Clerk, New York, July 14, 1881; Examiner June 13, 1882; Discontinued June 26, 1884; Appointed Examiner May 18, 1885.

PORT OF NEW YORK,
Appraiser's Office, October 6, 1885.

SIR: Respectfully referring to your confidential circular containing twenty-four questions relative to the administration of the customs laws, I have the honor to submit the following replies. The length and character of my experience in the customs service have afforded few opportunities for me to obtain exact information on most of the subjects to which your questions relate. As an examiner of books and printed matter my work is and has been distinct from other subdivisions of het appraiser's department.

1. This is the whole question of classification, which is fully as difficult and important as the question of value. Evidence that improper classifications have been made has recently been published in the daily papers. For example, it has been affirmed and reaffirmed that "cleaned rice" (dutiable at 2¼ cents per pound), purposely coated with meal, has been imported and classified as "uncleaned rice" at 1½ cents per pound.

2. Not within my knowledge.

3. Actual measurements are made as often as practicable, or as often as it is deemed necessary.

4. I know of no such evidence.

5. I have never had an occasion or an opportunity to learn anything of this work or of the men who perform it.

6. I can reply to this question only that I know that a large number of such suits are now pending; that a suit is not reached or tried from one to three years after it is begun; and that in my judgment a new tribunal *is* needed, as the present system is not sufficient.

7. Laces, embroideries, green and dried fruits, glass, et al.

8. The failure was due to both ignorance and dishonesty of Treasury officials and dishonesty of importers. Some mistakes must be made and some improper classifications will be made while man's judgment remains fallible. But there is evidence that some of the highest officials in the appraiser's department under the last administration did know of and promote that failure.

9. There is such evidence against ex-Appraiser Ketchum, but I have never heard the slightest charge of any kind against Appraiser McMullen. Against the former are the statements of both consuls and special agents.

10. The place, time, and standard seem to be fixed, yet confusion arises in a great many ways. In a great many cases it is not clear whether the value of the case, covering, can, card, &c., which contains the goods should be included in their dutiable value or not.

11. I have no basis upon which to make such an estimate.

12. The examiner is chiefly responsible. His salary is from $800 to $2,500 per annum. Yet questions of classification and value in dispute are submitted every day to the appraiser, and his decision, of course, is accepted by the examiner; so many of the most important classifications and appraisements are really the work of the appraiser himself.

13. Not within my knowledge.

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15. The fact that there is an entirely different and much superior man now at the head of the appraiser's department. Appraiser McMullen had been an examiner in this department thirty-three years, and knew his men. All whom I suspected of being dishonest were promptly dismissed.

16. *Yes.* I think it could be applied to all textile fabrics.

17. I do not think so.

18. It would not. Very little weight is attached to a consular certificate. An invoice with a certificate is examined and verified just as carefully as one with no certificate attached.

19. I do not think it would be expedient.

20. Wools are divided into three classes, yet the first and second classes pay the same rate of duty. There has been but one change in the wool tariff since 1867. By the law of 1867 wools of the first and second classes worth *less* than 32 cents per pound paid 10 cents per pound and 11 per cent. ad valorem; worth *more* than 32 cents per pound, 12 cents per pound and 10 per cent. ad valorem. By the law of 1883 wools of the first and second classes worth less than 30 cents per pound pay 10 cents per pound; worth more than 30 cents per pound, 12 cents per pound. These two classes include all wools that compete with those grown in the United States. The reduction of the tariff in 1883 seems to have reduced the price of native wools in almost exactly the same degree.

21. I do not believe the custom is general. Foreigners are apt to offer fees without solicitation, from force of habit. I believe that fees are sometimes accepted, but I do not know that they are ever demanded.

22. I do not think so.

23. I am unable to say.

Very respectfully,

JOHN Q. MITCHELL,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 141.

E. W. PRATT—Appointed Inspector, Chicago, July 6, 1870; Watchman July 29, 1873; Messenger, New York, June 30, 1875; Sampler January 4, 1876, and February 7, 1884; Examiner June 30, 1875.

PORT OF NEW YORK,
Appraiser's Office, October 7, 1885.

SIR: Referring to your circular letter marked "strictly confidential," without date, in which you request replies to twenty-four (24) questions asked therein, I have the honor to state that from the nature of my duties as an examiner of damaged merchandise, and never having had any experience in the examination of merchandise for value or duty, there is a number of questions in the said letter with which I am not familiar.

12. I would say that, in my judgement, an examiner is chiefly responsible for a false return of value, unless the return was ordered by the appraiser or assistant appraiser, in which case the officer making the order should be held responsible. Examiners' salaries range from $1,400 to $2,500 per annum. The appraiser is, in my opinion, more than one who ordinarily and in fact certifies to the collector the values fixed and reported to him by examiners and deputy appraisers.

16. I would say that I am in favor of a change from ad valorem to specific rates, and I also think that such change would have a tendency to diminish bribery, if it be a fact that bribery exists. Although I am not familiar with the examination of textile fabrics, I should say that specific rates could be applied to the same.

19. I would say that it would be safe, useful, and more just both to the Government's and importer's interest if the executive or the judicial powers have greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates.

21. If the practice of paying money to customs inspectors by arriving passengers prevails at this or any other port, I should say that it could be prevented by the removal of the inspector receiving money, and the prosecution of the passenger paying the same.

I would add that any information in relation to my duties as an examiner of damaged merchandise that I can give you will be cheerfully given.

Very respectfully,

E. W. PRATT,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 142.

HOWARD C. GILL—Appointed Sampler, New York, December 24, 1878; Examiner July 9, 1885.

PORT OF NEW YORK,
Appraiser's Office, October 5, 1885.

SIR: I have the honor to acknowledge the receipt of the confidential circular mailed to me the 27th ultimo; also my own dereliction in replying thereto.

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I respectfully submit that the delay has been caused by the impression of doubt as to my qualifications for rendering pertinent answers.

1. I submit my inability to reply thereto.

2. I assert that there is satisfactory evidence to me that the full amount of duties prescribed by Congress have not been collected from imported sugars, which pay specific rates.

Evidence which would convince me might, however, lack the force necessary to establish a judicial determination, while the lapse of time and treachery of memory would involve investigations in many uncertainties.

4. My experience and observation point toward conduct that cannot be justified in the matter of sampling sugars in the past.

It would be extremely difficult now to show whether there was cause for censure of laxity or for accusation of collusion, but I am happy to inform the honorable Secretary that the abuses above intimated have been superseded by efficient and trustworthy work.

It has been possible in the past to so sample a sugar as to make its percentage determination throw it into a lower grade of classification when the qualities came near to dividing lines between the specified rates. Numerous devices contributed to this result, but it would be exceedingly difficult to discriminate criminal intent from carelessness, or at least to establish criminal intent.

As an illustration: If a sampler should "wipe out" a "trier" and leave a little water in it at the time of taking a new trial, the said new trial would be relatively decreased in saccharine strength. All of these matters I have from time to time explained to my superior officers and the special agents.

I am happy to inform the honorable Secretary that I have observed these imperfect modes disappear under the new administration.

12. I respectfully submit that the examiner is chiefly responsible, provided the sample furnished him is a genuine representation of the merchandise.

There are times, however, when the merchant or his representative appeals to the assistant appraiser or appraiser, and they overrule his judgment. Then I hold that the responsibility is transferred from him to his superior officer.

I think the foregoing presentation includes about all the writer could advance which would be pertinent to the inquiries.

Hoping that the thoughts will be suggestive to the honorable Secretary, and that I shall be excused from tardiness,

I remain, very respectfully, your obedient servant,

HOWARD C. GILL,

Sugar Examiner, Eighth Division, Appraiser's Department,
New York City.

Hon. DANIEL MANNING,
Secretary of Treasury.

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No. 143.

S. SEABURY GUION—Appointed Sampler, New York, April 1, 1871; Examiner July 14, 1883.

PORT OF NEW YORK,
Appraiser's Office, October 6, 1885.

SIR: In reply to the circular marked "strictly confidential," and containing twenty-four questions relative to the administration of customs laws, which was received from the Treasury Department, I respectfully submit the following:

1 to 11. I am unable to give you any valuable information.

12. The examiner "is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector." The salaries of examiners range from $1,800 to $2,500, the latter being the maximum amount allowed to said officer. It is impossible for either the appraiser or assistant appraiser to examine merchandise and fix its value, but of course they are consulted by the examiner.

13. I have no information on this point.

14 and 15. If improper values and unlawful rates of duty have been habitually reported to the collector, the fault may fairly be charged to the examiner reporting them. I know of no remedy for this except the employment of honest examiners.

16. I think a change from ad valorem to specific rates of duty would be a benefit to the revenue.

17. I do not think so.

18. It is not probable that consular agents could verify the correctness of invoice values, and their present action is of no material benefit.

19. I am of the opinion that it would not be safe, even if it were possible, which I very much doubt, to increase the number of officers having jurisdiction over dutiable values.

20 to 24. I have no knowledge upon which I could base information of any kind.

Very respectfully,

S. SEABURY GUION,
Examiner Metal and Hardware.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 144.

A. L. SMITH—Appointed Examiner April 6, 1861.

PORT OF NEW YORK,
Appraiser's Office, September 28, 1885.

SIR: In answer to question No. 10, I would respectfully state that there has been, during the past two years, much doubt, confusion, and conflict of opinion in respect to the elements to be ascertained in order to fix and declare the dutiable value. This state of things was not due so much to the want of definiteness in the terms of the law as to the various and conflicting interpretations made by the Attorney-General and the Treasury officials. A still greater misunderstanding of the law

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(relating to "changes") exists among importers, some of whom have even claimed that such goods as canned vegetables, peas, asparagus, beans, &c., should pay duty only upon the cost of the goods as they come from the garden. Such invoices are often entered, deducting the cost of cases, packages, tin cans, labels, &c., with all transportation and shipping charges. I need not say that no such invoice has been passed by me without a corresponding addition to make value. The general misunderstanding of the law shows the absolute necessity of some farther legislation which should limit the non-dutiable elements to the simple outer package, cask, case, or bag, &c.

12. As the examiner is the expert whose business it is to ascertain and report the values of goods in his particular line, he is necessarily primarily responsible for any undervaluation which may escape his scrutiny. In relation to the appraisership, I would say that in my judgment the position is one which furnishes full scope for all the powers and energies of the clearest-headed business man, and is one which requires qualifications which could hardly be acquired except through long service in the subordinate offices of this department. One appointed from any outside business sphere would, for some time at least, occupy the position implied in the last two lines of question No. 12.

16. Specific duties are preferable in all cases where they can be equitably applied. As within my own experience, I would mention two instances in which they can be equitably and advantageously applied, viz: on fire-crackers, which now pay an ad valorem duty of 100 per cent., and grapes, which pay 20 per cent. Fire-crackers are almost entirely included within twelve or fourteen regular sizes, measuring from 1 inch to 14 inches in length. There would be no difficulty in making a scale of specific duties (say at a given rate per 100 crackers of each size) which would yield an equivalent to any percentage which may be thought desirable. There have been constant disputes in relation to the elements constituting the dutiable value of these goods, and I know of none which more imperatively demand a specific duty.

Grapes are imported in great quantities in barrels, half-barrels, quarter-barrels, and cases, varying from 12 to 75 pounds net. They are bought in the country of production by *weight*, and the bags, cases, &c., are held *not to be dutiable*, while more than one-half the crop of Spain is consigned to agents in Liverpool, &c., and is then purchased by shippers to America by the *package, including casks, &c., &c.*, and therefore *duty is exacted* upon the whole cost, including those packages. Much complaint is made that this is a *discrimination* against the *English market*. As most of these goods are *consigned*, it is a matter of great difficulty to prove market values when they are the subject of reappraisement. A specific duty of so much per pound would be equally fair for the Government and for the importer, and acceptable to all. The seeming inconsistency of making packages of the same goods dutiable in one market and not dutiable in another will also be avoided.

18. It would not, in my judgment, be practicable for American consular agents to personally examine any considerable portion of the articles shipped from foreign ports, and to verify the correctness of invoice values, and it is not probable that any foreign Government would consent to any such arrangement. An hour's delay would often prove ruinous to the most important enterprises, by detaining goods until the next steamer was ready to sail, when the opportunity for a successful operation would be lost.

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In answer to the questions relating to undervaluations sanctioned by customs officers, &c., I would state that I have no personal knowledge of any such cases.

Very respectfully, yours,

A. L. SMITH,
Examiner Tenth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 145.

E. HONEYWELL—Appointed Examiner July 14, 1883.

PORT OF NEW YORK,
Appraiser's Office, October 7 1885.

SIR: In compliance with your desire, please find appended answers to questions contained in confidential communication.

Very respectfully,

E. HONEYWELL,
Examiner.

Hon. DANL. MANNING,
Secretary of the Treasury.

1 to 6. I have no knowledge relative to these questions.

7. The only article coming under my examination on which the department has failed to collect the full amount of duty is *enamel.* By Department instructions I am compelled to classify it under paragraph 908 as "parts of watches, 25 per cent." while it should be classified under paragraph 557 as manufactures of glass, 45 per cent., as it was before this decision.

8. I do not know.

9. I have no knowledge relative to this question.

10. I know of no confusion, or doubt, or conflict of opinion respecting the elements to be ascertained in order to fix and declare the dutiable value; and in my opinion the time, place, and standard to be applied are already defined in the statutes.

11. I should think not.

12. The examiner is primarily and chiefly responsible for a false return of value to the collector. The salary of an examiner is from $1,800 to $2,500 per year. The appraiser is ordinarily one who simply certifies to the collector the values fixed and reported to him by the examiners and deputy appraisers.

13, 14, and 15. I have no knowledge relative to these questions.

16. I think a change from ad valorem to specific rates would benefit the revenue and help diminish a tendency to bribery, if any exists, provided the existing quantity of duty is to be levied in the future.

Concerning textile fabrics, I am not sufficiently familiar to express an opinion.

17. I have no knowledge relative to this question.

18. It would not be practicable for an American consular agent to personally examine articles to be shipped from thence to American ports, and to verify the correctness of invoiced values. I have no knowledge relative to the balance of this question.

19. I would not.

20, 21, 22, 23, and 24. I have no knowledge relative to these questions.

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No. 146.

JOHN P. GREEN—Appointed Examiner December 23, 1869.

PORT OF NEW YORK,
Appraiser's Office, October 3, 1885.

SIR: Referring to your circular, containing twenty-four questions, I would respectfully answer:

1. As far as I am able to say, all duties levied have been collected.
2. I know of none.
3. By actual measurement, when required.
4. I have no knowledge of collusion between importers and Government officers.
5. I know of none.
6. I am unable to give any opinion as to the law or facts asked for.
7, 8, and 9. I am unable to do so.
10. There has been, undoubtedly, conflict of opinion in fixing dutiable value, especially as to items of charges. The rule to be applied is already defined by the statutes, in my opinion.
11. I am unable to answer correctly; but I think that the information could be given by the collector or appraiser.
12. The examiners. $1,800 to $2,500. The appraiser certifies to the values given by the examiner and assistant appraiser.
13. I know of none.
14. I have no evidence of such reports.
15. I am not able to say.
16. As a matter of opinion I think I would, but specific rates would not be practicable for *all* textile fabrics and many other articles. I refer you to my schedules sent to the appraiser.
17. Not to my knowledge.
18. I am unable to answer.
19. In my opinion the present law is the wisest and all-sufficient.
20. I am not able to give the information required.
21. There is such a belief; but it is also believed that it can be prevented by a rigid enforcement of the laws and instructions of the Treasury Department in its letter to the United States attorney at New York, recently given.
22. I have no information on the subject.
23. I have no evidence that the revenue law has *not* been enforced at New York or at other Atlantic ports.
24. I have no knowledge of any having been made.

All of which is submitted.

Very respectfully,

JOHN P. GREEN,
Examiner of Marble.

Hon. DANIEL MANNING,
Secretary Treasury.

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No. 147.

WM. HANCOCK CLARK—Appointed Night-Inspector March 8, 1875; Clerk and Verifier May 30, 1880; Opener and Packer March 24, 1883; Examiner June 30, 1883.

PORT OF NEW YORK,
Appraiser's Office, October 12, 1885.

SIR: Referring to your printed letter, marked "strictly confidential,' I have the honor to reply to its series of (24) questions relating to the "condition and administration of the customs service at the prominent ports of entry in these United States," being the result of eight (8) years' experience in the surveyor's, collector's, and appraiser's departments at the port of New York.

With assurances of respect,

Your most obedient servant,

WM. HANCOCK CLARK,
Examiner Fourth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

1. "Keeping in mind the distinction between rates of duty and dutiable values," I have no evidence showing that the rates have not been lawfully levied and collected.

2. That my line of merchandise comprises but one kind of goods paying "specific rates of duty": Cotton bagging, under 7 cents per square yard, which pays a duty of 1½ cents per pound. Have no evidence that the full amount of duty prescribed by Congress has not been collected.

3. In the course of custom-house business the widths of the textile fabrics are fully ascertained and reported; and where any reason presents itself for believing the invoiced lineal measurement to be incorrect, that also is accurately ascertained by the use of the yard, meter, or aune sticks (supplied by the Government), and specially reported to fix values.

4. Have no evidence of collusion between persons making entry of several packages of similar goods on one invoice, and the entry clerk or deputy collector to send to the appraiser for examination a bogus or false package as a fair example of one in every ten. Understand, however, that ex deputy Collector Des Anges, together with his two confederates, an entry clerk and an inspector of customs, were caught so doing, and upon conviction are now serving their respective terms of imprisonment at the Sing Sing prison.

5. Have no evidence of false or incompetent or inadequate weighing or measurements on the wharves.

6. Concerning rates of duty and differences between importers and collectors growing out of decisions by the latter, and the Treasury, which have resulted in suits, I believe the existing law does need amendment, and a careful perusal of Treasury decisions emanating from the pen or dictation of ("H. B. J.") H. B. James (until very recently), chief of customs division, and of H. F. French, Assistant Secretary of the Treasury, at Washington, will convince you that decisions have been reversed many times to appease certain political lawyers and leaders whose influences have been more potent in the Treasury Department than the non-officials could realize, the reversal of one of their decisions alone last year on "colored cottons" being the cause of

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great official scandal, as also the return to the fourth division here of no less than six thousand (6,000) invoices, which had to be reclassified by Examiner Dutcher under protest. The existing law concerning payment of interest as part of the damages and costs in "collectors' suits" are equitable enough, but many unnecessary delays might be avoided by the establishment of a system which shall provide for a more prompt termination of such litigation. A separate tribunal, well equipped, would reform both litigants and litigation, and be the direct means of prodigious saving of clerical labor to examiners, until now annoyed by the "reconsiderations" and "reclassifications" of invoices.

Have no knowledge as to the number, classification, or status of suits now pending at the ports of Boston, New York, Philadelphia, or Baltimore.

7. Am not sufficiently posted as to the result of the recent investigations of the Department to give "proof conclusively" that duties have not been duly levied nor collected; but am satisfied in my own mind that the suggestions given promptly and fearlesly to the "Tichenor Commission" by me last spring have produced great results, so far as the "damage bureau" and undervaluation of imported china, bric-a-brac, furs, &c., were concerned, because the offending officials have been summarily removed; *ipso facto*, their methods and confederates are known, though a few in the "damage bureau" appear to have escaped scrutiny.

8. The failure came about by the cowardice as well as the dishonesty of some Treasury officials and a well defined purpose on the part of others to cover up the methods and shortcomings of certain representatives of Republican city district asociations, where incompetency or habitual drunkenness prevailed. For instance: Three years ago Special Agent Ayer went to the Hoffman House one evening without any "badge of office" or seizure documents to capture some "oil paintings," presumably smuggled by (a passenger per Liverpool steamer) a guest there, whose arrest was also expected to follow. As a natural consequence Ayer was himself arrested, taken to jail, and detained therein until Appraiser J. Q. Howard was summoned to identify and rescue "a supposed confidence man." That was incompetency. Again, Special Agent Brackett was repeatedly informed by me of the appointments, assignments, details, or transfers for duty, all illegal, in defiance of all "civil service laws and regulations," by United States Appraiser Ketchum and (his willing tool) Assistant Appraiser Fowler. Indeed, I showed him a full and complete list of their names; yet he reported nothing, because he said "Ketchum was a good fellow, a neighbor of his in Harlem," &c. As regards the "incompetent" and drunken officials, there are many at the "United States public stores" (the most glaring example of whom is Watchman Thomas H O'Neil) who have been reported, investigated, and suspended frequently (by Chief Clerk James H. Clark) for being drunk, disorderly, abusive, absence without leave, &c. These creatures, who have, nor could pass "civil-service examinations," still remain to torture many of us who have passed the lawful examinations, aspire to elevate the service, and have the manliness to complain when insulted by them so grossly, as the "press-copy report" (written Appraiser Ketchum by me in the matter of Messenger Hess) herewith attached will fully sub-

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stantiate. The Republican office-holders within the portals of the public stores here are so banded together that few reforms can be carried out with success until new chiefs of division are selected with courage to suggest the investigation and removal of all unworthy officials, whether on terms of intimacy with them or not. My own devotion to official cares, together with their knowledge of my being an ex-Confederate officer, has militated greatly against my promotion officially at the hands of brother officers here. They think an "ex-Confederate" has no right here, no matter how many civil-service examinations he passes, or how worthy he may be for a higher sphere of duty, and have resorted to many cowardly means to prevent my promotion now, when urged for promotion "to be an assistant appraiser," or "to be deputy collector in charge of the public stores."

9. Sufficient evidence will be adduced (by perusal of the report of the recent "Tichenor investigation committee" at this port) from the testimony of the assistant appraisers and examiners alone to satisfy you that United States Appraiser Ketchum caused to be changed and reported false dutiable values to suit certain importers whenever he deemed it safe to do so, and raised invoices to a penalty to afford certain special Treasury agents to squeeze money out of importers to be divided with somebody. See evidence in case of "The United States v. Watson & Girdwood," tried here last summer. Note also the fact that Assistant District Attorney Clark called no witnesses from the appraisers' stores, though Assistant Appraiser Birdsall and Examiner Dutcher were known to be in court every day during said trial; and the most important factors. Concerning evidence furnished the appraiser by special agents of Treasury, however earnest they may be, so very few special agents are "experts" in any class or line of merchandise that eight years' experience convinces me that they are constantly imposed upon by the designs of some and the prejudices of other interested parties.

The statements of "informers" are chiefly unreliable, because generally emanating from a rival motive. Call for the record of the business experience of the special agents, and you will find that most of them represent "journalism" (as newspaper men now classify their business) rather than any practical or expert knowledge of any line of goods whatsoever. The same applies to consular agents (where I have personally known them in the East and West Indies, Brazil, Africa, India, and China, as well as England and France), who are usually the political favorites of the "party in power,"—appointed by apportionment amongst the various States representing the issues of the period—non-sufficiently long enough resident abroad to be a safe adviser for tariff direction.

10. I can recall no "confusion or doubt or conflict of opinion in our department respecting any of the elements to be ascertained in order to fix and declare dutiable value," unless it be in the matter of "charges," where a diversity of opinion has ever existed betwixt importers and examiners (known upon the face of invoices passing through my hands as charges for packing, screwing, and marking), and this matter of "charges" has been provided for by your very recent order directing a line of action to be adopted, so lucid in its rulings that its legality can only be determined by appeal to the Federal courts.

11. I can make no safe average estimate of the percentage of undervaluations in any year or series of years. The invoices might be identified by some consuls, who, in such manufacturing ports as Dundee, keep on file, for comparison and reference, this Price Current and Trade

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Report (copy herewith attached), showing reliably the quantity, quality, and price of their line of merchandise for every week in the year; but that would require an expert from the appraiser's department, a special agent from the collector's office, and tedious research, coupled with considerable expense.

12. The examiner of merchandise is primarily and chiefly responsible for a false return of value to the collector, being the only officer who, in the presence of his opener and packers, personally inspects the merchandise. The salaries of the examiners range from $1,800 to $2,500. The appraiser or assistant appraisers are rarely, if ever, experts, their duties being clearly of an executive character, and their reports of values a reflex of the examiner; however, when civil-service principles are perfected so as to promote men of mark and merit from among the examiners with salaries more commensurate with their abilities and responsibilities, the department may be congratulated upon having many experts among the ten assistant appraisers in the near future, as several examiners are now being urged for promotion fully competent to educate incoming others.

13. I know of no evidence against any Government consular officials conniving at presentation to appraisers of false evidence of foreign values.

14. False values have not been habitually and systematically reported to collectors by appraising officers, except in a few isolated cases. Failure under the past administration of the Treasury to collect full duty has been caused more by the appointment to office of illiterate, incompetent men than dishonesty. For instance, there are officers here drawing salaries of $2,000 a year who, outside of this building, cannot earn $480, and clerks drawing $1,600 salaries, or a little less, who could get no mercantile employment, unless it be that of messenger or porter at $40 to $60 per month. I know of no officer who is the recipient of bribe-money to get false reports, but have reported to their superiors the names of several "damage examiners" who are (or have been until very recently) associating with certain "damage brokers," whose reputation for corrupt practices is established, smoking their cigars, drinking high wines, and partaking of their hospitalities in even more disgraceful ways.

15. I think corrupt and venal influences will prevail, more or less, in proportion to man's temptations to deviate from the "straight and narrow path"; therefore, would suggest to the honorable Secretary the propriety of closing (per "special circular order") the doors of the examiners and assistant appraisers to all save proper Department officials, permitting no "custom-house brokers" in the public stores to converse with examiners, their clerks, or openers, and packers, except in the presence of the appraiser or deputy appraiser, appointed to look after just such "pests," and the chief clerk at the appraisers' ante-room, and that said "special order" shall direct and require the examination of all packages in their actual turn, as the "receiving" and "invoice registers" show to the collector and appraiser that said packages have entered the public stores. Our work would be done quicker, the chance for bribery, or expediting packages for favorite brokers ended, and the examiners, their verifiers, and openers and packers given a fairer chance to perform what is expected of them under the new order of things. The extension or enlargement of the "public store restaurant," too, is desirable, accompanied by a rule:

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"That none, save assistant appraisers and examiners, shall leave the building for lunch, or dinner, between 9 a. m. and 4 p. m., without the permission of their division chief." That prevents the brokers from waylaying or questioning the openers and packers outside the building, as they do now, as to their packages.

16. A change from "ad valorem" to "specific duty" would benefit the revenue, and tend to diminish bribery; yet the same temptations will exist: fraudulent reports of weights and measurements, which will determine all the values; nevertheless, it is fair to presume that from 25 to 33 per cent. more duty will accrue to the Government by the adoption of "specific duty." The list of textile fabrics is so very large and their character so varied, that it will be difficult to apply specific duty to several of them.

So far as my "line of merchandise" is concerned—jute bags, jute bagging, jute burlaps, &c.—a specific duty by the pound can readily be applied, because baled and coarse in its warp; the finer the fabric, I fancy; the harder the application of "specific duty" with due justice to both importer and consumer.

17. There is no reason to believe false reports by appraisers have been increased by repeal (in 1874) of the "moiety law," and the revenue is better protected now than in the year 1863.

18. Having visited many foreign consulates during my service in the United States Navy, am convinced that invoice values can only be verified by American experts, and the true invoiced values only be obtained from English-speaking districts. All others will encounter hundreds of obstacles.

Our "Consul's fees" in England for certifying invoices of value (large or small) amount to fifteen shillings: ten shillings and sixpence to consul, and four shillings and sixpence to the notary fees.

19. All appraising officers should be "men above price," of high character, commissioned for their experience, and reliability in knowledge of the dutiable value in their respective line of goods, bearing forever in mind "that all articles imported shall be valued at the current or actual market value, or wholesale price thereof in foreign market, at the period of exportation to the United States," in obedience to the law enacted by Congress on or about March 3, 1883. Such experts should be held personally responsible for their valuations to insure greater scrutiny in appraisement. It would neither be safe, useful, nor just to importers to extend the executive or judicial powers for interference with the ascertainment of dutiable values, which may be the basis on which the collector is to lay ad valorem rates.

20. Have had no experience whatever in the examination, or classification of wool.

21. By reference to the Department Blue Book, you will see that my first appointment in customs service (8 years ago) was that of inspector of customs, and served several months at the old Barge Office, in State street. At that time there were about eight hundred (800) inspectors (under Surveyor Graham and Acting Deputy Surveyor Kibbe), the majority of whom being men of the lowest type of what are classified as pot house politicians, men whose every thought and word was of the district which they claimed to own and carry in their vest pocket. To be detailed for "steamer duty" was their ecstacy, because there they could get a stake (as they termed it) from a "high-flyer," get free of all expense their meals (for the five or six days required for the dis-

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charge of her cargo, and sailing from this harbor) on said steamer, together with a bottle of wine, or other liquors, at each meal. Their wives and sweethearts would dine there, too, and disgraceful sprees frequently enacted. Thus you will discern the importance of elimination, by dismissal from Government service all such characters, many of whom could scarcely write their own names, replacing them by men of civil service record, education and worth. The bribery of inspectors can be best prevented by paying them better salaries. Salaries in conformity with those of examiners (from $1,800 to $2,500 per annum) forbidding them from taking any meals on board any vessel, and selecting as surveyor some gentleman of unceptionable reputation for sterling integrity, with 3 deputy surveyors (with $5,000, $4,000, and $3,600 salaries) of similar grade, with authority "to weed out the den" by all honorable means, and speedily as the law will allow. The "baggage-examining scandal" will then die out, and officers will no longer blush to own that he is a "customs officer on duty at the port of New York."

22. On no goods, of my line, has the rate been carried by Congress beyond and above the line which the Government can surely protect.

23. The failure of Treasury Department to enforce the revenue law in New York is true for similar reasons, I believe, to other large Atlantic ports.

Respectfully submitted.

WM. HANCOCK CLARKE,
Examiner Fourth Division.

No. 148.

J. W. JONES—Appointed Examiner December 16, 1879.

PORT OF NEW YORK,
Appraiser's Office, October 16, 1885.

SIR: I beg leave to report in reply to your circular of inquiry as follows:

1 and 2. I know of none.

3. I am not a textile fabric exporter.

4. I know of none since the Des Anges cases in silks.

5. I have no knowledge of any.

6. I think they can be simplified and amended, and that customs courts of arbitration, or a special customs circuit judge appointed for courts in the Atlantic ports.

7 and 8. The passage of professional wardrobes on the docks affords the greatest opportunity for frauds that I know of in the service. It could be stopped by ordering all lots of over $100 value to be examined in the public stores. It comes about by "special permits" and letters of "courtesy."

9 and 10. I think not. I know of none. I think the standard is well defined.

11. I think not.

12. The *examiner* is primarily and chiefly responsible for a false return to the collector. The salaries are from $1,800 to $2,500, and they were formerly graded by time in the service and by expert knowledge.

The appraiser is much more than is suggested in this question. He is an examiner in chief, before whom numerous interlocutory questions

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are often discussed and settled between examiners and assistant appraisers and brokers and merchants, before the examiners report, or classification is fully made.

He is a legal judicial officer, constantly called upon to decide important questions in customs and mercantile law, after an examination of documents, witnesses, and hearing of argument.

He is an executive officer, directing and holding in subordination the divisions including hundreds of men, and he is directly responsible for the proper assessment of more revenue to the Government than any other single officer under the Government.

His reports upon questions of customs law and the Law Merchant would make a respectable sized volume every year, and he should be held not inferior to the collector in dignity, importance, and salary.

13, 14, 15. I know of no cases nor any evidences of any connivances or corruption of any officers or importers.

16. I think it most certainly would.

17. I do not know of any.

18. I think it would be worth millions to the Government annually, and a great protection to honest importers, perfectly feasible, and no reasonable ground of complaint by foreign governments.

19. I think it safer as it is, but would suggest that the full board of general appraisers hold court and fix values for all ports alike.

20. I am not an expert wool examiner, but have had enough experience to know that the duties should be much simplified, and, where possible, compound avoided.

21. I think of late years very little of this has been done. Passengers often insist on men taking gratuities, and I have known it refused. The remedy most effectual is the *landing of passengers at the Barge Office*, where there is an open floor, abundance of light, and a *full corps* of officers and specials. The recent experiment proved that the "rotaries"—smugglers—deserted the Barge Office lines, preferring the darkness and confusion of the freight-burdened docks of the exempted lines.

22. I think not. The sharpest lawyers and brokers on both sides of the water are constantly employed to devise and concoct schemes to beat the revenue, and they will succeed no matter what changes you make, until as suggested in question 18. The Government furnishes the appraisers with official evidence, through the consuls, of the *established foreign market values*.

23 and 24. I have no knowledge upon these questions upon which to found, an answer.

Yours, truly,

J. W. JONES,
Examiner First Division.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 149.

LAWRENCE P. BOSTWICK—Appointed Examiner April 16, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 2, 1885.

DEAR SIR: In reply to your circular containing questions in reference to the appraisement of values and irregularities in such appraisements, I have the honor herewith to respond. My duties as *damage* examiner have not brought me in contact either with the appraisers of values or the methods employed by them in their examinations. I do not consider myself competent, therefore, to give intelligent and satisfactory answers to most of the questions propounded. I have no evidence of any irregularities in the customs departments, and have learned of them only through newspaper reports.

As to Question No. 12, I hold the examiner is primarily and chiefly responsible for an incorrect or false return of value to the collector, either through ignorance or otherwise. I also consider that the appraiser is more, ordinarily and in fact, than one who officially certifies to the collector the values fixed and reported to him by examiners and deputy appraisers.

If I should attempt a reply to the remainder of the questions, (which I have carefully read,) I would be only able to present personal opinions, and without any thorough acquaintance or knowledge of the subjects discussed.

Any information in regard to the duties of *damage* examiners, and their methods of examination, I can give very cheerfully and to the full extent of my ability.

I have the honor to subscribe myself yours, respectfully,

L. P. BOSTWICK,
Damage Examiner, First Division, Appraiser's Department.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 150.

A. D. FENTON—Appointed Examiner May 13, 1878.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 3, 1885.

SIR: I respectfully submit the following as replies to the various questions contained in your printed communication, without date, but received by me some time during September of this year:

Question 1.—I know of no evidence that the rates of duty and dutiable values have not been levied and collected as the law prescribed.

Question 2.—I know of no evidence that on articles which the law says shall pay purely *specific* rates, without reference to values, the full amount of duty prescribed by Congress has not been collected.

Question 3.—The usual manner of verifying invoiced measurements of textile fabrics is by actual measurement of a sufficient number of pieces to be satisfied of the correctness of the whole.

Question 4.—I know of no evidence of collusion between the persons making entry of several packages of similar goods on the same invoice,

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and the entry clerk or deputy collector, to send to the appraiser for examination, a bogus or false package as a fair example of one in every ten.

Question 5.—I have no evidence, other than published reports, of false, incompetent, or inadequate weighing or measuring on the wharves; my duties are confined exclusively to examining goods in the third division of the appraiser's department.

Question 6.—I do not feel competent to answer as to whether the existing law needs amendment in respect to the differences growing out of decisions by the collector and the Treasury which have resulted in suits. As to how many collectors' suits are now pending in Boston, New York, Philadelphia, and Baltimore, I have no means of ascertaining; nor do I know, or have I the means of ascertaining, how many suits are pending, or any other particulars asked for in this question. The question as to devising a plan by the Attorney-General, the Solicitor of the Treasury, the district attorneys and judges, by which these suits can be more promptly disposed of, &c., does not come within my province to answer; I could only give an intelligent answer after spending a long time in studying the subject, and even then the law officers of the Government would be much more competent to decide upon the various points involved.

Question 7.—I know of no class of articles on which the recent investigations have shown that the Treasury Department has failed to collect the entire and full amount of duty the law prescribed, unless, in the light of the action of experts employed by the Government at the different European markets, they have made values sometimes considerably in excess of established prices here and sometimes considerably below such prices.

Question 8.—If there has been any failure on the part of the Treasury officials, it has arisen from the lack of knowledge on their part of the foreign values. I have never discovered the slightest deviation from official integrity on the part of any official in this division. Of course, I cannot give an opinion as to the officials in any other division of this department, as I scarcely ever come in contact with them, but I know of no instances of official corruption, except such as have been made public through the courts or otherwise; and of such cases I do not feel competent to give an opinion, not having been cognizant of the facts at the time.

Question 9.—I have no evidence that the appraiser has reported to the collector false dutiable values; therefore no further reply is needed on that point.

Question 10.—The only question for the appraiser to solve, it seems to me, is the value of the merchandise at the time and place of shipment. This has always been the aim in this division, and, I think, as far as it has been possible to ascertain that value, it has been strictly adhered to.

Question 11.—I do not think it possible that any system of undervaluation has ever been followed by any official in this division, and, if such has been the case, I do not see how it can be ascertained and the articles or invoices identified.

Question 12.—Already replied to.

Question 13.—I am not aware of any evidence that Government officials in the consular department or elsewhere have assisted, or consented to, or connived at, the presentation to appraisers of false evidence of foreign values.

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Question 14.—If, under the previous administration of the Treasury, false values have been habitually and systematically reported to the several collectors, &c., I would reply I have no evidence of dishonesty on the part of Treasury or customs officials. If money has been paid to American officials to get false reports of dutiable values, I have not been aware of it. I know of no corruption fund having been raised and disbursed.

Question 15.—If false valuations have come of bribery or venality, I know of no reason to think that such corrupt and venal influences are not now brought to bear, or that they will not be successful in the future as in the past.

Question 16.—I cannot answer this question in a proper manner without giving the subject much more consideration than I have the time to devote to it. I think it would be very difficult indeed to apply specific rates to all texile fabrics, and at the same time to fairly protect our own manufacturers.

Question 17.—Not having been in Government employ previous to 1878, I am not able to answer the question.

Question 18.—The questions embraced in this section seem to be so far out of my jurisdiction that I could give no satisfactory replies further than my mere opinion, and I do not consider that as being of much value.

Question 19.—I do not know; should think not.

Question 20.—This question can only be properly answered by the officials of the sixth division of this department.

Question 21.—I have no knowledge as to the experience of arriving passengers in paying money to customs inspectors of baggage, either to prevent, facilitate, or hasten an examination of luggage to ascertain whether or not it contains dutiable articles. If such a practice exists, I am not sufficiently familiar with the working of that branch of the business to be able to suggest a suitable remedy.

Question 22.—I should say, if the evidence shows that the Treasury Department has failed to collect the whole duty prescribed by law, the rate, in my opinion, has not been carried by Congress beyond and above the line which the Government can surely protect.

Question 23.—I have no means of knowing what has been true of other large Atlantic ports.

Question 24.—In answer to this question, I would respectfully refer you to the law department of the appraiser's department.

I would say my duties have so constantly and fully occupied my time and attention since the receipt of your series of questions that I have not been able to reply sooner, and I am fully aware of the incompleteness, and, I fear, otherwise unsatisfactory answers which are submitted.

Very respectfully, &c.,

A. D. FENTON,
Examiner, Third Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 151.

HENRY M. RIDER—Appointed Clerk, New York, February 9, 1872; Examiner May 5, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 3, 1885.

SIR: Respectfully referring to your communication requesting replies to certain questions numbered from 1 to 24, I respectfully submit the following answers to such questions as come within my knowledge—such as my position of examiner of machinery and metals enables me to answer:

Question 1.—Keeping in mind the distinction between rates of duty and dutiable values, I know of no evidence that the former have not within the last few years been levied and collected as the law prescribed.

Question 2.—I know of no satisfactory evidence that on articles which the law says shall pay purely specific rates, without reference to values, the full amount of duty prescribed by Congress has not been collected.

Question 10.—There has been, and is now, more or less confusion and doubt and conflict of opinion in the appraiser's department respecting some of the elements to be ascertained in order to fix and declare dutiable values. This grows out of the question as to what are and what are not dutiable charges. While the statutes, in the light of commercial usage, seem to fix with sufficient clearness the dividing line between dutiable and non-dutiable charges, there are not a few who contend that charges under the law embrace everything except the bare merchandise itself, and that the cost of putting it in a marketable condition is not an element of dutiable value. To insure uniformity of action in fixing values for the purpose of assessing duty thereon, Congress should define the scope and meaning of the law on this subject.

Question 12.—As between the examiner, assistant appraiser, and the appraiser, the examiner and assistant appraiser are primarily and chiefly responsible, in the usual course of business, for a false return to the collector. They examine the merchandise, and they are the only ones qualified to judge intelligently of their value. Fixing dutiable values is inseparable from the actual examination of the merchandise which those values represent. The salaries of examiners range from $1,200 to $2,500. The salary of assistant appraisers is $3,000. In the usual course of business, the appraiser officially certifies to the collector the values fixed and reported to him by the examiners and assistant appraisers. There are, on an average, about seven hundred invoices passing through the appraiser's department daily; hence, it is readily seen that the appraiser is compelled to rely upon the examiners and assistant appraisers for a truthful report of values. The appraiser's time is fully occupied in attending to the executive duties of his office, deciding questions of classification and rates of duty.

Question 16.—I believe that a change from ad valorem to specific rates, where such a change is practicable, would be a benefit to the revenue and help to diminish a tendency to bribery. I do not believe, however, that a change to specific rates would be of any practicable benefit when such rates would be dependent on values. Specific, in that case, would be but another name for ad valorem.

Question 18.—I am of the opinion that it would not be practicable in the large American consular districts, such as London, Paris, Berlin,

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&c., for American consular agents, no matter how numerous and alert, to personally examine articles to be shipped from thence to American ports, and to verify the correctness of invoice values. My experience with consular agents' reports of values have not been of a nature to inspire me with confidence in their reliability. The annoyance and vexatious delays that would follow such a departure would, in my opinion, give foreign governments just grounds for complaint. The fees exacted by our consuls in England for certifying invoices, even of small articles and of little value, are ten shillings and six pence sterling for each certification.

Question 19.—While it may seem that the appraising department possesses unwarrantable arbitrary powers respecting dutiable values, it is, nevertheless, a power that cannot well be divided or abridged. I do not think it would be safe, or useful to the revenue, or just to importers, that the executive or the judicial powers have greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates. As I said in answer to Question 12, fixing dutiable values is inseparable from actual examination of the merchandise which such values represent.

Respectfully,

H. M. RIDER,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 152.

FREDERICK H. CLARK—Appointed Examiner May 16, 1872.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 3, 1885.

SIR: Respectfully referring to the printed communication forwarded by you under date of August 27, submitting a series of twenty-four questions relative to custom-house affairs in this and other prominent ports, I have the honor to present the following, *seriatim:*

No. 1.—I know of no evidence.

No. 2.—I know of no satisfactory evidence.

