

ANNUAL REPORT  
OF THE  
SECRETARY OF THE TREASURY

ON THE  
STATE OF THE FINANCES

FOR  
THE YEAR 1886.

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IN TWO VOLUMES.

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VOLUME II:  
COLLECTION OF DUTIES.

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REPORT  
OF THE  
SECRETARY OF THE TREASURY  
ON THE  
COLLECTION OF DUTIES.

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TREASURY DEPARTMENT,  
Document No. 883, 3d ed.  
*Secretary.*

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# THE COLLECTION OF DUTIES.

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TREASURY DEPARTMENT,

*December 13, 1886.*

SIR: My annual report made mention of my purpose to "prepare and submit to Congress a supplementary report on the collection of duties."

In fulfilment of that purpose, I transmit herewith a report by Assistant Secretary of the Treasury, Mr. Fairchild, to whose intelligence, fidelity, and zeal in this, as in other matters appertaining to this Department I am under personal as well as official obligation. He has had, since late in March, 1885, immediate supervision of the Bureau of the Commissioner of Customs, the Division of Customs, the Division of Special Agents, the Division of Mercantile Marine and Internal Revenue, and the Division of Revenue Marine, among which five separate organizations the collecting of duties on imports is distributed.

I subjoin replies received from those subordinate bureaus and divisions concerned in the administration of the tariff law, as well as from the chief officers at the four large ports, in answer to specific inquiries.

In my annual report for 1885, I was able to place before Congress opinions and suggestions from a larger number of local officers, but this year circumstances beyond my control prevented me from beginning needed inquiries earlier than the first days of October last, and have made it impracticable to pursue, as I wished, investigations into the collection districts along the great rivers and lakes, the Canadian and Mexican frontiers, the Gulf of Mexico, and the Pacific coast. I have been able, however, to gather the opinions of the chief officers of the four ports of Boston, New York, Philadelphia, and Baltimore, at which, out of a total revenue from customs exceeding 190 millions during the last fiscal year, there were collected more than 20½ millions at the first, more than 130 millions at the second, nearly 14½ millions at the third, and more than 2½ millions of dollars at the fourth port. The doings by customs officers at those ports may, therefore, be fairly accepted by Congress as exhibiting the general condition of the customs service throughout the country.

In many of the suggestions, or opinions respecting the customs service, its present condition and needs, expressed in these replies, always excepting the report of Mr. Fairchild, I do not concur, but, in a matter of so much importance as the levy and collection of about 190 millions as taxes on imported merchandise out of a sum total of 310 millions of annual Federal taxation, I have deemed it due to Congress that all the suggestions made to me by Government officers, in response to my official inquiries, should be laid before the legislative branch of the Government without suppression, or modification of any. The problem of reforming our existing taxes on consumption, in that most defective branch of the same,—a survival of the war,—which consists of the drag-net collection of multifarious duties on more than 4,000 different commodities, imported for consumption here, is so environed with conflicting theories, purposes, passions, interests, or partisan hopes, that I ought to fully and frankly exhibit to Congress, which has the power and responsibility of achieving all needed reform, everything in my possession which can illuminate the subject, or tend even remotely to show which of the existing evils can be fairly deemed capable of executive remedy, and which will require legislative treatment. I am not conscious of any desire to avoid such share of responsibility as belongs to the head of this Department for opinions, commitments, or acts bearing on the causes of existing evils, or the methods of reform, and if I shall to any one seem to unduly assert, or emphasize, my own opinions, I hope that Congress will kindly believe that my purpose was not contentious, or to lay down what is or should be the law, but only to clearly express such opinions as the head of this Department, charged with the supervision of both inland and port collection districts, entertains respecting “the improvement and management of the revenue.”

In the communication of my views, and in my comments on the documents herewith subjoined, I shall follow the order of topics in my annual report for 1885.

#### INVOICES.

If any rates of duty are in the future to be ad valorem rates levied upon the foreign value of the merchandise, an invoice, precisely and absolutely true, is indispensable. If the merchandise has been obtained by purchase, there must be truthfulness in regard to description, quantity, price paid; the currency used in making payment, the date and place of the transaction. Those elements ought not to be, and are not, difficult of presentation, for they are only those which a prudent purchaser usually seeks, and obtains from the seller when payment is made. Why is not a transcript of such a bill of sale, which the buyer ordinarily receives, always

presented to our consular and customs officers? Why is there the contrivance and annoyance of presenting another and different account of the transaction? Because our tariff law either induces and suggests it, or is believed to require it! Whether a law making certain coverings of dutiable merchandise exempt from duty should require a modification of the bill of sale which ordinarily passes between buyer and seller, I shall consider elsewhere in this report, but, apart from that, it will, I think, be safe to affirm that it is the desire to evade the payment of a portion of the duties known to be payable at our ports, on a lawful entry of merchandise, that prompts the modification. If, therefore, the presentation of invoices untruthful in respect to those essential elements is as general in our country as so many insist, and if the motive is the evasion of the payment of a portion of the duty required by law, and known to be required, then the inference is indisputable that our tariff law has not the support of the moral sense of the entire community. If a person actually pays one hundred dollars for an article; if he knows, as he is to be presumed to know, that the law requires him to present, or cause to be presented, to our consular and appraising officers an invoice declaring that sum as the price paid, but conceals or withholds the real bill of sale; if he presents, or causes to be presented, an invoice declaring the sum paid to have been only seventy-five dollars, and if the duty is by him known to be fifty per centum of the foreign value of the article, there cannot be much doubt respecting the actual intention with which the change from one hundred to seventy-five was made. The seller would not naturally make the change unless specially prompted thereto.

When merchandise has not been procured abroad by purchase, but has been obtained by gift or finding, or has been manufactured abroad by the importer, there will be a different set of considerations. In such cases our law requires, and has during sixty-three years required, that the invoice shall contain the "actual market value thereof at the time and place when and where the same was procured or manufactured." Over that market value it is possible for two equally intelligent and honest men to differ. Hence the impediments in the way of ascertaining the invoice value, and the dutiable value, of *consigned* goods on which ad valorem rates are to be levied. I considered those impediments in my annual report of 1885, and in my subsequent special communication to Congress.

The law has during more than half a century clearly described what shall be set forth in the invoices of both classes of importations, whether purchased or consigned. The purchaser must honestly declare the

price paid; the manufacturer must honestly declare what he honestly believes was the market value of his fabric when its manufacture was completed, (not necessarily when the invoice was made,) and at the place where (not necessarily the place of the invoice or of exportation) it was manufactured. I have, in my previous communications to Congress, sufficiently indicated my opinion of the pretension that, in respect to staple articles, or articles largely manufactured, the manufacturer cannot form and express an honest opinion of the the market value of his fabric at the time and place when, and where manufactured. He manufactures the merchandise, and sends it to this country for sale, as a venture on his own account. The transaction is a business transaction by a business man. The *time* when the value is to be fixed is the time when the manufacture was completed, and the place is the place of the manufacture. Is it not an arraignment of one's common sense to be asked to believe that the manufacturer cannot form and express an honest opinion of that value? But what shall be said of the manufacturer who makes believe that he cannot form and express an honest opinion of the market value, at the time and place of manufacture, of an article for the making, sale, and delivery of which he has contracted with a buyer?

The two classes of importation are, to be sure, somewhat unlike, in this, that if the United States prosecutes an invoice of purchased goods for declaring the price paid to have been seventy-five when it was one hundred dollars, the proof of "actual intention" to defraud is more simple than when the difference is between the importer and our appraising officers over the market value, at a specified time and place, of an article never actually sold or bought. But simplicity or complexity of proof of "actual intention" before a jury cannot vary the law, or relieve a shipper or importer of the obligation to obey the law prescribing what an invoice of each sort shall contain.

I have been called upon to listen since I became the head of this Department, and have, I hope, patiently listened to representations of the difficulties that foreign manufacturers and other importers experience, or profess to have experienced, in endeavoring to ascertain the real requirements of our invoice law, but I have never been able to sympathize with the pretended difficulties of a shrewd business man who has carefully read the text of that law. I have been told that our law requires, in one sentence in section 2854, "the actual *cost*" to be inserted in the invoice, and in another sentence requires "the actual *market value*" to be inserted; that the two may be very unlike on the same day, and at the same place; and so an honest

importer becomes confused. When I have answered that "actual cost" applies only to purchased goods, and "actual market value" to goods consigned by the maker, the answer has been received as a novel suggestion, although plainly set down in the law. Even some of our own consular officers have professed to be thus confused. I am constrained to believe that, on the part of foreign manufacturers who plead the confusion, it is only to excuse, or extenuate, the unlawful act of invoicing their fabrics at "the actual cost" of manufacture, instead of the value believed by them to have been the "market value" at the time and place of manufacture.

It has also been repeatedly represented to me that as our appraising officers are to ascertain and certify the actual market value, or wholesale price, at the period of *exportation* to the United States, in the principal markets of the country from which the merchandise has been imported; as the collector must levy duty on that value; as the "actual cost" paid by the purchaser may differ from that "actual market value," as the time and place of manufacture will generally differ from the date and place of exportation; as the price of purchase may be unlike the wholesale value on the day of shipment, and as values may have advanced or receded between the day of purchase, or manufacture, and the day of shipment, our law is for those reasons very absurd, as well as unjust, inasmuch as, no matter what the appraised value, the collector cannot levy duty on less than the invoice or entered value. I have been told that if one, improvident enough to pay twenty pounds in London for a hat, presented a true invoice to the collector at New York, setting forth that sum, then even if the appraiser reported the wholesale London price of the hat to have been only one pound, the duty must, under our law, be levied on twenty pounds, or \$96.80. That is true under the last clause of section 2900 of the Revised Statutes. I have also been reminded by importers, in extenuation of their conduct, that while our law requires an invoice to be presented to consular officers setting forth either the price paid at date of purchase, or market value, at time and place of manufacture, of goods consigned by a manufacturer, the Manual of Consular Regulations requires consular officers to declare that the price, or value, in the invoices, "at the time of *exportation*" is correct and true. But with all that, the importer, who is bound to obey the law, has nothing to do, however much it may concern Congress, and it does deeply concern Congress. The law clearly tells every importer and shipper what facts an invoice must contain, and must contain chiefly for the information of our appraising officers.

If the information be genuine, true and honest, the appraiser's work will be easier; but if false, untrue and dishonest, as it too often is, our appraising system will be poisoned and perverted at its fountain. The contents of an invoice and its honesty, must be tested by what the law declares that the invoice shall contain, and not by what importers say or think it ought to contain for their own convenience or purposes. Possibly importers could improve our invoice law, but until Congress shall adopt those improvements, importers should obey the law as it is, and not lead our appraising officers to act on the belief that invoices have been made up in one place and on one theory, when, in fact, they have been made up in another and very different place, and on another and very different theory. The law declares that all invoices of purchased goods shall declare the price paid therefor; but if the invoice presents the importer's idea of the fair value, or the price he ought to have paid if he had made a good bargain, the appraising officer will be misled. The law also prescribes that a manufacturer shall declare the market value when and where the making of the fabric was completed, which may have been in December, 1884, but if he instead declare the value when and where exportation began, which may have been in December, 1886, an intelligent appraising officer who understands his business will be misinformed. I appreciate the condition of the importer if the value in December, 1884, was one thousand francs, and in December, 1886, was only seven hundred and fifty francs, and the hardship, inasmuch as, if the appraising officers should report only seven hundred and fifty francs as market value at date of exportation, the collector must, nevertheless, under section 2900, levy duty on one thousand francs. I appreciate, also, that the practical effect of that section is that when the appraising officers find the invoice value large enough, or even too large, they simply report to the collector "value correct," and do not report the real value. I have heretofore in my communications to Congress emphasized that peculiarity of our law.

A careful consideration of the text of our invoice law, our appraising law, the section (2900) which forbids any collector to levy duty on less than the invoice or entered value, and the ordinary motives of business conduct, will, I think, enable each member of Congress to decide for himself whether or not all, or even a majority, of the great number of invoices annually presented at our custom-houses conform to the law.

It will be of no avail for Congress to modify the invoice law, either for the convenience of our consuls, or of importers, if, when modified, it be not enforced, but is to be again evaded or compromised, because importers think it should be different. The appraising officers will be misled

then, as now. If those officers could only have before them such invoices as the law contemplates and demands, their work would be simplified and made less difficult, but so long as we attempt to levy ad valorem rates, and rates in part ad valorem and in part specific, on such a vast number of articles, and so many classes of articles, I am compelled to doubt the probability of making it certain that each and every invoice will be perfectly legal and truthful.

#### CONSULAR VERIFICATIONS AND CERTIFICATIONS OF INVOICES.

The total cost of our consular system during the last fiscal year was \$900,604.90, and of that sum \$788,501.75 came through the fees levied by consular officers for the verification and certification of invoices of merchandise destined for importation into the United States. During the last twenty-one years the consumers, in this country, of imported commodities have paid over 12 millions of dollars as a tax for consular verification and certification of invoices. That sum thus levied by our consular officers was in effect a tariff tax, and was ultimately paid by the users or consumers of the articles covered by the invoices verified and certified. That sum does not include an additional one shilling and six pence, or 36 cents, levied in London and throughout the United Kingdom for administering an oath, amounting in the aggregate, during the last fiscal year, to not less than \$30,945.96, which were not paid into our Treasury. That oath, and that tax which does not come into the Treasury, are in my opinion, useless, and injurious, and should not be continued, and especially if similar oaths are to be abolished in our custom-houses. In my annual report for 1885, I exposed the levy in London, and in the United Kingdom, of \$1.12 for oaths, in addition to \$2.50 which is permitted by the statute. The exposure, then made for the first time, led to a reform, as will appear in the subjoined Appendix I, p. 260.

No merchandise coming from Europe valued at \$50 can be admitted to entry without a consular invoice, costing, in London \$2.86, which is equivalent to a tax on the merchandise of more than 5 per cent. ad valorem, in addition to the tariff tax. I invite the attention of Congress to this severe exaction. The tax in Paris is only \$2.50, as against \$2.86 in London.

If the fees which are received by our consular officers are divided into official fees which must be covered into the Treasury, and unofficial fees which those officers may retain, nearly all the former are for services in which the Treasury Department is more directly concerned than any other Department. The chief support of our consular system

being the fees exacted for verifying and certifying invoices, I regret that the work for which the consumers of imported merchandise pay, is so inadequately done. It is annoying to custom-house officers that a portion of the work of consular officers, which so directly affects the integrity of the customs revenue, is not always performed by the consul in person, but often in a mechanical sort of way, by a clerk, and he an alien. I dwelt upon this in my annual report for 1885, and I again dwell upon it because of its vital importance to the customs revenue if our present confused and confusing ad valorem rates are not to be abandoned. Our consular system should be forthwith reorganized if those rates are to be longer tolerated. I appreciate the difficulty of finding and appointing, under our present scale of salaries, consular officers who can, and will, correctly appraise in foreign countries, the value of merchandise destined to the United States; but if such appraisal be not well done it were better not done at all, so far as the appraising officers at our ports are concerned.

How can it be well done in foreign ports by consular officers, it will naturally be asked, if they do not see the merchandise; and how in London, Paris, Vienna, Berlin, or Rome can they inspect the merchandise? Much, however, could be done if consuls would themselves do the work, and not trust so much to oaths and clerks; if the consuls would require the seller or the owner of the merchandise to come before them in person, and not permit declarations to be made by one not the seller or buyer, and who knows nothing of the transaction; if the consuls would examine, caution, and admonish those presenting invoices, and explain to them our invoice law; if consuls would refuse to certify an invoice made by the agent of the owner, selected in order to make up an invoice, and keep the real seller in the background; and if our consuls, clearly and correctly comprehending, would clearly and correctly explain our invoice and appraising laws to foreign shippers and manufacturers. But it will, indeed, first be necessary that our consular officers, besides being experts in commercial values, alert and conscientious, shall themselves know accurately what the law is which they profess to expound. Ought we to condemn foreigners, or our own citizens, for ignorance of an intricate and chaotic tariff law, on which our own consular officers could not all pass a successful examination?

I fully appreciate the services rendered by our consular officers in the collection and transmission to Washington of information concerning commercial and industrial affairs, but it must be remembered that the faculties and experience required for the doing of such work as the collating and digest of commercial or industrial news, may be.

and generally are, unlike the special competence, and the practical experience in trade, needed to enable one to test the accuracy of invoice values on a particular day, upon which test our appraising officers so largely rely, and the integrity of our customs revenue so greatly depends.

I invite attention to a communication from the Customs Division (Appendix B, p. 52,) in regard to the admission of articles of small value without a consular invoice.

#### CONSIGNED MERCHANDISE.

In my annual report of 1885, my subsequent report to Congress of February 16, 1886, and my letter to the Senate sub-committee on undervaluations, of February 25, 1886, there is to be found among the communications to me from the special agents of the Department, and customs officers at the several ports, as well as in my own comments thereon, allusions to what is therein described as the "consignment system." The same subject was, in Boston, and in March last, brought to the attention of the Senate sub-committee on undervaluation, by a committee of merchants and manufacturers at that port. (See Appendix H, pages 149 *et seq.*)

The opinions expressed by the special agents, by customs officers, and by Boston merchants and manufacturers, were to the effect that in New York has been, and is now, the warehouse and chief centre in our country of the consignment system, and that its direct influence has been and is most injurious to our national welfare, and especially to our customs revenue.

A consignment system, such as was known in our ports three-quarters of a century ago, and was described to Congress by Secretary Crawford in 1818, (see Ex. Doc. No. 684, 9th Cong., 1st sess., p. vii,) whereby European manufacturers sent hither accumulations of fabrics to be sold at auction or otherwise, on their account and risk, has been, it is said, largely superseded by a system whereby enterprising agents of foreign manufacturers, or dealers, come hither, solicit and accept orders on samples to deliver their fabrics to buyers in our country, at a prearranged price, the duties and all charges of every sort to be paid by the foreign seller. From this system results, say the Boston committee, and results especially in New York, "the greater part of the evils of undervaluations, wrong classifications, and other errors of customs administration, and for which we complain." The system having, in the opinion of so many, grown to such large, and such dangerous proportions, and intimations more or less distinct hav-

ing been made that it had not encountered a vigorous execution of the customs law at our larger ports, I invited the views thereon of the collector at Boston and the naval officer at New York. (See Appendix H, pages 149-53 and page 193.)

This growth of the consignment system in international trade and in relation to our own consular officers as verifiers and certifiers of invoices destined for this country, and to our appraising officers who are to ascertain and report to collectors foreign dutiable values,—has recently assumed an important significance by the official action during the present year of the British Foreign Office at London. Early in February last, several British Boards of Trade complained that, owing to the inefficiency of British diplomatic and consular agents, and the inadequate as well as dilatory publication by the Government of information respecting production and trade in foreign countries, British manufacturers and dealers were supplanted by rivals.

This complaint by British manufacturers and merchants that the functions of British diplomatic and consular agents were too circumscribed in respect to British trade, and that those diplomatic and consular agents were inefficient in doing even the work prescribed by the existing regulations of the Foreign Office, was transmitted to those agents for explanation and report, with the natural result that the arraigned diplomatic and consular officers told the Foreign Office in reply what they thought of British merchants, and of the reasons why competitors are beating them out of the fields where hitherto British traders have been supreme. The controversy resulted in a Parliamentary publication of "correspondence respecting the question of diplomatic and consular assistance to British trade abroad." In these volumes which contain letters from British ministers and consuls scattered all over the world, who are some of them men of eminence and large experience, as well as in the published reports of the Trade-Depression Commission, is most valuable information, bearing not only on the growth of the "consignment system," but on what American manufacturers and merchants must speedily do, and must insist that their Congress shall speedily do, if they would share in the trade of foreign markets. This information demonstrates and emphasizes the fact that in these days of railways, telegraphs, ocean cables, and swift steamships, the foreign trader is abroad with his samples and artful solicitations, and everywhere comes into rivalry with his British competitors, and that if England would recover and preserve on the American continent, in Asia and Africa, the trade which Swiss, Germans, Frenchmen, Belgians, and Italians are rapidly gaining, her manufacturers and merchants must

meekly accept the teachings of their younger rivals, adapt their wares to the fancy and habits of foreign customers, open in foreign countries, warehouses for the exposure of their goods for sale, send out competent and efficient "drummers" who speak the language of the country to which they are sent, give foreign buyers the long credit to which they may have been accustomed,—in a word, that Englishmen must give up the idea that American trade, or any other trade, will come to them as it did to their forefathers, must go abroad and find it, and when found artfully nurse it. In other words, trade, becoming more and more international and world-wide, has taught merchants the lesson which merchants are slowly learning, that the consumer is the objective point to which the seller must adjust himself. Taxation anywhere interposed in the course of trade, suggests to legislators and statesmen a similar lesson which they as reluctantly learn, that the interests of the consumer are the objective point to which laws for the inland or seaport tax-gatherer must be adjusted. The advice of British consuls to British merchants, most emphasized, is this:

*"Meet the wishes of customers, and especially by stating prices in local currency, duty-paid, either at the place of delivery of the goods, or at a neighboring port."*

The facts presented in these most interesting documents bear at two points on the welfare of the United States; one of which is our present ad valorem war-tariff tax system, which requires our consular and appraising officers to ascertain and report foreign values thus made under the strife of international competition, and the other is the promotion of our own export trade. The facts press and push on the question whether or not we, in the United States, shall attempt, by tariff legislation, to prevent the application to our country, by foreigners, of this "consignment system," which our own manufacturers and merchants must vigorously apply in other countries if they would there successfully compete.

The magnitude and importance of the subject will, I hope, justify me in inviting the attention of Congress to extracts from the reports, to which I have referred, of British diplomatic and consular officers, which bear on our own welfare.

Sir Edward Thornton—so long known in this country as the British Minister, who, before coming here, had diplomatic experience in Brazil, and since leaving Washington has had opportunities of observation at St. Petersburg and Constantinople—wrote to the Earl of Rosebery from Constantinople on May 1, 1886:

"Englishmen complain that in Turkey Germans are getting the advantage of them in point of trade, and attribute it to the want of

assistance from Her Majesty's diplomatic and consular officers. For many years past, during my residences on the River Plate, Brazil, and the United States, I have been painfully impressed by the conviction that English merchants are indeed being driven out of the field by Germans; but that the latter attain this superiority, not by protection from their authorities, but by their own unaided and independent energy, by the greater economy of their establishments, and by downright hard work on the part of both chiefs and subalterns."

Consul Bennett, in Brazil, tells the British Foreign Office:

"The Rio Grande trade is now practically in the hands of Germans, who leave no stone unturned to strengthen the position gradually acquired. Not only are German sample-men more frequently seen here than English, but they are a superior class to our own, both commercially and socially."

Consul Bidwell writes from New Orleans of the chance which the recent Exposition in that city gave to British traders, of which Britons did not, but Belgians did, avail themselves; and adds:

"This is the way, in my humble judgment, to make a market. It is the way in which we might have kept and increased that which we once had in this district, but our trades do not seem to understand that the day in which the manufacturer or the wholesale house might wait at home to be dealt with has passed. The producer must now go out and meet the retailer more than half-way, or he will be intercepted by some more enterprising rival. An American lock gains a gold medal at the "inventions," and is sold freely in the city of Chubb and Bramah! During a recent leave of absence I met a gentleman who has eight agencies for the sale of American goods in England, and he can be met in Long-acre with orders for American carriages and carriage materials in his pocket. The fact that there is nothing about the New Orleans of to-day to render it impervious to foreign goods is proved by the establishment of the Belgian agency, and the success which it has met with; I therefore venture to repeat what I wrote in March, 1884, on the subject of the World's Cotton Centennial Exposition, and which applies, I think, to the present:

"The intending exhibitor will do well to give up preconceived ideas as to what will suit the American market. The time in which expense and grandness were the principal qualities looked for has passed. For every one person who had the means and taste to buy objects of decorative art, or who appreciated art in the shape or coloring of common things ten years ago, they now are 100."

"Writing especially of this city and the South generally, 'I recommend display of the following articles in the best designs and at all prices: China and earthenware, table and bed-room services, furniture of all sorts, table decorations, wall papers, hangings, carpets, rugs, house decorations and ornaments, oleographs, prints, &c., and kitchen and dairy utensils; all sorts of printed calicoes, cretonnes, chintz; all sorts of fine cutlery, toilet articles, dressing case and bags (mounted,) work-boxes and fancy stands, screens and holders; all sorts of sporting (shooting and fishing) tackle, garden ornaments, window-gardening materials, tents and awnings, stable fittings and utensils, school furniture and appliances; designs for street pavement, cleaning, and drain-

age, drainage pipes, traps, valves, tanks, &c. ; cotton carding, spinning, and weaving machinery, machine-tools, hospital furniture, (surgical appliances, not instruments,) and steam cranes and winches for loading and discharging ships from the wharf."

Consul Merlin says of the trade of the Piræus in Greece:

"For one English commercial traveller in the Levant there are twenty Germaus and Frenchmen.' \* \* \* No orders, Mr. Merlin says, are too insignificant for the German commission houses; the German and Austrian manufacturers give long credits, while English firms only do so in isolated cases. 'They are also more careful in executing orders and according credits, and a general system is established on the continent of obtaining information respecting the means and standing of small tradesmen. In fact, judging from what is taking place on a small scale in Greece, the trade of the Levant appears to have passed from Englishmen to foreigners. The old Levant houses have disappeared, and British enterprise with them. The truth is, the French, Germans, and Italians adapt themselves more easily to their foreign surroundings than Englishmen, who, as a rule, expect foreigners to submit to them, and be guided by their fixed methods of doing business, without which no transactions are thought possible.' \* \* \* To sum up, foreigners have taken away our Levant trade, says Mr. Merlin in effect, because we have no commercial travellers, no organization for ascertaining the credit of our customers, no enterprise, and we expect people to buy what we sell, not what they want, in our way, not in their own."

Consul Leats Browne, at Genoa, tells the British Foreign Office:

"It is notorious that German and Swiss manufacturers take far more trouble than we do in these things; that when they take their holidays they come not to see sights and spend their money in buying doubtful antiquities, as many of our wealthy manufacturers do, but to employ part of their time in making the personal acquaintance of their correspondents and looking into business with their own eyes. \* \* \* 'The prevailing impression here is,' pursues Mr. Leats Browne, 'that our people are too grand for the present times of keen competition, and have the air of replying to any observations in a "take it or leave it" spirit, which is far removed from the tone of their rivals and is out of keeping with the present state of business relations between producers and their customers.' Again, in warning our merchants of the danger of losing the cloth trade altogether, he writes: 'I am often told that we seem to make just what best suits ourselves and expect the "foreigners" to adopt their tastes accordingly. This might do when we held almost a monopoly of capital and of undertakings on a grand scale, but is no longer suitable, now that in all countries there are great establishments competing, not only for home, but for the foreign trade also.' We are being supplanted in a score of things by the Germans, for 'in all ways they take far more trouble than we do to acquire a thorough knowledge of this market and to adapt themselves to its wants.'"

The British consul-general at Shanghai declares:

"German and American manufacturers have, it has been noticed, been far more alive to the necessity of keeping their agents well supplied with musters or models of the articles they are anxious to supply.

and giving them the fullest information in regard thereto. In several cases at least the foreign article which could be shown has been accepted in preference to better and cheaper articles which the British agent was only able to describe. It would, of course, necessitate a certain expenditure to establish and maintain these show-rooms; but they would, in my opinion, repay the cost; and the establishment of a museum at home of articles in common use in China would be of equal utility, in that it would enable manufacturers at home to see for themselves what they are called on to supply, or in many cases to supersede."

From Reunión, in the Southern Ocean, a British consul reminds his countrymen:

"As a matter of fact, formerly the British trader had only to open his mouth for plums to drop into it. There is no disguising that now this happy state of things is at an end, and that it behooves us to look about and see how other nations are competing with us. I find that shopkeepers in these days of competition will not go in search of goods. Samples must be brought to their doors for them to select and give their orders, the same as in England."

The British consul at Corunna says that:

"Some resistance is still observable on the part of English houses to quote prices in currency, duty-paid, placed in inland towns on easy terms of payment, all of which tend to transfer business to other hands.' As Mr. Crawford, the consul at Oporto, puts it, 'English manufacturers rely on long traditions of success, and often disregard the fact that to hold their own they must exhibit the same qualities as did those who built up English trade.'"

It may be safely assumed by us in the United States that, if Belgians, Swiss, Italians, Frenchmen, and Germans are thus fiercely competing with Britons, and with one another, in South America, Mexico, Europe, Asia, and Africa, they are, all combined, pushing their wares into our own markets, establishing here warehouses of their own, and availing themselves of the advantages of our customs bonded stores. Here are many millions of enterprising and wide-awake men and women who are seeking to buy at the lowest price, the necessities and the luxuries of life, of such character and quality as they require. Even those who demand the maintenance of our war-tariff taxes are among the numbers whose demand for foreign fabrics is the cause of their importation, and of the modern "consignment system," which has intensified the competition that hammers down prices. It is from the Republic of Switzerland, without seaports, and almost without custom-houses on her frontiers, that come to us ribbons, silks, and other fabrics, which, under the "consignment system," so pester our consular and appraising officers. Can the application of that "consignment system" be prevented, or shall not Congress the rather recognize, accept, and deal with it by a more intelligent tariff law? I respectfully commend to Congress, in that rela-

tion, the letter addressed to the chairman of the Committee on Ways and Means, on June 14, 1886, by the First Assistant Secretary of the Treasury, Mr. Fairchild.

The description of duty levied, and the values of the merchandise on which it was levied, during the last fiscal year, were these :

RATES.	Values on which collected.	Amounts of duty.
Specific, (simple).....	\$202, 733, 702	\$99, 751, 638
Ad valorem, (simple).....	168, 176, 052	58, 414, 549
Compound :		
Specific.....	42, 868, 301	14, 289, 208
Ad valorem.....		
Total .....	413, 778, 055	188, 533, 171

The respective amounts of ad valorem and specific duty collected on dutiable merchandise were, therefore, as follows, making due allowance for immaterial errors of computation :

Specific .....	\$114, 040, 846
Ad valorem .....	74, 492, 325
Total .....	188, 533, 171

APPRAISEMENT.

Whether or not there are now undervaluations of merchandise paying ad valorem rates computed on foreign values, which undervaluation can be fairly described as general, is a question to which I have given much inquiry and consideration. It is the question of questions, if our existing contrivance for levying and collecting our ad valorem rates on such a multitude of enumerated articles, and vast numbers of other articles not specifically enumerated but classified under general terms and phrases in the law, is to be continued. One hears of the suggestion frequently made to buyers by sellers in the large European cities of articles destined for our ports, that “*of course* an invoice containing lower prices will be specially prepared for the custom-house ;” and one hears also of *commissionaires* in those cities who do a thriving business by making purchases for our citizens, preparing and swearing to false invoices which contain prices less than those actually paid, and sending the articles and invoices to the agents in our ports of those *commissionaires*, which agents pass false entries through the custom-houses. One also hears that business-men in our ports systematically cause their purchases to be sent to an agent of their own at the centre of shipments, who presents an invoice to the consular officer. What is probable about the existence of such illegal transactions ?

But on the other hand the record shows that of 319,801 invoices certified abroad by our consular officers during the last year 275,234 were presented at the ports of Boston, New York, Philadelphia, and Baltimore, and by the collectors sent to the proper appraising officers. Out of the sum total of these last-named invoices 256,369 were by the appraisers reported "value correct," which does not imply that the invoice or entered value was absolutely correct as dutiable value, but was sufficient; only 18,865 were advanced by the appraisers, (by what actual percentage I do not know,) and only 1,740 were advanced more than 10 per centum.

The record for each of these four ports is this:

<i>Boston.</i>	
Whole number.....	36,371
Advanced by an unknown percentage.....	1,438
Advanced more than 10 per cent.....	79
<i>New York.</i>	
Whole number.....	220,023
Advanced by an unknown percentage.....	16,927
Advanced by more than 10 per cent.....	1,587
<i>Philadelphia.</i>	
Whole number.....	14,522
Advanced by an unknown percentage.....	346
Advanced by more than 10 per cent.....	62
<i>Baltimore.</i>	
Whole number.....	4,718
Advanced by an unknown percentage.....	154
Advanced by more than 10 per cent.....	12

Out of the total number at these four ports sent to the general appraiser for reappraisal, the advance was sustained on only 300 invoices.

I submit these facts for such inference as Congress, and the business men of our country, may make.

My own inference is, that if the invoice slips unchanged through the scrutiny of the consular officers, it is too likely to be passed by our appraising officers as "value correct," and that such a general result is inherent in ad valorem rates based on foreign value.

I do not wish to be understood as condemning our appraising officers for inattention, or anything even more culpable. It is the design of the law to levy ad valorem war taxes upon so many imported articles that is chiefly to be blamed. The appraiser at the port of New York, Mr. McMullen, has the deserved praise of his colleagues of all grades, but he is only the chief supervising executive among the local appraisers, and is not expected to personally appraise each article. Imported articles of the value of more than 412½ million dollars were submitted to his supervision during the last fiscal year, under circumstances of inadequate rooms, bad light, and altogether insufficient accommoda-

tions, to which I earnestly invited the attention of Congress in my annual report for 1885. For this colossal labor and responsibility Mr. McMullen's annual salary is only \$4,000. Our appraising officers are not practical experts in foreign values, who have knowledge thereof by personal presence and experience in foreign markets. No matter how selected, or by whatever contrivance of competitive examination, their knowledge of such values must be mere hearsay, if they have never visited foreign markets, or, having long since visited those markets, their lives since then have been continually in our own market. It is foreign values, not home values, they are to ascertain. The facts on which their reports to collectors must be based are by appraising officers to be gathered from abroad. How, and by whom? By our consuls, or by keeping touch of current arriving invoices which may be false, or by inquiry in our ports of importers of similar articles?

The attention of Congress, and the country, is invited to the significant fact that so very few, if any invoices, have been presented to district attorneys by collectors at New York, or elsewhere, for prosecution because made with actual intention to defraud the revenue. What inferences shall be drawn therefrom?

Section 2902 of the Revised Statutes is mandatory that appraisers shall "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, and in the principal markets of the country whence the same has been imported into the United States, and the number of yards, parcels, or quantities." The theory and purpose of that section, and all the sections of the law, are that the packages sent by the collector to the appraising warehouse shall be opened, their contents all displayed, examined, and valued as by a prudent purchaser who proposed to invest his money in the purchase thereof. My belief is, that by reason of the great and annual increase of the volume of importations, as well as the inadequacy of the premises wherein that opening, display, examination, and appraisal must now be done, and especially at the port of New York, and the mode of selection, the salaries, and competence of the examining and appraising officers, our appraising law is not executed according to its theory and purpose, and cannot be applied faithfully to so many articles as are now submitted to ad valorem or specific rates. The actual situation is, in my opinion, full of serious peril.

My attention has been called to the report presented in March last by the committee on legislation, appointed by certain merchants and manufacturers of Boston to the Senate sub-committee on undervalua-

tions, which comments on section 2900 of the Revised Statutes in these terms:

"1. It will be seen that the law at present merely permits the appraisal. It says: 'The collector *may* cause such actual market-value or wholesale price to be appraised.' And your committee are informed that in practice, unless there is some cause for suspicion, the invoice is *often* taken as correct *without any investigation*. It seems clear that there should be an appraisal separate and distinct from the invoice in all cases, and that actually appraisal should not be, as at present, optional with the collector, or the appraising officers."

I am at a loss to understand how one who had examined the sixth chapter of the thirty-fourth title of the Revised Statutes, especially section 2906, and the General Treasury Regulations, could have erected such a superstructure of criticism and arraignment of public functionaries in this Department, upon the use of the word "*may*" in that section. I am equally at a loss to understand why those who revised the Federal statutes in 1873 substituted "*may*" for "*shall*" as used in the seventh section of the law of 1865, which section 2900 of the Revised Statutes purports to reproduce. A very cursory and superficial glance at article 478 of the General Treasury Regulations should have convinced the most captious critics of this Department that the collectors had, and have, no discretion, but are commanded to require *all* merchandise paying ad valorem rates to be appraised by an examination of the requisite number of packages.

Many of the criticisms made by local customs officers, and others, on the practical effect of the law of June 22, 1874, (chapter 391,) I look upon as superficial. The real influence of that legislation is set forth in the letter addressed to me by Mr. Justice Blatchford, a copy of which is given on pages 868-70 of the Appendix to my annual report of 1885 on the "Collection of Duties." That law is well enough if customs officers will be vigilant in collecting the facts showing an actual intention, and those facts are sufficient, and seizures are made. An importer should not be deprived of his merchandise, unless, in the opinion of the jury, he intended to defraud the revenue. Under that part of the customs law which levies an additional tax of 20 per cent., if the appraised value shall exceed the invoice or entered value by 10 per cent. or more, the importer can be deprived of one-fifth of the value of his property without any allegation or proof of unlawful intention. Is not that sufficient? The law requires an importer to declare in his invoice the price paid; to enter his merchandise at not less than that price; to add to that price if he deems it not up to the dutiable values; punishes him if he omits to add; and finally forbids the collector to levy duty on *less* than the entered value, even though the appraiser may say that value is excessive.

## REAPPRAISEMENTS.

The belief is quite general that our laws for regulating reappraisements must be modified, and I share in that belief. I dwelt upon the need of that modification in my annual report for 1885; (pp. xxv to xxxii,) in my special report to Congress of February 16, 1886, (p. xxxix,) and in my letter of February 25, 1886, to the Senate sub-committee on undervaluations, but no action was taken by Congress at its last session. In my special report to Congress of February 16, 1886, I said :

“The tendency of my thoughts in respect to reappraisements at the port of New York is to advise appropriate and particular legislation for that port. The appraising system is not now, and never has been, the same in all the collection districts. In those wherein entries are few, and little duty is collected, the collector, or naval officer, as the case may be, is an appraising officer. Even in the larger ports, like Boston, or Philadelphia, or Baltimore, where the business is very much less than at New York, the arrangements of the appraising force are different from those existing at the last-named port. It will be well, I think, to create a reappraising board at the port of New York to consist of three general appraisers, competent for the important work, and with sufficient salaries. The board should consist of three instead of two, so as to prevent probability of disagreement as when the board consists of only two. The decision of this board should be final, so as to relieve the collector of the reappraising work which is now thrown upon him. I do not think that abandonment of the present plan of selecting a merchant to be a member of the reappraising board will work injustice to importers or consumers, or to the Government. It will be within the discretion of Congress to make the tenure of office of the members of this board such as may be thought best. They can be nominated by the President and confirmed by the Senate, as are justices of the Supreme Court, and judges of all the other Federal courts. Federal judges sitting in admiralty decide mixed questions of law and fact without the intervention of a jury, and I see no reason why executive officers may not, as reappraisers, be intrusted with functions not more delicate, or important.”

I do not deem it necessary, or advisable, that the reappraising system now applicable at ports, and in collection districts, other than New York, shall now be changed, and a board of reappraisers consisting of a large number of members shall now be created with a jurisdiction covering the whole country. Our reappraising system has been the growth of sixty-three years. In 1823 the reappraising board consisted of four members,—two appointed by the United States, and two respectable resident merchants, employed by the importer “at his own expense.” There could be a second appeal to the head of this Department. In 1842, the reappraising board was made to consist of “two discreet and experienced merchants” selected by the Collector. In 1851, general appraisers were created, and it was ordained that one of them, and “one discreet and experienced merchant,” selected by the

collector, should make reappraisements, and if they disagreed the collector should make a final decision.

It is to be remembered by Congress that, when all the forms of law have been complied with, and a dutiable value for ad valorem rates has been thus declared, there is not power in the Government, either in its executive or its judicial department, to change that *value*. The *classification* of merchandise for the application of the rate prescribed by Congress, as well as determination of the *rate*, is the work primarily of the collector, (advised in practice by the appraiser,) with appeal, under a protest in due form, to the head of this Department, and a judicial trial of questions of classification, rate, or amount if the importer shall feel aggrieved. Hence, the solicitude and aim of Congress, heretofore, to give to the importer a representation on the reappraising board, which will, under section 2900 of the Revised Statutes, not only fix the sum on which the rates shall be computed, but may, in effect, confiscate in addition a sum equal to one-fifth the whole value of the merchandise thus ascertained.

I can but call the attention of the present Congress to that aim and solicitude, and to the inquiry whether it will not be more prudent to begin by tentatively applying a different system only at the port of New York, and whether any plan shall be generally applied throughout the country which shall tend to alienate business men, and the commercial classes, any more than one, occupying the position which I now occupy, is constrained to feel they are now alienated from our tariff rates, and the rules and regulations for their levy and collection. By business men and commercial classes, I do not merely include those who actually make entries at our custom-houses, and are importers in a strict use of that term. My official experience has convinced me that those who are actual importers, who pay the duties levied, who reimburse themselves for duties paid by including them in the price paid by purchasers, which duties ultimately fall on the users or consumers of the imported articles, do not, as a rule, importune for a reduction of rates, unless it be that the merchandise has been sold "to arrive" at a price fixed on an estimate of duties which has been increased on entry. An importer, pure and simple, who is only a middle-man between the producer and consumer for the reception and sale of the merchandise, may, indeed, be benefited by ambiguous rates of duty in a tariff law if he sells on the basis of the higher rate, and the collector inflicts it, and the Federal courts shall decide a lower rate to have been the legal rate, because in such a case the importer will, as Assistant Secretary Fairchild so pertinently says in his accompanying report, not only have reimbursed himself from the buyer, but he will receive

the refund which the judicial power decrees, and he will not pay it to the purchaser or to the consumer. It is the consumer, and not the importer, who suffers from our mercilessly ambiguous tariff rates. I concur in the opinion expressed by Assistant Secretary Fairchild to the effect that it is, and has been, the protected manufacturers who, having the benefit of ambiguous language used by Congress in prescribing rates of duty, come to the Treasury Department, and urge the infliction of the highest possible rate upon the consumers, thus encouraging customs officers to exercise the functions of legislators, and thus promoting suits by importers, which, when those suits reach the courts, are generally decided by the setting aside of the highest rate as unlawful. But, meanwhile, the domestic manufacturer and the importer are enriched, and the consumer impoverished.

I advise the enactment of the following section:

SECTION — There shall be appointed, by and with the advice and consent of the Senate, three appraisers of merchandise imported into the port of New York, who shall be called general appraisers, and shall each receive an annual salary of five thousand dollars. It shall be the duty of such appraisers to conduct and make, according to law, all reappraisements of merchandise imported at the port of New York, under such regulations as the Secretary of the Treasury shall prescribe for their government. Their decision on such reappraisement, or that of a majority of them, shall be final and conclusive, and the value thus determined by them shall be deemed to be the true value, and the duties shall be levied thereon accordingly: *Provided, however,* That the duties shall not be levied on less than the invoice or entered value.

#### FINAL ASSESSMENT AND COLLECTION OF DUTIES.

For information in regard to that portion of the customs service at our large Atlantic ports which has to do with the taking possession of arriving vessels, the entry of the merchandise conveyed therein, the discharge of cargoes, the warehousing thereof, or cartage to the appraising stores, the separation of free from dutiable goods, the work of weighers, measurers, and gaugers, the liquidation and payment of duties, and final delivery of the merchandise to the owner, I refer the Houses of Congress to the subjoined documents. It is gratifying to feel assured that during the last year no defalcation in the receiving and depositing in the sub-treasuries of nearly 200 millions of dollars has existed, excepting in the item of \$6,000 collected as duties on articles brought hither in the mail-bags. The expense of collecting the customs revenue was, in comparison with the fiscal year ending June 30, 1885, diminished during the last fiscal year by nearly \$570,000. The number of persons employed at 136 ports, or places, has been reduced in the same period from 4,527 to 4,347. In the report by the

Division of Special Agents will be found a comparative statement in detail for 1885 and 1886, of the number of persons employed, and the cost of collecting the customs revenue in each collection district.

#### PROTESTS AND APPEALS.

In my last annual report for 1885, and in the special communication to the House of March 23, 1886, I commented on the unsatisfactory condition of the execution of the law regulating protests, their examination, and reports thereon to this Department. On March 13, 1886, I prepared and promulgated a new rule, the working of which has been salutary, but like all reforms in rules of procedure, this new rule requires to be enforced by efficient and conscientious local officers. One of its objects was to bring the naval officer under a larger share of labor and responsibility in the examining of protests and reporting thereon. Assistant Secretary Fairchild yet finds "a difficulty in the partial presentation of customs questions upon appeals." That should not be if local officers are vigilant and vigorous in enforcing section 2931 of the Revised Statutes, and especially if it shall be amended as proposed by bills pending in the House. That section declares that the protest shall set forth "*distinctly and specifically*" the grounds of the importer's objection to the liquidation of the entry. The forms of protests given on pages 181 to 190 of the subjoined documents are, one or two of them, so absurdly illegal that one is at a loss to understand why they have not long ago been suppressed by the proper action of the collector and naval officer. If a protest be not specific and distinct, it does not conform to the law, and should be treated as a nullity, and the circumstances reported to this Department. The real difficulty inheres largely in the fact that too many collectors and naval officers do not examine protests, but leave that most important work to subordinates who are unsuited to such responsibility. No work in our custom-houses is now more important, even if as important, and it is now very imperfectly done. If the collector shall treat as valid none but distinct and specific protests, if he and the naval officer will thereon carefully revise the liquidation complained of, and, should the liquidation be sustained, if he will fully present on appeal all the facts and all the law to this Department, much of the evil commented on by Assistant Secretary Fairchild will disappear, provided the rule be enforced of deciding, in the interest of the consumer, against the highest rate when Congress has spoken in ambiguous language, and the real intention of the lawmakers is fairly in doubt.

Although no statute change has been made in rates of duty since 1883, the number of protests served on the collector at the port of New

York between October 1, 1885, and October 1, 1886, against exactions of money as duties claimed to have been illegal, was 15,123, and between October 1, 1884, and October 1, 1885, was 22,441.

During the first-named period 4,800 appeals came to this Department from the decision of the collector of New York, in which the decision of the collector was reversed on 200, and sustained on 4,600. The character of those protests will be found described in Appendix E, p. 67 *et seq.*

#### SUITS AGAINST COLLECTORS.

Between October 1, 1884, and October 1, 1885, there were begun by importers 684 suits against the collector at the port of New York for duties illegally exacted, wherein was claimed \$7,048,894.68, of which it is estimated that only \$551,787.52 were for excess of duties levied on coverings; but between October 1, 1885, and October 1, 1886, there were begun against the collector of the same port 1,120 suits, whereof 649 were for excess on coverings. The total sum claimed in all the 1,120 at the port of New York is represented to me to be \$4,314,735.67; of which it is conjectured that \$1,182,298.15 are for coverings. I present in an Appendix all the information respecting those suits that I have been enabled to obtain.

In a special communication to the House of Representatives dated March 23, 1886, I gave (p. 43) the number of suits then pending in the southern district of New York against the collector, and virtually against the Treasury, as 2,220; the total amount of principal claimed therein as over 11½ millions of dollars, and of interest thereon (p. 53) at that date as nearly 3 millions, making, in all, \$14,398,085.86. Since December 31, 1885, there has been an addition to the number of suits of 1,161, and to the total sum claimed of about \$4,263,430.33.

The attention of Congress will, I am sure, be arrested by the fact that between October 1, 1885, and October 1, 1886, only 31 days were by all the Federal judges, sitting in the southern district of New York, given to collectors' suits, and only 35 suits disposed of. In Appendix H, pages 225-6, will be found the record as furnished to me by the district attorney. The last-named officer is quite correct in describing this augmented, and annually augmenting, list of untried suits as "appalling," and not the least among the causes of disquietude is the fact that the importer cannot obtain a judicial examination of his claim, as pledged to him by section 3011 of the Revised Statutes, nor can the Treasury present its defence, bring the controversy to an end by discontinuance, or any judicial methods, and stop the running of interest at the rate of six per centum at a time when the Treasury could borrow money at even less than one-half that rate.

The magnitude of these suits gave me great solicitude when I came to a knowledge of them soon after March, 1885. I caused a thorough inquiry into their condition and the sums involved. I endeavored by every means in my power to cause to be made a vigorous beginning of judicial trials of them, but without results at all satisfactory. The replies received from New York, and from the Department of Justice, were that the resources of the Federal judiciary in the second circuit were inadequate. On March 23, 1886, in reply to a resolution of inquiry from the House of Representatives, I transmitted a list of the pending suits, estimated the total amount of the principal of the claims and the interest thereon, and urged the immediate creation of another circuit judge in the second circuit, who could give all his time to these suits, and new ones of similar character, in aid of the other judges, who should also hold, when possible, and at the same time, terms of the court with a jury for the same purpose. On May 6, 1886, the Judiciary Committee of the House approved my recommendation, and submitted a bill with an accompanying report, in which it was said—

“In a letter of March 23, 1886, to the Speaker of the House of Representatives, the Secretary of the Treasury suggested the immediate enactment of a law authorizing the appointment of an additional circuit judge in and for the second judicial circuit.

“This recommendation was accompanied with statements from officers of the United States which show that the present judicial force in this circuit is entirely inadequate to dispose of the business coming before the courts.

“A concise statement of the facts will demonstrate the necessity of the legislation recommended by the Secretary of the Treasury in this regard.

“Of the 29,308 suits pending in all the United States courts on the 1st day of July last in which the United States was not a party, 12,810, or about 44 per cent., were pending in the second judicial circuit. Of the 3,805 suits in which the United States was a party, pending, terminated, and appealed in all the United States courts during the same time, 879, or about 23 per cent., were pending, terminated, and appealed in the second judicial circuit.

“Of the suits against collectors of customs of which the United States circuit court only has jurisdiction, about 2,300 are now pending in the second judicial circuit which were brought prior to December, 1885, to recover \$11,519,258.69 claimed to have been illegally exacted by the collectors of customs as duties on imported goods, designated by the Secretary of the Treasury as ‘old suits.’

“Of the 825 suits brought against collectors of customs during the year ending June 30, 1885, in the courts of the United States, 645, or about 75 per cent., were brought in the second judicial circuit, in which \$5,466,020 was claimed as illegal exactions of duties on imported goods.

“Of the 768 suits reported by the United States attorneys as brought against collectors of customs in all United States courts since January 1, 1886, 716 were brought in the second judicial circuit.

“While this large number of collectors’ suits are thus being continually brought in this circuit, a report of the clerk of the circuit court made November 17, 1885, and accompanying the Secretary’s letter, conclusively shows the inadequacy of the judicial force in this circuit. In this letter it appears that from April, 1882, to April, 1885, the circuit court could allow for the trial of collectors’ suits but 105 days, during which time it was only possible to try 58.

“The committee, recognizing the urgent need of an additional judge and more frequent terms of the circuit court in the second circuit, report the accompanying bill and recommend its passage.”

The pressure of other business prevented a consideration by the House of this needed reform. The consequence is exhibited in this report and in the accompanying documents. I again most urgently present the subject to the early consideration of Congress, with the suggestion that the bill presented by the Judiciary Committee to the House be amended by striking out all after the first section, in order to rid the proposition of every debatable question excepting the single question whether or not an additional circuit judge shall be created with the same power, jurisdiction, and salary in the second circuit, as the present circuit judge has. The collectors’ suits now pending and those annually begun will for a long time occupy all the resources of the Federal judiciary in that circuit when a new judge has been added, and, apart from collectors suits, a new judge is needed, as I am told, for other business. If a new judge can be immediately appointed, and immediately begin work, the whole customs service will, for reasons set forth in my annual report for 1885, feel the resulting beneficial influences.

The interest accruing on these untried suits, many of them begun a quarter of a century ago, and since pending, is very large. For a portion of the time the rate of interest recoverable by law on a judgment in favor of the plaintiff has been seven and is now six per centum. In the few suits tried, or in which judgment has been entered, in 1886, the intimation of the Supreme Court in the case of *Redfield vs. Ystalyfera Iron Co.*, in respect to interest, has been vigorously urged by the district attorney, but the facts proven have been sufficient in those suits to deny the allegation by the district attorney that the plaintiffs had been guilty of laches in prosecuting their suits, and so not entitled to interest. In a judgment recently recovered by the plaintiffs for an excess of duty levied under the tariff law of 1857 on mousseline-de-laine, and paid by the Department after the opinion of the district attorney that further resistance on the facts would be useless, and of the Attorney-General that there was no fault in the law as ruled on the trial by the court, the principal sum was \$44,648.35, and interest and costs were \$84,390.52. In that suit the whole question of laches and the defendant’s liability

for interest was retried after the verdict, and before the entry of judgment.

The suggestion made by Assistant Secretary Fairchild that, in collectors' suits, the rate of interest, to be allowed and recovered as a part of the damages for the unlawful exaction and detention of the money, be no longer, or in future suits, left to be decided according to the law of the State in which the suit shall be begun, but that a national and smaller rate be fixed by Congress, deserves immediate consideration, if Congress will provide adequate judicial force for the prompt and speedy trial of the suits. But if an importer cannot bring his suit to trial because there is no court to try it, it will be unjust to compel him to receive less damages for the detention of money than is given by the law of the State within which it was illegally exacted. The critical question always is this: Was the money illegally exacted?

The subject of claims, or suits, against collectors for money exacted in excess for duties on imports is naturally divisible into two parts. There are the pending suits, and there is the question whether or not new suits of such a character shall be permitted. The law can say that in the future the rate and amount of duty levied by a collector, and approved by the head of this Department, shall not, by anybody or anywhere, be questioned, any more than dutiable value when fixed by the appraising officers. Congress could, probably, take away from the courts jurisdiction of pending collectors' suits, could forbid the head of this Department to pay any final judgments hereafter recovered by plaintiffs. Congress could repeal all laws authorizing the Secretary of the Treasury to pay the principal of claims, or judgments, under the recent Supreme Court decision on coverings, and refuse further appropriations to repay money heretofore exacted illegally from importers. All that, in regard to the past, is possible for Congress, in the sense of mere power, but is not probable.

The customs service is not exempt from the tendency of power, and especially arbitrary power, to increase and intensify itself. The average customs officer will, in the course of time, if not closely supervised by his superiors, fall, insensibly to himself, into the habit, in levying taxes, of giving to the Government, and not to the tax-payer, the benefit of doubt, as to classification or rate, where Congress has not spoken distinctly, and in the end may become an unreasoning partisan against the citizen. What is true at the several ports is true at the Treasury Department, where it is impracticable for the Secretary, or the Assistant Secretary assigned to the supervision of customs officers, to critically and personally examine the details of every question presented

by the local officers of 136 collection districts. Reliance must in some measure be placed on the scrutiny of heads of divisions and their subordinates. Hence the invaluable service, in the treatment of ambiguous phrases used by Congress in prescribing our tariff rates, of the calm and impartial judgment of courts and juries.

I should deem a proposition to make final and conclusive, as against the judicial power, executive decisions respecting the rate and amount of duty on imports, unjust to importers, and injurious to the Government because tending to make such taxation unpopular and odious. One of the reasons why our appraising law is so unacceptable is that the citizen who feels himself aggrieved has no remedy by executive or judicial appeal. We now levy, or attempt to levy, duty on 4,200 different articles, even counting all general classes or groups, such as "all other manufactures of iron," or "philosophical apparatus and instruments," as one article; we thereby collect about 190 millions of dollars annually, and I can see nothing but benefit and protection for the Government, the people, and the consumers of those imported articles, in the laws which subject customs officers, and this Department as well, to most alert and even contentious scrutiny by importers and their attorneys, carried on in the Federal Government's own courts, an essential part of which is a decision of questions of facts by a jury, and questions of law, on needed occasions, by the Supreme Court.

In the presence of the large arrear of collectors' suits in the southern district of New York, which is rapidly increasing from month to month and year to year, plans of relief have been suggested, on some of which I have taken advice and have carefully considered the same. One plan was formulated by the Tariff Commission, and, with modifications, was presented in the House on April 19, 1886, during the last session, and published as "H. R. 7982." It constitutes a "court," to be known as the customs court of the United States, to consist of a president judge, and not less than two or more than four associate judges, (at least one of whom shall be a customs expert, and shall have had at least ten years' experience in the customs service,) who shall be appointed and qualified, and hold their offices in all respects as the other judges of the courts of the United States, with a jurisdiction extending over all questions arising under the laws of the United States imposing customs and tonnage duties which have heretofore been the subject of protest and appeal to the Secretary of the Treasury, and which shall include all questions of classification and rates of duty on imported goods, wares, and merchandise, and the mode of determining said rates; and provides that the decision of said court as to all such matters shall be final and conclusive. It provides also that the said court shall, so far as the same

may be necessary to the exercise of its jurisdiction, have the same power as the circuit courts of the United States to issue writs, processes, and subpoenas, and compel the attendance of witnesses; to issue commissions to take testimony; to impose and administer judicial oaths; to compel the production of books or writings, in the possession of parties or others, which contain evidence as to any matter pending before it; to issue attachments and executions to enforce its judgments and decrees; to punish by fine and imprisonment for contempts of its authority; and to make rules and regulations for the transaction of its business; and that such powers shall in all respects be subject to the same limitations and restrictions as in the circuit courts.

I am advised that the foregoing functions, if given by law to such a customs court, will confer on it "judicial power," and make it one of the "inferior courts" mentioned in the first section of the third article of the Constitution. The second section of the proposed bill declares "that whenever, in the opinion of the President of the United States, the accumulation of business existing at the date of the passage of this act shall have been disposed of, and whenever it shall appear to him compatible with public interest, he shall have power to revoke the appointment of either one or two of said associate justices, whose term of office shall thereupon cease." I am advised that if the proposed court is to exercise judicial power under the Constitution, then each of its members, duly appointed, must be permitted to hold his office "during good behavior," unless there be power to abolish the entire court after it has been created.

Another section declares:

"That any suit now pending in any circuit or district court of the United States for the recovery of duties claimed to have been unlawfully exacted or not to have been fully paid as required by law, may be removed to the court of customs created by this act, *on the motion of the attorney for either party to such suit*; and in that event all papers and pleadings relating to said suit shall be transferred and delivered to the clerk of the court of customs hereby created, and the United States shall be substituted in place of the officer by or against whom the suit shall have been brought."

If that section were enacted, then the district attorney at New York, or the defendant's attorneys, could by a motion oust the Federal circuit court of its present jurisdiction of collectors' suits, and transfer them to the new court. But in 1845, and again in 1873 by section 3011 of the Revised Statutes, every person, having done certain things therein set down, "may maintain an action in the nature of an action at law, *which shall be triable by jury*, to ascertain the validity of such demand and payment of duties;" and I am advised that the "action

at law," ever since used in these suits, makes the collectors' suits to be the "suits at common law" specified in the seventh article of the amendments to the Constitution, wherein, if "the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." That right to a jury, being for the benefit of litigating parties, may be waived by them, as I am advised, but cannot be taken away from them against their wish and will, nor can Congress, or the Federal courts, compel a peremptory non-suit against the will of the plaintiff, or a trial by a referee against the will of either party, and, furthermore, I am advised that it is very doubtful whether or not the Supreme Court can review a decision made, both parties consenting, by a referee in a collector's suit.

If I have been correctly advised, the proposed law would, if enacted, be unconstitutional.

Among the general considerations suggested in my annual report for 1885 on this subject were the following :

"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 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 immediately reconsider the liquidation in the light of the protest. In practice, however, that important work of considering the protest, and of redécision 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."*

If there is to be in the future any appeal of any kind from the executive to the judicial power in questions of classification, rate, and amount of duty, my opinion is that no better plan can be devised than that which distributes jurisdiction thereof over the country among the Federal circuit courts, wherein questions of fact can be decided by a jury of the vicinage. Surely if the Government's own court, and a jury of our countrymen shall say that a duty was illegal, and ought not to have been forced by the strong hand of power from an importer, the Treasury should, till the law has been amended, abstain from a similar enforcement, and Congress should promptly refund, with immediate payment of legal damages, what has been illegally exacted. I do not fear Federal juries, or Federal courts, in that execution of our customs laws, if our district attorneys are alert, vigilant, and competent.

#### BILLS OF PARTICULARS.

In furtherance of the suggestion made by Assistant Secretary Fairchild in his accompanying report, I advise that section 3012 of the Revised Statutes be amended by adding at the end thereof these words:

*"And a bill of particulars, having been served as aforesaid, shall not thereafter be amended by the plaintiff, or by the court on the plaintiff's motion, so as to increase the total sum claimed therein as having been exacted in excess."*

#### RESTRICTION AGAINST SUITS.

I have been informed by the District Attorney at New York of a ruling, within a few days made in that circuit, to the effect that, although by section 2931 of the Revised Statutes no suit begun before a decision has been made by this Department on an appeal from the collector (excepting under a condition therein described) "shall be maintained," yet, if the suit was begun before the decision, and if a decision adverse to the importer has been afterwards made by the De-

partment, and before the suit shall come on for trial, then that suit can be "maintained" by the importer. That ruling, if an opportunity presents, will be carried by writ of error to the Supreme Court. It is in conflict with what this Department believes was the intention of the section, and it makes more necessary a speedy enactment of section 2931 as amended by me in my communication to the House of January 18, 1886, and as proposed in Mr. Morrison's and Mr. Randall's bills.

APPROPRIATIONS FOR THE REFUNDING OF DUTIES ILLEGALLY EXACTED.

In Ex. Doc. 43 of the Forty-ninth Congress, first session, is a communication from me, dated January 18, 1886, proposing certain amendments to the existing law in relation to protests, appeals, and suits, wherein I said:

"From the foundation of the Government up to the present time, either by common law or by statute, the law has permitted an importer who has been compelled to pay duties on imports; the exaction of which he believed to have been illegal, to begin and maintain suit to test the legality of the rate and amount of duty levied on the importation. The Government need not have given to the importer that right to sue, but it did. There are now over twenty-three hundred such suits pending in the southern district of New York, to say nothing of a large number pending in other judicial districts. It is my hope that an immediate arrangement may be made in the southern district of New York, by which a court may sit continuously for bringing these suits to judgment and enabling the Treasury Department to ascertain the magnitude of its liability thereon. I shall do all in my power to make the defence of these suits thorough and effective, and, before I acquiesce in any judgment entered therein, or in the rule prescribed by said judgment, I shall take care that the law of 1875 is carefully regarded. But, when that has been done, and the obligation of the Government to make refunds has been declared by a trial and judgment, and conceded by the Department of Justice and the Treasury Department, in cases which are described by the Attorney-General in his opinion of July 18, 1878, (p. 70,) as "*Judgment Cases*," this Department should be enabled by a permanent indefinite appropriation to make immediate payment. To that end, I also respectfully submit the accompanying proposed amendment and enlargement of Section 3012½ of the Revised Statutes."

In H. R. 7652 (known as the Morrison Bill) and in H. R. 9702 (known as the Randall Bill) my recommendations were adopted, and I respectfully express the hope that Congress also, may adopt them early in the present session.

SPECIAL AGENTS OF THE TREASURY.

The excellent chief clerk of the customs at New York makes the following allusion to the presence there of special agents:

"I can readily understand and appreciate the need which the Head of the Treasury may have for the services of an agent to look into special

matters from time to time at the different ports; but the constant presence in the custom-house of a number of special agents is, to my mind, a hindrance to the public business. Of course it is natural that they will labor to show a necessity for their existence by exerting themselves in the discovery of irregularities; and that they will make their efforts in such direction by consuming the valuable time of experienced customs officials whose attention may already have been given to the matter which the special agent may desire to investigate for credit to himself. There are many excellent men in the force of special agents, but the collector is responsible for the discharge of the duties of his office; and if special officers are needed to look into the doings of those under him, they should be men of experience and training in the service, subject to his sole direction, and capable of sifting a matter understandingly without taking unnecessarily the time of officials whose constant attention is required to current business."

I accept the foregoing as a useful suggestion.

In my annual report for 1885, I clearly indicated my appreciation of the limitations of such agents:

"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, then none exist. If such a condition of dependence on this Department actually and generally exists, 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 upon a new track when reform is needed. The force of habit is strong with him."

On November 24, 1885, the Collector at New York requested me to appoint a commission, consisting of not less than "five suitable persons, to inquire into the organization of the various departments of this office, and to ascertain and report whether the present methods of trans-

acting its business are the best, and; if not, what changes and improvements can be made therein which will conduce at the same time to the accommodation of merchants and the benefit of the service; what changes or reductions, if any, should be made in the force employed; what offices, if any, should be abolished; and what salaries should be increased or reduced." The Department did not feel at liberty to deny such a request, and on December 31, 1885, I appointed Special Agents Tingle and Montgomery and Deputy Collector Berry.

The expenses of the Special Agents' Bureau, including inspectors and the fraud-roll, have been diminished by \$70,852.30 during the last fiscal year.

#### DUTIES ON COVERINGS.

When I came to this Department, in March, 1885, the seventh section of the tariff law of March 3, 1883, had received an executive interpretation on the advice of the Attorney-General. Had I been disposed to reverse, as to future importations, the decision of a predecessor so eminent in judicial faculties as was Judge Folger, my power would have been held in check by the law of 1875, which forbids the head of this Department to reverse, or modify, adversely to the United States, a ruling or decision made by a predecessor, or by himself, giving construction to a law imposing customs duties, "except in concurrence with an opinion of the Attorney-General," or a decision of a Federal court. The circuit court at New York, on August 20, 1885, sustained the decision of the Department. In my annual report for 1885, I made a brief review of the controversy, and concluded with these words: "I commend this question to the immediate attention of Congress, to the end that, by legislation, it may be settled definitely for the future, and so prevent the continuance 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." There was no legislation by Congress, and consequently the rulings and decisions made by my predecessors were enforced until the opinion of the Supreme Court in *Oberteuffer's* case was announced. In my letter to Mr. Hewitt of March 23, 1886, I said:

"The tendency and drift of the reasoning in the recent opinion of the Supreme Court in *Oberteuffer's* case are, it will be inevitably argued by importers, to prevent appraising officers, and this Department, from taking into consideration, or account, any sort of a covering, or bandage, on an article described in and made dutiable by the tariff."

No difficulties embarrassed the Department in the application of that opinion to facts like those presented in *Oberteuffer's* case, but very

serious embarrassment came in the application of the opinion to a different class of facts, to which embarrassment, allusion is made by Assistant Secretary Fairchild. The questions which have already arisen under that opinion in making reliquidation of entries for refunds, and the questions which will present themselves to Congress in new legislation on the subject, if new legislation shall be attempted, are so important and complicated that I have caused to be prepared a very full history of what has been done thereunder in this Department, since the Supreme Court promulgated its opinion, in order that Congress may clearly see the confusion created by the ambiguities of the law of 1883, the bearing upon that law of the Supreme Court decision, and also whether or not an attempt shall be made during the present session to modify the law of 1883 as interpreted by the judicial power. Whether or not the construction given by the Supreme Court to the seventh section of the law of 1883, and the interpretation by the Attorney-General of the opinion of the court, express the actual intention of the draughtsman of the section, or of those who advised it, I have no means of ascertaining. The opinion of the court must, however, be accepted as correctly expressing the legal effect of the words finally employed in the section, by Congress, in their application to the circumstances of importation that were before the court. The history of that section may be taken as a warning of the perils for the revenue which environ tariff legislation if not carefully considered in its relation to the whole body of the tariff law.

It will be borne in mind by Congress that a restoration of the law as it was before the enactment of the seventh section of 1883, and the making of coverings dutiable at the rates levied on the contents, will greatly increase the sum to be received from duties on imports, and the cost to consumers of the imported articles. Such increased revenue is not now needed by the Government, and the enhanced cost of articles of food, clothing, and shelter would therefore be now unjust to consumers, and especially to the wage-earning classes of the country. This Department is unable to make a satisfactory estimate of how large will be the refunds at all of the ports called for by the opinion of the Supreme Court and the Attorney-General's application of it to past importations on which protests and appeals were made, but it is to be remembered that the refunds will not be a correct measure of the additional duties levied by a return to the taxation of coverings inflicted before March, 1883, and for the reason that it is not to be assumed that on all, or nearly all, of the entries were protests and appeals made, or suits begun, to entitle the importer to a refund. I commend to Congress a consideration of the suggestions made by Assistant Secretary Fairchild, Naval Officer

Burt, and Special Agents Tingle and Tichenor on this important subject. There are, no doubt, serious difficulties in applying the law as it is; whether or not they can be overcome by the appraising officers, time and experience alone can disclose. A new law has been proposed by the Naval Officer at New York and the special agents, which will be found on page 142 of Appendix G, an examination of which will make apparent the intrinsic difficulty of the situation. Will each and every member of Congress agree one with another as to the meaning and legal effect of the words therein used, and if not then may not the former difficulties,—the protests, appeals, and suits,—return to us if the proposal be adopted? In the body of the new rule the dutiable value is to include the value “in the *packed* condition in which it is *actually put up for shipment*, including all costs, charges, and expenses incident thereto,” but the first *proviso* excludes the value of an *outside* covering, and of a specified “*individual lining or packing*,” if specifically declared in the invoice, and a second *proviso* requires inquiry by the appraising officers into the intention and good faith of the shipper.

It is obvious that, if the proposed plan be adopted, a buyer of an article abroad may be unable to present to our consular officers, and to our appraising officers, a bill of sale, or invoice, such as he received from the seller, or a transcript of it, for if after the purchase the buyer makes anywhere else, expenditures to prepare the article for shipment, he must, to protect himself, insert those in the invoice. The proposed plan naturally suggests the inquiry whether or not a requirement of our law which compels a purchaser to “make up” an invoice in that way, and not present to consular officers a transcript of what he gets from the seller, will not open the way for, and even excuse, new falsifications of invoices. But it is said, and truly said, that under that seventh section our ad valorem system, based on the foreign value of the article at the time and place of importation to this country, cannot be easily worked in its application to a limited class of articles which are enumerated in the subjoined documents.

In my letter to Mr. Hewitt, of March 16, 1886, I endeavored to give the result of the most careful examination that I could then make of the origin of the seventh section of the law of 1883, its presentation by the Tariff Commission, and its effect. To that letter, which will be found in Appendix A, pp. 16 *et seq.*, I respectfully refer the two Houses of Congress.

Why shall we not alleviate the difficulty by a general and prudent substitution of specific rates not requiring in the levy by customs officers any ascertainment by them of foreign values? I frankly confess that I distrust the practical working of any section of a tariff law so

elaborate, and complicated, as are the requirements of the one proposed, wherein so much will depend on the ascertainment by appraisers of intentions and good faith on the part of the shippers. My own suggestion of a safe way out of the *cul-de-sac* in which we are, is to sweep away existing rates of duty on many hundreds of the 4,200 and more articles now dutiable, and enlarge the application of specific rates, in applying which our customs officers need not take thought of foreign values.

DUTIES ON ARTICLES SENT HITHER IN THE MAIL-BAGS, INCLUDING BOOKS.

My attention was called in March last, by a report from Special Agent Montgomery, (see Appendix J, p. 275,) to the sum of money received and expended at the port of New York in collecting duties on books coming in the mails, and quite recently was again called to the same subject by the discovery, in New York, of a misappropriation of public money collected as duty on mail-matter. Replies to my inquiries, recently made, will be found in Appendix J, together with a schedule of articles coming in the mail-bags and seized as forfeited during the last fiscal year. That schedule will be found instructive by its exhibition of the character and value of the articles seized, either because forbidden to be in the mail-bags, or because dutiable and not regularly entered at the custom-house. The relation of receipts to expenditures in watching the mail-bags for dutiable matter, and collecting the duty thereon, will also be found in the same Appendix. So long as the effort of our tariff law shall be to sweep into its net so many things if coming from abroad, and levy duties thereon, we are constrained to forbid the entry of many articles in the mail-bags. The law of March 3, 1879, making appropriation for the postal service, declared that "printed matter, *other than books*, received in the mails from foreign countries under the provisions of postal treaties, or conventions, shall be *free of customs duty*, and books which are admitted to the international mails exchanged under the provisions of the Universal Postal-Union Convention may, when subject to customs duty, *be delivered to addresses in the United States* under such regulations for the collections of duties as may be agreed-upon by the Secretary of the Treasury and the Postmaster-General." One effect of this law has been to permit dutiable books to be in the mail-bags. Thereby all printed matter, other than books, placed in the mail-bags abroad under treaty stipulations is exempted from duty, and books thus placed in the mail-bags are to be delivered to the persons to whom they may be addressed subject, of course, to payment of duty.

By the tariff law of March 3, 1883, enacted four years afterwards, there was levied 25 per cent. ad valorem on "books, pamphlets, bound

or unbound, and all printed matter not specially enumerated or provided for *in this act*; engravings, bound or unbound; etchings, illustrated books, maps, and charts."

In the volume of United States Treasury Regulations issued by my predecessor, Judge Folger, on July 1, 1884, more than one year after the enactment of the tariff law of 1883, the law of 1879 to which I have referred was treated as unrepealed by the law of 1883. Article 310 of those Regulations says that "books admitted to the International Mail Exchange, and imported through the mail under the act of March 3, 1879, are dutiable if bound in stiff covers, or if they consist of such as are usually so bound. \* \* \* Other printed matter so imported is free of duties." Importations having been made in the mails, free of duty, of chromo-lithographs in large quantities, *for sale as merchandise*, the opinion of the Attorney-General was by the Department taken on the question of the repeal of the section of the law of 1879 by the law of 1883. He advised that such "printed matter" was dutiable if coming in the mails *for sale as merchandise*. I concurred in that view, and issued a circular, dated April 15, 1885, a copy of which, with the Attorney-General's opinion, will be found in Appendix J, p. 274, wherein it is said that the "rule will not apply to 'printed matter' imported in the mails for personal use, or in quantities which suggest that the articles are for personal use, or not for sale as merchandise." Thus all "printed matter" coming in the mails for personal use, and not for sale as merchandise, is exempt from duty, unless it be a bound book, or a book usually bound.

The growth within comparatively a few years of the Universal Postal Union, and the stipulations of postal treaties into which the Government has entered, have a bearing on the universality of our present tariff taxation in its application to so many articles. Of course it was not intended by this Government, when it entered into those postal treaties, that they should restrain the exercise of its power to levy duty on any or every article coming to our shores, or crossing our frontiers. The Universal Postal-Union Convention prohibits the sending by mail of packets "containing articles liable to customs duty;" but those in foreign countries who are not informed of the minuteness of our tariff taxation, and who live in places abroad where the mail-bags are more generally used for sending parcels than they are with us, do most naturally send to the mails, and the foreign post office receives, books, and printed matter, addressed to those who are in the United States. The parcel arrives, and when it has arrived, it is too late to exclude it from being sent by the mails. The ties of family, or of friendship, now so closely unite many in the United States with those who dwell in other lands, that the sending

in the mail-bags of books and printed publications, used and read, or unused and unread, and other printed publications of little pecuniary value, must naturally be very frequent. The law of 1879, and the General Treasury Regulations of 1884 were obviously intended to provide for such use of the mails by those not importers or dealers. Complaint having been made to me that in New York, and other large cities, books were not delivered by the letter-carriers as usual with mail matter, because detained by customs officers for duties trifling in amount, and that the persons to whom the parcels were addressed were compelled, by notice sent in the mail, to go a long distance, and at great loss of time, to the custom-house in order to receive the parcel, and pay even so small a sum as five cents as duty, I instituted inquiries.

The Government cannot permit the mail-bags to be used by importers and dealers, or any one else, to evade the payment of duties,—certainly not if the sum of the duties evaded be serious in amount. But, on the other hand, if an unbound book of small value, on which the duty may be five or ten cents, or even more, is sent from abroad in the mail-bag to any one in our large cities, it does seem to be unnecessary to refuse to deliver the book by letter-carrier, the duty to be collected by him, and to require the person to whom it has been addressed to be put to the inconvenience, and loss of time of going to the custom-house, or post office, making an entry, and paying duty as for a large invoice of valuable merchandise. When dutiable articles of other descriptions, large in value, are sent by mail with a clear intent to evade the payment of duty, the case will be different, and the treatment should be different.

Arrangements have been made in New York, as Appendix J will disclose, by which a staff of customs officers, necessary for the appraisement of values, the estimating and collection of duties on books, has been placed in the post-office building, and I commend to Congress the inquiry whether, if at this point the free-list is not to be enlarged, legislation cannot be safely had by which, the duty having been ascertained and indicated on the parcel containing the dutiable book by a stamp, as is unpaid postage, the parcel may be committed to the letter-carrier for collection of the money as for postage due? Such an arrangement would, I hope, tend to remove the feeling which now exists against the customs service for detaining books of such trifling value, and on which the duty to be paid is so petty.

#### REFORM IN METHODS OF CUSTOMS ADMINISTRATION.

During more than four years Mr. Hewitt has devoted himself with intelligent assiduity to accomplish certain greatly needed amendments in the laws to enable this Department to enforce the quick,

certain, uniform, and economical collection of duties on imports. The aim has been not to change the rates, or enlarge the free-list, but to assist the customs officers in the application of the rates as they stand. Nearly three years ago the project was commended and promoted by my predecessor, Judge Folger, in an elaborate communication addressed to Mr. Morrison, the chairman of the Committee on Ways and Means, and on June 25, 1884, Mr. Hewitt, from that committee, presented a bill to the House (H. R. 7429) which embodied the suggestions of this Department with others, and accompanied it by a full and unanimous report from the committee urging its enactment. No definite action on this much needed reform was, however, taken by the House, and two years afterwards, February 1, 1886, (H. R. 5010,) Mr. Hewitt presented the bill for a second time with modifications which further inquiries commended. The bill was sent to this Department by a sub-committee of the Ways and Means for its views thereon, and, on March 16, 1886, I communicated to the sub-committee the result of my examination. There was subsequent comparison of views, from time to time, between the sub-committee and this Department, which resulted in a completion by the sub-committee, of which Mr. Hewitt was chairman, of a measure of reform of certain parts of the customs laws, which reform was embodied in House bill 7652, presented by Mr. Morrison in behalf of a majority of the Ways and Means Committee on April 20, 1886. A great part of the measures of administrative reform contained in Mr. Morrison's bill was adopted by Mr. Randall in the bill presented to the House by him (H. R. 9702) on June 28, 1886. In order that it may be clearly seen how patiently Mr. Hewitt has toiled in this project of reform, how step by step this Department has been consulted, and on what points the Committee of Ways and Means, Mr. Morrison, and Mr. Randall are agreed, I herewith present in Appendix A, copies of the official correspondence which has passed between the Committee of Ways and Means and this Department. In so much of that correspondence as took place after March 23, 1886, I was unable to participate. My general views on the subject were, however, expressed in my letter of March 16, 1886.

#### DUTIES ON PASSENGERS' BAGGAGE.

In my annual report for 1885, I dwelt upon the examination of passengers' baggage, the scandal connected therewith growing out of the payment of money by arriving passengers to customs inspectors, and said:

"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 examines 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? 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.

"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."

Section 20 of H. R. 7652 seeks to effect a suppression of the scandal referred to. It may, however, deserve consideration whether or not the phrase, "shall be regarded as *prima facie* evidence," is sufficiently explicit. "Evidence" of what? And may not the reference to sections 15 and 16 be misleading? The new section is a penal section, depriving one of his liberty, and should be strictly construed by the courts. My thought in 1885 was that no arriving passengers, no importer or agents, should be permitted to have any pecuniary transaction with a customs officer, in connection with any official business, excepting to pay the duties or fees levied by law, but the proposed section defines the forbidden receiving of "any money or thing of value" to be "in consideration of or for any act or omission, *contrary to law*, in connection with or pertaining to," &c. Will it be easy, in all cases, for the Government to establish that the receiving was for such an "act, or omission," unless the section shall more clearly put upon the receiver the burden of proving the circumstances under which the money, or thing of value, shown to have been received, was received, and that the purpose was an innocent one? I also venture to suggest that section 19

should deal more severely and explicitly with the giver in respect to burden of proof.

The habit of "tipping" or bribing, in the several custom-houses and elsewhere, has become so prevalent and has been so demoralizing that I am convinced no law will crush out the practice, unless it is extremely stringent and sweeping. May not the proposed enactments be in this form?

SEC. 19. That any person who shall give, or offer to give, or promise to give, excepting for such duties, or fees, as have been levied, or required, according to the forms of law, any money or thing of value, directly or indirectly, to any officer or servant of the customs, or of the United States, in connection with, or pertaining to, the importation, or appraisement, or entry, or examination, or inspection of goods, wares, or merchandise, including herein any baggage, or of the liquidation of the entry thereof, shall, on conviction thereof, be fined not less than one hundred dollars nor more than five thousand dollars, or be imprisoned at hard labor not more than two years, or both, at the discretion of the court. And evidence of such giving, or offering, or promising to give, satisfactory to the court in which such trial is had, shall be regarded as *prima facie* evidence that such giving, or offering, or promising was contrary to law, and shall put upon the accused the burden of proving that such act was innocent and not done with an unlawful intention.

SEC. 20. That any officer or servant of the customs, or of the United States, who shall, excepting for such duties or fees as have been levied or required according to the forms of law, demand, exact, or receive from any person, directly or indirectly, any money or thing of value in connection with or pertaining to the importation, or appraisement, or entry, or examination, or inspection of goods, wares, or merchandise, including herein any baggage, or liquidation of the entry thereof, shall, on conviction thereof, be fined not less than one hundred dollars, nor more than five thousand dollars, or be imprisoned at hard labor not more than two years, or both, at the discretion of the court. An evidence of such demanding, exacting, or receiving satisfactory to the court in which such trial is had, shall be regarded as *prima facie* evidence that such demanding, exacting, or receiving was contrary to law, and shall put upon the accused the burden of proving that such act was innocent and not with an unlawful intention.

The proposed section of Mr. Morrison's Bill H. R. 7652 which deals with the baggage of an arriving passenger is in these words:

"Wearing-apparel, implements, instruments, and tools of trade, occupation, or employment, professional books, and other personal effects not merchandise of persons arriving in the United States, not exceeding in value five hundred dollars, and not intended for the use of any other person or persons, nor for sale; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment or for sale: *Provided, however,* That the limitation in value above specified shall not apply to wearing-apparel and other personal effects which may have been taken from the United States to foreign countries by the persons returning therefrom; and such last-named articles shall, upon production of evidence satisfactory to the collector and to the naval officer (if any) that they have been previously exported from the United States by such persons, and have

not been advanced in value or improved in condition by any process of manufacture or labor thereon since so exported, be exempt from the payment of duty: *And provided further*, That all articles of foreign production or manufacture which may have been once imported into the United States and subjected to the payment of duty shall, upon reimportation, if not improved in condition except by repairs, by any means, since their exportation from the United States, be entitled to exemption from duty upon their identity being established, under such rules and regulations as may be prescribed by the Secretary of the Treasury.

"Theatrical scenery and actors' and actresses' wardrobes brought by theatrical managers and professional actors and actresses arriving from abroad, for their temporary use in the United States; works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought by professional artists, lecturers, or scientists arriving from abroad, for use by them temporarily for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States; and wearing-apparel and other personal effects of tourists from abroad visiting the United States, shall be admitted to free entry, under such regulations as the Secretary of the Treasury may prescribe; and bonds shall be given, whenever required by the Secretary of the Treasury, for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided, however*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in cases where application therefor shall be made."

The pertinent section of the law of 1883 reads thus:

"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 other articles employed for use in any manufacturing establishment, or for sale."

The law of 1799, enacted 87 years ago, declared:

"The wearing-apparel, and other personal baggage, and the tools or implements of a mechanical trade only, of persons who arrive in the United States, shall be free and exempted from duty."

It will be observed that the proposed section omits the limitation "in actual use," as made in the law of 1883, the meaning of which phrase was defined by the Supreme Court in 1884, and substitutes the limit and test of \$500. It says: "Wearing-apparel, \* \* \* of persons arriving in the United States, not exceeding five hundred dollars." But of how many "persons," arriving as one family and including children? Shall each adult and each infant be entitled to the \$500 limit? Clothing when it has been taken from our ports by returning persons is, under the proposed section, to be exempt, in any quantity, and of any value, if not "improved in condition by any \* \* \* labor since so 'exported'" which may include mending, dyeing, or repairing. A second proviso, applying expressly to foreign-made articles owned by

the arriving persons, but once imported hither and duty paid thereon, declares that the articles, "their identity being established," shall be free as baggage "if not improved in condition, except by repairs, by any means." The proposed section also declares that the wearing-apparel of "tourists from abroad" visiting the United States "shall be entitled to a free entry, on giving a bond to pay duty on such articles as shall not be exported within a specified time," but what will happen if the articles shall be worn-out, or lost, or destroyed by fire?

I am aware that this section was prepared in, or approved by, this Department, and has been adopted by the Ways and Means Committee. Therefore, it is with great reluctance that I criticise it. I can, however, but think there is no customs machinery at the port of New York now adequate to a correct ascertainment of the \$500 limit, the preparation of the proposed bond, and the execution, on the wharf, of such a section. My opinion is that it will be better to allow the law of 1883, although the phrase "in actual use" has been so generously interpreted by the Supreme Court, to stand until the time shall come for a thorough overhauling of the list of dutiable articles and the rates of duty thereon, and especially if the scandal of "tipping" and bribing, on the wharves, can be stamped out.

#### NEW AMENDMENTS OF THE LAW OF 1883.

In both the bills now under consideration, presented by Mr. Morrison and Mr. Randall, are sections intended to stop as to the future the holes in the law of 1883 disclosed by protests, appeals, and suits. The failure to enact those sections to be law has kept alive the protests as well as suits. What those sections proposed was to legalize, in the future, Department interpretations of the ambiguous law of 1883. I wish that a permanent law made it obligatory on this Department to exhibit to Congress in December of each year, or oftener, similar defects discovered in our tariff law, and that Congress would be urged to straightway deal with them. In that way a great quantity of protests, appeals, and suits could be stopped. New ambiguities in the law of 1883 have come to light in 1886. They are exhibited in the subjoined Appendix E, and there has been added a sketch of legislation to remedy them for the future, on the theory that the decisions of the Department express the wish of Congress in that regard. If these amendments shall be approved, I respectfully suggest that they be inserted in an appropriate place in the bill pending in the House, which contains the results of Mr. Hewitt's and the Department's conference on administrative customs reform, and the decision of the Ways and Means Committee thereon.

## SUITS FOR VALUE.

In my annual report for 1885, I alluded to a decision of the Federal, district, and circuit courts in the southern district of New York respecting suits for the value of merchandise charged with fraudulent importation, and said:

"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."

The Committee of Ways and Means prepared a needed amendment to cure the blunder in the law of 1874. I respectfully suggest its early enactment.

## THE RECASTING OF ALL OUR CUSTOMS COLLECTION LAWS.

Our statutes regulating the collection of duties, which have their basis in the law of 1799, need all to be recast in order to adapt them to the growth and changes in commercial methods. The law of 1799 is, nevertheless, at the ripe age of nearly ninety years, a marvel of clearness, conciseness, and accuracy, (our warehousing and appraising system has been devised since its enactment,) but many of the amendments thereto seem to be absolutely harmful. The recast should and can, if administrative reforms now pending in the House are adopted, be postponed, however, till the country comes to a decided conclusion in respect to the future sum and method of taxation. Duties on imports will, as I am firmly convinced, continue to be a chief source of our Federal revenue, so long as our Federal Constitution continues in its present form. Whether duties shall be laid on as many articles as now, or on a few, whether the crude materials needed by our manufactures shall pay seaport or frontier taxes, whether the rates shall be chiefly *ad valorem* or chiefly specific, remains to be decided. Until the country has settled down upon the rates and objects of tariff taxation, the perfection of a complete code of laws and regulations, to enforce and secure the collection of those rates, can be deferred. The administrative

measures presented in Mr. Morrison's and Mr. Randall's bills will, if adopted with few amendments, tide us over present difficulties. Our existing tariff laws and regulations are not for the promotion and convenience of any foreign trade, certainly not for the promotion of our export trade, but any system of taxes on imports, which will secure an annual revenue of 150 millions, will need to be enforced in our country, with its 136 ports or collection districts, by strict, unvarying, and uniform rules of procedure at each port. There cannot be indulgence and relaxation of rules,—what is called “the convenience of merchants,”—at one port and not at another, or for one importer and not for all. A customs organization, stretching from the Atlantic to the Pacific, and along the coasts of both oceans, guarded by a fleet of 28 armed and 10 unarmed revenue cutters, which are manned by more than 995 officers, cadets, and seamen, and enforcing the collection of more than 4 millions of dollars at Chicago, nearly 1½ millions at New Orleans, over 5½ millions at San Francisco, and 130 millions at New York, is very unlike in magnitude the British organization which, in the United Kingdom, is only for the ports of relatively small islands within easy reach of London. To be sure Great Britain at those few island ports collects nearly half as much money as we by duties on imports, but she levies duties on less than a score of articles. Her collection laws were modified after 1846, when her system of tariff taxation was radically changed. We can easily recast all our laws for the collection of duties when we have definitely settled upon the sum and method of a new and better system of taxation.

Respectfully yours,

DANIEL MANNING,  
*Secretary of the Treasury.*

The Honorable

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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## REPORT OF ASSISTANT SECRETARY FAIRCHILD.

TREASURY DEPARTMENT,  
Washington, D. C., November 27, 1886.

SIR: In compliance with your request, I herewith transmit a report upon certain matters connected with the business of the Treasury Department.

You call especial attention to the laws concerning the collection of the revenue from customs and to the administration of the same. Your various reports and letters upon this subject are so full and exhaustive that there remains but little to be added, either of fact or argument. There are, however, a few details to which it may not be amiss to call attention. During the last fiscal year, the most important event affecting the administration of the customs laws was the opinion of the United States Supreme Court, of January 25, 1886, interpreting section 7 of the tariff act of 1883.

That opinion entirely changed the rule which the Department, under the opinion of Attorney-General Brewster, had theretofore followed, viz: That the "goods" (the market value of which at the time and place of exportation was to be found for the purpose of levying duty thereon) were such "goods" in a marketable condition. In lieu thereof it became the duty of the appraising officers at more than one hundred and thirty ports to learn the value of the "goods *per se*"—that is, stripped of all coverings and charges whatsoever, no matter whether in such condition the goods had or had not a market value anywhere; and that not only as to current importations, but also as to thousands of entries upon which duties had been collected under the old rule, that the same might be reliquidated and the duties erroneously collected refunded, the goods and their coverings having long before gone into consumption.

The opinion of the Supreme Court still left many questions for the Treasury Department to consider, which are the subjects of over forty printed decisions. The chief difficulties were caused by questions as to whether invoices or entries so showed charges and cost of coverings as to permit deductions of the same, as to what charges were incurred "in finishing the goods to their present condition," and as to what coverings were liable to 100 per cent. duty under the proviso of the seventh section of the tariff act of 1883. The Department held that if it could be learned either from the invoice or entry what the non-dutiable costs or charges were, that they should be deducted from the value of the goods.

The questions arising under the proviso were more difficult. What coverings are "*designed for use otherwise than in the bona-fide transportation of goods to the United States?*"

The cans in which pease are preserved, and in which they would be hermetically sealed as part of the process of preservation, whether the pease were designed to be exported to the United States or to be finally

cooked and eaten in the kitchen or room where they had been canned or preserved?

The leather cases in which opera-glasses are carried, lasting the lifetime of the owner?

The leather cases for pipes, the ornamental boxes for violins, and other musical instruments remaining forever with their contents, protecting them from dust, but too frail, delicate, and costly to be used for the purposes of transportation, (except in the hands of the owner,) to the United States or anywhere else?

The box which contains blacking, and is the convenient and necessary instrument to enable the contents to be used at all?

Are any of these, coverings "designed for use otherwise than in the *bona-fide* transportation of goods to the United States?" I was at first inclined to think that they were so designed for use otherwise, and decided accordingly; but that rule seemed so hard and unjust that I finally laid the whole matter before the Attorney-General in a series of letters, and had several personal conferences with the Solicitor-General, then acting Attorney-General, the result of which was a decision by him to the effect that no coverings were dutiable which at the time of exportation were designed for no other use than that of coverings, without reference to the question of transportation to the United States. This general decision was followed by others, which specifically held all of the above enumerated coverings to be free. The chief reason which led to this result seems to have been that in doubtful cases the benefit of the doubt is to be given to the tax-payer. It is doubtful if the law-maker intended such coverings to be free, still more doubtful if he intended them to be subject to 100 per cent. duty; and he had expressly said that the value of no coverings whatever should be included in estimating the value of the contents, hence the decision that such coverings are free. The Attorney-General has, however, given within a few days to the Department an opinion that the boxes which cover both safety and other matches, and which have on the outside a surface prepared to scratch the matches upon, are dutiable at 100 per cent.

The Department now holds, under the opinion of the Attorney-General, that all coverings, with but few exceptions, are free, and that no charges incurred after the goods have been finished are to be estimated in ascertaining the dutiable value of the same.

The questions arising under said section 7 of the tariff act of 1883 seem, therefore, to be finally settled, so far as they can be by the Treasury Department, but the law requiring, as it now does, the appraising officers to find the market value of articles at the time and place of exportation, and, at the same time, directing them to find such value in a condition in which the articles are not sold at that time and place, or at any time or place, presents difficulties which call for an amendment of the law. At present, every advantage is offered to the unscrupulous and every disadvantage to the conscientious importer.

It will be some years before all of the entries in this class of cases can be reliquidated, and the money collected under the decision of the Department refunded. No one knows the sum of these duties, and the total cost to the Government will be increased by the interest upon it by the costs of suits, and the salaries of clerks employed upon the reliquidation.

Of the questions now before the Department, I regard that of "hat-trimmings," under paragraph 448 of the tariff act of 1883, as one of the

most important. The Department holds that the goods must be generally used for the trimming of hats, and commercially known as hat-trimmings, to be dutiable at 20 per cent. ad valorem, and in this it is sustained by the Attorney-General in a recent opinion; but importers constantly protest and appeal on the ground that they intend such a piece of silk or of velvet to be used for the trimming of hats; that it can be and is sometimes so used, although generally used for gowns or other purposes. If the views of these importers were adopted, all goods, of whatever material composed, which could possibly be used to trim a hat, might never be subject to a rate of duty greater than 20 per cent. ad valorem. Whether or not the duty should be greater, would, in every instance, depend upon the good faith of the importer. And this leads me to call attention to the unwisdom of laws which fix the rate of duty according to the use to which it is intended to put the article imported. The intention of the importer at the time of importation is known only to himself; there is no law to compel him to carry out that intention or to compel the final consumer to put the article to the use for which the importer shall have declared that it was imported.