No. 3.—Actual measurement by the yard-stick, metre-stick, anne-stick, or tape furnished by the Department.

No. 4.—I have no knowledge of any collusion existing between entry clerks or deputy collectors and persons making entry of merchandise to be sent to the appraiser for examination.

No. 5.—I have no knowledge.

No. 6.—I have no knowledge of the number of suits pending in this or other places mentioned. I think the existing law in respect to the payment of interest should be amended. The judicial system as it now exists can be made sufficient to try all cases growing out of internal or external taxation.

No. 7.—I have no knowledge.

No. 8.—I know of no evidence showing any guilty knowledge on the part of customs officials to promote conspiracy for the purpose of evading the revenue laws.

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No. 9.—I know of no evidence where the appraiser has made returns of false duties to the collector. Special agents are, as a rule, not experts, and the information they obtain is usually from outside parties, and in many instances of an interested or prejudiced nature, and I know of no evidence to corroborate any statements made by them "as against the official action of the appraising department."

No. 10.—I know of no confusion existing in the appraiser's department in ascertaining correct dutiable values. The standard to be applied is sufficiently defined by the statutes.

No. 11.—I do not think it practicable.

No. 12.—The examiner is primarily and solely responsible for the returns of values made to the appraiser. The salary of examiners ranges from eighteen to twenty-five hundred dollars per annum. The appraiser's functions are only executive, he only certifying to the returns made by the examiner and signed by the assistant appraiser.

No. 13.—I know of no evidence.

No. 14.—I have no knowledge.

No. 15.—If false valuations exist, it is reasonable to suppose they will continue until the Department is able to enforce the full penalty of the law for its violation to the persons implicated, both at home and abroad.

No. 16.—I think a change from ad valorem to specific duties would be of vast interest to the Government. Specific rates could be applied to textile fabrics.

No. 17.—I have no knowledge.

No. 18.—I think it would be practicable for consular agents to personally examine all samples of articles submitted to them for shipment. Consular agents with commercial schooling would have but slight difficulty in ascertaining the proper market value of merchandise in their respective districts and certifying to its correct value. It is not likely that any foreign Government would have cause for complaint. I believe the fees now exacted are 15 shillings sterling.

No. 19.—I think that the judicial power should be the *ultimatum* in all cases of revenue where differences exist as to the proper rates.

No. 20.—I have no knowledge.

No. 21.—I know of no instances where money has been paid by passengers to inspectors for the purpose of evading the payment of duties.

No. 22.—I think not.

No. 23.—I think not.

No. 24.—I have no knowledge.

Very respectfully,

FREDERICK H. CLARK,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 153.

HARRISON H. BROWN—Appointed Examiner December 16, 1874.

PORT OF NEW YORK, APPRAISER'S OFFICE, ———, 188–.

SIR: I have the honor to submit herewith categorical answers to the questions submitted in your confidential communication, without date.

1. Have no evidence.
2. Have no evidence.

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3. Have no textile fabrics in my lines of goods for examination.
4. Have no evidence.
5. Have no evidence.
6. Have no specific knowledge. Would suggest, however, the organization of a special court to have jurisdiction in cases involving customs laws and their interpretation.
7. Have no knowledge of such cases.
8. Have no knowledge of such cases.
9. No knowledge.
10. There has been and still is much confusion and conflict of opinion as to the elements entering into the dutiable value of goods paying ad valorem duty, arising from the different interpretations of section 7 of the act of 1883.
11. I believe not.
12. The examiner is primarily responsible, being in possession or should be so, of all information as to the condition of the markets from whence his lines of goods are shipped, while it is a physical impossibility for the appraiser or deputy appraiser to receive, much less to retain, all the information in the possession of the examiners of the whole department. The salary of examiners range from $1,400 to $2,500; deputy appraiser, $3,000, and appraiser, $4,000 per annum.

The appraiser's time is fully occupied in deciding doubtful and delicate questions as to classification and market values, making department reports, and directing the working of his department.

13. Have no knowledge.
14. Have no knowledge.
15. Like causes would no doubt produce like effects.
16. A change to specific duties when practicable would no doubt be a benefit to the revenue. Have no knowledge of textile fabrics, being out of my line of goods.
17. Have no knowledge, but do not think it has had the effect to increase false returns.
18. I do not think it would be practicable, or even possible, to personally examine at the ports of shipment all the articles shipped from the various ports, and would probably lead to many complaints from foreign governments. The consular fees are about $2.50 for each certificate, regardless of value of invoice.
19. I doubt if anything would be gained to the Government by enlarging the powers of the executive and judicial departments, unless a court was organized especially for this purpose in each of the more important ports to have jurisdiction both as to values and classifications.
20. Have no knowledge.
21. Have no knowledge.
22. I do not think it does.
23. Have no knowledge.
24. Have no information.

Very respectfully, your obedient servant,

H. H. BROWN,
Examiner of Food Products.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 154.

CHARLES E. WILSON—Appointed Messenger December 16, 1875; Clerk and Verifier October 14, 1878; Examiner March 14, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, New York, October* 4, 1885.

SIR: I respectfully submit the following replies to the series of questions received from your office in a circular marked "confidential:"

1, 2, 4, 5, 6, 9, 11, 13, 14, 15, 17, 18, 21, 24. I do not know.

3. By measuring the pieces.

7. I do not know of any article on which the department has failed to collect the full amount of duty that the law prescribes.

8. I do not think there has been a failure.

10. There is doubt and conflict of opinion as to some of the elements to be considered in fixing the dutiable value growing out of various opinions respecting the meaning of section 7.

12. I consider the deputy appraiser chiefly responsible for all returns to the collector; his salary is $3,000 per annum. The appraiser has little to do with fixing the value of merchandise.

16. I do not think so.

19. I think it would be safe, useful to the revenues, and just to importers for the judicial powers to have judisdiction to determine dutiable values, as they now determine rates of duty.

20. I do not feel competent to do this.

22. I do not think so.

23. I do not think that the Department has failed to enforce the revenue law in New York or other ports.

Respectfully, yours,

CHAS. E. WILSON.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 155.

JAMES McLOUGHLIN—Appointed Inspector January 20, 1874; Clerk and Verified March 13, 1874; Clerk July 5, 1883; Examiner July 7, 1884.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 5, 1885.

SIR: Referring to your circular marked strictly confidential, I would respectfully state that, in answer to Question No. 1, I have no evidence whatever; and to Question No. 12, the examiner is primarily held responsible for the false return of value of merchandise to the collector. The salary of such officer is from fourteen hundred to twenty-five hundred dollars per annum. In the port of New York, where there is such an enormous amount of business transacted, it is impossible for the appraiser to examine personally the returns for values of merchandise made by the examiners, therefore he only officially certifies to the collector the values fixed by the examiners.

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In regard to the balance of the questions, it is impossible for me to give any information whatever, as I have had no experience in the business which they relate to.

I am, respectfully, your obedient servant,

JAMES McLOUGHLIN,
Examiner, Packing-Room, First Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 156.

WM. S. HOYT—Appointed Examiner February 1, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
October 5, 1885.

SIR: In reference to Department's printed communication containing twenty-four questions regarding the United States customs service, I have the honor of submitting the following report, comprising such knowledge of the matters referred to as has been acquired in my official experience. I also beg to state that the delay in responding has been caused by a severe sickness, from which I am now just recovering.

1 and 2. I have no evidence that the prescribed rates have not been collected.

3. The invoiced widths of textile fabrics are always verified, and when there is any suspicion that the lineal measurements are incorrect, they are also ascertained by actual measurement or tests. The yard and metre sticks furnished by the Government are used in taking such measurements.

4 and 5. I know of no such evidence.

6. As my experience has been confined entirely, or almost so, to examining goods at the public stores, I have had no opportunity of acquiring the information desired.

7, 8, and 9. I know of no evidence showing such failure on the part of officials at this port. I have no knowledge of the transactions of public business at other ports. In my experience, I know of no case where evidence furnished by special agents has been fully corroborated as against the official action of examiners at this port.

10. I know of no such conflict of opinion except in the matter of *dutiable charges*. That matter is, I believe, at present before the Department. I consider the place, time, and standard to be applied are clearly defined by the statutes.

11. I know of no way by which such an average estimate can be now made on the articles or invoices identified.

12. The examiners are primarily and chiefly responsible in the usual course of business for reports of dutiable values. The appraiser and assistant appraisers do not ordinarily personally inspect merchandise under examination, but are frequently consulted on questions of law and evidence and their judgment accepted by the examiners. The appraiser usually certifies without question to the value reported by the examiners and approved by the assistant appraisers.

13. I know of no such evidence.

14 and 15. I do not believe that false reports of dutiable values have been habitually and systematically reported, and I know no case where money has been paid to officials or where any official has been guilty of any action intentionally detrimental to the interests of the Government.

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In my opinion, a change from ad valorem to specific rates would be a benefit to the revenue, provided the same amount can be collected, and would diminish a tendency to frauds. Specific rates can certainly be applied to all textile fabrics, but in some classes of goods, especially those coming under my observation—*i. e.*, cotton fabrics—there should be great care to avoid discrimination against the lower classes or grades.

17. I do not think false reports have been increased by the legislation mentioned, and I regard the service to-day in fully as good condition as at any time heretofore.

18. I would appear impracticable for consular officers to personally examine articles intended for entry at American ports, and I do not know of any district where such a course could be adopted without giving cause for numerous complaints.

The fees in Great Britain are 15*s.*—10*s.* 6*d.* consular fees, 4*s.* 6*d.* notary.

19. I regard the law as it now stands as just and proper, and do not believe that the change mentioned would be judicious.

20. I have had no experience in examining wool or woollen fabrics, and can give no information of the character desired.

21. I have seldom, if ever, been present during the examination of baggage of arriving passengers, and do not know of any case where money has been paid to the officials conducting the examination. Should such practices prevail, they can only be prevented by prompt punishment of offenders when detected.

22. I know of no articles on which the whole duty prescribed by law has not been collected, and, consequently, of none where the rate has been levied by Congress beyond a point that can be protected.

23. I have had no official experience elsewhere than at the port of New York.

24. If such false reports have been mad·, (of the fact of which I am ignorant,) I can give no information as to why the law governing such cases has not been enforced.

Had I known of any frauds or corruption, of loss to the revenue, through ignorance of officials or other causes, I should have felt it my duty to have immediately reported the fact to my superior officer, and should have so acted.

I am, with much respect, yours, &c.,

WM. S. HOYT,
Examiner, Fourth Division, Appraiser's Office.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 157.

CORNELIUS GARDINIER—Appointed Examiner July 31, 1876, and February 1, 1879.

PORT OF NEW YORK, APPRAISER'S OFFCE,
New York, October 5, 1885.

SIR: Your communication of blank date, in relation to the levying and collection of duties and other matters, was received on the 10th ultimo, and would have received due attention, but for illness preventing. In now replying, I respectfully submit the following:

1. I have no evidence that the rates of duty have not been levied and collected as the law prescribes.

2. I have no satisfactory evidence that on articles which the law says shall pay specific rates of duty the full amount has not been collected.

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3. The usual course to verify the invoice measurements of textile fabrics has been and is to measure the length and width of pieces, the lengths being given in yards, metres, and annes customary in the countries in which they are purchased and shipped.

4. I have no evidence of any collusion between the persons named to send to the appraiser bogus or false packages as fair samples of one in every ten.

5. I have no evidence or knowledge of any false or incompetent or inadequate weighing or measuring on the wharves.

6. In relation to the rates of duty and differences between importers and collectors, I think the existing law in regard thereto sufficient. Also the payment of interest as part of the damages and costs in collection suits, and that there is no necessity for any new tribunal to try judicial questions growing out of rates of external or internal taxation levied by the executive, if the existing law is worked efficiently.

7 and 8. I am in possession of no sufficient information showing that the Treasury Department has during recent years failed to collect in New York the entire and full amount of duty the law prescribes.

9. I have no conclusive or satisfactory evidence that the appraisers at this and other ports have reported to the collector false dutiable values. In regard to the remaining questions in this and Nos. 10 and 11, I have no sufficient or conclusive evidence to express any satisfactory opinion.

12. As between the examiner, the deputy appraiser, and appraiser, I regard the examiner as primarily and chiefly responsible for the returns of value, having the personal examination of the merchandise and applying the rates of duty. Salaries of the examiners vary from $1,800 to $2,500.

13. Have no evidence that any Government officers in the consular department or elsewhere have assisted, consented to, or connived at the presentation to the appraisers of false evidence of foreign values.

14. If false valuations have come of bribery or venality, there is, in my judgment, no reason to think that it will not be successful in the future as in the past.

16. A change from ad valorem to specific rates would help to diminish a tendency to bribery, but it would be difficult to apply it in all cases.

17. Have no knowledge or information of the increase of false reports by the repeal of the "moiety" law of 1874 and the modification of the law of 1863, respecting the seizure of books and papers.

18. Personal examinations by consuls or agents in the districts named, and verifying the correctness of invoice values, except by greatly increased force, and then accompanied by considerable delay. Consul fees in London and England, 15 shillings.

19. I think it would not.

20. Have no experience in this department.

21. Can be prevented only in one way, by sure and quick punishment of offenders.

22. I think not; have no knowledge of any.

23. Have no knowledge in regard to other ports.

24. Cannot say.

Respectfully, &c.,

C. GARDINIER,
Examiner, Fourth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 158.

CHARLES F. HARTMANN—Appointed Opener and Packer April 1, 1874; Examiner November 17, 1884.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 6, 1885.

SIR: Respectfully referring to your communication marked "confidential," and requesting answers to a number of questions, marked 1 to 24, I have the honor of making the following statements, after prefacing that my experience as an examiner is not of long standing to have me furnished with an insight into many of the points contained in the questions to be answered.

1. To the best of my belief, the rates of duties on the dutiable value of goods have been levied and collected according to law.

2. Unknown to me.

3. By the stamp of the manufactory, and for testing, or, in case of distrust, by actual measurement.

4. I have not heard of any collusion between the entry clerks or deputy collectors and the importers.

5. Unknown to me.

6 to 9. On these points I am unable to give the necessary information.

10. Not to my knowledge.

11. Not by me, as I am not familiar with any facts regarding undervaluations.

12. The examiner is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector. The salary of examiners ranges from $1,800 to $2,500.

13. Not known to me, but I do not think there is an examiner who considers the consul's certificate as proof of the correct value of the invoice, but appraises the goods to the best of his own expertness and experience.

14. If false values have been habitually and systematically reported to the collector, and if the tariff law has not been faithfully executed, the guilty party can only be the examiner.

15. To prevent any bribery or venality in the future is only possible by the employment of honest, incorruptible examiners.

16. In regard to the change from ad valorem to specific duties there is a wide difference of opinion. As regards the goods I have to deal with, I hardly believe it would be possible to raise an amount of duty equal to the one realized at the present rates; and, furthermore, it would injure, to a great extent, the interests of American manufacturers. As I am not aware of any attempt of bribery, I also cannot express an opinion on the possible results of a change, principally in regard to textile goods.

17. Not able to answer, inasmuch as when I was appointed to the position of examiner the law in question had long been out of practice.

18. In regard to the consular service, I cannot give a definite opinion, not being familiar with the workings and customs of these offices. But I hold it rather to be impossible, except with an innumerable staff of officers, for these to supervise the shipments and the correctness of invoices in regard to the correct dutiable values of the goods.

18. In my opinion, it would not be advisable to have a greater number of officers appointed to interfere with the ascertainment of the dutiable value of the merchandise, as the present law is allsufficient.

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20. Unable to do so.

21. It is greatly believed to be the case; but, as far as I know, whenever the guilty parties were detected, they were punished by dismissal, and a stricter supervision being exercised since some time, there is less heard of it.

22, 23, and 24. Not able to give the necessary information.

Having conscientiously answered the questions propounded to the best of my ability, I have the honor to sign, most respectfully, your obedient servant,

CHARLES F. HARTMANN,

Examiner, Ninth Division, of French and German Cutlery, Military Goods, Bronze-Powders, Dutch Metal, Files, Tin-foil, Watchmakers' and Jewellers' Tools, &c.

Hon. DANIEL MANNING,

Secretary of the Treasury.

No. 159.

HENRY C. SOUTHWORTH—Appointed Examiner December 27, 1884.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 23, 1885.

SIR: My brief service in this department, or in any department of the Government, will be sufficient, I trust, to account to you for my failure to answer many of the inquiries contained in your communication received by myself during this month.

Inquiry 3.—I often take the weights and measurements of the lengths and widths of the goods examined by myself.

Inquiry 10.—There have been some differences of opinion as to charges on packages. In my opinion, the place, the time, and the standard in order to fix dutiable value, are fully defined by the statutes.

Inquiry 12.—In the usual course of business the examiner is *primarily* responsible for the return of value. Salaries range from $1,800 to $2,500. I was appointed at a salary of $1,800, which still remains at the same rate. I understand that the statutes only require the appraiser to *officially* certify to the collector the return of value as reported by the assistant appraiser, who has confirmed the values fixed by the examiner.

Inquiry 13.—I have no evidence of such a state of affairs, but the Basle (Swiss) expert reports, coming into my hands at irregular intervals, are quite unsatisfactory to myself.

Inquiry 16.—I do not think specific rates can be applied beneficially to the revenue on the goods ordinarily examined by myself.

Inquiry 18.—I think it would *not* be practicable, under the present circumstances, at London, Paris, Berlin, &c., to examine and verify as to the *correctness of all invoices*, but I think the service could be improved at these points. The consular office at Basle (Swiss) employs an expert. If it is a necessity to have such a person there, a greater or equal need exists for like service at St. Etienne, France.

Inquiry 19.—From my brief observation, I think it would *not* be safe or useful to the revenue or just to the importer to interfere with, or revise, or set aside the decisions of the appraisers' department respecting dutiable values if *all* the forms of law have been complied with.

Inquiry 20.—Only for the last three months, July, August, and September, have goods having wool in their composition passed under my

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examination, but, from this slight experience, I find the combination of ad valorem and specific rates work unjustly both to the revenue and to the importer.

Very respectfully,

HENRY C. SOUTHWORTH,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 160.

HENRY HAVILAND—Appointed Examiner April 1, 1881.

NEW YORK, *September* 24, 1885.

SIR: In response to the letter addressed to me by you, I have the honor to make the following replies:

Question No. 1.—I have no knowledge but what they have been.

No. 2.—I do not know of any.

No. 3.—No knowledge.

No. 4.—None that I know.

No. 5.—I have none.

No. 6.—I do not know.

No. 7.—No knowledge.

No. 8.—No knowledge.

No. 9.—No knowledge.

No. 10.—For the first clause, I do not know of any; and for the last clause, I think they are.

No. 11.—I think not.

No. 12.—In my opinion, the examiner is primarily responsible. My salary is $1,800 per year. My experience with the appraiser has been that he has fully recognized the responsibility of his position, and made himself cognizant of correct values and the proper classification of goods.

No. 13.—No knowledge.

No. 14.—No knowledge.

No. 15.—No knowledge.

No. 16.—I do not think a change from ad valorem to specific rates would be any benefit to the revenue. There are many articles to which a specific rate cannot be well applied.

No. 17.—No knowledge.

No. 18.—I do *not* think it would be practicable in the districts named, nor in any others, except such as those where the amount exported would be trifling. I think foreign governments would complain. I do not know what fees are exacted.

No. 19.—I do not know.

No. 20.—No knowledge.

No. 21.—No knowledge.

No. 22.—No knowledge.

No. 23.—No knowledge.

No. 24.—No knowledge.

Yours, very respectfully,

HENRY HAVILAND,
Drug Examiner, Seventh Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 161.

CHARLES M. KEYSER—Appointed Clerk in Appraiser's Office July 10, 1868; Examiner July 5, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 24, 1885.

DEAR SIR: In reply to your circular, I will answer your questions to the best of my ability. I entered the service July 10, 1868, as clerk and verifier, at $1,000 per annum, and have been promoted from time to time, having passed a civil service examination in April, 1874, and again in July, 1883, having then been promoted to the examinership of English woollens.

No. 1.—As far as I know, all duties levied have been collected.

No. 2.—I know of none.

No. 3.—The only manner measurements of textile fabrics are verified is by comparing the tickets on goods with the invoice; and if any suspicion is aroused, the goods are then unrolled and measured. It would be impossible to measure all the goods, as we have not the room or help; the goods would be more or less soiled by handling.

No. 4.—I have no evidence of collusion between importers, their agents, and Government officials.

No. 5.—I have none.

No. 10.—There is great confusion in arriving at the component parts of goods to ascertain the proper rates of duty to be imposed on so-called "silk and cotton seats." On an analysis, the chemist reports less than 2 per cent. of goods hair, (thus changing the rate of duty,) which cannot be discovered by feeling or seeing.

No. 12.—The examiner fixes the value on the merchandise. The salaries fixed by law are from $1,800 and not more than $2,500. I believe they average from $1,600 to $2,200. My salary is $1,800.

The appraiser certifies to the value given by the examiner and assistant appraiser.

No. 13.—I am not aware of any.

No. 16.—It would, if it could be accomplished; but specific duties would make low-price goods cost more than the high-price goods, and so cause the poor to pay a great deal more than the rich. I refer you to the schedule accompanying this letter. I have been as brief as possible, and hope that it will contain some information to you.

I am, very respectfully,

CHARLES M. KEYSER,
Examiner of English Woollens,
Sixth Division, Appraiser's Department.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 162.

HENRY J. ABBOTT—Appointed Inspector December 28, 1878; Examiner June 11, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 24, 1885.

SIR: Respectfully referring to printed circular asking replies to twenty-four questions, I have the honor to report as follows:

Though ranking as an examiner in the appraiser's office, the duties of my position are those of a sugar expert in the United States laboratory, and do not embrace the subjects involved in the inquiries referred to. I cannot, therefore, make official replies to them, and presume that none other are desired.

Respectfully,

H. J. ABBOTT,
Examiner.

Hon. DANIEL MANNING,
Secretary of Treasury.

No. 163.

MARSHALL J. CORBETT—Appointed Examiner April 17, 1873.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 24, 1885.

SIR: Your circular without date received. I would respectfully submit the following answers to the questions propounded:

1. I have no evidence that the duties have not been collected as the law requires.
2. I do not know that the specific duties prescribed by Congress have not been collected.
3. By counting, measuring, and weighing.
4. I know nothing about.
5. I have no evidence that such is the case.
6. I am not prepared to answer.
7. I cannot specify such articles.
8. I could not say.
9. (1, 2, 3, 4, and 5.) I know nothing about what evidence there is; depends upon the circumstances of the case. There is usually the evidence of interested parties.
10. There has been in regard to the elements of chief value. The question as to the proportion of labor to apply on the different elements of value, and also the question of what charges enter into the dutiable value of the merchandise, I do not think these things are clearly defined by the statutes.
11. I think not.
12. The examiner is given the invoice to compare the contents of the cases and report as to the quantity and value to the assistant appraiser. The amount of business done in the different divisions of the appraiser's department in New York make it utterly impossible for the assistant appraisers to make such a critical examination as to enable

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them to report on either the values or quantities of the goods in their respective divisions; therefore, they must depend almost wholly upon the examiners, whose salaries are from eighteen to twenty-five hundred dollars per annum. The assistant appraiser reports the values to the appraiser, as, according to the law, (or usage,) an assistant appraiser signs every invoice, although many times he may know nothing about the correctness of it. The appraiser officially certifies to the collector the reports made by the assistant appraisers.

13. I know of no evidence that any such thing has been purposely done.

14. I know nothing of the matter.

15. I don't know.

16. I think the collection would be easier; specific rates could be applied to all textile fabrics, but they would operate very unequally.

17. This is more than I could say.

18. I think it would be practical to send more information than we receive. All articles could not be reported without vexatious delays. What action the foreign governments would take I could not say; $2.50 for each certificate.

19. I think it be neither safe or useful.

20. I would respectfully suggest that Mr. Lewis Heyl, the general appraiser at Philadelphia, is the best qualified to make such report.

21. I don't know.

22. I have not studied the matter.

23. I don't know.

24. I don't know.

Very respectfully, your obedient servant,

MARSHALL J. CORBETT,
Examiner, Appraiser's Department, New York.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 164.

J. HOWARD WAINWRIGHT—Appointed Examiner May 19, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 25, 1885.

SIR: In regard to your letter of inquiry recently received by me, I beg leave to state that since my duties as examiner in the appraiser's department consist exclusively of work as a chemist in the United States laboratory, and since I have nothing whatever to do with the passing of invoices or the examination of merchandise in any other manner than mentioned above, I am, therefore, unable to reply to your questions.

Very respectfully,

J. HOWARD WAINWRIGHT, *Ph. B.*,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 165.

JAMES F. GUILFOYLE—Appointed Opener October 28, 1873; Sampler October 20, 1874; Examiner November 24, 1882.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 25, 1885.

SIR: Respectfully referring to the circular marked "strictly confidential" received from your Department, I desire to state that the questions embraced in said circular, from 1 to 11, inclusive, I am not in a position to speak intelligently upon matters contained therein.

In reply to Question 12, I can only state that, as between the examiner, assistant appraiser, and appraiser, the examiner, in the usual course of business done in this department, is primarily responsible for a false return of value to the collector. Under existing laws it is the duty of the assistant appraiser to appraise merchandise, with the aid and assistance of the examiner; but an assistant appraiser cannot personally be an expert in all classes of goods passed upon in the division of which he is at the head, so that, to a very great extent, he must rely upon the knowledge of the examiner, who has constantly before him many cases of similar goods for different importers. Acting upon the knowledge which each examiner possesses, the assistant appraiser (who must rely upon the integrity and honesty of his examiners) certifies to the correctness of values to the appraiser, who, in turn, certifies the same to the collector.

My salary is $1,800 per annum.

The remaining questions in the circular I do not consider myself competent to speak upon.

Very respectfully,

JAMES F. GUILFOYLE,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 166.

HAYDN M. BAKER—Appointed Examiner December 3, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 26, 1885.

SIR: I have the honor to acknowledge the receipt of the honorable Secretary's confidential circular, without date, embracing twenty-four sections of interrogatories, calling for the presentation of facts and expressions of opinions appertaining to the administration of and proposed amendments to the tariff laws.

The writer's official status imposes upon him the duty of determining the identities and component materials of the imported merchandise submitted to his investigation, and thereafter reporting the findings to the appraiser, for the guidance of the assistant appraisers and their examiners, who subsequently classify, in keeping with the representations of ascertained individuality, composition, or relative value, according to their own understandings of the directions contained in the law or Department regulations.

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The character of the subscriber's work only qualifies him to furnish statistical or commercial information, in an incidental manner. His experiences as Government expert in the courts and to the district attorney's offices has, however, made him familiar with schemes, devices, and conditions that culminate in disaster to the Government interests. At the same time, it appears to him that some of the adversities might have been averted by the adoption of more discreet methods and the previous enactments of well-considered legal provisions.

Assuming that these observations embrace facts related to some of the sections contained in the honorable Secretary's circular, I respectfully ask permission to submit the thoughts connected therewith, in the expectation that the presentation will convey available suggestions.

Referring to Inquiry 7 of the circular, the subscriber affirms that the Treasury Department has been unsuccessful during recent years in levying and collecting the entire and full amount of duty prescribed by law upon aniline colors imported at New York.

The subject is an exceedingly complex one, involving many intricate points, that made the irregularities possible; therefore, it is more than probable that the "evidence of failure" would be "successfully controverted" if the word successfully, as used in the circular, refers to the results of a legal contest.

As to "how" the evidence would be controverted, I submit that it would be brought about by the lapse of time, and by taking refuge behind the compound term "foreign market value," which has been found at reappraisements to be an exceedingly elastic expression, applicable to secret contracts, embodying any kind of terms and conditions which parties may testify they have previously agreed to.

To illustrate and emphasize this thought, let me solicit your attention to the following narration:

One year ago last December, an importer furnished the writer, for Government use, a set of staple aniline colors, and the firm's contract prices with the manufacturer, (Carl Zimmer, on the Rhine.) The said prices were affirmed by Zimmer to be the actual cost of making the goods.

The importer claimed, however, that all the merchandise would be, and was, invoiced at the regular European value, and at an advance upon the cost of fabrication.

The firm also admitted that after such goods had arrived in this country and been sold, one-half of the profits, above cost, duties, and expenses, were transmitted to the manufacturer.

This division of profits cemented the parties of the first and second parts into partnership. The Government, through its representatives, used the importer's information and samples as standards for the determination of the values of aniline colors imported at New York.

The tests were verified by comparisons with samples and current invoice values from the regular importations of William J. Miller & Co., of New York. The findings thereby deduced were reinforced by information from Consul Frank Mason and from United States Special Agent George C. Tichenor, who were abroad. The preponderance of testimony was also increased by the simultaneous examinations of the importations of Henry A. Gould & Co., of Boston, covering one or two years' business, which we were investigating in concert with Dr. P. Ambrose Young, examiner of drugs and chemicals at Boston. The investigations advanced every New York importer to reappraisement.

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When the cases were tried they came off, all in a bunch, during the celebrated aniline-color suits in the United States district court. Neither the writer nor his exhibits could be in two dispersed localities at the same time, while the district attorney was disinclined to release the exhibits. At the reappraisements the importers acted as merchant appraisers upon each other's cases without leaving the room. They testified that the European market was immensely overstocked, in consequence of the war then raging with China; therefore, by carrying the cash to Europe, they could and had bought large quantities of colors at less than the cost of their fabrication. The most extensive importer testified that the manufacturer in Europe was a partner in the American firm, having invested $150,000 in the concern which he represented. The Government was in possession of *bona fide* offers in Europe, by this same manufacturer, for quantities ranging from 200 *kilos* to 1,000 *kilos*, less 5 per cent. discount for cash. These offers were *confidential* circulars, that were put into the aniline-color suits because they were serviceable as exhibiting the manufacturer's classification, which agreed with what the Government claimed should rule in assessing duty. They were withdrawn after the trial and carried to Boston to confront the importer at the Henry A. Gould & Co. reappraisements, but are, undoubtedly, still in the possession of the Government. These offers were not accepted as market values, but, instead thereof, the merchant's claims for individual and privileged transactions were considered as regular and legal rates.

Your examiners claimed that all their representations were proportional factors of unfinished transactions, which could not properly represent a European market value, because the apportionment of profits to be subsequently realized actually belonged therewith.

It was also argued on the part of the merchants, who were sustained by the general and merchant appraisers, that duties must be assessed according to the foreign market value at the time of exportation, while the assumption of future profits referred to a dubious quantity, that could not be considered in an official act.

At the same the importers admitted that European buyers could not purchase at rates similar to those which were obtained for goods coming to the United States. It was also made apparent that reputable and competent buyers in Europe, with an abundance of cash and unquestionable credit, could not purchase for the United States at terms practically approximating those designated in the invoices of American importers, because the manufacturers were bound to the said importers by terms they felt under no obligation to disclose. The merchants also affirmed that the history of sales adduced on the part of the Government only represented transactions by limited or insignificant operations.

It was also developed at these hearings that valuations for Australia, China, India, or Japan were all different quantities. We affirm that the establishment of a market value each time a transaction is effected annihilates the force of the expression and renders the assumption that an examiner can divine the terms of a negotiation between two parties he does not know (by the examination of a sample from the merchandise transferred) a positive absurdity. Surely, the expression "market value" ought not to be so susceptible to fluctuating import as to include one man's favorable opportunities and another's fatal disadvantages at the same time. Please allow me to indicate the

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manner in which this question of market value influences the matter of classification by obscuring or misrepresenting the real character of merchandise.

In the Turquoise Silk cases, the one tried in New York, before Judge Shipman, being designated the "Fleitman case," and the other issue tried at Philadelphia, during October, 1883, Judges McKenna and Butler presiding, the question of classification depended upon whether the component silk or the component cotton should sway the decision.

If the cotton amounted to 25 per cent. or more of the whole value of the goods, then the merchandise was entitled to the lower classification.

In the issue at Philadelphia, the plaintiff arrayed and displayed all the costs of raw materials, with the expenses for weaving, dyeing, and finishing, to prove that cotton was the constituent, exceeding 25 per cent. of the whole value.

The calculations were made upon one thousand yards of each kind, at so many marks and pfennings per metre, the silk being billed by the pound in dollars and cents, and the cotton in pounds, shillings, and pence, while the reckoning for dyeing, weaving, and finishing was computed in francs and centimes.

The value of the cotton in one lot was ascertained to be $\$1.02\frac{5}{10}$ per pound; in the second parcel, $\$1.34\frac{79}{100}$ per pound; and for the third exhibit, $\$1.36\frac{9}{10}$ per pound, when the values were translated.

The chemical and microscopic examinations indicated that the three kinds were of one quality substantially.

After the plaintiffs rested, the Government unravelled the knot they had tied.

They were stunned by the results their own factors afforded, until Judge McKenna's inquiries into the causes of disagreement revealed hiding-places behind the 10 per cent., 18 per cent., and 22 per cent. discounts from designated invoice prices.

These revelations induced the learned judge to inquire, "What is a market value, if it isn't the price a man pays for goods?"

This leads to the very point we are anxious to impress upon the honorable Secretary, namely, that the plaintiff had prepared an exhibit showing that the organzine (raw silk) cost, after deducting allowable discounts, $5.40 per pound, which was really its proper value at that time compared with regular unquestionable transactions. He then expends in labor and material about 22 per cent. of the invoice price. After the goods are complete, they are invoiced at a fair market value, from which 18 per cent. discount is allowed.

But that 18 per cent. discount upon the finished fabric comes off from the cost of the silk as well as the other components, the charges for the same being already presented at a fair valuation.

Can a firm continue in business by purchasing silk at $5.40 per pound, afterwards advancing its worth by more expenditures, and finally selling it at $\$4.42\frac{8}{10}$ per pound, which is equal to 18 per cent. discount from the paying price?

This kind of business inevitably terminates in bankruptcy, but the people who pursue the course described seem to thrive on their drawbacks.

These complications are presented to enforce the conviction that a limitation by legislative enactment should be assigned to the expression "foreign market value."

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Referring now to Inquiry 10 of the circular, I have the honor to enclose an illustration of the confusion incident to the determination of the dutiable value of some woollen goods.

Exhibit A reveals the perplexity. In the filter-paper within the envelope will be found cotton fibres derived from the accompanying sample, amounting to 3.84 per cent. of the whole, the balance being wool. Examiners classify these goods as mixtures of "cotton and wool," presuming that they have no authority to appraise the intent of mixing as an effort to deprive the Government of its proper duty.

Exhibit B contains four similar samples. Upon what basis or by what directions these goods are classified as mixtures of cotton and and wool the writer does not know; but paragraph 362, new tariff, provides for "woollen cloths * * * and all manufactures, of every description, made wholly or in part of wool, not specially enumerated or provided for." This language amply describes this kind of merchandise, but possibly the goods may be specially enumerated and provided for by paragraph 363, as "flannels," or by paragraph 365, as "women's and children's dress-goods, coat-linings, Italian cloths, and goods of like description," and possibly some other measure.

Exhibit C is another illustration or the same subject.

These exhibits are taken from the bundles of retained samples preserved by the writer to verify his findings in case of disagreement or subsequent investigations.

Exhibit D is herewith enclosed to exemplify the same causes of confusion with reference to silk goods, importers having the articles made to keep inside of the legal line, according to their interpretation of law and estimates of Department decisions relating thereto.

As a matter of observation, the said "legal line" appears to be swayed about, up and down, always in motion by changing conditions, the doubts of administrators, and the winds of sharp practice, until its theoretic station, legal altitude, judicial course, and final whereabouts are confounded with the unknowable.

Exhibits might be enclosed in great numbers to display the same kind of conflicts regarding plushes of silk, goat and cattle hair, silk mixtures, cotton and linen, silk, cotton, wool, and ramie mixtures, but we assume that enough causes of confusion have been exhibited to advocate and inaugurate a search for remedies.

Referring to Inquiry 11 of the circular, we claim that no reliable estimate can now be made that would approximate the actual facts concerning undervaluations in any year or series of years.

In answer to Inquiry 12 of the circular, it may be said that the appraiser certifies to values reported to him by assistant appraisers and examiners when no conflict of opinion occurs between these officers and the importers or their representatives; therefore, in such instances the examiner is primarily and chiefly responsible, unless he has divided the responsibility by consultation with the assistant appraiser.

If a merchant feels aggrieved by the action of official subordinates, he can, and often does, appeal to the appraiser to have his case and causes of complaint reconsidered and adjusted.

During the hearings the appraiser acts in a judicial capacity, listens to both sides, compares the presentations with the law and Department decisions thereunder, and finally renders his opinion according to the developments of investigation.

Referring now to Inquiry 16 of the honorable Secretary's circular, we assume, in answer thereto, that the "existing quantity of duty could

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not be levied upon imports by a change from ad valorem to specific rates," because such a change would greatly diminish the quantities of importation by the exclusion of seconds, thirds, and fourths, unless specific rates were established, for different grades of the same kind, similar to the regulations pursued in assessing duty upon sugar.

As to how this adjustment should be made equitably depends upon the elaborate computations from the inherent qualities and consumed quantities of the merchandise subjected to consideration.

As to the effect such a change would exert in diminishing a tendency to bribery, we claim that it would be utterly impotent, for wherever and whenever this propensity exists it is uniformly accompanied with a cunning ingenuity equal to that engaged in legislating against it.

The love of justice and correct deportment are inseparable; therefore, the public weal is securely guarded or grossly neglected in exact ratio with the moral status of its public servants and their ability to contend with nefarious plots.

The writer is happy to say that nearly all the men he has met as Government officers have appeared to be sincere and conscientious servants. The same remark is true of most of the importers, but some of them claim doubtful privileges. Referring now to one of the inquiries contained in Inquiry 6 of the circular, the writer begs to call the honorable Secretary's attention to one collector's suit now on appeal to the Supreme Court, namely, the Tetra-bromofluoresic Acid case. If this case is properly presented before the Supreme Court, it will be ordered back for new trial on the ground that it was "otherwise provided for" than as an acid "used for chemical and manufacturing purposes."

At the trial in the court below, the testimony adduced by or extracted from both sides proved it to be an aniline color. The learned judge charged the jury that if "they found it to be an acid, no matter if it was also an aniline color, then they must find for the plaintiff;" but he overlooked the fact that it ought also to be an acid "not otherwise provided for," while as an aniline color it was so provided for.

This case is of immense importance, beyond the possible saving of a sum to the Government ranging from $90,000 to $140,000.

If the plaintiffs can be sustained, then it will follow that a vast number of substances can be isolated from their combinations and brought in as "acids, not otherwise provided for," (free,) while the administration will be powerless to prevent the ultimate success of the schemes.

Please allow me to direct your attention to paragraph 594, new tariff, which reads, "acids used for medicinal, chemical, or manufacturing purposes, not specially enumerated or provided for in this act." After this enumeration, how many other *purposes* are left for which acids can be used? The applications of such a provision are nearly limitless. Equity to the merchants who import with a sincere regard for their obligations to the Government, together with the necessity for uniform applications of law, demand that the wisdom of Congress be directed to the effects of this measure.

There is one other matter not inquired about in the honorable Secretary's circular, but which is suggested by apparent necessity, namely, that in the event that a commission is appointed to ascertain the incongruities of the tariff law, the said commission could acquaint itself with the difficulties by holding its preliminary sessions in the examiners' rooms of appraising departments, and assuming to say what dis-

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position of merchandise should be made to comply with the law and Department instructions relating thereto.

The honorable Secretary can see why this course would be advantageous when reminded that paragraphs 1, 3, and 6 of Schedule A treat of the same chemical substance and impose three different rates of duty. Crude and refined conditions would interpose numerous objections and suggest definite limitations that would amount to instructions.

The writer has been prolix and candid by reason of the intricacies of the inquiries. He hopes that the thoughts herein advanced will be found available for the honorable Secretary's purposes, and that the ideas projected will atone for the great length of the communication.

I remain, very respectfully, your obedient servant,

HAYDN M. BAKER,
Chemist, U. S. Laboratory, New York City.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 167.

EDWARD SHERER—Appointed Examiner May 4, 1880.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 21, 1885.

SIR: Respectfully referring to printed circular, without date, marked "strictly confidential," received from the Department September 9, 1885, requesting replies to twenty-four inquiries, I have the honor to report as follows:

It is proper to state that, while legally rating as an examiner in the office of the appraiser, my actual position as chemist in charge of the United States laboratory at this port is one that affords me no opportunity in an official capacity to acquire information on most of the subjects of these inquiries. The duties of my office do not, in general, embrace any examination of questions of rates of duty or of dutiable values, but simply questions of identity and determinations of the component parts of samples of such importations as require chemical analysis to assist the examiner having the appraisement of such importations to decide upon the dutiable value or rate of duty.

In regard to Inquiry No. 1, I am of the opinion that the rate of duty which the law prescribes upon artificial mineral water has not been heretofore levied and collected. The evidence upon which such opinion is based is contained in my report to the appraiser of June 16, 1881, upon imported Apollinaris water. This report, with other papers, was submitted by the Department to the Attorney-General on June 29, 1881, and an opinion rendered by that officer on July 26, 1881.

I am also of the opinion that the rate of duty prescribed by law was not levied and collected upon a certain importation of sugar from Honolulu, Hawaiian Islands, on June 26, 1882. The reasons for such opinion are given in my reports to the appraiser of September 23 and September 25, 1882, on the appeal of Messrs. Watgean, Toel & Co. from the classification for duty of this importation of sugar. (Copies of the reports herein referred to are herewith enclosed.)

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Respecting the subject of Inquiry No. 16, it is certain that the levying and collection of specific duties are not attended with the uncertainty and temptation to fraud that are inseparable from the assessment of ad valorem duties.

The difficulty of defining the term "foreign market value" and determining the actual relation existing between the foreign manufacturer and the importer renders, in many cases, the ascertainment of such value impossible.

In my judgment, a specific rate adjusted upon a scale of relative values or varying qualities of a manufactured product is most equitable, and can be levied and collected with least friction between the appraising officers and the importers, and offers the least temptation to fraud.

The rate of duty assessed by the existing tariff on imported raw sugars of foreign manufacture affords the best illustration of this mode of appraisement. Since the enactment of the present tariff there have been 36,849 samples of different importations of sugar tested in duplicate in this laboratory by the polariscope, and the rate of duty determined by such test. From the classification thus arrived at there have been on the part of the importers no appeals to the Department. Evidently this mode of determining the rate of duty is attended with but little conflict of opinion between the appraising officers and the importers. That the Government is fully protected is equally certain from the fact that the widest publicity is given to the results obtained by the appraisers, and the close competition between the merchants would cause them to detect at once any case of undervaluation in test giving an unfair advantage to any of their number.