As an example, take paragraph 641 of the tariff act. "Animals specially imported for breeding purposes shall be admitted free upon proof satisfactory to the Secretary of the Treasury." What proof can he have other than the declaration of the importer? Under this decision thousands of rams and ewes have been brought from Mexico free, sheared on this side of the line, and sent back again. All sheep are sheared, all rams and ewes breed. The Secretary of the Treasury must not say that a man shall only import such and such breeds for breeding purposes, or in such and such numbers. No law forbids, or ought to forbid, the exportation of imported animals. In practice it is necessary to leave the execution of this law to the arbitrary will of each collector, thus leaving a door open for partiality.

Non-uniformity of administration also arises from such laws. For example, the collector at one port believes that a certain ribbon is a hat-trimming, and levies a duty of 20 per cent. upon it. At another port the collector believes the same ribbon to be an importation of silk, and levies a duty of 50 per cent.

The same difficulties constantly occur upon the importation of horses and cattle. The same criticism applies to other provisions of the tariff act. notably paragraph 699, "fish, fresh, for immediate consumption," free, while paragraph 280 imposes a duty of fifty cents a hundred pounds on fresh fish.

Paragraph 712, "grease, for use as soap-stock only, not specially enumerated or provided for," free, while various rates of duty are imposed upon substances which may be used for soap-stock, and yet a court has declared them to be free because entered as soap-stock.

Paragraph 130, "paving-tile," twenty per centum *ad valorem*, while another paragraph imposes a duty as high as fifty-five per cent., which would be the rate of duty of certain kinds of tile that, upon importation, are declared to be intended for paving-tile.

I mention the foregoing because, in my experience, they have, among very many others, presented difficulties. Constant irritation exists at the principal ports because of difficulties growing out of appraisement and reappraisement. There are charges of the incapacity of officers, and counter-charges of the bad faith of importers, a wrangle at the most important stage of the process of collecting the customs revenue, when

there should be the most orderly administration of law. The number of reappraisements is much increased by a late decision, at New York, by Judge Brown, that the collection of the money to pay the fee (five dollars day) of the merchant appraiser was an illegal exaction of a fee, and a subjected the collector receiving the same to a fine of two hundred dollars, under section 2636, Revised States. The Department has directed an appeal upon this question, but pending the same has suspended the collection of such moneys from importers.

Values and classifications are not so uniform at the various ports as they should be, and this difficulty is likely to increase as the number of ports and the use of the privileges of the immediate-transportation act increases with the country's growth. Amendments to existing laws might perhaps be devised to ameliorate some of the difficulties attending appraisement and reappraisement, but, at the best, I apprehend that there will be unending trouble, dissatisfaction, and demoralization in this department of the Government business so long as we have a complicated high *ad valorem* tariff.

The Department has arranged for periodical meetings of the appraisers of the principal ports, in the hope that by conferring together they may make classification and appraisement more uniform throughout the country. As a further aid to this, I advise that one of the general appraisers be located near the centre of the country.

I find a difficulty in the partial presentation of customs questions upon appeals before the Department. Often but one view is given, either that of the domestic manufacturer who wishes a higher rate of duty exacted, that his business may be further protected, or that of the importer, who wishes the lower rate. It would seem, too, that the latter sometimes presents his case feebly before the Department, especially when he believes that he has a good case, reserving his strength for a trial in court. And he acts wisely, for the more duties the Government exacts erroneously from an importer, the better for the importer. In most instances he sells his goods plus the erroneous duties. By and by, generally years after payment, he gets a judgment, which entitles him to the repayment of all the duties, together with interest from the date of payment, at the rate lawful in the State where he resides, besides the costs of suit; all a clear gain to him, while the general public, which has really paid the duties, is taxed to pay them a second time, together with interest. This may help to explain the fact that the Government is defeated in a large majority of its customs cases when they once come before a court and jury. I believe that much of this difficulty would be cured if the rate of interest in such cases were made very low and uniform throughout the country, or better if it were done away with altogether. Then importers would have more motive to strongly present their cases before the Department and to hasten their trial in court. The courts would be relieved of a vast mass of business, the people saved a large amount of money, and, on the whole, more substantial justice done than under the law as it now stands.

A practice has grown up in the courts of permitting the amendment of the bill of particulars prescribed by section 3012, Revised Statutes. This practice has gone to such an extent as to amount to a repeal of that provision of law, or at least to throw down all the safeguards which Congress must have had in view when it enacted the law. A recent order of court allows amendment of the bills of particulars in

771 suits, so that the amounts therein stated shall be changed to the amounts which may be found due by the liquidating officers at the custom-house when they have finished their work. In accordance with a protest of the present collector at New York, made in consequence of this order and in pursuance of the opinion of the Attorney-General and the Solicitor of the Treasury, an appeal will be taken to test the jurisdiction of the court to grant such amendments.

The Secretary of the Treasury acts in a purely judicial capacity in the determination of customs appeals, but many of the citizens who come before him in such cases forget this and are too apt to base their arguments upon all sorts of considerations of policy and general fairness. A favorite argument of the domestic producers is, that the case should be decided against the importer, as then only can it get into court and be decided by judges. I fear that this argument has often had too much weight with the Department, with ultimate loss to Government and damage to a domestic business built up in reliance upon unlawful protection. The only proper rule for the Secretary to follow is entirely to disregard the fact that the question goes to a court after his decision, neither leaning the one way, because he knows how apt a jury is to find the facts against the Government, nor the other, because he wishes to shirk the responsibility of a final decision and to put it upon a court.

I think it may be said that upon the whole the customs business was well administered during the last fiscal year, when all the difficulties which surround it are taken into consideration. The officers as a rule were alert and attentive to their duties; of this the fact that it cost \$490,608 less to collect \$194,189,356 of duties during the fiscal year 1886 than it did to collect \$183,116,808 during that of 1885, is gratifying evidence.

Respectfully yours,

CHARLES S. FAIRCHILD,

*Assistant Secretary.*

The Hon. SECRETARY OF THE TREASURY.

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# APPENDIX.

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## APPENDIX A.

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CUSTOMS ADMINISTRATION, AND A COMPARISON OF SECTIONS IN H. R. 7652, INTRODUCED APRIL 12, 1886, KNOWN AS THE "MORRISON BILL," AND H. R. 9702, INTRODUCED JUNE 28, 1886, KNOWN AS THE "RANDALL BILL," WHICH PROPOSE AN AMENDMENT AND IMPROVEMENT OF LAWS RELATING TO CUSTOMS ADMINISTRATION.

### No. 1.

A comparison of House bills 7652 and 9702, known respectively as the Morrison and Randall tariff bills, for the purpose of ascertaining in what particulars the two bills correspond or differ so far as they relate to the administration of the customs laws, discloses—

(1) Section 3 of the Morrison bill, p. 10, lines 23 to 29, reads, after the word "materials," line 23: "The duty shall be assessed at the rate at which the (dutiab) component material of chief value may be chargeable; and the words 'component material of chief value' wherever used in this title, shall be held to mean that (dutiab) component material which shall exceed in value any other component material found in the article."

In the Randall bill, p. 19, lines 25 to 31, the language is as follows: "The duty shall be assessed at the highest rate at which the same would be chargeable if composed wholly of the component material thereof of chief value; and the words 'component material of chief value' wherever used in this title, shall be held to mean that component material which shall exceed in value any other single component material found in the article."

(2) The provision in section 3 of the Morrison bill (Schedule G, pp. 13 and 14), relating to rice-flour, &c. (lines 106 to 121), is incorporated in section 2 of the Randall bill (p. 7, lines 118 to 123), and the rate of duty fixed at 20 per cent. ad valorem, no rate being provided in the Morrison bill.

On page 16 of the Morrison bill (lines 172 and 173) occur the words: "Without having been advanced in value by any process of manufacture or by labor thereon." In the Randall bill (pp. 24 and 25, lines 157 and 158) the corresponding provision, is as follows: "Without having been advanced in value or improved in condition by any process of manufacture or other means."

(4) On page 18 of the Morrison bill (line 212) the provision is made applicable to *all* articles of foreign production, whereas in the Randall bill (p. 26, line 197) the word "such" limits the application to the articles previously described.

(5) In the same clause of the Morrison bill (line 216) the words "except by repairs" occur, which are omitted from the Randall bill (line 201, p. 26).

(6) That part of the Morrison bill providing for the free admission of "theatrical scenery and actors, and actresses, wardrobes," &c. (lines 221-224, p. 18), is omitted from the Randall bill.

(7) The words "declarations herein provided for" in section 6 of the Morrison bill (p. 26, lines 2 and 3) are changed in the Randall bill (p. 34, lines 2 and 3) to read, "declarations provided for in the preceding section."

(8) Section 7 of the Morrison bill, p. 27, providing for the extension of the bonded period for imported merchandise, &c., is omitted from the Randall bill.

(9) Section 7 of the Randall bill (pp. 35, 36) provides for the withdrawal from bonded warehouse, free of internal-revenue tax, of domestic alcohol or distilled spirits for use in industrial pursuits. The Morrison bill contains no such provision.

(10) Section 11 is the same in both bills, except that in the Randall bill (pp. 38 and 39, lines 13 to 21) there is inserted a proviso between the word "cents" and the word "and," occurring in line 13, p. 31 of the Morrison bill, in regard to the ascertainment of the drawback on sugar and molasses.

(11) The words "section fifteen and sixteen of this act" in section 20 of the Morrison bill (p. 39, line 11) are changed in the Randall bill (p. 47, line 11) to read, "this and the preceding section."

(12) Sections 24, 25, 26, and 27 of the Randall bill (pp. 49 to 51) provide for the repeal of internal-revenue tax on tobacco, snuff, cigars, cigarettes, &c., and upon fruit distillations. No such provisions are contained in the Morrison bill.

There are other differences in the text of the administrative sections of the two bills, but they are not essential, as they relate only to the phraseology of the introductory parts of certain clauses and provisions.

The following parts of the administrative sections of the two bills are identical:

<i>Morrison bill.</i>	<i>Randall bill.</i>
Lines 39 to 44, p. 11.	Lines 41 to 46, p. 20.
Lines 49 to 62 and 66 to 78, pp. 11 and 12.	Lines 51 to 64 and 68 to 80, pp. 20 and 21.
Lines 79 to 105, pp. 12 and 13.	Lines 81 to 107, pp. 21 and 22.
Lines 122 to 164, pp. 14, 15, and 16.	Lines 108 to 149, pp. 23 and 24.
Lines 187 to 190, p. 17.	Lines 172 to 175, p. 25.
Line 224 (beginning with the words "works of art") to line 240, pp. 18 and 19.	Lines 205 to 221, pp. 26 and 37.
Lines 242 to 247, p. 19.	Lines 222 to 227, p. 27.
Sections 4 and 5, pp. 19 to 26.	Sections 4 and 5, pp. 27 to 34.
Sections 8, 9, and 10, pp. 28 to 30.	Sections 8, 9, and 10, pp. 36 to 38.
Sections 12 to 19, pp. 31 to 38.	Sections 12 to 19, pp. 39 to 47.
Sections 21 and 22, pp. 39 and 40.	Sections 21 and 22, pp. 47 to 49.

The other administrative sections, including schedule amendments, beginning with section 3 of each bill, are substantially alike.

## No. 2.

The following sections of House bill 7652, known as the Morrison tariff bill which embodied the administrative measures known as the Hewitt bill, were prepared in the Department, upon the dates noted below:

(1) That part of section 3 (pp. 10, 11) substituted for section 2499, R. S. (prepared March 22, 1886),

(2) The clause in the same section relating to "metals unwrought," &c., included in lines 92 to 97 (p. 13) (prepared March 31, 1886).

(3) The clause under Schedule G (lines 106 to 121, pp. 13, 14) relating to "rice flour," &c. (prepared March 29, 1886).

(4) The clause relating to "wearing apparel, personal effects," &c. (lines 191 to 247, pp. 17-19) (prepared March 31 and April 5, 1886).

(5) Section 4, relating to coverings, &c. (pp. 19-21) (prepared March 27, 1886).

(6) That part of section 5 relating to declarations, which provides for the authentication of such declarations by notaries (lines 11-19, p. 22) (prepared March 25, 1886).

(7) Section 6, prescribing punishment for false declarations (pp. 26-27) (prepared March 25, 1886).

(8) Section 10, that part following the word "abolished," in line 6, p. 29, to the word "section," in line 12, p. 30 (prepared March 26, 1886).

(9) Section 12, amending section 2900, R. S. (pp. 31, 32) (prepared April 3, 1886).

(10) Sections 13, 14, 15, and 16, amending sections 2931, 3012, and 3012 $\frac{1}{2}$ , R. S. (pp. 32-37). These sections were taken from the draft of a bill accompanying the letter of the Secretary of the Treasury, addressed to the Speaker of the House, January 18, 1886 (Ex. Doc. 43, H. R.). The Department, under date of April 17, proposed certain modifications of section 13 so as to harmonize this section with the act of July 15, 1884.

(11) Section 18, relating to the unloading of cargoes in bulk in certain cases (p. 38) (prepared March 27, 1886).

(12) Sections 19 and 20, prescribing penalties for receiving or giving bribes in certain cases (pp. 38, 39) (prepared March 27, 1886).

(13) Section 21, amending section 12 of the act of June 22, 1874 (pp. 39, 40) (prepared April 9, 1886).

The following changes in the amendments proposed by the Department to the so-called Hewitt bill appear to have been made by the Committee on Ways and Means:

(1) In section 3, page 10, the word "dutiable," in parenthesis, was inserted in lines 24 and 27.

(2) In the same section, under Schedule G, relating to "rice flour," &c., the gauge of the brass-wire sieve suggested was changed from No. 12 to No. 10 (p. 14).

(3) In the same section, in the clause relating to articles of the growth, produce, or manufacture of the United States returned (p. 16), the words "or improved in condition by any process of manufacture or by any other means," which the Department suggested should be inserted between the word "value," in line 172, and the word "casks," in line 173, were omitted by the committee.

(4) In the same section, relating to "wearing apparel," &c. (p. 17), the words "if the same shall have been in the actual use of the person for a period of not less than one month," were, in the draft, prepared in the Department between the word "dollars" and the word "and," in line 198, but were omitted by the committee.

(5) Lines 210 and 211, page 18, as prepared in the Department, were changed by the committee by the insertion of the words "by any process of manufacture or labor thereon." On the same page (line 215), after the word "not," the words "advanced in value or" were stricken out of the Department draft, and in line 216 the words "except by repairs" were inserted by the committee.

(6) Section 10, as prepared in the Department, contained after the word "act" (line 15, page 30) the following: "A sum equal to the amount which he would have been otherwise entitled to collect as fees for services in relation to such entries to be allowed to him upon rendition of proper accounts therefor." This provision was not adopted by the committee.

(7) In section 20, as prepared in the Department, there was a provision for the dismissal of an officer guilty of bribery, which was omitted by the committee.

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No. 3.

TREASURY DEPARTMENT, February 7, 1

Hon. W. R. MORRISON,

*Chairman Committee on Ways and Means, House of Representatives :*

SIR: I am in receipt of a letter from the clerk of your committee, dated the 5th instant, inclosing a copy of a resolution adopted by the committee, requesting me to make such suggestions as I may deem necessary in order to improve the administration of the customs department, and to furnish such facts in regard thereto as the committee ought to have, in order to perfect suitable amendments to existing laws looking to their better administration.

I understand the resolution to refer more particularly to the tariff than to the machinery of administration of the customs laws. I shall therefore confine the remarks which I have to offer to the practical operation of the tariff act of March 3, 1883, and endeavor to point out some of the difficulties of administration connected therewith.

Two prominent points have arisen which involve matters of administration. First as to the order in which the various provisions of section 2499, Revised Statutes, as amended by that act shall be applied. It has been decided to apply them in the order in which they stand in the statute, as will be seen by the inclosed copy of letter to the collector of customs at New York dated the 12th ultimo. It is contended, however, by some of the customs officers that if an article made of a material which is named in one of the residuary clauses, as, for instance, a manufacture of iron, and is not specified in the tariff by its trade name, it is an *enumerated* article, and hence the first clause in said section 2499 cannot be applied to subject it to any other rate of duty than that appropriate to the materials of which it is made. The rule adopted is believed to be a proper construction of the law, but it may lead to litigation; and it would be well, if occasion should arise, for Congress to declare the order in which the various parts of said section 2499 shall be applied. The second point of controversy has been the correct meaning of section 7 of said act. For ready reference I insert the section here:

"SEC. 7. That sections twenty-nine hundred and seven and twenty-nine hundred and eight of the Revised Statutes of the United States, and section fourteen of the act entitled 'An act to amend the customs revenue laws, and to repeal moieties,' approved June twenty-second, eighteen hundred and seventy-four, be, and the same are hereby, repealed, and hereafter none of the charges imposed by said sections or any other provisions of existing law shall be estimated in ascertaining the value of goods to be imported, nor shall the value of the usual and necessary sacks, crates, boxes, or covering of any kind be estimated as part of their value in determining the amount of duties for which they are liable: *Provided*, That if any packages, sacks, crates, boxes, or coverings of any kind shall be of any material or form designed to evade duties thereon, or designed for use otherwise than in the *bona fide* transportation of goods to the United States, the same shall be subject to a duty of one hundred per centum ad valorem upon the actual value of the same."

A vast number of appeals from the assessments of duty made by collectors of customs have been filed in this Department, growing out of disputes as to the meaning of said section. It is contended by importers, and by some of the customs officers, that by virtue of said section duties were chargeable only on the value of the naked merchandise itself, without reference to any items of expense for placing the merchandise in a marketable condition. Thus, for instance, that shoe-blackening which is held for sale in small tin boxes, matches which are commonly put up for sale in small wooden or paper boxes, are dutiable only on the value of the contents of such boxes. Many instances of the same character might be cited. The inclosed copies of circulars of this Department, reports of a commission of customs officers appointed to consider the matter, the members of which it will be seen did not agree, and an opinion of the Attorney-General of the 11th ultimo, will show the various stages of the discussion. The Attorney-General's opinion takes the ground that the value of goods subject to a duty ad valorem is to be taken in the usual merchantable condition of the article as exposed for sale in the foreign country, and that the intent of said section 7 was to

remove only the duties on the items of expense or value, which are incident to the putting up, packing, transportation for shipment, and any other charges which by section 2907, Revised Statutes, were added to the foreign market value of the goods to make dutiable value. This opinion has been concurred in by this Department, but its enforcement is likely to increase rather than diminish the number of protests from importers who will seek to enforce in the courts their own view of the law.

Other matters more directly affecting rates of duty, but not seriously affecting the revenue, deserve attention. I will refer to the various provisions of law, as they are found in the numbered paragraphs of the Treasury edition of the tariff. 94. This paragraph is in Schedule A, which is headed "chemical products." A scrutiny of the list will show that many articles named therein have, or may have, no relation to chemical products. This provision is for articles which have been advanced in value or condition by a process of manufacture. A corresponding provision for similar articles not manufactured is found in the free list, paragraph 636, which, however, begins with "drugs." But it is held that the word drugs does not qualify the paragraph, as some have contended, and that the articles following the word drugs are to be admitted free without reference to the question whether they are drugs or chemical products. Thus, for instance, palm leaves for the manufacture of hats are admitted free under the term "leaves" in said paragraph.

Another provision difficult to administer is paragraph 790, in the free list, for soap-stocks. Many articles are claimed to be soap-stocks which, but for this provision, would fall into other clauses of the tariff, such as paragraph 92, for rendered or expressed oil, &c. The rule adopted is, that only such articles as are fit exclusively for soap-stocks shall be admitted as such. But articles fit for other purposes are largely used in the manufacture of soaps. The rate of duty, or exemption from duty, however, must be decided while the merchandise is in the hands of the customs officers, and the ultimate use of the article cannot control its classification. It is suggested that Congress define clearly the class of articles which shall be admitted under the provision for soap-stocks.

Paragraph 101 provides for distilled spirits containing 50 per cent. of anhydrous alcohol at \$1 per gallon, and paragraph 102 provides for alcohol containing 94 per cent. of anhydrous alcohol at \$2 per gallon. Distilled spirits containing 50 per cent. of anhydrous alcohol are simply proof spirits which, under paragraph 311, are subject to duty at \$2 per gallon, with a corresponding advance in duty for each degree above proof. It is suggested that paragraphs 101 and 102 be stricken out.

Paragraph 322 places a duty of 35 per cent. on cotton stockings, and other articles of cotton therein named, made on knitting machines or frames, while paragraph 323 fixes a duty of 40 per cent. on the same class of articles when fashioned, narrowed, or shaped, wholly or in part, by knitting machines or frames. Thus there appears to be two rates of duty for the same goods, as articles made on frames are understood to be fashioned by the machine on which they are made.

334. This fixes a duty of 35 per cent. on non-enumerated manufactures of flax, jute, or hemp, and 336 puts 40 per cent. on non-enumerated manufactures of flax. The Department places the duty of 35 per cent. on textile fabrics, as 334 embraces generally fabrics of that class, leaving articles of flax, not textile fabrics, subject to duty under 336.

133. This clause imposes a duty of one cent per pound on certain descriptions of glass bottles, but when filled, and not otherwise provided for, such articles are subject to 30 per cent. duty in addition to the duty on the contents. It is not clear whether the words "not otherwise provided for" refer to the bottles or to the articles forming their contents. The construction adopted is, however, that the words refer to the bottles, so that bottles not subject to a separate duty *eo nomine* when filled, pay the duty of 30 per cent. See paragraph 310 for one class of filled bottles provided for. This rule creates difficulty of administration, as some classes of merchandise, such as toilet preparations, which, under paragraph 99, are liable to a duty of 50 per cent., are always imported in bottles, and the rule would require a division of the value, first, of the bottles dutiable as 30 per cent. *ad valorem*, and then the contents dutiable at 50 per cent., and thus two appraisements become necessary. The law on this point should be reformed, and it would seem better that in such cases the articles should be appraised and classified as an entirety, and that the bottles should be free from a separate duty. See, also, paragraph 136.

At first a difficulty was experienced in construing some of the provisions of Schedule C relating to metals. Paragraph 150 imposes on round iron in coils or rods less than  $\frac{1}{8}$  of an inch in diameter,  $\frac{1}{10}$  of one cent per pound. Paragraph 180 imposes on the same class of metals, when valued at  $3\frac{1}{2}$  cents or less per pound,  $\frac{1}{4}$  of one cent per pound, when within the denomination of rivet, screw, nail, or fence-wire rods in coils or loops. The class of iron mentioned in 150 is generally available for the purposes mentioned 180, and the Department has held that when of the size and value specified in 180, it is to be classified for duty thereunder, without reference to the uses to which the merchandise is ultimately applied. This is not stated as a diffi-

culty in administration, but only to explain the position taken by the Department on the subject.

182. This clause regulates the duty on iron and steel wire of certain dimensions, but makes no provision for wire larger than No. 5, wire gauge. Wire of that size is therefore remanded to the classification of articles of iron or steel not enumerated dutiable at 45 per cent., which rate is not in harmony with the duty on the specified sizes of wire.

246. This relates to leaf tobacco, and imposes a duty of 75 cents a pound on leaf tobacco, of which 85 per cent. is of the requisite size and of the necessary fineness of texture to be suitable for wrappers, and of which more than one hundred leaves are required to weigh a pound. At once the question arose, to what unit of quantity does the 85 per cent. relate? The choice seemed to be the quantity stated in the invoice, or the quantity in the package. The Department decided in favor of the latter standard, but this has resulted in an evasion of the law, as it has been found that packages containing tobacco belonging to the class known as wrapper tobacco, produced in Sumatra, are shipped to Amsterdam, where the packages are opened and a quantity of the wrapper tobacco is taken out and its place supplied by an equal quantity of filler tobacco, so that the whole package, as thus manipulated, does not contain 85 per cent. of tobacco fit for wrappers, and then claim is made that the whole package is dutiable under 247 at 35 cents a pound. To remedy this difficulty it is suggested that Congress define more clearly the meaning of said paragraph 246.

The last proviso to paragraph 318 declares that there shall be no allowance for breakage, leakage, or damage on wines, liquors, cordials, or distilled spirits. So far as concerns leakage or breakage, the Department holds that it extends only to the arbitrary allowances which the prior law provided in lieu of the actual loss sustained, but as there was not established any arbitrary allowance in lieu of damage, the prohibition is regarded as absolute so far as concerns damage. No reason, however, is perceived why the class of merchandise named should not receive, equally with other classes of merchandise, an abatement of duties on account of damage sustained on the voyage of importation.

400. This is in Schedule M, and provides for bonnets, hats, and hoods for men, women, and children, composed of certain substances therein named or other material not specially enumerated or provided for, at a duty of 30 per cent. ad valorem.

448 provides for materials for hats, naming certain articles composed of certain designated materials, and adding "or any other substance or material not specially enumerated or provided for," at a duty of 20 per cent. ad valorem. It is not clear whether the term "not specially enumerated or provided for" in these paragraphs refer to the substance or materials or back to the articles named in said paragraphs. For instance, claim is made that silk hats and silk bonnets are dutiable under paragraph 400, because silk hats and silk bonnets are not specially named in the act. Claim is also made that materials for hats, such as are named in paragraph 448, when made of silk are dutiable at 20 per cent., because articles of the character therein named, were made of silk, are not specially enumerated otherwise in the act. The Department has held that Schedule L is exhaustive of all classes of silk goods, and hence that neither of said claims are well founded. Still, this decision will provoke litigation, and it would be well for Congress to state in more precise terms the proper construction of said provisions.

429 provides for feathers and artificial flowers for millinery use at a duty of 50 per cent., but does not cover these articles when for other uses. It is suggested that the terms "for millinery ornaments" and "for millinery use" in said paragraph be stricken out, so as to make the clause exhaustive of the articles without regard to use.

A very annoying question has arisen under paragraphs 465 and 760 and 286, which provide for vegetables. Take, for instance, the articles of peas and beans. If imported as vegetables for consumption they are subject to duty at 10 per cent., under 286. If imported for use as seeds, the question comes whether they are garden seeds dutiable at 20 per cent. under 465, because if not, they are free under 760, as seeds not otherwise provided for. Congress should impose fixed rates of duty on vegetable products, such as barley, beets, peas, beans, and other like articles, and put one rate of duty on seeds, not edible, whether for garden or agricultural purposes. To show the present position of the Department on the question of garden seeds, I inclose a copy of decision 6046, dated November 27 1883.

186 imposes a duty of 35 per cent. on all manufactures of copper or of which copper shall be a component material of chief value, while 216 puts a duty of 45 per cent. on manufactures, articles or wares not specially enumerated or provided for, composed wholly or in part of x copper. The ruling of the Department in an endeavor to give force to both of these provisions will be found in decision 5899.

Paragraph 366 provides for "clothing, ready-made, and wearing apparel of every description, and not specially enumerated or provided for," while paragraph 367 provides at a different rate of duty for "cloaks, dolmans," &c., "or other outside garments for ladies' and children's apparel and goods of similar description; or used

or like purposes." The question arose as to which of these paragraphs should control the description of ladies' shawls. They are wearing apparel, and they are, in a certain sense, outside garments, and so the law was not easy of interpretation. It was finally decided, however, that they were not garments of the character named in paragraph 367, which were made of cloth which had been woven and afterwards made up by a seamstress or manufacturer, and that therefore they fell into paragraph 366.

Paragraph 366 provides for "women's and children's dress goods, coat linings, Italian cloths, and goods of like description, composed in part of wool," &c. The words "goods of like description" are very vague. The question came up whether lastings for the manufacture of shoes were "goods of like description" to Italian cloths, which are generally used for coat linings. The Department decided that they were not "goods of like description" to Italian cloths, and against the claim of the American manufacturers, who desired to place them in paragraph 365.

The law in both of the respects mentioned should be made clear.

I transmit copies of the more important decisions made by the Department under the new tariff, from which you will see more in detail the questions of administration which have arisen.

Very respectfully,

CHAS. J. FOLGER,  
Secretary.

#### No. 4.

House Report No. 1971, Forty-eighth Congress, first session.]

#### MODIFYING EXISTING LAWS RELATING TO DUTIES ON IMPORTS AND THE COLLECTION OF THE REVENUE.

JUNE 25, 1884.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. A. S. HEWITT, from the Committee on Ways and Means, submitted the following report, to accompany bill H. R. 7429:

*The Committee on Ways and Means, to whom was referred bill H. R. 7429, beg leave to submit the following report:*

On the 5th of February, 1884, the Committee on Ways and Means adopted a resolution requesting the Secretary of the Treasury to make such suggestions as he might deem necessary in order to improve the administration of the Customs Department, and to furnish such facts in regard thereto as the committee ought to have in order to perfect suitable amendments to existing laws, looking to their better administration. On the 7th of February the Secretary of the Treasury addressed to the chairman of the committee a letter, a copy of which is hereto appended, marked A. It will be observed that the Secretary understood the resolution to refer more particularly to the tariff than to the machinery of the administration of the customs laws. He therefore confined his statements to the practical operation of the tariff act of March 3, 1883, and pointed out some of the conflicting provisions thereof.

Based upon this information in part, and in part upon complaints which have been brought to the notice of the committee by officers of the customs and by merchants and others engaged in the importation of foreign goods, the bill herewith submitted and recommended for favorable action has been framed. For convenience of reference the paragraphs have been numbered from 1 to 34, and will be explained in this report in the order of their numbers. For convenience of comparison, at the close of each paragraph has been placed the number of the corresponding provision in the official copy, published by the Treasury Department, of the tariff of March 3, 1883.

No. 1 changes section 2491 of the Revised Statutes in one respect only. As the law now stands the whole invoice is forfeited provided it contains any article of an immoral nature. By the proposed change the forfeiture is limited to such immoral articles, provided it be shown, to the satisfaction of the officers of the customs, that the prohibited articles were put into the packages by accident or innocent design. This change meets with the approval of the Secretary of the Treasury.

No. 2 relates to what is known as the "similitude" clause of the existing tariff, which has been found to produce confusion and has led to many controversies in regard to the proper rate of duty. The proposed change simplifies the rule, and, it is believed by the officers of the customs, will be easy of application both by themselves and by the importer.

No. 3 relates to the duty upon distilled spirits and upon alcohol, which were also provided for under paragraph 311 of the existing tariff. The Secretary therefore recommends that sections 101 and 102 be stricken out, to avoid duplication.

No. 4 is intended to correct the difficulty which arises from the different rates of duty upon glass bottles, and the contents for such bottles; and, under the advice of the Secretary of the Treasury, the duty is made to follow the contents, so far as practicable.

No. 5 is recommended by the Secretary of the Treasury because the law, as it now stands, causes an apparent conflict between the duty of 35 per cent. upon manufactures of copper, or of which copper shall be a component material of chief value; whereas paragraph 216 imposes a duty of 45 per cent. on articles or wares composed wholly or in part of copper. The proposed clause removes this conflict, and carries out the ruling of the Department made in decision 5890.

No. 6 relates to paragraph 246 of the existing tariff, which imposes a duty of 75 cents a pound on leaf tobacco, of which 85 per cent. is of the requisite size and of the necessary fineness of texture to be suitable for wrappers, of which more than one hundred leaves are required to weigh a pound. Difficulties having arisen in the construction of this paragraph, the Secretary of the Treasury recommends the removal of the restriction of 85 per cent., so that the higher duty shall attach only to the quantity of tobacco in any invoice which is suitable for wrappers.

No. 7 relates to the duty on vegetables, in regard to which the Secretary of the Treasury makes the following remarks:

"A very annoying question has arisen under paragraphs 465, 760, and 286, which provide for vegetables. Take, for instance, the articles of peas and beans. If imported as vegetables for consumption, they are subject to a duty of 10 per cent. under 286. If imported for use as seeds, the question arises whether they are garden seeds, dutiable at 20 per cent. under 465; because, if not, they are free under 760, as seeds not otherwise provided for."

The bill as reported classifies the seeds so as to have but one duty, that of 10 per cent., upon vegetables and garden seeds, leaving agricultural seeds to come in free, as now provided by law.

No. 8 relates to textile fabrics of flax, jute, and hemp. This is intended to correct a conflict in the existing tariff duties of 35 per cent. and 40 per cent. upon textile fabrics which cannot well be distinguished from each other. In accordance with the recommendations of the Department, one rate of duty is placed upon these articles.

No. 9 relates to paragraph 365, which it corrects by omitting the words "goods of like description," in accordance with the recommendation of the Secretary of the Treasury.

No. 10 is intended to correct a conflict between 366 and 367, and make the law conform to the present ruling of the Department.

No. 11 relates to paragraph 443, and limits that paragraph to vegetable materials in order to correct a conflict between paragraphs 400 and 443, and conforms the law to the decision of the Department.

The same remark applies to paragraph No. 12.

No. 13 is rendered necessary by the change made in No. 7 in regard to vegetables and seeds.

No. 14 allows a drawback upon the exportation of oil-cake manufactured from linseed or flax-seed. This was formerly the law, and no good reason exists why a drawback should not be paid upon this article as well as upon other articles made from imported materials when re-exported. This provision has the approval of the Secretary of the Treasury.

No. 15 simplifies the law in regard to the materials for watches, and classifies them under one general head and makes them subject to one general rate of duty, thus avoiding the claim which is made that they are subject to different rates of duty imposed by law upon materials of which they are composed.

No. 16 conforms the duty on webbing to that imposed by law upon other manufactures of cotton or flax.

No. 17 is intended to correct a complaint made by business men that the language of the existing law requires articles which are the growth, produce, and manufacture of the United States to be returned in *precisely the condition* in which they were exported, in order to be relieved from duty. As a rule, such articles are usually impaired in value by having been thus exported. Technically, therefore, they are not in the same condition as when exported. The proposed change will make such articles free, unless they have been advanced in value by some process of manufacture or by labor, in which case only will they be subjected to duty.

No. 18 is a mere change of phraseology defining the substances which may be properly classed as "soap-stocks," which in paragraph 790 of the existing tariff are not properly defined.

No. 19 is perhaps the most important feature in the proposed law. The effect of the change in the tariff in regard to the duty upon packages has been to produce the greatest confusion in business, and has filled the Department with appeals from the assessments of duty under this section. It is said that 18,000 protests are now on file in the Department. A commission of the most experienced officers of the

customs has been sitting, the opinion of the Attorney-General has been taken, and the courts have been encumbered with suits for the recovery of duties alleged to have been unlawfully assessed. The clause recommended by the committee meets with the approval of the Department, and is believed to be so clear and explicit that disputes will hereafter be impossible. It is claimed that a deduction of 1 per cent. from the dutiable value which is provided for in this section is not sufficient to compensate for the increase of duty which will arise from the addition of inner packages to the cost of the goods. The Treasury Department are opposed to any deduction whatever, because of the clerical labor which the computations will involve; but your committee are of opinion that a reasonable allowance should be made in order to avoid the possibility of any increase of duty not intended by the law of 1883.

No. 20 substitutes "declarations" for "sworn invoices." In this respect it conforms to the practice of all civilized nations, who have long since abandoned the annoyance caused by custom-house oaths.

No. 21 applies the same penalties, however, to false declarations which are now applicable to false invoices made under oath. The business interests of the country will welcome this change with great satisfaction.

No. 22 relieves goods placed in bonded warehouses from the additional duty of 10 per cent. which by section 2970 is imposed upon them if they remain more than one year in the warehouse. No good reason can be urged why this penalty should be exacted. It is a relic of a false principle which regards the deposit of merchandise in bonded warehouses as an injury and not a benefit to commerce; whereas, in fact, consumers are greatly benefited by the presence of a large stock of goods, and the producers of the domestic article are thus protected against any serious fluctuations in the market price. Bonded warehouses operate as a safety-valve to commerce, and relieve merchants from the necessity of paying the duties before the goods enter upon consumption. In the present state of the Treasury this is a wise concession to the demands of business.

No. 23 changes existing law by assessing duty upon the goods withdrawn from bonded warehouses, thus giving to the merchant the benefit of deduction for loss or damage. The principle of imposing duties upon merchandise which has no existence cannot be defended.

No. 24 allows the collector of customs to permit cargoes in bulk to be discharged at any point in his collection district. This will save lighterage and other unnecessary expenses now incurred by reason of the requirement of law that goods shall be landed only upon certain wharves. There are many factories which now import whole cargoes, and in whose behalf this relief is invoked, and to which it will be a great benefit.

Nos. 25, 26, and 27 conform the law to the present practice in regard to the entries of wearing apparel and personal baggage of persons arriving in the United States. It was recommended by the tariff commission, and has the approval of the officers of the customs.

In addition to these provisions a new clause is framed to meet the case of charitable donations of wearing apparel. It is found that immigrants to this country often receive contributions from their friends abroad of old clothes which are very valuable to them, especially in their first stages of residence in this country, upon which the law now requires the full duty on new clothing to be imposed. This provision is also recommended by the officers of the customs, who are very much embarrassed by the law as it now stands.

No. 28 is intended to permit all baggage and personal effects which come to this country in transitu to any foreign country to be forwarded to the collector of the port from which they are to be finally exported to the place of destination. Much inconvenience will be thus avoided.

No. 29 is intended to provide for the entry of goods by persons holding indorsed bills of lading, and by the underwriters in case of the abandonment of goods which they may have insured. Great embarrassment is found to exist from the present limitations of the law that entries shall be made only by the consignee named in the bill of lading.

No. 30 allows the Secretary of the Treasury to dispense with triplicate invoices and consular certificates in any case where they are not required for the determination of the dutiable value of goods. Triplicate invoices and consular certificates in cases where the value of the merchandise does not exceed \$100 are abolished. Authority is given to the Secretary of the Treasury to regulate such invoices and certificates in such manner as the public interest may require.

No. 31 abolishes what are known as custom-house oaths, and all fees which are exacted for the transaction of custom-house business. These have long been the subject of complaint. There is no reason why they should be preserved as a source of revenue, and their abolition will be a great saving of time and comfort to the business interests of the country. This reform is demanded by the leading commercial

organizations, and will be welcomed with great satisfaction by all who have to deal with the Government.

No. 32 extends the drawback now allowed by law on articles wholly manufactured of imported materials, so as to cover the whole amount of duty paid. As the law now stands, in some cases, 90 per cent. is returned, and in other cases 99 per cent. There is a general demand, however, for relief from these duties, and as we desire to encourage the exportation of goods manufactured in this country, and as the cost of refunding the duties is slight, the committee have finally concluded to recommend repayment in full, by way of drawback, of all such duties.

No. 33 is intended to provide against just complaints under existing law in regard to the final liquidation and payment of duties. As the law now stands, cases may be reopened at any time within one year, and the merchant finds himself compelled to make payments to the Government long after the goods have been sold and gone into consumption. The proposed legislation limits the reopening to cases of fraud and of error pointed out at the time of the final liquidation of the entry.

No. 34 deals with the allowance for damage to imported merchandise in the course of transportation. The Department recommends the abolition of all damage allowances. The merchants have called for the same legislation. There are difficulties, however, in framing a section which will meet all cases. The committee propose a compromise which will relieve the difficulties arising out of damages to perishable wares and merchandise, by the total abolition of such allowances, giving, however, to the importer the right to abandon to the Government all, or any portion, exceeding 10 per cent., of such goods, wares, and merchandise. The effect of this provision will be to prevent great annoyance and entirely to bring to an end the frauds which it is alleged are perpetrated, even with the most rigid oversight, by unjust allowances in the nature of damage to imported goods.

The committee have, by no means exhausted the catalogue of difficulties arising out of the operations of the tariff act of March 3, 1883; but the measure now proposed, if promptly enacted, will relieve much of the embarrassment of administration, and diminish the litigation which is now impeding and promises to encumber the courts of law for many years to come.

The committee therefore recommend the passage of the bill herewith submitted.

(Enclosure No. 1.)

[H. R. 7429, Forty-eighth Congress, first session.]

IN THE HOUSE OF REPRESENTATIVES, JUNE 25, 1884.—Read twice, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed.

MR. ABRAM S. HEWITT, from the Committee on Ways and Means, reported the following bill:

A BILL to modify existing laws relating to duties on imports and the collection of the revenue.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That on and after the passage and approval of this act the following amendments to and provisions for existing laws shall take effect as follows:

Section six of the act of March third, eighteen hundred and eighty-three, entitled "An act to reduce internal-revenue taxation, and other purposes," providing a substitute for title thirty-three of the Revised Statutes of the United States, is hereby amended as to certain of the sections and parts of sections or schedules in substituted title so that they shall be as follows, respectively:

(1.) "SEC. 2491. All persons are prohibited from importing into the United States from any foreign country any obscene book, pamphlet, paper, writing, advertisement, circular, print, picture, drawing, or other representation, figure or image on or of paper or other material, or any cast, instrument, or other article of an immoral nature, or any drug or medicine, or any article whatever, for the prevention of conception or for causing unlawful abortion. No invoice or package whatever, or any part of one, in which any such articles are contained, shall be admitted to entry; and all invoices and packages whereof any such articles shall compose a part are liable to be proceeded against, seized, and forfeited by due course of law. All such prohibited articles in the course of importation shall be detained by the officer of customs, and proceedings taken against the same as prescribed in the following section: *Provided*, That the drugs hereinbefore mentioned, when imported in bulk and not put up for any of the purposes hereinbefore specified, are excepted from the operation of this section: *And provided further*, That if it be shown to the satisfaction of the collector of customs and the naval officer (if there be one) that such prohibited articles were put into such packages by accident or innocent design, the remaining portion of the goods covered by the invoice shall be admitted to entry."

(2.) "SEC. 2499. On all articles manufactured from two or more materials, not otherwise enumerated or provided for in the schedules of duties in this title, the duty shall be assessed at the highest rate at which the component material of chief value may be chargeable; and the words 'component material of chief value' shall mean the component of principal cost in the article; and if any non-enumerated articles resemble those on the 'free-list,' and in the manufacture of such articles no dutiable materials are used, they shall be free of duty."

(3.) SEC. 2502. SCHEDULE A—CHEMICAL PRODUCTS.—Strike out from this schedule the words "distilled spirits containing fifty per centum of anhydrous alcohol, one dollar per gallon;" also strike out the words "alcohol containing ninety-four per centum anhydrous alcohol, two dollars per gallon."—[Tariff, paragraphs 101, 102, 103.]

SCHEDULE B—EARTHENWARE AND GLASSWARE.—The tenth clause of this schedule, relating to "green and colored glass bottles," and so forth, is hereby amended so that it shall be as follows:

(4.) "Green and colored glass bottles, vials, demijohns, and carboys (covered or uncovered), pickle or preserve jars, and other plain, molded, or pressed green and colored bottle glass, not cut, engraved, or painted, and not especially enumerated or provided for in this act, one cent per pound; if filled, and not otherwise in this act provided for, and the contents are subject to an ad valorem duty, or to a rate of duty based on their value, the value of such bottles, vials, or other vessels shall be added to the value of the contents for the ascertainment of the dutiable value of the latter; but if filled, and not otherwise provided for, and the contents are not subject to an ad valorem duty or to a rate of duty based on their value, they shall pay a duty of one cent per pound in addition to the duty, if any, on their contents."—[Tariff, paragraph 133.]

The eleventh clause of this schedule, relating to "flint and lime glass bottles," and so forth, is hereby amended so that it shall be as follows:—[Tariff, paragraph 134.]

"Flint and lime glass bottles and vials, and other plain, molded, or pressed flint or lime glassware, not specially enumerated or provided for in this act, forty per centum ad valorem; if filled, and not otherwise in this act provided for, and the contents are subject to an ad valorem duty, or to a rate of duty based on their value, the value of such flint or lime glass bottles or vials, or other vessels of like material above provided for, shall be added to the value of the contents for the ascertainment of the dutiable value of the latter; but if filled, and not otherwise provided for, and the contents are not subject to an ad valorem duty, or to a rate of duty based on their value, they shall pay a duty of forty per centum ad valorem in addition to the duty, if any, on their contents."

SCHEDULE C—METALS.—Strike out the last clause of this schedule, relating to "manufactures, articles, or wares not specially enumerated or provided for," and insert in lieu thereof the following:

(5.) "Manufactures, articles, or wares not specially enumerated or provided for in this act, composed wholly or in part of iron, steel, copper, lead, nickel, pewter, tin, zinc, gold, silver, platinum, or any other metal, and whether partly or wholly manufactured, forty-five per centum ad valorem: *Provided*, That nothing in this clause shall affect the rate of duty hereinbefore provided for manufactures of copper, or of which copper shall be the component of chief value."—[Tariff, paragraphs 186, 216.]

SCHEDULE F—TOBACCO.—Strike out from this schedule the second clause, relating to "leaf-tobacco," and in lieu thereof insert the following:

(6.) "Leaf-tobacco, of the requisite size and of the necessary fineness of texture to be suitable for wrappers, and of which more than one hundred leaves are required to weigh a pound, if not stemmed, seventy-five cents per pound; if stemmed, one dollar per pound: *Provided*, That so much of any package of such tobacco as may be so broken as not to be suitable for wrappers shall pay a duty of thirty-five cents per pound."—[Tariff, paragraph 246.]

SCHEDULE G—PROVISIONS.—Strike out the clause in this schedule relating to "vegetables in their natural state or in salt or brine," and insert in lieu thereof the following:

(7.) "Vegetables, such as beets, peas, beans, and the like, in their natural state, whether green or dried or in salt or brine, not specially enumerated or provided for in this act, and garden seeds, not edible, except seed of the sugar-beet, ten per centum ad valorem."—[Tariff, paragraphs 286, 465, 760.]

SCHEDULE J—HEMP, JUTE, AND FLAX GOODS.—Strike out the eighth clause in this schedule, commencing with the words "brown and bleached linens," and insert in lieu thereof the following:

(8.) "Textile fabrics of flax, jute, or hemp, or of which flax, jute, or hemp shall be the component material of chief value, not specially enumerated or provided for in this act, thirty-five per centum ad valorem."—[Tariff, paragraph 334.]

SCHEDULE K.—Strike out the fourteenth clause of this schedule, relating to "women's and children's dress goods," and in lieu thereof insert the following:

(9.) "Women's and children's dress goods, coat linings, and Italian cloths, composed in part of wool, worsted, the hair of the alpaca, goat, or other animals, valued at

not exceeding twenty cents per square yard, five cents per square yard, and in addition thereto thirty-five per centum ad valorem; valued at above twenty cents per square yard, seven cents per square yard, and forty per centum ad valorem; if composed wholly of wool, worsted, the hair of the alpaca, goat, or other animals, or of a mixture of them, nine cents per square yard and forty per centum ad valorem; but all such goods with selvages, made wholly or in part of other materials, or with threads of other materials introduced for the purpose of changing the classification, shall be dutiable at nine cents per square yard and forty per centum ad valorem: *Provided*, That all such goods weighing over four ounces per square yard shall pay a duty of thirty-five cents per pound and forty per centum ad valorem."—[Tariff, paragraphs 365a to 365f.]

(10.) Strike out from this schedule the sixteenth clause, relating to "cloaks, dolmans, jackets, talmas, ulsters," and so forth, which clause is hereby repealed.—[Tariff, paragraphs 366, 367.]

SCHEDULE N.—Strike out the seventh clause of this schedule, relating to "bonnets, hats, and hoods," and so forth, and insert in lieu thereof the following:

(1.) "Bonnets, hats, and hoods for men, women, and children, composed of hair, whalebone, or any vegetable material, and not specially enumerated or provided for in this act, thirty per centum ad valorem."—[Tariff, paragraph 406.]

Strike out the clause of this schedule commencing with the words "hats, and so forth, materials for," and insert in lieu thereof the following:

(12.) "Hats, materials for: Braids, plaits, flats, willow sheets and squares, for use in making or ornamenting hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, hair, whalebone, or any vegetable material, not specially enumerated or provided for in this act, twenty per centum ad valorem."—[Tariff, paragraph 448.]

(13.) Strike out the clause of this schedule commencing with the words "garden seeds," which clause is hereby repealed.—[Tariff, paragraph 465.]

Strike out the clause of this schedule relating to "linseed or flaxseed," and insert in lieu thereof the following:

(14.) "Linseed or flaxseed, twenty cents per bushel of fifty-six pounds; and a drawback on linseed-cake manufactured wholly from imported seed shall be allowed, under such regulations as shall be prescribed by the Secretary of the Treasury."—[Tariff, paragraph 466.]

(15.) Strike out the last clause but one of this schedule, relating to "watches," and so forth, and insert in lieu thereof the following:—[Tariff, paragraph 494.]

"Watches, watch-cases, watch-movements, parts of watches, watch-glasses, and watch-keys, whether separately packed or otherwise, and watch materials not specially enumerated or provided for in this act, twenty-five per centum ad valorem."

(16.) Strike out the last clause in this schedule, relating to "webbing," and insert in lieu thereof the following:

"Webbing composed of cotton or flax, or of a mixture of these materials, and not specially enumerated or provided for in this act, thirty-five per centum ad valorem."—[Tariff, paragraph 495.]

#### THE FREE LIST.

(17.) SEC. 2503. [Substituted for sec. 2505, R. S.] Strike out the clause in this section commencing with the words "articles the growth, produce, and manufacture of the United States," and insert in lieu thereof the following:

"Articles the growth, produce, and manufacture of the United States, when returned after having been exported, without having been advanced in value by any process of manufacture or by labor thereon. Casks, barrels, carboys, bags, and other vessels of American manufacture exported filled with American products, or exported empty and returned filled with foreign products, including shooks when returned as barrels or boxes; but proof of the identity of such articles shall be made, under regulations to be prescribed by the Secretary of the Treasury; and if any of such articles are subject to internal tax at the time of exportation, such tax shall be proved to have been paid before exportation, and not refunded: *Provided*, That this clause shall not include any article upon which an allowance of drawback has been made."—[Tariff, paragraphs 649a to 649d.]

(18.) Add to the clause in this section relating to "soap-stocks" so that the clause as amended will read as follows:

"Soap-stocks, fit only for use as such."—[Tariff, paragraph 790.]

(19.) SEC. 2. That section seven of the act approved March third, eighteen hundred and eighty-three, entitled "An act to reduce internal-revenue taxation, and for other purposes," is hereby amended so that it shall be as follows:

"SEC. 7. That sections twenty-nine hundred and seven and twenty-nine hundred and eight of the Revised Statutes of the United States, and section fourteen of the act entitled 'An act to amend the customs-revenue laws, and to repeal moieties,' approved June twenty-second, eighteen hundred and seventy-four, be, and the same are hereby, repealed; and hereafter none of the charges imposed by said sections shall

be estimated in ascertaining the value of goods to be imported, but the dutiable value of imported goods shall be their actual market value or wholesale price, in the condition in which they are ready to be packed for shipment to the United States in the principal markets of the country whose markets determine the dutiable value; and from the dutiable value thus determined there shall be a deduction of one per centum to cover the cost of transportation and packing:" *Provided, however,* That if there be used for covering or holding imported merchandise any material or article which, if imported separately would be subject to a higher rate of duty than the merchandise contained therein, the whole invoice shall be subject to the higher rate of duty, unless the dutiable value of the merchandise, and of the article or material wherein it is contained, shall be separately stated, in which case the duties shall be assessed and collected on each separately at the rates prescribed by law; and in order to determine the comparative rates of duty specific duties shall, whenever necessary, be converted into the corresponding ad valorem rates by calculation: *And provided further,* That nothing in this act, except as provided in section eleven of this act, shall impair or affect existing provisions of law in regard to allowances for damage on merchandise on the voyage of importation, and that, subject to the restrictive provisions of this section and of section eleven, duties shall not be assessed upon an amount less than the invoice or entered value of the merchandise."

(20.) SEC. 3. That section eight of the act of March third, eighteen hundred and eighty-three, entitled "An act to reduce internal-revenue taxation, and for other purposes," amending section twenty-eight hundred and forty-one of the Revised Statutes of the United States, is hereby further amended so that said section of the Revised Statutes shall be as follows:

"SEC. 2841. Whenever merchandise imported into the United States is entered by invoice, one of the following declarations, according to the nature of the case, shall be filed with the collector of the port, at the time of entry, by the owner, importer, consignee, or agent: *Provided,* That if any of the invoices or bills of lading of any merchandise imported in any one vessel, which should otherwise be embraced in said entry, have not been received at the date of the entry, the declaration may state the fact, and thereupon such merchandise of which the invoices or bills of lading are not produced shall not be included in such entry, but may be entered subsequently:

"DECLARATION OF CONSIGNEE, IMPORTER, OR AGENT.

"I, \_\_\_\_\_, do solemnly and truly declare that the invoice and bill of lading now presented by me to the collector of \_\_\_\_\_ are the true and only invoice and bill of lading by me received of all the goods, wares, and merchandise imported in the \_\_\_\_\_, whereof \_\_\_\_\_ is master, from \_\_\_\_\_, for account of any person whomsoever for whom I am authorized to enter the same; that the said invoice and bill of lading are in the state in which they were actually received by me, and that I do not know nor believe in the existence of any other invoice or bill of lading of the said goods, wares, and merchandise; that the entry now delivered to the collector contains a just and true account of the said goods, wares, and merchandise, according to the said invoice and bill of lading; that nothing has been, on my part, nor, to my knowledge, on the part of any other person, concealed or suppressed, whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise; that the said invoice and the declaration therein are in all respects true, and were made by the person by whom the same purports to have been made, and that if at any time hereafter I discover any error in the said invoice, or in the account now rendered of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district. And I do further solemnly and truly declare that to the best of my knowledge and belief [insert the name and residence of the owner or owners] is [or are] the owner [or owners] of the goods, wares, and merchandise mentioned in the annexed entry; that the invoice now produced by me exhibits the actual cost [if purchased] or fair market value [if otherwise obtained], at the time or times and place or places when or where procured [as the case may be], of the said goods, wares, and merchandise, including all cost for finishing said goods, wares, and merchandise to their present condition, and no other or different discount, bounty, or drawback but such as has been actually allowed on the same.

"DECLARATION OF OWNER IN CASES WHERE MERCHANDISE HAS BEEN ACTUALLY PURCHASED.

"I, \_\_\_\_\_, do solemnly and truly declare that the entry now delivered by me to the collector of \_\_\_\_\_ contains a just and true account of all the goods, wares, and merchandise imported by or consigned to me, in the \_\_\_\_\_, whereof \_\_\_\_\_ is master, from \_\_\_\_\_; that the invoice which I now produce contains a just and faith-

ful account of the actual cost of the said goods, wares, and merchandise, including all cost of finishing said goods, wares, and merchandise to their present condition, and no other discount, drawback, or bounty but such as has been actually allowed on the same; that I do not know or believe in the existence of any invoice or bill of lading other than those now produced by me, and that they are in the state in which I actually received them. And I further solemnly and truly declare that I have not in the said entry or invoice concealed or suppressed anything whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise; that the said invoice and the declaration thereon are in all respects true, and were made by the person by whom the same purports to have been made, and that if at any time hereafter I discover any error in the said invoice or in the account now produced of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district.

**"DECLARATION OF MANUFACTURER OR OWNER IN CASES WHERE MERCHANDISE HAS NOT BEEN ACTUALLY PURCHASED.**

"I, \_\_\_\_\_, do solemnly and truly declare that the entry now delivered by me to the collector of \_\_\_\_\_ contains a just and true account of all the goods, wares, and merchandise imported by or consigned to me in the \_\_\_\_\_, whereof \_\_\_\_\_ is master, from \_\_\_\_\_; that the said goods, wares, and merchandise were not actually bought by me, or by my agent, in the ordinary mode of bargain and sale, but that nevertheless the invoice which I now produce contains a just and faithful valuation of the same, at their fair market value, at the time or times and place or places when and where procured for my account [or for account of myself or partners]; that the said invoice contains also a just and faithful account of all the cost for finishing said goods, wares, and merchandise to their present condition, and no other discount, drawback, or bounty but such as has been actually allowed on the said goods, wares, and merchandise; that the said invoice and the declaration thereon are in all respects true, and were made by the person by whom the same purports to have been made; that I do not know nor believe in the existence of any invoice or bill of lading other than those now produced by me, and that they are in the state in which I actually received them. And I do further solemnly and truly declare that I have not in the said entry or invoice concealed or suppressed anything whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise, and that if at any time hereafter I discover any error in the said invoice, or in the account now produced of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district."

(21.) SEC. 4. That any person who shall knowingly make any false or untrue statement in the declarations herein provided for, or shall aid or procure the making of any such false statement as to any matter material thereto, shall be deemed guilty of felony, and, on conviction thereof, shall be punished by a fine of not less than two thousand dollars, and by imprisonment at hard labor not more than five years.

SEC. 5. That sections twenty-nine hundred and seventy and twenty-nine hundred and eighty-three of the Revised Statutes of the United States are hereby amended so that the same shall be, respectively, as follows:

(22.) "SEC. 2970. Any merchandise deposited in bond in any public or private bonded warehouse may be withdrawn for consumption within three years from the date of original importation, on payment of the duties and charges to which it may be subject by law at the time of such withdrawal: *Provided*, That nothing herein shall affect or impair existing provisions of law in regard to the disposal of perishable or explosive articles."

(23.) "SEC. 2983. In no case shall there be any abatement of the duties or allowance made for any injury, damage, or deterioration sustained by any merchandise while deposited in any public or private bonded warehouse: *Provided*, That the duty assessed on merchandise withdrawn from any such warehouse shall be assessed on the quantity withdrawn therefrom at the time of such withdrawal; but no greater allowance for leakage or evaporation of wines, liquors, and distilled spirits shall be made than is or may be allowed by law on domestic spirits or wines in bond: *And provided further*, That nothing in this section as amended shall restrict or in any way affect the liability of the proprietors of bonded warehouses on their bonds: *And provided further*, That nothing herein shall restrain or limit the exercise of the authority conferred on the Secretary of the Treasury by section twenty-nine hundred and eighty-four of the Revised Statutes."

SEC. 6. That sections twenty-seven hundred and seventy, twenty-seven hundred and ninety-nine, twenty-eight hundred, twenty-eight hundred and one, twenty-eight

hundred and three, and three thousand and fifty-eight of the Revised Statutes be amended to read as follows:

(24.) "SEC. 2770. It shall not be lawful to make entry of any vessel which shall arrive within the United States from any foreign port, or of the cargo on board such vessel, elsewhere than at one of the ports of entry designated in chapter one of this title, nor to unlade the cargo, or any part thereof, elsewhere than at one of the ports of delivery therein designated, except that in cases of cargoes in bulk the collector may, by special permit, allow the same to be unladed at any point in his collection district, to be designated, under the supervision of an inspector of customs, on payment by the importer of the necessary expenses of such inspector, and the United States appraiser and gauger or measurer, as the case may be: *Provided*, That every port of entry shall be also a port of delivery. This section shall not prevent the master or commander of any vessel from making entry with the collector of any district in which such vessel may be owned, or from which she may have sailed on the voyage from which she shall then have returned.

(25.) "SEC. 2799. In order to ascertain what articles ought to be exempted as the wearing apparel, personal and household effects, libraries and parts of libraries in use, professional books, implements, instruments, and tools of trade, occupation, or employment, and other personal baggage of persons who arrive in the United States, due entry or declaration thereof as of merchandise, but separate and distinct from that of any other merchandise imported from a foreign port, shall be made with the collector of the district in which the articles are intended to be landed, by the owner thereof or his agent, specifying the persons by whom or for whom such entry is made, and particularizing the several packages and their contents, with their marks and numbers; and the person who shall make the entry or declaration shall take and subscribe an oath before the collector, declaring that the entry subscribed by him, and to which the oath is annexed, contains, to the best of his knowledge and belief, a just and true account of the contents of the several packages mentioned in the entry, specifying the name of the vessel, of her master, and of the port from which she has arrived, and that such packages contain no merchandise whatever other than the articles which are free from duty as specified above; that they are all the property of a person named, who has arrived or is expected to arrive in the United States within one year, and are not directly or indirectly imported for any other or intended for sale.

(26.) "SEC. 2800. Whenever the person making entry of any articles free from duty, as specified in the preceding section, is not the owner of them, he shall give bond, with one or more sureties, to the satisfaction of the collector, in a sum equal to the duties on like articles imported subject to duty, upon the condition that the owner of the articles shall, within one year (but within three months of his arrival in the United States), personally made an oath such as is prescribed in the preceding section.

(27.) "SEC. 2801. On compliance with the two preceding sections, and not otherwise, a permit shall be granted for landing such articles. But whenever the collector thinks proper he may direct the baggage of any person arriving within the United States to be examined by the surveyor of the port, or by an inspector of the customs, who shall make a return of the same, and if any articles are contained therein which in the opinion of the collector ought not to be exempted from duty, due entry of them shall be made, and the duties thereon paid: *Provided*, That charitable donations of wearing apparel shall be exempt from duty on production of evidence satisfactory to the collector and to the naval officer (if any) that the same are in good faith imported for the relief or aid of indigent or needy persons who are residents of the United States, and not for sale; but this exemption shall apply only when such donated wearing apparel is old and worn, and the value thereof in any one importation does not, in the judgment of the United States appraiser, exceed one hundred dollars.

(28.) "SEC. 2803. Any baggage or personal effects arriving in the United States in transit to any foreign country may be delivered by the parties having it in charge to the collector of the proper district, to be by him retained, without the payment or exaction of any import duty, or to be forwarded by such collector to the collector of the port of departure, and to be delivered to such parties on their departure for their foreign destination, under such rules, regulations, and fees as the Secretary of the Treasury may prescribe.

(29.) "SEC. 3058. All merchandise imported into the United States shall, for the purpose of this title, be deemed and held to be the property of the person to whom the merchandise may be consigned; but the holder of any bill of lading consigned to order and properly indorsed shall be deemed the consignee thereof; and in case of the abandonment of any merchandise to the underwriters, the latter shall be held to be the consignee."

(30.) SEC. 7. That authority is hereby given to the Secretary of the Treasury, in his discretion, to dispense whenever expedient with the triplicate invoices and consular certificates now required by sections twenty-eight hundred and fifty-three,

twenty-eight hundred and fifty-four, and twenty-eight hundred and fifty-five of the Revised Statutes of the United States; and triplicate invoices and consular certificates shall in no case be required when the value of the merchandise included in the invoice does not exceed one hundred dollars; and the Secretary of the Treasury is hereby authorized and requested to make such regulations in regard to invoices and consular certificates as in his judgment the public interest may require.

(31.) SEC. 8. That all fees exacted and oaths administered by officers of the customs, under or by virtue of existing laws of the United States, upon the entry of imported goods and the passing thereof through the customs, and also upon all entries of domestic goods, wares, and merchandise for exportation, be, and the same are hereby, abolished: *Provided*, That where such fees, under existing laws, constitute, in whole or in part, the compensation of any officer, such officer shall receive, from and after the passage of this act, a fixed sum for each year equal to the amount of such compensation received by him for the fiscal year ended June thirtieth, eighteen hundred and eighty-three, or a proportionate amount for any part of a year.

SEC. 9. That section three thousand and nineteen of the Revised Statutes be amended so that it will read:

(32.) "SEC. 3019. 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; and all provisions of law inconsistent herewith are hereby repealed."

(33.) SEC. 10. That after entries of goods shall be finally passed the decision of a collector of customs fixing the rate and amount of duty on any given importation of merchandise shall be final and conclusive upon the Government, except in case of fraud, and upon all others beneficially interested therein, unless protest and appeal are taken and suit is commenced in the manner and under the conditions prescribed by section twenty-nine hundred and thirty-one of the Revised Statutes of the United States: *Provided, however*, That the final ascertainment and statement of duties on the import entry, and not the payment thereof, shall be regarded as the liquidation, and that after protest or appeal in any case the entry may be reliquidated by the collector for error; and all protests lodged before liquidation shall be void.

(34.) SEC. 11. That section twenty-nine hundred and twenty-seven of the Revised Statutes is hereby amended by the addition of the following words thereto:

"No allowances for damage to fruits or other perishable goods, wares, and merchandise imported into the United States shall hereafter be allowed in the estimation of duties thereon, except as to seeds, and such other commodities as in the judgment of the Secretary of the Treasury do not admit of convenient separation by package or piece; but the importer thereof may abandon to the Government all or any portion of goods, wares, and merchandise of the character last mentioned included in any invoice, and be relieved from the payment of the duties on the portion so abandoned: *Provided*, That the portion so abandoned shall amount to ten per centum or over of the total value of the invoice."

## No. 5.

TREASURY DEPARTMENT, *March 16, 1886.*

SIR: The incessant pressure of the current business of this Department, as well as antecedent applications from committees of one or the other of the two Houses of Congress, have prevented an earlier reply to your communication of February 13, 1886, covering House bill No. 5010. There has also been delay growing out of a more or less complete examination of the statutes which bill No. 5010 proposes to modify or repeal.

That bill is similar to H. R. 7429, reported by you to the House on June 25, 1884, and accompanied by a letter of suggestions from my predecessor, Mr. Folger, dated February 7, 1884, in respect to the proposed legislation. Your own clear and concise report then made has left little to be said in explanation of the legislative policy embodied in the measure. Since, however, you have asked my views thereon, I will frankly express them. If they shall differ from those presented to you by my learned predecessor on February 7, 1884, the difference will be referable to changed conditions of administration and fresh difficulties encountered by this Department.

I will with your permission refer to the bill (5010) in the order of the amendments proposed therein, designating them by sections, and then offer the additional suggestions in regard to the immediate need of a thorough tariff revision to which you do me the honor to invite me.

## SECTION 2491.

The purpose of the amendment to section 2491 seems to be the addition of the proviso contained in the last five lines of the section. All of the previous portion of the section is a transcript of the existing law, and will it not prevent an encumbering of the statute-book to simply declare that the new matter shall be an amendment of section 2491? I have no means of measuring any apparent necessity which exists for this amendment. I am not informed of any injustice inflicted by the existing law. Is it intended that "such prohibited articles" shall refer to all the articles now prohibited by section 2491, or only to the "drugs" described in the proviso of the existing section? Will it not prevent misinterpretation of the new proviso to say "*any* of such prohibited articles" instead of "such prohibited articles"? As the articles must be imported articles, and must have been put into packages in a foreign country, and presumably with the intention of sending them hither, it is difficult to imagine circumstances under which the prohibited articles could be put in packages "by accident or innocent design," unless it shall be that the prohibited articles were put in packages with the intention of sending them elsewhere than to the United States. If the prohibited articles are exhibited on an invoice, neither the invoice nor the package can, by the body of the section, be admitted to entry, and if not contained on the invoice, a fair inference would be that the omission must have been intentional and guilty. If serious injustice and injury to legitimate trade have been the result of section 2491 as it now stands, it should of course be amended, even though the amendment shall put upon the collector and naval officer the inconvenient and embarrassing work of deciding questions of intention.

## SECTION 2499.

The effect of the amendment of section 2499 will be to repeal what is known as the "Similitude section," first enacted in the protective tariff of 1842, and substitute therefor the section contained in the proposed bill. I see no reason why Congress may not limit the plan of 1842 as is suggested by the obvious purpose of the amendment. Does the phrase "not otherwise enumerated or provided," in the first two lines of the amendment, refer to the first substantive, which is "materials," or to the substantive next removed, which is "articles"? Why shall the law say, in the fourth line of the amendment, "the *highest* rate," instead of "the rate"? Is it intended that a distinction shall be made by the customs officers between "chief values" and "principal cost," in line 41? There has been embarrassment in ascertaining the meaning of "similar." (See *Schneider vs. Barney*, Vol. 113, U. S. Reports, 645.) I fear a like embarrassment in applying the word "resemble," in line 42. Resemblance in what? The existing section 2499 declares "a similitude either in material, quality, texture, or the use to which it may be applied." Unless a positive and material advantage is to be thereby gained by the Government, sections like the original 2491 are inexpedient, inasmuch as they largely increase the labor of appraising officers and promote extremely vexing questions.

## SECTION 2502.

The opinions expressed by this Department and yourself two years ago in respect to section 2503 hold good now. I do, however, think it most important, if Congress shall not, during the present session, enact a law creating new schedules covering the ambiguities in the existing law suggested in my communication to the House of Representatives of February 10, 1886, then that amendatory legislation shall so deal with those ambiguities as to put a stop to protests, appeals, and suits.

## SECTION 2503, AND DUTIES ON COVERINGS.

No criticism of amendments proposed in lines 194 to 219, inclusive, occurs to me. In respect to the perplexities created by the unfortunate seventh section of the law of 1883, I desire to say that I am more and more impressed every day with the importance of simplifying the things to be done by customs officers, and diminishing as far as possible the estimates and calculations to be made by them in ascertaining market value or dutiable value. The chief object of the Government in arranging and framing the tariff schedules is, or should be, as I take it, to obtain a certain amount of revenue therefrom. To levy duties upon the foreign value of the coverings of imported merchandise, *as coverings*, is to increase the duty upon the articles covered. Of course the Government must take care that, under the pretext of "coverings," merchandise is not, *as salable merchandise*, brought in free of duty, or at a less rate of duty than that to which it would be liable if invoiced and imported as merchandise. To prevent such evasion of the law is one of the chief difficulties in the way of dealing satisfactorily with "coverings."

Disorder and confusion have come in executing the seventh section of the law of 1883, because the draughtsman of that section, either not being familiar with the statute history and language of the subject, or else intending a radical change, went beyond the mere reduction of duties, and interfered with the pre-existing system for ascertaining *dutiable* value. The opinion in Oberteuffer's case is a pertinent illustration of the tendency of the courts, when interpreting an ambiguous section of a tariff law, to examine previous laws *in pari materia* in order to ascertain the intention of Congress when enacting the section on which the controversy turns. This endeavor to treat laws for the collection of duties as a continuous system, makes apparent the importance of accurate knowledge of that system when making modifications of it. I refer now to the recent opinion in Oberteuffer's case, because it throws light on framing a new law to meet the difficulties created by the legislation of 1883. We may also be aided, I think, by a brief review of previous legislation to increase the rate and sum of duty on an article by declaring that other items besides the foreign value of the article *per se* shall be dutiable. The fourth section of the law of April 20, 1818, declared:

That the ad valorem rates of duty upon goods, wares, and merchandise shall be estimated by adding 20 per cent. to the actual cost thereof if imported from the Cape of Good Hope or from any island, port, or place beyond the same, and 10 per cent. on the actual cost thereof if imported from any other place or country, *including all charges except commissions, outside packages, and insurance.*

The fifth section of the law of March 1, 1823, declared that—

The ad valorem rates of duty upon goods, wares, and merchandise shall be estimated in the manner following: To the actual cost, if the same shall have been actually purchased, or the actual value, if the same shall have been procured otherwise than by purchase, at the time and place when and where purchased or otherwise procured, or to the appraised value, if appraised, shall be added all charges except insurance. \* \* \* And the said rates of duty shall be estimated on such aggregate amount.

The fifteenth section of the law of July 14, 1832, repeated literally the previous section, and it will be observed that the two last-named laws omitted the items "commissions, outside packages," specified in the law of 1818.

The law of 1832 levied "on salt 10 cents per 56 pounds"; and the question was presented to Chief-Justice Taney (*Karthauss vs. Frick* Taney's C. C. Decisions, p. 94) whether or not the sacks in which salt was imported were subject to an additional ad valorem duty. It was in evidence that salt was sometimes imported in bulk and some times in sacks. At first, the Treasury Department decided that the bags were merely used as receptacles, like bags containing coffee, or barrels containing liquors, and were not dutiable; but subsequently an ad valorem duty was levied on the bags as manufactures of hemp, in addition to the specific duty charged upon the salt. Chief-Justice Taney decided that the sacks were not dutiable, and said that—

The material in which merchandise is usually packed for the purpose of secure and convenient transportation has not in general been the subject of a separate impost. When the vessel containing the article is also a subject of commerce the specific duty has been made higher upon the merchandise thus imported in consideration of the value of the vessel that contains it; but we are not aware of any instance in which a separate ad valorem duty has been levied upon the vessel or receptacle in which it is contained when a specific duty is laid upon the merchandise.

If there was any reason for supposing that the salt was packed in bags in order to introduce them as an article of commerce duty free, it would present a very different question. But nothing of that sort is suggested, nor is there the least evidence to create a suspicion that anything unfair is intended in this mode of importation.

The protective tariff of 1842 declared in the sixteenth section that there—

Shall be added all *costs* and charges except insurance, and including, in every case, a charge for commissions at the usual rates, as the true value at the port where the same may be entered upon which duties shall be assessed.

This law, it will be observed, required "all costs and charges" to be added to the market value excepting the one item of insurance. In this statute the word "costs," as an element of dutiable value, first appears in our tariff legislation.

The eighth section of the revenue tariff law of 1846 enabled the owner to make such additions in the entry to the cost or value given in the invoice as will raise the same to the true market value of such imports in the principal markets of the country whence imported or where produced, which value the appraisers are to ascertain. It also declared that the person making entry may add "all costs and charges which, under existing laws, would form part of the true value at the port where the same may be entered, upon which the duties shall be assessed," thereby emphasizing the distinction between the *market* value, which appraising officers are to ascertain, and *dutiable* value, which the collector is to ascertain by the addition of items to the appraised value which the importer has failed to add on making entry.

On November 25, 1846, my distinguished predecessor, Mr. Walker, in a circular letter to customs officers, enumerated and described the costs and charges to be added to *market* value in order to make *dutiable* value. It is to be borne in mind that, under the law of 1846, the value of the merchandise at the time of *procurement* was to be ascertained by the appraisers, and not the value at the time of *exportation*, as now.

The law of March 3, 1851, declared that all merchandise liable to any ad valorem rate of duty shall be appraised at the period of the exportation to the United States, "and to such value, or price, shall be

added all costs and charges except insurance, and including in every case a charge for commissions at the usual rate." This law gave birth to many most vexing questions, and to so much scandal in administration, that Congress has repeatedly declared, in recent laws appropriating money for the refund of duties illegally exacted, that no payments shall be made in cases known as "charges and commission cases," unless there be a specific appropriation therefor.

No material change was made by Congress in respect to additions of items of costs, or charges, to market value, in order to make dutiable value, until the protective tariff law of 1864, wherein it is declared in the twenty-fourth section—

In determining the valuation of goods imported into the United States from foreign countries, except as hereinbefore provided, upon which duties imposed by any existing laws are to be assessed, the actual value of such goods on *shipboard* at the last place of shipment to the United States shall be deemed dutiable value, and such value shall be ascertained by *adding* to the value of such goods at the place of growth, production, or manufacture (1) the cost of transportation, shipment, and transshipment, with all the expenses included from the place of growth, production, or manufacture, whether by land or water, to the vessel in which shipment is made to the United States, (2) the value of the sack, box, or covering of any kind in which such goods are contained, (3) commission at the usual rate, in no case less than  $2\frac{1}{2}$  per centum, (4) brokerage, and (5) all export duties, together with (6) all costs and charges, paid or incurred for placing said goods on shipboard, and (7) all other proper charges specified by law.

In this section first appears the phrase "sack, box, or covering of any kind." This section levies the rate fixed for the article, whether 50 or 75 or 100 per cent., on the package on inland freight, as, for example, from Basle to Havre, and on all the other items specified in that law.

By the tariff law of March 3, 1865, all of these items mentioned in the previous law of 1864 as elements of dutiable value were swept away, and Congress declared that ad valorem rates shall be levied only on "the actual market value or wholesale price of the merchandise at the period of the exportation to the United States in the principal markets of the country from which the same shall have been imported." That law of 1865 distinctly declares that "the appraised value shall be considered the value upon which duty shall be assessed."

On July 28, 1866, Congress returned to the rule of 1864, when it declared—

That in determining the dutiable value of merchandise hereafter imported, there shall be added to the cost, or to the actual wholesale price or general market value at the time of exportation in the principal markets of the country from whence the same shall have been imported into the United States (1) the cost of transportation, shipment, and transshipment, with all the expenses included from the place of growth, production, or manufacture, whether by land or water, to the place in which shipment is made to the United States, (2) the value of the sack, bags, or covering of any kind in which such goods are contained, (3) commission at the usual rates, but in no case less than two and a half per centum, (4) brokerage, (5) export duty, (6) and all other actual or unusual charges for putting up, preparing, and packing for transportation or shipment.

That law of 1866, making the before-mentioned items a part of the dutiable value, was carried into the Revised Statutes as sections 2907 and 2908.

In the legislation of 1874 known as "the anti-moiety law," the fourteenth section dealt with a proviso in this law of 1866 which declared—

That all additions made to the entered value of merchandise for charges, shall be regarded as part of the actual value of such merchandise, and if such addition shall exceed by ten per centum the value so declared in the entry, in addition to the duties imposed by law there shall be levied, collected, and paid a duty of twenty per centum on such value.

I infer that previous to 1874, if an importer had failed to make an addition to his entry in order to cover certain items of dutiable value not set forth in the invoice, proceedings had been taken to forfeit the entry, upon the allegation, under the law of 1863, that the omission to add the items was with intent to defraud the revenue. Therefore the law of 1874 declared that such omission, unless intentional, shall not be a cause of forfeiture, "but in all cases where the same, or any part thereof, are omitted it shall be the duty of the collector or appraiser to add the same for the purpose of duty to such invoice or entry, either in items or in gross, at such price or amount as he shall deem just and reasonable, which price or amount shall, in the absence of protest, be conclusive, and to impose and add thereto the further sum of one hundred per centum of the price or amount added, which addition shall constitute a part of the dutiable value of such goods, wares, and merchandise as shall be collectible as provided by law in respect to duties on imports."

In other words, if the importer failed to make the addition to his entry the collector or appraiser could add a sum equal to double the amount. Thus the law stood till 1883, which repealed the laws of 1866 and 1874, which I have collated, and declared that—

Hereafter none of the charges imposed by said sections, or any other provisions of existing law, shall be estimated in ascertaining the value of goods to be imported, nor shall the value of the usual and necessary sacks, crates, boxes, or covering of any kind be estimated as part of their value in determining the amount of duties for which they are liable.

What is the history of this seventh section of the law of 1883, and why was it enacted? Its origin can be found in the doings of the Tariff Commission of 1882. The Commissioners interrogated assistant appraisers and examiners at the port of New York in respect to the practical working of sections 2907 and 2908 of the Revised Statutes. Mr. McMullen, who is now the appraiser at New York, testified:

I would like to say something in regard to charges and commissions. That is a very annoying thing in regard to the invoice. I think it would be better to abandon the items altogether, or add a charge for them to the duty. I think 3 per cent. would about cover the present charges and commissions as they average.

#### Assistant Appraiser Headley testified:

I would strike out all charges and commissions. Duties are assessed upon merchandise, and the charges and commissions are claimed to be necessary expenses. So a man's trip to Europe to purchase the goods is a necessary expense, and a great many other things are necessary expenses in connection with that purchase which would affect the value of the merchandise. It strikes me that the same amount of duty would be collected, and the revenue protected just as well, by adding a little more to the rate of duty and leave out the commissions and charges.

#### Assistant Appraiser Hoyt testified:

The amount of charges is subject to our appraisement as well as the intrinsic value of the articles themselves. Some of the goods in my line (worsted dress-goods) are purchased in paper boxes, and the appraisers of these different classes of merchandise know when they are included in the price of the goods themselves. If you buy a dozen pairs of stockings here in a carton, you pay for the carton when you pay for the stockings, and take it with you. Throughout Europe that is the usual way of buying these goods. In England they usually make an additional charge for the carton. *Parties may put F. O. B. on their invoices when the facts don't warrant it, and that is another point we cannot always determine.* I would recommend an additional 5 per cent. to be put on to cover all charges and commissions.

#### Assistant Appraiser Auerbach testified:

We experience great difficulty in the matter of determining the charges to be added in making up the dutiable value of goods. I remember one case where an invoice of Japanese goods could not be liquidated for some months, because it was impossible to determine the question in regard to an insurance item on the invoice, whether it meant marine insurance or fire insurance.

Mr. Marshall Field, an importer residing in Chicago, testified :

I am of the opinion that the duty should be entirely abolished on all packing charges, shipping charges, brokerages, and commissions. In other words, I believe that the dutiable value should be the wholesale price of the goods at the actual market in which they are purchased. The compulsory addition of these petty charges yields no considerable revenue and entails incessant annoyance on the importers.

Mr. Hall, collector at Milwaukee, testified :

The revenue derived from the duty on these charges is very slight, but it costs more to collect it than it is worth. I should be in favor of abolishing the whole thing. Let the man pay on what his goods cost him, and do away with all fictitious costs and charges.

A careful examination of the report made to the House by the Tariff Commission on December 4, 1882, will throw additional light on this subject. On page 9 the Commissioners said :

Perhaps the most important and radical change recommended is the repeal of the sections of the existing law requiring the addition of inland transportation, costs, and charges to the basis of an ad valorem duty. Although the repeal of these sections will effect a large reduction in duties, especially on bulky goods, such repeal was strongly recommended both by custom-house experts and importers as a measure of relief from the greatest source of annoyance in the liquidation of duties on imported merchandise.

On page 13 the subject is again referred to in especial relation to the rate of duty on earthenware, and the Commission say that it has not advised any change of the rate on earthenware and common stoneware, because—

Notwithstanding the proposed abolition of the duties on packages, charges and commissions, it is believed that the old rates will afford a *reasonable protection* to the manufacture here.

On more expensive earthenware, and on porcelain, the Commission did, however, recommend an increase of duty, but extenuated the increase by saying that it would be—

Largely more apparent than real, as it will be observed that the proposed abolition of duties upon packages, inland freights, charges and commissions, affects this species of earthenware in general use perhaps more seriously than any other article embraced in the tariff schedules.

In allusion (page 41) to its proposed repeal of sections 2907 and 2908, of the Revised Statutes, the Tariff Commission say :

The result of the repeal of these sections would be a reduction, especially on the coarser and more bulky fabrics, of a considerable portion of the present duties, amounting, as we believe, in some instances, to nearly if not quite one-fourth; while on the finer and more highly priced goods the reduction will be much less.

In the *projet* of a law submitted to Congress by the Commission, it will be seen (page 91) that the Commission contented itself with a simple recommendation that sections 2907 and 2908 of the Revised Statutes be repealed. No allusion was there made to section 14 of the law of 1874. Perhaps it was a perception of this omission of a repeal of the last-named section which inspired the declaration by Congress in 1883 not only that "*none* of the charges imposed by said sections, or any other provisions of existing law, shall be *estimated* in ascertaining the value of goods to be imported," but that "*the value of the usual and necessary sacks, crates, boxes, or coverings of any kind*" shall *not* be considered by the appraisers in determining the amount of duties for which the goods contained therein shall be liable.

I do not now express an opinion whether or not the legal effect of the language finally used in 1883 has been different from the policy intended by the advice given to the Tariff Commission by the apprais-

ing officers at New York, or from the advice which the Tariff Commission gave to Congress. It is, however, plain to see that it will be extremely difficult, if not practically impossible, for appraising officers to ascertain, as a *fact*, the foreign market value of an article in a condition in which, as a *fact* it is seldom, or never sold, or bought in the market. If the final controlling purpose in 1883, in dealing with coverings, was to adjust the tariff to the one industry in New Jersey of earthenware, the lesson has been a severe and should be a healthy one. It was most natural that my learned predecessor, Mr. Folger, when called on to execute that law, should have felt that Congress having, as the Supreme Court concedes, left section 2706 of the Revised Statutes standing and untouched, did not intend to require appraising officers in ascertaining the market value of a paper of pins to separate the value of the pins from the value of the labor of sticking the pins into paper, and of the value of the paper. But, as I have already said, the severe lesson will not have been in vain if we shall be thereby taught that we cannot safely, in legislating on the tariff, and in framing a section touching every industry as does this seventh section, fix our eyes too intently on *one* industry. If the consumers, for whom prices have been enhanced by the duties unlawfully levied on coverings, could have the refunds paid to them, the evil would be more tolerable, but the protected industry got the benefit of the duties levied, the importer was reimbursed by the consumer, and now the refund will entirely go to the importer, or foreign manufacturer, and their custom-house brokers and attorneys at law, in this country, to say nothing of the labor and expense thrown on this Government. And yet I am far from advising, or wishing, that the revising hand of the courts shall be removed from decisions of customs officers and this Department in respect to commercial designations and rates.

The law of 1883 makes no specific allusion to appraisements, except in the ninth section, whereby it is clearly implied: "That the true and actual market value and wholesale price shall be ascertained by appraising officers as provided by previous laws."

Indeed in that section it is distinctly said that in ascertaining the value of merchandise whereof there do not appear to have been sales in open market, "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, and merchandise be appraised at less than the total cost or value *thus ascertained*."

It may be said that this clause contains a provision for an exceptional case, which is where market value cannot be otherwise ascertained, but it cannot be denied that, in such a case, all the expense of preparing the merchandise "for shipment" is to be included in order to make dutiable value. It will be observed that the Supreme Court in its opinion in *Oberteuffer's* case distinctly declared that section 2906 of the Revised Statutes stands unrepealed and untouched by the law of 1883. This section declared that when an ad valorem rate of duty is imposed the collector shall cause the actual market value or wholesale price thereof at the period of the exportation to be appraised, and such appraised value shall be considered the value upon which duty shall be assessed.

When I came to the Department the effect of the seventh section of the law of 1883 on all this antecedent legislation to which I have referred had been decided by my predecessors. The common law

of departmental administration, and the law of March 3, 1875, saying "that no ruling or decision once made by the Secretary of the Treasury giving construction to any law imposing customs duties shall be reversed or modified adversely to the United States by the same or a succeeding Secretary, excepting in concurrence with an opinion of the Attorney-General recommending the same, or a judicial decision of a circuit or district court of the United States conflicting with such ruling or decision and from which the Attorney-General shall certify that no appeal will be taken by the United States," had placed a restraint on the free exercise of my discretion in giving an interpretation to the law of 1883 differing from that which had been given. A different decision by me even in regard to current importations would necessarily have had a bearing on questions which had gone into litigation.

We have been warned by the recent opinion of the Supreme Court that a reference to these laws to which I have called attention is necessary in the preparation of a substitute for the seventh section of the law of 1883, if the substitute is not to plunge importers, this Department, the courts, and Congress into still greater perplexity. Under all the laws previous to 1864 the market value was first ascertained by the appraisers, and then an addition to the market value was made either by the appraising officer, or by the collector, of the specified items. And if by the appraiser, then the inclusion of the items was made not in the ascertainment of market value, but as an arithmetical addition of certain specified items to the market value.

Does not the law of March 3, 1865, yield light for guidance now if Congress shall decide that none of the items for commissions, brokerage, cost of transportation, coverings, or other charges specified in the laws of 1864 and 1866 shall hereafter be dutiable? That law of 1865 was comprehensive in sweeping away all such additions to market value. That law of 1865 was carefully considered by Mr. Justice Clifford (1868) in *Cobb vs. Hamlin* (Internal Revenue Record, vol. 8, p. 128). The question in that case was whether or not oranges and lemons having been purchased in the foreign market in bulk, but subsequently put into boxes for preservation and convenience in shipping, the actual market value thereof, within the meaning of the law of 1865, included the cost of the boxes, or only the cost of the merchandise in bulk. Mr. Justice Clifford declared that he entertained no doubt that the words "actual market value" included the cost of the box, package, or covering in all cases where the merchandise in question was actually purchased and was usually purchased in the box and sold for shipment in the foreign market, and where the price included the box, package, or covering, as well as the goods mentioned therein. But he decided that, as in the case in question, the oranges had been purchased in bulk, the boxes were *not* dutiable. I commend the language used in the act of 1865 and the decision of Mr. Justice Clifford to your consideration as one way out of our present difficulty. If Congress shall decide to adopt the policy there outlined, then administration will be for the appraising officers much easier, inasmuch as market value will be ascertained by them as an article in the condition, as to covering, in which it is usually purchased and sold in the foreign market, including such covering as well as the article therein contained.

One illustration of the difficulty of ascertaining market value of an article *per se* and in bulk will be sufficient. Blacking for boots and shoes is ordinarily bought and sold either in boxes if paste blacking, or in bottles or jugs if liquid blacking. The tin box for paste black-

ing may be a large element in the market value of a box of blacking, and yet the appraiser may find it difficult to ascertain the market value of the blacking in bulk and without the box, if not bought and sold in that condition.

A glimpse of another difficulty in the way of ascertaining the foreign market value and executing an ad valorem law can be had by considering the differing habits of trade in Germany, on the one hand, and England and France on the other hand, in gloves and hosiery like those in controversy in the Oberteuffer case, wherein it was testified that our countrymen are the only buyers in Germany of those articles in cartons. In Germany, if a German, or a Frenchman, or an Englishman be a buyer of gloves or hosiery, the price named does not include any form of packing. A price named in Germany to an American dealer includes the carton, but if named to a German, Frenchman, or Englishman, does not include the carton. In England or France on the other hand, the price named is for those articles unpacked, or in the loose condition, and an extra charge is made for the carton or bandage. One witness testified in the trial court that if he had contracted in Germany for gloves, or hosiery, at a fixed price, he would not consider the articles if delivered in bundles, and not in cartons, as a good delivery. Another witness testified that in Germany gloves and hosiery are as a rule put in cartons, not "*for the purpose of transportation*, but because the purchasers for our (American) markets prefer them to be put up in that form." This difference in the habits of trade in gloves and hosiery as between Germany, on the one side, and England and France, on the other side, is of course embarrassing for our appraising officers, inasmuch as the selling price in Germany may include cartons, but in France or England many not include them.

The peculiarities of our ad valorem system become even more apparent by a more critical examination of the opinion of the Supreme Court in the *Oberteuffer* case. There were in the suit three invoices covered by one entry. One invoice was of gloves, and two invoices were of cotton hosiery. The gloves and one invoice of hosiery were actually *purchased*, but the other invoice of hosiery was *consigned* to the plaintiffs for sale in New York. The invoice of *purchased* hosiery declared the price thereof by the dozen, from which price there was a 3 per cent. cash discount, and then there were *added* items for "boxes," "packing," "cases," and "packing charges," and then another cash discount of 3 per cent. from those items. But on the invoice of *consigned* hosiery the prices therefor were first given in the invoice by the dozen, and then, instead of adding items, as in the previous invoice, there were *deducted* items for "case," "freight from Hohenstein to Bremen," "freight to New York," "consul fees," "insurance," a total sum of 137 marks for those items. In other words, on an invoice of *purchased* hosiery a price was first given, less a discount for cash, and then an *addition* for items of charges, but on the *consigned* invoice the price was first given, with a deduction for cash discount, and then a *deduction* for items of charges.

It is to be observed that up to June 30, 1864, the additions to be made to the *market* value, in order to make *dutiable* value, were additions which could as a rule be correctly ascertained and applied by the collector; but when in that year and in the year 1866 the law required that "the *value* of the sack, box, or covering of any kind in which such goods are contained" be added, and especially when in the last-named year the law required "all other actual or usual charges for putting up, preparing, and packing for transportation or shipment,"

those items could not all of them be well ascertained by the collector, inasmuch as he has no facilities for ascertaining the "value" of anything, as ascertaining value is the work of appraising officers.

Warned by what has happened to the seventh section of the law of 1883, I now come to deal specifically with the substitute therefor contained in bill 5010.

Of course the substitute is only intended to cover ad valorem rates or duties in some way based on value. But how would "coverings" be dealt with by you, if those rates, or duties, were transformed into purely specific rates?

Lines 5 to 13, including the word "imported" on the last-named line, are a transcript of the language used in the existing seventh section of the law of 1883, excepting that the phrase "or any other provisions of existing laws" is omitted. May it not be argued that the phrase retained in your substitute, "hereafter none of the charges imposed by said sections shall be estimated in ascertaining the value of goods to be imported," is in conflict with the subsequent requirement that the dutiable value shall be their market value "in the condition in which they are ready for shipment to the United States," inasmuch as a condition of readiness for shipment may include charges which it has previously been said shall not be estimated? Will it not be better to omit the word "dutiable" in lines 13 and 17, and also to omit the phrase "to cover the cost of transportation and packing" on page 19? Congress may make, of course, a deduction of 1, or 5, or 10 per cent. from the market value in the condition of readiness for shipment, and it is not necessary to declare the reason. Also, will it not be better to omit the first proviso, in lines 20 to 23, on page 11, inasmuch as that declaration by law of what shall be held to be a true invoice may interfere with a prosecution for forfeiture for intentionally presenting a false invoice? And may not the second proviso on page 11 be liable to misinterpretation? Where and by whom shall "the dutiable value of the merchandise, and of the article or material wherein it is contained," be "separately stated?" Does not the second proviso imply that under certain circumstances duty shall be assessed on items which have been excluded by the body of the section? It may be, as in case of an article bought in a naked condition and the covering applied by some one not the seller, that the true invoice from the seller could not declare the value of the article in a condition of readiness for shipment. The person making entry could declare on entry the additional items necessary to make dutiable value of "the article or material wherein it is contained." The second proviso appears to be drawn with an eye to merchandise sent hither by a manufacturer for sale at his account and risk, rather than to merchandise bought by one not a regular dealer, who carries the merchandise elsewhere to be covered and packed for shipment. It is important, I think, to bear in mind that our tariff system implies an *invoice* value to be ascertained and declared by the maker of the invoice, a *market* value to be ascertained and declared by the appraising officers, and a *dutiable* value to be declared by the collector. As the dutiable value is to be ascertained after arrival, will it not be better to erase the words in line 15, page 10, "are ready for shipment" and insert "were shipped"?

In any new legislation it will be well to keep in mind the last clause of section 2900 of the Revised Statutes, and clearly declare whether or not the invoice value shall, under all circumstances, be a minimum value, no matter what it contains.

I fear that my comments on your substitute may be deemed too elaborate and critical, but they have been made with a purpose to assist your committee in devising a method of dealing with this difficult subject which shall be as simple and clear for our appraising officers as possible.

#### SECTION 2841.

The purpose of the amendment of section 2841 is, I take it, to make unnecessary the administration of an oath at the time of making an entry, and to substitute therefor a declaration. I heartily approve of the change. Is it not, however, expedient to require that the declaration shall be signed by the proper person, and also signed in the presence of a witness? I assume that your committee has considered the propriety of inflicting the forfeiture of the merchandise, or any part thereof, in addition to a criminal punishment if the false declarations shall be proved, on proper judicial proceedings for forfeiture, to have been made with an intention to evade or defraud the revenue.

#### SECTION 2970.

I can see no objection to section 2970 as it stands in the proposed bill.

#### SECTION 2983, AND DUTIES ON WAREHOUSED GOODS.

Section 2983 as it now is in the Revised Statutes, reads:

In no case shall there be an abatement of the duties or allowance made for the injury, damage, deterioration, loss or leakage, sustained by any merchandise while deposited in any public or private bonded warehouse.