A similar method of levying and collecting duties upon all imported articles, in so far as practicable, would, in my judgment, be attended with the most satisfactory results.

I respectfully submit, in conclusion, that official replies to the inquiries, with the exception of those above given, cannot be made by me, as they do not fall within the scope of my official duties.

Very respectfully,

EDWARD SHERER,
Chemist in Charge.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 168.

W. C. POTTER—Appointed Examiner August 18, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 22, 1885.

DEAR SIR: Your confidential circular received, and I offer the following replies:

Answers to Questions.

No. 1.—I have no evidence that collections have not been made according to law.

No. 2.—Think full values of duties have been collected.

No. 3.—I have no special information on textile fabrics. My department is drugs.

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No. 4.—I have no evidence of collusion, as I have never yet discovered anything of that nature in examination of goods.

No. 5.—My business of drug examiner does not bring me in direct contact of weighing or measuring departments, so have no knowledge of wrong.

No. 6.—In respect to differences between importers and collectors about rates of duties, the present law is good enough. It does not need amendment. Have no information about suits pending in Boston, New York, Philadelphia, Baltimore, &c. Law for payment of interest as part of damages does not need amendment. Existing judicial system sufficient.

No. 7.—Have no knowledge upon this subject.

No. 8.—Know of no conspiracy among Treasury or custom-house officials that would account for failure in collections.

No. 9.—The official actions of the appraising department thoroughly honest and correct, so far as I have any knowledge.

No. 10.—There has been a conflict of opinions about the *coverings* in which dutiable articles are shipped, but are now better understood.

No. 11.—I have no means now of making a safe average-estimate of undervaluations in past years.

No. 12.—The examiner is responsible. Salary, eighteen to twenty-five hundred dollars. The appraiser accepts the values fixed and reported to him by examiners and assistant appraisers, and he officially reports them to the collector.

No. 13.—Have no information of false statements.

No. 14.—Have no knowledge of false and dishonest practices.

No. 15.—There seems to be a higher mercantile standard, and the realization that in the end "*honesty* does pay."

No. 16.—A change from ad valorem to specific rates in many cases would be advantageous. Do not think specific rates could be applied to all textile fabrics.

No. 17.—Know of no false reports.

No. 18.—Do not think it possible for consuls to verify all invoiced values. It might be possible in some smaller districts, where there is very little business. Think foreign governments would complain over unnecessary delays. The charges are 15 shillings sterling upon each invoice, without regard to values.

No. 19.—See nothing to be gained by a change of law.

No. 20.—I have no knowledge about wool, as it does not come in my department. The sixth division of our department can give information upon everything pertaining to wool.

No. 21.—No information on the subject.

No. 22.—Do not think lower duties would insure closer collections.

No. 23.—Know nothing concerning enforcement of revenue law at other ports.

No. 24.—When such cases have been discovered, they have been prosecuted and punished. Large sums have been collected from such cases. Care and honesty on part of officials leave little room for fraud.

Respectfully,

W. C. POTTER,

Drug Examiner, Seventh Division, Appraiser's Dept.

Hon. DANIEL MANNING,

Secretary of the Treasury.

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No. 169.

W. H. MAXWELL—Appointed Messenger, New York, November 21, 1881; Clerk May 1, 1883; Examiner November 21, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 11, 1885.

SIR: I beg leave to say, in reply to your "confidential inquiries," that since my appointment as an "examiner" I have been assigned to duty as examiner in charge of sample office, and in my official duties I have not been called upon to question values or rates of duty, but simply to ascertain if goods are clearly samples, and not of a dutiable nature as samples. Your letter calls for a response from me, and in order to show due respect to the head of the Department, I answer same to best of my ability, under the numbers in your circular.

I have the honor to be, yours, very respectfully,

W. H. MAXWELL,
Examiner, United States Sample Office.

1 and 2. I have no official knowledge that the rates of duty, as the law prescribed, have not been levied and collected.

3. I have no official experience as to manner and tests of measurements of texile fabrics.

4. I have no evidence of collusion between persons making entry so as to send a bogus package for examination to appraiser's department.

5. I have no knowledge of false or incompetent or inadequate weighing or measurement on the wharves.

6. I do not consider myself qualified to make any reply to this.

7. I have not in line of official duty found it necessary to follow up investigations so as to enable me to make any reply to this.

8. Reply to Inquiry 7 covers this.

9. I have no knowledge that the appraiser has reported false dutiable values to the collector.

10. In my official capacity, have never been in doubt as to dutiable values; I consider place, time, and the standard already defined.

11. My official duties do not give me any knowledge as to undervaluations.

12. The *examiner is chiefly responsible for a false return* of value to the collector. The assistant appraiser and appraiser must necessarily rely on his subordinates when he affixes his signature to invoice, unless he or they have been personally consulted. Salaries of examiners range from $1,800 to $2,500 per annum.

13. I have no evidence or knowledge of any person in the consular service assisting or conniving at the presentation of false foreign values.

14. Cannot make any reply.

15. Cannot reply.

16. I do not think a change from ad valorem to specific rates would benefit the revenue or diminish bribery. Do not think specific rates could be applied to all fabrics.

17. Having recently entered the custom service, cannot reply to this.

18. Cannot say what fees are exacted other than those allowed by the regulations furnished by the Department. Do not think it practicable for consular agents to supervise or examine all goods, and complaints would be made, as such a course would cause delay.

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19. I think it would be safe and just to importers, that the executive or judicial powers have greater jurisdiction, and also useful to the revenue.

20. My official duties have not caused me to make a study of rates of duty on wool, therefore cannot make reply.

21. I have no knowledge of the payment of money by passengers to inspectors to facilitate or hasten examination of baggage.

22. Do not consider myself qualified to make any reply.

23. I think the Department has and is now doing all in its power to enforce the revenue law at this port.

24. I have no official knowledge as to false returns or reports of dutiable values. If such reports have been made, do not know why such dishonest officials have not been punished.

The foregoing is respectfully submitted.

W. H. MAXWELL,
Examiner in Charge of U. S. Sample Office, Port of New York.

No. 170.

A. G. REMSEN—Appointed Examiner December 15, 1869.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, New York, September* 23, 1885.

SIR: In answer to your letter asking for such information as I may be able to give regarding the customs service at this port, I respectfully submit the following:

My duties are confined to the examination of the following-enumerated articles: Sugar, molasses, melado, cane-sirup, honey, glucose, grape-sugar, and confectionery, and as the classifying of sugar keeps me constantly employed, it leaves me but little time or opportunity to acquaint myself with the other branches of business conducted in the department.

In answer to the first eight inquiries, I would state, if there has been failure to collect the entire and full amount of duty that the law prescribed, such failure has been in some cases caused by the complications of the tariff law, and in others, no doubt, by dishonest officials.

In answer to Inquiries 9 and 10, I beg to state that the statutes already define the rules to be observed in the classification of goods.

In answer to Inquiry 11, I think it would be difficult to determine correctly.

In answer to Inquiry 12, I would state that the examiner is the responsible person for a false return. The salary of such officers range from $1,800 to $2,500 per annum. The appraiser has to rely upon the honesty and capability of the examiner and assistant appraiser.

In reply to Inquiries 13 and 14, I have no evidence.

Inquiry 15.—I know of no reason.

Inquiry 16.—A change from ad valorem to specific rates would be a benefit to the revenue and diminish the tendency to bribery. I would respectfully suggest specific duties on glucose, grape-sugar, and on all confectionery. The tariff is complicated on confectionery, and at times difficult to define; and as to glucose and grape-sugar, we are in doubt as to correct values.

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In reply to Inquiry 18, I would state that I hardly think it would be practicable, as it would cause delays, and be the means of causing complaints from foreign governments.

In reply to Inquiry 19, I think it would be safe for the executive or judicial powers to have greater jurisdiction to interfere with the ascertainment of dutiable values.

In answer to Inquiry 21, the practice could be prevented by putting honest men in office.

In reply to Inquiry 24, if such false returns or reports have been made, and the officials responsible for such false returns have not been punished, it has been because of powerful political influence or a lack of proof to indict them.

Very respectfully,

A. G. REMSEN,
Examiner, Eighth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 171.

A. D. FENTON—Appointed Examiner May 13, 1878.

PORT OF NEW YORK, APPRAISER'S OFFICE.
402 *Washington Street, September* 22, 1885.

SIR: In reply to section 12 of the series recently received from you, I have the honor to say that, as between the examiner, assistant appraiser, and the appraiser, I consider the examiner as chiefly responsible for *any* return of value to the collector. The maximum salary of an examiner is fixed at $2,500. The appraiser has little or nothing to do with fixing the value of invoices, only certifying officially the values fixed and reported to him by the examiner and assistant appraiser.

Very respectfully, &c.,

A. D. FENTON,
Examiner, Third Division.

Hon. DANIEL MANNING,
Secretary U. S. Treasury, Washington, D. C.

No. 172.

WILLIAM C. JACOBS—Appointed Examiner July 15, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* —, 1885.

SIR: In reply to yours of the 8th, I would respectfully state that, after a close and minute perusal of your letter, I am inclined to believe that you are in pursuit of such information as each examiner is possessed of over that branch of goods with which he is connected. If this be a proper interpretation, I shall endeavor to answer with clearness those questions I am familiar with, while ignoring those of which I have little if any knowledge.

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The goods coming under my direct supervision are sugar, melado, molasses, cane-juice, glucose, honey, and confectionery, and all answers I may make to the questions propounded will be in keeping with that fact.

In reply to Questions 1, 2, 5, 7, 8, 9, I beg to state that no tangible evidence is in my possession detrimental to the Government's receiving its just due, while, on the contrary, I feel justified in saying that in many instances, especially of sugar duties, the Government has received more than it was justly entitled to, owing to Treasury regulations which deny to us the power of discriminating between right and wrong. If the Government has failed in any case to receive its just due upon sugar, it is no fault of the law, but can be attributed to either the negligence or dishonesty of its officials.

In reply to Questions 10 and 16, I would state that of late we have received complaints from the home manufacturers of glucose that foreign invoices of that commodity have been undervalued, and considerable doubt has arisen as to which is right, the opinions being numerous and conflicting. In order to avoid future difficulty, I would respectfully suggest that a specific rate per pound or hundred-weight be levied on grape-sugar, glucose, and confectionery. In all cases where a specific duty can be levied with equity to all, I think it advisable, as it would tend to simplify the tariff, relieve us of much anxiety, and prove a barrier to the machinations of dishonest merchants and corrupt officials.

To the best of my knowledge and belief, I should answer Questions 11 and 13 in the negative.

In reply to Question 12, I beg to state that the examiner is the responsible party. His return is certified to by the deputy appraiser, which in turn is certified to by the appraiser and then returned to the collector.

In reply to Questions 14 and 15, I would say that if under the previous administration of the Treasury false values have been habitually and systematically reported to the several collectors, and if the tariff law has not been faithfully executed, and if the full amount of duty has not been collected, it can fairly be said the failure has come of either negligence or dishonesty.

If moneys have been paid to American officials to get false reports of dutiable values, it has undoubtedly been paid by those representing the parties most interested. If the aforesaid corruption has taken place in the past, I see no reason why the same practices will not be continued in the future, and just so long as the public service contains men of dishonest proclivities.

As to American consular agents in large consular districts personally examining goods and certifying to invoice values, I doubt of the success of such a movement, while admitting its salutary tendencies. It would require a large force, be attended with vexatious delays, and undoubtedly be the means of causing numerous remonstrances from the home governments to us against such procedure.

If our consular agents will exercise great care as to invoice values, and keep us well informed, I think it about as much as can consistently be accomplished. The fees exacted are, to the best of my knowledge, $2.50 an invoice.

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It would be safe and useful to the revenues, and just to importers, if the executive and judicial powers had greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates.

Very respectfully,

WILLIAM C. JACOBS,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 173.

SAMUEL BOWNE—Appointed Sampler January 31, 1879; Examiner July 27, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 15, 1885.

SIR: In reply to your favor of 8th instant, I beg leave to remark that I fear I can be of little service to you, as I am examiner of drugs, and have had little experience in dry-goods and the general routine of custom house affairs in Wall street.

I am not aware that any great conflict of opinion exists in regard to dutiable values. It seems to be coming more general, however, that all raw materials should be admitted *free*, and in my opinion a change in many articles from ad valorem duties to specific values would be beneficial.

One word in regard to a matter I am quite familiar with—that is, salaries in this department. The *examiners* are almost always the only ones who see the merchandise when examined, unless, when in doubt, they call upon the assistant appraisers, although the *examiners* are supposed to be the *only experts*, and, as a matter of justice, they should receive the same salaries as the assistant appraisers; and *all examiners* should receive the same amount, say, $2,500 or $3,000, as others than myself have but $1,800 per annum.

Lewis McMullen, our worthy appraiser, is, in my opinion, the best man for the place we have had in twenty years. He has had nothing to learn, and to him we are indebted for the quiet working of this department, and in comparison with former administrations is simply *astonishing*. Mr. McMullen is at his desk at 9 a. m., ready for business, which proceeds like clock-work, as he not only does his whole duty to the Government, but expects all his subordinates to do theirs.

It would afford me much pleasure to hear from you whenever I can be of service to the Department over which the present Secretary of the Treasury has so ably presided for the past few months.

With great respect, I am, your obedient servant,

SAMUEL BOWNE.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 174.

NEW YORK, *September* 23, 1885.

SIR: In answer to Question No. 12, I have to say that the examiners are almost *entirely responsible*, in the usual course of business, for false returns of values to the collector, because they, and no one else, rarely see the merchandise sent to the appraiser's department for examination.

After the examiners have examined the goods, the invoices are signed, the packages *mailed*, *corded*, and *sealed*, the assistant appraiser signs underneath the examiner the invoices sent to the appraiser, who affixes his stamp, and it goes to the collector.

The salaries of the examiners vary from $1,800 to $2,500. It is not my desire to underrate the duties of the appraiser, for it is absolutely necessary to have a head to the establishment, one *acquainted with its duties* as well as merchandise, and one whom all in the building respect and *many* fear; and it is now understood by all that any cause for removal or suspension will be acted upon with promptness, and it is also understood that the appraiser's private office is no place for *political loafers*, who have in former times greatly interrupted the business of the appraiser.

If I have spoken too plainly or freely of the management of this department, I ask your pardon; but you seemed to expect plain, unvarnished answers, and I have endeavored to answer your questions with truthfulness.

With great respect, I am, your obedient servant,

SAMUEL BOWNE,
Examiner of Drugs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 175.

E. C. LESEUR—Appointed Examiner September 6, 1878.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 22, 1885.

SIR: In response to your "confidential circular," received on the 8th instant, I respectfully beg leave to reply to the following questions:

Question No. 3.—The only textile fabric that I examine is Italian cloth, of German manufacture. Said goods are imported in pieces of about thirty-eight metres in length, are done up in tillots, and each piece marked on the outside with the number of metres it contains. Whenever any doubt exists as to the correctness of the invoiced measurement, the lengths are verified by actual measurement.

Question No. 10.—There has been a conflict of opinion in this department regarding the elements of dutiable value. Under recent instructions, coverings of every description not essentially necessary to convey the goods to the United States are held to be a part of their dutiable value. The condition in which merchandise is held for sale by the owner is considered to be the actual market value, and duty is

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assessed thereon accordingly. The place, time, and standard is defined in the statutes.

Question No. 12.—"As between the examiner, assistant appraiser, and appraiser," in the usual course of business the examiner is primarily responsible for a false return of value to the collector. Although under the law it is the prerogative of the assistant appraiser to appraise merchandise, and the duty of the examiner to "aid and assist," yet, as a rule, the examiner is the only one that examines and fixes values; he reports the same to the assistant appraiser, and he officially certifies to the appraiser, and the appraiser to the collector. The salary of an examiner in this department is "not more than $2,500 per annum."

Question No. 16.—I believe that a change from ad valorem to specific rates would be a benefit to the revenue, and also a great protection to honest importers and American manufacturers. High rates of ad valorem duty have a direct tendency to encourage and promote dishonesty among Government officials and importers alike. Since the advent of high ad valorem rates, the honest American merchant has gradually been driven out of the mercantile arena, and in his place has sprung up the American agent of the foreign manufacturer. Instead of actual purchases, consignments are the rule. The only competition among these *agents* appears to be that of undervaluation.

Having had several years' experience in appraising leather gloves at this port, and knowing, as I do, the tenacity of the foreign manufacturer and his agent in this country with which they endeavor to defraud the revenue, I unhesitatingly state that, in my judgment, specific rates should be levied upon this commodity. I feel fully convinced that the contest between the appraising officers and the importers will not cease until this desirable change is consummated. If desired, I would be pleased to present for your consideration a specific rate of duty on leather gloves which I believe would not only be practicable, but as equitable as any specific rate could be.

Specific rates could be applied to all textile fabrics, but it would undoubtedly discriminate in favor of the rich as against the poor. If duty were to be assessed per pound, the cheap heavy goods would pay more duty relatively per value than the light and expensive goods; if duty were levied upon the square yard, the discrimination would still exist.

Very respectfully, your obedient servant,

E. C. LESEUR,
Examiner, Fifth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 176.

F. J. BURKE—Appointed Examiner August 1, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 18, 1885.

DEAR SIR: Your circular letter requesting information as to the carrying out of the customs laws has been received, and in reply thereto I would state that my opinion would hardly be entitled to much weight, as my experience in examining goods is limited, having only been appointed about six weeks ago.

Respectfully, yours,

F. J. BURKE,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 177.

G. LANDSMANN—Appointed Examiner July 13, 1883.

NEW YORK, *September* 21, 1885.

SIR: I respectfully acknowledge receipt of circular of September 9, requesting answers to certain questions. I beg leave to reply that my position as sugar examiner in the United States laboratory connected with the appraiser's office at this port prevents me from acquiring information which would enable me to answer them.

I remain, dear sir, very respectfully, yours,

G. LANDSMANN.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 178.

B. D. C. FOSKETT—Appointed Examiner July 18, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 21, 1885.

SIR: In answer to confidential circular recently received by me, and containing questions relating to the customs department, I have to say that I have held my position but two months, and that my duties are those belonging to position of sugar examiner, and have been outside the appraiser's office and on the docks; that during that time I have had nothing to do with passing invoices or the collection or levying of duties, and that I am unable to answer questions relating to those subjects from my own personal experience, and, likewise, questions relating to customs affairs of the last few years. In fact, my experience will not warrant my attempting to answer any of the questions of said circular. Regretting my inability to answer them, and expressing my readiness to answer any relating to duties of my position.

I am, respectfully, yours,

B. D. C. FOSKETT,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 179.

B. D. C. FOSKETT—Appointed Examiner July 15, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 3, 1885.

SIR: I ask leave to supplement my answer to the confidential circular received by me some time ago by answering Question No. 12. My opinion is that the examiner is responsible for the return of value, as he is supposed to be an expert in the class of goods over which he has charge, and examines and appraises their value. I believe this is the case in most kinds of goods. In case of raw sugars, where the rate of duty is determined by a chemical test, the examiner in charge of sampling is not responsible. In certain grades of raw sugar above No. 13, Dutch standard, the sugar examiner is responsible, so that, with a few exceptions, my opinion is as above. Salary of examiner is from $1,800 to $2,500 per year.

I am, very respectfully,
B. D. C. FOSKETT,
Sugar Examiner, New York.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 180.

FRED. COCHEN—Appointed Inspector September 5, 1878; Examiner April 9, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 17, 1885.

SIR: In answer to your communication, without date, I would respectfully reply that since my appointment as an examiner, until within a short time past, I have always been attached to the first division of the appraiser's department, where I have had only damaged goods to examine; consequently, I am unable to answer but few of your inquiries intelligently.

In answer to No. 12, I should say decidedly that an examiner is, and should be, held responsible for a false return. As to No. 9, I would respectfully refer you to the testimony given by me to Treasury Agent Spalding, on or about May 1, 1885.

I am, very respectfully, &c.,
FRED. COCHEN,
Examiner.

Hon. DANIEL MANNING.

No. 181.

PETER A. HEPBURN—Appointed Examiner August 1, 1885.

DISTRICT NO. 3, EIGHTH DIVISION,
Brooklyn, September 21, 1885.

DEAR SIR: I have carefully read the twenty-four inquiries above, and fail to see wherein I can suggest any alteration, advice, or suggestions, with the exception of No. 24, in this: It is my opinion that, did

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the law seriously punish the officials concerned therein, and not the importer, there would be less attempt at offering bribes, as the punishment being exclusively on the official, he would be so watchful that no tampering would be attempted with him, as he would then be in the power of the tempter.

Yours, very truly,

PETER A. HEPBURN,
Examiner, Eighth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 182.

FRED'K B. BIELING—Appointed Examiner August 1, 1885.

NEW YORK, *September* 15, 1885.

SIR: In reply to circular marked "strictly confidential," I herewith respectfully submit my opinions on the subjects referred to. As I have only recently been appointed to the position I hold, (examiner of china, pottery, and glass ware,) I cannot answer some of the questions, and some perhaps only imperfectly:

Nos. 1 *to* 5. I have no knowledge regarding matters treated in these questions.

6. Judging from the very great delay in trying suits growing out of decisions by collectors and the Treasury, it appears to me that there ought to be established one or more *courts of claims* to try customs cases *only;* such court to consist of an equal number of law and lay judges, and the verdict of this court, if *unanimous*, to be *final;* if not, either party to have the right of appeal to the United States Supreme Court. This court should be able to reach and settle cases brought before it within thirty days, whereas now some suits, which could be, *if brought to trial*, decided in an hour, are pending for three or four years.

7. I could not furnish *proof* of the correctness of my firm belief that for many years goods in the line I am familiar with (china and glass ware, &c.) have been regularly and systematically undervalued by some firms, who have consequently been able to undersell all their competitors.

8. The failure to collect proper duties on goods paying *ad valorem duties* has, in my opinion, resulted in most cases from the ignorance and utter incompetency of some of the examiners, who were generally appointed for political reasons only, and *some* of whom, at least, had no knowledge whatever of the value of the goods they were to examine, and could not even *read* the invoices, (made out in foreign languages,) much less, of course, determine whether they were correct or false.

9. I have no *evidence* that the appraisers have reported false dutiable values to the collector.

I consider it of the utmost importance to have the special agents of the Treasury act in constant support of the *examiners*—furnish them with whatever data they may gain as to the state of the foreign markets, suspicious circumstances in regard of particular manufacturers or importers on certain lines of goods, results of reappraisements at other ports, &c.

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10. There does not seem to exist any doubt at present in the appraiser's department regarding the elements of dutiable values, excepting in the case of importers who are manufacturers of the goods they import. In that case there ought to be a careful consideration by the Treasury, and a rule laid down for the guidance of the examiners. In a case of this kind brought to reappraisement, which resulted in separate reports by the merchant appraisers and general appraiser, the collector has just sustained the *invoice*, thus virtually allowing the importer the right to fix his own dutiable value, irrespective of *market value*.

11. I do not think any safe average estimate can now be made of the undervaluations in the past years.

12. As the business of the appraiser's department has been and is now conducted, the responsibility for the correct return of *dutiable values* lies *solely* with the examiner, as he is the *only* one who sees the goods and fixes values. The assistant appraisers in charge of the several divisions may, perhaps, be consulted on questions of rates, on construction of the tariff or a decision, but usually simply countersign the return of the examiner—a mere matter of form.

The salary of examiner is $1,800, which is far too low for a man who understands his business, as he can in a *mercantile* establishment usually command about double that amount.

13 and 14. I cannot answer these questions.

15. The greatest care exercised in the selection of examiners, the paying of a *good* salary to a *good* man, the assurance of permanency of position during good behavior and honest performance of duty, irrespective of any political changes, and the *constant supervision by the special agents* will do much to prevent the yielding to bribery by examiners.

16. It seems impossible to change the ad valorem duties on china and glass ware to specific duties, as it would seem to be manifestly unfair to exact the same amount of duty on a teacup costing *ten cents* as on one costing *ten dollars*. To divide and arrange these goods in classes would still leave the matter a question of *values*.

17. A modification of the law, allowing customs officers or special agents at times a reasonable inspection of any importer's books in cases of doubt or suspicious circumstances, would seem very desirable, and would, probably, in a great many cases, act as a check upon dishonest importers and a quick (harmless, if innocent) remedy to discover if an entry is true or false.

18. It would be impracticable to verify the correctness of invoice values by the consular officers abroad, as they could not possibly see the goods; but it appears to me *very necessary* to revise the instructions given to consuls in regard to certification of invoices, as at present the system is *very loose* and of *no value* whatever to the United States Government.

The manufacturer of the goods should, in every case where the goods are bought from the maker, be compelled to swear to the correctness of his invoice. At present, at the consulates in Dresden or Prague, &c., *one* person acts as a *duly authorized agent* to any one who sends him an invoice and $3.50 or so for fees, and swears, of course, that the invoice is correct and true, although he may not know anything whatever about the maker or the goods.

Whenever it can be shown (which sometimes is not very difficult) that a foreign manufacturer has deliberately sworn to a false invoice,

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his government should be requested to proceed against him for perjury. An example of this kind would be *very valuable.*

19. In my opinion, it would not be safe to give power to the Treasury or judiciary to set aside or interfere with decisions of the appraiser's department respecting dutiable values. The present *system* of appeal from the finding of the appraiser regarding values is satisfactory, but it should be perfected by having more than one general appraiser acting, as at present it takes at least two weeks to reach a reappraisement, and many are postponed even when date is fixed. Greater care in the selection of merchant appraisers is also necessary to protect the revenue.

20. I cannot answer this question.

21. To stop the universal and proverbial present custom of bribing customs inspectors by arriving passengers, it would be very difficult to devise a better plan than the concentration furnished by the New York barge office; and it seems a great mistake to yield to newspaper clamor for its practical abolishment.

22. Lower rates of duty would probably, in many cases, take away the incentive to defraud the revenue by false invoices.

23. I cannot answer this question.

24. It seems to have been the *custom* to simply dismiss a dishonest official when found, instead of punishing him, though why this should be so I am not able to say.

Very respectfully,

FRED. B. BIELING,
Examiner, Second Division, Appraiser's Dept

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 183.

A. C. DUTCHER—Appointed Sampler January 12, 1878; Clerk June 13, 1879; Examiner March 27, 1882.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 24, 1885.

SIR: Respectfully referring to Department's printed communication, undated, containing a series of twenty-four inquiries regarding the administration and condition of the customs service at this and other prominent ports of entry, I have the honor to submit the following, comprising, *ad seriatim*, what pertinent information it has been possible for me to acquire in my official position:

No. 1.—I have no evidence showing that the prescribed rates of duty have not been properly levied and collected.

No. 2.—The class of merchandise of which I have the examination and appraisal comprises no goods subject to specific rates of duty, and, consequently, I have no knowledge as to whether or not the proper amounts have been collected.

No. 3.—In the usual course of custom-house business, the *widths* of textile fabrics are invariably ascertained and reported and when there is the slightest reason for believing the invoiced *lineal* measurement incorrect, *that also* is accurately ascertained. The standard of measurement applied consists of the ordinary yard-stick, the metre

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stick, and the anne stick, or tape, all of which are supplied officially by the Department. In certain classes of goods it is customary to verify lineal measurements by weighing.

No. 4.—I have no evidence showing collusion between persons making entry of merchandise and deputy collectors or entry clerks in sending false or bogus packages to the appraiser for examination. As I understand the present mode of procedure, it appears almost impossible that such collusion could occur.

No. 5.—I know nothing whatever of weights or measurements taken on the wharves, as my official experience has been confined solely to examinations at the public stores.

No. 6.—Regarding rates of duty and differences arising between importers and collectors, I regard the existing law, if properly administered, as fully competent.

I have no knowledge of the number, present condition, or classification of suits now pending at the ports named.

I consider the existing law regarding the payment of interest as part of the "damages," &c., to be equitable, but think that much unnecessary delay could be avoided by a system providing for a more prompt termination of such litigation.

In my opinion, a separate tribunal would greatly facilitate reform in this direction, and not only be a relief to importers, but would also be the means of saving considerable labor on the part of Government officials in the matter of reconsidering and reclassifying invoices covering merchandise of same character as that involved in suit.

Nos. 7 *and* 8.—I am not familiar with the result of the recent customs investigations, and am in the possession of no facts "susceptible of proof" showing that the Department has failed in recent years to collect the full duty prescribed by law.

No. 9.—I have no conclusive evidence tending to show that the appraising officers at this and other ports have reported false dutiable values.

As regards evidence supplied by special agents of the Treasury, I believe that such evidence has oftentimes been obtained by them from interested or prejudiced sources, and that, consequently, it is frequently unreliable and not borne out by subsequent investigation.

Special agents are not, as a rule, experts in any class of merchandise, and what knowledge they possess is derived wholly from information. I believe, therefore, that, however earnest and sincere they may be in the pursuit and detection of frauds upon the revenue, they are often misled by false and exaggerated statements on the part of interested informers.

As between the values claimed by special agents and those fixed by appraising officers at this port, in nearly all cases that have come under my observation, where such respective values indicated a conflict of opinion, a full and careful investigation has sustained the values fixed by the experts in this department.

No. 10.—With the exception of certain "*charges*," as to the liability of which to assessment of duty there now exists a difference of opinion among both importers and officials, I know of no "confusion, doubt, or conflict of opinion" among the officers of this department respecting the elements to be ascertained in fixing market or dutiable values. The law upon this point seems to me perfectly clear and readily construed, and I can see no cause for differences of opinion.

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As regards the charges referred to, the Department has already indicated the course of action to be adopted, and the legality of its ruling can only be questioned by resort to the courts.

No. 11.—I know of no method by which the average percentage of undervaluation for any year, or series of years, can be ascertained, or the merchandise or invoices identified.

No. 12.—In the usual course of business, I regard the *examiner* as *primarily* and *solely* responsible for returns of values to the collector. He is the only official who, except in special cases and for special reasons, personally inspects the merchandise under examination.

The salaries of examiners at this port range from $1,800 to $2,500 per annum.

The appraiser and assistant appraisers are not ordinarily "experts," and their functions are purely of an executive character. Their reports of values are, except in rare instances, based upon those of the examiners.

No. 13.—I know of no such evidence.

No. 14.—I do not believe that false returns have been "habitually and systematically" reported to collectors by appraising officers. Instances may have occurred where the law has not been faithfully executed, and the full amount of duty consequently not collected; but I do not think that such failure has, except in comparatively very few cases, come of dishonesty, or been accompanied by guilty knowledge on the part of officials. I know of no case where money has been paid to obtain false reports of dutiable values.

In my opinion, whatever undervaluation may have existed has arisen chiefly from the employment by the Government of incompetent and inexperienced men as expert examiners.

No. 15.—If false valuations have been brought about by bribery or venality, I have no reason to think that a continuation of such practices is improbable, unless human nature should undergo a sudden and radical change.

No. 16.—While a change from ad valorem to specific rates of duty might *diminish* the tendency to bribery, I do not regard it as a sovereign cure, as the opportunities for fraudulent reports of weights and measurements would be nearly as great as those now existing respecting values. Owing to the large range in character, uses, material, and value covered by textile fabrics, I do not deem it practicable to establish an *equitable* system of specific rates of duty independent of the question of value. Such rates can, of course, be applied, but what estimates I have been able to form lead me to believe that, whatever basis may be adopted, injustice will inevitably accrue to both importers and consumers, with no compensating benefit to the Government.

No. 17.—I do not think that false reports by the appraising officers have been increased by the legislation of 1874; and I believe the revenue to be as fully protected now as when the "moiety law" and the act of 1863 referred to were in full force.

No. 18.—I do not regard it practicable, in the consular districts named, for consuls or agents to personally examine articles to be shipped to American ports or to verify the correctness of invoiced values, except to a very limited extent. I know of no consular district where this could be accomplished without a largely increased force and great incidental delay, and think it highly probable that any such course on the part of this Government would be the cause of numerous

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complaints. The consul and notary fees in Great Britain are, respectively, 10*s.* 6*d.* and 4*s.* 6*d.*, aggregating 15*s.* sterling.

No. 19.—I regard it as neither safe, useful, nor just to confer upon either the executive or the judiciary the power to interfere with the ascertainment of market or dutiable values of merchandise. The appraising officers should be selected for their competency, experience, and reliability, and, being the only personal inspectors of merchandise, should be held wholly responsible for any failure to report merchandise at its correct value.

No. 20.—I have had no experience whatever in the examination or classification of wool.

No. 21.—I know of no instance where money has been paid by arriving passengers to customs inspectors of baggage. Should such a practice prevail, the only remedy that suggests itself is to provide by law severe penalties for such infractions of duty, and enforce them promptly and impartially.

No. 22.—On no goods with which I am familiar has the rate been carried by Congress beyond a line that can be readily protected by the Government.

No. 23.—I have no knowledge of the conduct of the customs service at any other port than New York.

No. 24.—I do not know.

Very respectfully submitted.

A. C. DUTCHER,
Examiner, Fourth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 184.

L. B. CARHART—Appointed September 3, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 25, 1885.

DEAR SIR: In reply to your circular letter, received on the 9th instant, marked "personal" and "strictly confidential," asking replies to certain inquiries, I submit my answers, hastily prepared under a pressure of official duties, this being the busiest season of the year.

I shall write frankly and without reserve, in the "confidential" spirit of your communication, believing that this is my duty, both as a citizen and an officer, and that only so can I contribute to that full and accurate knowledge of the situation which will help you to carry on to success the great work which you have undertaken.

As my official connection with this department will not probably continue much longer, I shall write with more freedom than I might otherwise have felt at liberty to do, but I ask you to receive my assurance that I have no other motive than a desire for the public good and the success of your administration.

My connection with this department dates from September 1, 1879, consequently my knowledge of its affairs follows that date. As the examiner of French worsted dress-goods since that time, I have had accurate knowledge only of that branch and its collaterals.

1. I believe that the rates of duty prescribed by law on my line of goods have been and are collected in full.

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2, 4, 5, 7, 8, 11, 17, 20, and 21. As to these questions, I have no official knowledge and but little personal acquaintance with the subjects.

3. There are no facilities provided for verifying lengths of textile fabrics in the appraiser's stores; widths are carefully examined. Any systematic verification of lengths would involve a considerable increase of the labor force, and would require more intelligent labor than is usually found now among the men employed on kindred work.

When I have had reason to suspect disagreements with the invoice measurements, I have myself measured the goods by hand, but, except in a few cases of manifest error without fraudulent intent, I have not found any disagreements. An invoice which was reported to me by a special agent as a case of fraudulent overmeasure was carefully tested, and the goods found to agree exactly with the ticket-marks and invoice.

I have no reason to think that the Government has suffered any serious loss in this direction, and yet I think that provision for occasional testing of measurement of lengths, under intelligent supervision, would be healthful in its effect.

6. I think that some of the manifest errors in decisions by the Department at Washington on appeals from classifications would have been avoided if the Assistant Secretary making the decisions had been located in New York, where he could see the goods under consideration and hear from the appraising officer the reasons for his classification. The letters which have reached the Department have not always stated the facts clearly, as a few moments of personal observation would have shown. As a consequence, there have been contradictory decisions and reversals, which have led to confusion, delay, and probably to litigation.

9. I do not think that purchased goods in my line are often falsely invoiced, but on all dutiable goods sent to this country by foreign makers and owners consigned to agents for sale there is need of especial and constant supervision. The sharp competition of trade compels these men to keep the cost of their goods at the place of sale as low as possible, and, as many of these manufacturers sell no goods in their home markets, they claim to have but scant means for knowing their own lowest market value; hence their efforts to find the lowest "dutiable value" here by experimental invoices, and also hence the urgent need of the very best expert service which the Government can procure to determine that dutiable value.

Special agents cannot, of course, be trained experts in all lines of merchandise, and therefore, except in cases of gross fraud, their judgment of value must be superficial.

10. There is, I think, and probably always has been, more or less of conflict of opinion in the appraiser's department on the subject of market value, which is an essential element of dutiable value. Some have held that the fact of purchase, at whatever date, ought, in justice, to be conclusive, but the law explicitly confutes this view by fixing the date of shipment for appraisement; others have thought that about an average between the highest and lowest prices paid by different buyers should fix dutiable value, &c.

The place and time of appraisement has been plainly defined by law, but I think the standard of value is not clearly stated, and Department decisions and instructions are obscure or conflicting. My own opinion is that the true measure of market value is the lowest price at which

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a given article is purchased (not *offered*) at a fixed date in the open market, at wholesale, for cash or first-rate credit, and in the condition in which the goods are to be offered for sale here. This fixes a minimum of value for duty, and I think cannot work injustice to any legitimate interest. An explicit official statement of such a standard would contribute to uniformity of action.

12. With so large and varied a business as that of the appraiser's department in New York, the subdivision of examination is inevitable, and capable men become specialists and experts on comparatively short lines, and the sharp competition of this city's great business calls for the finest distinctions to be carefully and intelligently drawn.

Of course no man is, or can be, well acquainted with fabrics or values in several lines of goods; therefore the examiner, and not the assistant appraiser nor the appraiser, is held finally responsible on all questions of value, and mainly on all questions of original classification.

The salaries fixed by the present law, section 2745, are "not to exceed $2,500 per annum, at the discretion of the Secretary of the Treasury." The salaries paid are, I think, from $1,600 to $2,500. My own salary is $2,000 per annum.

The appraiser and assistant appraisers do not, in the ordinary course of business, so far as my experience goes, assume any responsibility for values. They are occupied with the general administration of the affairs of the department, official correspondence, &c. Their functions are about like those of the head of a large mercantile house, and they should be men in the prime of life, well acquainted with current business affairs and customs.

15. In connection with questions 15 and 12, possibly in extension of their letter, but in their spirit and intent as I understand them, I venture to remark that false valuations and the generally defective administration of the customs laws, which have caused so much dissatisfaction among business men, are largely due to the low standard of selection of officers which has heretofore obtained.

In the appraiser's department in New York there are, and long have been, men nominally doing clerical work, where really competent clerks are much needed, who are unfit both in capacity and habits for their duties. Where a good $1,200 or $1,400 clerk is needed, two openers and packers or messengers are detailed to bungle the work or do it reluctantly.

There are examiners appraising merchandise upon which millions of dollars in duties are collected annually, whose judgment of values would not be relied on for small amounts in private business. There are others whose personal habits unfit them for effective duty, even if they were intelligent and capable.

There are but few trained experts—men who have brought to the service that experience in the line of their work which alone gives real knowledge of fabrics; and the wonder is, not that there are so few such men, but that under the system of selection there are any. Some of the best examiners now in the service are men who have, perhaps at serious cost to the Government, acquired in the service a certain knowledge of fabrics, values, and the customs laws, and they are useful men. But the system is radically defective. In no department of the Government are purely business methods more needed than in the appraiser's department. The whole standard of the service should be raised; men should be employed in that service for which they are appointed and paid.

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Good clerks, capable and industrious, are much needed, and they can be had for the salaries allowed for clerks, $1,200 to $1,600 per annum, but they cannot be found among the messengers or openers and packers, at $700 to $900. But perhaps while ex-Presidents and Senators are willing to exert their power to perpetuate this condition, as they have done, it cannot be entirely corrected. You can, however, with knowledge of the facts, act intelligently.

I believe that every careful observer who has become well acquainted with the working of the customs laws has reached the conclusion that the pivotal point upon which success or disaster depends is the appraising officer or examiner. If his work is intelligently and faithfully done, the collection of the revenue is thereafter a routine matter of mainly clerical work, and comparatively easy. The result is, the Government receives its full revenue, legitimate commerce has a fair field for its competition, and domestic industries have the protection which the law-makers contemplated.

To obtain this kind of service, the Government, having a much larger interest involved than any merchant can have, can well afford to do what that merchant does in seeking like service—get the best equipped that can be found, and pay him adequately for his services. This, with with a reasonable security of tenure, would obtain a professionally expert service of high character, and worthy of the interests involved.

19. The law now fixes the entire responsibility for dutiable values upon the appraiser's department, and I do not see how it can be safely placed elsewhere; but, as I have said, the necessity for a general elevation of that department is, and long has been, urgent, and there is no reform in the customs service or elsewhere which would give greater satisfaction to the business men of New York.

16. If the amount of revenue and the facility of collection are alone considered, no doubt purely specific duties are better than ad valorem.

But I think it safe to say that no revenue law can long keep its place on the statute-books which is not, at least approximately, just and equal in its distribution of the burden of taxation. Any system of specific or compound duties upon textiles must of necessity bear unevenly upon the consumers, who are the great body of our people, levying the heaviest tax upon the cheapest goods, and so laying the heaviest burden upon the tax-payer least able to bear it. This fact is shown more plainly in the report upon Department letter of June 29, which I have made to the appraiser, with samples of goods appended, a copy of which I enclose herewith. The samples sent to the appraiser are especially interesting in connection with the results shown.

I believe the best system of duties upon these goods to be purely ad valorem, a single rate for all such goods "made wholly or in part of wool, worsted," &c., except such as have silk in chief value, which should go with silk manufactures. The effect of this would be to somewhat reduce the duties upon low grades of goods, to advance it upon those of higher cost, and to absolutely equalize it upon all. Another result would be to enlarge the range of domestic manufactures now confined to the cheaper and poorer grades of goods.

The ad valorem, if a moderate one, say about 50 per cent., would not prove a bounty upon dishonesty, and could be collected in full.

22. I do not think it would be practicable for consular officers to ascertain accurately market values and certify to them at the place of shipment, for the reasons suggested by the form of your question.

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I sincerely regret the length of this communication, which I have not had time to cut down. If I have added nothing to your information on these subjects, I have at least answered your questions with candor and frankness, and an appreciation of the difficulties of the situation.

I am, sir, yours, very respectfully,

L. B. CARHART,
Examiner of French Woollen Dress-Goods, Sixth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury.

French "All Worsted Dress-Goods," Schedule K, par. 365.

Trade name.	Sample number.	Per metre. Price.	Per metre. Discount.	Width.	Present duty.	Ad-valorem equivalent.	Square-yard equivalent.	Per-pound equivalent.
		Francs and centimes.	*Per cent.*	*Ins.*		*Pr. ct.*		
Nun's velling	8	0.92½	5	38½	9 c. per sq. yd. and 40 pr. ct.	102	$0 15	$1 05
Do	9	1.80	8	48½	....do....	81½	17¾	1 05
Do	10	5.10	8	48	....do....	54½	34	2 01½
Cashmere	11	0.92½	5	35	....do....	96½	15½	92½
Do	12	1.65	6	38½	....do....	75	19½	83½
Satin berber	13	1.55	5	39	....do....	77½	18⅝	94⅝
Cashmere de l'Inde	14	9.00	6	47¼	....do....	48	54½	2 42½
Croise, or imitation cashmere de l'Inde.	15	1.25	12	41	35 c. per sq. yd. and 40 pr. ct.	103	17½	57¼
Do	16	9.50	6	47¼	....do....	51½	62	1,54½
Cashmere	17	2.70	2	47	....do....	66½	23¾	88
Do	18	4.50	2	47	....do....	58	34¾	1 12

French "Part Worsted Dress-Goods," Schedule K, par. 365.

Trade name.	Sample number.	Per metre. Price.	Per metre. Discount.	Width.	Present duty.	Ad-valorem equivalent.	Square-yard equivalent.	Per-pound equivalent.
		Francs and centimes.	*Per cent.*	*Ins.*		*Pr. ct.*		
Satin berber	1	1.40	13	39	5 c. per sq. yd. and 35 pr. ct.	60	$0 12	$0 58½
Cashmere	2	0.90	6	35	....do....	65	10¾	59
Melange	3	2.45	10	41	7 c. per sq. yd. and 40 pr. ct.	60½	20¾	50¼
Valour str. twill	4	4.00	12	21½	....do....	46¾	48¼	1 57
Bengaline	5	9.75	2, 2½, and 16.	22¾	....do....	43¾	83½	1 85¼
Stripe bouclé	6	12.50	3	19	....do....	42	1 69	2 64
Silk embroidered foulé	7	5.00	5	47	....do....	51	32¾	82
Same cloth as above not embroidered, (all worsted.)	.....	1.95	5	47	9 c. per sq. yd. and 40 pr. ct.	85½	22½	65½

It has been found impossible to present clearly the peculiar features of the present duty on dress-goods with the samples which, numbered

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as referred to, pertain to this report and are held for reference. As will be seen, the ad-valorem equivalent varies with each change of price, weight, or width.

The samples have been carefully selected as types of the wide variations under the four several rates of duty.

The present specific duty varies from 2 per cent., on sample 6, to 63 per cent., on sample 15.

L. B. CARHART,
Examiner.

No. 185.

WM. D. CRUMBIE—Appointed Examiner July 13, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 26, 1885.

SIR: Respectfully referring to undated confidential circular, asking answers to twenty-four (24) inquiries, I have the honor to state that my duties as a chemist (with the rank of examiner) in the United States laboratory are of such a nature as do not afford me the opportunity of obtaining official information upon the subjects of these inquiries.

Believing that official replies only would be of service, I do not feel justified in offering mere opinions upon the matters embraced in the inquiries.

Very respectfully,
WM. D. CRUMBIE, F. C. S.,
Chemist.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 186.

THEODORE G. MORSE—Appointed Messenger November 1, 1880; Examiner March 25, 1884.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 28, 1885.

DEAR SIR: I have the honor of acknowledging the receipt of your circular of September, 1885. Permit me to say, in reply, that the interrogatories and subjects embraced in the circular are so entirely foreign to my knowledge of the same as to preclude me from giving the information desired, except as to Inquiry 12.

My position as examiner in the United States laboratory gives me but a limited intercourse with Government officials, their manner of procedure and daily intercourse of business. Merchandise and invoices are never received in this department of the laboratory. My duties in the laboratory are those of an examiner or expert in examining sugar by the method known as the polariscopic test. Our samples consist of about one pound of sugar, each pound representing one or more hogsheads, prepared and placed in cans in the eighth division, or what is known as the sugar-room, and are there forwarded to the laboratory for the proper test, by making up each sample into a solution, giving to

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each its proper degree of saccharine contained therein. Returning a record of the same to the chemist in charge, our functions with the department end.

In reply to the question embraced in Inquiry 12, I would say that the examiner is primarily liable for a false return to the collector, but the deputy appraiser is equally culpable in receiving and forwarding the same to its proper destination; but this must entail an endless amount of work by the deputy appraiser if his actual knowledge is required as to the valuation and amount of merchandise represented by each invoice.

The salaries of examiners range from $1,200 to $2,500 per year.

I trust that it may not be inappropriate to say that no doubt abuses exist in the Treasury Department, and that the general sentiment of honest officials is for a thorough investigation in every department.

Very respectfully,

THEODORE G. MORSE,
Examiner, United States Laboratory.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 187.

ROBERT E. BOWNE—Appointed Sampler June 30, 1873; Examiner July 17, 1873.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, Septeniber* 28, 1885.

SIR: In reply to your letter asking for such information as I may be able to give regarding the customs service at this port, I respectfully submit the following:

My duties are confined to the examination of the following articles: Sugar, melado, molasses, cane-sirup, honey, grape-sugar, glucose, and confectionery. And as my duties in the classification room and on the wharves keep me constantly employed, it leaves me but little time or opportunity to acquaint myself with the other branches of business conducted in the department.

In answer to the first eight inquiries, I would state that, if there has been failure to collect the entire and full amount that the law prescribed, such failure has been, in some cases, caused by the complications of the tariff law, and in others, no doubt, by dishonest officials.

In answer to Inquiries 9 and 10, I beg to state that the statutes already define the rules to be observed in the classification of goods.

In answer to Inquiry 11, I think it would be a very difficult and uncertain task.

In answer to Inquiry 12, I would state that the examiner is the responsible person for a full return. The salaries of such officers range from $1,800 to $2,500 per annum. The appraiser has to rely upon the honesty and capability of the examiner and assistant appraiser.

In answer to Inquiries 13 and 14, I know of no such evidence.

Inquiry 15.—I know of no reason.

Inquiry 16.—A change from ad valorem to specific rates would be a benefit to the revenue and diminish the tendency to bribery. I would respectfully suggest specific duties on glucose, grape-sugar, and on all

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confectionery. The tariff is complicated on confectionery, and at times difficult to define; and as to glucose and grape-sugar, we are in doubt as to correct values.

In reply to Inquiry 18, I would state that I do not think it would be practicable, as it would cause delays and be the means of causing complaints from foreign governments.

In reply to Inquiry 19, I do think it would be safe for the executive or judicial powers to have greater jurisdiction to interfere with the ascertainment of dutiable values.

In reply to Inquiry 21, the practice could be prevented by putting honest men in office.

Inquiry 24.—If such false returns or reports have been made, and the officials responsible for such false returns have not been punished, it has been because of powerful political influence or a lack of proof to indict them.

Very respectfully,

ROBT. E. BOWNE,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 188.

ROBERT RIGNEY—Appointed Examiner July 13, 1883.

PORT OF NEW YORK,
APPRAISER'S OFFICE, U. S. LABORATORY,
September 28, 1885.

SIR: I have the honor to acknowledge the receipt of your letter asking for information respecting ad valorem and specific duties and other matters connected with the customs service.

In reply, permit me to state that my duties as examiner in the United States laboratory pertain almost exclusively to the polariscopic examination of sugars, and that I have no official information respecting any of the questions excepting No. 12.

In the usual course of business the samples of sugar are packed in tin boxes, numbered, and transmitted to the laboratory for polariscopic examination by the examiner in charge of the sugar-room, in the eighth division. The sample is known by the number on the box, and I have no information respecting the importer, invoice, or the size of the shipment. It is then submitted to an examination, and the result duly certified and transmitted to the examiner in charge of the sugar-room, in the eighth division.

At this point my information and connection with the sample ceases, and I have no means of knowing officially that the classification as found by the polariscopic examination is the same as that sent to the collector. I believe that the salary of the examiner in charge of the sugar-room is $2,500 per annum.

Very respectfully,

ROBERT RIGNEY,
Examiner, U. S. Laboratory.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 189.

GEORGE C. T. SEAMAN—Appointed Examiner August 12, 1882.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 28, 1885.

SIR: I respectfully annex answers to your circular, received some days since, as full and complete as I have been able to do, and which will, I hope, prove satisfactory.

Respectfully, yours,

GEO. C. T. SEAMAN,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

1. Not to my knowledge.
2. Not to my knowledge.
3. By measurement and count.
4. Not to my knowledge.
5. Am not competent to judge; my duties are entirely in the office.
6. Should think the existing law required amending. Cannot tell how many suits are now pending in the cities named, or how many are ready for trial; and am unable to answer the other questions asked, having no knowledge of them.
7. Do not know.
8. Know of no evidence of a guilty knowledge among the officers of the Treasury or custom-house.
9. Know of no such report having been made by the appraiser.
10. Not to my knowledge.
11. Do not think so.
12. The examiner. The salaries are from $1,800 to $2,500. The assistant appraiser certifies to the correctness of the examination as to values, &c., of the examiner, and which then goes to the appraiser.
13. Not to my knowledge.
14. Have no knowledge of any such.
15. Am unable to give a definite and correct answer.
16. Do not think so.
17. Have no knowledge that such is the case.
18. Am unable to tell.
19. Am unable to give correct information as to the questions asked.
20. Am unable to tell.
21. Do not think the practice generally prevails of paying officers to avoid the payment of duties, and have no knowledge that such is the case, except from reports published in the newspapers.
22. Do not think so.
23. Do not think such is the case in New York; on the contrary, think all due diligence has been given to enforce and collect the same.
24. Cannot answer from personal knowledge.

GEO. C. T. SEAMAN,
Examiner, New York.

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No. 190.

W. P. McPHERSON—Appointed Clerk and Verifier April 21, 1873; Examiner October 19, 1874.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 28, 1885.

SIR: In answer to your circular, marked "strictly confidential," I have the honor to state that upon Inquiries Nos. 1 to 11 and Nos. 13 to 24 I am unable to report as to the matters contained therein, not being in a position to do so.

In regard to Inquiry No. 12, I would state that the examiner is primarily and chiefly responsible for a false return of values to the collector, although under the law it is the duty of the assistant appraiser to appraise merchandise, with the aid and assistance of the examiner, but it is impossible for an assistant appraiser to be an expert in all the lines of goods examined in his division; therefore he has to rely upon the knowledge of the examiner who is an expert in the class of goods he examines. Thus acting upon the knowledge each examiner possesses, the assistant appraiser signs the examiner's return as to the correctness of values to the appraiser, who also certifies the same to the collector. The salaries of examiners do not exceed $2,500 per annum.

Very respectfully,

WM. P. McPHERSON,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury

No. 191.

JOHN A. SHERER—Appointed Examiner December 31, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, September* 29, 1885.

SIR: I have the honor to acknowledge the receipt of your communication, without date, marked "strictly confidential," in which certain questions pertaining to the administration of the customs service at this and other ports are propounded.

In reply, I would state that my position (that of sugar examiner, attached to the damage division of the appraiser's department) precludes me from intimate knowledge of many of the subjects upon which information is sought. The following are the only questions to which I am able to give official answers:

No. 10.—While there is undoubtedly more or less conflict of opinion in the appraiser's department respecting the elements entering into dutiable values, the statutes, in my opinion, point out with sufficient clearness the place, time, and standard to be applied in determining such values.

No. 12.—The examiner is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector. The assistant appraiser having charge of the division in which certain

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goods are examined, with which he is presumed to be familiar, if not an expert in them, and exercising official control of the examiners therein, is also responsible to a certain extent. The salary of an examiner ranges from $1,800 to $2,500 per annum; that of an assistant appraiser is $3,000 per annum. It may be said in behalf of these officers that it is extremely difficult to find men who are experts in *all* of the different lines of goods which they are called upon to appraise. Such a person could easily command double the salary paid by the Government in a mercantile house. Respecting the duties of the appraiser, unless he has passed through the different grades of the service, and become thoroughly familiar with the regulations, decisions, and methods of appraisement, or else is a person of rare and exceptional ability, he cannot be "much else ordinarily, or in fact, than one who officially certifies to the collector the values reported to him by the examiners" and approved by the assistant appraisers.

No. 16.—In my opinion, a change from ad valorem to specific rates of duty would help to diminish a tendency to bribery, and hence be a benefit to the revenue, where such a change is *practicable*. But in many kinds of textile fabrics, earthenware, and in various other kinds of goods, a change from ad valorem to purely specific rates would exclude the cheaper grades of such goods from our markets, and thus work injustice to many interests. In many cases, however, the change is entirely practicable, and would result in benefit to the revenue, as above stated.

No. 19.—In reference to this inquiry, so far as my observation and experience go, and regarding the Treasury Department as an institution by itself, the chief aim of its officers being the interest and conservation of the revenue, I deem any interference of the federal judicial power with Department decisions as unwise and hurtful. At the same time, I believe it would be to the interest of the service if decisions of the appraising officers should be supervised and revised, when necessary, by the proper authorities of the Treasury Department.

In conclusion, I would say, with reference to duties in which I am specially interested, that merchant appraisements, so called, as applied to the ascertainment of damage occurring on the voyage of importation, are, in the main, extremely inexact and inefficient, and, as a rule, result in injury to the revenue and to the interests of importers who do not avail themselves of such proceedings. For instance, when an importer of a particular class of goods, being dissatisfied with the allowance made upon a damaged cargo by the Department, claims a merchant appraisement, as he is entitled to do, it rarely happens that the merchant appraiser and the witnesses summoned to examine the damage are not themselves interested, or have been, or expect to be interested, in similar cases as claimants; hence the decisions and testimony of such parties can hardly be unbiassed. It is even sometimes the case that the persons officiating are directly interested in the sale of the goods under examination. In support of which statement, I respectfully refer you to the case of a cargo of rice, imported by Messrs. Carter, Hawley & Co., of this city, in the brig "Emulation," from Batavia, which arrived at this port in the month of April last, and which was duly investigated and reported upon by the special agents assigned to this district. The allowance for damage in that instance was, in my judgment, exorbitant and unjust. Furthermore, it is naturally impossible that the merchant appraiser or the examining witnesses should be

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sufficiently familiar with the statutes, Department decisions, and regulations governing the ascertainment and estimation of damage to enable them to arrive at a just conclusion as contemplated by the law.

I have the honor to be, your obedient servant,

JNO. A. SHERER,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 192.

J. T. CROOKER—Appointed Examiner January 19, 1865.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 30, 1885.

SIR: In reply to your inquiries, I would respectfully submit the following answers:

No. 1.—I know of no instances where the proper rate of duty has not been collected according to law.

No. 2.—None whatever to my knowledge.

No. 3.—Measurement, weight, and counting threads.

No. 4.—None that I am aware of.

No. 5.———.

No. 6.—My experience is so very limited, I do not feel competent to give an opinion.

No. 7.—No class of articles, to my knowledge, which has been under investigation, has failed to pay the proper rate of duty.

No. 8.—I know of no conspiracy among higher or lower officials for the purpose of defrauding the revenue or for personal emoluments.

No. 9.—I have yet to learn that any collusion has existed or does exist between the examiner, deputy appraiser, and appraiser in order that false entries may be passed correct.

No. 10.—I have heard of no confusion and not enough difference of opinion worth mentioning; and to the last question I answer, Yes, sir.

No. 11.—I think not.

No. 12.—First. The examiner. Second. From $1,400 to $2,500 per annum. Third. The present appraiser is a practical man in every respect, a long time an examiner himself, and thoroughly qualified for the position.

No. 13.—If there is any such evidence, I know nothing of it.

No. 14.—I am ignorant of any such abuses.

No. 15.—I am ignorant of any such abuses.

No. 16.—A change from ad valorem to specific duty, as far as practicable, would in a great measure close the door to fraud, and, in my opinion, in the majority of instances be a great improvement.

No. 17.—No, sir.

No. 18.—In order to have each invoice from large consular districts such as you name verified in relation to values, weights, &c., it would seem to necessitate the establishment of an appraiser's department in each district. If the business is honestly and capably transacted at our own ports, it must be quite sufficient.

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No. 19.—In my opinion, the person best qualified to judge the proper dutiable value of goods is the one who is well acquainted with the tariff, and, at the same time, is a proper judge of the merchandise in question. I do not see what benefit can arise from a change.

No. 20.—For the wool expert.

No. 21.—Never having had any experience in this line, I am not prepared to answer.

No. 22.—It is a foregone conclusion that the higher the rate the greater the inducement to evade it. However, I think the amount the United States Government loses by false invoices, smuggling, &c., is greatly magnified.

No. 23.—Am not prepared to answer.

No. 24.—This is all news to me. I have to say that I am not aware of any such practices.

Very respectfully, yours,

J. T. CROOKER.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 193.

W. H. TOWNSEND—Appointed Examiner May 22, 1883.

PORT OF NEW YORK, APPRAISER'S OFFICE,
U. S. LABORATORY,
402 *Washington Street, September* 30, 1885.

SIR: I have the honor to address you in answer to your circular of inquiries, which I received on the 15th instant. My short experience in the customs service and the nature of my employment (sugar chemist) have not enabled me to reply in an intelligent manner, except to the inquiries embraced in Inquiry 12. Permit me to say as follows:

The examiner is primarily and chiefly responsible, unless he has divided the responsibility by consultation with the deputy appraiser. The appraiser, in the ordinary course of business, simply certifies to the collector the values fixed and reported to him, if the values therein contained meet with his approval; but in case of a disagreement between the examiner and deputy appraiser, or between them and the importer or his representative, the appraiser can have the case reviewed, and, acting in an official manner, render his decision according to the facts thereby adduced and the law and Department decisions governing such cases.

The salary of an examiner ranges from $1,200 to $2,500 per annum; deputy appraiser, $3,000; appraiser, $4,000 per annum.

Very respectfully,

WM. H. TOWNSEND,
Examiner.

Hon. DANIEL MANNING,
Secretary U. S. Treasury.

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No. 194.

ADONIRAM J. PIERSON—Appointed Examiner February 26, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 22, 1885.

SIR: Referring to your late circular, without date, received at this office 10th instant, asking for "careful and official replies to the following inquiries" therein described, the examiner of tea begs leave to say (by way of explanation and apology) that during the brief period (about six months) since his appointment, and which covers the only period whereby he has had opportunity to study or observe, in any special sense, the usages, methods, and laws pertaining to customs, excepting so far as in the discharge of his official under "the act" would furnish; therefore, for obvious reasons, he will not attempt to reply in detail to the various interrogatories covered by the circular, with the single exception of and to Interrogatory 12.

This interrogatory suggests reflections which as an examiner I feel some delicacy in expressing. That the examiner in the United States appraiser's department "is primarily and chiefly responsible" in a very large degree for the correct and practical application of revenue law "in determining the correct valuation of merchandise in respect to the assessment of and collection of customs due thereon," is too apparent to any mind at all familiar with the usages and methods well known here, and as now practiced, to admit of doubt.

While the examiner *should*, and doubtless *does* in a very general way, where any question of doubt arises, refer for advice and instruction to the assistant appraiser, and in more especial cases to the appraiser, the reports of the examiner are (*in a very general way*) confirmed without further investigation by the signature of the assistant appraiser, followed by the official stamp of the appraiser.

Instances of irregularities involving questions of reappraisement, undervaluations, errors in classification, condition of merchandise involving questions of damage, discrepancies in estimating weights and measures, or where any attempts are made in these various ways to evade *the laws*, depend for their discovery, accuracy, and otherwise, upon the vigilance, capacity, and integrity of the examiner; and his check or initials affixed to the document which releases the merchandise, and so carries it through the department, *is the proof*, to a large degree conclusive and final, that the *work* has been *properly* and *thoroughly* done.

Let it be understood that these observations are made chiefly from the stand-point of my personal experience obtained in the discharge of my official duties as examiner of teas, which, I am aware, are in many respects peculiarly unlike those of the examiners, involving questions of valuations for the assessment of duties. I shall be disappointed, however, if they are not corroborated in a large degree by those who are doubtless more familiar than myself with the history of affairs in the appraiser's department.

The compensation of the examiners is $2,500 per annum, *maximum*.

Referring to the last clause in Question 12, I will venture to reply, ordinarily no; in fact, yes. My observations in respect to this are chiefly confined to the administration of the present incumbent.

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The appraiser, if possessed of the proper qualifications, *may be*, and manifestly *should be*, commander-in-chief of the entire department, on the alert to discover dereliction in duty on the part of his subordinates, incapacity, indolence, and neglect of every name and kind, any or all of which may be overlooked or winked at owing to the inertness, lack of courage, or possible incapacity on the part of such official.

In regard to the present incumbent, I am deeply impressed with the conviction that he is "the right man in the right place." His industry and vigilance, together with his familiarity with the appraiser's department in all its various ramifications, make him what he is intended to be, the head and front of the whole system.

With reference to Interrogatories 1 to 11 and 13 to 24, my reply is: I have *no* knowledge sufficient to enable me to report intelligent replies. All of which is respectfully submitted.

Yours, very obediently,

A. J. PIERSON,
Examiner of Teas.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 195.

HENRY L. BARDWELL—Appointed Examiner March 29, 1883.

NEW YORK, *September* 29, 1885.

SIR: In reply to your confidential circular addressed to me, I respectfully submit to you in the following my views resulting from my experience in my department as wool examiner at this port.

In my practice I have always found the chief trouble in determining the rates of duty on wool to be in the ascertaining of the dutiable value at the last port of shipment. It is there where the temptation for fraud exists. It has very rarely been possible to sustain advances made of the value at the last port of shipment in any way commensurate with the trouble and annoyance caused to the Government.

I am of the opinion that a great deal of controversy would be saved to the Government, and the temptation for fraud which exists now would be removed, if the combination of a specific and an ad valorem duty, now in force on wool, should be changed to fixed specific rates. I would respectfully propose the following rates for that purpose:

First class—Clothing-wool: If unwashed, 10 cents per pound; if washed, 20 cents per pound; if scoured, 30 cents per pound.

Second class—Combing-wool: If washed or unwashed, but not scoured, 12 cents per pound; if scoured, 36 cents per pound.

Third class—Carpet-wool: If washed or unwashed, but not scoured, 3 cents per pound; if scoured, 9 cents per pound. The rate of 3 cents duty per pound which I advocate on all carpet-wools, irrespective of value, would be a pretty high rate, I must acknowledge, on the lowest grade, while it is a moderate one on the better kinds of carpet-wool; yet the object of protection of the wool of domestic growth would not suffer by its adoption, since no carpet-wool of any account is grown in this country, and the manufacturers of carpets have to look to foreign countries for at least 90 per cent. of their requirements of wool.

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In regard to the workings of the tariff since 1860, I would respectfully give below copies of them:

1860: Wool, unwashed, value of 20 cents per pound or less at port of exportation, ordinary condition, *free;* wool on the skins, 15 per cent.

1863–'64: All wool and hair of the alpaca, goat, and other like animals, unmanufactured, (exclusive of charges from last port of shipment,) which shall be 12 cents or less per pound, 3 cents per pound; exceeding 12 cents and not exceeding 24 cents, 6 cents per pound; exceeding 24 cents and not exceeding 32 cents per pound, 10 cents per pound, and in addition thereto 10 per cent. ad valorem; exceeding 32 cents, 12 cents per pound and 10 per cent. ad valorem.

1870—Class 1: All clothing-wool the value of which at the last port of shipment, excluding charges in such port, shall be 32 cents or less per pound, 10 cents per pound and 11 per cent.; the same of greater value, 12 cents per pound and 10 per cent. Class 2: All combing-wools of English blood, and hair of the alpaca, goat, and other like animals, excluding charges in port, which shall be 32 cents or less per pound, 10 cents per pound and 11 per cent. ad valorem; the same greater, 12 cents per pound and 10 per cent. ad valorem. Class 3: Carpet-wools, the value at last port of shipment, exclusive of charges in such port, shall be less than 12 cents per pound, 3 cents per pound; the same greater, 6 cents per pound. Rates double on any of the above wool or hair when not imported in the ordinary condition.

The present wool tariff is a combination of specific and ad valorem duties. Class 1: Wool costing 30 cents or less per pound, excluding charges, 10 cents per pound; costing over 30 cents per pound, 12 cents. Class 2: Combing-wools of English blood, and hair of the alpaca, goat, and other like animals, costing under 30 cents, exclusive of charges, 10 cents per pound; costing over 30 cents, exclusive of charges, 12 cents per pound. Class 3: Carpet and similar wools, costing under 12 cents per pound, exclusive of charges, 2½ cents per pound; costing over 12 cents per pound, exclusive of charges, 5 cents per pound.

I would also respectfully call your attention to the law as it now exists in regard to camel's hair *tops* and *noils* being admitted *free.* Both are manufactured from camel's hair, which is on the free-list, and are valuable articles of merchandise, costing per pound as much as the same grade of wool. The importation of both are increasing every year, and it is my opinion both should pay the same duty as wool of class 1, as it is used here (and the demand increasing) mixed with fine wool for underwear.

There is another matter which has given rise to considerable conflict of opinion—it is the duty on goat-hair. This article, no matter of what grade, whether of the common goat or of finer breeds, is dutiable under our present tariff under the heading of "combing-wool," the same as the latter—*i. e.*, at the rate of 10 cents per pound if of the value of 30 cents per pound or less, or at 12 cents per pound if over 30 cents per pound, both in the unscoured state, and at the treble duty if scoured. A great deal of goat-hair is only fit for carpet-yarns, and this is the case of the hair of the common goat, which is rarely suitable for combing, while most of it is much too short for that purpose. If all goat-hair is to pay the same duty as combing-wool, I would respectfully suggest the propriety of having it brought under a separate heading, so as to leave no room for any doubt in that matter.

In reply to question—

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12.—"As between the examiner, deputy appraiser, and appraiser, which is primarily and chiefly responsible in the usual course of business for a false return of value to the collector?" The examiner. "What is the salary of such officer?" $1,800 per annum. "Is the appraiser much else, ordinarily and in fact, than one who officially certifies to the collector the values fixed and reported to him by the examiners and deputy appraisers?" The appraiser acts in a ministerial function only.

13.—"Is there satisfactory evidence that any Government officials, in the consular department or elsewhere, have assisted, or consented to, or connived at the presentation to the appraisers of such false evidence of foreign values? If so, what officers, when, and how?" I know of none.

16.—I think a specific duty would work advantageous in wool and most textile fabrics.

20.—Answered in papers enclosed.

Respectfully submitted.

HENRY L. BARDWELL,
Wool Examinrr, Sixth Division, Appraiser's Stores.

Hon. DANIEL. MANNING,
Secretary of the Treasury, Washington, D. C.

No. 196.

BENJAMIN J. LEVY—Apgointed Examiner May 23, 1870.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 30, 1885.

SIR: Referring to "strictly confidential," containing twenty-four questions relative to the administration of customs laws, I would respectfully answer as follows:

1 and 2. None that I am aware of.

3. These goods not being in my department, cannot answer.

4 and 5. None to my knowledge.

6. (1.) Should say "yes." (2 and 3.) The number I cannot say. (4.) Should think there could. (5.) Do not know. (6.) Should say "yes."

7 and 8. Can specify none.

9, 10, and 11. I know of none.

12. (1.) Examiner is primarily and chiefly responsible. (2.) From $1,800 to $2,500. (3.) No.

14. Not to my knowledge.

15. I am aware of none.

16. (1.) Yes. (2.) Same answer as to No. 3.

17. Not that I know of.

18. (1 and 3.) I should think not. (2.) I do not know. (4.) Think it is equal to $2.50.

19. Possibly, "yes."

20. Same answer as to No. 3.

21. Cannot say.

22. Not that I am aware of.

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23. Not to my knowledge.
24. I am not aware that any false returns and reports have been made.

With much respect, I remain, dear sir, your most obedient servant,

BENJ. J. LEVY,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 197.

FRANK ANGEVINE—Appointed Clerk and Verifier January 22, 1877; Examiner October 1, 1880.

PORT OF NEW YORK, APPRAISER'S OFFICE,
September 30, 1885.

SIR: Referring to your circular requesting answers to certain inquiries, I have the honor to transmit herewith such replies as I can consistent with my knowledge of the several subjects.

1. I have no official or other knowledge to the contrary.
2. The same answer as above will apply to this inquiry.
3. Where there is, or has been, any reason to question the lineal measurement of the textiles under my care, viz., all the English women's and children's dress-goods, coat-linings, Italians, &c., also all the German women's and children's dress-goods, also knit goods of every description in the piece, the correctness of the lengths indicated on the tickets, or otherwise, are tested by actual measurement or by counting and measuring the folds. I desire to say that in every instance during an experience of several years I have not, as yet, found any discrepancy.

I have no official or other knowledge that enables me to answer Inquiries Nos. 4, 5, 6, 7, 8, and 9.

10. This inquiry, I think, will include an element of market value that has been the cause of a good deal of discussion and doubt in the minds of the officials and importers, namely, in the case of my line of goods, tillots, under the tariff act of 1883. No confusion has been the result as far as I am concerned, as the cost of said tillots has been, and are now being, added as an element of market value, under decisions and instructions of the Treasury Department. The tariff act of 1883 does not, in my opinion, clearly define coverings as an element of market value, and, therefore, legislation should be had that would set at rest any doubt in that regard.

11. I have no official or other knowledge that enables me to answer this inquiry.

12. As between the appraiser, deputy appraiser, and examiner, the latter, being the expert, "is primarily and chiefly responsible in the usual course of business for a false return of values to the collector." Coming continually in contact with values and constantly making comparisons, he should and must have the knowledge to discriminate between true and false values, and the appraiser and deputy appraiser must rely on his fitness and honesty in making proper returns, which they must approve of to make legal. It would be impossible for the examiner's superior officers to supervise all returns made to them, as their time is fully occupied with the general conduct of the business. My compensation is at the rate of $2,000 per annum.

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I have no official or other knowledge that enables me to answer Inquiries Nos. 13, 14, and 15.

16. If bribery was practised, no change of rates of duty would have the effect to reduce it. I have no official or other knowledge that such practices exist in this department. Without discussing the justice or injustice of fixing specific rates of duty on all textiles, I would say most certainly such rates could be applied to this class of merchandise.

17. My impression is that there has been less false reports of values to the collector since 1874, and I attribute it to the better qualifications and industry of the supervising officials.

I have no official or other knowledge that enables me to answer Inquiry No. 18.

19. Having in my mind the subject-matter of the first clause of this inquiry, I think any further complication of jurisdiction would result in still greater confusion.

I have no official or other knowledge that enables me to answer Inquiries Nos. 20, 21, 22, 23, and 24.

Very respectfully,

FRANK ANGEVINE,
Examiner, Fifth Division.

Hon. DANIEL MANNING,
Secretary of Treasury.

No. 198.

HENRY HOLTHAUSEN—Appointed Examiner May 18, 1885.

NEW YORK, *September* 30, 1885.

DEAR AND RESPECTED SIR: In answer to your confidential circular (received on the 9th instant) I beg to state that I have been appointed on the 18th of May last for six months as expert examiner in the third division of the appraiser's office here, and that my special duty is to analyze such silk goods as are handed to me by the regular examiner for analyzation, and to calculate the exact cost of manufacturing thereof in Europe; occasionally to revise and to rectify reports of the Government experts in Europe, and in general to give all required information on imported silks as an expert practical manufacturer. What has been going on in the appraiser's department previously to the day of my appointment is perfectly unknown to me, so that I am unable to give a positive answer from my personal knowledge to the questions in 1, 2, 6, 7, 8, 9, 13, 14, 15, 17, 23, and 24, which refer, all of them, to such previous occurrences. Neither could I tell more of what has been going on round me since the four months I am at work in my present position. My work is a very difficult and complicated one, requiring the closest attention, and keeping me confined to my desk with my glasses, scales, and measures every minute of my time. I could not attend properly to my duties if I would allow my attention to be distracted by observing what others are doing.

Having nothing to do with the invoices, which I rarely see, I really do not know how they pass from one hand to another; how much is added to them, what the values are at which they are passed, and what finally becomes of them; even if I were duly authorized and had a mind to make inquiries about that part of the service, I could not

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attend to it without prejudice to my regular duties. Such is the reason why I am equally incompetent to give a reply from personal knowledge to questions in 3, 4, 5, 10, 11, and 21, and also to 12, which lately my attention has been specially called to. In this way I find myself restricted to the few paragraphs which follow, and on which I am enabled to express an opinion based on personal knowledge.

16. Change from ad valorem to specific duties.

Since some time I have been hard at work making out for your Department statistical tables of a great variety of silk fabrics, showing the exact relations of value and weight of many hundred samples, with all details; such tables to serve as material to base thereon the above change. Whilst going through my calculations and comparing figures I could not help coming to the conclusion already that such change will appear impracticable without seriously curtailing the revenue or the import trade, besides laying the heavier burden of taxation on the consumers of low-priced goods, the great mass of the people, while the consumers of costly and lighter goods will be unduly favored. The reason is plainly that few or the minority of so-called silk goods are made wholly of pure silk, the value of which depend upon its weight; the materials used in the immense majority of silk frabrics are either silk weighted in dyeing, sometimes up to 300 per cent., or other yarns, mostly cotton, then wool, flax, mohair, ramie, &c. In such yarns, as well as in weighted silk, the values do not progress with the weights, but stand just in inverse proportion to them; the coarser they are or the more their bulk and weight increases the more their value depreciates. For instance: one kilo of No. 200–2 cotton yarn costs 15 francs, and one kilo No. 20–2, ten times coarser, costs only 3 francs, a texture made of five kilos No. 20–2 cotton weighs five times as much as a texture of one kilo No. 200–2, and yet has the same value. The weights, therefore, of tissues, in which weighted silk or cotton, wool, &c., enter as a component material, cannot be made a criterion of value.

The popular clamor for specific duties proceeds from an imperfect knowledge of the way such weighted or mixed silk goods are manufactured. It may be said that, in order to be just to all parties concerned, and to distribute the burden of taxation equitably, a reasonable distinction should be made between common or coarse goods and finer grades, or that such goods ought to be classified instead of being all of them subject to the same rate of duty per pound. A just classification, however, is not imaginable unless it is based again on the intrinsic values, like a classification of alloys of pure gold and baser metals. If these specific duties are to be levied according to classification, a search of value would still be indispensable, in order to find the correct classification; thus a classified specific tariff would, in fact, be a circuitous or indirect way only, and an imperfect way, too, of levying duty on the value. It is true that it would not help any more defrauders to undervalue their invoices, but it is my honest belief that such people will find means to defraud quite as well by wrong classification as they try to do now by undervaluation, and that there will be trouble and quarrels quite as well as now, so that in the end not much good will be gained by the change.

Pure silk goods—that is to say, goods made wholly of silk—may be brought under a pretty fair system of classification, but for mixed goods I see no hope. It would be premature on my part to enter into details before sending on my statistics, (which I expect to forward within a

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week or so,) and before the question is decided, whether it would be at all desirable to try the experiment with two tariffs. If it should appear, from a study of my statistics, that further suggestions or explanations would be desirable, I am in your service and await orders.

18. I certainly consider it desirable in American consular districts to appoint consular agents, or rather expert analyzers, to verify the correctness of invoiced values, provided that competent and independent persons can be found with the necessary help, proof against conniving with manufacturers and against wily approaches. Such experts would be useful in Crefeld and in Elberfeld, where most German silks are imported. Of course they would have to avoid delays, because otherwise complaints may arise from the German Government.

19. Is rather an administrative question. As far as I am able to judge, knowing the complaints about reappraisements only from the public papers, it is my opinion that it would not be desirable to grant to the judiciary greater powers to interfere with the decisions of a reappraisement, thinking that the courts are not the proper forum for settling mere questions of value. If in some cases a higher appeal should be desirable, I should say that it ought to go to the executive, and that in extreme cases, involving considerable value, a last recourse to the executive may be opened, as it is the practice in European countries.

22. My view is that it is not owing merely to the high rate of duty that smugglers and dishonest shippers try to evade the customs laws, but that defrauders will continue their nefarious practices and tricks, even if the rate were lowered, since we cannot afford to lower the rate so far that it would not pay or be worth while to evade it and to run the risk of being caught.

This is all I am able to reply to the circular from personal knowledge.

I remain, yours, most respectfully,

H. HOLTHAUSEN.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 199.

GEORGE W. JEWETT—Appointed Opener and Packer September 5, 1867; Sampler December 6, 1867; Examiner October 7, 1870.

NEW YORK, *October* 1, 1885.

SIR: In answer to the questions contained in your confidential circular relating to collection of duties, I have the honor to make the following replies.

Very respectfully,

GEO. W. JEWETT,
Examiner, Seventh Division, Appraiser's Department.

Hon. DANIEL MANNING,
Secretary of the Treasury.

1 to 5. Have no knowledge.

6. Can see no reason for amendment of law. Have no knowledge of collector's suits; think the present tribunals are sufficient.

7 to 9. Have no knowledge.

10. There have been differences of opinion as to the elements of dutiable value on imported merchandise, those differences relating to addition

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for value of inner coverings. Think the present law fully covers all the elements of dutiable value.

11. No knowledge of percentage of undervaluation.

12. The examiners and assistant appraisers are chiefly responsible for values of imported merchandise returned to the collector. My salary is $2,500. The appraiser cannot be responsible for certification of values except in special cases reported to him by examiners and assistant appraisers.

13 to 15. Have no knowledge.

16. Think specific rates would facilitate the collection of duties. No knowledge of textile fabrics.

17. Have no knowledge.

18. It would not be practicable for consuls to personally examine articles shipped to American ports, or to verify correctness of invoice values. It is likely that foreign governments would complain of vexatious delays of consuls. No knowledge of fees.

19. Think existing laws sufficient.

20 to 24. Have no knowledge.

No. 200.

WM. J. THOMSON—Appointed Examiner August 1, 1885.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, New York, October* 1, 1885.

SIR: Please find herewith the answers to your questions as required by you, and which are given to the best of my knowledge.

No. 1.—I have not been informed of any such evidence.

No. 2.—There is no such evidence that I know of.

No. 3.—Tests are made by weights, measurements, and counting threads.

No. 4.—I know of none.

No. 5.—I have heard of no such evidence.

No. 6.—My experience being so limited, I cannot decide.

No. 7.—I cannot enumerate any articles that have not paid the full rate of duty.

No. 8.—I know of no conspiracy as suggested.

No. 9.—I cannot say whether there is such evidence.

No. 10.—I have not heard of any confusion in the appraiser's department.

No. 11.—I am of the opinion that such an average can be made at any time.

No. 12.—The examiner's salary, I understand, is from $1,400 to $2,500.

No. 13.—I have not been informed of such evidence.

No. 14.—I cannot offer an opinion on that subject.

No. 15.—I have not heard of such bribery.

No. 16.—I think that specific rate would be an advantage in cases where it is practicable.

No. 17.—I think not.

No. 18.—I do not think so. Consuls fee at London, $2.50.

No. 19.—I think it would be safe and useful.

No. 20.—I have had no experience in wool.

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No. 21.—I have no knowledge of such practices.
No. 22.—I have received no notice of such evidence.
No. 23.—I cannot tell any in regard to matter.
No. 24.—If such false returns have been made, I do not understand why the persons have not been prosecuted.

I have answered your questions as well as possible, for, as you know, I am one of the recent appointments, (as examiner of furs.) Had you asked me anything about furs and skins, I could give you all the information that might be required.

Very truly, yours,

W. J. THOMSON,
Examiner, Sixth Division.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 201.

JESSE P. BATTERSHALL—Appointed Examiner August 19, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
U. S. Laboratory, 402 Washington Street, October 2, 1885.

SIR: I have the honor to acknowledge the receipt of a printed circular, dated September 30, 1885, which informs me that on August 27 a circular, marked "strictly confidential," and containing twenty-four questions relative to the administration of customs laws, had been sent to my address. At this time I was away on a leave of absence, during which period the circular of August 27 was doubtless inadvertently mislaid, as I found none at hand upon my return to this city. I have to-day been put in possession of a copy of the circular referred to.

While ranking as an examiner, my actual position is that of a chemist, being in charge of the division of the United States laboratory which is devoted to general chemical work—*i. e.*, all chemical investigations not included in the examination of sugar, dyes, and fabrics. The work performed under my direction embraces the analysis of imported chemicals, ores, metals, alloys, drugs, and tea, and exported metals and alcoholic preparations.

I have carefully considered the questions embodied in the circular letter of August 27, and I regret to have to state that, owing to the special character of my duties, very little opportunity for the formation of an opinion of any value has been presented. I beg, however, to refer to a few points which may have a bearing upon some of the questions submitted.

Question 1.—I am of the opinion that the water imported under the name of "Apollinaris water" should be subjected to the duty levied upon an artificially prepared mineral water. I have devoted considerable time to the general examination and chemical analysis of this article, and the grounds upon which my opinion is based were duly reported to the appraiser in 1881. The dutiable status of certain iron pigments (colcothar) and of bone-black has been the subject of extensive scientific investigation during the past five years, and numerous suits at law are now pending in which this question is involved. Both parties have in each instance gained a single victory, and the proper classification of

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these articles under the tariff laws antedating the act of July, 1883, is still undecided. It may be proper to add, in this connection, that instances frequently occur in which chemical compounds are either invoiced under a misleading name, or are designated with so much ambiguity that the appraising officer is left in doubt as to their actual character without resource to a chemical analysis. In many cases it may be fairly questioned whether the importer himself was aware of the identity of his importation.

Question 10.—A few instances have come under my observation in which the wording of a Departmental decision would perhaps place a chemist in doubt as to the true intention of the same; among them are the following:

(*a*) Manganese ore, to be considered as such, must contain 50 per cent. of "manganese." Does the word "manganese" refer to metallic manganese or to the black oxide of manganese, often commercially termed "manganese?"

(*b*) The dutiable nature of various importations containing salts of potassa ("manure salts," &c.) is supposed to be influenced by the amount of "free potash" present. Does this term mean caustic potassa or carbonate of potassa? The majority of salts affected never contain either forms of potassa.

(*c*) Importers invariably claim that copper ores should be tested by the "dry" or "fire assay" as correctly giving the *commercial* value of the same. It has been the custom of this laboratory to determine the copper present in an ore by the method of electrolysis, which affords the amount of metal actually contained, the duty being assessed on the "fine copper" present. The importer argues that a deduction of 1.3 per cent. should be made from the result so obtained, in order to reduce it to the commercial value of the ore. The tariff law fails to specify any particular method for testing copper ores, but as a matter of fact chemists of repute do not make a "fire assay" of these ores, the results being quite unreliable.

My attention has recently been directed to the apparent contradiction of section 2499, Revised Statutes, as amended by act of March, 1881, and paragraph 92 of the same act. So far as non-enumerated chemical preparations are involved, it would appear to me that the former section, the so-called similitude clause, is inactive, since paragraph 92 seemingly provides for all such importations.