This requirement was not contained, I think, in the original warehouse law of 1846, or its amendment of 1852, but was first applied in the fourth section of the law of March 28, 1854, and has been in force ever since. The amendment proposed by bill 5010, omits the words "*loss or leakage,*" and adds thereto immediately after, this proviso:

That the duty assessed on merchandise withdrawn from any such warehouse shall be assessed on the quantity withdrawn therefrom at the time of such withdrawal; but no greater allowance for leakage or evaporation of wines, liquors, and distilled spirits shall be made than is or may be allowed by law on domestic spirits or wines in bond.

The declaration contained in the foregoing proviso will be novel in our tariff legislation if adopted. If a new rule shall be adopted that an allowance is to be made for diminution of the quantity of imported merchandise while in warehouse, no sound reason in principle occurs to me why the same rule shall not be applied to *imported* spirits or wine in bond as the law applies to *domestic* spirits or wines in bond. But the proviso will in practical application cover a very much larger class of articles than spirits or wines. It will embrace every description of bonded merchandise.

The first warehouse enactment, as I do not need to inform you, was adopted in 1846. Its object was to do away with a credit for duties in the form in which credit existed up to that date, and to require all duties to be paid in cash, but, at the same time, to facilitate and encourage commerce by exempting the importer from the payment of duties until, within a limited specified period, ready to bring his merchandise into market. Customs warehouses existed before 1846, but imported merchandise could be deposited therein only when an entry at the custom-house was imperfect for want of proper documents,

or where the goods were damaged in the voyage and the duties could not be immediately ascertained, or the cash duties were not paid after the forms of entry had been complied with. Under such circumstances the collector was directed by laws existing before 1846 to take possession of such merchandise and place it in public stores, and retain it until the duties were paid. The warehouse act of 1846, so far as the landing and storing of goods are concerned, places goods entered for warehousing upon the same footing with goods upon which duties had not been paid. Up to 1886 the general theory of our warehouse law has been, subject only to a few special exceptions, that the duties accrued when the merchandise arrived within the territorial jurisdiction of the United States defined by law as a port of entry, with intent to unload the same; and that when goods have been placed in warehouse the rate and amount of duty to be paid thereon shall be fixed and determined by the law in force, and by the condition of the merchandise, at the time of such importation. The general theory of the law has always been to levy duty on the quantity which actually arrived as ascertained by the proper customs officers at the time of arrival. The law of 1846 declares that the proper duties and expenses on warehoused merchandise "be ascertained on due entry thereof for warehousing, and be secured by a bond of the owner, importer, or consignee, with surety or sureties to the satisfaction of the collector in double the amount of said duties and in such form as the Secretary of the Treasury shall prescribe."

By the law of 1846 the merchandise could remain in warehouse one year. In 1852 the time was extended to two years. In 1854 the time was again extended to three years. But in 1866 the period of withdrawal was limited so that unless the merchandise was withdrawn for consumption within one year from the date of the original importation an additional duty "of ten per cent. of the amount of such duties and charges" must be levied, and none could remain in warehouse longer than three years.

I certainly have no reason or wish to interfere with or attempt to control, even if I could, any disposition that may exist on the part of the Committee of Ways and Means or of the House to change the rule in this matter, which has existed from 1846 to the present day. I only deem it my duty, in response to your invitation, to lay before you any suggestions that may occur to me regarding the practical application of the law if it shall be amended in the terms proposed by bill 5010. As at present the "quantity" on which duty must be paid is fixed by the final liquidation of the original warehouse entry, so under the proposed bill the "quantity" must be *again* ascertained on each withdrawal for consumption, how many soever there may be. That will of course call for additional labor and for reliquidation, which need not be decisive as regards the propriety of the proposed change.

It must be remembered that the Government by its warehouse system gives in effect to an importer not only the protection of Government custody of the merchandise, but also gives to the importer in effect a credit for duties. The amount of duty chargeable on the importation is, under the existing system, liquidated and fixed on importation, and for the payment of that sum the bond of the importer with sufficient sureties is given. If the merchandise naturally shrinks by evaporation, or any other cause, while in the warehouse, that has been considered to be no more a loss of the Government than if the merchandise were duty paid, and in the warehouse of the importer. The proposed legislation, if adopted, will assess duty upon the quantity *withdrawn* instead

of the quantity *imported*. It certainly does in one sense seem unreasonable that an importer should be required to pay duty upon a quantity larger than that which actually and finally comes into his possession, but all duties levied upon imports are in one sense unreasonable. It may be that the *value* of the merchandise will be very much less at the end of three years than it was at the time of the importation, and if the rate be an *ad valorem* rate it may not seem to be likewise unreasonable that the importer should be required to pay an *ad valorem* rate upon a valuation greater than the real valuation when the importation is withdrawn.

My attention has been called to a report contained in the *New York Journal of Commerce*, of February 24, 1886, of a public meeting in the city of New York, called to consider this proposed measure, wherein it was said that our existing warehousing law is unjust and unreasonable; and that Congress should imitate the present English law in order to increase the welfare of the United States, and the better to encounter British competition. One speaker seemed to desire it to be inferred that in England there is no limit to the time during which imported merchandise can remain in bonded warehouse without payment of duty, and that under similar circumstances the British Government is more considerate of commerce than the United States are.

The tariff system of the government of the United Kingdom of Great Britain and Ireland is for relatively small islands, while ours is for a continent. The former is for 36,000,000 of people, while the latter is for nearly 60,000,000. The customs administration of the former concerns but a few ports near to one another and within easy reach of the minister, while the head of this Department must deal with one hundred and sixteen ports, or collection districts, some of them separated from one another by thousands of miles. The former levies only specific duties upon articles so few that all the legislative specifications therefor can easily be printed on less than a page of our Revised Statutes, while our specifications include some four thousand articles, covering a great number of printed pages in our Revised Statutes. During the last year there was collected in Great Britain and Ireland, from imports, the equivalent of about a hundred millions of dollars, while we collected nearly twice that sum. Before we adopt the British warehousing system it may be well to realize what are the chief articles on which the United Kingdom levied duties during the last year. The following are the principal sums collected, stated in pounds sterling:

Tobacco and snuff .....	£9, 376, 093
Rum .....	2, 084, 256
Brandy .....	1, 520, 971
Wine .....	1, 235, 200
Geneva .....	708, 610
Tea .....	4, 795, 843
Currants .....	341, 463
Coffee .....	209, 952
Raisins .....	155, 587
Cocoa .....	67, 955
Chicory .....	66, 342
Figs .....	49, 916

You and I may be permitted, perhaps, to think with envy of those in official positions in London, relatively similar to ours, who have such a simple and compact tariff system as that to deal with and administer.

I have examined "*An act to consolidate the customs law*" of the United Kingdom, dated July 24, 1876, and the subsequent amendments down to and including 1883, and believe them to set forth the

latest British legislation on the subject. Therein I find that by British law warehoused goods, if not cleared for home use or exportation within five years, must be rewarehoused, and if rewarehoused "the duties due upon any deficiency or difference between the quantity ascertained on landing and the quantity found to exist on such examination, together with the necessary expense attendant thereon, shall, subject to such allowances as are by law permitted in respect thereof, be paid down. The quantity so found shall be rewarehoused in the name of the then owner or proprietor thereof, in the same manner as on the first importation." If goods in warehouse be not cleared, or rewarehoused, or duties paid on such deficiencies, after five years, the goods are to be sold, and, after deduction of the duties, the proceeds placed to the Crown's account, to abide the claim of the owner or proprietor. The present British law does, however, provide that on the entry of any goods to be cleared from the warehouse for home use, there shall be paid "to the proper officer of the customs *the full duties payable thereon, not being less in amount than according to the account of the quantity taken by the proper officer on the first entry and landing thereof*, except as to the following goods, viz, tobacco, wine, spirits, figs, currants, and raisins." The duties when the goods are cleared from the warehouse for home use are chargeable upon the quantity of those enumerated articles ascertained, by weight, measure, or strength, at the time of actual delivery thereof, unless there is reasonable ground to suppose that any portion of the deficiency or difference between the weight, measure, or strength ascertained on landing and first examination of any such last-mentioned goods, and that ascertained at the time of actual delivery, has been caused by illegal or improper means, in which case the proper officer of customs shall make such allowance only for losses he may consider fairly to have arisen from natural evaporation or other legitimate cause.

Thus it will be seen that in England the general rule is the same as now in this country, and duty must be paid upon the quantity entered by the importer into the warehouse, excepting as to six articles, which are tobacco, wine, spirits, figs, currants, and raisins. It is to be observed that in England no duty is levied on sugars, and it is also to be observed that the English rates of duty on tobacco depend upon the moisture contained therein. Unmanufactured tobacco, containing ten pounds or more of moisture in every hundred pounds weight thereof, pays three shillings a pound; and if it contains less than ten pounds of moisture in every hundred pounds weight thereof, the rate of duty is three shillings and six pence a pound; but no tobacco packed and prized shall on the importation thereof be examined as to quantity and measure contained therein except by special order of the commissioner of customs; and manufactured tobacco shall, on the entry thereof, be distinguished as stemmed or unstemmed, as the case may be. But on warehoused tobacco withdrawn for home consumption there is chargeable two and six pence per hundred pounds, *in addition* to the duties on the original consumption entry.

#### SECTION 2770.

The proposed change in section 2770, as it stands in the existing law, is to insert these words: "Except that in cases of cargoes in bulk the collector may by special permit allow the same to be unladed at any point in his collection district to be designated, under the supervision of an inspector of customs, on payment by an importer of the necessary

expenses of such inspector, appraiser and gauger, or measurer, as the case may be."

No objection to that amendment occurs to me if the supervision of this Department be retained.

#### SECTION 2799.

The general purpose of the amendment to existing section 2799 appears to be to do away with an oath, and also to place upon the free list the articles included in the following specification:

Personal and household effects, libraries and parts of libraries in use, professional books, implements, instruments, and tools of trade, occupation, or employment.

At the end of the section the word "shortly," referring to an owner "expected to arrive in the United States," is stricken out, and the phrase "within one year" inserted instead. I do not desire to be understood as interposing any objection to this enlargement of the free-list. My only suggestion relates to administration and execution. The amendment does not declare how long the "personal and household effects, libraries and parts of libraries" must have been *in use* in order to entitle them to free entry. Ought there not to be a limitation and a plain definition of the limitation?

#### SECTION 2800.

I can see no objection to this amendment.

#### SECTION 2801.

This amendment of section 2801 of the Revised Statutes appears to contemplate the omission of the naval officer. The present law requires him *and* the collector to unite in directing the baggage of an arriving passenger to be examined by the surveyor or an inspector. I see no objection to this amendment; and yet it will be observed that the section as amended does require the co-operation of the naval officer with the collector in deciding whether any article in the baggage of an arriving passenger ought or ought not to be exempt from duty.

To the last proviso of the amendment of this section there does not appear to me to be objection; nor to the next amendment to section 2803 of the Revised Statutes.

May I here be permitted to suggest to the committee the need of new legislation making more certain the punishment of any arriving passenger, or his agents, who shall give, or offer to give, or promise to give, any money, or thing of value, to any customs officer in connection with, or for any act growing out of, the inspection of baggage? I wish that scandal could be prevented. The present law is inadequate, as I have said in my annual report on the collection of duties. I would respectfully suggest that in case of any such payment or offer, or promise, the person making the same shall be liable to indictment, and adequate criminal punishment; and that the fact of such payment, or offer, or promise, being established, the burden of proof shall be upon the person so paying, or offering, or promising, to show that the act was innocent and proper. And also that the customs officer receiving any such payment, or gift of money, or thing of value, shall be liable to indictment, and adequate criminal punishment, and that proof of the reception as aforesaid shall throw upon him the burden of satisfying the court and jury that such reception was innocent and lawful.

## SECTION 3058.

I cannot see any objection to the proposed amendment of section 3058 of the Revised Statutes, provided adequate limitations are, or shall be interposed, so that the existing provisions of law punishing a false invoice, or a false certificate of a consul, or a false entry, shall not be evaded.

## SECTION 7.

The seventh section of the proposed bill, page 22, appears to be an amendment of sections 2853, 2854, and 2855 of the Revised Statutes. I can see no objection to the exercise by the Secretary of the Treasury of the discretion confided to him by the first part of the section; nor to the forbidding of the requirement of triplicate invoices and consular certificates when the value of the merchandise does not exceed one hundred dollars. The last part of the section, however, which authorizes and requests the Secretary of the Treasury to make such regulations in regard to invoices and consular certificates, as in his judgment the public interest may require, may, if taken in its broadest sense, interfere with the authority in regard to such matters that is now vested in the Secretary of State. Although it is true that the money which at present maintains our consular service is chiefly obtained by a tax levied by consular officers for the verification or authentication of invoices of imported merchandise, and that such authentication and verification chiefly concern the Treasury Department, I am nevertheless doubtful whether it would, in practical administration, be well to take the supervision of such consular services out of the hands of the Department of State.

## SECTION 8.

The fees and oaths abolished by the seventh section of the proposed bill, as prescribed by existing laws, are very numerous; but I assume that the committee have carefully examined the subject and are satisfied that the proposed arrangement is preferable.

## SECTION 9.

The ninth section of the proposed bill will amend sections 3019, 3020, 3021 of the Revised Statutes, and the tenth section of the existing law of February 8, 1875. I can see no objection to the proposed amendment provided adequate security is taken that the articles are actually shipped, and actually leave the country and are actually landed abroad.

## SECTION 10.

Section 10 of the proposed bill is an amendment of the 21st section of the law of June 22, 1874. To this amendment you particularly call my attention and wish to be informed whether in my judgment its provisions will meet the difficulties referred to in my special report to Congress of January 18, 1886, on the subject of protests, appeals, and suits. The proposed amendment will not adequately meet the difficulties of administration which the bill that accompanies my special report was intended to deal with. I have, in a note to Mr.

Morrison, called his attention to one or two verbal amendments in the first section as proposed by me. I consider that proposed legislation of great and immediate importance. New evidence of its immediate need has been presented to me since the date of my special report, which I shall be glad to lay before you in an informal way, but which it would be inconvenient perhaps to make public. I shall be gratified if the measure proposed by me can be reported by your committee, and submitted to the House, unaccompanied by any other proposed legislation, and in that form sent to the Senate. One object of the legislation proposed by me is to perfect section 2931 of the Revised Statutes, to which your proposed tenth section refers. And if my proposed measure shall be adopted, it will tend, I think, to increase the efficiency of your proposed tenth section if it shall be adopted.

That proposed tenth section is, however, as I think, open to the criticism that "the decision of a collector of customs fixing the rate and amount of duties" \* \* \* "as ascertained by the liquidation of the entry," is to be *after* the entry "shall be finally adjusted," which cannot well be, inasmuch as the final liquidation is the final adjustment. The amendment also leaves open to dispute what shall be considered the "final" adjustment or liquidation which is to be conclusive upon the Government and the importer. There may have been an arithmetical error in the first adjustment to the disadvantage of the Government, or the collector may have erred in the rate levied, or in classification, to the injury of the Government. If the error has been to the injury of the importer, he will protest, appeal, and bring suit. But the Government may be remediless to collect the full amount of duty if the first liquidation and adjustment, which would have been final if it had been correct, cannot be revised by direction of the Secretary of the Treasury, or by the collector upon his own motion, "except in case of fraud." I think a time should be fixed beyond which a reliquidation should not be made even in the interest of the Government. Perhaps a limitation of time should exist within which a reliquidation cannot be made in the interest of the Government even "in case of fraud." The proviso to the second section declares "that the final ascertainment and statement of duties on the import entry shall be regarded as a liquidation," but does not define the meaning and limitation of the word "final." The proviso also authorizes reliquidation "for clerical error," but does not appear to provide for reliquidation when there has been an error in the rate of duty, or in the classification which might involve the rate of duty.

I have touched these questions in my special report to Congress on the subject of protests, appeals, and suits, and probably do not need to refer to them again, except to suggest that one or two of the local Federal judges (see *U. S. vs. Leng*, 18 Fed. Rep., 15) have intimated that liquidation of entries has by law been placed in the sole control of collectors of customs, so that even the head of this Department, under the large power given to him by Congress to regulate the collection of duties, has not authority to direct and control a reliquidation unless the importer shall, under section 2931 of the Revised Statutes, protest and appeal in his own interest. Or, in other words, the intimation is that the head of this Department can only by the protest and appeal of an importer acquire jurisdiction over classifications, and the rate and amount of duty levied by the one hundred and sixteen collectors of customs, and thereby make rates of duty uniform. I need not say that I do not assent to the correctness of the proposition involved in such an intimation.

## SECTIONS 12 AND 13.

These sections are entirely new legislation, in respect to the practical working of which I do not feel competent to the expression of an opinion.

I regret extremely that there has not been time to ask opinions of bill 5010 from the more experienced and intelligent of the appraising or other local officers at the large ports. It is upon them that the work and responsibility of initiating the execution of new tariff laws really fall. They stand daily and hourly in the midst of the business of importation, and have a clearer perception of what importers, their brokers and lawyers, are likely to say and do about new legislation. I distrust my own appreciation, as well as that of the excellent expert in this Department, of the effect of an amendment of the tariff law, even when the Department has participated in its preparation, so true is it that the draughtsman of a law is the less capable of interpreting his own work by reason of his tendency to think of *his own intention* rather than the possible legal effect of his language when studied by others.

## GENERAL SUGGESTIONS.

Has your attention been especially called to the opinion recently announced by the Supreme Court in *Boyd vs. The United States*? Is not the drift of it menacing to the right and power of Congress to enable the Executive to enforce a penalty as a punishment for an act done, or omitted, by an importer in making an entry of merchandise paying ad valorem rates? If it be that, under the Constitution, the Executive cannot be authorized to exact money from an importer, *as penalty or punishment*, and if Congress cannot empower executive officers, in collecting the revenue, to demand the production of truthful documents (as by section 2923 of the Revised Statutes) which are in the possession of importers and withheld, or the making of truthful entries (as by section 2900), or inflict penalty, or punishment, or the forfeiture of a right, and if all penalties must be recovered, or enforced, by suits in court, it will deserve consideration whether or not the working of our existing system of ad valorem rates has not received a serious blow.

If I shall seem in my annual report, or in my recent special report to Congress, or in my replies to inquiries addressed to me by committees of either House respecting the tariff, to have dwelt on the *executive* aspect of the subject, such pressure and urgency on my part have been because my observation and experience in this Department convince me that, since the war period, the natural limitations of the Executive in collecting duties on imports have too much dropped out of legislative consideration. While the war raged a great necessity existed which now fortunately does not exist, but the theories and methods of the half dozen war tariffs from and including that of August 5, 1861, up to and including that of March 3, 1865, have not been essentially changed. I do not mention the law of March 2, 1861, as a "war tariff" because its schedules were arranged and adopted by the House during the sessions of 1859 and 1860, before war came, and were partly to make good a deficit, although not adopted by the Senate till the next session. It was affirmed by those most intimately and directly concerned in that legislation that their intention was to return to the rates of 1846, which had been reduced in 1857, and substitute, where feasible, specific for ad valorem rates. As often happens, the substitution was availed of as an opportunity to increase the round sum of duties, which opportunity,

always present, has done so much to create the belief that there is a real tie between protective and specific rates which does not exist between protective and ad valorem rates. But the law of March 2, 1861, did no doubt openly and largely increase duties before the firing on Fort Sumter. Then came the abnormal and unprecedented legislation of 1862 and 1864, under the perplexing influence of which, preserved in 1883, this Department is now working.

I do not need to remind you of the unsuccessful efforts made in Congress; in 1867, with the warm approval and co-operation of my predecessor, Mr. McCulloch, to modify the war rates. The Senate and this Department were in substantial accord, as is indicated by the adoption in the Senate of the Treasury measure by a vote of 27 to 10. And so likewise, it would seem was the House in sympathy with the Treasury project, but the artificial requirement, at the moment, of a two-thirds vote in that body defeated even the partial reform attempted in 1857. When 1870 came another effort was made to reduce customs taxation which was more successful than was the effort three years before, but the diminution of rates then accomplished did not interfere with, or alleviate for consumers, the protective rates of the war period on a large class of articles, inasmuch as the rates on such purely revenue articles as coffee, molasses, sugar, spices, and tea were reduced, nor did the modification made in 1870 give relief to this Department in executive administration, which is the aspect in which I am now looking upon the subject. Nor did any help come, in an executive sense, for the ten per cent. *horizontal* reduction in 1872, which was repealed in 1875. To be sure the duties on tea and coffee were taken off in the year 1872, but the removal of that tax levied "for revenue only" tended to promote the continuance of the cunningly-devised, confusing, and perplexing protective rates, whereby, and so often, a combined specific and ad valorem rate is prescribed for one article. By the tariff legislation of 1883 the situation, either as regards the protective system or the collecting system, was left unchanged for the better. In many most essential particulars, as in the matter of packages and coverings, the difficulties in administration by the local customs officers and of this Department were increased by the law of 1883, which actually increased the rates of duty on many articles. In many instances lower figures and percentages were placed on the statute-book, but in actual administration it has been found that the figures and percentages, when taken in connection with other elements of the law, worked an increase of the sum of duty to be paid on the article and an increase of perplexity for appraising officers, already perplexed too much.

It is, as I have already said, this perplexity with which I am now concerned. There is a limit to appraising work. There is a line beyond which the correct and honest ascertainment of dutiable values by customs officers, under an ad valorem system, cannot be carried. It is with great deference that I venture to suggest the inquiry by your committee whether or not the executive department, and the primal purpose of a tariff law, have not been lost sight of in solicitude to frame tariff schedules which shall satisfy or harmonize manufacturing industries in our country which clamor for State aid. It was not long ago that to a most intelligent representative of an industry greatly protected by the tariff of 1883, who urged an interpretation of that law which would still further benefit that industry, it was said by one of the officers of this Department that the arguments and considerations he urged in favor of a contention for the highest rates were for Congress to co.

sider, but not for the Treasury Department. The representative of the protected industry replied:

*That may once have been the true rule, but not in recent years. The effect and intention of much of the modern ambiguous legislation on the tariff has been to send us to the Treasury Department to arrange a workable schedule of rates.*

It is important to remember that the tariff laws of 1862 and 1864 were not advocated and defended by their authors as a remedy for the alleged evil of defective home production, or to equalize conditions of foreign and domestic labor, or to allure capital into neglected industries, or to diversify the industrial function in the several States of the Union, but in order to compensate domestic manufacturers for the increased cost of production created by internal taxation which the civil war compelled. Mr. Morrill, in presenting to the House the tariff bill of 1862, said (Cong. Globe, 1861-'62, p. 1196):

It will be indispensable for us to revise the tariff on foreign imports so far as it may be seriously disturbed by any internal duties and to make proper reparation.

Mr. Stevens, of Pennsylvania, said (p. 2979):

We intend to impose an additional duty on imports equal to the tax which had been put on the domestic articles.

In 1863 there culminated the most widespreading and penetrating system of internal taxation that this nation or perhaps any nation ever felt. Under that system every finished industrial product of the country paid a tax varying from eight to twenty per cent. In 1866 the internal taxes reached the prodigious sum of \$309,226,813.42, and customs taxation was not less than \$179,046,651.58. In 1868 the sum of internal taxes had, by repealing laws, been reduced to \$191,087,589.41, and in 1885 to \$116,000,000, levied chiefly on tobacco and spirits. In 1870 Mr. Morrill remarked (Cong. Globe, 1869-'70, p. 3295):

For revenue purposes, and not solely for protection, 50 per cent., in many instances has been added to the tariff to enable our home trade to bear the new but indispensable burdens of internal taxation. Already we have relinquished most of such taxes. Whatever percentage of duties was imposed on foreign goods to cover internal taxation on home manufactures should not now be claimed as the *lawful prize* of protection when such taxes have been repealed. There is no longer an equivalent.

But those war duties have, nevertheless, been insisted upon and maintained as the "*lawful prize of protection.*" In 1869 the total sum of duties on imports was \$180,048,426. In 1885 it was \$181,471,939.

The failure since the end of the civil war to reduce the sum total of taxation levied at the custom-houses is, from the point of view of this Department, by no means the worst of the evil. The disorderly, vexing, and demoralizing *system*, or rather want of system, has not been changed. The tariff laws of 1846 and 1857 were at least orderly and logical. In a recent communication to Congress I have endeavored to set forth my reasons for believing that the ad valorem rates cannot now be satisfactorily worked. The war rates of the last quarter of a century have inspired and encouraged here and there dishonest foreign consignors to the invention of devices to evade the revenue, which are in effect, when in violation of an unambiguous law, thefts practiced on the Government, the community, and importers who do not practice them. In the scramble for revenue between 1861 and 1865 there was no time for the patient elaboration of tariff laws by this Department and Congress. Each new tariff law was in effect an amendment of its predecessor, in order to collect more duties. The successive tariff laws from 1861 to 1883 have been so interlaced that the true interpretation of the latest

depends on the language of its predecessors if one would ascertain the intention of the law-makers. A striking instance of that is to be seen in the opinions delivered by the Supreme Court on tariff questions within the last ten years, and under the law of 1864, which is so generally the key of the law of 1883. Especially is that notable in the recent opinion against the decision of my predecessor on the question of coverings and cartons. One reason why the disorderly, illogical, and confusing character of this jumble of tariff legislation since 1861 has not been more apparent has grown out of the fact that either because of inadequate judicial force in New York or inefficiency in the district attorney's office and the collector's office, or of some unexplained reason, suits that have arisen during the last quarter of a century have not been brought to trial and now encumber the docket of the circuit court in New York, to the scandal of the Government and the injury of private suitors. When these suits shall be tried I look for other demands upon the Treasury as startling, it may be, as the recent carton decision. These claims and suits should be tried, or disposed of, for if allowed to linger they will become as stale as "The French spoliation claims!" The pressure for the highest rate, brought to bear on the Department by interested domestic producers when Congress has not spoken decisively, could not fail to result in lawsuits of the class that now crowd the calendar of the district attorney at New York.

It has not been my purpose in this communication to consider the *object* of tariff schedules—whether, on the one hand, they shall be for the single object of obtaining a sum of money needed for the maintenance of the Federal Government, or, on the other hand, shall be framed in order to diversify industries, or adjust domestic production to domestic demand, or equalize the unequal conditions of domestic and foreign labor. What I have sought to enforce is the need of a tariff law which, no matter what theories of political economy may underlie it, shall be so clear, definite, and precise that it can be easily and *surely* administered, and that the excuse for executive or judicial discretion in administering it shall be unnecessary and unlawful.

Respectfully, yours,

DANIEL MANNING,  
*Secretary.*

Hon. A. S. HEWITT,  
*Committee of Ways and Means.*

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No. 6.

COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., March 18, 1886.

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I have the honor to acknowledge the receipt of your printed letter of the 16th instant, in reply to my letter asking for your views in regard to H. R. 5010. I have submitted your communication to the subcommittee in charge of the bill, and am instructed to request that you will direct the proper officer of the Department to formulate the views submitted in the form of distinct amendments to the bill, or of new sections to be added thereto.

I am also instructed to say that the subcommittee will at once proceed to the consideration of the draft of the bill attached to your letter of January 18th, in reference to protests and appeals.

The Committee of Ways and Means see no objection whatever to the publication of the letter in regard to H. R. 5010.

I have the honor to be, very respectfully, your obedient servant,  
ABRAM S. HEWITT,  
*Chairman Subcommittee.*

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No. 7.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, D. C., March 23, 1886.*

SIR: I have the honor to acknowledge the reception of your letter of the 18th instant, wherein you express the desire of the subcommittee of the Committee of Ways and Means that this Department will formulate as distinct amendments to H. R. 5010, or as new sections to be added thereto, the views submitted in my communication of the 16th instant.

I assume that the request refers especially to the seventh section of the law of 1883 and the recent interpretation thereof by the Supreme Court. My suggestions in regard to protests, appeals, suits, and payments of refunds were distinctly formulated in my communication of January 18, 1886. In regard to the other sections of H. R. 5010, I have no suggestions to formulate more explicitly than was done in my letter of the 16th instant, excepting, perhaps, what is referred to in my communication to the House of February 10, 1886. But in regard to the last named, and to the seventh section of 1883, this Department cannot proceed intelligently in formulating a law until told by the Committee on Ways and Means, or by the House, what rates of duty, if any, it proposes to levy on the articles referred to. When the rates, whether ad valorem or specific, and the size of the rates, and whether or not to be applied to "coverings of any kind," or bandages of any kind, have been given to the Department, I will immediately see to it that the views of the committee or of the House are formulated in statute phraseology.

The tendency and drift of the reasoning in the recent opinion of the Supreme Court in Oberteuffer's case are, it will be inevitably argued by importers, to prevent appraising officers, and this Department, from taking into consideration or account any sort of a covering, or bandage, on an article described in and made dutiable by the tariff. Do the Committee of Ways and Means or the House wish to change the law as thus interpreted by the court, or allow it to stand? If to be changed, then which covering or costs or charges shall be dutiable, and at what rates? Those are questions in respect to which my opinion could not be intelligently expressed in the absence of definite information in regard to the proposed general plan of tariff revision.

Respectfully yours,

D. MANNING,  
*Secretary.*

Hon. ABRAM S. HEWITT,  
*House of Representatives, Washington, D. C.*

No. 8.

HOUSE OF REPRESENTATIVES, U. S.,  
Washington, D. C., March 24, 1886.HON. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I am directed by the subcommittee of the Committee of Ways and Means, having in charge H. R. 5010, to acknowledge the receipt of your letter of the 23d instant, informing them that you are not prepared to comply with the request contained in my letter of the 18th instant until you are advised as to the wishes of the committee in regard to the duties to be imposed on coverings and the various items of charges affected by the recent opinion of the Supreme Court in *Oberteuffer's* case. There is evidently a misapprehension in your mind as to the object which the subcommittee had in view in submitting for your consideration H. R. 5010. It is the duty of the Treasury Department to administer the customs laws. In the course of this administration difficulties arise, and complicated questions are presented which your predecessor informed the committee caused great embarrassment, and in view of which I had the honor to report to the House in the Forty-eighth Congress a bill which is the basis on which H. R. 5010 has been framed. In your annual report, and in a subsequent communication to the House, additional difficulties were pointed out, and the action of Congress was invoked to provide adequate legislation to meet these difficulties. The committee have honestly tried to arrive at your views in reference to these questions, and not finding a sufficient explanation in your letter of the 16th instant, the committee ask for a definite submission of your opinions in the form either of amendments to the bill or of new sections to be incorporated therein.

The committee supposed that the Department had arrived at certain conclusions in these matters which it would be proper for them to consider. You were not asked to make a law, but to submit to the committee the kind of legislation which you thought would meet the difficulties of the situation. So far as I am advised, it has been usual for the Secretary of the Treasury and the Committee of Ways and Means, to co-operate with each other whenever it was felt that the law should be amended, and it is more convenient certainly, that the committee should proceed to consider your views, when formulated into a bill, than to endeavor to put in shape general statements pointing out the difficulties to be overcome. I therefore respectfully renew the request that you will put the subcommittee in possession of such definite suggestions in due legal form as, in your opinion, will conduce to the easy conduct of business, and relieve the embarrassments caused by the recent decision, and the other doubtful or conflicting provisions of law of which you have knowledge.

I have the honor to be, very respectfully, your obedient servant,  
ABRAM S. HEWITT,  
*Chairman Subcommittee.*

J. G. M.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., March 29, 1886.

Hon. A. S. HEWITT,

*Chairman of Sub-Committee of Ways and Means, House of Representatives :*

SIR: In response to your letter of the 18th instant, I have the honor to suggest the following modifications of and amendments to House bill No. 5010:

Strike from the bill the proposed substitute for section 2499, Revised Statutes, and in lieu thereof insert the following:

"SEC. 2499. Each and every imported article not enumerated or provided for in any schedule in this title which is similar, either in material, quality, texture, or the use to which it may be applied, to any article enumerated in this title as chargeable with duty, shall pay the same rate of duty which is levied on the enumerated article which it most resembles in any of the particulars before mentioned; and if any non-enumerated article equally resembles two or more enumerated articles on which different rates of duty are chargeable, there shall be levied on such non-enumerated article the same rate of duty as is chargeable on the article which it resembles, paying the highest rate of duty; and on articles, not otherwise provided for, manufactured from two or more materials the duty shall be assessed at the rate at which the component material of chief value may be chargeable; and the words 'component material of chief value,' whenever used in this title, shall be held to mean that component material which shall exceed in value any other single component material found in the article; and the value of each component material shall be determined by the ascertained value of such material in its last form and condition before it became a component material of such article. If two or more rates of duty shall be applicable to any imported article, it shall pay duty at the highest of such rates. *Provided*, That any non-enumerated article similar in material and quality and texture, and the use to which it may be applied to any article on the free list, and in the manufacture of which no dutiable materials are used, shall be free of duty."

## SECTION 2502, REVISED STATUTES.

*Schedule C—Metals.*—Insert in next to the last clause of this schedule (Tariff, paragraph 215), after the word "minerals" and before the word "substances," the word "metallic," so that the clause shall read as follows:

"Mineral metallic substances in a crude state, and metals unwrought, not specially enumerated or provided for in this act, 20 per centum ad valorem."

*Schedule D—Wood and wooden wares.*—Strike out of the clause relating to "sawed boards, plank," &c. (Tariff, paragraph 219), the word "articles," and insert in lieu thereof the word "varieties," so that the paragraph shall read as follows:

"Sawed boards, plank, deals, and other lumber of hemlock, white wood, sycamore, and bass wood, one dollar per one thousand feet, board measure; all other varieties of sawed lumber, two dollars per one thousand feet, board measure."

*Schedule G—Provisions.*—Amend the clause relating to "rice flour," &c. (Tariff, paragraph 172), by adding, after the word "rice meal," the words "and broken rice which will pass through a sieve known commercially as number 12 brass wire sieve, twelve meshes to the running inch, or one hundred and forty-four meshes to the square inch; the space within the wires shall not exceed in length or width 0.0654 inch;" so that the paragraph shall read as follows: "Rice flour, rice meal, and broken rice; which will pass through a sieve known commercially as No. 12 brass wire sieve, twelve meshes to the running inch, or one hundred and forty-four meshes to the square inch; the space within the wires shall not exceed in length or width 0.0654 inch."

*Schedule J—Wool and flax goods.*—Amend the clause concerning "seines and seine and gilling twine" (Tariff, paragraph 347) by inserting, after the word "seine," the words "salmon net;" so that the paragraph shall read as follows:

"Seines and seine and salmon net and gilling twine, 20 per cent. ad valorem."

*Schedule K.*—Amend the proposed amendment in the bill concerning women's and children's dress goods, &c., by striking out, in the proviso, the word "such," and inserting, after the word "goods," the words "of the character specified in this paragraph;" so that the proviso shall read as follows:

"*Provided*, That all goods of the character specified in this paragraph, weighing over 4 ounces per square yard, shall pay a duty of 35 cents per pound and 40 per centum ad valorem."

*Schedule N.*—In lieu of the amendment proposed by the bill concerning linseed and flaxseed (Tariff, paragraph 466), amend by striking out the last sentence; so that the paragraph shall read as follows:

"Linseed or flaxseed, 20 cents per bushel of 56 pounds."

*Schedule N.*—Amend the clause concerning “hair cloth,” &c. (Tariff, paragraph 445), by inserting, after the word “other,” and before the word “manufactures,” the word “like;” so that the paragraph shall read as follows:

“Hair cloth, known as ‘crinoline cloth,’ and all other like manufactures of hair not specifically enumerated or provided for in this act, 30 per centum ad valorem.”

SECTION 2503, REVISED STATUTES.

Insert, after the word “value,” in line 200 of the bill, the words “or improved in condition by any process of manufacture or by any other means.”

Amend the clause relating to “wearing apparel,” &c. (Tariff, paragraph 815), so that it shall read as follows:

“Wearing apparel not exceeding \$1,000 in value, implements, instruments, and tools of trade, occupation, or employment, not exceeding \$500 in value, professional books and other personal effects, not merchandise, of persons arriving in the United States, if the same shall have been in the actual use of such persons for a period of not less than one month, and not intended for the use of any other person or persons, nor for sale. But this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment.”

Insert a new paragraph as follows:

“Wearing apparel, old and worn, not exceeding one hundred dollars in value; upon production of evidence satisfactory to the collector and naval officer (if any) that the same has been donated and imported in good faith for the relief or aid of indigent or needy persons residing in the United States, and not for sale.”

SEC. 2. Amend section 2 of the bill by striking out all after the word “follows,” in the fourth line, and insert in lieu thereof the following: “In all cases where imported merchandise is subject to an ad valorem rate of duty, or to a duty based upon or regulated in any manner by the value thereof, the duty shall be assessed upon the actual market value or wholesale price of such merchandise at the time of exportation to the United States in the principal markets of the country from whence imported, and in the finished condition in which such merchandise is there bought and sold for exportation to the United States, and in which it is prepared and put up for shipment when so bought and sold, or when consigned to the United States for sale, including all costs, charges, and expenses incident to placing the same in such condition: *Provided, however,* That in determining the dutiable value of imported merchandise no estimate shall be made of the cost or value of such outside sacks, crates, cases, or other outer coverings as are used, and as are designed to be used, only in the bona fide transportation of such merchandise to the United States, nor of the actual and necessary expenses incident to the transportation of the merchandise from the place of purchase or consignment to the vessel or other vehicle in which exported to the United States, nor of commissions, marine insurance, export duties, or fees for authentication by consular officers of the United States: *Provided,* The same shall be severally stated in the invoice, and if not so stated no deduction therefrom in the invoice value shall be allowed: *And provided further,* That if there be used for covering or holding imported merchandise which shall be free of duty any material or article designed for use other than in the bona fide transportation of such merchandise to the United States, duty shall be assessed thereon at the rate to which such material or article would be subject if imported separately; and if these be used for covering or holding imported merchandise which shall be subject to duty any material or article designed for use other than in the bona fide transportation of such merchandise to the United States, and which if imported separately would be subject to a higher rate of duty than the merchandise contained therein, the whole invoice shall be subject to such higher rate of duty, unless the value of the merchandise and of the article or material covering or holding the same shall be separately stated in the invoice, in which case the duties shall be assessed and collected on each separately at the rates prescribed by law: *And provided further,* That except as provided in this section and in section 11 of this act, duties shall not be assessed upon an amount less than the invoice value of the merchandise.”

SEC. 3. Amend this section of the bill by inserting after the word “agent,” and before the word “provided,” in line 11, the following: “Which declaration so filed shall be duly signed by the owner, importer, consignee, or agent, before the collector, or before a notary public or other officer duly authorized by law to administer oaths and take acknowledgments, who may be designated by the Secretary of the Treasury to receive such declarations, and to certify to the identity of the persons making them; and every officer so designated shall file with the collector of the port a copy of his official signature and seal.”

SEC. 4. Amend this section of the bill by striking out all after the word “thereto,” in the fourth line, and inserting the following: “Shall, on conviction thereof, be punished by a fine of not less than two thousand dollars, and by imprisonment at hard

labor not more than five years; and the merchandise to which such false statement relates shall be forfeited."

SEC. 6. Amend this section by striking out all in relation to section 2770, and insert in lieu thereof the following: "Section 29 of the act entitled 'An act to remove certain burdens on the American merchant marine, and encourage the American foreign carrying trade, and for other purposes,' approved June 26, 1884, is hereby amended by striking out, in the first line thereof, the word 'seventy-six' and inserting in lieu thereof the word 'seventy;' so that that part of said section preceding the word 'provided' shall read: 'Section 2770 of the Revised Statutes is hereby amended by adding thereto the following:

Also amend this section (6) by striking out the words "ought to be exempted," in lines 25 and 26, and inserting instead the words "are entitled to exemption from duty under any provision of law;" and strike out, in line 46, the words "are free," and in lieu thereof insert the words "may be entitled to exemption." Also insert, after the word "other," in line 49, the word "person;" and add, after the word "sale," in line 50, the words "Provided, That nothing in this section shall be construed as exempting any of the articles herein named from duty, except as elsewhere provided by law." Also amend section 6 by striking out the words "from line 61 to 79, inclusive," relating to section 2801 of the Revised Statutes; the proposed amendment to this section as to the naval officer not being deemed advisable, and the purpose of the proviso relating to donated wearing apparel being covered by an amendment hereinbefore suggested to section 2503, Revised Statutes.

SEC. 8. Insert, after the word "abolished," in line 6 of this section, the following: "and in case of entry of merchandise for exportation a declaration, in lieu of an oath, shall be filed in such form and under such regulations as may be prescribed by the Secretary of the Treasury, and the penalties for false statements in such declaration provided in the fourth section of this act shall be applicable to declarations made under this section."

Also strike out all after the word "act," in line 9 of this section, and insert as follows: "a sum equal to the amount which he would have been otherwise entitled to collect as fees for services in relation to such entries, to be allowed to him upon rendition of proper accounts therefor."

Amend the bill by adding thereto the following sections:

"SEC. 15. Any person who shall give, or offer to give, or promise to give, any money or thing of value, directly or indirectly, to any customs officer, in consideration of or for any act or omission contrary to law in connection with or pertaining to the importation, appraisement, entry, examination, or inspection of goods, wares, or merchandise, including herein any baggage, shall, on conviction thereof, be fined not less than \$100 nor more than \$5,000, or be imprisoned at hard labor not more than two years, or both."

"SEC. 16. Any officer of the customs who shall demand, exact, or receive from any person, directly or indirectly, any money or thing of value in consideration of, or for any act or omission contrary to law in connection with or pertaining to the importation, appraisement, entry, examination, or inspection of goods, wares, or merchandise, including herein any baggage, shall be dismissed from office, and on conviction thereof shall be fined not less than \$100 nor more than \$5,000, or be imprisoned at hard labor not more than two years, or both; and for the purpose of constituting an offense under sections 15 and 16 of this act, the giving or offering to give, and the receiving of any money or thing of value, shall be regarded as prima facie evidence."

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

J. G. M.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., March 31, 1886.

Hon. A. S. HEWITT,

*Chairman of subcommittee Ways and Means, House of Representatives:*

SIR: In accordance with the suggestions made by you at our interview this morning concerning the amendments to House bill 5010, advised in my letter to you of the 29th instant, I submit the following further amendments for the consideration of your committee:

SECTION 2502, REVISED STATUTES.

*Schedule C—Metals.*—In lieu of the amendment suggested to this schedule, on page 3 of my letter, strike out, in next to the last clause of this schedule (Tariff, paragraph 215), the words "mineral substances in a crude state," so that the clause shall read as follows: "Metals unwrought, not specially enumerated or provided for in this act, twenty (20) per centum ad valorem."

## SECTION 2503, REVISED STATUTES.

Substitute for the last paragraph on page 7 of said letter the following:

"Amend the clause relating to wearing apparel, &c. (Tariff, paragraph 815), so that it shall read as follows:

"Wearing apparel, implements, instruments, and tools of trade, occupation, or employment, professional books, and other personal effects (not merchandise) of persons arriving in the United States, not exceeding in value \$500, if the same shall have been in the actual use of the person for a period of not less than one month and not intended for the use of any other person or persons, nor for sale; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment or for sale: *Provided, however,* That the limitation in value above specified shall not apply to wearing apparel and other personal effects which may have been taken from the United States to foreign countries by the persons returning therefrom, and such last-named articles shall, upon production of evidence satisfactory to the collector and to the naval officer (if any) that they have been previously exported from the United States by such persons, and have not been advanced in value or improved in condition since so exported, be exempt from the payment of duty: *And provided further,* That all articles of foreign production or manufacture which may have been once imported into the United States and subjected to the payment of duty shall, upon reimportation, if not advanced in value or improved in condition by any means since their exportation from the United States, be entitled to exemption from duty upon their identity being established, under such rules and regulations as may be prescribed by the Secretary of the Treasury."

Insert a new paragraph as follows:

"Theatrical scenery, and actors and actresses' wardrobes brought by theatrical managers and professional actors and actresses arriving in the United States, for temporary use, shall be admitted to free entry under such regulations as the Secretary of the Treasury may prescribe, and a bond shall be given for the payment to the United States of such duties as may be imposed by law upon any, or all, of such articles as shall not be re-exported within six (6) months after such importation."

In case the committee should think best to adopt sieve "No. 10" for fixing the standard of "broken rice," as suggested on page 5 of my letter, it should be described in the bill as follows:

"No. 10 brass wire sieve, with space between the wires not exceeding in length or width 0.0837 inch."

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

J. G. M.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., April 3, 1886.

Hon. A. S. HEWITT,  
*Chairman Subcommittee Ways and Means,  
House of Representatives:*

SIR: The proposed amendments to House bill 5010, which you on yesterday submitted to the Department, have been duly considered, and I now have the honor to make the following suggestions in relation thereto:

SEC. 4. In lieu of the amendment reading "and the merchandise to which such false statement relates shall be forfeited," suggested in my letter of the 29th ultimo, insert the following: *Provided,* That nothing in this section shall be construed to relieve imported merchandise from forfeiture for any cause elsewhere provided by law."

## SECTION 2900, REVISED STATUTES.

Amend this section so that it shall read as follows:

"The owner, consignee, or agent of imported merchandise which has been obtained by actual purchase only, may at the time, and not afterward, when he shall produce his original invoice to the collector and make and verify his written entry of his merchandise, make such addition in the entry to the cost or value given in the invoice, as in his opinion may raise the same to the actual market value or wholesale price of such merchandise at the period of exportation to the United States in the principal markets of the country from which the same has been imported. The collector within whose district any merchandise, whether obtained by actual purchase or procured otherwise than by purchase, may be imported or entered shall cause the actual market value or wholesale price thereof to be appraised, and if such appraised value shall exceed by 10 per centum the entered value thereof, then in addition to the

duties imposed by law on the same there shall be levied and collected a duty of 20 per centum ad valorem on such appraised value. The duty shall not, however, be assessed upon an amount less than the invoice or entered value."

With regard to your suggestion that the law be so modified as to authorize the Secretary of the Treasury to remit the additional duty imposed by the above section in certain cases, I feel constrained to say that I seriously doubt the expediency of such legislation. I fear it would cause importers to be less guarded, perhaps less scrupulous, than now with respect to their invoices and entries, and also tend to make appraising officers less diligent and careful in making appraisals.

To ascertain correctly whether the additional duty has been wrongfully imposed would necessitate a revision of the appraisement proceedings, in each case where remission was claimed, and a decision of the case would involve a determination of the question of the market value of the merchandise, in fact would amount to a reappraisement of the merchandise by this Department. This would involve radical changes in the existing laws respecting appraisement and would materially increase the labors and responsibilities of the Secretary of the Treasury. Even if practicable for this Department to "examine, estimate, and appraise" the merchandise at all the ports of the country, in cases where the additional duty was imposed and its remission asked, the work would involve increased delay and expense.

While I do not doubt there have been instances where the additional duty has been wrongfully imposed, I am satisfied these instances have been infrequent as compared with those where it ought to have been imposed and was not. In either case a wrong has been done which should have been corrected. I think there should be such active and competent supervision of appraisements at all the ports of the country as would prevent and correct such administrative wrongs in the future. I am not now prepared, however, to suggest any definite legislation in that direction.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

J. R. L.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., April 3, 1886.

Hon. A. S. HEWITT,  
*Chairman Subcommittee Ways and Means,  
House of Representatives:*

SIR: I omitted to mention in the letter I had the honor to transmit to you this morning that I entertain grave doubt whether the proposed amendment to section 2900, Revised Statutes, will effectually accomplish its purpose. I am informed that certain representatives in this country of foreign houses not infrequently claim now that their importations have been actually purchased from or through their houses abroad.