Much embarrassment has been experienced in fixing a standard of purity for imported teas. I have formulated chemical standards for my personal guidance, but these naturally possess no legal authority. In Great Britain certain legal requirements are specified, to which all teas must conform; for instance, the "total ash" of a tea must not be over 8 per cent., nor the "extract" under 30 per cent. The United States tea adulteration act leaves all to the judgment of the tea examiner, aided by what information he may derive from the chemical analysis. Within the past few days an invoice of tea-dust was rejected at this port, which contained 19 per cent. of total ash, or at least 9 per cent. in excess of the quantity normal to tea-dust. Yet, when the case came before the board of arbitration, the action of the examiner was reversed, on the ground that it had not been shown that the foreign mineral matter present was really deleterious to health. The adulterations to which tea is subjected are seldom actually poisonous, but they do usually constitute a fraud upon the consumer, and, in my opinion,

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the law should specify to what extent such sophistications may be permitted.

In an act dated June 26, 1848, certain drugs are enumerated and their standards of purity established. It is there provided that these shall be tested by the examiner, and in case of an appeal being made the collector is authorized to employ the services of an analytical chemist, whose report *shall be final.* The only instances in which the non-repeal of this clause has proved an obstacle to our official work have been with opium, and in every instance where the non-official examination has differed from the Government chemist's test there has been no opportunity for an appeal. The existence of this act is apparently unknown to most importers of chemicals; otherwise I think it might prove a very serious obstacle to much of our chemical work. Doubtless at the date of its enactment official analytical chemists were not employed by the Government. Although the law has practically been almost a dead letter, I would respectfully urge repeal.

Question 12.—In my opinion, the examiner is primarily and chiefly responsible for a false return of value to the collector, except in those instances where his report may be overruled by the appraiser. The legal salary of an examiner ranges from $1,800 to $2,500 per annum. I do not think that the appraiser is, or can well be, much else ordinarily than one who officially certifies to the collector the values fixed and reported to him by the examiner or assistant appraiser.

I have the honor to be, sir, very respectfully, your obedient servant,

JESSE P. BATTERSHALL, Ph. D.,
Examiner.

HON. DANIEL MANNING,
Secretary of the Treasury.

No. 202.

J. C. WISWALL.—Appointed Examiner January 7, 1880.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 2, 1885.

SIR: In response to your circular letter covering a series of questions relating to the collection of customs duties at this port and elsewhere, I have prepared my replies, and send them herewith; but the ordinary work, which at present is very considerable, has prevented my giving it the care and thought it needs, but as you urge an early reply I have done what I could hastily.

Very respectfully,

J. C. WISWALL.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

1. I do not know of any.
2. It is my opinion that where the rates are specific they have, as a rule, been collected according to law.
3. By actual measurement, count, and weight.
4. Since the arrest and conviction of a deputy collector, some years ago, I have seen nothing to lead me to suppose the law was being violated in that way.

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5. I know of none.

6. It is claimed by many that legislation is necessary to secure a more prompt and satisfactory decision of questions of classification and valuation; that there are inconveniences and delays, for which there should be a remedy; the details of what that remedy should be and how it is to be secured, I do not feel competent to offer. I do not know how many suits are pending in New York or at the other ports.

7. I am unable to specify any.

8. Failures, if any, are from inability to get facts and errors of judgment, in my opinion.

9. I am unable to furnish any information on these points.

10. The statutes and regulations, together with the facts, are, in my opinion, a sufficient and safe guide in ordinary cases. Cases have and no doubt will arise over which there will be more or less doubt and discussion. It would be difficult to provide against the latter contingency.

11. Approximate estimates might be made by those in a position to know the facts.

12. The responsibility lies mainly with the examiner, but the assistant appraiser should be a decided check upon the examiner, and in that view must share the responsibility. Salary of examiners, $1,800 to $2,500; assistant appraisers, $3,000. In my opinion, the appraiser, in most cases, only officially certifies to the reports of his subordinates, on whom, owing to his duties, he is compelled largely to rely.

13. The consular reports are often in conflict with the judgment of the examiner. I have no evidence that this is due to dishonesty.

14. So far as I know, the tariff law, as a rule, has been fairly executed. There are exceptional cases of course. I have no evidence of the violation of the law or dishonesty other than that publicly reported.

15. Same as above.

16. Specific rates, where they can be applied, would simplify the collection of duty and lessen the temptations to violate the law. While I think it would be very difficult to frame a law making a specific rate upon all textile fabrics which would not work unequally, I would suggest that it might be applied in some instances, and the article of velvet as one that might be brought under that rule.

17. I did not enter the service until after the repeal of that law, and therefore cannot make the comparisons called for.

18. I think it impracticable, and that it would result in delays and annoyances, which would be followed by complaints and irritation on the part of those interested, on which complaints foreign governments might take action in the manner indicated by your inquiry.

The fee for legalizing an invoice in London is $2.50. I do not know that any other is exacted.

19. As indicated in my answer to Inquiry No. 6, I think there should be some legislation on this subject, in justice to all concerned.

20. I assume that this must be answered by officials who are handling the wools.

21. I can suggest nothing better than care in selecting the officers, a vigilant supervision of the work, and a rigid enforcement of the law.

22. On a few articles a lower rate of duty would, in all probability, lessen the temptation to smuggle.

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23. It is my observation that the values placed upon imported goods in the appraiser's office in New York are fully up, and in many instances far above the values placed upon similar goods imported at other Atlantic and Pacific ports.

24. I do not know.

No. 203.

W. D. DAVIS—Appointed Sampler January 12, 1878; Examiner December 30, 1879.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 2, 1885.

SIR: In reply to Department circular lately received, I have the honor to report that my duties in the appraiser's department are principally confined to the docks and warehouses of this port. Consequently, I shall not be able to so fully answer *all* the questions as I otherwise would.

In reply to Question No. 12, I would say that the examiner "is primarily and chiefly responsible, in the usual course of business, for a false return of value to the collector."

The salaries of the examiners are, respectively, $1,800, $2,000, $2,200, and $2,500 per annum.

The appraiser, individually, cannot have expert knowledge on *all* dutiable goods or articles; consequently he "officially certifies to the collector the values fixed and reported to him by the examiner" as the ones on which the duty is to be estimated and collected.

Question 15.—I do not think that there is now, nor will there be in the future, so much danger from bribery as in the past, as political influence will not avail offenders. The civil-service law has been beneficial in the past, and with its continuance will come a better class of officers, who will feel that, so long as they are faithful, they will be retained, and there will be no inducement to defraud the Government.

Question 16.—Yes, when it is possible. A change from ad valorem to specific rates would tend to "benefit the revenue, and help to diminish a tendency to bribery."

Question 21.—To prevent bribery as is related by Henry George in the newspaper slip enclosed, I would suggest that when the declaration to the inspector is made by the passenger on board the steamer, that the keys to the baggage be given to the inspector, and that the baggage be examined in the absence of the passenger. There is no reason why baggage should not be examined as goods are at the appraiser's department—*i. e.*, not in the presence of the owner.

Question 24.—Because proof was not sufficient to convict.

Very respectfully,

W. D. DAVIS,
Examiner.

HON. DANIEL MANNING,
Secretary of the Treasury.

(Copy of newspaper slip above referred to.)

A few months ago I found myself one night, with four other passengers, in the smoking-car of a Pennsylvania limited express train travelling west. The conversation, beginning with fast trains, turned to fast steamers, and then to custom-house experiences. One told how, coming from Europe with a trunk filled with presents for his wife, he had

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significantly said to the custom-house inspector detailed to examine his trunks that he was in a hurry. "How much of a hurry?" said the officer, "Ten dollars' worth of a hurry," was the reply. The officer took a quick look through the trunk and remarked, "That's not much of a hurry for all this." "I went him ten more," said the story-teller, "and he chalked the trunk."

Then another told how under similar circumstances he had placed a magnificent meerschaum pipe so that it would be the first thing seen on lifting the trunk-lid, and, when the officer admired it, had told him it was for him. The third said he simply put a greenback conspicuously in the first article of luggage; and the fourth told how his plan was to crumple up a note, and put it with his keys in the officer's hands.

Here were four reputable business-men, as I afterward found them to be—one an iron worker, one a coal producer, and the other two manufacturers—men of at least average morality and patriotism, who not only thought it no harm to evade the tariff, but who made no scruple of the false oath necessary, and regarded the bribery of customs officers as a good joke. I had the curiosity to edge the conversation from this to the subject of free trade, when I found that all four were staunch protectionists, and by edging it a little further I found that all four were thorough believers in the right of an employer to discharge any workman who voted for a free-trade candidate, holding, as they put it, that no one ought to eat the bread of an employer whose interests he opposed.

No. 204.

CHARLES H. TOWNSEND—Appointed Clerk, Savannah, August 2, 1871; Deputy Collector, Key West, August 14, 1872; Inspector, Brunswick, July 15, 1873; Deputy Collector, Key West, November 1, 1873; Deputy Collector and Inspector, Brunswick, September 30, 1874, and May 10, 1877; Clerk and Weigher, New York, May 12, 1880; Examiner May 5, 1884.

PORT OF NEW YORK, APPRAISER'S OFFICE,
402 *Washington Street, October* 2, 1885.

SIR: Referring to Department circular requesting replies to the several questions mentioned therein, I beg to say, in regard to No. 1, that I have no positive information on the subject.

2. Not that I am aware of.

3. No practical information.

4. Do not know of any.

5. Same as No. 4.

6. Can only give my views on last clause.

I am of opinion that this class of business would be greatly expediated if a revenue or customs court was created to decide all cases arising on appeal from decisions of collectors of customs. Indeed, this class of business has increased to such magnitude that it would appear to be almost a "necessity."

7. Have not sufficient information on the subject to reply intelligently.

8 and 9. Same as No. 7.

10. There has been, I think, owing to the opinion of the late Attorney-General, dated January 11, 1884. As to last paragraph, yes.

11. I know of no reason to the contrary.

12. In my opinion, the examiner is chiefly responsible. The character and quality of merchandise largely determine its value, and it would be an injustice to hold an officer responsible for what it would be impracticable, if not impossible, for him to know. For instance, kid gloves or any other articles might be classified for value strictly in accordance with the designation of quality on the invoice, and yet they might, in fact, be of a much superior quality. Of this the appraiser could not, in

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the usual course of business, have knowledge, as it would be impracticable for him to be present at the multitude of examinations made. The same might be said of improper classifications for duty. An article might be invoiced as silk and cotton and yet be all silk; of this only the examiner would know. Again, an article might be invoiced in such a manner as to give the appearance that its proper classification would be a "medicinal preparation," when in fact it was a "proprietary medicine." The same might be said of many articles.

13. Have no means of knowing.

14. If "false values have been habitually and systematically reported," I should want the most convincing proof to satisfy me that such action did not come of dishonesty.

15. Restricting my views to this department, I am of opinion that the opportunities for the repetition of such false valuations, from whatever cause they may have come in the past, is greatly lessened, and their success largely restricted, under the administration of the present faithful and efficient appraiser.

16. Unquestionably. As to textile fabrics, I cannot say.

17. I cannot believe they have. The provisions of the moiety act had, in my opinion, a tendency to inspire customs officers with inordinate zeal, and to encourage unscrupulousness in others having a desire for prospective interest in any seizure.

19. In my opinion, the judiciary should be vested with power to confirm or set aside the action of the appraising department. This would not only afford justice to importers who feel aggrieved, but would also protect the interests of the Government from any imposition that might be possible in the present final appraisement.

20. Same as No. 7.

21. The method recently adopted by the Department will greatly restrict the disgraceful practice. It might be further reduced by giving greater publicity to the law that makes such practice a penal offence. It might with advantage be added to the "baggage declaration" now circulated among arriving passengers.

22, 23, and 24. Same as No. 7.

Very respectfully,

CHAS. H. TOWNSEND,
Examiner, First Division.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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PORT OF PHILADELPHIA.

No. 205.

CHARLES H. JONES—Appointed Special Deputy Collector August 18, 1885.

CUSTOM-HOUSE, PHILADELPHIA, PA.,
Collector's Office, October 30, 1885.

SIR: Referring to circular letter of 9th September last, marked "strictly confidential," in which a series of questions bearing on the administration of the customs service are presented, I have the honor to submit the following replies, which, by reason of my recent connection with the service, are for the most part necessarily brief, viz:

1. There is no evidence at this port.
2. No satisfactory evidence.
3. Relates to appraiser.
4. No evidence so far as I can ascertain.
5. I do not know of any.
6. It seems to be within the province of the Solicitor of the Treasury to devise means by which collectors' suits can be promptly disposed of. No amendment appears to be necessary to the law relating to payment of interest on such suits.
7. Pertains to New York custom-house.
8. Pertains to New York custom-house.
9. I do not know of any.
10. As far as can be ascertained, there has been none except, perhaps, on the question of dutiable charges. Since the present tariff act went into effect, different decisions and rulings in the matter of "charges" have led to more or less confusion and doubt as to the intent of the law on this point. How far these charges enter into the dutiable value of merchandise appears to be now well defined, and where they have been erroneously added or deducted the errors have been rectified by reliquidation of entries. The mode of fixing dutiable value seems to be well understood—the statutes and decisions based thereon covering the entire ground.
11. I do not think that undervaluation of merchandise imported at this port exists to any appreciable extent. There is one class of entries, those of Meyer & Dickinson, consisting of silks, cottons, velvets, and hat-trimmings, that show a regular advance by the appraiser over the invoice prices. Undervaluations, when they do occur, are uniformly detected by the appraiser, and the remedy provided by section 2900, Revised Statutes, applied.
12. Have no knowledge of, nor do the records show, any false return of values to the collector. To the last interrogatory, I answer in the negative.
13. No evidence.
14. I have no information on this point.
15. And am, therefore, unable to answer this question.
16. Would be a benefit if it could be successfully applied, and without discrimination, and it would insure the absolutely correct return of duties. Change from ad valorem to specific duties would remove the incentive to bribery. I am not prepared to say if specific rates could

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be applied advantageously to all textile fabrics, but I think that if the existing *quantity* of duty, or what *ought* to be the correct amount of duty, on cotton embroideries and Hamburg edgings could be collected upon a specific basis, much of the undervaluation and uncertainty as to what factors enter into the foreign market value of this class of merchandise might be avoided. No evidence of bribery at this port.

17. No; not at this port.

18. It would not, in my opinion, be practicable for consular officers of the United States to personally examine goods to be shipped from the districts named for the purpose of verifying the correctness of invoiced values. Under article 649 of the Consular Regulations, consuls now require samples to be deposited with them in all proper cases, and particularly as to textile fabrics. By this means they can compare quality, price, &c., with similar goods manufactured in the same district. If they find undervaluation to exist, they can make note thereof on the triplicate invoice, or otherwise notify the collector at the port of entry in the United States. The goods belong to the shipper until the bill of lading is signed and dispatched, and a United States consul can exercise no control over them without complications arising, nor can he withhold his certificate to the shipper's declaration, notwithstanding the fact that he may be satisfied in his own mind of the falsity of such declaration. I know of no consular district in which a consul cannot safely and surely ascertain and report the true value of every shipment, except in places where the consulate may be at some point remote from place of manufacture of the goods, or in cases where the goods may be special or proprietary in character. The consular fee at all consulates in Great Britain for certification of invoices, no matter what the value of the goods may be, is $2.50.

19. I think not.

20. There are no officers now in the appraiser's department at this port who have been in service sufficiently long enough to acquire a knowledge on this subject. My own experience as to the workings of the complicated rates on wool is limited, and, so far as I can learn, there are no records available from which an analysis could be prepared within any reasonable time. An examination of all wool entries since 1860 would probably be necessary to effect the object this request has in view, but this would involve so much labor and time as to render the result of such research of no value for the use contemplated by the honorable Secretary.

21. No evidence at this port. If there had been, necessary steps would have been at once taken to prevent it.

22. I believe not.

23. Not true as to Philadelphia, for the reason that several importing firms have changed their business from this port to New York, where they claimed they could obtain better advantages.

24. No charges of this character have been made at this port, consequently no arrests, indictments, or punishment followed.

I am, sir, very respectfully, &c.,

CHARLES HENRY JONES,
Special Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 206.

B. HUCKEL—Appointed Deputy Collector March 1, 1873; April 19, 1873, and August 7, 1885.

CUSTOM HOUSE, PHILADELPHIA, PA.,
Collector's Office, October 8, 1885.

SIR: I have the honor to reply to your circular letter of the 9th ultimo containing certain inquiries relating to custom-house affairs by answering in the order they are presented:

1. I am not in possession of any evidence that the rate of duty as prescribed by law has not been collected.

2. No evidence that the full amount of duty as prescribed by Congress has not been collected.

3. On French goods, by the metrical system; on English, by ordinary measurement.

4. Have no evidence of such collusion, but such a thing is possible.

5. There is no evidence of incompetent or improper weighing or measuring on the wharves.

6. There are suits now pending against the late collector (General Hartranft), upon classification. The Solicitor of the Treasury should possess the power to cause district attorneys to more promptly dispose of such suits; interest is properly allowable upon money which an importer has to lay out of pending the disposition of his suit. (The latter part of this question more properly belongs to the United States attorneys.

7. Have no knowledge of the action of the New York custom-house.

8. If such failure did exist, or now exists, it must be through dishonesty, as the officials in New York cannot be so ignorant of their duties.

9. It would seem to be almost impossible for the appraiser to report to the collector *false* dutiable values for the purpose of defrauding the revenue, except through a conspiracy between his department and the importer. Such false returns might occur through a lack of judgment.

10. Have heard of no confusion or conflict of opinion in the appraiser's department.

11. Not coming in direct contact with the appraiser's department, have no means of knowing.

12. The appraiser appears to be *one* who officially certifies to the values fixed by the examiners and deputies. It appears to have been the custom to appoint an appraiser more for his political influence than for his knowledge of merchandise, and the same custom may still prevail.

13. No satisfactory evidence exists to my knowledge of such false foreign values.

14. Have no knowledge of the existence of any such failure to collect the full amount of duty.

15. Not knowing of any such action in the past, cannot propose anything for future guidance.

16. When possible, specific rates of duty would be more satisfactory to the importer and advantageous to the Government. Textile fabrics,

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many of them being composed of two different materials, and materials of different value, can only be assessed under an ad valorem duty, and in a large number of cases with specific rates in addition.

17. Having no knowledge of false reports by the appraisers I am at a loss to know how to answer this question.

18. I am unable to answer this, except that portion relating to consular fees, which appears to be $2.50 on each verification.

19. The authorities should have entire jurisdiction in the ascertainment of dutiable values upon which to levy ad valorem rates.

20. There appears to have been a great diversity of opinion upon the classification of wools, and it is a matter (in my opinion) that should more properly claim the attention of appraisers.

21. I know of no such practice at this port, and to prevent a practice of this character is to punish the offenders when discovered under the law.

22. An increase or high rates of duty has a tendency for dishonest persons to evade the full payment of duty by undervaluation, but that is no reason why the Government should not endeavor to suppress such dishonesty by punishing the offenders and bring smugglers to justice.

23. Not knowing that a failure to enforce the revenue law in New York exists, except upon mere rumor, I am unable to make any statement.

24. Answer to 23, I think, will apply to this question.

In conclusion, permit me to say that my recent appointment as deputy collector (June, 1885) does not afford me the ready facilities to have more fully answered your questions. Your circular being marked confidential prevented me from procuring information, except in a cautious manner.

I am, with great respect, your obedient servant,

B. HUCKEL,
Deputy Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 207.

JOHN K. VALENTINE—Appointed U. S. District Attorney November, 1875.

OFFICE OF UNITED STATES ATTORNEY,
EASTERN DISTRICT OF PENNSYLVANIA,
Philadelphia, September 23, 1885.

SIR: Referring to my letter of the 15th instant and to your circular received on the 9th instant, I have the honor to state, in answer to the sixth inquiry, that there are now pending in this district 123 suits against collectors of customs to recover moneys paid as duties.

I inclose herewith a list of these cases, showing the number of suits pending, and classifying them as to the legal questions involved, and showing the number of suits in each classification, and how long each suit has been at issue.

There are, you will observe, fourteen different classes. The first class of cases includes eighty suits. The question involved in this class is as to what charges should be included as part of the dutiable value; and

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I understand that this question has been passed upon by the circuit court for the district of New York, and is now pending on writ of error in the Supreme Court. The first case under this class was placed at issue on the 11th of March, 1884.

The second class includes two cases and involves the question as to the rate of duty on bichromate of soda. The first of these cases was placed at issue on the 27th of February, 1885.

The third class includes two cases and involves the question as to the rate of duty on Hoff's malt extract.

The fourth class includes two cases, and involves the question as to the amount of duty on sponges.

The fifth class includes three cases, and involves the question as to the rate of duty on certain woolen goods.

The sixth class includes eight cases, and involves the question as to the rate of duty on certain articles claimed to be dutiable, as buttons.

The seventh class includes nine cases, and involves the question as to the duty on certain mineral substances.

The eighth class includes one case, and involves the question as to the rate of duty on manufacture of flax classified as handkerchiefs.

The ninth class includes one case, and involves the question as to the rate of duty on down quilts.

The tenth class includes one case, and involves the question as to whether certain articles should be subject to duty as toys or as china or earthenware. The question involved in this case has been passed upon by the circuit court for this district, and is now pending on writ of error in the Supreme Court.

The eleventh class includes one case, and involves the question of duty on steel blooms.

The twelfth class includes one case, and involves the question of duty on certain machinery.

The thirteenth class includes nine cases, and involves the question as to the rate of duty on certain articles known as hat trimmings.

The fourteenth class includes one case, and involves the question as to the rate of duty on marble.

There are two remaining cases, one of which has been virtually settled and the duties refunded, and in the other no narr has been filed or bill of particulars furnished. I may remark that in the cases where a blank is left under the date of when at issue, no narr has been filed by the plaintiff and that these cases are not at issue.

The question implies that there are suits pending which cannot be promptly disposed of in this district. This is not the fact. Any case can be promptly tried where this is desired by either party. As an illustration of this fact I would state that there are only four cases ordered on the list for the next session of the circuit court; that one of these cases was only placed at issue on the 27th of February last, and that they will undoubtedly be tried if the counsel for both parties so desire.

Cases of this kind are placed, under the rules of the court, at the head of the list, and are always reached for trial. I would state, therefore, from my experience in this district, that the existing law needs no amendment, for the present condition of this class of cases is not exceptional. There has been no period within my knowledge in which these cases have not been promptly disposed of by the court. So far as this district is concerned, I believe that the present judicial system

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works efficiently and promptly and to the entire satisfaction of the mercantile community who are parties litigant in court.

The payment of interest upon moneys which it is decided should be refunded would seem to be just. The importer who pays the money is deprived of its use, is subjected to the expense of litigation, and it is therefore not unreasonable, in my opinion, that interest should be allowed in such cases.

Very respectfully, your obedient servant,

JOHN K. VALENTINE,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury.

1. Under section 7 of the act of March 3, 1883, as to what charges should be included as a part of the dutiable value:

Number and term.	Date when case was at issue.
4. October session, 1883	March 11, 1884.
5. October session, 1883	March 11, 1884.
6. October session, 1883	
12. October session, 1883	March 11, 1884.
13. October session, 1883	March 11, 1884.
14. October session, 1883	March 11, 1884.
15. October session, 1883	March 11, 1884.
16. October session, 1883	March 11, 1884.
17. October session, 1883	March 11, 1884.
32. October session, 1883	March 11, 1884.
64. October session, 1883	March 11, 1884.
74. October session, 1883	
75. October session, 1883	March 11, 1884.
76. October session, 1883	March 11, 1883.
78. October session, 1883	March 11, 1884.
90. October session, 1883	March 15, 1884.
91. October session, 1883	March 11, 1884.
92. October session, 1883	March 11, 1884.
93. October session, 1883	March 11, 1884.
37. April session, 1884	June 10, 1884.
38. April session, 1884	June 10, 1884.
39. April session, 1884	June 10, 1884.
40. April session, 1884	June 10, 1884.
41. April session, 1884	June 10, 1884.
42. April session, 1884	June 10, 1884.
43. April session, 1884	June 10, 1884.
46. April session, 1884	September 3, 1884.
57. April session, 1884	September 3, 1884.
58. April session, 1884	September 3, 1884.
60. April session, 1884	September 3, 1884.
61. April session, 1884	September 3, 1884.
62. April session, 1884	September 3, 1884.
63. April session, 1884	September 3, 1884.
66. April session, 1884	September 3, 1884.
67. April session, 1884	September 3, 1884.
68. April session, 1884	September 3, 1884.
69. April session, 1884	September 3, 1884.
70. April session, 1884	September 3, 1884.
71. April session, 1884	September 3, 1884.
72. April session, 1884	September 3, 1884.
73. April session, 1884	September 3, 1884.
74. April session, 1884	September 3, 1884.
75. April session, 1884	September 3, 1884.
76. April session, 1884	September 3, 1884.
77 April session, 1884	September 3, 1884.
78. April session, 1884	September 3, 1884.
79. April session, 1884	September 3, 1884.
80. April session, 1884	September 6, 1884.

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Number and term.	Date when case was at issue.
83. April session, 1884	September 6, 1884.
84. April session, 1884	September 6, 1884.
85. April session, 1884	September 6, 1884.
86. April session, 1884	September 6, 1884.
87. April session, 1884	September 6, 1884.
88. April session, 1884	September 6, 1884.
89. April session, 1884	September 6, 1884.
90. April session, 1884	September 6, 1884.
91. April session, 1884	September 6, 1884.
92. April session, 1884	September 6, 1884.
93. April session, 1884	September 6, 1884.
94. April session, 1884	September 6, 1884.
95. April session, 1884	September 6, 1884.
96. April session, 1884	September 6, 1884.
103. April session, 1884.	
104. April session, 1884	September 6, 1884.
115. April session, 1884	October 4, 1884.
118. April session, 1884	October 4, 1884.
119. April session, 1884	October 4, 1884.
120. April session, 1884	October 4, 1884.
121. April session, 1884	October 4, 1884.
122. April session, 1884	October 4, 1884.
123. April session, 1884	October 4, 1884.
125. April session, 1884	October 4, 1884.
126. April session, 1884	December 19, 1884.
127. April session, 1884	September 6, 1884.
128. April session, 1884	September 6, 1884.
19. October session, 1884.	
61. October session, 1884	February 27, 1885.
77. October session, 1884	February 27, 1885.
20. April session, 1885.	
27. April session, 1885	September 23, 1885.

2. Whether bichromate of soda should be classified under the similiter clause of Sec. 2499 R. S. as subject to duty at 3 cents per pound, or as an article not specially enumerated, subject to duty of 25 per centum ad valorem.

66. October session, 1884	February 27, 1885.
28. April session, 1885	September 7, 1885.

3. Whether Hoffs Malt Extract is subject to duty as a proprietary preparation of 50 per centum ad valorem or should be classified as beer, subject to duty of 35 cents per gallon.

46. April session, 1883	March 11, 1884.
31. October session, 1883	March 11, 1884.

4. As to the value of sponges.

38. October session, 1881	May 2, 1882.
39. October session, 1881	May 2, 1882.

5. Whether certain articles are a manufacture of wool and subject to duty of 50 cents per pound and an additional duty of 35 per centum ad valorem, under Schedule L, class 3, or to a duty of 35 per centum, under Schedule M.

26. April session, 1877	September 3, 1877.
87. April session, 1883	March 15, 1884.
88. April session, 1883	March 15, 1884.

6. Whether certain articles should be classified under Schedule C, act March 3, 1883, as not specially enumerated and subject to duty of 45

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per centum, or as buttons, subject to duty of 25 per centum. Also, question of charges.

56. April session, 1883.....March 11, 1884.
58. April session, 1883.....March 11, 1884.
67. April session, 1883.....March 11, 1884.
4. April session, 1884.....April 5, 1884.
129. April session, 1884.....December 19, 1884.
51. October session, 1884.....February 27, 1885.
52. October session, 1884.....February 27, 1885.
6. April session, 1885.....September 7, 1885.

7. Whether certain articles were to be classified as subject to duty of 20 per centum as mineral bituminous substances.

15. October session, 1879....March 6, 1880.
13. April session, 1881.....June 28, 1881.
45. April session, 1881.....September 14, 1881.
66. April session, 1881.
57. October session, 1881....August 14, 1885.
16. April session, 1882.....September 11, 1882.
10. October session, 1882....August 14, 1885.
49. April session, 1883.....August 14, 1885.
62. October session, 1884....February 27, 1885.

8. Whether certain articles should be classified as handkerchiefs or other manufacture of flax, subject to duty of 35 per centum ad valorem or as a manufacture of linen embroidered, subject to duty of 30 per centum ad valorem.

2. April session, 1885.....September 7, 1885.

9. Whether down-quilts shall be classified as subject of duty of 50 per centum under Schedule L, act March 3, 1883.

4. April session, 1885.....September 7, 1885.

10. Whether certain articles should be classified as china or earthenware, subject to duty of 60 per centum ad valorem, or as toys subject to duty of 35 per centum ad valorem.

117. April session, 1884.....October 4, 1884.

11. Of duty on steel blooms.

33. April session, 1883.....March 11, 1884.

12. As to valuation of certain machinery, and protest against merchant appraisement.

3. April session, 1882.....August 30, 1882.

13. As to the rate of duty on certain articles known commercially as hat trimmings or hat and bonnet ribbons, &c.:

18. October session, 1875.....December 14, 1876.
59. April session, 1876.....December 14, 1876.
33. April session, 1881.....June 28, 1881.
75. October session, 1881.....January 24, 1882.
3. April session, 1884.....April 5, 1884.
28. April session, 1884.....June 10, 1884.
59. April session, 1884.....September 3, 1884.
124. April session, 1884.....October 4, 1884.
12. April session, 1885.

14. As to the rate of duty on marble:

80. October session, 1883..... March 11, 1884.
82. October session, 1877.....This case is virtually ended and duties refunded.
16. October session, 1880.....No narr filed or bill of particulars furnished.

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No. 208.

GEORGE F. LELAND—Appointed Surveyor July 28, 1883.

CUSTOM-HOUSE, PHILADELPHIA, PA.,
Surveyor's Office, September 23, 1885.

SIR: In reply to your circular-letter (strictly confidential) of August 27, 1885, I have the honor to state that as questions Nos. 1 to 4, 6 to 17, 20, and 22 to 24, inclusive, have no bearing upon the duties of my office I can make no intelligent replies to the same.

In answer to question No. 5 I would state that since assuming the duties of surveyor, I have failed to note anything but an honest and correct performance of such work.

In replying to question No. 18 I would say that in my opinion it would be impracticable, and would undoubtedly be objectionable to those Governments; and such action on the part of foreign Governments would certainly not be tolerated in this country.

In answer to question No. 19 I would say that such additional legislation would only tend to complicate the business and be detrimental to the interests of the Government.

In reply to question 21 I would most respectfully state that I have given that matter strict attention, both in person and by deputy, and have failed to discover any evidence whatever of the existence of such practices at this port.

Very respectfully,

GEO. F. LELAND,
Surveyor of Customs.

HON. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 209.

JAMES B. BAKER—Appointed Appraiser August 6, 1885.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, August 31, 1885.

SIR: I have the honor to acknowledge the receipt of your circular letter of 27th instant, marked "strictly confidential," and regret to write in reply that I fear it will require some length of time to obtain the information on the several subjects mentioned in the letter, to enable me to make a satisfactory report.

During the short period I have occupied the position of appraiser my time has been wholly given to the duties appertaining to the current business of the department, leaving no time to acquire the knowledge necessary to report intelligently on the matters connected with this department. The slight knowledge I obtained of the civil-service rules and regulations was acquired between the time I learned of my appointment and the date I assumed the duties of this office, made it advisable for me to qualify and take charge of the department without suggesting any change of the higher officers. Considering the civil service regulations, the only change that could be or can be made at pres-

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ent are the two assistant appraisers and the drug inspector, all of which are appointments to be made either by the President or Secretary of the Treasury. Whether it would be agreeable to the appointing power for the appraiser to nominate or make suggestions as to men for these positions I do not know. Should it be desired that the appraiser shall suggest the names of persons for them, or either of them, the appraiser will be prepared to do so at an early date.

Until new assistant appraisers are qualified and enter upon their duties the *appraiser* will be without any *confidential assistance.*

The fixing of a fair and equitable value on the imports depend mostly, if not entirely, upon the honesty, capacity, and expert knowledge of the examiner. Undervalued invoices can be passed by him without the knowledge of any superior officer, whose notice is called only to invoices by the merchant who may complain of the advance in price and appeals to the appraiser or to his assistants for redress.

A level-headed lawyer would, in my opinion, make a desirable and useful assistant appraiser.

Very respectfully, yours, &c.,

J. B. BAKER, *Appraiser.*

No. 210.

LEWIS HEYL—Appointed Special Agent, Philadelphia, January 3, 1872; United States General Appraiser December 11, 1877.

PORT OF PHILADELPHIA, PA.,
United States General Appraiser's Office, October 2, 1885.

SIR: Respectfully referring to my letter of the 4th ultimo, in which the receipt of your circular of August 27, 1885, marked "strictly confidential," is acknowledged, and the reasons for the delay of my reply explained, I have now the honor of reporting that I have carefully examined and considered the questions embraced in the circular, and reply to them in the order in which the paragraphs presenting them are respectively numbered, assuming that a direct and definite answer, by number, without in all cases repeating the contents or substance of the question, is what the Department desires.

1. I know of none, excepting only such as may have arisen from an honest difference of opinion as to the proper classification for duty of some kinds of goods.

2. I am not aware of any.

3. Usually by measuring the folds and counting the same, taking due account also of the width of the goods.

4. I know of none.

5. I know of none.

6. This paragraph embraces *six* distinct questions which seem to me to require separate answers, to wit: (1.) As regards the causes of suits resulting from differences of opinion as to the proper classification of importations for duty (which seems to me to be the scope of this question). I think the existing law *does* need amendment. What in my judgment the nature of the amendment should be, will be set forth in my reply to the last question in this paragraph. (2 and 3.) In regard to the second and third questions of this paragraph, as to the number

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and classification of such suits, I have no knowledge whatever, nor data upon which to base an intelligent opinion. (4.) To the fourth question, whether "a plan cannot be devised by the Attorney-General, the Solicitor of the Treasury, the district attorney, and the judges, by which these suits can be more promptly disposed of, and new suits, as they come up, be speedily put at issue and tried," I reply, unhesitatingly, in the affirmative, but must with all deference add that I think the history of legislation does not show that the most learned expounders of the law are always the most skillful or successful legislators. The skill to analyze and interpret the meaning of an existing statute, with respect to its effect upon isolated propositions or questions, although it is unquestionably *one* of the indispensable qualifications for the proper consideration and solution of the adaptability of a proposed remedy for defective laws, to meet the desired ends, it is far from being the *only* one; and without the addition, in its possessor, of special training and experience in the preparation of drafts of laws, as well as familiar acquaintance with existing provisions and their judicial construction, would not, in my opinion, suffice to insure the most successful accomplishment of the object in view. (5.) The question whether "the existing law in respect to the payment of interest as a part of the damages and costs in 'collectors' suits' needs amendment" is one with which I am not sufficiently familiar to enable me to answer it intelligently. (6.) As to the sixth and last question in this paragraph (No. 6), it seems to me that New York is the only port at which "the existing judicial system" cannot "be made sufficient to work efficiently"; and, although I have long been of the opinion that the services of the Board of General Appraisers, if not each member thereof separately, might be made available by adequate changes in the statutes to effect the desired reform; yet, unless the changes should be made general, so as to embrace all the ports, it would hardly be desirable for New York alone. If it should be thought best to continue the existing system, an additional circuit and district court for the port of New York, with jurisdiction limited exclusively to such cases, should be provided, and the judges of which should be selected with special regard to their familiarity with the customs laws. If a plan investing the general appraisers with this jurisdiction should meet your approval, I would suggest that their number should be increased to *eight*—the additional four members to be located as follows: two on the Pacific coast, one at Chicago, and one at New Orleans.

7, 8, and 9. Touching the questions in these paragraphs, I have no such information as would be of value to the Department or the service. I have, in common with many of the older officials and employés in the Government service, long had suspicions of the unfaithfulness of a very limited number of men (not over five or six) formerly, but not now in that service, but am in possession of no facts or data which could be made available.

10. I am not aware of any such "confusion, doubt, or conflict of opinion" now existing in the appraisers' department proper, but have frequently met with it on the part of merchant appraisers, many of whom insist that section 7 of the tariff act of March 3, 1883, excludes all coverings of goods as an element of dutiable market value; and some of whom claimed to be independent of, and refused to be governed by, the decisions of the Department in regard to the law upon this point, especially as to cartons, tillots, and the like articles. On the question

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ot the exemption from duty of all such articles, I have understood the late appraiser of the port of New York to concur in the views of these merchants from the beginning. (2) To the second question in this paragraph, I reply in the affirmative—as well in regard to my own opinion as in what I believe to be that of the "examiners, deputy appraisers, and appraisers."

11. To the question in this paragraph, I reply that I do not think so.

12. At the principal ports, especially at New York, I should think the examiner "primarily and chiefly" the responsible party. The responsibility would be greater or less, according to the amount an variety of importations handled, and the number of examiners employed at the port, and the consequent inability of the appraiser, or even all the assistant appraisers, to give personal attention to the details of the office. The salaries are different at different ports. To the last question in the paragraph, I reply that at the more important ports he cannot "ordinarily and in fact" be much else.

13. I have no information of value on this point.

14. On the several hypotheses here laid down, I should answer in the affirmative the first question; but as I have no knowledge in regard to the matters set forth, it is impossible for me to identify parties who might be guilty thereof. In regard to the remaining questions in the paragraph, I am also totally ignorant.

15. To this I reply, none whatever.

16. I do not think a change from ad valorem to equivalent or justly equalized specific rates of duty practicable, even as to all textile fabrics, much less so as to importations generally; and do not see how such a change could "benefit the revenue or help to diminish a tendency to bribery," even if the existing quantity of duty could be assured. Even approximately just specific rates are practicable in regard to only a very limited proportion of our importations.

17. Without any definite knowledge upon the subject of this question, it seems to me quite probable that they have been.

18. Consular agents, if sufficiently "numerous and alert," could, I think, personally make the examinations and verifications here referred to. (2.) I am not in possession of the data to enable me to answer the second question in this paragraph intelligently. (3.) As to the third question, I do not think it at all "likely that foreign governments would abstain from the complaints" referred to. (4.) I have no knowledge of the fees exacted by our consuls in England.

19. My answer to the question preferred in this paragraph is decidedly in the negative.

20. I have not the data or statistics at hand (or present access thereto) to enable me to prepare the analysis here asked for; but beg leave respectfully to suggest, that if my memory of the work is not greatly at fault, the analysis desired will be found in a brief compend of Tariff Enactments, published some years ago by Dr. Edward Young, then Chief of the Bureau of Statistics in Washington.

21. I have often, in social circles, heard of the existence of such a practice, but have no definite or personal information in regard thereto, or of the extent thereof.

22. No, I think not; in my opinion the mischievous, not to say iniquitous system, of consignments now prevailing to so great an extent is responsible for more of the successful evasions of and frauds upon the customs-revenue laws than all other causes combined. It has ruined

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the importing business of many of the oldest and best importing houses in New York and transferred it to the hands of foreign manufacturers and their often unscrupulous and irresponsible agents here; and if not checked by stringent legislative discriminations or penalties, will soon thoroughly demoralize the whole customs service of the country.

23 and 24. Respectfully referring to my above reply to paragraphs 7, 8, and 9, I repeat that I have no information in regard to the questions embraced in paragraphs 23 and 24 which would be of any real value in the investigation thereof. That there may have been and probably have been exceptional cases of such official faithlessness can hardly be doubted, but that there has been any such general or extensive corruptness or delinquency, I do not believe—indeed I feel very confident that such is not the fact, and that a thorough investigation would justify this confidence.

With great respect.

LEWIS HEYL,
U. S. General Appraiser.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 211.

E. H. NEVIN, Jr.—Appointed Surveyor March 2, 1882; Naval Officer August 2, 1883 and January 7, 1884.

PORT OF PHILADELPHIA, PA.,
Naval Office, October 6, 1885.

SIR: In response to Department circular dated August 27, "strictly confidential," and received in my absence on leave and held until my return, I beg to say that the questions are of such a nature that this office is not qualified to give intelligent answers from actual knowledge to them, as they relate exclusively to the collector's, surveyor's, and appraiser's departments. To comply as fully as I can, however, with the Department's request, I have the honor to inclose marked statement A, formal replies to each of the numbered questions in the circular referred to.

Very respectfully,

E. H. NEVIN, JR.,
Naval Officer.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

STATEMENT A.

Formal replies to questions asked in Department circular dated August 27, 1885, and marked "strictly confidential":

1. We know of no such evidence.
2. We know of no such evidence.
3. Pertains to the appraiser's department.
4. No such evidence here.

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5. None.
6. Collector and district attorney only can answer.
7. Have no knowledge of the matter here.
8. Have no knowledge of the matter here.
9. Have no knowledge of the matter here.
10. Have no knowledge of the matter here.
11. Have no knowledge of the matter here.
12. Have no knowledge of the matter here.
13. Not to our knowledge.
14. Have no knowledge of anything of the kind.
15. Have no knowledge of anything of the kind.
16. We think not.
17. Have no knowledge.
18. Have no knowledge.
19. We think it would.
20. Do not know history of various duties on wool.
21. Have no knowledge of such practice here.
22. Have no knowledge.
23. Have no knowledge.
24. Have no knowledge of any false returns or reports.

All of which is respectfully submitted.

E. H. NEVIN, Jr.,
Naval Officer.

No. 212.

D. C. CLARKE—Appointed Examiner March 7, 1882.

APPRAISER'S OFFICE,
Philadelphia, September 19, 1885.

DEAR SIR: I received yours of September 9, with printed questions asking replies to same. I have the honor to say, in reply, that many of the questions are of a character which never come under my notice, and of which I have no personal knowledge whatever, and it would be useless for me to discuss matters foreign to the duties in my position, many of which I have no means of finding out. I herewith, however, append such answers as, in my judgment, may be of some service, and therefore comply with your request.

I am, yours, &c.,

D. C. CLARKE, *Examiner.*

HON. DANIEL MANNING,
Secretary of the Treasury.

1. I know of no such evidence.
2. I know of none.
3. Invoice measurements are verified from the tickets containing the yards or meters, unless the articles require appraisement when they are measured.
4. As I do not come in contact with that department I know of no collusion between persons making entry of packages; and the entry clerk or deputy collector to send to the appraiser a bogus or false package for examination—I know of no such an occurrence here.

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5. I have no knowledge of any.

6. The law, in my opinion, should be so amended that but one construction could be put upon it, admitting only of a clear, unquestionable classification, without any elasticity.

7, 8, and 9. I have no personal knowledge of the existence of such conditions as described in these questions, and cannot therefore give any answers of any value.

10. In my judgment, the standard to be applied is already and sufficiently defined.

11. From the knowledge the Department has already learned from the recent investigations, it is perhaps better able to judge of this matter than my opinion would be worth to it.

12. (1) Ordinarily, I should say, most probably the examiner, but either or all might be concerned. (2) As a general answer to the second part of this question, I say no. The position, however, in my judgment, is an important one after all. He should be a good business man, with a thorough knowledge of the tariff and his duty under it, ready and prompt to decide questions as between the importer and the Government, and this he should be able to do in an intelligent and fearless manner, without being arbitrary, but just to all concerned.

13. I have no means of learning that any Government officials have presented any false evidence of foreign values.

14. I know nothing in relation to these questions.

15. An honest and vigorous administration may do much towards preventing such a condition of affairs in the future, if they now exist.

16. (1) I think it would be a benefit. There would be a small field for bribery under specific rates. (2) Largely so, at least.

17. Cannot give any definite reply of any facts.

18. There is no doubt in my mind of the practicability of American consular agents personally examining articles to be shipped to American ports, and to verify the correctness of invoiced values. They should be expert in their various lines and sufficiently paid to keep them honest. There ought not to be vexatious delays, or cause for complaint. The agent can readily keep himself posted if he gives his whole attention to his legitimate duties, thereby preventing any likelihood of foreign Governments complaining of the consuls—besides I do not think that foreign governments should have much to do with what our Government may deem necessary in preventing their subjects from exporting undervalued goods into our ports. Consul's fees exacted on English invoices are usually $2.50.

19. With the knowledge in possession of the Secretary on this subject, I am entirely satisfied that he is able to recommend the necessary changes.

20. This will no doubt be done by the wool examiner.

21. I know nothing whatever in relation to this matter.

23. Do not think so.

24. I cannot say why—if such be true.

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No. 213.

WILLIAM M. LAMB—Appointed Examiner July 15, 1872.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, September 18, 1885.

SIR: In answer to your circular dated September 9, 1885, I respectfully submit the following answers, viz:

1. I believe the rates of duty have been properly levied and collected, in accordance to the laws prescribed by Congress.

2. I have no knowledge that articles paying a specific rate have not paid amount of duty prescribed by Congress.

3. I do not know.

4. I have no knowledge relative to collusion between any persons; believe the packages sent are a fair sample of the goods invoiced. If I had any suspicions of such not being the case I would call for all the packages.

5. I have no evidence of false weighing or measuring upon the wharves.

6. I think the existing laws need amending. I do not know. I do not know. I think they can be more speedily put at issue and tried.

7. I do not know of any; still, such might exist.

8. I do not know of any; still, such might be the case.

9. I know of no conclusive or satisfactory evidence that the appraiser has reported to the collector false dutiable values.

10. In my department there has not been any confusion, or doubt, or conflict of opinion in order to fix and declare the dutiable value.

11. I have no knowledge.

12. I would frankly state that the examiner is responsible for a false return to the appraiser, and it is the duty of the appraiser and deputy appraisers to see and verify what the examiner has done, and return the same to the collector. The official duty of the appraiser is to certify to the facts.

13. I have no knowledge of such being the case

14 and 15. I have endeavored to do my duty, and have no knowledge or information relative to facts stated.

16. I would consider a specific rate of duty, by ton, pound, ounce, or drachm, preferable to the ad valorem rates of duty in my department, as it would be much easier to compute, &c.

17. I have no knowledge.

18. I consider it would be practicable to have consular agents to verify and note the market values of goods in districts like London, Paris, Berlin. The fees are about $2.50.

19. I consider the power of the board of appraisers should be set aside when sufficient proof can be found to substantiate the facts.

20 and 21. I know nothing. Have had no experience in these departments.

22. I presume in some cases, the high rate of duty on certain classes of goods—those coming in small bulk—might produce a class of smugglers and dishonest shippers.

23. I know nothing relative to Treasury Department being unable to enforce the laws here or in New York. I consider they have ample power to enforce the same.

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24. If such had been the case the persons or officials would have been informed upon by me to Treasury Department, and, in my opinion, should be arrested, indicted, and punished in accordance to the law.

Yours, respectfully,

WILLIAM W. LAMB, M. D.,
Inspector of Drugs, Philadelphia.

Hon. DANIEL MANNING,
Secretary of Treasury Department, Washington. D. C.

No. 214.

WILLIAM E. DICKESON—Appointed Examiner June 6, 1883.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, September 21, 1885.

DEAR SIR: In reply to your circular of September 9, I beg leave to say I was appointed in the appraiser's office of this port on June 6, 1883, as chemist or polarizer of sugar, and my work since I have been here has been confined strictly to polarizing and laboratory work. I am not acquainted with the examination of goods or passing or writing up invoices, never having had anything to do in that line. I am confined strictly to the sugar department, and as far as I know or have seen, everything in that department of this office has been carried on in strict compliance with the orders of the Treasury Department.

Very respectfully, yours,

WM. E. DICKESON,
Chemist.

Hon. DANIEL J. MANNING,
Secretary of the Treasury, Washington, D. C.

No. 215.

FRANCIS H. TAGGART—Appointed Temporary Cletk, Philadelphia, November 15, 1882; Examiner February 19, 1883.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, September 22, 1885.

DEAR SIR: I beg to acknowledge receipt of your circular dated September 9, 1885. My excuse for not answering it sooner is that I have been so busy that I have not had time to do so. Of some of the questions propounded I have no personal knowledge, and therefore cannot answer. I was appointed to the position of clerk in the collector's office at this port in the month of November, 1882, and transferred to the appraiser's department in February, 1883. My answers apply to the conduct of business at this port, as I have no personal knowledge of the conduct of affairs at other ports. The following are my answers:

1. No evidence that I know of.
2. No.
3. In answer to the inquiry as to the manner and by what tests the invoiced measurements of textile fabrics are verified, I reply that where goods are folded in yards, meters, or annes, the lengths are verified by counting the folds; where goods are rolled the ticket measure is gen-

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erally accepted as correct; where doubt exists they are unrolled and weighed and measured, the weight per yard ascertained, and that weight applied in determining the lengths of like goods in the invoice.

4. None that I ever heard of at this port.

5. None that I am aware of.

6. To all the questions I reply I am not familiar enough with the subject to give an intelligent answer.

7. Of my personal knowledge I do not know of any class of articles on which the Treasury Department has failed to levy and collect in New York the full amount of duty that the law prescribed. But I believe special Treasury Agents Adams and Hinds can give you valuable information on this subject.

8. I have no knowledge.

9. I do not believe that there is any evidence that the appraiser at this port has reported to the collector false dutiable values. It is true goods may have been passed at less than the actual market value, but usually the undervaluation is discovered and the value advanced. This has been true since I have been connected with this office as to cutlery, lithographic prints, Hamburg edgings, and silks. The above-mentioned goods were shipped by the makers to agents. The proof of false return of dutiable value by the examiner does not depend on the statements made by special agents of the Treasury. The affidavit of the consular agent abroad as to the foreign market value of merchandise and the private bill to the importer, if obtainable, would be evidence corroborating the evidence of the special agent that the merchandise was undervalued.

10. There has recently been confusion and doubt in the appraiser's department at this port respecting the question of dutiable values arising out of the charges abroad, such as putting up, preparing freight from works to ship, &c. The place where the value should be fixed is not clearly defined at present.

11. I cannot make such an estimate.

12. The examiner. My salary is $1,700 per year. No.

13. Not that I am aware of.

14. I have no information on the subject.

15. No reason.

16. Such a change would be a benefit to the revenue and help to diminish fraud. But I do not believe that specific rates could be applied to all textile fabrics.

17. I think they have. I believe the law respecting the seizure of books and papers of parties discovered undervaluing goods is a good law, and cannot be made too severe.

18. It would not be practicable in the large American consular districts to personally examine all articles to be shipped thence to American ports. But all textile fabrics can be sampled, and the law requires that samples shall be furnished to the consul, with the prices attached, so that an active energetic man as consul could ascertain whether such goods were being sold under the market value. In none of every shipment. There need not be unnecessary or vexatious delays in examining values if samples are furnished to the consul.

The usual fee is $2.50, I believe.

19. I cannot answer the first part of this question; but I think it would be unwise to leave the question of dutiable value to the judiciary.

20. The wool examiner, Assistant Appraiser John Caldwell, will answer this question.

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21. I do not believe that the practice prevails at this port of the payment of money by arriving passengers to inspectors of customs, either to facilitate or prevent an examination of baggage, or to allow dutiable articles to pass free. But where it does exist, if it does anywhere, if the private citizen would report the fact to the collector the offending inspector should be punished.

22. I think not.

23. What is said to be true of the frauds practiced on the Treasury Department in New York is not true of this port. I do not know as to other ports.

24. I cannot answer, except they were protected by their superiors in office, as is very generally believed.

Respectfully submitted.

FRANCIS H. TAGGART,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington D. C.

No. 216.

I. S. TOMLINSON—Appointed Clerk May 7, 1883; Examiner October 16, 1883.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, September 24, 1885.

SIR: Having had less than two years experience in the customs service of the Government, my knowledge and information in relation to the various questions propounded by you is necessarily very limited and will apply only to the port of Philadelphia.

I would therefore respectfully reply to the several questions as follows, viz:

1. I have no knowledge of any.

2. None.

3. My duties being confined to the examination of minerals, metals, machinery, manufactures of metals, lumber, &c., I have no knowledge of textile fabrics.

4. I have no knowledge of any.

5. I have no knowledge of any. My observations of the weighing of cargoes, when I have seen it done at the vessels I have visited to examine the cargoes, are that the weighers are competent, accurate, and reliable. I have never known an instance where their returns have been disputed.

6. I have no knowledge of this subject.

7. I have no knowledge of this subject.

8. I do not know.

9. I do not know of any evidence.

10. Yes, in the matter of freight and charges. No, in regard to the place of the principal markets of the country of production or exportation, as in the case of Portland cement, Bessemer steel, wire rods, &c. Where invoices are made out at the places of production and freights and transportation to ports of shipment are added the charges to ports of shipment are not included in the dutiable value, while the same article, invoiced at the port of shipment, the price at which such article is bought or sold in that market is made the dutiable value, which amount includes the freight and transportation charges from the manufactory to said port. At factories farthest from the shipping port the prices of

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the articles are lower and the transportation charges are higher than those nearer to the shipping port, yet the prices of the articles average about the same; which fact goes to show that the principal market of the country of production for exported goods is the port at which they are shipped. This principle is in a measure involved in the Department ruling of February 8, 1884 (S. S. 6158).

11. Yes, where the articles are large or bulky.
12. (1) Clause "The Examiner"; (2) Salary, $1,700 per annum; (3) No.
13. Not to my knowledge.
14. I have no knowledge of this subject.
15. No reason.
16. Where it could be applied.
17. I do not know.
18. Yes; I believe it would be practicable for an honest, intelligent, and industrious person to examine articles and verify the invoiced values. As consuls can compel the furnishing of samples of articles invoiced with prices attached, or withhold the certificate until the demand is complied with, it would be practicable for them to obtain the true market values.
19. I do not believe it would be safe to give powers of decision to persons who have no practical knowledge of the articles in dispute.
20. I have no knowledge of this subject.
21. I do not believe the practice exists at this port.
22. No.
23. Not at this port to my knowledge.
24. I do not know, unless guilty parties (if such there be) have been protected by those in authority over them.

Very respectfully,

I. S. TOMLINSON,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 217.

J. K. KERR—Appointed Examiner September 18, 1882.

PORT OF PHILADELPHIA, PA.,
Apprasier's Office, October 5, 1885.

SIR: Your confidential circular of the 9th ultimo was duly received. The great press of business in this department is my apology for not replying sooner. I would respectfully say that my position as examiner and entire confinement to the examination room gives me little opportunity to gain information on many of the questions asked. I herewith inclose answers as far as my information on the subjects extends.

Very respectfully,

JAS. K. KERR,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

1. None to my knowledge.
2. None that I am aware of.
3. Being the examiner of china, glass, earthenware, bronzes, and fancy goods generally, I could not express an opinion on textile fabrics.
4. None that I am aware of.

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5. My time being occupied entirely in the examination room, I have no means of knowing what is being done on the wharf. I have never heard of any disputes on this question.

6. Have no knowledge on this subject.

7. I do not know of any, nor have I any information on the recent investigations in New York, but think the Department could collect the full amount of duty by honest examiners who understood the value of the merchandise they are passing on, and see that prices and discounts are correct, and are honest in their classifications of the duties.

8. Having no information of the facts of the investigations in New York I cannot answer this question.

9. I have no evidence of any.

10. First, none to my knowledge; second, yes.

11. I cannot say, but think there could.

12. All may be considered. Primarily, the examiner, which may involve appraiser and assistant appraisers. Salary of examiner, $1,700 per annum.

13. Not that I am aware of.

14. None to my knowledge.

15. No reason. But can be prevented by honest appointments.

16. What little information I have on textile fabrics, I think, at least, a portion could.

17. I do not know.

18. First, yes; if proper men of business were appointed to these positions and would give their time and attention to investigating these matters they would be of great service to the appraiser's department especially, by furnishing true values and other general information; second, in almost all the large districts, if they would take the trouble the merchant takes, who visits these places to make his purchases. About $2.50. No consular's certificate required under $100.

19. As an examiner I do not think I am able to give an opinion on this question, but I think the parties should have a practical knowledge of the merchandise in dispute.

20. I could not give a satisfactory answer, as the wool question is a very complicated one and entirely out of my department.

21. Not at this port to my knowledge.

22. No.

23. Not at this port that I am aware of.

24. I do not know of any; this would belong to persons having knowledge of these facts.

JAS. K. KERR,
Examiner.

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No. 218.

G. C. M. EICHOLTZ—Appointed Examiner February 8, 1876.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, October 5, 1885.

SIR: In answer to the several questions propounded in your confidential circular of September 9th ultimo, I have the honor to report as follows in the order in which they are asked.

Yours respectfully,

G. C. M. EICHOLTZ.

Hon. DANIEL MANNING,
Secretary of the Treasury.

1. I have no knowledge of any violation of the law as prescribed.
2. I have no knowledge that the full amount of duties upon articles paying specific rates of duty has not been collected.
3. I am not in the dry-goods department and cannot state positively what methods are in vogue in regard to the measuring of textile fabrics.
4. I have no knowledge of any.
5. I have no knowledge of any false weighing or measuring on the wharves.
6. I do not feel myself competent to answer.
7. I am not able to specify any articles coming into the port of New York upon which the full amount of duties has not been collected.
8. I am not able to state.
9. I have no knowledge of any such practices.
10. I am not aware of any conflict of opinion existing in this department in regard to the fixing of values. The time, place, and standard already sufficiently defined by the statutes.
11. I am not able to say nor am I able to identify the invoices so undervalued.
12. The examiner I think is primarily responsible for a false return of value to the collector. The salary of such officer at this port is $1,700 per annum. The appraiser usually aecepts the values taken by the examiners and deputy appraisers.
13. Not that I am aware of.
14. I cannot answer correctly.
15. I have no knowledge of any bribery or corruption in this department.
16. I consider a change from ad valorem to specific rates where practicable the only safeguard against undervaluation. I think specific rates could be applied to most textile fabrics.
17. I am not in a position to know.
18. I do not think it would be practicable, and would occasion many complaints from delays. The consular fee in London and England is now $2.50 for certifying all invoices.
19. I a nmot able to state correctly.
20. I have no knowledge that such practices prevail. The only remedy is the careful selection of men of known integrity.
21. I have no knowledge upon the subject of wool, never having had anything to do in that department.
22. I think the rate of duty imposed upon oil paintings and statuary might with advantage to the Government be reduced. The rates now

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exacted being so high, and the articles in question frequently costing very large amounts of money, and the difficulty in ascertaining values, the temptation to undervalue is very great.

23. I am not able to say.

24. That I am unable to say.

No. 219.

H. A. FISHER—Appointed Examiner February 8, 1876.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, October 3, 1885.

SIR: Your circular letter, dated September 30, was duly received, urging immediate reply to twenty-four questions in circular marked "strictly confidential," sent to me on the "27th ultimo." Allow me to apologize for the delay, and to excuse it by the overwhelming pressure of business in the dry-goods department of this office; also to say the circular in question is before me and is dated September 9, instead of August 27, as stated.

Appreciating the importance of as full replies as possible, I have endeavored to give a sincere, clear reflection of my experience on the subjects named. Replies herewith inclosed.

Yours, very respectfully,

H. A. FISHER.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

1. The writer is not aware of any material deviation from the rates of duty prescribed by law, under the decisions of the Treasury Department, at the port of Philadelphia, excepting perhaps with regard to wool, and he is not familiar enough with this article to discuss it. Irregular and doubtful decisions, many of which have already been reversed, have led to loss to the revenue.

2. The writer is not aware of any satisfactory evidence that full specific rates have not been collected.

3. In this office the lengths of such textile fabrics as silks, satins, and ribbons are from time to time tested by counting the folds or "plis," usually one dune or meter in length, for silks and satins. Ribbons are invoiced at prices for the European standard of length, 14.40 and 15 meter pieces, and put up for the American market in 9-meter lengths, and a rebate deducted for the difference. The 9-meter length is frequently tested by actual measurement. It might be stated that the writer in his estimation of the value of silk goods takes the weight as one of his bases for such value. This, it will be observed, is a decided check upon fraudulent lengths as well.

4. None that writer is aware of.

5. None that writer is aware of.

6. Decidedly, yes. It is full of anomalies, double provisions, and irregularities leading to endless disputes. The provision for hat trimmings, p. 448, and for all manufactures of silk, and silk chief value, p. 383, might be cited; webbings, p. 495, and manufactures of silk chief value, 383; the double provisions for manufactures of hair, in p. 363, wool schedule, and in p. 445, sundries. The latter the Department has decided to prevail (lately revised), notwithstanding it is the

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lower rate. Also the Department's decisions that rabbit-hair yarn is a manufacture of fur. The act of March 3, 1883, is worse than its predecessor in this respect. Reference might also be made to the section repealing duties on charges, its loose wording leading to immense litigation. The writer has no knowledge of the record of suits—has no access thereto. He thinks interest should be paid, and also that a special court of claims would greatly expedite Government cases.

7. Silks, silk and cotton goods, cotton embroideries, and ribbons, so far as the knowledge of writer is concerned. The evidence in the opinion of writer is incontrovertible that the Government has failed during recent years to levy and collect the full amount of duties under the law. This loss is not the main evil. Within the writer's experience all honest trade, nearly, in cotton embroideries (Hamburg edgings) and Swiss machine-made laces has been transferred to so-called American houses abroad and their agents here in seven years' time by the failure to collect the full amount of the duty. The evidence of this is lengthy but conclusive, and in the possesion of the Department. Seven years ago 85 per cent. of cotton embroideries were honestly purchased, now nearly 90 per cent. are consigned. This has been strenuously fought by the officers of this port. The Department finally sanctioned 10 per cent. ad vance on the bare cost of materials and labor as market value, which ns more than covered factory and office expenses. The Department appear. now to be making a vigorous and successful effort to cope with this fraud

The transferral of the silk trade is of older date, and the remedy is difficult. It needs the full co-operation and direction of the Department. The standard of market value of silks appears to have been destroyed for the American market by the manufacturers abroad by their refusal to make franc prices, and to sell only to a buyer abroad in dollars and cents through their American agent, and deliver duties paid. Building up a market value, based upon the cost of materials and labor, is the lawful remedy, but is somewhat arbitrary, being too low or too high, as supply and demand may affect the article. The writer (without sufficient attention to the subject of change of duty) would simply suggest a square yard duty on silks based upon a clear, intelligent division of the various kinds and qualities, not upon price. He would also suggest a discriminatory duty, say of 20 per cent., on consigned goods, about the average amount of undervaluation in addition to ordinary duties. This would protect the honest purchaser from having the European manufacturer flood his market here with all the balances of his stock, warps worked out of looms, &c. These are sent here to his agent on consignment to be sold for the best price they will bring, and probably invoiced at about cost. Practically the protective feature of the tariff does not protect even the honest importers, much less the manufacturer here, under the system of consignment.

The writer has replied to question 7 to the best of his ability and knowledge, and endeavored to show that in his opinion the failure to levy and collect the full amount of the duties under the law is due: (1) To the law itself; (2) to the lack of sustaining support principally from the Treasury Department during recent years; and, lastly, to want of uniformity and system in the action of local appraisers and examiners at the larger ports, and the general failure of reappraisements to fairly sustain such efforts as have been made. Some system should be devised to secure uniform action at least at the ports of Philadelphia, Boston, New York, and Baltimore.

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8. The writer does not think the failure has come about either from the ignorance or indolence or dishonesty of Treasury officials. The writer knows of no reliable evidence of guilty knowledge or a conspiracy among the higher class of Treasury or custom-house officials. The irregular and astonishing decisions have been cause for suspicion only.

9. This question has already been answered negatively as to false returns by the local appraisers. The trouble has pervaded the Treasury Department, the general appraisers, and the local appraisers. The difficulty lies deeper than mere false returns could account for, and the writer has endeavored to explain his view. There are comparatively few false invoices made out, and those mostly by small retail buyers. The trouble is almost altogether on consigned goods, and the different views as to what constitutes market value. There is no actual invoice for consigned goods—it is merely a *pro forma* invoice, and when the manufacturer comes to fix the basis for the collection of a 50 per cent. duty, in order to send his goods here for sale, there is necessarily a wide divergence of opinion as to the law for true market value. The want of a clear interpretation of this part of law, and a vigorous enforcement of that interpretation of the law, has led to the undervaluation. The system has been in operation 10 years, at least. The class of articles, principally silks, cotton, embroideries, wool and woolens, ribbons, within the writer's experience. The articles are shipped generally by the makers to their agents. The same general condition of things has existed at the larger ports, in less degree perhaps, than New York. As to the latter part of question, "what evidence is there to sustain the Treasury special agents or consular agents, as against the official action of the appraising department," the writer would say that in the nature of such a dispute, there is very little direct evidence, excepting in the goods themselves—evidence of similar values on bona fide purchased invoices. The calculations of the cost of manufacture made by the consular agents are, at best, good guides and help only. The market value, as has been urged, may be lower than such cost, or very considerably higher. The Treasury special agents, as a rule, take extreme views. The appraiser and his examiners occupy a judicial position, perhaps, and are limited in their action by what they are able to sustain. The writer's almost sole explanation of the failure to fully meet the undoubted undervaluations that is the Treasury Department has not sustained its officers—including the Treasury special agents—in their efforts to put values up to the standard now sought for. The advances heretofore made have been irregular—largely resulting in centering the trade in New York—and probably, on the average, have not more than half covered the actual undervaluation. The appraisers have done probably the best they could under the circumstances. Properly they ought to seek the co-operation and assistance of the Treasury special agents. That they have not done so generally perhaps is due to general demoralization and because they were not good appraisers. The evidence is hardly against the appraising department, but against the law and whole general administration of it.

10. This question has been largely answered affirmatively. The standard of "true market value" is not clearly defined. Prices vary 15 to 20 per cent. on certain goods to varying buyers, varying quantities, and special contracts. Manufacturers who consign all their goods have no market value, hence no standard except building up one from materials, labor, and the variable ideas of expenses and profit.

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The port of New York, with its large preponderance of the imports of the country, ought to be able to fix a standard of valuation; and some system looking to a close communication for comparison and information from that center would be of great service. Whether a high, moderate, or low standard be adopted, it would at least have the merit of being uniform.

11. The writer does not think the undervaluation is the "act" of the appraiser. He is of opinion that the average undervaluation of silk goods and cotton embroideries for the last five years has been 20 to 25 per cent—that is, less than actual purchases of similar goods. How much of this has been met by appraisers' advances, how much has been justified by the difference in character of consigned and purchased goods, and, finally, how much of the balance (probably one-third to one-half) it has been impossible to sustain owing to the failure of reappraisement under the methods in vogue prior to the recent orders of the Treasury Department, are questions that can be more intelligently answered. Treasury special agents and examiners alike have met with defeat in their repeated efforts in the general appraisers' rooms. Such invoices can be readily indentified, the writer thinks.

12. The examiner, undoubtedly. In Philadelphia the salary of such officers is $1,700 for all, with the exception of the silk examiner (the writer), which is $2,900 per annum. The appraiser, ordinarily, merely certifies to the examination, unless a dispute is raised, and he investigates. The deputy appraisers in Philadelphia have been mere ciphers so far as a revision of the valuations by examiners was concerned. They have been detailed to examine certain lines of goods themselves, and acted as examiners. The examiners have virtually the whole responsibility, excepting in such cases in dispute and brought before the appraiser personally. In this connection the writer would like to say a word in regard to the salaries paid to examiners in Philadelphia. Not one receives the limit allowed by law—$2,500. The salaries are not sufficient to sustain the grade of the office. The ability required, the close application, and, above all, the thorough integrity needed in an office where so much responsibility is rested, requires an officer who, from his proper association and character, must rank above an ordinary clerk. The writer is of opinion that the salaries now paid will not secure a class of officers high enough in grade to secure the efficiency now sought for and required. Many men will seek the office. There may be some accidents that will strand some men into such positions who are sufficiently capable, but the general failure of previous administrations to overcome the prime difficulty would appear to suggest that the fountain-head for this port, as well as others, be looked into and improved.

13. The writer is aware of no such evidence.

14. The writer thinks it cannot fairly be said that such is the case.

15. The question is covered by the reply to question 14.

16. No. If bribery exists it would be more effective with most specific rates than ad valorem rates, provided the existing quantities of duties are levied. Specific rates are possible for some textile fabrics. Such specific rates that have limitations as to value, in writer's opinion, offer more opportunity to fraud and dispute than purely ad valorem rates. The specific part of the compound duty on woolen dress goods and woolen and worsted yarns, and the purely specific duty on cotton yarns and warps under the present law, might be cited as instances. These limi-

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tations as to value for specific rates offer great temptation to the importer to get his goods just below the rank to which they belong, if they are close to the line, by a very slight undervaluation, or by averaging prices (keeping the total amount correct) gets more at lower rates than proper. There are no more equitable duties than ad valorem. They should not be excessive, and they require absolutely honest, intelligent business methods in their uniform enforcement.

17. The writer is not familiar with practical workings of the moiety act, its repeal taking place before his appointment. He has no very good opinion of it.

18. The writer thinks it would not be practicable. The reports now received from Zurich, Lyons, Bâle, and Horgen are useful and of great assistance, especially where values have to be built up on silk goods. Beyond that the writer does not think it practicable to go. Do not know the fees exacted.

19. The writer thinks it would be safe for the executive to have wider control for the sake of establishing uniformity of valuation. This is the great trouble—lack of uniformity, the different general appraisers having their own particular views, and their judgment being absolutely final.

20. The writer has no records or knowledge of the history or examination or practical working of the present law as to the duties on wool.

21. The writer knows very little about the question practically, but thinks the existing law might be liberalized considerably as to passengers from abroad.

22. The writer thinks the existing rates on woolen dress goods and garments, cottons, and silk goods is too high, and possibly offers great temptations to smugglers and undervaluers. The latter class are now powerful, and have always had their influence when they combine.

23. Yes. Not in same proportion, but generally. Boston and Philadelphia are too near New York not to follow in her wake.

24. The writer does not believe the so-named false returns made by appraisers have been criminal in their character.

H. A. FISHER,
Examiner, Port of Philadelphia.

No. 220.

W. W. DEANS—Appointed Examiner May 19, 1880.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, October 6, 1885.

SIR: Your circular of the 9th ultimo is received, and I herewith have the honor of replying. The inquiries to which you desire replies cover a very broad field, and I would say that what I may write refers only to the way in which the business of the custom-house is conducted at this port. When I was appointed to the position of examiner in the appraiser's department I was assigned to duty as examiner of sugar and molasses specially, though I have had some experience in the examination of other classes of goods, chiefly liquors. Consequently, not having had the practical experience in the examination of goods outside of the classes above mentioned, my knowledge is limited in regard to the value of dry goods, &c., and most of the matters to which your questions refer. I make reply to the questions as follows:

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1. I know of no evidence that the rates of duty have not within the last few years been levied and collected as the law prescribed.
2. I know of no evidence that on articles which the law says shall pay specific rates, the full amount of duty has not been collected.
3. I do not know.
4. I know of none.
5. I know of no false or incompetent weighing or measuring on the wharves.
6. I have no knowledge of the subject.
7. I know of no facts or satisfactory evidence that the Treasury Department has failed to collect in New York, or any other port, the full amount of duty that the law prescribed.
8. I do not know.
9. I have no knowledge of any.
10. There has not been, to my knowledge, any serious confusion or conflict of opinion in order to declare dutiable value.
11. I do not know.
12. The examiner. No.
13. I know of none.
14. I think not.
15. There is no reason—in my opinion.
16. I think it would.
17. I do not know.
18. I don't think it would. I think the consuls themselves, if they attended to their duties properly, would be able to answer this question more intelligently than any one else.
19. I don't think it would.
20. I know nothing about it.
21. No such practice exists at this port.
22. I do not know.
23. It has not.
24. I do not know.

Very respectfully,

W. W. DEANS,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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PORT HURON.

No. 221.

W. L. BANCROFT—Appointed Temporary Collector and Inspector, Detroit, April 30, 1853; Collector June 22, 1885.

CUSTOM-HOUSE, PORT HURON, MICH.,
Collector's Office, September 8, 1885.

SIR: In reply to confidential circular dated August 27, 1885, I have the honor to report: I find that the range of inquiries in the circular cover transactions of which there are very few at this port, and that no facts pertaining thereto and likely to be valuable to you can be collated from any records in this office.

Very respectfully, your obedient servant,

W. L. BANCROFT,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF PORTLAND, ME.

No. 222.

FREDERICK N. DOW—Appointed Collector January 30, 1883.

CUSTOM-HOUSE, PORTLAND, ME.,
Collector's Office, September 5, 1885.

SIR: I have the honor to acknowledge the receipt of your communication of the 27th ultimo, marked "strictly confidential," and hasten to make replies to such of the questions therein asked as I am able to with the information within my reach.

The comparatively limited range in the variety of merchandise imported at this port necessarily narrows my field and limits my capacity to speak from experience of many of the topics broached.

Replying to your inquiries in their order, and referring to them by number, I have to say:

1. That I have no such evidence.
2. I have no such evidence.
3. The importation of textile fabrics at this port are few; but it has been the custom of the appraisers to verify invoices, always by weight, and from time to time by actual measurement, to satisfy themselves of the correctness of the invoice.
4. There is no evidence of any such collusion at this port.

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5. No evidence of any false, incompetent, or inadequate weighing or measuring on the wharves. There is more or less complaint on the part of importers from time to time, but there has been but one case within two years where a regauging was granted, and no case of reweighing within that time.

6. There has been but one suit against the collector of this port for several years, and that before my accession to office. I have therefore no information upon the subject matter of the inquiry.

7. No knowledge upon this point.

8 and 9. The same answer must be made.

10. I know of no cases of doubt in the appraisers' department at this port not readily solved.

11. No instance of undervaluation has occurred at this port to my knowledge; and as I am informed, none for several years.

12. At this port there are no examiners, and the work usually performed by them at large ports devolves upon the appraiser and assistant appraiser, who act together or separately, as exigencies arise. Their salaries are respectively $3,000 and $2,500.

The above statement must be modified so far as polariscopic tests of sugar are concerned. These, under authority of the Department, are made without extra compensation by a weigher and gauger, whose salary as such is $2,000.

For the correctness of such tests such officer is primarily responsible, though the duties are assessed upon the certificate of the appraiser or the assistant, as the case may be.

13. We have no evidence at this port upon this point.

14. No evidence.

15. I think no reason can be cited.

16. The elimination, in ascertaining what duty is to be paid upon a given article, of all consideration of the cost of its production or its price in the chief markets in the country of its origin or intrinsic value to its consumer would necessarily remove many elements of uncertainty, and therefore opportunities for mistakes and fraud, and this would be true, I think, without reference to the quantity of duty to be levied. Specific rates could be applied to all textile fabrics. But it would seem that such duties would necessarily be either in very low proportion to the value of high-cost goods, or very high proportion to the values of cheaper goods of the same species.

17. No evidence here upon this point. It is but natural to expect that the zeal of informers would be lessened, and the danger to importers of detection decreased by the legislation referred to.

18. I do not think it practicable. The only information obtainable at this office in regard to fees exacted by consuls for certifying invoices is from the invoices presented. The regular fee of $2.50 allowed by consular regulations appears to have been collected in each case. I think that importers of small articles of little value do not usually present their invoices to the consul for certification as under Art. 328, T. R.; where the value of an importation does not exceed $100 collectors may admit the same to entry by appraisement.

19. As reliance must somewhere ultimately be placed in human judgment, I am of the opinion that the nearer to the article to be examined that authority is placed the greater the opportunity for a correct appraisal.

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21. I have no competent evidence on this point, but have no doubt from what I hear that such is the case. It would probably be difficult altogether to suppress it, but a rigid discipline and efficient supervision of the inspecting force would contribute to that end.

22. No evidence at this port upon this point.

23. Same.

24. Same.

Very respectfully,

FRED. N. DOW,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 223.

SIDNEY PERHAM—Appointed Appraiser September 22, 1877.

CUSTOM-HOUSE, PORTLAND, ME.,
Appraiser's Office, September 15, 1885.

SIR: I have the honor to submit the following answers to your communication of August 27:

1. I am of the opinion that the rates of duty have been applied and collected at this port as the law prescribes.

2. I have no evidence that the duties have not been collected in accordance with the law. I believe they have been.

3. Our practice is to measure one piece at least of each invoice of textile fabrics, but we have always found them to correspond substantially with the invoice.

4. Nothing of the kind has occurred here to my knowledge.

5. There is no such evidence that has come to my knowledge. I believe this work has been faithfully and honestly performed.

10. There has been no confusion of the kind at this office The rules to be applied are quite clearly laid down in the laws and decisions.

12. At this port the appraiser exercises more or less personal supervision in the examination of goods and generally assists in such examination. In the larger ports, of course, it is impossible for the appraisers to do this, and the examiners must be held primarily and chiefly responsible.

13, 14, and 15. I have no such evidence.

16. I am of the opinion that specific duties, so far as they are practicable, are preferable to ad valorem duties, and that specific rates may be applied to more classes of textile fabrics.

18. I am not sufficiently acquainted in relation to consular agents to give an opinion that would aid the Department. The fees of consuls, as appears by invoices received at this port, are generally $2.50 for each invoice.

19. I think there might be serious difficulties arising from the executive or judicial power interfering with the ascertainment of dutiable values, except so far as to give interpretation to the laws applicable thereto.

20. The importations of wool into this port are very small, and my experience has not been sufficient to enable me to make recommendations that would aid the Department; but it has appeared to me that experts

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in this direction might be able to devise a plan that would simplify the present rates of duties and render them very much easier of execution.

21. I have no evidence that any such practice has existed at this port.

22. There is unquestionably in the rate of duties a line beyond which if Congress should attempt to go would open the way for smugglers and dishonest importers to prevent the fair execution of the law, but I do not recall any difficulty of this kind for several years at least.

6, 7, 8, 9, 11, 17, 23, and 24. My knowledge of the operation of the law has been chiefly confined to this port, and the officers at the larger ports will be able to furnish information not within my knowledge.

Very respectfully,

SIDNEY PERHAM,
Appraiser.

Hon. DANIEL MANNING,
Secretary of Treasury.

PORT OF PORT TOWNSEND.

No. 224.

H. F. BEECHER—Appointed Collector June 8, 1885.

CUSTOM-HOUSE, PORT TOWNSEND, WASH.,
Collector's Office, September 10, 1885.

SIR: I beg leave to acknowledge the receipt of Department circular dated August 27, 1885 ("Strictly confidential," in red ink, upper left-hand corner), requesting me to inform the Department regarding certain twenty-four questions, answers of which I have the honor to give herewith:

1. In the past four years I can find, from a hurried examination, no evidence but what full duties have been collected as the law prescribes.

2. None.

3. Very few, if any, and they merely passenger effects.

4. I have none.

5. None.

6. No differences; no suits. Importations nearly all specific. Have had no occasion to note any improvement that could be made in the existing laws.

7 and 8. I am not informed.

9. There is no appraiser in this district. The collector acts in that capacity. (1), (2), (3), (4), (5). Not that I am aware of.

10. These three parties in this district are centered in one, the collector; therefore there is no conflict of opinion.

11. No average can be made; specific duties the rule in this district.

12. Same as answer 9. No salary.

13. No evidence.

14. I am not aware of any such transactions.

15. I do not think that any such influences are at work here.

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16. I think it would. Specific rates would certainly change the effects of undervaluation.

17. Repeal of the "moiety law" has had no effect in this matter, but has debarred the collectors in getting information leading to seizures of contraband goods.

18. I do not know.

19. No.

20. No wools imported into this district.

21. In this district inspectors board the steamers at Victoria, B. C., inspecting all baggage while in transit between that port and this. If money has been offered no complaints are made at this office. No way to prevent except through fear of instant discharge if caught.

22. Yes. In this district upon opium and China wines.

23. Unable to say.

24. Am not aware of any false reports having been made in this district; hence there has been no need of arrest and punishment.

Without further time, in order to make an exhaustive examination of all the books and records in this office, I am unable to give the Department a more thorough reply, the above being from a hurried reference to them.

The Department circular being so much in reference to the Atlantic coast, and the imports of this district being so much of a specific character, I am at a loss how to answer many of the questions as the Department might desire.

I have the honor to be your obedient servant,

H. F. BEECHER,
Collector.

Hon. D. MANNING,
Secretary of the Treasury, Washington, D. C.

PORT OF ST. LOUIS.

No. 225.

CHARLES M. WHITNEY—Appointed Surveyor August 17, 1882.

CUSTOM-HOUSE, SAINT LOUIS, MO.,
Surveyor's Office, October 1, 1885.

SIR: Replying to circular marked confidential, dated August 27, 1885, I feel that an experience gained at an interior port like Saint Louis but poorly qualifies me to answer. To such questions as I have been able to arrive at any conclusions satisfactory to myself, I will briefly state them.

1. I know of no evidence that the rates of duty have not been collected as prescribed by law. But undoubtedly mistakes have been made by the appraiser by placing goods in the wrong class.

2. In answer to this I should say, no.

3. Invoice measurements of textile fabrics are verified at this port as follows: The correctness of the width is verified by actual measurements by the examiners, and the woolen goods are weighed in every case whether marked on the invoice or not.

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4. I not only have no evidence, but no ground for suspicion that any false package has ever been sent to the appraiser as a fair sample of one in ten, or that there has ever been any attempt at collusion on the part of any one to do so.

5. None here.

6. There is but one suit of the character mentioned now pending (at least only one has been brought during the last three years in Saint Louis). I do not think there is any necessity for a new tribunal to try suits of this character, but believe a plan may be devised by which the existing system may be made efficient. The creation of one tribunal located at Washington would not be satisfactory, and the creation of one in each of the cities named would involve very great expense without corresponding advantage.

7. I understand that silks, laces, and velvets have been entered at New York at less than their full value. I do not think that this admits of doubt.

8. This is chiefly, in my opinion, because the examiners have not been able to determine the correct market value of the goods, and have taken the invoice value as correct. This has arisen rather from the ignorance, and sometimes indolence of the officers, than dishonesty. I should say there was no evidence to show a guilty knowledge of the failure, or a conspiracy to promote it, among the higher class of Treasury or custom-house officials.

9 and 10. The only evidence we have as a rule of the market values in Europe is from reports by consuls and special agents, published price currents, and a comparison of prices in invoices of similar goods to different importers. I do not think there is any evidence that duties as prescribed by law have not been collected according to the understanding of the law by the collector and appraiser. As to the market value of goods in a foreign country consuls and special agents have opportunities for information not possessed by local appraisers, and goods are sometimes sold by responsible importers at a figure which would indicate that some advantage had been obtained. This statement is based on what is often claimed and seems to be admitted with reference to New York importers. So far as there has been any confusion or doubt in the appraiser's department at this port respecting dutiable values, it appears to have arisen from the difficulty of the ascertainment of facts. The time, place, and standard are, in the opinion of the appraising officers, already defined in the statutes. The question of classification sometimes gives trouble, and by error of judgment a wrong rate may be sometimes assessed. In my opinion it would be of great benefit to the service, and tend to secure a more uniform assessment of duty, if the appraisers at all ports of prominence were to meet annually for comparison of views, usage, and practice. It is true that the Department decisions, published weekly, are to a great extent a guide, but there are many questions presented constantly to appraisers for adjustment which may never come before the Department by protest and appeal.

11. No.

12. The examiner is primarily and chiefly responsible. His salary is $1,400 per annum. Ordinarily the appraiser is not much else than one who officially certifies to the values as fixed by the examiner. There are exceptions. When in doubt he is consulted.

13. No.

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14. I do not think false values have been systematically or habitually reported to the several collectors. If money has been paid to get false reports, I cannot say where it has been raised or by whom paid

15. None.

16. Yes; for it would necessitate collusion between two or more officials. Where articles have a specific rate of duty the proper amount is always collected. This must be the case if the customs officers are honest, and dishonesty would soon be detected. However, a purely specific rate of duty could not be applied to all articles, viz, textile fabrics.

17. I think so.

18. No, not practicable. Foreign governments would undoubtedly object. Fee exacted is $2.50.

19. I do not think it would be either safe or useful to the revenues or just to importers that the jurisdiction of the executive or courts should be extended to a review of the decisions of the appraising department respecting dutiable values; these are purely questions of fact, and if they could be again considered by the executive and then by the courts it would lead to vexations delays, and those branches of the Government would be obstructed by the volume of business.

21. It certainly is believed, and any method adopted to prevent the payment of money by arriving passengers to customs inspectors would create some delay, and this would lead to complaints, but better this than the scandal now connected with this part of the service. All complaints of this nature should be rigidly examined and offending passengers as well as offending officers punished.

I understand that by the system in vogue in France, the baggage is taken in charge by the customs officers, and the examiners ranged side by side at long tables in the examining room. As there is but little chance of the corruption of the entire force, the danger is obviated.

22. I think it does.

23. Yes, but not to so great an extent.

24. False returns have not been made at this port so far as I know, although mistakes have undoubtedly been made.

Respectfully submitted.

CHAS. M. WHITNEY,
Surveyor of Customs.

PORT OF SAN FRANCISCO.

THOMAS BECK—Appointed Appraiser June 26, 1885.

No. 226.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, September 12, 1885.

DEAR SIR: In reply to your circular letter of August 27 I beg to say that a longer experience in the office of appraiser would enable me to give you more accurate and perhaps more intelligent answers to the questions contained therein. I shall reply, however, according to the light before me.