Will not the American agents or representatives, generally, of foreign consigning houses, in order to avail themselves of the privilege of advancing their invoice values on entry, claim that the goods have been actually purchased by them from or through their houses abroad?

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

J. G. M.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., April 5, 1886.

Hon. A. S. HEWITT,  
*Chairman Subcommittee Ways and Means,  
House of Representatives:*

SIR: Referring to the suggestions made by you at our interview this morning, respecting House bill No. 5010, I have to submit the following:

It is thought that the following substitute for the paragraph embraced in pages 5 and 6 of my letter of the 31st ultimo, concerning "theatrical scenery," &c., will meet your suggestion with regard to articles for temporary exhibition by lecturers on the arts, &c., and also personal effects of tourists visiting the United States.

"Theatrical scenery and actors and actresses wardrobes brought by theatrical managers and professional actors and actresses, arriving from abroad, for their temporary use in the United States; works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus, brought by professional artists,

lecturers, or scientists arriving from abroad, for use by them temporarily for exhibition and in illustration, promotion, and encouragement of art, science, or industry, in the United States; and wearing apparel and other personal effects of tourists from abroad visiting the United States, shall be admitted to free entry under such regulations as the Secretary of the Treasury may prescribe; and bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided, however,* That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months, in cases where application therefor shall be made."

SEC. 2499. The word "dutiable," in parentheses, in lines 26 and 29 of this section of the bill, as last printed, should be stricken out.

SEC. 2. Should not the comma on line 20 of this section follow the word "only" instead of the word "used"?

Would not the meaning be more clearly expressed if the words "*Provided, That,*" in line 27 of this section, were stricken out, and the words "in case" inserted in lieu thereof; also, if commas were inserted, instead of the present punctuation marks, after the word "States," on line 27, and after the word "invoice," on line 28, and the comma after the word "stated," on line 28, was stricken out?

I am of the opinion that the words "or entered" should be inserted between the words "invoice and value," on line 48 of this section.

If the last proviso of this section (lines 49 to 54, inclusive) *was* so amended as to make the additional duty of 20 per cent. applicable to the merchandise whether entered upon a certified invoice a pro forma invoice, or a statement in form of an invoice, it would still include only such merchandise as had been procured otherwise than by actual purchase, and we should have the same difficulty as now with regard to purchased goods entered upon other than a certified or "original" invoice, unless section 2900, Revised Statutes, were so amended as to harmonize with this proviso. Would it not, therefore, be better to strike this proviso from the bill, and amend section 2900 to read as follows:

"The owner, consignee, or agent of any imported merchandise which has been actually purchased may, at the time, and not afterward, when he shall make and verify his written entry of his merchandise, make such addition in the entry to the cost or value given in the invoice, or pro forma invoice, or statement in form of an invoice which he shall produce with his entry, as in his opinion may raise the same to the actual market value or wholesale price of such merchandise, at the period of exportation to the United States, in the principal markets of the country from which the same has been imported; and the collector within whose district any merchandise, whether the same has been actually purchased or procured otherwise than by purchase, may be imported, or entered shall cause such actual market value or wholesale price thereof to be appraised, and if such appraised value shall exceed by ten per centum or more the entered value, then, in addition to the duties imposed by law on the same, there shall be levied and collected a duty of twenty per centum ad valorem on such appraised value. The duty shall not, however, be assessed upon an amount less than the invoice or entered value, except as elsewhere specially provided in this act."

Should you not be inclined to adopt this suggestion, and prefer to retain the proviso in the bill, then it is suggested that the proviso be amended to read as follows:

"*And provided further,* That in all cases where the appraised value shall exceed by ten per centum or more the value stated in the invoice, or pro forma invoice, or statement in form of an invoice upon which entry may be made of any imported merchandise which shall have been procured otherwise than by actual purchase, then, in addition to the duties imposed by law on the same, there shall be levied and collected a duty of twenty per centum ad valorem on such appraised value."

SEC. 10. The provisions of this section making the decision of the collector as to the rate and amount of duties ascertained upon liquidation final and conclusive upon the Government, do not appear to be in harmony with the eleventh section (lines 50 to 61) of the bill, wherein the validity of amended liquidations or reliquidations are recognized, subject to the limitation fixed by the twenty-first section of the act of June 22, 1874, which section provides that the liquidation shall be final and conclusive upon all parties after the expiration of one year from the time of entry, in the absence of fraud and in the absence of protest by the owner, importer, agent, or consignee.

In view of the inconsistency of these two sections, and for the reasons set forth in the letter of Secretary Manning addressed to you on the 16th ultimo, I suggest that this (tenth) section be stricken from the bill.

SECS. 11 to 14. In a letter addressed to the Hon. William R. Morrison on the 29th of January last the Secretary suggested certain verbal corrections in the bill proposed by him, which corrections do not all appear in these sections. The following changes are therefore suggested: In section 11, line 41, strike out the words "trans-

cript" and "record" and insert the word "notice," so that it will read "a notice of such ascertainment," &c., and in line 48 of same section strike out the words "such" and "the transcript of the record," and insert "the" and "such notice," so that the line will read "the posting of such notice shall be," &c.

As stated in the letter of Secretary Manning addressed to the Speaker of the House on the 18th of January last, there has been a conflict of opinion between Federal judges on the question whether or not, in case the Government sues an importer for duties after the merchandise has all been withdrawn from the custody of the collector, and the defendant has not protested and appealed according to section 2931, Revised Statutes he can set up as a defense illegality in the liquidation. A protest and appeal should be required to enable an importer to test judicially the legality of a liquidation in that case, as well as in the case when the suit has been begun by himself. A provision to that effect is contained in the bill as proposed by the Secretary, but is omitted from bill 5010. It is therefore suggested that this provision be added to section 11, so that it will read, after the word "suit," in line 61, as follows: "And when a suit shall be brought by the United States to recover the additional duties found due on any ascertainment and liquidation thereof, and not paid, the defendant or defendants shall not be permitted to set up any plea or matter in defense excepting such as shall have been set forth in a protest and appeal made as herein prescribed."

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

J. G. M.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., April 9, 1886.*

HON. A. S. HEWITT,

*Chairman Sub-Committee Ways and Means, House of Representatives:*

SIR: In accordance with your suggestion at our interview this morning that I recommend such specific legislation as would, in my opinion, remedy the interpretation of the law of 1874 with respect to merchandise fraudulently imported which has gone from the possession of the Government, and to which special reference was made on page 14 of the Secretary's annual report, I respectfully suggest the following:

That section 12 of the act entitled "An act to amend the customs-revenue laws and to repeal moieties," approved June 22, 1874, be amended so that it shall read as follows:

"SEC. 12. That any owner, importer, consignee, agent, or other person who shall, with intent to defraud the revenue, make, or attempt to make, any entry of imported merchandise, by means of any fraudulent or false invoice, affidavit, letter, or paper, or by means of any false statement, written or verbal, or who shall be guilty of any willful act or omission by means whereof the United States shall be deprived of the lawful duties, or any portion thereof, accruing upon the merchandise, or any portion thereof, embraced or referred to in such invoice, affidavit, letter, paper, or statement, or affected by such act or mission, shall for each offense be fined in any sum not exceeding \$5,000 nor less than \$50, or be imprisoned for any time not exceeding two years, or both; and, in addition to such fine, such merchandise, or the value thereof, shall be forfeited, which forfeiture shall only apply to the whole of the merchandise in the case or package containing the particular article or articles of merchandise 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."

You will observe that the amendment consists only of the addition of the underlined words "or the value thereof" on next to the last line of the preceding sheet.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

HOUSE OF REPRESENTATIVES,  
*Washington, D. C., April 15, 1886.*

HON. CHARLES S. FAIRCHILD,

*Acting Secretary of the Treasury:*

SIR: am not quite sure whether in re-enacting section 2931 of the Revised Statutes, in section 13 of the tariff bill just reported, we do not come in conflict with the provisions of the act of July 5, 1874, entitled "An act to constitute a Bureau of Navigation in the Treasury Department." By that act it is provided that the decision of the Commissioner of Navigation on all questions growing out of the execution of the nav-

igation laws, and relating to the collection of the tonnage act, and to the refunding of such tax when collected erroneously or illegally, shall be final. I think it will be well to examine this matter, and, if necessary, to make such amendment in section 13 as will save the provisions of the act above referred to.

Very respectfully, your obedient servant,

ABRAM S. HEWITT,  
*Chairman Sub-Committee.*

HOUSE OF REPRESENTATIVES,  
*Washington, D. C., April 16, 1886.*

HON. CHARLES S. FAIRCHILD,  
*Acting Secretary of the Treasury:*

SIR: I am instructed by the Committee of Ways and Means to request you, at your early convenience, to make an approximative estimate of the effect of the administrative provisions of the new tariff bill (H. R. 7652) upon the revenue. These provisions begin with section 3, on page 9, of the bill. The committee are aware that this estimate must be of a very general character, but as the House will expect to be informed upon this point, the committee will be obliged to you for such information as you may be able to give, after making a careful examination of the effect of the changes proposed by the various sections of the bill following the first, and sections which deal directly with rates of duty.

I have the honor to be, very respectfully, your obedient servant,

ABRAM S. HEWITT,  
*Chairman Sub-Committee.*

J. G. M.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, D. C., April 17, 1886.*

HON. A. S. HEWITT,  
*Chairman Sub-Committee Ways and Means, House of Representatives:*

SIR: In reply to your letter of the 15th instant, I have to inform you that certain of the amendments of section 2931, Rev. Stat., proposed by House bill 7652, are in conflict with the provisions of the act of July 5, 1884, which make the decision of the Commissioner of Navigation final as regards the tax on tonnage.

Being satisfied that this fact escaped the attention of Secretary Manning when he drafted the proposed amendments to section 2931, and that it was not his purpose to modify the provisions of the act of July 5, 1884, I respectfully suggest that section 13 of the bill be amended by striking therefrom the words following: In lines 6 and 7, page 32, the words "on the tonnage" of any vessel"; in line 9, same page, the words "vessel or"; in lines 10 and 11, same page, the words "the owner, master, commander, or consignee of such vessel in the case of duties levied on tonnage"; in line 29, page 33, the words "vessel or"; and in lines 33 and 34, same page, the words "on such vessel or."

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

J. G. M.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, D. C., April 22, 1886.*

HON. A. S. HEWITT,  
*Chairman Sub-Committee Ways and Means, House of Representatives:*

SIR: I have the honor to acknowledge the receipt of your letter of the 16th instant, requesting me to make an approximative estimate of the effect upon the revenue of the administrative provisions of House bill 7652.

I have examined the several provisions referred to, and beg leave to reply as follows:

SEC. 3, page 9. This section is a reproduction, in substance, of the so-called "similitude section" of the present law, with the addition of a clause explaining the meaning of the phrase "component material of chief value," and prescribing a rule whereby the same is to be determined. The absence of such a rule heretofore has been fruitful of difficulties in administration and has led to litigation. The effect of this amendment upon the revenue cannot be foreseen, but it is thought that its tendency will be to prevent loss of duties.

H. Ex. 2—VOL II—4

*Schedule A—Chemical products.*—The provisions proposed to be stricken from this schedule are inconsistent with Schedule H of the tariff (paragraph 311), which makes all distilled spirits dutiable at \$2 per proof gallon. The amendment is in the line of simplification and would affect the revenue but slightly. The duties collected on distilled spirits containing 50 per cent. of anhydrous alcohol amounted to only \$257 in 1884, and none was apparently imported in 1885, while on the same article containing 94 per cent. of anhydrous alcohol there was collected in 1884 \$12,115, and in 1885 only \$1,185. There would therefore be but a small increase of revenue under this amendment.

*Schedule B—Earthenware and glassware.*—The changes proposed in this schedule would simplify the work of administration. The duties collected on bottles intended to be affected by these amendments amounted in 1885 to \$124,005. It is thought that the change making such bottles subject to duty at the same rates as their contents, when dutiable ad valorem, will not make any appreciable difference in the revenue from this source.

It may be worthy of consideration whether the words "in this act," in lines 53, 54, 63, and 69, might not be construed as referring to the new act rather than to the original law, and the new provisions be thus made applicable to bottles containing sparkling wines, which, under paragraph 310 of Schedule H, are dutiable at 3 cents each.

*Schedule C—Metals.*—The effect of the first amendment to this schedule would be to give the rate of duty on all manufactures of copper, or of which copper is a component of chief value, at 35 per cent. ad valorem, as provided in tariff paragraph 186. Heretofore the rate imposed has been 45 per cent., in accordance with the rule prescribed by section 2499, Rev. Stat., that "where two or more rates of duty are applicable to any imported articles it shall be classified for duty at the highest of such rates. The average value of manufactures of copper, not otherwise specified, imported during the years 1884 and 1885, upon which duties were collected at 45 per cent. ad valorem, was \$53,148. Upon this basis the reduction of revenue resulting from the proposed change would be \$5,814.80 per annum.

The second amendment to this schedule would have the effect to remit all mineral substances in a crude state not elsewhere specified to paragraph 638 of the free list, which provides for crude minerals not advanced in value or condition by refining or grinding or by other process of manufacture. The Department has held that the provision in Schedule C for mineral substances in a crude state applied to such substances of a metallic nature, and that other crude minerals were included under the provision in the free list above mentioned. The duties collected at 20 per cent. ad valorem upon crude minerals during the years 1884 and 1885 amounted to \$9,686, an average of \$4,843, which approximates the amount of the reduction under the proposed amendment.

*Schedule F—Tobacco.*—If this amendment should accomplish its understood purpose, viz, the prevention of evasions of the higher rate of duty levied on tobacco suitable for wrappers, and the importations of the class of tobacco intended to be effected should equal those of 1885, it is estimated that the annual revenue from this source would be increased about \$700,000.

Judging from the enormous increase of the importations since the act of 1883 went into effect, and resort was had to the methods intended to be prevented, the effectual suppression of such methods and the enforcement of the collection of the higher rate would tend to reduce the volume of importations, so that it is doubtful whether there would be any actual increase of revenue.

*Schedule G—Provisions.*—The purpose of the first amendment to this schedule is to prevent the introduction at twenty per centum ad valorem of so-called "granulated" or "broken" rice, not considered entitled to classification as "rice flour" or "rice meal," but dutiable as cleaned rice. During the last fiscal year the quantity entered at 20 per cent. ad valorem was 38,246,302 pounds, valued at \$672,092, upon which the duties amounted to \$134,418. A large proportion of this was doubtless dutiable as cleaned rice and would be so classified under the proposed amendment, which conforms to the late rulings of this Department. The effect, therefore, would be to secure an increase of revenue on this article of, say, \$400,000 to \$500,000 per annum, provided the importations should continue in the same quantities as heretofore.

The effect of the second amendment to this schedule, and of the amendment to Schedule N, relating to "garden seeds" (page 15), making all vegetable and garden seeds not specially provided for dutiable at the uniform rate of 10 per cent. ad valorem, would be to reduce the revenue therefrom about \$40,000 per annum, taking the importations of the last fiscal year as a basis. It is probable, however, that increased importations would make up this loss.

*Schedule N.*—It is estimated that the two amendments to this schedule relating to bonnets, hats, hat materials, &c., would produce an increase of revenue of fully \$600,000 per annum, possibly much more. The effect would be to prevent the admission of large and constantly increasing quantities of silk goods of various kinds, including ribbons, piece silks, plushes, &c., properly dutiable under Schedule L, at

50 per cent. ad valorem, but which, because susceptible of use as hat trimmings, &c., are claimed to be dutiable as such at 20 per cent. ad valorem.

The amendment to the same schedule relating to watches, &c., makes the duty on watch glasses (or crystals) and watch keys uniform with that imposed upon watches, watch movements, parts of watches, and watch materials, whereas watch glasses (or crystals) when imported separately have been held to be dutiable at 45 per cent. ad valorem, as manufactures of glass, and watch keys have been classified according to the material of which composed. The effect of the amendment, therefore, will be a slight but not material reduction of the revenue.

The amendment relating to webbing will not appreciably affect the revenue.

*The free list.*—It is not perceived that the amendment to section 2503 regarding articles the growth, produce, and manufacture of the United States returned after having been exported will affect the revenue to any considerable extent. It is suggested, however, that the word "general," in line 178, page 16, be stricken out, as it may be found desirable and necessary to issue special regulations from time to time to meet particular cases.

The provision limiting the free importation of "soap stock" to such as is fit only for that use would prevent evasions, which have been practical to some extent, and would therefore tend to a slight increase of revenue.

The provisions relating to wearing apparel, personal effects, implements, tools of trade, theatrical scenery, &c., would tend greatly to simplify administration and to increase the revenue upon articles imported by persons of wealth, who on returning from abroad, may, under the present law and decisions of the courts, bring in unlimited quantities of wearing apparel and personal effects. There is no basis for estimating the amount of such increase. It is thought, however, that it would not fall short of \$500,000 per annum.

It is suggested that the words "except by repairs" in line 216 (page 18) be stricken out. Otherwise the provision would exempt from duty upon reimportation articles, such, for example, as watches and machinery which had been repaired abroad to such an extent as to be practically useful as new merchandise.

SEC. 4. This section I regard as the most important of the administrative features of the bill so far as relates to the revenue, and as essential to the fair and orderly administration of the tariff. Its purpose is to secure the assessment of duties upon substantially the same bases as it is believed was intended to be established by the section that it repeals, and upon which the Government had levied duties prior to the decision of the Supreme Court in the *Obertauffer* case. I believe that if it shall become a law it will accomplish this result, and will afford a just, safe, and uniform rule for the assessment of duties on all "packed" merchandise, save vast trouble to all concerned, prevent litigation, and secure the revenue from immense loss consequent upon the decision mentioned.

The effect of this decision is to reduce materially, but in an irregular and uncertain manner, the duties upon all merchandise subject to ad valorem rates and to afford advantage to those importers who are least scrupulous. It is impossible to make other than an approximate estimate of such reduction of revenue. The estimates of experienced customs officers of the amount of refunds to be paid under the decision are between \$4,000,000 and \$5,000,000. This amount would be much greater had all importers protested and appealed against the imposition of duties on cartons, &c.

It is estimated by those most competent to judge that the reduction of the revenue in the future under the operation of the decision will be from \$8,000,000 to \$10,000,000 per annum. This estimate is based upon the valuation for the last fiscal year. How far this depletion might be repaired by increased importations resulting from lower taxation, and the ability thereby of foreign manufacturers to more successfully compete with domestic productions, it is difficult to forecast.

SECS. 5 and 6. These sections are calculated to promote orderly administration and the convenience of importers, but it is not thought that they will produce any positive effect upon the revenue.

SEC. 7. The effect of the amendment to section 2970 would be to abolish the additional duty of ten per centum accruing on merchandise remaining in bond more than one year. The amount of these duties collected during the last fiscal year was about \$36,000. The amendment to section 2983, in so far as it provides for the assessment of duties on the quantity of merchandise withdrawn from warehouse, is a radical departure from the present law, which requires that the duties shall be assessed upon the ascertained quantity as originally imported. The necessary effect of the proposed change would be to reduce the revenue. The amount of such reduction cannot be approximately estimated. It would certainly be considerable, and might be very large. The tendency of both provisions would be to increase the volume of goods held in bond and the liability of loss of duties thereon.

SECS. 8 and 9. It is not seen that these sections would affect the revenue.

SEC. 10. The fees proposed to be abolished by this section are those now collectible upon entry of merchandise upon importation or exportation. The total amount of all fees collected by customs officers throughout the United States during the last fiscal year was \$495,612.77. Of this amount \$301,375.20 was collected in districts where the customs officers are paid fixed salaries, and the fees are paid into the Treasury. The remainder, \$194,237.57, was collected in districts where the fees form part of the collectors' emoluments. There is no means at hand for determining the precise proportion of the fees derived from entries of merchandise. It is assumed, however, that they will amount to three-fourths of the whole, which would represent a reduction of revenue of, say \$375,000 per annum.

SEC. 11. The amount retained from drawbacks on all classes of merchandise during the last fiscal year was \$270,857.20; which indicates the effect this amendment would have upon the revenue. The theory upon which a percentage of drawbacks is retained under existing law is that the Government may be reimbursed for the expense incurred in the ascertainment, payment, &c., of the drawback, which expense sometimes exceeds the drawback paid.

SEC. 12. The effect of this amendment would be to increase the revenue, but to what extent cannot be approximated. One result would be to reduce the number of entries by *pro forma* invoices, since the additional duty of twenty per centum would apply to entries so made as well as to those made on certified or "original" invoices, where the entered value is advanced ten per cent. by the appraiser.

SECS. 13 to 16, inclusive. It is thought that the general effect of these sections would be to secure uniformity and certainty in proceedings to recover duties illegally exacted, or duties improperly withheld, and thereby protect the revenue from loss.

SEC. 17. There being doubt as to the interpretation which might be placed upon this amendment, I am not prepared to estimate its effect upon the revenue. If it is desired to exclude certain articles from the benefit of allowance for damage, it is suggested that they should be specifically named or their character definitely indicated. The principal articles upon which damage allowance is made are fire-crackers, nuts, green, dried, and preserved fruits, sugar and molasses, rice, chicory, glass and glass-ware, earthenware, leaf tobacco, Chinese matting, and tin plates. It is estimated that the total amount of duties remitted on account of damage will approximate \$500,000 per annum, a large proportion of which is allowed upon fruits and other perishable articles.

SECS. 19, 20, and 21. The tendency of these sections would be to give increased protection to the revenue and therefore to augment the amount of duties collected.

It is suggested that the words "sections 15 and 16 of this act" be stricken out of line 11, section 20, and the words "this and the preceding section" be substituted therefor.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COMMITTEE OF WAYS AND MEANS, HOUSE OF REPRESENTATIVES,  
*Washington, D. C., April 29, 1886.*

SIR: I inclose a letter from Mr. Charles Curie, which raises a question which appears to be worthy of consideration. Take a cask of crockery for example—the merchandise is always purchased unpacked and the packages are charged separately, and yet the crockery is always shipped in casks. Are they dutiable or not under the proposed section? In my original draft I used the words "ready for shipment," which would clearly have made the packages dutiable. Is this the effect of the language recommended by you and adopted by the committee? I confess I am in doubt.

Please consider the matter and let me have your views.

Truly, yours,

ABRAM S. HEWITT.

Hon. C. S. FAIRCHILD,  
*Acting Secretary, &c.*

COMMITTEE OF WAYS AND MEANS, HOUSE OF REPRESENTATIVES,  
*Washington, D. C., April 29, 1886.*

SIR: I have the honor to inclose herewith H. R. 7860, referred to this committee, I beg leave to ask the opinion of the Department as to the provisions of the bill, and whether the legislation proposed is desirable in the public interest.

I am, very respectfully, your obedient servant,

ABRAM S. HEWITT,  
*Chairman Subcommittee.*

Hon. C. S. FAIRCHILD,  
*Acting Secretary of the Treasury.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
Washington, D. C., May 1, 1886.

Hon. A. S. HEWITT,

*Chairman subcommittee Ways and Means, House of Representatives :*

SIR: I have duly received and considered your letter of the 29th ultimo, with inclosure from Mr. Charles Curie, relating to section 4 of House bill 7652, and have the honor to reply as follows:

The section mentioned expressly exempts from duty such sacks, crates, cases, or other outside coverings as are used and as are designed to be used only in the *bona fide* transportation of the merchandise to the United States in case the cost or value thereof is separately stated in the invoice. These are the only coverings exempted, or that are intended to be exempted, and it makes no difference whether they are or are not the *only* coverings about the merchandise, or whether they were put about it before or after purchase, provided they were put about it for the purpose solely and only of its transportation to the United States, were designed only for that use, and were purchased and invoiced separately from the merchandise in its finished condition as bought and sold in the foreign market for exportation to the United States.

If the coverings are such as form part of the merchandise as it is bought and sold in the foreign market for exportation to the United States, and in which it is prepared and put up for shipment when so bought and sold, or are designed for any use other than in the *bona fide* transportation of the merchandise to the United States, they would not be exempt from duty even though in the form of sacks, crates, cases, barrels, or boxes, and were the outer and *only* coverings of the merchandise.

Mr. Curie's letter is herewith returned.

Respectfully, yours,

C. S. FAIRCCHILD,  
*Acting Secretary.*

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TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
Washington, D. C., May 1, 1886.

Hon. ABRAM S. HEWITT,

*Chairman Subcommittee of Ways and Means, House of Representatives :*

SIR: I have the honor to acknowledge the receipt of your communication of the 29th ultimo, inclosing House bill 7860, to extend the privileges of the immediate transportation act, and asking the opinion of this Department as to the provisions of said bill, and whether or not the legislation proposed is desirable in the public interest.

The bill provides that merchandise liable to specific duties only may be transported to any of the ports mentioned in the seventh section of the immediate transportation act, although such merchandise may not appear by the invoice, bill of lading, or manifest of the importing vessel, to be consigned to or destined for either of said ports.

As the provisions of this bill relate to goods paying specific duties only, it is not perceived that its passage would operate to the detriment of the revenue.

Respectfully, yours,

C. S. FAIRCCHILD,  
*Acting Secretary.*

## APPENDIX B.

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### MERCHANDISE REQUIRING CONSULAR CERTIFICATES.

No. 1.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., November 16, 1886.

SIR: I desire to be informed whether, in your opinion, it would be safe now to revive the regulation, changed by me, which fixed \$100 as the limit of value of merchandise which could be imported without a consular certificate.

Respectfully, yours,

DANIEL MANNING,  
*Secretary,*

CHIEF OF THE CUSTOMS DIVISION.

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No. 2.

J. R. L.] TREASURY DEPARTMENT, *November 17, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

DEAR SIR: I have the honor to acknowledge the receipt of your letter of the 16th instant, in which you desire to be informed whether, in my opinion, it would be safe now to revive the regulation which fixed \$100 as the limit of value of merchandise which could be imported without a consular certificate.

The regulation referred to by you is as follows:

Article 328 of the General Regulations of 1884.]

When the value of an importation does not exceed \$100, the collector may, in his discretion, admit the same to entry by appraisement, without an invoice or the giving of bond therefor, if satisfied that the importation and the neglect to produce invoice are free from the intention of fraud.

The regulation is based upon section 2859 of the Revised Statutes, which is almost in the same words.

In reply I would inform you that, in my opinion, it would be unwise to take from collectors of customs the discretionary power, vested in them

by the said law and regulations, of determining whether importations of merchandise of less than \$100 in value are made in good faith or not, it having been ascertained that many shippers of merchandise, especially in contiguous foreign countries, are in the habit of purposely breaking up their importations in order to evade the requirement of law concerning the production of duly authenticated consular invoices.

As an instance of this last-mentioned practice, it may be mentioned that the United States consul at London, Ontario, in a late dispatch to the Secretary of State, complains of numerous evasions and infractions in his consular district of the law requiring production of consular certificates, it being represented that certain shippers habitually break up consignments, say of ten car-loads of goods valued at \$500, into ten different memorandum invoices, with a view of evading the payment of the consular fee for an invoice, and enabling them to obtain entry at the custom-house in the United States without the production of such consular invoice.

So far, however, as my observation goes, I can see no objection whatever to allowing all entries of merchandise valued at \$100 and less (or even to the extent of \$200) to be made without the production of a certified invoice, but, in my opinion, the existing law ought to be amended so as to clearly permit of such practice.

I think that, as a rule, and more particularly with regard to such importations of small value from the Dominion of Canada and Mexico, consular certificates to such invoices are of little or no value to officers of customs who receive the entries. In most cases along the frontier officers of customs are better informed as to dutiable value than consular officers.

This is owing to the well-known facts that consular officers make no actual inspection whatever of small (or any) shipments of merchandise, and merely affix their certificates to invoices as matters of form, and for the purpose of the exaction of the consular fees.

It may be stated, in connection with this subject, that, in accordance with a communication received from the Secretary of State dated the 4th of February last, which is as follows:

For a long period no uniformity has existed in the authentication of invoices of small value. Consuls have been uncertain as to their proper course, when the authentication was declined by the shipper, which frequently happens.

The principal cause of complaint on the part of shippers is the payment of the consular fee, which on minor shipments is excessive.

In your letter of the 15th ultimo it was held that "the question of admitting goods valued at less than one hundred dollars to entry without the production of a consular invoice is to be determined by the collector of customs at the time of entry, who alone has discretionary power in the premises under the provisions of section 2359 of the Revised Statutes."

I have the honor, therefore, to suggest as a means of settling this question definitely, that collectors of customs be instructed as follows:

Shipments of goods valued at less than \$50 may be admitted without consular invoices.

Shipments of more than \$50 and less than \$100 in value, shall require a consular invoice, the fee for authenticating which shall be 50 cents.

Shipments of \$100 and upwards in value shall be treated as heretofore.

If these suggestions accord with your views, I will undertake to have an executive order issued changing the consular fee accordingly.

The Department issued a circular, No. 14, dated February 8, 1886, the text of which is as follows:

Referring to previous correspondence with regard to entries of imported merchandise of less than \$100 in value, you are informed that the Department is in receipt of a communication from the Secretary of State, in which he suggests that hereafter shipments of goods valued at less than \$50 may be admitted to entry at the custom-house without the production of consular invoices. The Secretary also states that an

executive order will shortly be issued changing the consular fee for authenticating invoices of goods valued at over \$50 and less than \$100, so that such fee shall be 50 cents.

You are requested, subject to the provisions of section 2859 of the Revised Statutes, to carry out the suggestion of the Secretary of State, in which I concur, with regard to entries of goods valued at less than \$50, in all cases where you are satisfied that the importer acted in good faith, and where importations are not purposely broken up with a view to evade the requirements of the statute.

The practice under this circular is now to admit to entry, without the production of a consular invoice, all shipments of goods valued at less than \$50, where the collector of customs at the time of importation is satisfied that the importer acted in good faith and that the importations were not purposely broken up with a view to evade the requirement of the statute.

The circular also proposed to reduce the consular fee for authenticating invoices of goods valued at over \$50 and less than \$100 to the sum of 50 cents, but the Secretary of State has informed this Department that, owing to the existing statutes, it had no authority to reduce such fee without further legislation authorizing him to do so.

I understand that there is a bill pending before the present Congress which is intended to give the Secretary of State the requisite power to carry out the said suggestion.

Respectfully submitted.

JOHN G. MACGREGOR,  
*Chief of Customs Division.*

## APPENDIX C.

### REFUND OF DUTIES MADE IN FISCAL YEAR 1835-'86.

No. 1.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, D. C., October 21, 1886.*

SIR: Please prepare and submit to me, at your earliest convenience and before November 1, a full list of all refunds made under the carton decision, classifying them by ports, and giving (a) names of importers; (b) names of attorneys; (c) chief articles; (d) principal sum, and (e) interest and costs.

Respectfully, yours,

DANIEL MANNING,  
*Secretary.*

The COMMISSIONER OF CUSTOMS,  
*Treasury Department.*

No. 2.

H. A. L.]

TREASURY DEPARTMENT,  
OFFICE OF COMMISSIONER OF CUSTOMS,  
*Washington, D. C., October 27, 1886.*

SIR: I have the honor to submit a statement, arranged by ports, of the sums paid to the several importers on account of duties collected in excess on charges and coverings, that appear from the accounts to fall under your circular of February 2, 1886.

This statement has been carefully collated from the accounts settled in favor of the various parties and is believed to be correct.

The papers with the accounts fail in many cases to show the kind of goods on which the refund was made and in cases of suit, who were the plaintiffs attorneys. Whenever they were shown they have been inserted.

It is possible that the data wherein this is defective might be procured from the files in the customs division of your office. If not, there does not seem to be any office in the Department from which the information could be obtained. The only resort to complete it would be to the custom-houses in which the accounts were prepared.

I am, very respectfully, your obedient servant,

JOHN S. McCALMONT,  
*Commissioner of Customs.*

The SECRETARY OF THE TREASURY.

[Inclosure No. 1.]

Statement of amounts refunded to importers under circular, February 2, 1886.

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
<b>BALTIMORE.</b>					
R. H. Wolff & Co. (limited)	No suit	Cement	\$14 67		\$14 67
Baetzer & Meyerstein	do	do	39 80		39 80
Dix & Wilkins	do	Fruit	2,229 04		2,229 04
Total			2,283 51		2,283 51
<b>BOSTON.</b>					
R. G. Norris & Co		Grease	1,022 50	\$80 47	1,102 97
Young, Walton & Co		Bark extract	77 00	8 29	85 29
Waldo Bros	No suit	Cement	37 00		37 00
Do		do	139 00	9 83	148 83
Do		do	175 20	29 30	204 50
S. S. Pierce & Co		Cigars	351 00	65 23	416 23
Coleman, Mead & Co		Hosiery	1,568 55	230 36	1,798 91
Brine & Norcross	No suit	Hosiery, &c	87 75		87 75
Linder & Meyer	do	Ammonia	3 20		3 20
Howard Fleming		Cement	34 00		34 00
Do		do	375 20	51 59	426 79
Brown, Durell & Co		Gloves, &c	601 85	94 03	695 88
Estabrook & Eaton		Cigars	40 25		40 25
W. W. & C. R. Noyes		Fruit	684 00	64 63	748 63
C. R. Perkins	No suit	Cigars	35 25		35 25
Conant & Bean	do	Grasses	146 20		146 20
Estabrook & Eaton		Cigars	510 00	90 98	600 98
S. S. Pierce & Co		do	12 75	2 17	14 92
W. G. Nash	No suit	Plaster	176 20		176 20
Simons, Hatch & Whitten		Various	2,277 80	168 34	2,446 14
Hyneman Bros		Cigars	242 25	52 54	294 79
D. H. Tully & Co		Fruit	2,244 60	151 02	2,395 62
Hawley, Folsom & Martin		Gloves, &c	115 30	11 62	126 92
Raymond & Fox	No suit	Cigars	33 75		33 75
Lally & Collins		Hosiery, &c	746 15	63 28	809 43
C. B. Perkins		Cigars	248 75	51 00	299 75
Seavey, Foster & Bowman		Linen thread	296 40	52 05	348 45
Lally, Lynch & Collins		Gloves	74 10	26 04	100 14
Simons, Hatch & Whitten		Undressed goods	344 20	58 95	403 15
A. H. Hardy & Co		Oranges	67 00	22 13	89 13
Do		Fruit	193 20	36 54	229 74
Do		do	63 60	21 22	84 82
Hawley, Folsom & Martin		Hosiery &c	22 20	17 56	39 76
March Bros., Pierce & Co		Gloves, &c	56 05	23 42	79 47
W. W. & C. R. Noyes		Fruit	617 00	48 08	665 08
Estabrook & Eaton	J. P. Tucker	Cigars	2,226 25	226 64	2,452 89
Claffin, Larabee & Co	C. G. Chick	Hosiery and gloves	7,258 48	730 58	7,989 06
Bradford, Thomas & Co		Dress goods	622 20	121 59	743 79
Charles B. Perkins	Charles G. Chick	Cigars	1,133 50	130 41	1,263 91
Bradford, Thomas & Co		Dress goods	1,142 45	94 64	1,237 09
Henry W. Peabody & Co		Cement, &c	86 45	7 44	93 89
S. S. Pierce & Co		Cigars	1,276 75	156 56	1,433 31
Nathan Samuel	Lewis D. Brandeis	do	186 25	43 40	229 65
Coleman, Mead & Co		Hosiery	7,453 35	838 56	8,341 91
Brown, Durell & Co	Woodbury & Chick	do	5,118 30	634 14	5,752 44
Total			40,223 23	4,564 63	44,787 86
<b>CHICAGO.</b>					
The Hamburger Garrity Company	No suit	Cigar-boxes	8 50		8 50
William Cochrane	do	Musical instruments	8 75		8 75
Grommes & Ulrich	do	Cigars	278 00		278 00
E. Hoffman	do	do	24 75		24 75
George Luerssen & Co	do	do	23 50		23 50
A. Shire	do	do	109 00		109 00
Thorwart & Roehling	do	do	15 25		15 25
Best & Russell	do	Cigar-boxes	290 25		290 25
Chapin & Gore	do	do	94 75		94 75
Kantzler & Harges	do	do	164 25		164 25
Sprague, Warner & Co	do	do	468 25		468 25
Marshall, Field & Co	do	do	591 30		591 30

Statement of amounts refunded to importers under circular, February 2, 1866—Continued.

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
<b>CHICAGO—continued.</b>					
John V. Farwell & Co.	No suit		\$523 75		\$523 75
A. S. Gage & Co.	do		23 60		23 60
Cutter & Crosette	do		51 10		51 10
G. H. Foster & Co.	do		40 40		40 40
Farwell, Huling & Co.	do		8 40		8 40
Julius Bauer & Co.	do		5 00		5 00
Edson, Keith & Co.	do		12 25		12 25
Carson, Pirie Scott & Co.	do		69 15		69 15
Burley & Tyrrell.	do		15 30		15 30
John W. Goetz & Co.	do		62 55		62 55
Lyon & Healey	do		46 00		46 00
William Cochrane	do	Cigars	19 00		19 00
Mandel Bros	do		70 30		70 30
Newman, Sulzbacher & W.	do		53 20		53 20
Schweitzer & Beer	do		15 45		15 45
Storm & Hill	do		11 65		11 65
Vergo, Rubling & Co.	do		106 70		106 70
James H. Walker & Co.	do		46 90		46 90
Wilson Bros	do		388 45		388 45
Best, Russell & Co.	do		335 50		335 50
Burley & Tyrrell.	do	Earthenware	41 95		41 95
Burley & Co.	do	China	11 40		11 40
Carson, Pirie, Scott & Co.	do	Hosiery, &c.	83 95		83 95
Chapin & Gore	do	Cigars	197 25		197 25
William Cochrane	do	do	21 75		21 75
Grommes & Ullrich	do	do	486 25		486 25
Gibson, Parish & Co.	do	Silks	15 00		15 00
A. S. Gage & Co.	do	Handkerchiefs	5 60		5 60
Kantzier & Hargis	do	Cigars	206 75		206 75
J. H. Leshar & Co.	do	Italian cloth	4 40		4 40
Locke, Hulcatt & Co.	do	Handkerchiefs	14 00		14 00
Lowenthal, Kaufman & Co.	do	Cigars	26 75		26 75
George Luerssen	do	do	17 50		17 50
E. N. Hurlbut & Co.	do	Italian cloth	2 70		2 70
Hamburger Garrity Company.	do	Cigars	8 25		8 25
E. Hoffman	do	do	45 75		45 75
Lord, Owen & Co.	do	do	16 40		16 40
Mandel Bros	do	Hosiery	95 10		95 10
G. W. Sheldon & Co.	do	Burlaps	22 40		22 40
A. Shire	do	Cigars	83 25		83 25
W. H. Schimpferman & Son.	do	do	29 25		29 25
Schweitzer & Beer	do	Toys and dolls	47 40		47 40
Sprague, Warner & Co.	do	Cigars	698 00		698 00
Thorwart & Roehling	do	do	14 25		14 25
Vergo, Rubling & Co.	do	Toys	50 45		50 45
Wilson Bros	do	Hosiery, &c.	107 95		107 95
J. H. Walker & Co.	do	Velvets, &c.	16 80		16 80
Marshall Field & Co.	do	Hosiery, &c.	708 80		708 80
Best & Russell	Percy L. Shuman	Cigars	718 75	\$124 19	842 94
Chapin & Gore	do	do	217 50	54 49	271 99
Do	do	do	588 25	80 88	669 13
Do	do	do	43 75	29 70	73 45
Kantzier & Hargis	do	do	142 00	39 03	181 03
Adolph Shire	do	do	171 50	46 04	217 54
Do	do	do	59 50	31 44	90 94
W. H. Schimpferman & Son.	Shuman & Defrees.	do	176 50	42 38	218 88
Sprague, Warner & Co.	Percy L. Shuman	do	75 25	35 43	110 68
Locke, Hulcatt & Co.	No suit	Handkerchiefs	21 70		21 70
Merriam, Collins & Co.	do	Anchovies	1 60		1 60
Marshall Field & Co.	do	Hosiery	23 20		23 20
Cutler & Crosette	do	Handkerchiefs	8 40		8 40
Lyon & Healy	do	Musical instruments	69 25		69 25
Root & Sons Music Company.	do	do	3 75		3 75
Schlesinger & Mayer	do	Hosiery	3 60		3 60
J. H. Willets	do	do	11 60		11 60
Best, Russell & Co.	do	Cigars	197 25		197 25
Chapin & Gore	do	do	75 00		75 00
William Cochrane	do	do	20 25		20 25
Grommes & Ullrich	do	do	367 50		367 50
E. Hoffman	do	do	33 25		33 25
Kantzier & Hargis	do	do	176 25		176 25
George Luerssen & Co.	do	do	65 00		65 00
A. Schire	do	do	80 25		80 25

Statement of amounts refunded to importers under circular, February 2, 1886—Continued.

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
CHICAGO—continued.					
W. H. Schimpferman & Son.	No suit	Cigars	\$33 75		\$33 37
G. H. Foster & Co.	do	Linen thread	8 40		8 40
Gerts. Lumbard & Co.	do	Brushes	10 20		10 20
E. N. Hurlbut & Co.	do	Dress goods	4 50		4 50
Kahn, Nussbaum & Co.	do	Hosiery	2 80		2 80
Edson, Keith & Co.	do	Embroideries	5 20		5 20
Locke, Hulcatt & Co.	do	do	49 20		49 20
Lyon & Healy	do	Musical instruments	51 50		51 50
Jacob Meyer & Bros	do	Hosiery	120 00		120 00
Schweitzer & Beer	do	Toys	10 15		10 15
Storm & Hill	do	Worsted goods	20 30		20 30
Vergho, Rubling & Co.	do	Toys	8 75		8 75
J. H. Walker & Co.	do	Embroideries	53 60		53 60
Carson, Pirie, Scott & Co.	do	Hosiery	302 45		302 45
John V. Farwell & Co.	do	do	98 80		98 80
Marshall Field & Co.	do	do	537 50		537 50
Edson, Keith & Co.	do	do	12 95		12 95
Mandel Bros	do	Embroideries	58 80		58 80
G. W. Sheldon & Co.	do	Burlaps	49 60		49 60
J. H. Walker & Co.	do	Hosiery	247 20		247 20
Wilson Bros	do	do	226 95		226 95
Marshall Field & Co.	N. W. Bliss & F. P. Leffingwell.	Dress goods	1,266 90	\$213 13	1,480 03
Do	No suit	Hosiery and gloves	921 75		921 75
Lilienfield Bros. & Mayer	do	Cigars	13 75		13 75
Sprague, Warner & Co.	do	do	481 50		481 50
Do	Shuman & Defrees	do	1,741 50	123 26	1,864 76
Do	do	do	1,445 75	156 64	1,602 39
Do	Percy L. Shuman	Cigars and olive oil	116 00	38 48	154 48
Best, Russell & Co.	do	Cigars	113 75	37 88	151 63
A. S. Gage & Co.	Shuman & Defrees	Hosiery and handkerchiefs.	164 80	42 92	207 72
Grommes & Ullrich	P. L. Shuman	Cigars	123 00	38 55	164 55
E. N. Hurlbut	do	Dress goods	102 75	36 12	138 87
Kantzier & Hargis	do	Cigars	932 00	413 38	1,345 38
Lindauer Bros. & Co.	do	Hosiery, &c.	193 60	50 64	244 24
William H. Schimpferman & Son.	do	Cigars	107 00	39 94	146 94
Stephen Paddon & Co.	No suit	Salt cake	43 80		43 80
Grommes & Ullrich	Shuman & Defrees	Cigars	1,602 25	175 89	1,778 14
Chapin & Gore	do	do	391 00	47 72	438 72
Adolph Shire	do	do	280 00	41 06	321 06
Hamburger Bros. & Co.	do	do	199 00	44 28	243 28
W. H. Schimpferman & Son.	do	do	117 75	32 14	149 89
Stephen Paddon & Co.	do	Salt cake	107 60	33 74	141 34
Lindauer Bros. & Co.	do	Hosiery, &c.	90 95	31 75	122 70
William Cochrane	do	Cigars	61 60	28 90	90 50
Charles Gossage & Co.	do	Thread, &c.	63 15	34 67	97 82
Mandel Bros	P. L. Shuman	Hosiery, &c.	36 80	29 41	66 21
Wilson Bros	Shuman & Defrees	Woolen goods, &c.	1,834 30	141 23	1,975 53
Root & Sons' Music Company.	P. L. Shuman	Musical instruments	55 50	33 00	88 50
Do	Shuman & Defrees	do	53 75	30 52	84 27
James H. Walker & Co.	do	Hosiery, &c.	706 75	68 07	775 42
Kantzier & Hargis	do	Cigars	707 75	61 42	769 17
Lehman & Kinsman	do	Musical instruments, &c.	194 25	42 65	236 90
Do	P. L. Shuman	do	34 40	30 11	64 51
Best, Russell & Co.	Shuman & Defrees	Cigars	1,038 00	130 50	1,168 50
A. Shire	do	do	447 75	69 31	517 06
Lindauer Bros. & Co.	do	Hosiery	67 20	30 67	97 87
Marshall Field & Co.	Bliss & Leffingwell	Dress goods, &c.	7,694 60	1,167 78	8,862 38
John Girmscheed	Shuman & Defrees	Clay pipes	294 35	40 73	335 08
Mandel Bros	do	Handkerchiefs, &c.	382 15	65 76	447 91
Do	do	do	437 15	88 48	525 63
Jacob Meyer & Bros	do	Hosiery	434 35	62 54	496 89
Wilson Bros	do	Gloves, &c.	987 90	166 06	1,153 96
Vergho, Rubling & Co.	do	Dolls, &c.	277 20	53 43	330 63
Marshall Field & Co.	N. W. Bliss	Merchandise	16,453 80	1,353 28	17,807 08
Carson, Pirie, Scott & Co.	Shuman & Defrees	Dress goods	1,248 60	153 10	1,401 70
Do	do	do	657 10	66 44	723 54
Burley & Tyrrell	do	Toys	706 05	72 14	778 19
William Cochrane	Shuman & Defrees	Cigars, ink, chalk	26 40	27 77	54 17
Do	P. L. Shuman	Brushes and toys	38 60	30 36	68 96
Burke, Walker & Co.	do	Dress goods	40 80	31 27	72 07
A. S. Gage & Co.	do	Gloves and hosiery	187 20	52 43	249 63
Do	do	Hosiery	72 15	30 19	102 34

Statement of amounts refunded to importers under circular, February 2, 1886—Continued

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
CHICAGO—continued.					
John W. Goetz & Co	P. L. Shuman	Gloves and hosiery	\$397 25	\$61 69	\$458 94
Lyon & Healy		Musical instruments	269 75	40 57	310 32
Do		do	481 30	72 25	553 55
C. W. & E. Partridge	P. L. Shuman	Hosiery	98 00	38 51	136 51
Vergo, Ruhling & Co	do	Brushes, &c	119 75	30 94	150 69
Wilson Bros	do	Hosiery, &c	117 40	39 01	156 41
Banghart Bros	No suit	Cigars	2 50		2 50
John V. Farwell & Co	P. L. Shuman	Hosiery, &c	1,054 65	167 53	1,222 18
Best, Russell & Co	Shuman & Defrees	Cigars	1,055 50	90 50	1,146 00
Edson, Keith & Co	do	Hosiery	452 25	64 87	517 12
Carson, Pirie, Scott & Co	P. L. Shuman	Dry goods	1,155 80	187 97	1,343 77
Vergo, Ruhling & Co	do	Musical instruments, &c	196 30	54 26	250 56
Grommes & Ullrich	P. L. Shuman	Cigars	817 25	139 61	956 86
Wilson Brothers	Shuman & Defrees	Hosiery, &c	2,088 20	258 10	2,346 30
J. B. Taylor & Co	No suit	Handkerchiefs	4 65		4 65
G. H. Foster & Co	do	do	9 60		9 60
Burke, Walker & Co	P. L. Shuman	Gloves	506 95	95 65	602 60
J. H. Walker & Co	Shuman & Defrees	General merchandise	402 65	59 37	462 02
John V. Farwell & Co	do	Dress goods	1,553 80	132 43	1,686 23
Do	P. L. Shuman	Hosiery	77 15	34 01	111 16
Hewman, Sulzbaker & Wedeler	Shuman & Defrees	do	471 95	56 49	528 44
Kantzier & Hargis	do	Cigars	1,804 50	150 69	1,455 19
John V. Farwell & Co	do	Dress goods	1,248 75	160 84	1,409 59
Franklin McVeagh & Co	No suit	Prepared vegetables	98 40		98 40
Best, Russell & Co	do	Cigars	16 75		16 75
Lilienfeld Bros. & Mayer	do	do	15 00		15 00
Chas. H. Slack	do	do	2 25		2 25
A. Shire	do	do	5 75		5 75
Sprague, Warner & Co	do	do	1 25		1 25
F. H. Clarke & Co	do	do	4 75		4 75
Banghart Bros	do	do	1 50		1 50
Lilienfeld Bros. & Mayer	do	do	1 25		1 25
Fuller & Fuller Co	do	Medicinal water	17 75		17 75
Burke, Walker & Co	Shuman & Defrees	Dress goods	365 89	69 20	435 09
Grommes & Ullrich	P. L. Shuman	Cigars	1,280 25	98 59	1,378 84
Root & Sons Music Co	Shuman & Defrees	Musical instruments	24 75	26 31	51 06
Marshall, Field & Co	No suit	Earthenware, &c	814 60		814 60
L. H. Flusheim	do	Travel glasses	10 00		10 00
Kantzier & Hargis	do	Cigars	6 00		6 00
Metzler, Rothschild & Co	do	Smokers' articles	48 00		48 00
C. D. Peacock	do	Opera glasses	20 00		20 00
G. W. Sheldon & Co	do	Glass eyes	6 00		6 00
Schweitzer & Beer	do	Musical instruments	91 00		91 00
Vergo, Ruhling & Co	do	Violins and toys	59 00		59 00
J. H. Walker & Co	do	Toothpowder, &c	62 00		62 00
Fuller & Fuller Co	do	Boxes containing meat extract	15 40		15 40
Lord, Owen & Co	do	do	18 00		18 00
Louis Manasse	do	Opera glasses	69 65		69 65
Lyon & Healy	do	Musical instruments	7 00		7 00
G. W. Sheldon & Co	do	Burlaps	17 10		17 10
			75,098 05	8,403 51	83,501 56
CINCINNATI.					
Alms & Doepke	No suit	Handkerchiefs	15 05		15 05
Bohn Bros. & Co	do	Hosiery	72 20		72 20
Knost Bros. & Co	do	Toys	12 10		12 10
Do	do	do	24 65		24 65
Lowman's Sons & Co	do	Hosiery	23 20		23 20
The John Shillito Co	do	Toys	26 10		26 10
Do	do	Gloves	38 65		38 65
Do	do	Cotton apparel	69 65		69 65
Knost Bros. & Co	do		446 75	94 15	540 90
The John Shillito Co	do	Embroideries, &c	31 25		31 25
Do	do	Buttons	9 50		9 50
Do	do		63 60	36 41	100 01
Kleine, Detmer & Co	No suit	Suitings	80		80
Strobel & Wilken	do		83 90	14 79	98 69
Knost Bros	do		28 25	18 43	46 68
Strobel & Wilken	do		134 50	73 22	225 12
Do	do		17 40		
The John Shillito Co	No suit	Buttons	17 70		17 70
H. & S. Pogue	do	Hosiery and gloves	351 40		351 40
Bart & Hickox	do	Gloves, &c	29 35		29 35

Statement of amounts refunded to importers under circular, February 2, 1886—Continued.