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1. I have only hearsay evidence that full rates of duty have not been collected. It is notorious that for years past certain merchants have been invoicing their goods far below foreign cost. When a case of undervaluation was too flagrant to pass unnoticed the invoice was ad, vanced; but it was so arranged that when the importer took an appeal which he invariably did, merchant appraisers were called to try the case who were in the same boat with the appellant, and in nine cases out of ten the invoice price was sustained. I have stopped all such nonsense, and now the Government is sustained in almost every case.

2. As in the above, I have only hearsay evidence that the weigher has not always returned the true weight on cigars and opium, but if such nefarious practices have been resorted to my vigilance has put a stop to it.

4. Frequent tests are made of quantities of invoices of textile fabrics by actual measurement of pieces and a comparison with the quantity stated on the tags, and a footing of the whole of the tags, the invoiced quantity is verified or found in error, but I question if this has been done in the past. Some goods are priced in yards, meter, or anne folds, while others, like cashmeres, are rolled over and over. The latter might contain fine laces adroitly rolled up, and if so, the fact would be discovered by an occasional test of the piece measurement. The great difficulty of re-rolling a piece of such goods would deter appraisers from resorting to such tests very often as it requires an expert to leave the goods in merchantable shape.

5. Only hearsay. Care on the part of the collector in appointing none but honest men as weighers, and vigilance on his part in seeing that the weigher is not being tampered with, and an occasional test, are the only means of stopping it. The great fault with most collectors—and with Mr. Sears it is a grievous fault—is that they do not give personal attention to the matter of seeing and knowing that every officer under them is doing his duty honestly. It is seldom, indeed, that men are chosen to fill the minor offices on account of their true worth, but are often appointed to pay a political debt, and starting without character, as many of them do, it is seldom that they find reformation in a public office. No man is fit for a public trust who is afraid to soil his fingers, or who depends upon others for the management of his department.

10. There is not now, nor do I believe there recently has been, any doubt or confusion in the appraising department respecting any of the elements to be ascertained in order to fix dutiable value, but a conflict between the appraisers and certain merchants has long existed respecting packing charges on bags and matting. The merchants claim that they purchase bags loose and pay separately for packing and baling, and that they buy the matting by the yard and pay for covering in like manner; but I find by the Calcutta Price Current and Market Report that both bags and matting are quoted "free on board," and I therefore refuse to allow any deduction for packing charges to be made. (I should like to have a ruling on this question.)

11. Not at this port, as samples of goods have not been kept.

12. I consider the party who examines the goods, whether appraiser, deputy appraiser, or examiner, responsible for a false return of value to the collector, but a wide-awake appraiser at a port like this can prevent, in a great measure, false returns.

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Appraiser's salary, $3,625 per annum; assistant appraiser, $2,500; examiner, $2,000.

13, 14, and 15. I cannot answer.

16. With respect to a change or substitution of specific for ad valorem rates of duty upon textile fabrics, I beg to state that in my judgment they should be adopted in every case practicable, as the only successful means of defeating the almost universal system of undervaluation. A low ad valorem rate of 10 to 25 per cent. might attach to many fabrics in connection with the specific rate, thus materially equalizing the duties upon the same class of fabrics, but of different values. I understand that direct importations of silk at this port have fallen off to a remarkable degree during the past eight or ten years, owing to the system of consignment now so largely practiced, in consequence of which many of our most able mercantile houses are obliged to make their purchases through agents in this country, at a dollar price, duty paid, laid down in New York, Boston, or Philadelphia. The wholesale market price of the goods cannot be ascertained with any degree of accuracy, and the revenue is thus placed at the mercy of the foreign producer, who may invoice his goods even below the cost of production, with impunity. Section 9 of the act of March 3, 1883, appears to have been framed to meet such cases, when the foreign market value cannot be definitely ascertained. If the Government had a corps of able agents abroad at all the different manufacturing centers collecting and transmitting direct to the appraiser's office reliable data respecting the value of the raw material at such centers, the cost of manufacturing and preparing the same, experience would very soon render the actions of such officers efficient. This, I believe, is being one at various points where silks are produced.

As a basis for a change from ad valorem to specific rates, a record could be kept at the various ports of every description of textile fabrics imported, by the trade name, weight per square yard, cost per yard, meter, or other measurement; a description of the fabric, whether of wool or worsted, silk, cotten, flax, jute, or mixture of either, and as closely as possible in what proportion. The weight per dozen of various kinds of hosiery, cotton, wool, or silk, and the corresponding values. The ascertainment of such data should cover such a period as would fairly determine the relations of weight and measurement to the foreign value of the merchandise. This would form a basis for a tariff which might remain undisturbed for years. A competent officer at each of the large ports could accomplish the work, retaining small samples for reference; such being his sole duty, the work could be done accurately, while if required to be done by the appraisers in connection with their customary duties, the work would not be so reliable.

At this port jute grain bags are imported by millions annually, and the question of value constantly arises. They are of uniform size, 22 by 36 inches—and of uniform weight, 12 ounces—1,000 in a bale. The average entered value for a series of years has been, say, 5 cents, or $5 per hundred—duty for ten years or more, 40 per cent. ad valorem equaling $2 per hundred—weighing 75 pounds—specific duty equal to ad valorem, $2\frac{3}{4}$ cents per pound. If a reduction were made to 30 per cent. ad valorem, in the interest of the grain-growers of this coast, 2 cents per pound would equal it. Whether the tariff be high or low, specific, compound, or ad valorem, the collection of the lawful revenue finally depends upon the efficiency and integrity of the executive officers.

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17. The "moiety law" was a good one, but was abused by unprincipled agents of the Government, and others of like ilk, frequently for the sole purpose of blackmailing merchants who would rather give a bribe of $500 than spend $1,500 in litigation, though perhaps innocent, fearing injury to their business by public notoriety. The above abuse, no doubt, led to its repeal. I believe the law should be re-enacted, with the most severe penalties for even an attempt at extortion.

I shall be pleased to answer 18, 19, 20, 21, 22, 23, and 24 just as soon as my other duties will permit, their consideration requires time and care.

I am, dear sir, your obedient servant,

THOMAS BECK.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

No. 227.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, September 24, 1885.

DEAR SIR: After some little study of the remaining questions contained in your printed letter, I beg to continue the answers to the best of my ability.

18. It would seem to be practicable for consular agents to acquaint themselves with the character of the merchandise produced in their districts and "to verify the correctness of invoice values" if the consular regulations prescribed by the President were diligently and intelligently executed, particularly sections 638, 639, 644, 645, 646, 647, 648, 649, 650, 654, Nos. 1, 2, 3, 4, 656, and 661, Heyle, part 4, page 60. Wholesale prices current can be obtained of all staple articles, samples of which would not be required, but samples of all textile fabrics can be demanded, representing invoices presented for classification, and their values closely approximated. Novelties are being placed upon the market continuously, upon which manufacturers expect to realize large profits while in fashion or demand, and of which the true cost of production is known only to themselves. Many manufacturers place their goods upon the American market by consignment to agencies, and for which no foreign quotations can be had. In such cases the consuls would experience difficulty in informing themselves. I would consider that they could more "safely and surely ascertain and report the true invoice values" from the consular districts in Great Britain. It is not likely that foreign Governments would abstain from complaint if American consuls made "vexatious delays in examining values and certifying invoices." The feeling is general among foreign manufacturers and merchants that our tariff is such as to justify them in availing themselves of every possible device to defeat its provisions. Many importers do business through shipping and commission merchants at Berlin, Bremen, Hamburg, Paris, and other points, who receive the original invoices and consignment of the goods for shipment to the United States. The goods are purchased at different points, and many invoices are combined in one and certified by a consul unacquainted with the goods and prices, the local consuls being thereby deprived of both the fees and the opportunity to verify the correctness of the invoice values.

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This practice should be broken up, as the law, section 2854, Revised Statutes, requires that invoices "shall be produced to the consul, vice-consul, or commercial agents of the United States nearest the place of shipment;" and "the place of shipment" is held to be "the place where the merchandise is manufactured, finished, or finally prepared for exportation." Collectors should be instructed to reject all invoices that do not comply with the law in this respect, and to hold custody of the goods at owner's risk and expense until lawful invoices were produced; and consuls should be instructed to refuse certificates to invoices covering merchandise the product of other districts than their own, under penalty of dismissal. Nearly all manufacturers publish catalogues and prices current of their productions, subject in some cases to discounts depending upon the amount of the sales. It must be practicable for the consular agents to procure such catalogues and prices current, and to transmit them periodically to the Secretary of the Treasury from all consulates. Such reports could be at once issued in circular form by the Treasury Department to collectors and appraisers for their information and guidance. Under section 252, Revised Statutes, the Secretary should demand that all invoices be expressed in the English language, and descriptive of the merchandise by trade designation, the values expressed in the currency of the country of production as at present, and as required by section 2838, Revised Statutes. The fee exacted at London is $2.50.

19. I do not think it would be "safe, useful, or practicable" to extend the executive or judicial power over dutiable values. I would favor by legislative action the extension of the sphere of the Department of Justice at Washington by the establishment of a bureau for the settlement of custom cases of every character, to consist of five members, who shall have been for not less than 20 years actively engaged in mercantile pursuits, and the Attorney-General *ex officio* member, who should decide questions of law simply, filing his written opinion. The bureau should decide by majority vote all questions of classification and valuation of imported merchandise; should receive and consider all communications respecting the practical working of the tariff; make recommendations to, and lay before, Congress such information as would enable that body to act intelligently in the enactment, interpretation, modification, or repeal of tariff provisions, and receive copies of all consular information received by the Secretary, keeping full record of all official action. Samples of all goods capable of being sampled should be forwarded to the bureau by the appraising officers, and then classified and recorded for reference. The bureau should take the place of the board of general appraisers, and from its decisions there should be no appeal. It would be possible thus to detect undervaluations of merchandise and the port or ports at which the appraising officers were either inefficient or derelict. Uniformity in valuation and classification is most desirable and important, but it does not exist at present, but could be obtained under such a system.

21. It is generally believed that at all the sea-ports "the practice of the payment of money by arriving passengers to customs inspectors" prevails to some extent. Dishonest persons are found both in public and private business, when in the former they are subject to the corrupting influence of the traveling public. The law should be amended forbidding, under penalty of confiscation, the introduction of any article

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of merchandse in the baggage of a passenger of either high or low degree. Ample facilities are now afforded for the safe transit of articles of necessity, wearing apparel, &c., desired by our people able to travel abroad, and they should, in justice to our importers and manufacturers, be obliged to regularly invoice, manifest, and enter the goods which they purchase abroad. Under the latitude given heretofore to the language "persons arriving in the United States," the revenue has been defrauded of millions of dollars, and great injustice done to regular importers and our manufacturers. Free entry of household effects should be legally confined to such household goods as have been, without question, in actual use, and belonging to bona fide immigrants to the United States only, and in value not to exceed $1,000 by actual appraisement.

20. Very little wool is imported at this port, and that is of inferior grade and on the skin.

22. There are various reasons for failure "to collect the whole duty prescribed by law." In many cases the rates are excessive, notably, upon opium for smoking, cigars, silk, sparkling wines, &c., but these are all luxuries, and should pay high duties, and would doubtless be smuggled and undervalued if the duties were but 50 per cent. of the present rates. I passed an invoice of diamonds recently which the importer advanced 75 per cent. on entry, fearing the imposition of a penalty; the intent of the shipper was to defraud the revenue upon an article paying the very lowest tariff rate, 10 per cent. If even the present provisions of the law and regulations were everywhere intelligently executed the full duties would be closely collected. Our system of changing important officials, such as appraising officers frequently, is also a great factor in failure to collect full duties.

23. Would presume it had been in proportion to the volume of business done at the other ports. The matter for wonder is that the duties have been so well collected when it is considered that two-thirds of our importers and their friends abroad consider any and all means to evade payment of the full duties as required by law legitimate and their bounden duty.

24. I am unable to answer.

It is possible that a longer experience in the office will change some of the foregoing views; it is even probable that they are valueless, but "what is writ is writ, would it were worthier."

I am, dear sir, ever and truly, yours,

THOMAS BECK.

No. 228.

DANIEL Z. YOST—Appointed Assistant Appraiser June 26, 1885.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, September 18, 1885.

SIR: In compliance with your circular requesting information, I submit the following answers to the questions contained therein:

1. There is no evidence at this port but that the duties have been properly levied. There is plenty of "hearsay" evidence that classifications have been improperly made, but no positive proof.

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2. There is no satisfactory evidence but that on articles which the law says shall pay purely specific rates, without reference to values, has not been paid; on the contrary I think the law has been complied with on articles bearing "specific" rates.

3. By actual measurement, weighing and counting of threads.

4. Have not been able to obtain proof, but am satisfied that collusion has existed between deputy collectors and those entering goods to have only certain packages sent to appraisers.

5. On the wharves, weighing and measuring has grown into an abuse here at this port, and it is notorious that most of the men are incompetent and loose in their methods.

6. I think differences will arise under most any law, and the present one is good, if interpreted properly and enforced. As to remainder of questions 6 and 7, the eastern appraisers are no doubt familiar with and can furnish you the information.

9. There is no conclusive proof that the appraiser has reported to the collector false dutiable values. These are matters hard to locate and difficult to prove.

10. On some articles differences arise at times about the classification, yet we generally give the Government the benefit of the doubt. As to determining dutiable values, no differences arise on standard articles imported where the market values vary but little. On goods, however, that might be termed "new styles" every year, of course it is difficult to get at the exact market values.

11. I think the "liquidating department" of the custom-house ought to be able to furnish you a safe estimate as to the percentage of undervaluations by the appraisers for any one year or series of years.

12. The examiner is primarily the responsible party for a false return to the collector, as he sees the goods, whereas the appraiser only signs his name to the return.

Two thousand dollars a year is the salary paid all examiners here, except one, who receives $1,600 a year. The appraiser here does not examine goods, but I think the Department would be much better served if instructions were given to that effect, so he could sign returns intelligently and assist in despatching business, causing fewer complaints from merchants that they cannot get their goods from appraiser's store. He has ample time to perform these duties.

13. Not to my knowledge.

14. Undervaluation has been common here, and that with the knowledge of every official through whose hands the invoices have passed. Every officer should be held responsible both in appraisers and custom-house.

15. No reason, and I think it will occur in the future as in the past, and our only safeguard is selecting honest men.

16. Without doubt a change from ad valorem to specific rates will be the best, and should be done on all articles that are practicable. On textile fabrics of course it would preclude many of the cheaper goods, yet I think it should be tried, and only changed when we find it will not work.

17. In answer to this I will say that the natural result would be to make the appraisers less watchful and careful than if working under the "moiety law."

18. It would be practicable, and I think would correct most of the abuses, such as undervaluations, big discounts, &c., which now prevail,

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if consular agents would take the time and trouble and verify the invoices. They ought to be familiar with the market values; if not, can easily post themselves by sending for manufacturers, price-lists.

19. By conferring greater power on the executive or the judicial powers in ascertainment of the dutiable value, I think the importer would be better satisfied, and consider that the appraiser had not ruled arbitrarily in his individual case.

Of course my limited time in this office does not permit of a wide experience, but I give you as near as I can my views and observations, and will, from time to time, forward you anything I find that may be of advantage to you.

I have the honor to be your obedient servant,

DANIEL Z. YOST,
Assistant Appraiser.

Hon. DANIEL MANNING.

No. 229.

J. M. MORTON—Appointed Agent, Alaska, Seal Fisheries, May 15, 1877; Surveyor July 14, 1880.

CUSTOM-HOUSE, SAN FRANCISCO, CAL.,
Surveyor's Office, September 10, 1885.

SIR: I have the honor to acknowledge the receipt of the Department's circular letter of August 27, marked "confidential," containing certain interrogatories relative to conducting the customs business at the various ports of the United States.

In reply I would respectfully state that inquiries 4, 5, and 21 in said circular are the only ones which apparently have any application to the surveyor's office at this port, and to such inquiries I would answer as follows:

4. Namely, as to the probability of collusion between persons making entry of several packages of similar goods on one invoice, and the entry clerk or deputy collector to send bogus or false packages to the appraiser, I would state that the deputy collectors at this port seldom designate particular packages to be sent to the appraiser's store. All packages for the appraiser are selected by inspectors discharging cargoes. It was formerly the practice at this port in making the detail of inspectors to discharge a cargo to appoint one inspector to select the appraiser's packages. This was changed by myself three years ago under the impression that the system presented great opportunities for fraud. The present regulations governing the matter require that every inspector who delivers dutiable goods from a vessel shall retain one package in every ten as they are laden on the trucks or drays. These are marked "retained," and are subsequently sent to the appraiser's store by another inspector specially detailed for the purpose.

I believe this to be the correct system for the selection of appraisers packages, and where it can be enforced fully I think the opportunities for fraud are reduced to the minimum. I have heretofore in a lengthy letter to the Department fully explained the above system.

5. In answer to question number five I would say that the weighing and measuring at this port are performed under the supervision of two

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weighers, and that for the purposes of weighing the docks are divided into two districts. There are sixteen assistant weighers. In the detailing of assistant weighers for duty the system of rotation is observed. I think under this practice of constantly changing these officers any collusion or extensive frauds would be easily detected, and I have no reason to believe that at the present time the weighing or measuring on the wharves is performed otherwise than in a regular and competent manner.

21. Special attention has been given by this office to the matter of the examination of passengers' baggage, and competent and careful officers are assigned to this duty.

I may say that, during my administration, several cases where bribes were offered to inspectors have been reported to the office by the officers to whom such offers were made, but under the checks and safeguards which prevail I do not consider it probable that the acceptance of money from passengers by inspectors is of very frequent occurrence.

It seems to me that the present regulations governing the examination of passengers' baggage are as good as can be devised. They have been strictly carried out at this port. All passengers are required to make entry of their baggage on the forms provided for the purpose. The baggage is subsequently examined under the direct supervision of the assistant to the surveyor. This officer designates the inspector to make the examination in each case. Any extensive frauds in this connection would therefore necessarily involve collusion between the surveyor's outside deputy and the inspectors. I am satisfied that no such collusion has existed here, and I believe that this branch of the service at this port is faithfully and honestly administered.

Very respectfully,

J. M. MORTON,
Surveyor.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 230.

SAMUEL G. HILBORN—Appointed United States District Attorney, San Francisco, Cal., July 4, 1883.

SAN FRANCISCO, *October* 16, 1885.

SIR: I have the honor to acknowledge the receipt of a circular letter coming from your Department, calling upon me for replies to certain inquiries contained in said letter. I have also received a letter of a subsequent date calling my attention to the former one, and requesting an early reply.

I have been busily engaged in the trial of some important Government cases, and my time was so occupied that it seemed impossible for me to attend to the matter sooner. I regret that I did not appreciate the importance of an earlier reply. From the fact that the sixth interrogatory was marked in a way to call to it my especial attention, I infer that you expect me to make answer to the questions therein propounded. Indeed, the other interrogatories relate to matters upon which I have no information which would be of use to you.

You ask if the present law needs amendment? While I think the law could be made clearer in some particulars, I must confess that the liti-

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gation respecting the collections of the revenue which has come under my observation at this port has arisen from an overzealousness on the part of the officers charged with the collection of the revenue. By this statement I mean no disrespect to them. On the other hand, it is probably to their credit that they have been zealous and anxious to collect all the money due to the Government.

My observation is that they are inclined to give the Government the benefit of every doubt, and the result has been numerous suits against the collector to which there has been no defence. For instance, under Collector Sullivan's administration, there were large importations of spirits to this port from China, which the importers claimed to be pure spirits, liable to a duty of $2 per gallon. The customs officers, however, decided that the merchandise was medicated wines, and assessed upon it a duty of 50 cents per pound, under paragraph 118, new tariff indexed. The importers paid the duties under protest, and afterwards brought suit against the collector for the excess of duties so paid. I think there were sixteen of these suits. I was called upon to defend the collector, and in preparing the suits for trial I caused an analysis to be made of the samples of the several importations by a competent chemist, and he was unable to find a trace of medication in a single sample. This discovery left me without any ground for defence, and, on the Treasury Department being notified of the situation, the matters were settled and the suits dismissed.

Another group of cases has arisen at this port from the construction placed by the Department upon section 7 of the tariff act of March 3, 1883. Acting under the opinion of the Hon. Attorney-General, dated January 18, 1884, the Treasury Department continued to include in the dutiable value of merchandise imported into the country the value of the coverings in which said merchandise was contained when imported.

There were numerous importations of Portland cement at this port, which cement was packed in barrels, and the importer was required to pay duty on the value of the barrel as well as upon the merchandise contained in it. There were also several importations of jute bags, which were packed in bales, which were also enclosed in coverings of the same materials. The value of these outside coverings was also included in estimating the value of the merchandise for the purpose of assessing the duties. This action resulted in some sixteen or seventeen suits against the collector to recover back the moneys paid as duties upon said coverings. I fought these cases at every step for more than a year, but before they came to trial the case of Meyers *vs.* Shurtliff was decided by the circuit court of Oregon, (see West Coast Reporter, vol. 6, page 449,) which covered every question involved in my cases. Under the authority of that case, the plaintiffs have recovered in all the cases of this class in our circuit court.

I understand that the Treasury Department has acquiesced in this decision, and no longer collects duties upon coverings in which merchandise is imported into the country. If, however, there is any doubt as to the soundness of this decision, the next Congress should be requested to so amend said section 7 as to remove all doubts.

I deem it proper also to call your attention to what seems to me to be an omission in the act of March 2, 1883, entitled "An act to prevent the importation of adulterated and spurious teas."

The plain intent of the law was to protect our people from impositions which might be practised upon them by introducing into our

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markets teas which are deleterious to health, but also teas which are too weak to be of any benefit to the consumers. The law as it now stands prohibits the importation of teas containing *exhausted leaves*. Our circuit court held in a case which I tried that in order that the merchandise should be excluded, it must be shown that the leaves were exhausted by *artificial means*. In that case there was no doubt but the tea was the natural leaf, and there was no adulteration with spurious leaves or with the leaves of tea which have been previously steeped or subjected to any artificial process by which its strength had been diminished, nor did it contain any substance deleterious to health. But it was a miserable mass of tea-leaves which had been rained upon while on the tree or had fallen on the ground and then gathered up and prepared for exportation to America. The merchandise was a fraud upon our people, but there seemed to be no law for its exclusion as the law now stands.

I would suggest as a remedy that the law be so amended as to provide a standard for the strength of teas. Let it be provided that any merchandise imported as tea shall contain a certain amount of *extractive matter*, and if it falls below the standard, that it shall be excluded.

I beg also to suggest that "soap-stocks" (par. 790, free-list) be stricken from the free-list. As the law stands now, it makes it difficult to collect the duties on tallow. The best kind of tallow is used for the manufacture of toilet-soaps; and when tallow is imported for the sole purpose of converting it into soap, the importer insists on calling it soap-stock, entitled to free entry. Merchandise known as tallow should be subject to payment of duty irrespective of its quality and irrespective of the use to which it is to be put.

I have defended the collector in two suits brought to recover back money paid as duties upon natural mineral water. For a time there was a regulation that the certificate of the owner or manager of the spring should be the sole evidence of the fact that the water was natural and not artificial water. While that regulation was in force several shipments of Apollinaris water were made to this port, and the importers were compelled to pay duties as though they were manufactured waters. There was no doubt about the fact of their being natural water; indeed, the Government appraisers certified to the fact. Two suits were brought to recover back the duties so paid. The complaints fully stated the above facts, and I demurred on the ground that the facts did not constitute a cause of action. This presented the legal question whether the regulation was *reasonable*, and our circuit court decided that it was *not*. I understand that the Department has acquiesced in this decision, and that the rule referred to has been suspended. If there is any doubt about the correctness of the decision of our court in that case, the law should be so amended as to meet the case. The other mineral-water suit is still pending.

At the request of your Department, the case in which the opinion was rendered was sent up on writ of error, and was the occasion of setting aside the rule referred to.

I defended the collector in one suit brought to recover back moneys paid as duties upon certain importations of sugar. The question in that case, however, was purely a question of fact. It was not above No. 13, Dutch standard, and was tested by the polariscope, and the importer contended that the polariscope used at the custom-house was an antiquated instrument and gave imperfect results.

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It occurred to me at the time of the trial of that case that it would be well for Congress to provide that the strength of sugar should be tested by a polariscope of a *certain manufacture*. There are several different kinds of instruments, manufactured by different makers in different parts of the world, and the same sugar tested by different instruments will be found to vary in strength.

In a large cargo of sugar the variation of a single degree in the reading of the instrument makes a great difference to the importer as well as to the United States.

The adoption of an instrument of a particular make by act of Congress would tend to do away with some of the uncertainty which now exists in testing sugars for the purpose of assessing duties. It may be, however, that such legislation is not practicable.

The cases which have arisen in our courts can be classified about as follows: Sixteen "spirit cases," involving merely a question of fact. These cases are all settled and dismissed.

About the same number of cases known as the "cement" and "bag" cases, involving the question whether section 7 of the act of March 3, 1883, (22 Statutes, 523,) not only repeals section 2907 of the Revised Statutes, authorizing the value of the "covering" to be added to the wholesale price of imported merchandise for the purpose of ascertaining its dutiable value, but *positively prohibits* the value of such "coverings" from being estimated as a part of such dutiable value.

The courts have decided this question.

The "mineral-water" cases, involving the reasonableness of a regulation of the Treasury Department.

The "tallow" or "soap-stock" cases, and certain other miscellaneous cases, which cannot be classified.

I think all of the above cases are now disposed of, so far as our courts are concerned, excepting one of the "mineral-water" cases and one "tallow" case. These cases could also have been disposed of had the plaintiffs so desired. I have never heard any complaint that this class of cases were not promptly disposed of.

There can be no doubt but as the business of the country expands the pressure upon our courts as at present constituted will render it necessary to create a new tribunal for the trial of cases growing out of the collection of the revenue. This has been the experience of other nations, and I see no reason why the same causes should not produce like results in our own country. Whether we have already arrived at that point when the creation of such a tribunal is necessary, I am not prepared to express an opinion. As I said before, I have heard no complaints of delay in "customs cases" coming from the people residing upon the Pacific coast.

If I have omitted to touch upon any matter upon which you desire information, please inform me, and I will cheerfully respond.

Very respectfully,

S. G. HILBORN,
United States Attorney.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 231.

CHARLES BURRILL—Appointed Examiner July 26, 1875.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, September 17, 1885.

SIR: I have the honor to acknowledge the receipt of a printed communication from you asking for information on various matters of interest to the customs service. In response thereto I would respectfully state that the duties pertaining to the laboratory have so occupied my time as to render it impossible for me to furnish any reliable information upon the subjects presented for consideration.

Very respectfully,

CHARLES BURRILL, M. D.,
Special Examiner of Drugs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 232.

ANDREW HOLLYWOOD—Appointed Laborer September 18, 1875; Sampler December 1, 1877; Examiner March 21, 1885.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, September 24, 1885.

SIR: In reply to your circular of the 9th instant, I respectfully report as follows, to wit:

1. I know of no evidence in regard to this question.
2. There is none to my knowledge.
3. Textile fabrics are verified by counting the pieces, by actual measurement, weight, and samples taken, which are sent each month to general appraiser.
4. There is no evidence that I know of at this port, but such collusion is possible with a dishonest deputy collector.
5. There is no false weighing on the wharves here that I know of, but I have thought there was not sufficient rice, and such articles, weighed.
6. I think the present law sufficient, if strictly enforced. (2.) I do not know the number of suits pending at said ports. (3.) I do not know. (4.) It is my impression that a plan could be devised by the parties named that would save a great deal of litigation, and be more expedient. (5.) Cannot suggest intelligently anything to answer the question, or the sixth.
7. I have no knowledge of transactions in New York.
8. Same answer as to seventh question.
9. I have no knowledge of any kind that the appraisers ever made a false return. There is the sample of textile fabrics, which are sent to general appraiser, and samples on file in appraiser's office.
10. At this port there has been some confusion in regard to so-callea "soap stock"—grease and tallow. (2.) The Government has just lost a suit on the above articles. (3.) Yes, but not clear enough, and it is open to annoying constructions.

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11. There might be an average made of undervaluations from invoices, for it would be impossible to identify the articles.

12. While the appraiser is responsible to the collector, he nevertheless forms his judgment from reports of assistant appraisers and examiners. In most cases he does not see the articles, especially those examined at wharves. (2.) The salary of the appraiser is $3,600 per annum; assistant appraiser, $2,500, and examiners, $2,000 and $1,600, respectively.

13. I have no knowledge of any such offense.

14. I don't think there has been any dishonesty in appraisement at this port; but I do think there has been considerable false valuation by importers of Japanese merchandise.

15. The business at this port can be correctly attended to, if the officers are honest and capable.

16. I most assuredly answer yes. Specific rates, I am satisfied, could be applied to all textile fabrics.

17. I don't think that the "moiety law" affected the returning of invoices in any manner.

18. I do not think it practicable. (2.) Consuls could possibly ascertain the true values at all the small foreign ports. (3.) It is possible and probable that they would complain. (4.) Consuls' fees are $2.50 on each invoice.

19. I think that it would be very proper for the Treasury Department to have more power, and if "merchant appraisements" were entirely abolished it would be a benefit to the service.

20. In regard to wool I have no means at my command to reply to your request; have only been examiner three months; have no statistics that I could rely upon to furnish you.

21. Where such practices prevail I would suggest that at a port like New York, where foreign steamers arrive, there be built a warehouse expressly for baggage. Night and day there should be two examiners (or more if necessary) stationed, whose duty it would be to examine baggage and pass upon them forthwith.

22. Opium, I think, is rated so high that it becomes a great inducement to many to smuggle, and the repeal of the "moiety law" had a tendency to lessen seizures.

23. Have no knowledge of the transactions at New York or the Atlantic ports.

24. I do not know.

All of which is respectfully submitted.

Yours, obediently,

ANDREW HOLLYWOOD,
Examiner of Merchandise.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.

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No. 233.

T. F. JEROME—Appointed Deputy Inspector January 14, 1869; Examiner October 1, 1873.

SAN FRANCISCO, CAL.,
October 8, 1885.

SIR: I answer the questions propounded by you in your circular of September 27 as follows, to wit:

1. There is no evidence but that the whole duties have been levied and collected according to law. The rates of duty and dutiable values have been closely scrutinized and watched in this department.

2. No evidence exists but that the full amount of duties have been collected on goods paying specific duties.

3. Textile fabrics are measured if doubt exists, and actual meterage correctly ascertained.

4. No evidence of any collusion by the parties refereed to.

5. The weighing and measuring on the wharves has been competent and accurate in my district.

6. (1) Yes. Can't answer as to suits in New York, or other ports east. The judicial system is sufficient if worked with efficiency and dispatch.

7. Don't know about collection of duties in New York.

8. None that I am aware of.

9. No evidence that the appraisers ever reported to the collector false dutiable values.

10. There has been doubt, but no confusion. With the law and aid of Treasury decisions we arrive at conclusions satisfactory to both collector, naval officer, and liquidating departments.

11. I think not.

12. The examiner is. At this port he classifies and returns invoices the same as assistant appraiser. Such I understand is not the practice at New York and other ports east. The appraisers at this port give personal attention to damage allowance and examination of merchandise on the wharves, whenever called upon to see that the Government is fully protected.

13. Don't know of any.

14. I know of no false reports or corruption fund in any department of the service at this port.

15. I know of no false valuations or corruption by bribery.

16. Yes; cement, bath and fire brick, jute, bales of bags, and all goods of a similar nature should pay specific duties; most all of textile fabrics, linens, cottons, burlaps, hosiery, should be included in specific duty. If yardage is more in case than specified on invoice it would be a sure means of detection. Embroideries on silk or other goods where the embroidery is of chief value, perhaps ad valorem duty would be the best. The nearer we approach or adopt specific duties it would be, in my opinion, to the advantage of the Government. It would further remove the incentive to importers to undervalue invoices.

17. I think not.

18. A good plan, but think it impracticable.

19. The judicial power should be increased provided a prompt and quick decision could be had. The long time to get a decision is objectionable.

20. The duty on wool is specific, act March 3, 1883. Only a small amount of wool from foreign ports comes to this port for consumption.

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21. We are informed by travelers that such is the practice in New York, but is not practiced here, employing sharp detectives.

21. Would break up the practice.

22. Yes. Opium pays $10 per pound duty. If less, the incentive to smuggle would be lessened. A wealthy and powerful combination of smugglers and dishonest shippers cause us a great deal of trouble at this port.

23. Don't know.

24. Don't know of any false reports to collectors of dutiable values. If so, should be punished.

Respectfully,

T. F. JEROME,
Examiner.

HON. SECRETARY OF THE TREASURY,
Washington, D. C.

No. 234.

N. B. HOYT—Appointed Examiner March 1, 1872; Clerk April 11, 1872; Examiner September 18, 1875.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, October 7, 1885.

SIR: Herewith I submit for your consideration answers to inquiries contained in Department letter dated September 9, 1885.

Respectfully,

N. B. HOYT,
Examiner.

1. I know of no positive evidence that the full rate of duty has not been collected, but when the rate of duty depends on an ad valorem tariff the temptation to importers to undervalue their invoices is so strong that the utmost vigilance of the examiners and appraisers is at times unable to counteract or prevent fraud in the revenue owing to their inability to obtain satisfactory proof of market values in foreign ports.

2. I know of no evidence that the full duties on articles paying specific duties have not been faithfully collected.

3. The invoice measurements of textile fabrics are verified sometimes by the measurement of the fabrics, the checking by numbers of the quantities, and also (especially in silk fabrics) by weight as well as by measurement.

4. I know of no evidence of collusion of the kind mentioned.

5. As my business is confined entirely within the appraiser's building, I have no opportunity for detecting any false, incompetent, or inadequate weighing or measuring on the wharves should any exist.

6. In regard to this inquiry I would state that in my opinion many questions in respect to rates of duty might be decided by the Treasury Department in such a manner that there need be no appeal to the courts, were there competent men in the Department who thoroughly understood the workings of the tariff laws, and who would not be swayed by local interests, or the importunities of manufacturers or im-

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porters, as I am inclined to think has been the case heretofore In regard to how many collectors' suits are now pending in Eastern ports, and of the questions at issue, I must plead ignorance, as I am not familiar with the manner in which business is conducted at the ports mentioned in your inquiry. I have no doubt if able and efficient law officers of the Government were appointed to faithfully carry out the laws now enacted that the present judicial system is sufficient, and that no new tribunal is necessary.

7. I know nothing of a positive character in regard to any class of articles on which the full amount of duties has not been collected in New York.

I have heard dry-goods importers in this city complain that they could not import merchandise into this port and compete with New York merchants, and that they could buy foreign dress goods and silks in that city for less than it would cost to import them directly into this port. This has been quite a common complaint of our importers, and I presume there must have been some foundation for their grievance, caused, presumably, by the undervaluation of invoices at the port of New York. Whether it can be controverted I am unable to say.

8. I am unable to state how the failure, if any, has come about.

9. In my opinion no false dutiable values have knowingly been reported to the collector by the appraisers of this district.

10. I think the statutes fully define the duties of the appraising officers, as well as the standard to be applied to the examination of merchandise. It is a difficult matter to always arrive at the proper valuation of many kinds of merchandise, especially from Chinese and other Asiatic ports, owing to the failure of the consuls to transmit prices current to guide and assist the appraisers in ascertaining dutiable values. Since the enactment of the tariff law of March 3, 1883, the appraisers have had considerable difficulty in determining what constitutes dutiable charges, and there is constant conflict between merchants and appraisers as to the proper interpretation of section 7 of that act.

11. A reply to this inquiry is included in that to No. 9.

12. In regard to this inquiry, I would state that, in my opinion, the appraiser is primarily responsible for the manner in which the business of the office is conducted, as all invoices are submitted to him, after examination by the assistant appraisers or examiners, for his inspection and approval (at least it is so at this port) before transmitting the same to collector. The salary of each appraiser is $3,625 per annum.

The appraiser must officially certify to all invoices passed upon by the assistant appraisers and examiners, but it is impossible for him to personally attend to the examination of all merchandise, and consequently he has to trust in a great measure to the honesty of his subordinates; but he has other duties to perform in attending to the interests of the Government, in all reappraisements, merchant appraisements, &c., on appeal that come before him, and to a person who takes an interest and a pride in his office and in seeing the work faithfully performed, his position is no sinecure.

13. I know of no evidence of collusion on the part of consuls with foreign merchants, in the presentation to appraisers of false foreign values, but in my opinion the consuls do not, personally, take cognizance of the values as expressed on the invoices presented to them for verification. Especially is this the case in my department, which is almost exclusively devoted to the examination of Chinese and Japanese merchandise.

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14. I am not aware that false values have been systematically reported to collectors, or that the tariff laws have not been faithfully executed at this port or elsewhere. There has been an occasional complaint at this port, but not frequent, and such as have been made have always been duly and promptly investigated. The full amount of duty, as far as I know, has been collected, and I know of no dishonesty or guilty knowledge on the part of Government officials, nor do I know that money has been paid to same to obtain false reports of dutiable values, or that any corruption fund has been raised for that purpose.

15. In regard to this inquiry, I will simply state that if false valuations have existed in the past, they will undoubtedly continue in the future, and that bribery, venality, and corrupt influences will be brought to bear just so long as we have a high protective tariff in the form of ad valorem duties; and despite of all the vigilance that the most honest, faithful officers can exert, the dishonest importers will attempt to defraud the revenue.

16. I believe that a change from ad valorem to specific rates would tend, in a great measure, to diminish a tendency to bribery, even though the present amount of duty is levied, as there would be less opportunity for dishonesty on the part of the importer. I do not think it would be practicable to apply specific rates on all textile fabrics, especially light and expensive goods, embroideries, &c.

17. As stated in reply to inquiry No. 9, no false reports have been made by the appraisers to the collector, as far as known by me.

18. In regard to this inquiry, I would respectfully state, that in my opinion, it would be impracticable for consuls to personally examine all articles exported from the foreign ports mentioned, and others, but entirely practicable for them to examine and verify the market values of nearly all the leading articles of export, especially textile fabrics, and transmit samples of same to collectors or appraisers at the ports of destination of said exports. Where samples of merchandise cannot be transmitted, it should be the duty of the consuls to furnish the appraisers with correct information of market values, either by prices current or by communications, that the appraisers may honestly arrive at the correctness of values in their appraisement of merchandise. From the ports of China and Japan, whence large quantities of assorted merchandise are exported to this country, we have been utterly unable to obtain any reliable data of market values, except as regards goods on which no duties or specific rates are levied. Take, for instance, the article known as peanut oil, paying an ad valorem duty and largely imported into this port by Chinese and other merchants, we can get no information of the Hong-Kong value except through the private advices of some reliable importer or merchant. The same remarks apply to silks and other textile fabrics; also other merchandise paying ad valorem duties. It should be part of the duty of consuls in those countries to furnish the officers of customs with price quotations of all leading articles of export. I am not prepared to say at what consular districts the true invoiced values of every shipment can be ascertained. The consular fee in England is, I believe, 12*s.* 6*d.*, no matter how great or little the value of the merchandise.

19. In my opinion the Secretary of the Treasury ought to have power to consider evidence produced by importers in regard to the correctness of values as expressed in their invoices, and to revise the report of the appraisers if, in his judgment, such revision is advisable.

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20. In regard to the article of wool, I believe there should be no compound duty, but simply a specific rate, which would prevent any complication that would naturally arise from a compound or strictly ad valorem duty, and would be more satisfactory to both Government and importer. I have had no practical experience in the examination of wool during my term of office, and cannot intelligently discuss the matter.

21. I have been informed that at one time it was customary to fee the inspectors of baggage at the port of New York in order to hasten or facilitate the examination of luggage, but I know nothing of the matter except from hearsay.

22. I believe that the present tariff on some classes of merchandise, notably prepared opium, is so high that great inducements are held out to smugglers at Pacific ports, but it is doubtful in my mind whether such practices would not be continued even were the rates of duty less than at present.

23. I am not conversant with the workings of the New York or other Atlantic offices, and cannot answer this inquiry.

24. I know of no false returns or reports to collectors of dutiable values in the past.

Respectfully submitted.

N. B. HOYT,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 235.

JOHN A. SAMPSON—Appointed Temporary Inspector April 10, 1865; Inspector December 1, 1869; Clerk September 18, 1875; Assistant Cashier February 6, 1876; and Examiner November 6, 1883.

PORT OF SAN FRANCISCO, CAL.,
Appraiser's Office, September 29, 1885.

SIR: I beg leave to submit the following answers to the questions propounded in your circular letter of September 9 instant:

1. I know of none.

2. None that I know of.

3. By measuring, weighing, and samples taken.

4. In quite a varied experience as an inspector and as an examiner I have never seen anything that would lead me to believe that there was any collusion between the person making entry and entry clerk or department collector to send to the appraiser's store for examination bogus or false packages as a fair example of one in every ten.

5. So far as my experience goes I have found the weighers at this port honest, competent, and faithful in the discharge of their official duties.

6. I have no knowledge of the number of suits now pending in Boston, New York, Philadelphia, and Baltimore in respect to rates of duty and differences between importers and collectors growing out of decisions by the latter and the Treasury. I think the present judicial system sufficient.

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7, 8, 9. I have no personal knowledge of the affairs of the New York custom-house.

10. There is quite often a difference of opinion in the appraiser's department as to what constitutes the chief value of articles composed of several constituents.

11. I think not.

12. I think all should share the responsibility. The deputy appraiser and examiner are bound to get all information possible to assist them in returning correct values, but it frequently happens that the chief appraiser is in possession of facts that the deputy appraiser or examiner are unable to obtain.

13. I know of none.

14. I think not so far as the Treasury is concerned; as to appraisers, yes.

15. I know of nothing.

16. There is a large number of articles that now pay ad valorem duty that should pay specific duty. Specific rates could not be applied to all textile fabrics.

17. I think the repeal in 1874 of the moiety law has encouraged smuggling and undervaluation.

18. (1) No. (2) Yes. (3) $2.50.

19. I know of no better plan than that already existing.

21. I know of no way of preventing bribery other than by having honest officials.

22. Yes.

23. I have no knowledge of that.

24. I do not know.

Very respectfully, your obedient servant,

JOHN A. SAMPSON,
Examiner.

Hon. DANIEL MANNING,
Secretary of the Treasury.

PORT CF SAVANNAH.

No. 236.

T. F. JOHNSON—Appointed Collector June 29, 1880, and January 10, 1881.

CUSTOM-HOUSE, SAVANNAH, GA.,
Collector's Office, August 29, 1885.