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
<b>CINCINNATI—continued.</b>					
Haas & Weiss		Handkerchiefs, &c.	\$50 40	\$21 00	\$71 40
Strobel & Wilken		Musical instruments	589 40	91 85	681 25
Knost Bros. & Co		do	520 70	75 65	596 35
Haas & Weiss		do	13 80	16 04	29 84
Alms & Doepke		do	418 40	77 46	495 86
Lowman's Sons & Co	No suit	Cotton goods	7 70		7 70
The John Shillito Co	do	Corsets	1 40		1 40
Do			546 80	129 42	676 22
<b>Total</b>			<b>3,644 60</b>	<b>648 42</b>	<b>4,293 02</b>
<b>CLEVELAND.</b>					
Root & McBride Bros	No suit	Hosiery and gloves	105 20		105 20
<b>DETROIT.</b>					
Edson, Moore & Co	No suit	Hosiery	57 40		57 40
James E. Davis & Co	do	Brushes	4 80		4 80
T. H. Hinchman & Sons	do	do	4 20		4 20
Welton & Allison	do	Beans	26 40		26 40
<b>Total</b>			<b>92 80</b>		<b>92 80</b>
<b>DENVER.</b>					
S. M. Simpson	No suit	Cigars	136 13		136 13
<b>MILWAUKEE.</b>					
Leo Roth		Clay pipes	66 15		66 15
<b>MIDDLETOWN, CONN.</b>					
Talcott, Frisbie & Co	No suit	Meat jars	104 50		104 50
<b>NEW YORK.</b>					
Howard Fleming	Dudley & Phelps	Cement barrels	242 60	50 70	293 30
A. C. Babson	do	do	222 60	43 08	265 68
James Brand	do	do	5,428 60	521 55	5,950 15
Howard Fleming	do	do	1,974 20	176 82	2,151 02
Do	do	do	1,787 60	208 87	1,996 47
Sinclair & Babson	do	do	1,855 40	184 89	2,040 29
A. C. Babson	do	do	3,528 20	340 10	3,868 30
C. Von Pustan	Amoux, Ritch & Woodford	Firecrackers	106 00	65 43	171 43
Gabriel & Schall	Dudley & Phelps	Cement barrels	538 40	71 41	609 81
Do	do	do	411 35	49 72	461 07
Gustav Grawitz	Hartley & Coleman	do	1,120 60	135 89	1,256 49
A. C. Babson	do	do	130 00	24 60	154 60
James Brand	Dudley & Phelps	do	722 80	49 03	771 83
Howard Fleming	do	do	936 20	78 09	1,064 29
Do	do	do	283 60	27 20	310 80
Gabriel & Schall	do	do	198 60	30 88	229 48
H. Herman Sternbach & Co.	Stanley, Clarke & Smith.	Woolens	46 25	12 55	58 80
Marcial & Co	Dudley & Phelps	Cement barrels	359 80	35 04	394 84
Sinclair & Babson	do	do	1,522 60	112 46	1,635 06
H. Herman Sternbach & Co.	Stanley, Clarke & Smith.	Woolens	365 50	34 22	399 72
F. Gottschalk	Hartley & Coleman	Cement barrels	48 60	13 33	61 93
Gustav Grawitz	do	do	314 00	30 06	344 06
A. C. Babson	Dudley & Phelps	do	1,789 20	135 94	1,925 14
James Brand	do	do	1,606 80	123 02	1,729 82
H. Herman Sternbach & Co.	Stanley, Clarke & Smith.	do	280 45	38 18	318 63
Do	do	do	152 85	22 11	174 96
Do	do	do	206 75	26 75	233 50
Do	do	do	719 45	106 25	825 70
Healey & Co	Charles Currie	do	37 60	7 96	45 56
H. Herman Sternbach & Co.	Stanley, Clarke & Smith.	do	170 48	24 05	194 53
C. J. Stevens	Charles Currie	Cement barrels	1,867 42	252 98	2,120 40
David Wylie	do	do	191 20	34 08	225 28
Charles J. Stevens	do	do	786 00	68 28	854 28
H. R. Kelly & Co	do	Cigars	2,909 71	337 38	3,247 09
H. Herman Sternbach & Co.	Stanley, Clarke & Smith.	Worsted goods	1,167 80	184 94	1,352 74

REPORT OF THE SECRETARY OF THE TREASURY.

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Statement of amounts refunded to importers under circular, February 2, 1886—Continued.

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
<b>NEW YORK—continued.</b>					
Binney & Smith.....		Cement barrels.....	\$398 70	\$63 23	\$461 93
W. H. Tailor & Co.....		Hosiery and gloves.....	1,899 45	339 81	2,239 26
Howard Ives.....		Cigars.....	1,738 50	241 88	1,970 38
Purdy & Nichols.....		do.....	12,607 70	1,593 98	14,201 68
Do.....		do.....	1,625 25	110 27	1,735 52
E. Thiele.....		Cement barrels.....	153 60	18 70	1,152 30
Do.....		do.....	1,792 40	154 60	1,947 00
Do.....		do.....	3,886 00	514 32	4,400 32
Leshner, Whitman & Co.....		Dress goods.....	392 90	36 05	428 95
T. R. Keator & Co.....		Cement barrels.....	372 20	29 68	401 88
Do.....		do.....	794 80	70 46	865 26
Do.....		do.....	956 40	149 25	1,105 65
Otto Heinze & Co.....		do.....	11,787 85	1,815 39	13,603 24
Leshner, Whitman & Co.....		Dress goods.....	1,145 15	183 13	1,328 28
Do.....		do.....	1,382 15	137 20	1,519 35
L. Strauss & Co.....		Barrels.....	855 71	88 59	924 30
Healy & Co.....		Cotton, lace, &c.....	570 50	114 49	624 99
Do.....		Cotton.....	10 80	8 88	19 68
H. R. Kelly & Co.....		Cigars.....	911 00	166 05	1,077 05
R. H. Wolf & Co.....		Barrels.....	280 40	35 26	315 66
John Lowitz.....		Trimmings.....	115 00	31 37	146 37
U. C. Hawthorne.....		Handkerchiefs.....	49 40	14 72	64 12
C. Hausman Waentig.....		Linens.....	23 40	12 84	36 24
Hazens, Todds & Co.....		Dress goods, &c.....	182 40	32 92	215 32
Oberteuffer, Abegg & Daeniker.....		Hosiery, &c.....	140 80	151 60	292 40
Gutwillig & Schiff.....			3,547 85	538 97	4,086 82
A. Steinhardt & Bro.....			125 65	33 11	158 76
J. S. Johnson.....		Tin cans.....	2,793 15	461 44	3,254 59
Do.....		do.....	823 80	57 34	881 14
Do.....		do.....	4,700 10	417 12	5,117 22
Thomas Leeming & Co.....		do.....	1,115 20	72 05	1,187 25
Do.....		do.....	3,925 70	498 68	4,424 38
Michaelis & Lindermann.....		Cigars.....	1,048 00	174 68	1,222 68
S. L. Prager & Co.....		Artificial flowers.....	362 25	79 62	441 87
Thomas Leeming & Co.....		Tin cans.....	461 60	43 94	505 54
Lozano, Pendas & Co.....		Cigars.....	28 50	7 47	35 97
Belloni & Co.....		Cement barrels.....	873 60	107 53	981 13
Howard Fleming.....		do.....	175 80	33 04	208 84
Gabriel & Schall.....		do.....	121 20	20 95	142 15
Hall & Ruckel.....		do.....	234 15	39 96	274 11
Gutman Bros.....		Dry goods.....	6,514 45	972 54	7,486 99
James Brand.....		Cement barrels.....	213 80	56 54	270 34
			105,166 47	13,388 39	118,554 86
<b>NEW ORLEANS.</b>					
Bradley, Kurtz & Co.....	No suit	Jute bags.....	31 60		31 60
Do.....	do	do.....	292 00		292 00
Do.....	do	do.....	146 00		146 00
U. Koen & Co.....	do	Cigar boxes.....	9 25		9 25
Do.....	do	do.....	23 75		23 75
Do.....	do	do.....	22 50		22 50
Do.....	do	do.....	19 25		19 25
Do.....	do	do.....	5 50		5 50
Edmond Dubois.....	do	Brandied cherries.....	244 15		244 15
Bassetti & Xignes.....	do	do.....	102 55		102 55
Bradley, Kurtz & Co.....	do	Jute bags.....	72 80		72 80
U. Koen & Co.....	Rouse & Grant.	Cigars.....	1,999 75	349 99	2,349 74
Do.....	No suit	do.....	4 75		4 75
Do.....	do	Cigar boxes.....	67 90	3 03	70 93
			3,041 75	353 02	3,394 77
<b>PHILADELPHIA.</b>					
E. Thiehle.....	Pyle & Kingston.....	Cement barrels.....	826 00	56 52	882 52
Belloni & Co.....	Edw. L. Perkins.....	do.....	177 00	21 03	198 03
Camn & Thomas.....	do.....	do.....	167 00	23 86	190 86
Morris Ebert.....	do.....	do.....	17 20	13 21	30 41
Howard Fleming.....	do.....	do.....	506 60	49 92	556 52
George V. Morey.....	do.....	do.....	126 60	20 53	147 13
Mercial & Co.....	do.....	do.....	292 00	26 45	318 45
Max Von Angem.....	do.....	do.....	65 40	18 48	83 88
T. R. Keator & Co.....	do.....	do.....	45 40	14 90	60 30
Churchman & Co.....	do.....	Salt cake.....	181 40	24 30	205 70
Geo. B. Woodman & Co.....	No suit	Olive oil.....	9 00		9 00
Alburger, Stoer & Co.....	do	Dress goods.....	62 15		62 15

Statement of amounts refunded to importers under circular, February 2, 1886—Continued

Importer.	Attorney.	Articles.	Principal.	Interest and costs.	Total.
<b>PHILADELPHIA—cont'd.</b>					
Joel J. Baily & Co.....	No suit.....	Dress goods, &c.....	\$101 70		\$101 70
Harrington & Goodman.....	do.....	Toys, &c.....	75 60		75 60
Homer LeBoutillier & Co.....	do.....	Linens, &c.....	46 80		46 80
S. Faquet & Sons.....	Pyle & Kingston.....	Cigars.....	595 75	\$56 96	652 71
A. Frohmann & Co.....	do.....	do.....	50 50	23 39	82 89
Wilson & Bradbury.....	do.....	Gloves.....	198 45	46 13	244 58
R. Williamson & Co.....	do.....	Dress goods.....	210 10	48 70	258 80
S. Faquet & Sons.....	do.....	Cigars.....	593 50	109 70	703 20
Joel J. Baily & Co.....	do.....	Hosiery.....	772 25	70 21	842 46
Cooper & Conard.....	do.....	Hosiery, &c.....	146 05	37 67	183 72
T. & W. Cochrane.....	do.....	Cigars.....	74 00	25 91	99 91
Do.....	do.....	do.....	14 00	16 08	30 08
Alexander Cappel.....	Henry C. Dewy.....	Cutlery.....	322 35	65 75	388 10
Do.....	do.....	do.....	182 15	34 38	216 53
Do.....	do.....	do.....	38 25	18 67	56 92
Langfield, Lichten & Co.....	Pyle & Kingston.....	Gloves.....	87 40	26 67	114 07
Do.....	do.....	do.....	302 35	63 72	366 07
M. E. McDowell & Co.....	A. M. Beveridge.....	Cigars.....	167 50	37 77	205 27
Do.....	do.....	do.....	126 25	35 23	159 48
Do.....	do.....	do.....	256 75	44 32	301 07
John Wagner.....	do.....	do.....	48 00	21 50	69 50
Alburger, Stoer & Co.....	Pyle & Kingston.....	Dress goods.....	622 94	108 38	731 32
Harrington & Goodman.....	do.....	do.....	289 75	48 38	338 13
Strawbridge & Clothier.....	do.....	Hosiery and gloves.....	537 65	98 97	636 62
Do.....	do.....	Gloves, &c.....	551 45	60 63	612 08
Cooper & Conard.....	do.....	Hosiery, &c.....	387 95	47 48	445 43
John Wanamaker.....	do.....	do.....	813 40	150 17	963 57
E. Bradford Clarke & Co.....	J. A. Brown.....	Cigars.....	25 50	16 66	42 16
Wm. H. Horstmann & Sons.....	Pyle & Kingston.....	Gloves, &c.....	935 86	162 21	1,098 07
John Thornton & Co.....	do.....	Buttons, &c.....	402 35	33 23	435 58
E. T. Steel & Co.....	J. A. Brown.....	Woolen goods.....	228 19	50 37	278 56
Geo. Zorn & Co.....	do.....	Clay pipes.....	81 90	22 66	104 56
B. F. Dewees.....	do.....	Hosiery, &c.....	41 70	18 02	59 72
Do.....	do.....	do.....	115 65	35 21	148 86
Brown, De Turek & Co.....	do.....	Silk goods.....	72 00	25 90	97 90
Cook & Bro's.....	do.....	Hosiery.....	44 40	20 38	64 78
M. S. Shapleigh & Co.....	do.....	Ribbons, &c.....	381 15	83 76	464 91
O. G. Hempstead & Son.....	do.....	Hosiery.....	31 20	18 28	49 48
Stewart, Wallace Atkinson & Co.....	do.....	do.....	39 40	19 73	59 19
Henry Tilge & Co.....	do.....	Ribbons.....	44 20	20 14	64 34
Peter Wright & Sons.....	Jno. A. Brown.....	Laces and embroideries.....	779 95	165 03	944 98
Harrington & Goodman.....	Pyle & Kingston.....	Buttons, &c.....	203 05	28 35	231 40
Folwell Bros. & Co.....	do.....	Dress goods.....	51 20	21 50	72 70
Meyer & Schoenemann.....	do.....	Toys, &c.....	161 45	37 49	198 94
Young, Smyth, Field & Co.....	do.....	Hosiery and gloves.....	1,984 25	324 63	2,308 88
C. F. Rumpp.....	do.....	Fancy articles.....	43 10	20 16	63 26
Gotlens & Rexamer.....	do.....	Meat cans.....	55 45	22 28	75 73
A. A. McCown & Co.....	do.....	Hosiery.....	53 90	24 57	78 47
Oetheimer Brothers.....	do.....	Buttons.....	3,305 50	577 78	3,883 28
			19,186 94	3,305 29	22,492 23
<b>ROCHESTER.</b>					
Sibley, Lindsay & Curr.....	do.....	Cotton and wool.....	11 65		11 65
Do.....	No suit.....	Hosiery.....	5 20		5 20
			16 85		16 85
<b>SAN FRANCISCO.</b>					
Pascal, Dubedat & Co.....	do.....	Olive oil.....	10 50		10 50
James de Fremery & Co.....	do.....	do.....	89 25		89 25
Sweitzer, Sachs & Co.....	do.....	Buttons.....	16 00		16 00
			115 75		115 75
<b>SAINT JOSEPH.</b>					
William H. Floyd & Son.....	No suit.....	Tea baskets.....	53 90		53 90

Statement of amounts refunded to importers under circular, February 2, 1886—Continued.

RECAPITULATION:

Name of port.	Principal	Interest and costs.	Total.
Baltimore .....	\$2,283 51		\$2,283 51
Boston .....	40,223 23	\$4,564 63	44,787 86
Chicago .....	75,098 05	8,403 51	83,501 56
Cincinnati .....	3,644 60	648 42	4,293 02
Cleveland .....	105 20		105 20
Detroit .....	92 80		92 80
Denver .....	136 13		136 13
Milwaukee .....	66 15		66 15
Middletown .....	104 50		104 50
New York .....	105,166 47	13,388 39	118,554 86
New Orleans .....	3,041 75	353 02	3,394 77
Philadelphia .....	19,186 94	3,305 29	22,492 23
Rochester .....	16 85		16 85
San Francisco .....	115 75		115 75
Saint Joseph .....	53 90		53 90
Total .....	249,335 83	30,663 26	279,999 09

No. 3.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., October 16, 1886.

The COMMISSIONER OF CUSTOMS:

SIR: You will please prepare for me, as speedily as possible, a statement showing—

(1) What is the total sum of money refunded to importers by the Treasury between October 1, 1885, and October 1, 1886, under protests and appeals, or suits, and what portion thereof was for interest and costs.

(2) What sum has been refunded under the Oberteuffer decision, and what is the total amount of claims thereunder now pending and unpaid which have been certified and ascertained.

Respectfully, yours,

DANIEL MANNING,  
Secretary.

No. 4.

TREASURY DEPARTMENT,  
OFFICE OF THE COMMISSIONER OF CUSTOMS,  
Washington City, D. C., October 20, 1886.

MEMORANDUM FOR THE SECRETARY.

Total amount of refunds passed from October 1, 1885, to October 1, 1886.	\$645,410 37
Protests, appeals, and suits .....	617,634 48
Clerical errors, damages, &c. (no protest) .....	12,263 09
Miscellaneous—special acts, fees, &c. ....	15,512 80
	645,410 37
Interest and costs paid .....	135,259 66
Attorneys' and marshals' fees (fees, costs, &c.) .....	3,447 97
Principal on cases over two years old .....	20,851 14
	159,558 77
Amount refunded under Oberteuffer decision .....	239,871 96
Amount pending under Oberteuffer decision .....	15,335 89

Very respectfully,

MAURICE F. HOLAHAN,  
Office Commissioner of Customs.

## APPENDIX D.

### W.] TAXES COLLECTED FROM IMPORTS.

*Values of the principal and all other articles of dutiable imported merchandise entered for consumption, including withdrawals from warehouses in the United States, during the year ending June 30, 1886.*

Order.	Articles dutiable.	Values.	Ordinary duties.	Average ad valorem rate of duty.
1	Sugar, molasses, sugar-candy, and confectionery .....	\$76,746,461 25	\$51,778,948 34	Per ct. 67.47
2	Wool and manufactures of:			
	Wool, raw .....	13,794,212 97	5,126,108 35	37.16
	Manufactures of .....	40,536,509 38	27,278,527 54	67.29
	Total .....	54,330,722 35	32,404,635 89	59.62
3	Iron and steel, and manufactures of:			
	Iron ore .....	1,312,322 37	532,956 26	40.61
	Pig-iron .....	4,041,366 62	1,737,658 19	43.00
	Manufactures of iron and steel .....	33,278,088 35	12,361,261 30	37.16
	Total .....	38,631,777 34	14,631,875 75	37.89
4	Flax, hemp, jute, &c., and manufactures of:			
	Unmanufactured—			
	Flax .....	1,548,800 00	113,138 88	7.30
	Hemp, jute, sisal-grass, and other vegetable substances .....	8,693,317 66	1,728,587 36	19.88
	Manufactures of .....	21,370,523 02	7,406,089 86	34.66
	Total .....	31,612,640 68	9,247,816 10	29.25
5	Cotton, manufactures of .....	29,236,071 18	11,752,206 89	40.20
6	Silk, manufactures of .....	28,055,854 94	13,938,096 61	49.68
7	Fruits, including nuts .....	12,973,307 98	3,498,569 39	26.97
8	Chemicals, drugs, dyes, and medicines .....	12,796,387 52	4,347,626 05	33.97
9	Leather, and manufactures of .....	11,466,414 29	3,262,232 87	28.45
10	Tobacco, and manufactures of .....	10,315,311 00	8,311,114 45	80.57
11	Liquors, spirituous and malt, and wines:			
	Malt liquors .....	1,206,257 11	585,102 26	48.52
	Spirits, distilled .....	1,826,059 27	2,834,696 25	155.56
	Wines .....	6,753,471 97	3,774,348 93	55.91
	Total .....	9,785,788 35	7,194,147 44	73.58
12	Jewelry and precious stones .....	8,367,638 14	900,474 36	10.76
13	Wood, and manufactures of .....	7,772,442 49	1,423,391 44	18.31
14	Breadstuffs .....	7,164,361 56	1,042,404 08	14.55
15	Glass and glassware .....	6,341,037 62	3,694,923 69	58.40
16	Fancy articles .....	5,934,379 61	2,456,398 59	41.40
17	Earthen, stone, and china ware .....	4,992,214 81	2,829,539 75	56.68
18	Hats, bonnets, and hoods, and materials for .....	4,866,345 32	1,028,091 86	21.18
19	Furs, and manufactures of .....	4,193,576 04	855,729 99	20.43
20	Buttons and button materials .....	3,843,549 78	889,005 80	23.11
21	Animals .....	3,613,472 69	722,694 56	20.03
22	Coal and coke .....	2,624,990 70	610,375 32	23.20
23	Books, maps, engravings, etchings, &c. ....	2,516,773 48	629,191 87	25.00
24	Vegetables .....	2,340,998 04	637,545 67	27.23
25	Metals, metal compositions, and manufactures of .....	2,340,639 49	771,886 42	32.98
26	Fish .....	2,266,304 09	502,287 54	22.16
27	Provisions, comprising meat and dairy products .....	2,050,914 53	478,969 67	23.56
28	Seeds .....	1,805,298 40	404,757 87	22.42

Values of the principal and all other articles of dutiable imported merchandise, &c.—Cont'd.

Order.	Articles dutiable.	Values.	Ordinary duties.	Average ad valorem rate of duty.
29	Paper, and manufactures of .....	\$1,802,482 82	\$392,469 77	21.77
30	Rice .....	1,611,524 71	1,184,138 24	73.53
31	Salt .....	1,493,397 17	706,324 34	51.99
32	Musical instruments .....	1,432,375 56	358,093 87	25.00
33	Clocks and watches, and parts of .....	1,362,540 81	356,504 72	26.16
34	Paints and colors .....	1,270,223 72	419,962 66	33.12
35	Oils, animal, mineral, and vegetable .....	1,079,979 91	278,043 41	25.84
36	Hay .....	1,035,408 75	184,350 72	17.80
37	Bristles .....	1,029,975 00	149,981 63	14.56
38	Corsets and corset cloth .....	957,256 00	335,039 60	35.00
39	Art works, paintings and statuary .....	916,777 21	275,033 16	30.00
40	Marble and stone, and manufactures of .....	898,194 47	368,937 70	41.98
41	Cement, Roman, Portland, and all other .....	734,394 60	146,878 91	20.00
42	Gold and silver, manufactures of .....	612,787 62	167,575 86	27.65
43	Copper and manufactures of:			
	Unmanufactured .....	430,885 00	110,867 87	25.70
	Manufactures of .....	100,409 46	9,055 22	41.47
	Total .....	531,294 46	119,923 09	26.49
44	Brushes of all kinds .....	522,209 54	156,662 88	30.00
45	Matting and mats for floors .....	462,627 08	92,525 41	20.00
46	Hops .....	540,216 82	217,517 68	49.50
47	Soap .....	436,728 54	116,451 33	26.66
48	Glue .....	433,718 71	86,743 75	30.00
49	Brass, and manufactures of .....	394,101 30	166,402 43	42.22
50	Gunpowder and all explosive substances .....	356,301 79	290,774 26	81.61
51	Grease .....	336,672 80	49,272 88	14.60
52	Carriages, and parts of .....	256,367 00	89,728 45	35.00
53	Hair, and manufactures of:			
	Manufactured .....	111,726 75	27,046 14	24.74
	Unmanufactures of .....	128,875 51	40,447 87	31.39
	Total .....	240,602 26	68,094 01	28.03
54	Clay or earths .....	234,207 00	71,936 93	30.73
55	India-rubber and gutta-percha, manufactures of .....	231,876 88	67,356 79	29.05
56	Zinc, and manufactures of .....	170,491 45	88,899 97	52.14
57	Cocoa, prepared, and cocoa butter .....	150,712 24	17,299 35	11.48
58	Ginger ale or ginger beer .....	147,693 28	29,538 66	20.00
59	Umbrellas, parasols, shades, and parts of .....	127,539 92	50,848 05	39.85
	All other dutiable articles .....	3,081,481 53	1,030,268 32	33.43
	Total dutiable .....	413,778,054 03	188,379,397 09	45.55
	Additional duty .....		1,031,051 08	
	Total duty collected .....		189,410,448 17	

WM. F. SWITZLER,  
Chief of Bureau.

## APPENDIX E.

### APPEALS FROM COLLECTORS' DECISIONS AND REFUNDS BY THE DEPARTMENT; ALSO PROPOSED AMENDMENTS TO THE LAW OF 1883 FOR THE CORRECTION OF AMBIGUITIES THEREIN.

#### No. 1.

STATEMENT IN RESPONSE TO INQUIRIES ADDRESSED TO CUSTOMS DIVISION, OCTOBER 18, 1886.

(1) How many appeals from decision of collector at New York, levying customs duties, were presented at the Treasury between October 1, 1885, and October 1, 1886, exclusive of carton protests? In how many was the decision of the collector sustained, and in how many reversed?

#### ANSWER.

From October 1, 1885, to October 1, 1886, the Department has affirmed the decision of the collector of customs at New York on 4,600 appeals (in round numbers), and reversed his decision on 200 appeals submitted by him; also affirmed in part and reversed in part 100 appeals, none of which appeals embrace the question of charges under section 7 of the act of March 3, 1883.

(2) Make a statement of each judgment or statement certified by a collector of customs as due and payable, and which has not been paid, giving (a) the name or title, (b) the collector certifying, (c) the date of certificate, (d) the Treasury office in whose present possession the claim is held, (e) the reasons in full for non-payment other than want of appropriation, and (f) the total amount of such unpaid claims.

#### ANSWER.

Certified statements for refund of duties, when received in this office from collectors, are only examined with the view of ascertaining whether there is any appropriation available from which they may be paid, and whether the requirements of law as to filing protest and appeal and commencing suit have been complied with. Such items as appear to be defective in any of these respects are either stricken out or the statements are returned to the collector for correction; after which they are referred to the First Auditor for examination and settlement under section 3012 $\frac{1}{2}$ , R. S.

Barring the few statements which have been returned to collectors for correction in some minor particulars, no certified statements for refund of duty are pending in this office.

J. G. MACGREGOR,  
*Chief of Customs Division.*

CUSTOMS DIVISION, *October 20, 1886.*

#### No. 2.

TREASURY DEPARTMENT,  
*November 29, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: In reply to your letter of the 17th instant, requesting that the information contained in a memoranda submitted by me on the 20th

ultimo be brought down to date, I have the honor to submit the following:

From October 1, 1886, to November 23, 1886, the Department has affirmed the decision of the collector of customs at New York on 625 appeals and reversed his decision on 12 appeals, and there remains undecided in this office (November 23) 141 appeals.

None of the foregoing embrace the question of charges under section 7, act of March 3, 1883. These, added to the numbers given in my former report, show 5,225 affirmances from October 1, 1885, to November 23, 1886, and 212 reversals during the same period.

In reply to your further request for a statement covering the point laid down in the first inquiry respecting the period between October 1, 1884, and October 1, 1885, I have to state that during that period the Department affirmed the decision of the collector of customs at New York on 5,672 appeals, and reversed his decision on 761, none of which embrace the question of charges under section 7, act of March 3, 1883.

You also ask for a specification of the questions presented by the protests in 1886, in which the decision of the collector of customs (New York) has been affirmed.

In reply I submit the following list of questions on which five or more appeals have been affirmed during the current calendar year:

Hat materials.....	631
Cottons, manufactures of.....	490
Breakage, liquors, non-allowance for.....	281
Still wine, in casks.....	241
Linen, manufactures of.....	169
Sugar, duty on (favored-nation clause).....	161
Silk and cotton goods.....	139
Tiles, paving.....	86
Tomatoes (fruits or vegetables).....	84
India-rubber fabrics.....	76
Linen embroideries.....	75
Metal buttons.....	65
Imitation jewelry.....	57
Worsted and cotton cloth.....	55
Pins.....	55
Gilling twine.....	53
Linen handkerchiefs, embroidered.....	51
Philosophical instruments.....	50
Albums (manufacturers of paper, cotton, silk, leather, &c.).....	48
Penal duty (section 2900, Revised Statutes).....	45
Paper, manufactures of.....	42
Silk seals (silk, cotton, and worsted).....	42
Burlaps, bagging or not, &c.....	37
Worsted and cotton dress goods.....	36
Opera glasses, manufactures metal, glass, pearl, shell, &c.....	30
Matelassé cloth.....	23
Paper, photographic.....	22
Rosalic acid, coal-tar preparation or chemical compound.....	22
Linen braid.....	21
Periodicals (what constitutes).....	21
India-rubber balloons (toys under T. I. 425, or articles of india-rubber 454).....	20
Hair curlers, kid.....	19
Church statuary.....	18
Ginger-ale bottles.....	18
Cotton caps.....	17
Cotton nets.....	16
Silk and cotton plush.....	15
Bichromate soda.....	15
Lentils.....	15
Iron nails.....	15
Wool, silk, and cotton plush (not for hats).....	14
Wool lace.....	13
Oleate of soda.....	13
Paintings on porcelain (decorated earthenware).....	13
Stoneware, glazed.....	13

Linen tapes	12
India rubber, in sheets	12
Rosaries, beads, or regalia	12
Toys	12
Cotton and metal webbing	11
Ivory piano keys	11
Seeds	11
Hair-pins (pins or manufactures of metal)	11
American grain bags	10
Beans, edible vegetables	9
Feather trimmings	9
Iron ore (moisture in)	9
Jute, upholstery goods	9
Anti-pyrine	8
India-rubber pouches	8
Medicinal preparations	8
Turkey-red goods	8
Scrap-books	7
Cotton robes	7
Earthenware	7
Glass beads	7
Jute and metal thread curtains	7
Linen and cotton lace	7
Manufactures of leather	7
Malt extract	7
Pipe-stems	7
Silk and cotton (taffeta) gloves	7
Anchovy paste	6
Glassware	6
Plated ware	6
Wool bonnets	6
Aniline colors	5
Dye-wood extracts	5
Bone, manufactures of	5
Downs	5
Chocolate	5
Pickled fish	5
Goat's hair	5
Jute, manufactures of	5
Metal laces	5
Picric acid	5
Silk and worsted goods	5
Skins, tanned	5
Shells, manufactures of	5
Steel, manufactures of	5
Tricotine	5
Toy tea-sets	5

Of these appeals by far the greater number concern textile fabrics. Among these are the questions concerning hat materials (631 appeals) and numerous questions under the silk, worsted, and cotton schedules.

#### THE COTTON SCHEDULE.

Under the cotton schedule appeals have been received and affirmed under various names in the foregoing list, to wit:

	Appeals:
Cotton cloths	490
Silk and cotton goods	139
Worsted and cotton cloths	55
Worsted and cotton dress goods	36
Cotton caps	17
Cotton nets	16
Silk and cotton plushes	15
Wool, silk, and cotton plushes	14
Turkey-red goods	8
Cotton robes	7
Linen and cotton laces	6
Silk and cotton gloves (taffeta?)	7
Down pillows with cotton cases	5

## WOOL SCHEDULE.

Under the wool schedule will be found decisions on—

Worsted and cotton cloths .....	55
Silk seals (worsted and silk) .....	42
Worsted and cotton dress goods .....	36
Matelassé cloth .....	23
Wool, silk, and cotton plushes .....	14
Wool laces .....	13
Wool bonnets .....	6
Goat's hair .....	5
Silk and woolen goods .....	5
Wool tennis balls .....	5
Worsted braids .....	5

## LINENS, ETC.

The hemp, jute, and flax schedule embrace questions on—

Linen, manufactures of .....	169
Linen, embroidered .....	75
Gilling twine .....	53
Linen handkerchiefs, embroidered .....	51
Burlaps .....	37
Linen braids .....	21
Linen tapes .....	12
Jute upholstery goods .....	9
Linen and cotton laces .....	7

The metal schedule shows decisions on—

Metal buttons .....	165
Imitation jewelry .....	57
Pins .....	55
Philosophical instruments .....	50
Opera-glasses .....	30
Hair-curlers .....	19
Iron nails .....	15
Hair-pins .....	11
Iron ore .....	9
Jute and metal curtains .....	7
Plated ware .....	6
Metal laces .....	5
Steel manufactures .....	5
Tricotine .....	5

The earthenware and glassware schedule shows—

Appeals on so-called paving tiles .....	86
On so-called church statuary .....	18
On ginger ale in bottles .....	18
Paintings on porcelain .....	13
On glazed stoneware .....	13
Glassware .....	6
And on so-called toy tea sets .....	5

## PAPER, BOOKS, ETC.

The paper schedule shows:

Appeals on albums .....	48
On manufactures of paper .....	42
On photographic paper .....	22
On periodicals .....	21
And scrap-books .....	7

The remainder of the appeals embraced in the foregoing list are scattered through the several schedules.

A large number of appeals are of a strictly legal aspect and present no question of fact.

The question as to whether the act of March 3, 1883, is restricted in its provisions to a mere substitute for title 33 of the Revised Statutes; and is without effect as to legislation after date of said revision, is presented in 281 cases involving the non-allowance for damage or breakage of liquors, and in 241 cases on the assessment of duty on still wine

in casks, both of which are provided for in the act of February 8, 1875, in manner different to that found in the act of March 3, 1883. (See Opinion Attorney-General, S. 5974.)

The application of the most-favored-nation clause in foreign treaties is made the subject of 161 appeals, involving the assessment of duty on sugars from other countries, which would be free under the Hawaiian treaty if imported from the Sandwich Islands (see S. 6292). The assessment of duty under section 2900, Revised Statutes, forms the subject of 45 appeals.

As requested in the last paragraph of your letter, I inclose herewith such "pertinent sections of new laws to be proposed to Congress" as would, in my opinion, if passed, definitely settle the points presented in the more numerous classes of appeals above mentioned.

Respectfully submitted.

J. G. MACGREGOR,  
Chief Customs Division.

[Enclosure.]

Amend section 2500 of the Revised Statutes as contained in the act of March 3, 1883, by adding thereto the following, "*and imported merchandise subject to duty under this section shall be subject to the privileges and requirements of the warehousing laws of the United States.*"

*Amendments to section 2502, Revised Statutes.*

#### SCHEDULE A.—CHEMICAL PRODUCTS.

Amend the clause (paragraph 49) for "bichromate of potash," by adding the words, "*and bichromate of soda,*" so that the clause shall read: "Bichromate of potash, *and bichromate of soda,* three cents per pound."

Amend paragraph No. 81, commencing "Coal-tar, products of," by inserting, after the word "pitch," the following: "*including toluidine, xylydine, and mixed crude and fuel or gas oil;*" so that the paragraph will read as follows:

"Coal-tar, products of, such as naphtha, benzine, benzole, dead oil, and pitch, *including toluidine, xylydine, and mixed crude and fuel or gas oil,* twenty per centum ad valorem."

Amend paragraph No. 92, commencing "All preparations known as essential oils," by inserting, after the words, "not specially enumerated or provided for in this act," the words "*including alizarine assistant or soluble oil;*" so that the paragraph shall read as follows:

"All preparations known as essential oils, expressed oils, distilled oils, rendered oils, alkalis, alkaloids, and all combinations of any of the foregoing, and all chemical compounds and salts, by whatever name known, and not specially enumerated or provided for in this act, *including alizarine assistant or soluble oil,* twenty-five per centum ad valorem."

Amend paragraph No. 120, commencing "Opium, crude," by adding, at the end of the paragraph, the words "*and any opium which has been once imported and condemned shall, upon reimportation, be subject to forfeiture and destruction;*" so that the paragraph shall read as follows:

"Opium, crude, containing nine per cent. and over of morphia, one dollar per pound. The importation of opium containing less than nine per cent. morphia is hereby prohibited; *and any opium which has been once imported and condemned shall, upon reimportation, be subject to forfeiture and destruction.*"

## SCHEDULE B.—EARTHENWARE AND GLASSWARE.

Amend paragraph No. 125, commencing "China, porcelain, parian and bisque, earthen, stone, and crockery ware," by inserting, after the word "ornaments," the words "tiles;" so that the paragraph shall read as follows:

"China, porcelain, parian, and bisque, earthen, stone, and crockery ware, including plaques, ornaments, tiles, charms, vases, and statuettes, painted, printed, or gilded, or otherwise decorated or ornamented in any manner, sixty per centum ad valorem."

Amend paragraph No. 127, commencing "All other earthen, stone, and crockery ware," by inserting, after the words "not specially enumerated or provided for in this act," the words "including tiles;" so that the paragraph shall read as follows:

"All other earthen, stone, and crockery ware, white, glazed, or edged composed of earthy or mineral substances, not specially enumerated or provided for in this act, including tiles, fifty-five per centum ad valorem."

Amend paragraph No. 143, commencing "Porcelain and Bohemian glass," by adding, after the words "stained glass," the words "small glass mirrors, including those framed as well as those unframed;" so that the paragraph shall read as follows:

"Porcelain and Bohemian glass, chemical glassware, painted glassware, stained glass, small glass mirrors, including those framed as well as those unframed, and all other manufactures of glass or of which glass shall be the component material of chief value, not specially enumerated or provided for in this act, forty-five per centum ad valorem."

## SCHEDULE C.—METALS.

Amend paragraph No. 144, commencing "Iron ore," by adding, at the end of the paragraph, the words "And provided also, That the dutiable weight of iron ore shall be ascertained by subjecting the ore to a temperature of 212 degrees Fahrenheit;" so that the paragraph shall read as follows:

"Iron ore, including manganiferous iron ore, also the dross or residuum from burnt pyrites, 75 cents per ton. Sulphur ore, as pyrites, or sulphuret of iron in its natural state, containing not more than  $3\frac{1}{2}$  per centum of copper, 75 cents per ton: *Provided*, That ore containing more than 2 per centum of copper shall pay, in addition thereto, 2 $\frac{1}{2}$  cents per pound for the copper contained therein: *And provided also*, That the dutiable weight of iron ore shall be ascertained by subjecting the ore to a temperature of 212 degrees Fahrenheit."

Amend paragraph No. 209, commencing with the word "Pins," by adding thereto, after the word "other," the words "including hair-pins, safety pins, and hat, bonnet, shawl, and belt-pins;" so that the paragraph shall read as follows:

"Pins, solid head or other, including hair pins, safety pins, and hat, bonnet, shawl, and belt-pins, thirty per centum ad valorem."

Amend paragraph No. 210, commencing "Britannia ware," by inserting, after the word "gilt," the words "and bronzed;" so that the paragraph shall read as follows:

"Britannia ware, and plated and gilt and bronzed articles and wares of all kinds, thirty-five per centum ad valorem."

## SCHEDULE E.—SUGAR.

Amend paragraph No. 243, by adding, after the word "adulterated," the words, "including chocolate confectionery;" so that the paragraph shall read as follows:

"All other confectionery, including chocolate confectionery, not spe-

cially enumerated or provided for in this act, made wholly or in part of sugar, and on sugars after being refined, when tintured, colored, or in any way adulterated, valued at thirty cents per pound or less; ten cents per pound."

Amend paragraph (No. 244) commencing with the word "confectionery," by adding after that word the words "*including chocolate confectionery,*" so that the paragraph shall read as follows:

"Confectionery, *including chocolate confectionery,* valued above thirty cents per pound, or when sold by the box, package, or otherwise than by the pound; fifty per centum ad valorem."

#### SCHEDULE G.—PROVISIONS.

Amend paragraph (No. 269) commencing "potato or corn starch," by adding, after the words "other starch," the words "*including all substances produced from the root of the Jatropha manihot, commonly known as Chinese starch,*" so that the paragraph shall read as follows:

"Potato or corn starch, two cents per pound; rice starch, two and a half cents per pound; other starch, *including all substances produced from the root of the Jatropha manihot, commonly known as Chinese starch, two and one-half cents per pound.*"

Amend the clause in paragraph 291 for "chocolate," by inserting therein the words, "*other than chocolate confectionery,*" so that the clause shall read as follows:

"Chocolate *other than chocolate confectionery,* two cents per pound."

Amend paragraph No. 301, relating to "fruits, preserved in their own juices and fruit juice," by inserting therein after the words "fruit juice" the words "*Provided, however, that any fruit juice imported into the United States, which shall contain more than fifteen per cent. of alcohol, shall be subject, in addition to the rate herein prescribed, to a duty of two dollars per proof gallon for the quantity of alcohol contained therein,*" so that the paragraph shall read as follows:

"Fruits, preserved in their own juices, and fruit juice, twenty per centum ad valorem: *Provided, however, that any fruit juice imported into the United States, which shall contain more than fifteen per cent. of alcohol, shall be subject, in addition to the rate herein prescribed, to a duty of two dollars per proof gallon for the quantity of alcohol contained therein.*"

#### SCHEDULE H.—LIQUORS.

Amend paragraph No. 308 commencing "Still wines in casks," by inserting in the second proviso, between the word "no" and the word "allowance," the word "*constructive;*" and by adding a further proviso, as follows:

"*And provided further, that the provisions of the act of February 8, 1875, as to still wines, which are in effect superseded by the act of March 3, 1883, are hereby repealed,*" so that the paragraph shall read as follows:

"Still wines, in casks, fifty cents per gallon; in bottles, one dollar and sixty cents per case of one dozen bottles containing each not more than one quart and more than one pint, or twenty-four bottles containing each not more than one pint; and any excess beyond these quantities found in such bottles shall be subject to a duty of five cents per pint or fractional part thereof; but no separate or additional duty shall be collected on the bottles: *Provided, That any wines imported containing more than twenty-four per centum of alcohol shall be forfeited to the United States: Provided further, That there shall be no constructive allowance for breakage, leakage, or damage on wines, liquors, cordials,*

or distilled spirits, and provided further that the provisions of the act of February 8, 1875, as to still wines, which are in effect superseded by the act of March 3, 1883, are hereby repealed."

Amend paragraph No. 317, commencing "Ginger-ale or ginger-beer," by inserting at the end of the paragraph the words "*but the rate of duty herein prescribed shall be assessed upon the value of the commodity in its bottled condition,*" so that the paragraph shall read as follows:

"Ginger-ale or ginger-beer, twenty per centum ad valorem, but no separate or additional duty shall be collected on bottles or jugs containing the same: *but the rate of duty herein prescribed shall be assessed upon the value of the commodity in its bottled condition.*"

#### SCHEDULE M.—BOOKS, PAPERS, ETC.

Amend paragraph No. 384, commencing "Books, pamphlets," by inserting after the word "charts" the words "*including albums of all kinds,*" so that the paragraph shall read as follows:

"Books, pamphlets, bound or unbound, and all printed matter, not specially enumerated or provided for in this act, engravings, bound or unbound, etchings, illustrated books, maps, and charts, *including albums of all kinds,* twenty five per centum ad valorem."

Amend paragraph No. 392, commencing with the words "paper-hangings," by inserting after the word "note," and before the words "and all other paper," the words "*photographic, letter-press copying,*" so that the paragraph will read:

"Paper-hangings and paper for screens or fire-boards, paper antiquarian, demy, drawing, elephant, foolscap, imperial, letter, note, *photographic, letter-press copying,* and all other paper not specially enumerated or provided for in this act, twenty-five per centum ad valorem."

#### SCHEDULE N.—SUNDRIES.

Amend paragraph No. 396, commencing with the word "beads," by inserting after the word "kinds," and before the word "except," the words "*strung or not strung,*" so that the paragraph shall read as follows:

"Beads and bead ornaments of all kinds, *strung or not strung,* except amber, fifty per centum ad valorem."

Amend paragraph No. 400, commencing "Buttons and button-molds," by inserting between the word "including" and "brass" the words "*those commercially known as,*" so that the paragraph shall read as follows:

"Buttons and button-molds, not specially enumerated or provided for in this act, not including *those commercially known as* brass, gilt, or silk buttons, twenty-five per centum ad valorem."