SIR: Respectfully acknowledging the receipt of your confidential circular of August 27, I have the honor to submit the following answers to your questions, which I regret are not as full as I would like, for, owing to the character of our importations, I have not the practical experience, or opportunity of observation, which would justify more extended replies.

1. There is no such evidence at this port.

2. No.

3. We have no importations of textile fabrics.

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4. None.
5. None.
6. Have had no collectors' suits at this port on which to base a judgment.
7. Have no knowledge of such cases.
8. See No. 7.
9. The acting appraiser makes report of proper dutiable values.
10. No confusion or doubt on such goods as we receive.
11. No undervaluation by the acting appraiser.
12. Have no false returns, and only an acting appraiser.
13. None to my knowledge.
14. No false values reported here.
15. See No. 14.
16. Specific duties would remove all cause for undervaluation by importers. Have no experience with textile fabrics.
17. Have no false reports at this port.
18. Have not sufficient knowledge of the matter to answer intelligently.
19. I think it unnecessary.
20. Have no experience in woolen goods, having no importations.
21. Such practice does not prevail at this port.
22. There has been some smuggling of liquors and cigars, the duties being so high that evasions of the law are attempted on a small scale—sometimes successfully. The expense of a sufficient preventive force would be greater than the loss sustained by the Government.
23. The revenue laws have been fairly enforced at this port.
24. Have no false reports at this port.

Very respectfully,

T. F. JOHNSON,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury, Washington, D. C.:

PORT OF SUSPENSION BRIDGE.

No. 237.

BENJAMIN FLAGLER—Appointed Deputy and Clerk December 1, 1873; Collector February 21, 1882.

CUSTOM-HOUSE, COLLECTOR'S OFFICE,
Suspension Bridge, N. Y., September 25, 1885.

SIR: Referring to Department's circular letter of 27th ultimo, I have to report:

1. I have no evidence that duties have not been collected as the law prescribed.
2. There is no such evidence.
3. At this port, where there are very few importations of textile fabrics, the invoiced measurements are verified by actual measurements of certain pieces.
4. None.
5. None.

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6. No suits have been brought against the collector of this district in respect to rates of duty.

7. I know of none.

8. I have no knowledge.

9. There is no appraiser at this port.

13. None.

14. I have no knowledge of anything of this kind.

15. I have no knowledge of false values.

16. I do not see how a change from ad valorem to specific duties can benefit the revenue or help diminish a tendency to bribery. If an officer is corrupt he can as well return false quantities as false values. Perhaps a return of false quantities may be more easily detected. There are some articles on which specific duties may fairly be levied—articles which do not change materially in value—but on the great majority of articles imported, if a fair duty is to be collected, it cannot be obtained by specific rates. For the same reason it seems to me impossible or impracticable to apply specific rates to textile fabrics. The variety of these goods, the wide range of values, the endless number of qualities and kinds, make it impossible to secure any fair average of the duties to be collected on such goods by specific rates. An ad valorem duty in my opinion is the only perfectly fair duty. Of course there are many ways in which the revenue may be defrauded by dishonest persons, but such avenues are open when duties are to be levied either specific or ad valorem. Under our present tariff we have all sorts of classifications to determine rates of duty, and the consequence is all sorts of opinions. In no way can a tariff be framed to bear equally on all the articles entering into the manufactured goods of the country as easily as by an ad valorem tariff.

17. I do not know.

18. In my opinon it would not be practicable for consular officers in the districts named to personally examine articles shipped without great delay to shipments. To make such examinations of any value would require an amount of technical knowledge on the part of consular officers they are not likely to possess. So far as I know it is not the custom of any consular officers, no matter how small their districts, to so verify the correctness of invoices. The most that can be expected of consular officers is that they keep themselves conversant with values of merchandise shipped from their respective districts, and to keep customs officers posted relative thereto. On this frontier my experience is that consuls are no protection to the revenue. This office has never to my knowledge received any information from such officers relative to values of merchandise. The custom of such officers in Canada is to certify any invoice presented without question. The declarations are usually made by some one holding power of attorney from the shippers—generally the agents of the railways at the different stations. I have one now in mind. There have been issued at St. Thomas some 900 invoices this year, and it is safe to say that the declarations on 875 of them have been signed by the agent of the M. C. Railway at that place. In many instances these agents have had the certificates signed in blank by the consuls, and they fill them up as occasion requires. Therefore these certificates are not in any way depended on as reliable. If these consular officers ever obtain any information relative to dutiable values, it does not reach this office, and customs officers are obliged to depend entirely upon other avenues of information for such knowledge.

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I have no knowledge of fees exacted by consuls in England.

19. In my opinion it would be both safe and useful.

20. Previous to the act of March 3, 1883, the duty on wool was as follows:

CLASS 1.—*Clothing wools:* Valued at 32 cents or less per pound, 10 cents per pound and 11 per cent. ad valorem; over 32 cents per pound. 12 cents per pound and 10 per cent. ad valorem; if imported unwashed, If imported washed, double the above rates; if imported scoured, three times the above rates.

CLASS 2.—*Combing wools:* Valued at 32 cents or less per pound, 10 cents per pound and 11 per cent. ad valorem; over 32 cents per pound, 12 cents per pound and 10 per cent. ad valorem, washed or unwashed. If imported scoured, three times the above rates.

CLASS 3.—*Carpet wools:* Valued at 12 cents or less per pound, 3 cents per pound; over 12 cents per pound, 6 cents per pound, if imported unwashed or washed. If imported scoured, three times the above rates.

The act of March 3, 1883, which is now in force, made the duties on wool as follows:

CLASS 1.—*Clothing wools:* Valued at 30 cents or less per pound, 10 cents per pound; valued at over 30 cents per pound, 12 cents per pound, if imported unwashed. If imported washed, double the above rates; if imported scoured, three times the above rates.

CLASS 2.—*Combing wools*: Valued at 30 cents or less per pound, 10 cents per pound, over 30 cents per pound, 12 cents per pound imported unwashed or washed. If imported scoured, three times the above rates.

CLASS 3.—*Carpet wools*: Valued at 12 cents or less per pound, 2½ cents per pound; over 12 cents per pound, 5 cents per pound imported unwashed or washed. If imported scoured, three times above rates.

Therefore, it will be seen that the existing rate of duty on wool is not a combination of ad valorem and specific rates, but a specific duty, the rate depending on the value of the wool in the last harbor place whence imported into the United States excluding charges in such port.

The working of these rates on this frontier has the effect to exclude all clothing wools from Canada, the duty being prohibitory. Washed Canada combing-fleece or pulled wools are worth to-day from 18 to 20 cents per pound, and pay 10 cents per pound duty, say 50 per cent. Unwashed wools of the same class, worth 10 cents per pound, pay 10 cents per pound duty, 100 per cent. Pickings, same class, that are worth 7 to 8 cents per pound, pay 10 cents per pound duty, 125 per cent. Unwashed combing-wools (class 2) are shut out of the United States because of the high duty. Canada pickings that could be used by carpet manufacturers under a reasonable tariff are shut out, while soft East India wools, that are worth 20 to 22 cents, come in as carpet wools at 5 cents per pound duty, and are used in the manufacture of blankets, low flannels, stockings, yarns, and rough goods for men's wear.

Down combing wools, washed, pay 10 cents per pound duty, while the same wools, clothing, pay 20 cents per pound duty.

Take a large flock of downs. The well-grown best staple fleeces pay 10 cents per pound duty. The inferior, tender staple fleeces are calssed as clothing wool, and pay 20 cents duty.

Greasy Australian wools, costing 20 cents to 24 cents per pound, shrinking in scouring 50 per cent., pay 10 cents per pound duty. Greasy Cape wool, costing from 12 cents to 14 cents per pound, shrinking 65 per cent. to 70 per cent. in scouring, pays the same duty—10 cents per pound.

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The user of best Australian will pay 40 per cent. to 50 per cent duty, while the hat or felt manufacturer will pay 70 per cent. to 80 per cent. duty on Cape wool.

The present duty on washed and scoured wools prohibits their importation, and the United States manufacturers are not able to enter foreign markets only for unwashed wools.

The rates on carpet wools are so much less that great efforts have been made to secure the classification of other wools in this class, and I am informed that at the port of Philadelphia mohair has been imported and paid duty as class 3.

Wools in this class, costing 12 cents per pound, pay 2½ cents per pound duty, about 20 per cent.; costing 13 cents per pound, 5 cents per pound, about 39 per cent.

The working of such a tariff cannot be satisfactory or fair, and must result in frauds on the revenue. But so long as the present duties are maintained on textile fabrics, into the manufactures of which wool enters to more or less an extent, I suppose some tariff on wool, based on classification and value, will be continued.

Therefore I add to what I have said under 16, the only fair duty is ad valorem, without regard to classification or conditions, and such a duty will bear more equally on all, and be the least liable to fraud.

21. I know nothing of these matters.

22. I cannot say.

23. I do not know.

24. All violations of law such as indicated have always been promptly reported to the proper officers for prosecution.

Very respectfully,

BENJAMIN FLAGLER,
Collector.

Hon. DANIEL MANNING,
Secretary of the Treasury.

MISCELLANEOUS.

No. 238.

T. B. SANDERS—Appointed Deputy Commissioner of Navigation June 29, 1865.

TREASURY DEPARTMENT, BUREAU OF NAVIGATION,
Washington, D. C., September 7, 1885.

SIR: The following memoranda, relating to the interrogatories in your circular upon customs matters, are merely suggestions, made immediately, without opportunity to obtain the data necessary to more extended replies, and are only intended to be auxiliary to the treatises which will doubtless be received from experts and specialists in such matters. The replies are numbered to correspond with the questions in the circular.

1. Except in cases of smuggling or fraud, and of doubt as to the meaning of the law, the proper *rates* of duty have generally been collected.

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2. I do not know of any satisfactory evidence that specific rates of duties have not been fully collected, except in particular cases of smuggling, or where the rate depends upon the value ascertained by the appraiser, as in the case of wool.

3. This question should be answered by the appraisers, it being governed by the regulations made and provided for their observance.

4. I do not know of any evidence of collusion generally between officers and importers. I understand that there have been such violations of law. As an example, I cite the case of Deputy Collector Williams, at New York, some years ago, a record of which is probably in the appointment room or the special agents' division.

5. The cases on the files of the special agents' division, the "Aniline dye" cases at Boston, &c., will furnish evidence as to false or incompetent or inadequate weighing or measuring on the wharves in particular instances.

6. As to the number of customs suits now pending at the various ports, the proper United States district attorneys and the Solicitor of the Treasury should inform you. It has been suggested that such cases could be brought before the Court of Claims. A full report upon the matter was made to Congress by the Department, and printed. Some action should be taken to relieve the dockets of the circuit courts of the United States of such suits by securing more speedy trials. The suits at New York cover most of the points at issue, and an *additional judge* there would probably be sufficient for their trial. If his decision on the point of law involved could be made conclusive on appeal from the decision of the Secretary of the Treasury, the final settlement of the cases would be expedited. An established precedent at New York in one case of a class would suffice for all cases of that class arising in the whole country.

Thousands of appeals are filed and suits brought covering but one question, on the decision of which action could be taken by the Secretary as regards the other cases without further litigation. An instance in point is the class known as the "Charges cases." A great number of appeals have been made as to charges covering relatively but few points. The United States district attorney at New York could easily elaborate a bill to effect the desired object. For an example he might refer to the constitution of the United States courts of the District of Columbia.

The number of doubtful questions for the decision of the courts is comparatively small, and an energetic district attorney and judge could soon clear the docket, if they could be brought to overcome the apparent indisposition of officials to touch such cases.

The voluminous reports of the recent Tariff Commission, and the debates thereon in Congress, throw light upon the question whether the existing tariff, (March 3, 1883,) which largely follows the preceding tariff, needs amendment. A list of suggested amendments, prepared in the customs division, was sent to Congress by the Secretary of the Treasury some time ago. This list might be of use in now considering the subject.

A special appropriation is required in order to the payment of interest as a part of the damages in these cases, or general authority could be given by Congress to pay it from "any other moneys not otherwise appropriated." It was the former practice to pay it under existing legislation. The question as to interest would be a small issue, if cases could be tried promptly.

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7. The special agents should be able to give information upon the question whether full duties have been collected. It is claimed that, owing to the difficulty in obtaining proof of foreign value, full duties have not, in particular cases, been levied on silks, velvets, wool, and other classes of articles subject to duty at ad valorem rates, or at specific rates, where such rates depend on the value. The evidence of failure is not generally of a character to be controverted successfully, for the reason that the foreign cost or value cannot well be ascertained except by the manufacturer or producer of the article.

A high duty is levied at an ad valorem rate. The particular class, or pattern, or quality of the article may be manufactured for the American market exclusively, by one person or firm abroad only; no sales may be made to any person before the importation of the goods, and they may be consigned to an agent here. In such cases there can be no absolute knowledge of the cost or value, except such as may be derived from the owner.

The appraiser may be of one opinion, the special agents of another, and the general appraiser of a third, and all be entirely honest, and all wrong. Market values undergo constant changes; are not the same in different countries, and are difficult to discover in the case of goods not offered in "market onvert."

8. I have never heard of any evidence showing a guilty knowledge of the failure above mentioned, or conspiracy to promote it, among the higher class of Treasury or custom-house officials generally. But there have been collusion and fraud, as the records of the courts of the special agents' division and of the appointment division will show.

The alleged failure, alluded to above, has not come from any action or non-action on the part of Treasury officials, so far as known to me. Any interference by a Treasury official with the valuation of goods, on appraisement, or with the action of the collector in assessing duties in in the first instance, would necessarily be open and patent to all concerned. Such wrongful interference would be exceedingly difficult and dangerous. Treasury officials are under a heavy fire of criticism from experts, lawyers, and special agents, so far as their acts in regard to matters pertaining to customs and navigation are concerned. I believe it to be very unusual for a Department official to act from any corrupt motive. For instance, having been connected with tens of thousands of cases in the office of the Secretary during the last twenty years, I have never been offered, directly or indirectly, anything like a bribe, except in one instance, and that was indirectly and guardedly by letter from a man on the Pacific coast, with whom I was not acquainted. I presume the experience of others has been about the same.

9. This question, I think, the special agents and customs officers can best answer, as I have no particular information in regard to it.

10. It is my understanding that some doubt exists in the appraiser's department as to the proper application of section 7 of the tariff act of 1883, relating to duties or charges in the case of imported goods. The place and time of the valuation of goods for appraisement purposes are understood by appraisers, but the standard to be applied as regards charges does not seem to be so well known. A few authoritative decisions by the courts upon the subject of charges would remove a great part of the difficulties encountered in regard to the matter.

11. It would be almost impracticable to make a safe average estimate of the percentage of undervaluations for any year or series of years, or

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to identify all the articles undervalued. In certain cases the invoices could be identified. The estimates I have heard I believe to be mere guess-work.

12. The finding of the examiners and deputy appraisers, as I understand, usually forms the basis for the action of the appraiser at the large ports, and for a false return of value to the collector the subordinate officers would primarily be responsible in ordinary cases. The appraiser, like other officers in charge of large offices, cannot do all the work, and in most cases must depend on his subordinates, taking up himself only disputed cases, and keeping general guard over the business. The action of the examiners in each case is watched to a greater or less extent by the deputy appraiser, the appraiser, the officials of the collector's office and of the naval office, the special agents, and rival importers.

13. I do not know of any cases in which a Government official in the consular department or elsewhere has assisted or consented to, or connived at, the presentation to appraisers of false evidence of foreign values. I think, however, charges to that effect have been made in certain cases, and that the special agents' division has a record thereof.

14. I do not know, personally, of any payment to appraisers to get false returns by them. Questions of valuation do not ordinarily come before Treasury officials except indirectly.

16. Duties ad valorem would be the fairest to all, and if they could be collected fully they would be preferable by reason of their flexibility. If labor at $2 has been put on an umbrella abroad, more duty should be paid thereon than on one on which the work was but $1 in value; yet under a system of specific duties the duty on both would probably be the same.

In all such cases the levying of specific duties would tend to reduce the variety of articles imported. Those kinds of goods would be brought that could best bear the duty.

But, in view of the difficulty of collecting ad valorem duties, specific duties may be best in nearly all cases, and especially where there is no great variety in the class or kind or quality of the article enumerated, or where these can be accurately defined. It would be difficult to apply, fairly, specific duties to certain articles, and especially to articles like paintings, statuary, &c., and textile fabrics depending for value upon the pattern, the quality, the color, the style, and the additional work (as embroidery, &c.) thereon, and not so much upon the weight of the raw material contained therein.

Under the French tariff, however, duties are levied at specific rates on nearly all articles, either by weight or by piece, &c., and I am not informed that the system does not work satisfactorily. Risks would have to be encountered in obtaining approximate equivalents in specific rates to the existing ad valorem rates.

A change from specific to ad valorem rates would be a benefit to the revenue—*i. e.*, would increase it or not according, to the amount imposed. It does not seem that any increase is demanded at present, and if the collections now made were entirely fair—if each importer paid the same amount of duties on the same kind of goods—no change would be necessary so far as the revenue collected is concerned.

Of course the amount of revenue prescribed by Congress should be collected. Specific rates would diminish the tendency to bribery as regards values, but would increase the tendency as regards weights,

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measurements, and counts. A reduction in the number of articles taxed would be a benefit in reducing the cost of collections. The British tariff is an example.

17. The passage of the anti-moiety act must necessarily have increased the temptation to defraud the revenue, and I have no doubt has actually led to violation of the revenue laws. But there were such violations before its passage. Some of the measures then in force were considered unduly harsh. The matter was very fully considered by Congress, General B. F. Butler leading in the opposition to the passage of the act, and Mr. Dodge in favor. The modification, by said act, of the act of 1863, respecting the seizure of books and papers, the abolition of the moiety system as regards the distribution of fines, penalties, and forfeitures, the requirement that the court in customs forfeiture cases shall submit to the jury as a distinct and separate proposition, whether the alleged illegal acts were done with an actual intention to defraud the United States, and require upon such a proposition special finding by by such jury, and the provision that in such cases, unless intent to defraud shall be so found, no fine, penalty, or forfeiture shall be imposed, have made the dangers incident to undervaluation less, and have probably increased attempts to influence appraising officers to return low valuations.

18. Personal examination by consuls of all articles to be shipped to the United States from the larger foreign ports would be impracticable. The inspection of samples in certain cases is a substitute for such examination. It is probable that foreign governments would make complaints if there were vexatious delays on the part of consuls in examining values and certifying invoices. The fees for certifying invoices in England are $2.50 for the invoice in triplicate, and one shilling and six pence for each of the triplicate or quadruplicate copies of the invoice if oath be made.

19. If the executive or the judicial powers should have greater jurisdiction to interfere with the ascertainment of the dutiable value which is to be the basis on which the collector is to levy ad valorem rates, this jurisdiction would be exercised to a great extent to reduce valuations, not to increase them.

Through the special agents, the executive power might sometimes interfere to raise values, but I believe that on the whole such interference would lead to no good general result, and that the greater jurisdiction mentioned would not be very safe or useful to the revenues. Questions of value would be difficult to deal with at the Department here, on account of lack of expert knowledge and the requisite information. In any clear case, if an appraiser is shown not to have done his duty, there is an appropriate remedy. The matter is analogous to the appraisement for taxation of real estate, which is usually quite summary.

20. The rates of duty imposed on wool by the various acts since 1860 are as follows:

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Comparative Statement of the Rates of Import Duties under the several Tariff Acts from July 30, 1846, to June 21, 1874, both inclusive.

Articles enumerated.	Act of July 30, 1846.	Act of March 3, 1857.	Act of March 2, 1861.	Acts of Aug. 5, 1861; Dec. 24, 1861.	Acts of July 14, 1862; Mar. 3, 1863.	Acts of June 30, 1864; Mar. 3, 1865; Mar. 16, 1866; May 16, 1866; June 1, 1866.	Acts of July 28, 1866; Mar. 2, 1867; Mar. 22, 1867.	Acts of Mar. 25, 26, 29, 1867; Feb. 3, 1868; July 20, 1868; Feb. 19, 24, 1869.	Acts of July 14, 1870; Dec. 27, 1870.	Acts of May 1, 1872; June 6, 1872.
Wool, unmanufactured	30 per ct.	24 per ct.								
Sheep, unmanufactured, valued 20 cents or less per pound; also, hair of alpaca, goat, and other like animals, (1861, less than 18 cents per pound,) 1864, 12 cents or less per pound.		Free	5 per ct.	5 per ct.	5 per ct.	Pound, 3 cts.				
Value 18 to 24 cents per pound, (1864, 12 to 24 cents.)			Pound, 3 cts.	Pound, 3 cts.	Pound, 3 cts.	Pound, 6 cts.				
Value above 24 cents per pound, (1864, 24 to 32 cents.)			Pound, 9 cts.	Pound, 9 cts.	Pound, 9 cts.	Pound, 10 cts. and 10 per c. Pound, 12 cts. and 10 per c.				
Value over 32 cents per pound, mixed, to reduce value to 18 cents per pound, or less, to evade duty.			Pound, 9 cts.	Pound, 9 cts.	Pound, 9 cts.	Pays highest duty.				
On sheepskins, washed or unwashed			15 per ct.	15 per ct.	15 per ct.	20 per ct	30 per ct	30 per ct	Same as other wool.	
Class I.—Clothing-wools, unwashed, value 32 cents or less per pound.							Pound, 10 cts. and 11 per c.	Pound, 10 cts. and 11 per c.	Pound, 10 cts. and 11 per c.	
Value exceeding 32 cents per pound							Pound, 12 cts. and 10 per c.	Pound, 12 cts. and 10 per c.	Pound, 12 cts. and 10 per c.	
Class II.—Combing-wools, value 32 cents or less per pound.							Pound, 10 cts. and 11 per c.	Pound, 10 cts. and 11 per c.	Pound, 10 cts. and 11 per c.	
Value exceeding 32 cents per pound							Pound, 12 cts. and 10 per c.	Pound, 12 cts. and 10 per c.	Pound, 12 cts. and 10 per c.	
Class III.—Carpet-wools, value 12 cents or less per pound.							Pound, 3 cts.	Pound, 3 cts.	Pound, 3 cts.	
Value exceeding 12 cents per pound							Pound, 6 cts.	Pound, 6 cts.	Pound, 6 cts.	
Of Class I, washed							Double duty	Double duty	Double duty	
Of all classes, scoured							Treble duty	Treble duty	Treble duty	

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Schedule K.—Wool and Woollens.

Articles.	Rev. Stats.; acts Feb. 8, 1875; Mar. 3, 1875; July 1, 1879; June 14, 1880; May 6, 1882; Dec. 23, 1882.	Act Mar. 3, 1883.
All wools, hair of the alpaca, goat, and other like animals, shall be divided, for the purpose of fixing the duties to be charged thereon, into the three following classes:		
Class one, clothing wools.—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 two, combing wools.—That is to say, Leicester, Cotswold, Lincolnshire, down combing wools, Canada long 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 three, 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 been heretofore usually imported into the United States from Turkey, Greece, Egypt, Syria, and elsewhere.		
The duty on wools of the first class which shall be imported washed shall be twice the amount of the duty to which they would be subjected if imported unwashed; and the duty on wools of all classes which shall be imported scoured shall be three times the duty to which they would be subjected if imported unwashed. The duty upon wool of the sheep, or hair of the alpaca, goat, and other like animals, which shall be imported in any other than 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 twice the duty to which it would be otherwise subject.		
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 cents or less per pound, ten cents per pound.	10 cents per pound and 11 per cent.	Per pound, cents.
Wools of the same class, the value whereof at the last port or place whence exportd to the United States, excluding charges in such port, shall exceed thirty cents per pound, twelve cents per pound.	Pound, 12 cents and 10 per cent.	Pound, 12 cents.
Wools of the second class, and 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 cents or less per pound, ten cents per pound.	Pound, 10 cents and 11 per cent.	Pound, 10 cents.
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 cents per pound, twelve cents per pound.	Pound, 12 cents and 10 per cent.	Pound, 12 cents.
Wools of the third class, the value whereof at the last port or place whence exported to the United States, excluding charges in such port, shall be twelve cents or less per pound, two and a half cents per pound.	Pound, 3 cents.....	Pound, 2½ cents.
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, five cents per pound.	Pound, 6 cents.....	Pound, 5 cents.
Wools on the skin, the same rates as other wools, the quantity and value to be ascertained under such rules as the Secretary of the Treasury may prescribe.		

It will be seen that under the act of 1846 unmanufactured wool was dutiable at the rate of 30 per cent. ad valorem, this rate being reduced to 24 per cent. by the act of 1857. Under these two acts, wool valued at not more than 20 cents per pound was free. The act of 1861 im-

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posed duties, as shown above, of 5 per cent., and 3 cents and 9 cents per pound, according to the value, and these rates continued until the act of June 30, 1864, when duties were raised to 3 cents per pound on unmanufactured wool valued at 12 cents or less per pound; to 6 cents per pound on wool valued from 12 to 24 cents per pound; 10 cents per pound and 10 per cent. on wool valued from 24 to 32 cents per pound; and to 12 cents per pound and 10 per cent. on wool valued at over 32 cents per pound. The act of March 2, 1867, changed some of these rates slightly, making wool valued at 32 cents per pound or less dutiable at 10 cents and 11 per cent., and imposing double and treble duty on wools washed or scoured, as the case might be. These rates remained unchanged until, by the act of June 6, 1872, the duties were "horizontally" reduced 10 per cent. The act of March 3, 1875, repealed this reduction, and the preceding old rates were restored and remained unchanged until, by the passage of the act of March 3, 1883, the duties were reduced by the removal of the ad valorem rates from wools of the first and second class, and the fixing of the duties on wools of the third class at the rate of 2½ cents and 5 cents per pound, instead of 3 cents and 6 cents per pound, respectively.

Difficulty in some cases has arisen in administering the law now in force, in consequence of the difference in duties dependent on the value of the wool imported. This has been so, especially as regards wools of the third class, the duty on which, if the value be 12 cents or under per pound, is 2½ cents per pound, and if the value be over 12 cents, 5 cents per pound. Twelve cents per pound has happened to be very nearly the value of certain wools, and the decision of the question, whether duties accrued on the importation at the rate of 2½ cents per pound, or at double that rate, depended upon evidence which was not always satisfactory. The difference in the cost of ½ of a cent or less per pound might suffice to double the duty. It is evident that the distinguishing value should not be so near the average value.

21. Examination at one place, under the supervision of a responsible officer, of all baggage arriving at the larger ports, would tend to minimize the taking of bribes or gratuities by the officers examining baggage arriving in the United States.

At New York, I am convinced that, in the case of some examining officers, it has been the practice to accept or even to exact such gratuities. Whether it still continues I am unable to say. I have heard less complaint in regard to it at other ports. It is a shame to the country, and should be broken up.

22. I understand that undervaluations have been largely of silk goods, which are subject to a high rate of duty. Of course the larger the duty the more temptation there is to evade its payment. It does not appear, however, that the undervaluations and smuggling depend altogether upon the rate of duty. Diamonds, jewelry, and laces are smuggled because they can be put in a small compass, and be easily transported. Silks are undervalued for the reason that it is impracticable for the Government to ascertain the true dutiable value. In either of these classes of cases the law would be evaded at times were the duties much lighter than at present. Safety is an element considered by smugglers, as well as the amount of which the Government can be defrauded, and revenue laws should be framed with this fact in view.

23. Evasions of the revenue laws occur at other ports than New York, but at the latter the volume of business done is so much larger, and

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the interests at stake are so much greater than elsewhere, it is reasonable to suppose the frauds there would be more considerable than at other places.

24. It appears to me the reason why every officer who has made false returns has not been indicted is because of the difficulty in finding legal proof to convict. If such proof exists, proceedings should be instituted without delay. It must be remembered that in many cases there is room for an honest difference of opinion, and that where there are conflicting interests charges are often made, and are often false.

Very respectfully,

T. B. SANDERS.

Hon. DANIEL MANNING,
Secretary of the Treasury.

No. 239.

H. A. LOCKWOOD—Appointed Clerk of First Class, Treasury Department, November 14, 1853; promoted through all the clerical grades, and appointed Chief Clerk September 1, 1869; appointed Deputy Commissioner of Customs July 1, 1875.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF CUSTOMS,
Washington City, D. C., October 21, 1885.

SIR: I have read the questions in the printed circular handed me by you, and find they relate principally to the execution of the laws governing the collection of the customs revenue by the officers stationed at the various ports of the United States, and, from their nature, it is not possible for a person confined to office-work here to give intelligent or valuable suggestions. I have the honor, however, to submit the following remarks for what they may be worth:

I. *Refund of duties to be reduced to a minimum, and no interest to be allowed on judgments for refunds.*

Taxes being arbitrary exactions, dependent on statutes only, it is of course true that no more should be exacted than the law demands. Still, on equitable grounds, refunds of duty exacted in excess should be restricted to the minimum, for, except in case of short shipment, clerical error, damage, or destruction, it is believed that when more duty is exacted than the law requires, the trade, and through it the consumer, feels the full force of the exaction, as the excess is charged upon the goods as they are put upon the market. The only person benefited by the refund is the importer, who, if he has, as it is believed he has, charged a price for his goods that includes the duty, he receives twice payment of the duty exacted in excess—once through trade, and once through refund by the Government.

Under these circumstances, it is believed that it would be just to procure such a change in the present laws as would prevent the payment of interest on judgments of court for refund of duties, especially as from the long time that in some cases elapses between the inception of the suit and its final decision—in some cases twenty years—it would appear that if parties do not actually delay they do not actively press matters to a good conclusion, looking no doubt on a good case in court as an investment at 6 per cent. against the Government; and further, attorneys, having a contingent interest in the suits, do not desire the

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cases entered for judgment or discontinuance, or a certificate of "probable cause" noted until the last practicable moment, so as to secure all the interest possible.

II. *Limitation of free importation of personal effects.*

It is suggested that a limitation on the free importation of personal effects would be a step in the direction of equalization of taxes as between rich and poor. It is not thought that the imposition of duty on personal effects above a certain amount would deter any considerable number of wealthy persons who are desirous of immigrating to this country from so doing. At the same time, it is evident that the unlimited free importation of personal effects is susceptible of great abuse, not only by wealthy immigrants, but by tourists and those who for trade purposes are continually passing back and forth between this and the old world.

III. *Abolition of titles of subordinate customs officers.*

The titles or designations of subordinate officers of the customs having become numerous, would it not be in the interest of efficiency and economy to have all customs officers other than those which are Presidential appointments, filled under the one designation of customs officers, with power given to the chief officer of the customs in the district where they are appointed to detail any customs officer under him to any duty within his district. An arrangement of this kind would enable a collector of customs to handle his force more efficiently by placing those appointed under him in situations to which they are fitted either by natural aptitude or acquired knowledge, and do away with many questions as to the legality or propriety of employing persons appointed under one designation to discharge duties in another capacity. It would also make the chief officer responsible for the distribution and efficiency of his force.

To accomplish this would require modification of the laws in relation to the appointment and compensation of the subordinates, which laws I think might be merged into one, giving the Secretary of the Treasury power to limit and fix the compensation. Why should the salary of a deputy or an inspector be fixed by law, when the salaries of clerks and many other classes of employés are left to the discretion of the Department?

IV. *Fixed annual compensation for principal customs officers.*

A fixed annual compensation for collectors of customs, payable from the Treasury, is in many respects preferable to the present system of paying a part salary and commissions from the Treasury, and allowing a portion to be exacted from the people in the way of official fees.

I am aware that this question has been discussed by the Department, but it may be that a statement of the case from an accounting point of view has not been presented.

The payment of fees as compensation to United States officials, I hold, on general principles, is of itself vicious. When the compensation is not limited, or when the usual collections are less than the limit, the tendency is towards making business for the sake of the fees, or to the exaction of illegal fees. Money that does not pass through the Treasury (as when fees are collected and retained for compensation) does not appear in the receipts and expenditures, except in the emolument

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statements. The expenses of collecting the revenue from customs is greater by the amount of fees collected and retained than is shown by the appropriation ledgers, (since the beginning of the Government, many millions.)

It gives the people at large an exaggerated idea of the emoluments of collectors of customs. It in some cases fails to pay a decent or adequate compensation, and finally it causes great delay in the settlement of accounts in the Department.

Section 305, Revised Statutes, does not allow credit to be given a person depositing money in the United States Treasury until a covering warrant is issued. The compensation of many collectors being partly dependent on commissions on their collections, it follows that the collection accounts must be adjusted before the expenditure and emolument accounts are taken up.

Usually it is two months, or even more, after money is deposited before the warrant on the deposit reaches the accounting officers. Aside from the injustice to the depositors, this delay makes a corresponding one in the adjustment of the accounts. If the issuing of warrants could be expedited, it would insure more immediate action on the accounts.

If the collectors are paid a fixed salary, the disbursement accounts could be adjusted without reference to their collection accounts. The payment of fixed salaries to collectors has been found to work well in the large ports where it has been tried.

V. *Abolition of customs fees.*

From a consideration of the reasons for payment of customs officers by a fixed compensation, and, further, that the primary reason for the collection of fees would be extinguished by that course, and that the collection of fees is a vexatious manner of raising revenue, and savors more of antiquated monarchical policy than that of our day and government, would it not be well to consider, in this connection, the whole question of the abolition of all fees?

VI. *Substitution of declarations for oaths in customs cases.*

A natural repugnance to the indiscriminate use of oaths in the customs service leads me to remind you of the recommendation which has been before made in the public prints, that custom-house oaths be abolished, and a declaration on honor be substituted therefor; and as these declarations are purely monetary, their truthfulness to be enforced by a fine in money in proportion to the interests affected.

VII. *Payment of expenses of collecting the revenue from customs by check from the Department.*

In all the collection districts excepting the large ones it is thought that the payment of the salaries of subordinates and other expenses by check on vouchers furnished could be advantageously substituted for the present one, these vouchers to be checked in the Secretary's office as "correct as to appointment or authority and rate of pay," and by the accounting officers as to "oath, clerical computation, and duplicate payments," before payment. No advances to collectors would then be required, and a reduction would be made in the labor of settlement in all the offices in the Department connected with these accounts.

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The theory of the Treasury rules relative to disbursing money is to throw safeguards around its disbursements additional to those employed among business men. The fact is, that the business man examines his bills carefully and has them corrected *before* payment, while the Treasury pays its bills first, and weeks and months afterward they reach the accounting officers for examination, and often inaccuracies in vouchers are found, as shown by the disallowances in disbursing officers' accounts.

This presents another reason for the examination (and checking) and payment of these bills at the Department.

VIII. *Relating to customs suits in court.*

From frequent inquiries which this office is compelled to make at the office of the Solicitor of the Treasury, and the information, or want of information, obtained, an inference may be drawn that the court officers of the United States do not, in many cases, act with promptitude and efficiency in cases of fines, penalties, and forfeitures under the customs laws coming under their supervision.

From the indication thus afforded, it seems to me that a thorough examination of the records of the various courts of the United States would lead to the disposing of many old suits, and in some cases to the recovery of money, both from outside parties and from the registry of the court, into the Treasury. I am not conversant with the method of keeping and accounting for money paid into court, but in United States courts should not the law be so framed as to require all court moneys to be deposited in a United States depositary, and stated accounts made and settled on vouchers for the receipts and disbursements, such accounts to be adjusted in the Treasury?

I am, very respectfully, your obedient servant,

H. A. LOCKWOOD,
Deputy Commissioner of Customs.

Hon. DANIEL MANNING,
Secretary of the Treasury.

CORRESPONDENCE WITH MR. JUSTICE BLATCHFORD.

No. 1.

SEPTEMBER 25, 1885.

DEAR SIR: In the inquiries that I am prosecuting into the present condition of the customs service at New York and the execution of tariff law, I am perplexed by the conflicting representations that are made to me about the effect of the legislation of 1874 on prosecutions in court for undervaluations, and especially on the instructions given to the jury by the trial judge prior to 1874, in respect to the intent with which the invoice was made and the burden of proof. Your experience as a judge on the trial of suits for forfeiture has been so large and varied that I venture to write to you on the subject.

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It is said, on the one hand, that in prosecutions before 1874 the trial judge did not submit to the jury the questions of intent and require the jury to find affirmatively that the invoice was knowingly made to evade the payment of duty, or return a verdict for the claimant. And it is said, on the other hand, that the law of 1874 worked such a radical change on the subject of intent and the duty of the trial judge and jury that under that law a verdict for the prosecution is now well-nigh impossible, unless by a confession of the claimant. My perplexity in face of these representations is over the actual practice of the trial judge in New York before and since 1874, or the instruction to the jury on the intent and burden of proof, and if you shall feel at liberty to say to me what was your own practice in that regard, I shall deem it a great personal and official favor.

I need not add that any suggestions out of your large and most valuable judicial experience in that class of suits which you may be willing to give me in respect to the comparative working on those points of the law of March 3, 1863, as well as the law prior to 1874, and the anti-moiety law of the last-named year, will be most welcome.

With great respect, your obdient servant,

DANIEL MANNING,
Secretary.

Hon. SAMUEL BLATCHFORD,
Associate Justice U. S. Supreme Court.

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No. 2.

NEW YORK, *October* 6, 1885.

DEAR SIR: I have received your letter of September 25 last, making inquiry as to the actual practice of the trial-judge in New York before and since the act of June 22, 1874, chapter 391, in instructing the jury as to intent and the burden of proof in cases covered by section 16 of that act, which section is as follows:

"SEC. 16. That in all actions, suits, and proceedings in any court of the United States, now pending or hereafter commenced or prosecuted, to enforce or declare the forfeiture of any goods, wares, or merchandise, or to recover the value thereof, or any other sum alleged to be forfeited by reason of any violation of the provisions of the customs-revenue laws, or of any of such provisions, in which action, suit, or proceeding an issue or issues of fact shall have been joined, it shall be the duty of the court, on the trial thereof, to submit to the jury, as a distinct and separate proposition, whether the alleged acts were done with an actual intention to defraud the United States, and to require on such proposition a special finding by such jury; or, if such issues be tried by the court without a jury, it shall be the duty of the court to pass upon and decide such proposition as a distinct and separate finding of fact; and in such cases, unless intent to defraud shall be so found, no fine, penalty, or forfeiture shall be imposed."

My own practice on the subject before the act of 1874 is set forth in my charge to the jury in March, 1868, in the Sherry-wine case, (2 Benedict, 249.) That was a case of seizure of wine as forfeited for undervaluation. On pages 290, 291, and 292 you will find my charge on the burden of proof and of intent. The jury were instructed that while under section 4 of the act of May 28, 1830, (4 Stats., 409,) it must, in order to a verdict for the Government, be found that the invoices were

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made up with an intent, by false valuations, to defraud the Government, and while under section 1 of the act of March 3, 1863, (12 Stats., 737,) it must, in order to a verdict for the Government, be found that the entry by a false invoice or other false paper, or the attempt to make such entry, was done knowingly, it had been the law by statute since the act of March 2, 1799, (1 Stats., 637,) affirmed by the Supreme Court as lately as December, 1865, in Cliquot's champagne, (3 Wallace, 114,) that where the court should, on the trial, decide that probable cause had been shown for the prosecution, the burden of proof was thrown on the claimant of the goods seized to dispel the suspicion and to explain the circumstances which seemed to render it probable that there had been a knowing undervaluation.

Again, in December, 1869, in the Silk-ribbon case, (3 Benedict, 536,) a case of seizure of ribbons for undervaluation, my charge to the jury was the same as in the Sherry-wine case. It was summed up in these words: "If, upon the whole evidence, the claimants have not proved, to your satisfaction either that the goods were invoiced at their actual market value, or that the failure to so invoice them was the result of an honest mistake or of an accident, your verdict will be for the United States; otherwise, for the claimants."

The case of Sinn (14 Blatchford, 550) was tried in the district court here, before me, before section 16 of the act of June 22, 1874, went into effect. In the report of that case, (*ubi supra,*) when it was before Chief-Justice Waite in the circuit court here on writ of error, he says, in his decision, that the new act "made actual intention to defraud an essential question in suits to enforce forfeitures under the customs laws." He also says, in regard to a case under section 1 of the act of March 3, 1863, (12 Stats., 738,) now section 2864 of the Revised Statutes, which provides for a forfeiture of merchandise where its owner knowingly makes an entry of it by means of a false invoice, or of an invoice which does not contain a true statement of all the particulars required by law: "Every importer is presumed to know the law under which he makes his importations. In contemplation of law, therefore, when he makes an entry upon an invoice which does not state truly what the law requires, he knowingly does it. At the time of this seizure and trial no question of *actual* fraudulent intent need be considered. Knowledge, actual or presumptive, was all that the courts need inquire into."

In Lewey *vs.* United States, (15 Blatchford, 1,) which arose after the act of June 22, 1874, went into effect, and was a case of seizure of goods for forfeiture, I submitted it to the jury to determine whether the importer "fraudulently and knowingly, with an actual intention to defraud the United States did so import and bring these goods into the United States, as to cause or procure them to be withheld from entry in the manifest of the vessel." The jury found that he did. Chief-Justice Waite, (*ubi supra,*) in the circuit court, on a writ of error, held the charge to be right.

You also invite suggestions from me as to the comparative working on the points above mentioned of the act of March 3, 1863, and other laws before 1874, and of the act of June 22, 1874. While I thank you for the courtesy of your invitation, I think I ought not to make suggestions of the kind outside of a judicial proceeding.

Very truly, yours,

SAM'L BLATCHFORD.

Hon. DANIEL MANNING,
Secretary of the Treasury.

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No. 3.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., October 12, 1885.

DEAR SIR: I thank you very much for your lucid and most satisfactory reply to my inquiry in respect to your instructions to juries in suits for forfeiture under the laws of 1863 and 1874. My original purpose was to ask your valuable aid only for my own guidance, but the information you give is so timely and controlling in a public sense that I wish to ask you if I may have your permission to transmit our correspondence to Congress with my annual report.

Respectfully, yours,

DANIEL MANNING.

Hon. SAMUEL BLATCHFORD,
Associate Justice, U. S. Supreme Court.

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No. 4.

1432 K STREET, N. W., WASHINGTON, *October* 13, 1885.

MY DEAR SIR: I have your letter of the 12th instant. I have no objection to the transmission to Congress with your annual report of the letters to which you refer. I would suggest, for the better understanding of the matter, that the full reports of the cases to which I refer be copied from the books and appended to the correspondence.

I shall be very glad at all times to give you any information and render you every aid which you may desire, and which may be within my province, either by letter or by oral communication.

Very respectfully, yours,

SAM'L BLATCHFORD.

Hon. DANIEL MANNING.

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