Amend the clause (paragraph 425) for "dolls and toys," by adding thereto the following words: "*Provided that the word 'toys' shall not be considered as applying to china, porcelain, parian and bisque, earthen, stone, and crockery ware of any kind herein otherwise enumerated or provided for.*"

Amend paragraph No. 445, commencing with the words "Hair cloth," by inserting after the word "other," and before the word "manufactures," the word "*similar,*" so that the paragraph will read as follows:

"Hair cloth, known as 'crinoline cloth,' and all other *similar* manufactures of hair not specially enumerated or provided for in this act, thirty per centum ad valorem."

Strike out the clause (paragraph 475) for "Philosophical apparatus and instruments, thirty-five per centum ad valorem," and the same is hereby repealed.

Amend paragraph No. 476, commencing with the words "Pipes, pipe-bowls," by adding, after the words "or provided for in this act," the words "*including cigarette books, cigarette-book covers, and cigarette-paper in all forms;*" so that the paragraph shall read as follows:

"Pipes, pipe-bowls, and all smokers' articles whatsoever, not specially enumerated or provided for in this act, *including cigarette-books, cigarette-book covers, and cigarette-paper in all forms*, seventy per centum ad valorem; all common pipes of clay, thirty-five per centum ad valorem."

#### THE FREE LIST.

Amend paragraph No. 642, commencing with the words "Animals specially imported for breeding purposes," by inserting, after the word "Animals," in the first line, the words "*blooded, designed to improve the stock in the United States and,*" so that the paragraph shall read as follows:

"Animals, *of superior race and blood, designed to improve the stock in the United States*, and specially imported for breeding purposes, shall be admitted free upon proof thereof satisfactory to the Secretary of the Treasury, and under such regulations as he may prescribe; and teams of animals, including their harness and tackle and the vehicles or wagons actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, shall also be admitted free of duty, under such regulations as the Secretary of the Treasury may prescribe."

Amend paragraph (No. 743) relating to "models of invention," so that it shall read as follows:

*Patterns for machinery and models of inventions and of other improvements in the arts; but no article or articles shall be deemed a pattern or model which can be fitted for use otherwise.*

Amend clause in paragraph 772 for "root-flour," by adding thereto the words "*provided that nothing shall be passed free of duty under this clause which is fit for use as starch,*" so that the paragraph shall read as follows: "Root-flour, *provided, that nothing shall be passed free of duty under this clause which is fit for use as starch.*"

Amend clause in paragraph 774 for "Sago, sago crude, and sago flour," by adding thereto the words, "*provided that nothing shall be passed free of duty under this clause which is fit for use as starch.*"

Amend clause in paragraph 800 for "Tapioca, cassava, or cassada," by adding thereto the words, "*provided that nothing shall be passed free of duty under this clause which is fit for use as starch.*"

Amend paragraph 819, commencing with the words "works of art," by striking out the following: "But the fact of such production must be verified by the certificate of a consul or minister of the United States, indorsed upon the written declaration of the artist," so that the paragraph shall read as follows: "Works of art, painting, statuary, fountains, and other works of art, the production of American artists, paintings, statuary, fountains, and other works of art, imported expressly for the presentation to national institutions, or to any State, or to any municipal corporation, or religious corporation or society."

## APPENDIX F.

### SCHEDULE OF SUITS BEGUN IN 1885-'86 AGAINST THE COLLECTOR OF CUSTOMS AT NEW YORK.

#### No. 1.

*Suits begun at New York between October 1, 1885, and October 1, 1886, for causes on account of which similar suits had not been begun prior to October 1, 1885.*

Subject of action.	Series number. (New series.)	Title of suit.	Amount involved.
1. Antipyrine.....	10978	Louis Lutz vs. E. L. Hedden.....	\$1,285 20
2. Carmine extract of Persian berries.....	10979	Aug. Klipstein vs. E. L. Hedden.....	*3,453 57
	10990	Walter F. Sykes vs. E. L. Hedden.....	201 60
3. Extract of dyewood.....	11044	Chas. F. Zentgraf vs. E. L. Hedden.....	424 40
4. Polishing powder.....	11055	Zucker and Leavitt Chemical Company vs. E. L. Hedden.....	168 65
5. Curry-combs.....	10216	J. F. McCoy et al. vs. W. H. Robertson.....	23 00
	10974	J. F. McCoy et al. vs. E. L. Hedden.....	*72 75
6. Oleate of soda.....	†10101	W. Peckhardt et al. vs. E. L. Hedden.....	155 35
	†10102	do.....	656 35
	†10103	do.....	845 55
	†10104	do.....	842 80
	†10105	do.....	573 18
	†10106	do.....	154 40
	†10107	do.....	681 00
	10111	W. Peckhardt et al. vs. W. H. Robertson.....	5,939 05
	†10142	W. Peckhardt et al. vs. E. L. Hedden.....	681 00
	†10143	do.....	705 85
	†10144	do.....	272 20
	†10278	do.....	241 90
	†10279	do.....	336 30
	†10280	do.....	339 40
	†10932	do.....	1,537 50
	†10933	do.....	61 65
	11105	do.....	830 85
	11106	do.....	682 40
7. Clay pipes.....	10109	Harriet A. Batzer and another vs. W. H. Robertson.....	239 60
8. Mohairs.....	10328	Joseph M. Goddard vs. E. L. Hedden.....	*9 30
	10329	do.....	*100 48
	10806	do.....	*520 10
9. Paving tiles.....	10092	George C. Miller vs. W. H. Robertson.....	780 80
	10177	George W. Sheldon et al. vs. W. H. Robertson.....	186 00
	10196	Alfred Boote vs. W. H. Robertson.....	447 50
	10212	Adolph Rossman vs. W. H. Robertson.....	118 65
	10213	R. F. Downing and another vs. W. H. Robertson.....	148 85
	10217	Henry C. Aspenwall vs. W. H. Robertson.....	222 30
	10265	James S. Conover et al. vs. W. H. Robertson.....	160 79
	10848	William W. Jackson et al. vs. W. H. Robertson.....	952 80
	10972	Alfred Boote vs. E. L. Hedden.....	1,502 90
	10975	Adolf Rossman vs. E. L. Hedden.....	3,120 00
	10985	Henry C. Aspenwall vs. E. L. Hedden.....	1,306 70
	10988	James S. Conover and others vs. E. L. Hedden.....	333 10
	10988	George C. Miller vs. E. L. Hedden.....	2,043 70

Total number of suits, 42.

\* As this case contains other questions, the exact amount involved in this issue is uncertain.  
 † Consolidated with 10101.

## No. 2.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, and the amounts and issues involved therein.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
10088	E. J. C. Ferris et al.	Charges, manufactures rubber, manufactures cotton;	Various	\$569 70	\$117 50	Various.
10089	L. W. Levy et al.	hair-pins. Optical and philosophical instruments	35 and 25	934 55		Schedule N, act Mar. 3, 1885; T. I. Rev., 475.
10090	O. Oelschlagel et al.	Philosophical instruments	35	475 72		Do.
10091	L. Sussfeld et al.	Optical and philosophical instruments	35	2,036 60		Do.
10092	G. C. Miller	Glazed earthenware (claimed as tiles)	20	730 80		T. I. 130.
10093	B. Levy et al.	Citron, soap, chicory, lemon peel, &c	Free or 20	3,360 91		T. I. 704, or T. I. 301.
10094	A. Steinhart et al.	Buttons, pins, jewelry	Various	279 10		Various.
10095	A. Klinstein	Bichromate of soda	25	694 30		T. I. 92.
10096	H. H. S. Schwietering et al.	Woolen, silk, and worsted goods	Various	1,969 59		T. I. 333, 363; ss. 6134.
10097	L. Friedberg	Cotton embroidery (reappraisal case)		2,745 40		Claimed illegal appraisal; section 2930, Revised Statutes.
10098	B. Rubens	Damages (in law and equity court)				
10099	A. H. Frederick	This suit has been discontinued				
10100	H. Herrman et al.	Charges	None	338 90	338 90	Refunded.
10101	W. Pickhardt et al.	Oleate of soda	25	155 35		T. I. 92.
10102	do	do	25	656 35		Do.
10103	do	do	25	845 55		Do.
10104	do	do	25	842 80		Do.
10105	do	do	25	573 10		Do.
10106	do	do	25	154 40		Do.
10107	do	do	25	681 00		Do.
10108	H. G. McFadden et al.	Glass globes and lamp-chimneys	40	905 10		T. I. 134.
10109	H. A. Batjer et al.	Charges	None	337 60	337 60	Section 7 act March 3, 1883.
10110	Zueher and L. Chemical Co	Oxide of iron, polishing powder	20	210 70		T. I. 479 or 215, or section 2513, R. S.
10111	W. Pickhardt et al.	Oleate of soda	25	5,039 05		T. I. 92.
10112	W. E. Remy et al.	Table covers and linen embroidery	30	193 85		T. I. 337.
10113	H. Nordlinger et al.	Millet-seed	None	117 60		Sec. 2503, R. S.
10114	H. B. Jaffin et al.	Cotton-lace net, doilies, &c	Various	669 85		Various.
10115	H. Herrman et al.	Charges	None	52 80	52 80	Sec. 7 act March 3, 1883.
10116	R. A. Costa	Sugar from St. Domingo	do	3,606 90		Treaty stipulation.
10117	R. G. Glendinning et al.	Linen embroideries	30	603 85		T. I. 337.
10118	A. Gumpert	do	30	30 30		Do.
10119	H. Marier et al.	Linen embroideries and charges	30 and free	2,260 25	1,341 90	T. I. and sec. 7 act March 3, 1883.
10120	Joseph Morgan	do	do	1,570 30	852 85	Do.
10121	J. B. Locke et al.	Linen embroideries	30	785 60		T. I. 337.
10122	A. D. Napier et al.	Handkerchiefs (claimed to be embroideries)	30	201 50		Do.
10123	S. C. Pullman	Linen embroideries	30	747 10		Do.
10124	M. C. Warren	do	30	3,354 80		Do.

10125	E. Goldberg	Jewelry, unset stones, &c.	Various	330 65		Various.
10126	Herman Wolff et al	Charges, hair-pins, buttons, &c.	do	455 50	303-05	Do.
10127	A. M. Bull	Beans	Free	12,636 09		T. I., 636.
10128	R. Acosta	Sugar from St. Domingo	do	18,828 53		Treaty stipulation.
10129	N. Arnold et al	Charges	do	583 55	563 55	Section 7 act March 3, 1883.
10130	J. Bernheimer et al	Charges and worsted-back cloths.	Free & 35c. 40rg	3,055 79	1,184 80	Section 7 act Mar. 3, 1883, and T. I., 363
10131	A. S. Robbins	Charges, linen braids, buttons, pins, &c	Various	4,068 45	2,717 80	Various.
10132	A. Weinberg	Charges, hat trimmings, metal lace, &c	do	5,572 45	645 75	Do.
10133	William Dick et al	Sugar from Danzig	Free	17,084 70		Treaty stipulation.
10134	do	Sugar from various ports	do	49,243 93		Do.
10135	F. O. Matthiesen et al	do	do	69,301 38		Do.
10136	S. Rothfeld et al					No bill of particulars served.
10137	W. Schroeder et al	Silk and cotton goods.	30 or 40	209 50		Illegal reappraisement.
10138	M. Guggenheim et al	Charges, cotton embroideries, &c	Various	*190 30		Various.
10139	Otto Andreae	Silk and cotton velvets (reappraisement)	50	1,036 70		Illegal reappraisement.
10140	D. W. McLeod et al	Burlaps	30	173 55		T. I., 338, 339.
10141	G. F. Victor et al	Plushes, laces, charges, &c	Various	2,230 27		Various.
10142	W. Pickhardt et al	Oleate of soda	25	681 00		T. I., 92.
10143	do	do	25	705 85		Do.
10144	do	do	25	272 20		Do.
10145	C. A. Auffmordt et al	Worsted, cottons, charges, &c	Various	7,022 55		Various.
10146	R. S. Roberts et al	Hat trimmings	20	5,323 80		T. I., 448.
10147	L. Rothschild et al	Charges and buttons	Free and 25	2,957 15	2,113 85	Section 7 act Mar. 3, 1883, and T. I., 407.
10148	L. Topfritz et al	Bonnets for men	30	953 82		T. I. 400.
10149	C. J. Tagliabue	Philosophical instruments	35	560 30		T. I. 475.
10150	John Thompson	Hatbands, metal lace, charges, &c	Various	*1,329 35		Various.
10151	S. E. Bloch et al	Charges and hat materials	Free and 20	*498 00		Section 7 act March 3, 1883, and T. I. 448.
10152	W. E. De Forest	Hat materials	20	3,438 00		T. I. 448.
10153	H. Fleitmann et al	do	20	8,611 25		Do.
10154	W. H. Graef et al	do	20	3,669 50		Do.
10155	W. E. Iselin et al	Hat materials and manufactures of silk, &c	Various	28,785 65		Various.
10156	L. Megroz et al	do	do	1,292 30		Do.
10157	W. Openheim et al	do	do	740 20		Do.
10158	R. S. Roberts et al	Hat materials, manufactures of silk, &c., and charges	do	*6,825 00		Do.
10159	B. F. Wendt et al	do	do	*76,385 00		Do.
10160	L. Windmuller et al	do	do	90 25		Do.
10161	T. O'Donoghue	Hat materials	20	4,133 15		T. I. 448.
10162	J. G. Curtis	Charges and damage allowance	Free	*729 00		Section 7 act March 3, 1883.
10163	E. Dieckerhoff et al	Linen braids, tapes, &c.	35	108 40		T. I. 336.
10164	W. Openheim et al	Silk in the piece	50	1,208 70		Illegal reappraisement.
10165	W. H. Schieffelin et al	Dog soap	20	509 20		Refunded.
10166	C. C. Abel et al	Seeds	Free	1,100 00		T. I. 760.
10167	B. Levy et al	Charges, beans, citron, &c	Various	*1,300 60		Various.
10168	John Wakeman et al	Seeds	Free	426 70		T. I. 760.
10169	E. Hecht et al	Charges	do	157 35	157 35	Section 7 act March 3, 1883.
10170	H. Passavant et al	Charges and hat materials	Free and 20	33,129 05	4,120 20	Section 7 act Mar. 3, 1883, and T. I. 448.
10171	Otto Andreae	Hat materials, silk and cotton velvets	Various	884 60		Various.
10172	E. Euckemeyer et al	Silk and cotton velvets and plushies	50	362 80		Illegal reappraisement.
10173	Marx Held et al	Charges	None	2,229 84	2,229 84	Section 7 act March 3, 1883.
10174	E. Dieckerhoff et al	Hair-pins	45	560 85		T. I. 216.

\* Charges claimed, but not specified as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
10175	I. Levi et al.	Buttons.	25	\$26 80		T. I. 407.
10176	E. P. Mason et al.	Bichromate of soda	25	364 27		T. I. 92.
10177	G. W. Sheldon et al.	Glazed earthenware (claimed as tiles).	20	186 00		T. I. 130.
10178	G. W. Faber et al.	Charges	Free	494 62	\$494 62	Section 7 act March 3, 1883.
10180	H. Bacharach et al.	do	do	1,000 00	1,000 00	Do.
10179	E. Materne et al.	do	do	96 80	96 80	Do.
10181	George Legg	do	do	1,460 00	1,460 00	Do.
10182	A. Klipstein	Bichromate of soda, picric acid, &c	Various	1,699 72		Various.
10183	William Demuth	Charges	Free	84 00	84 00	Section 7 act March 3, 1883.
10184	J. Beckel	do	do	2,142 10	2,142 10	Do.
10185	N. Bloom	do	do	1,229 72	1,229 72	Do.
10186	J. H. Brown	do	do	212 53	212 53	Do.
10187	A. Kohn et al.	Charges and hat materials	Free and 20	*47,817 45		Section 7 act Mar. 3, 1883, and T. I. 448.
10188	J. P. Barnett.	Rosolic acid	Free	1,046 15		T. I. 594.
10189	William Clark	Gilling twine	25	520 10		T. I. 347.
10190	D. M. Demorest et al.	do	25	205 75		Do.
10191	E. Hore	Rosolic acid	Free	375 45		T. I. 594.
10192	B. Veit et al.	Jewelry and metal laces	25 and 25.	394 40		T. I. 427 and 459.
10193.	W. Openhym et al	Reappraisement of silks	50	954 85		Illegal reappraisement.
10194	E. Luckemeyer et al	Manufactures of silk	50	2,384 87		Do.
10195	G. A. Beardslay et al	Charges	Free	71 00	71 00	Section 7 act March 3, 1883.
10196	A. Boote	Glazed earthenware (claimed as tiles)	20	447 60		T. I. 130.
10197	W. King et al.	Rosolic acid	Free	305 80		T. I. 594.
10198	A. Hoffstadt et al	Charges	do	437 95	437 95	Section 7 act March 3, 1883.
10199	H. H. Rothe et al	Egg yolks	do	581 80		Refunded.
10200	W. J. Matheson et al.	Rosolic acid	do	1,351 00		T. I. 594.
10201	A. S. Robbins et al.	Jewelry	25	86 20		T. I. 459.
10202	P. Schulze-Berge et al	Rosolic acid and aniline oil	Free	1,261 35		T. I. 594 and 559.
10203	A. R. Fitus et al	Charges	do	398 30	398 30	Section 7 act March 3, 1883.
10204	J. S. White	Gilling twine	25	343 70		T. I. 347.
10205	J. Meyer et al	Woolens, hosiery, silks, &c	Various	796 35		Various.
10206	P. Barnard et al	Charges	Free	6,926 20		Section 7 act March 3, 1883.
10207	H. Lewis et al	Charges and hat materials, silks, &c.	Various	*65,646 55		Various.
10208	J. Loeb et al.	do	do	*26,350 80		Do.
10209	E. A. Morrison.	do	Free and 20	*634 20		Section 7 act Mar. 3, 1883, and T. I., 448.
10210	J. W. Brown et al	Charges and hosiery, &c.	Various	*202 85		Section 7 act Mar. 3, 1883, and T. I.
10211	A. E. Benary et al.	do	Free	1,039 71	1,039 71	Do.
10212	A. Rossman	Glazed earthenware (claimed as tiles)	20	148 85		T. I. 130.
10213	R. F. Downing et al.	do	35 and 25	118 65		T. I. 129 and 124.
10214	W. C. Banning et al	Rosolic acid	Free	55 65		T. I. 594.
10215	Otto Baerlin	Rosolic acid and picric acid	do	222 60		Do.
10216	J. F. McCoy et al	Charges and curry-combs.	Free and 30	*28 00		Section 7 act Mar. 3, 1883, and T. I. 419.

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10217	H. C. Aspiuwall	Glazed earthenware (claimed as tiles)	20 and 35	222 30		T. I. 129, 130.
10218	L. H. Mace et al	India-rubber balloons	25	13 00		T. I. 454.
10219	E. Anthony et al	Paper	20	1,615 10		T. I. 386 or 388
10220	L. Beyer et al	Charges	Free	40 50	40 50	Section 7 act March 3, 1883.
10221	John Clendinning et al	Linens handkerchiefs (claimed embroideries)	30	80 80		T. I. 337.
10222	H. Douglas et al	Linens embroideries and charges	30 and free.	226 54	113 20	T. I. 337 and section 7 act March 3, 1883.
10223	E. Dieckerhoff et al	Hat materials, braids, buckles, &c	Various	2,971 50		Various.
10224	R. F. Downing et al	Charges	Free	237 98	237 98	Section 7 act March 3, 1883.
10225	do	do	do	1,101 03	1,101 03	Do.
10226	F. J. C. Ferris et al	Charges and wearing apparel, &c.	Various	541 00	146 10	Various.
10227	R. G. Glendinning et al	Charges	Free	2,351 31	2,351 31	Section 7 act March 3, 1883.
10228	H. Hofheimer et al	do	do	454 30	454 30	Do.
10229	J. B. Heard et al	do	do	55 17	55 17	Do.
10230	J. A. Judge	do	do	374 94	374 94	Do.
10231	D. Knowlton et al	do	do	2,409 15	2,409 15	Do.
10232	W. Knisely et al	do	do	354 90	354 90	Do.
10233	P. Kleeburg	do	do	319 25	319 25	Do.
10234	A. Manlove et al	Charges, cotton laces, metal lace, &c	Various	978 35	(*)	Section 7 act March 3, 1883, and T. I. 324, 427, 448.
10235	John Mills	Charges, linen embroideries, cotton nets, &c	do	79 85	21 60	Section 7 act March 3, 1883, and various.
10236	Samuel Marx	Charges	Free	491 35	491 35	Section 7 act March 3, 1883.
10237	John McCann et al	do	do	214 20	214 20	Do.
10238	G. A. Morrison et al	Charges, cotton nets, embroideries, &c.	Various	145 75	125 30	Various.
10239	W. M. Newman	Charges	Free	92 20	92 20	Section 7 act March 3, 1883.
10240	James O'Connor et al	do	do	485 72	485 72	Do.
10241	E. Regensberg	do	do	1,567 25	1,567 25	Do.
10242	W. E. Remy et al	do	do	1,374 85	1,121 20	Do.
10243	J. W. Rosenstein et al	Prepared fish	$\frac{1}{2}$ cent per lb	36 82		T. I. 278.
10244	G. Sidenberg et al	Manufactures cotton, hat materials, &c	Various	1,155 58		Various.
10245	George D. Sweetser et al	Charges	Free	706 73	706 73	Section 7 act March 3, 1883.
10246	Joseph Strauss et al	Charges and silk plushes	Free and 50.	1,956 95	1,576 10	Section 7 act March 3, 1883, and 383.
10247	R. Scrubbers	Charges and hat materials	do	2,743 45		Section 7 act Mar. 3, 1883, and T. I. 448.
10248	H. Sonntag	Charges	Free	4,773 48	4,773 48	Section 7 act March 3, 1883.
10249	The Scoville Manufacturing Company.	Paper	20.	762 00		T. I. 386 or 388.
10250	William Taylor	Charges and embroidered linens	Free and 30.	112 60		Section 7 act Mar. 3, 1883, and T. I. 337.
10252	C. H. Tenney et al	Bonnets for men	30.	4,624 68		T. I. 400.
10251	M. Thompkins	Charges and linen embroideries	Free	277 05		Do.
10253	B. Ulman et al	Charges and cotton canvas and embroideries, &c	Various	1,185 84	937 14	Various.
10254	E. Dieckerhoff et al	Braids, buttons, webbing, &c	do	9,432 37		Do.
10255	J. H. Duke et al	Charges	Free	2,750 00	2,750 00	Section 7 act March 3, 1883.
10256	J. S. Johnson	do	do	4,615 80	4,615 80	Refunded.
10257	G. W. T. Lord et al	do	do	1,221 80	1,221 80	Section 7 act March 3, 1883.
10258	Gt. West. Dis. Co	do	do	1,180 40	1,180 40	Do.
10259	H. Irwin	do	do	10,463 79	10,463 79	Do.
10260	T. Linington et al	do	do	457 40	457 40	Do.
10261	E. Dieckerhoff et al	Braids and cords (linen)	35.	344 10		T. I. 334.
10262	R. D. Jackson et al	Charges and mother of pearl	Free	810 85		Sec. 7 act March 3, 1883, and T. I. 756.
10263	J. G. Johnson	Charges	do	196 90	196 90	Do.
10264	E. La Montague	do	do	3,106 20	3,106 20	Do.

\* Charges claimed, but not specified as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
10265	J. S. Conover et al	Glazed earthenware (claimed as tiles)	20	\$160 70		T. I. 130.
10266	S. Rothfeld et al	Charges	Free	227 25	\$227 25	Section 7 act March 3, 1883.
10267	H. C. Sylvester et al	do	do	445 30	445 30	Do.
10268	D. D. Acker et al	do	do	108 00	108 00	Do.
10269	William Openhym et al	Charges and embroideries	Free and 35	5,425 00	(*)	Do.
10270	J. Park et al	Charges	Free	5,134 60	5,134 60	Section 7 act March 3, 1883.
10271	J. A. Sievers	do	do	170 50	170 50	Do.
10272	E. Dieckerhoff et al	do	do	210 00	210 00	Do.
10273	C. Benziger et al	Beads and statuary	Various	350 40		Various.
10274	J. Ruszitz	Charges	Free	10,086 52	10,086 52	Section 7 act March 3, 1883.
10275	C. P. Stirn et al	do	do	1,156 30	1,156 30	Do.
10276	C. J. A. Kaskel et al	do	do	143 10	243 10	Do.
10277	John Thornton et al	Hair-pins	45	74 45		T. I. 209
10278	W. W. Pickhardt et al	Oleate of soda	25	241 90		T. I. 92.
10279	do	do	25	336 30		Do.
10280	do	do	25	339 40		Do.
10281	M. Aronsten et al	Charges	Free	3,130 61	3,130 61	Section 7 act March 3, 1883.
10282	F. E. Arnold et al	do	do	1,344 56	1,344 56	Do.
10283	W. H. Arnstaedt et al	do	do	282 52	282 52	Do.
10284	N. Aibert et al	Charges and cotton embroideries	Free and 35	3,746 90	709 80	Section 7 act March 3, 1883, T. I. 324, and object to addition of 10 per cent. manufacturers' profit.
10285	R. F. Austin et al	Charges	Free	4,309 45	4,309 45	Do.
10286	N. Arnold et al	do	do	312 55	312 55	Do.
10287	L. N. Asiel et al	do	do	252 40	252 40	Do.
10288	do	Charges and hat trimmings	Free and 20	5,891 28	4,505 68	Section 7 act Mar. 3, 1883, and T. I. 448.
10289	J. Berbecker et al	Charges and nails (brass head)	Free and various.	2,193 68	(*)	T. I. 168, 210, 186.
10290	J. Bister et al	Silk and worsted	50	96 39		T. I. 383.
10291	B. D. Brigg et al	Charges	Free	65 00	65 00	Section 7 act March 3, 1883.
10292	F. Black	do	do	462 92	462 92	Do.
10293	Thomas Black	do	do	287 05	287 05	Do.
10294	J. Bernheimer et al	Charges and cotton-back worsted	Free and 40, 35, and 7.	2,467 24	700 80	Section 7 act Mar. 3, 1883, and T. I. 363.
10295	S. A. Castle et al	Charges and fabrics in part rubber	Free and 30	157 85	126 00	Section 7 act Mar. 3, 1883, and T. I. 453.
10296	J. H. Dunham et al	Charges and fabrics part rubber and buttons	Various	260 05	171 05	Section 7 act Mar. 3, 1883, and various.
10297	M. J. Drucker	Charges and fabrics in part rubber	Free and 30	123 45	7 00	Section 7 act Mar. 3, 1883, and T. I. 453.
10298	I. D. Einstein et al	Charges, cotton-nets and various	Free and various.	4,917 36	2,733 65	Section 7 act Mar. 3, 1883, and various.
10299	F. J. C. Ferris	Charges and fabrics in part rubber	Free and 30	177 25	122 00	Section 7 act Mar. 3, 1883, and T. I. 453.
10300	A. Friedlander et al	Seal plushes	50	427 25		T. I. 383.
10301	A. Fiedler et al	Buttons	25 and 35	58 20		T. I. 407, 210.

10302	H. Fleitmann et al.	Charges	Free	15,468 80		Section 7 act March 3, 1883.
10303	H. M. Giles et al.	Charges and hair pins	Free and 45	2,563 80	2,544 90	Section 7 act March 3, 1883, and T. I. 269.
10304	O. Gerdan	Ivory cut for piano keys	25	96 00		T. I. 469.
10305	E. Hardt et al.	Matelassé cloth	50	139 00		T. I. 383.
10306	P. Jeselsohn	Albums and charges	15 or 20 or 25 and free.	135 00		Section 7 act March 3, 1883, and T. I. 388, 385, 384.
10307	M. Jonassen et al.	Charges and plushes	Free and 50	176 98		Section 7 act Mar. 3, 1883, and T. I. 383.
10308	Copeland Kell	do	do	161 55	135 15	Do.
10309	A. Klipstein	Charges	Free	286 50	286 50	Section 7 act March 3, 1883.
10310	J. Konigsberger et al.	Matelassé cloth	50	486 82		T. I. 383.
10311	A. Liebeuroth et al.	Albums and charges	15 or 20 or 25 and free.	552 55		Section 7 act March 3, 1883, and T. I. 388, 385, 384.
10312	F. W. Musser et al.	Charges, cotton nets, &c.	Various	4,492 56		Section 7 act Mar. 3, 1883, and various.
10313	do	do	do	1,073 44		Do.
10314	H. Meyer et al.	Charges and silk plushes	Free and 50	2,308 85		Section 7 act Mar. 3, 1883, and T. I. 383.
10315	do	do	do	962 65		Do.
10316	D. McLeod et al.	Manufactures of flax (claimed burlaps)	30	359 15		T. I. 338.
10317	H. Passavant et al.	Charges, metal laces, and buttons	Free and 25	110,040 55	108,437 65	Sec. 7 act Mar. 3, 1883, and T. I. 448-407.
10318	B. Salomon et al.	Charges, webbings, manufactures of leather, &c.	Free & various	159 40		Sec. 7 act Mar. 3, 1883, and T. I. 461-453.
10319	Robert Shaw	Seal plushes	50	87 70		T. I. 383.
10320	B. Salomon et al.	Worsted and silk	50	160 05		Do.
10321	do	do	50	93 00		Do.
10322	G. M. Thurnauer	Lava tips	20	377 94		Refunded.
10323	C. M. Vom Baur	Charges and buttons, buckles, &c.	Various	3,036 36	2,613 46	Various.
10324	G. F. Victor et al.	Matelassé cloth	50	784 95		T. I. 383.
10325	L. Weddigen et al.	Charges, buttons, and buckles	Free & various	881 45	611 85	Section 7 act Mar. 3, 1883, and various.
10326	M. Wasserman	Charges	Free	201 70	201 70	Do.
10327	A. Walter et al.	Opera glasses (claim Philadelphia institutions)	35 and 25	68 10		T. I. 475-486.
10328	J. W. Goddard et al.	Charges	Free.	9 80		Section 7 act March 3, 1883.
10329	do	do	do	109 48		Do.
10330	J. W. Aitken	Charges and hat materials	Free and 20	2,603 05		Section 7 act Mar. 3, 1886, and T. I. 448.
10331	J. L. Riker et al.	Charges	Free.	3,730 60	3,730 60	Do.
10332	F. Campiglia	Beans	do	25 85		T. I. 760.
10333	W. H. Forbes et al.	Reappraisement of fire-crackers	Free	1,391 00		Claim on damage.
10334	P. Sgobel et al.	Charges	Free	88 00		Section 7 act March 3, 1883.
10335	R. Lamb et al.	Canvas paddings (claim burlaps)	30	34 00		T. I. 338.
10336	E. Neuss et al.	Cotton damasks and pins	35 and 30	232 20		T. I. 324 and 209.
10337	J. G. Smith et al.	Cotton damasks and paddings	35 and 30.	241 15		T. I. 324 and 328.
10338	do	do	35 and 30.	433 70		Do.
10339	L. K. Wilmerding et al.	Manufactures of flax (claimed as burlaps)	30	141 70		T. I. 338.
10340	do	do	30	96 60		Do.
10341	do	do	30	176 60		Do.
10342	do	do	30	109 90		Do.
10343	D. D. Acker et al.	Charges	Free			Section 7 act March 3, 1883.
10344	Jos. Park et al.	do	do			Do.
10345	do	do	do	1,085 50		Do.
10346	S. W. Thomas et al.	do	do			Do.
10347	D. D. Acker et al.	do	do	818 25		Do.
10348	S. W. Thomas et al.	do	do	59 75		Do.
10349	D. D. Acker et al.	do	do	13,970 25		Do.

\* Claim charges, but do not specify amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
10350	S. W. Thomas et al	Charges	Free	\$6,152 25		Section 7 act March 3, 1883
10351	Jos. Park et al	do	do	16,134 00		Do.
10352	P. A. Frasse et al	Steel rods.		287 18		Refunded.
10353	J. W. Montgomery et al.	do		490 64		Do.
10354	F. A. Boker	Charges	Free	2,724 97		Section 7 act March 3, 1883.
10355	E. F. Burke et al.	do	do	2,432 60		Do.
10356	W. C. Burkinshaw	do	do	3,725 00		Do.
10359	A. Weiller et al	Buttons, braids, paper, toys, &c	Various	746 20		Various.
10358	J. W. Binney et al	Charges.		1,660 53		Refunded.
10359	G. W. Faber et al	do	Free	1,304 75		Section 7 act March 3, 1883.
10360	E. I. Horsman	India-rubber balloons.	25	29 60		T. I. 454.
10361	F. Paturel	do	25	185 60		Do.
10362	C. L. Tiffany	Statuary (bronze)	30	213 00		T. I. 470.
10363	R. Arnold et al	Charges	Free	67,100 00	\$67,100 00	Section 7 act March 3, 1883.
10364	H. Baebarach et al.	do	do	584 70		Do.
10365	George Legg et al	do	do	1,174 47		Do.
10366	E. Schrens	do	do	52 63		Do.
10367	do	do	do	71 50		Do.
10368	W. C. Bowers et al.	do	do	108 80		Do.
10369	B. Blumenthal et al.	Charges and buttons	Free and 20	1,020 54	408 75	Section 7 act Mar. 3, 1883, and T. I. 407.
10370	do	Charges	Free	1,065 50		Do.
10371	do	do	do	144 30	144 30	Do.
10372	do	do	do	5,018 96	5,018 96	Do.
10373	W. C. Bowers et al	do	do	77 30	77 30	Do.
10374	E. Blumenthal et al.	do	do	58 85	58 85	Do.
10375	do	do	do	1,359 60	1,359 60	Do.
10376	W. Ballin et al	do	do	1,234 21	1,234 21	Do.
10377	do	do	do	131 70	131 70	Do.
10378	L. M. Bates et al	do	do	10,278 13	10,278 13	Do.
10379	do	do	do	57 20	57 20	Do.
10380	F. Bianchi et al.	do	do	464 00	464 00	Do.
10381	do	do	do	102 50	102 50	Do.
10382	R. K. Davies et al.	do	do	312 60	312 60	Do.
10383	do	do	do	1,811 50	1,811 50	Do.
10384	A. Friedman et al	do	do	358 70	358 70	Do.
10385	do	do	do	2,463 70	2,463 70	Do.
10387	D. Goldschmidt et al	do	do	7,821 60	7,821 60	Do.
10386	do	do	do	78 95	78 95	Do.
10388	A. Gutwillig et al.	do	do	614 76	614 76	Do.
10389	C. E. Herltein et al.	do	do	1,497 28	1,497 28	Do.
10390	H. Herrman et al.	do	do	37 45	37 45	Do.
10391	E. S. Jaffray et al.	do	do	11,121 57	11,121 57	Do.

10392	S. Kauffman et al.	do	do	193 41	193 41	Do.
10393	do	do	do	478 25	478 25	Do.
10394	E. Keller et al.	do	do	454 58	454 58	Do.
10395	J. Lehman et al.	do	do	1,239 67	1,239 67	Do.
10396	J. B. Locke et al.	Linen handkerchiefs (claimed embroideries)	30 per cent	226 60		T. I. 337.
10397	do	Charges	Free	1,519 18	1,519 18	Section 7 act March 3, 1883.
10398	P. L. Mills et al.	do	do	6,376 00	6,376 00	Do.
10399	do	do	do	58,211 02	58,211 02	Do.
10400	R. W. Nesbitt et al.	do	do	912 45	912 45	Do.
10401	E. A. Price	do	do	23,263 72	23,263 72	Do.
10402	William Demuth	do	do	74 20	74 20	Do.
10403	do	do	do	203 35	203 35	Do.
10404	W. E. Iselin et al.	Velvets for hat trimmings	20 per cent	1,157 10		T. I. 448.
10405	G. Borgfeldt et al.	Charges	Free	1,376 09	1,376 09	Section 7 act March 3, 1883.
10406	A. D. Napier et al.	do	do	215 05	215 05	Do.
10407	A. E. Person et al.	do	do	25,853 34	25,853 34	Do.
10408	H. Rogers	do	do	121 00	121 00	Do.
10409	L. Steiner	do	do	208 50	208 50	Do.
10410	A. Steinhart et al.	do	do	990 00	990 00	Do.
10411	H. H. Schwietering et al.	do	do	1,528 10	1,528 10	Do.
10412	H. Schiff et al.	do	do	503 08	503 08	Do.
10413	J. G. Smith et al.	do	do	642 80	642 80	Do.
10414	G. Borgfeldt et al.	do	do	33,377 48	33,377 48	Do.
10415	R. Foulds	do	do	1,197 30	1,197 30	Do.
10416	John Nix et al.	do	do	1,141 40	1,141 40	Do.
10417	H. Nordlinger et al.	do	do	3,305 52	3,305 52	Do.
10418	A. D. Napier et al.	do	do	343 00	343 00	Do.
10419	C. Von Bernuth et al.	do	do	969 07	969 07	Do.
10420	A. E. Person	do	do	110,449 53	110,449 53	Do.
10421	H. Rogers	do	do	2,616 75	2,616 75	Do.
10422	L. Steiner et al.	do	do	4,158 00	4,158 00	Do.
10423	A. Steinhart et al.	do	do	5,254 80	5,254 80	Do.
10424	H. H. Schwietering et al.	do	do	8,287 85	8,287 85	Do.
10425	M. Seckel et al.	do	do	456 75	456 75	Do.
10426	H. Schiff et al.	do	do	895 86	895 86	Do.
10427	M. L. Stieglitz et al.	do	do	475 54	475 54	Do.
10428	J. G. Smith et al.	do	do	115 75	115 75	Do.
10429	do	do	do	1,288 15	1,288 15	Do.
10430	G. Ballin et al.	Cotton doilies and damasks	35 per cent	14 30		T. I. 324.
10431	J. Claffin et al.	Cotton lace, damask, jewelry, &c	Various	604 35		Various.
10432	M. C. Warren	Charges	Free	58 70	58 70	Section 7 act March 3, 1883.
10433	R. Waterhouse	do	do	36 05	36 05	Do.
10434	W. Wescendonck et al.	do	do	1,553 20	1,553 20	Do.
10435	G. F. Viotor et al.	do	do	1,986 00	1,986 00	Do.
10436	W. H. Tailer et al.	do	do	408 05	408 05	Do.
10437	B. F. Wendt et al.	do	do	3,956 07	3,956 07	Do.
10438	W. H. Tailer et al.	do	do	10,830 45	10,830 45	Do.
10439	G. F. Viotor et al.	do	do	52,735 93	52,735 93	Do.
10440	W. Wescendonck et al.	do	do	1,677 50	1,677 50	Do.
10441	W. Walke	do	Free	865 50	865 50	Do.
10442	R. Waterhouse et al.	do	do	4,643 35	4,643 35	Do.
10443	B. F. Wendt et al.	do	do	11,252 86	11,252 86	Do.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
10444	C. M. Becker et al	Charges	Free	\$13 00	\$13 00	Section 7 act March 3, 1883.
10445	J. S. Johnson	do	do	3,332 00	3,332 00	Refunded.
10446	Thomas Leeming	do	do	461 60	461 60	Do.
10447	do	do	do	1,115 20	1,115 20	Do.
10448	J. Zimmerman et al	do	do	848 94	848 94	Section 7 act March 3, 1883.
10449	J. Wittner	do	do	650 35	650 35	Do.
10450	M. W. Ortheimer et al	do	do	4,464 38	4,464 38	Do.
10451	A. Wood	do	do	665 49	665 44	Do.
10452	A. Wipfheimer	do	do	433 95	433 95	Do.
10453	T. Wilson	do	do	264 70	264 70	Do.
10454	J. G. Witte	do	do	128 80	128 80	Do.
10455	A. Wiedman	do	do	536 12	536 12	Do.
10456	P. Wiedlerer	do	do	5,935 80	5,935 80	Do.
10457	P. Wiedbacher et al	do	do	87 86	87 86	Do.
10458	J. J. Wyssong	do	do	122 44	122 44	Do.
10460	T. F. Wallace	do	do	150 30	150 30	Do.
10461	Asline Ward	do	do	1,120 80	1,120 80	Do.
10462	R. Vom Cleff et al	do	do	141 65	141 65	Do.
10463	C. M. Vom Baur	Hat materials	do	7,145 29		T. I. 448.
10464	C. Von Barmuth et al	Charges	do	141 05	141 05	Section 7 act March 3, 1883.
10466	Max Toklar	do	do	185 38	185 38	Do.
10467	W. V. Thomas et al	do	do	133 30	133 30	Do.
10468	W. Tons, jr., et al	do	do	212 55	212 65	Do.
10469	C. G. Taylor et al	do	do	85 55	85 55	Do.
10470	E. T. Trift et al	do	do	4,838 98	4,838 98	Do.
10459	A. J. Woodruff	do	do	144 91	144 91	Do.
10465	S. S. Tallman et al	do	do	1,697 25	1,697 25	Do.
10471	H. Siegman et al	do	do	380 70	380 70	Do.
10472	D. Scheitlin et al	do	do	4,384 51	4,384 51	Do.
10473	W. F. Sykes et al	do	do	169 97	169 97	Do.
10474	E. Stern	do	do	4,508 22	4,508 22	Do.
10475	C. J. Stevens	do	do	1,205 80	1,205 80	Refunded.
10476	H. B. Shaen et al	do	do	453 15	453 15	Section 7 act March 3, 1883.
10477	F. A. O. Schwarz	do	do	1,573 80	1,573 80	Do.
10478	J. Stettheimer, jr., et al	do	do	103 40	103 40	Do.
14079	I. Stern et al	do	do	363 40	363 40	Do.
10480	A. Straus et al	do	do	483 20	483 20	Do.
10481	G. Stellwag	do	do	526 90	526 90	Do.
10482	L. Strauss et al	do	do	1,407 65	1,407 65	Do.
10483	C. Sackrenter	do	do	176 10	176 10	Do.
10484	J. Straus et al	do	do	627 00	627 00	Do.
10485	R. Struthers	do	do	1,030 95	1,030 95	Do.

10486	S. Rothkopf	do	do	190 65	190 65	Do.
10487	J. Rosenthal et al	do	do	4,672 22	4,672 22	Do.
10488	W. A. M. Raymond et al	do	do	136 55	136 55	Do.
10489	H. Rico et al	do	do	278 70	278 70	Do.
10490	S. C. Pullman	do	do	1,181 95	1,181 95	Do.
10491	F. S. Pinkus	Cotton doilors and damasks	35 per cent.	188 52		T. I. 324, act March 3, 1883.
10492	W. C. Peet et al	Charges	Free	288 24	288 24	Section 7 act March 3, 1883.
10493	J. H. Pratt et al	do	do	124 80	124 80	Do.
10494	A. Pollman	do	do	372 20	372 20	Do.
10495	J. Oberndorf et al	do	do	932 45	932 45	Do.
10496	E. Oelbermann et al	do	do	11,489 40	11,489 40	Do.
10497	E. Oppe	do	do	885 10	885 10	Do.
10498	S. Ottonheim et al	do	do	5,000 72	5,000 72	Do.
10499	R. M. Obersteuffer et al	Charges and hat materials, &c	Free & various.	27,523 83	10,603 36	Section 7 act Mar. 3, 1883, and various.
10500	H. Neustadter et al	do	Free	576 15	576 15	Do.
10501	J. Nagel	do	do	58 45	58 45	Do.
10502	H. Newman	do	do	422 40	422 40	Do.
10503	do	do	do	184 00	184 00	Do.
10504	E. Mommer et al	do	do	5,377 70	5,377 70	Do.
10505	J. E. McCrae et al	Cotton laces and nets	35 per cent.	74 50		T. I. 324.
10506	P. L. Mills et al	Charges	Free	589 55	589 55	Section 7 act March 3, 1883.
10507	John Mathow	do	do	75 50	75 50	Do.
10508	Otto Meyer	do	do	2,000 00	2,000 00	Do.
10509	M. Mansell et al	do	do	55 00	55 00	Do.
10510	L. H. Mace et al	do	do	841 65	841 65	Do.
10511	E. Naumberg et al	Charges	Free	100 80	100 80	Section 7 act March 3, 1883.
10512	S. Meyerheim et al	Cotton embroideries	35	76 06		T. I. 324.
10513	E. Mueller et al	Charges	Free	142 40	142 40	Section 7 act March 3, 1883.
10514	Max Marx	do	do	420 25	420 25	Do.
10515	B. Mostyn	do	do	140 40	140 40	Do.
10516	D. A. Lindsay	Cotton laces and nets	35	31 60		T. I. 324.
10517	E. S. Lovi	Charges	Free	323 10	323 10	Section 7 act March 3, 1883.
10518	G. Lasker et al	do	do	72 80	72 80	Do.
10519	J. Lehman et al	do	do	811 37	811 37	Do.
10520	C. Lockwood	do	do	221 80	221 80	Do.
10521	W. H. Lyons et al	do	do	523 60	523 60	Do.
10522	C. W. Lauterbach et al	do	do	335 65	335 65	Do.
10523	Leon Levy et al	do	do	5,628 05	5,628 05	Do.
10524	P. R. Letson et al	do	do	297 84		Do.
10525	Charles Koch	do	do	275 00	275 00	Do.
10526	A. Kohn et al	Charges and hat materials	Free and 20	24,033 15	4,091 35	Section 7 act March 3, 1883, and T. I. 448.
10527	W. Kempner et al	Charges and laces, trimmings, &c	do	301 36	91 60	Section 7 act March 3, 1883, and T. I. 324.
10528	A. Klingenberg	Charges	Free	391 50	391 50	Section 7 act March 3, 1883.
10529	H. R. Kelly et al	do	do	578 75	578 75	Do.
10530	P. J. Keary et al	do	do	1,335 50	1,335 50	Do.
10531	John Johnston et al	do	do	114 10	114 10	Do.
10532	E. I. Horsman	do	do	919 60	919 60	Do.
10533	E. Hardt et al	do	do	1,651 15	1,651 15	Do.
10534	James A. Hearn et al	do	do	319 59	319 59	Do.
10535	B. Hecht, et al	do	do	507 74	507 74	Do.
10536	H. C. Howells et al	do	do	264 85	264 85	Do.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartons, packing, &c.	Under what section of the tariff claimed.
10537	Simon Haas	Cotton damasks	35	\$29 70		T. I. 324.
10538	S. Heilner et al.	do	35	14 45		Do.
10539	G. Houston	Charges	Free	546 45	\$546 45	Section 7 act March 3, 1883.
10540	E. Hill	do	do	343 04	343 04	Do.
10541	E. Harbison et al.	do	do	290 80	290 80	Do.
10542	H. Hablo et al.	do	do	72 50	72 50	Do.
10543	O. G. Henpstead	do	do	33 40	33 40	Do.
10544	H. C. Hawthorne	do	do	59 80	59 80	Do.
10545	A. Gohring	do	do	1,073 90	1,073 90	Do.
10547	S. Guiterman	do	do	6,576 49	6,576 49	Do.
10546	W. Gribbon	do	do	672 20	672 20	Do.
10548	G. E. Gibson	do	do	2,047 55	2,047 55	Do.
10549	E. Greeff et al.	do	do	601 80	601 80	Do.
10550	L. Goldman et al.	do	do	18 35	18 35	Do.
10551	S. Goldenberg et al.	do	do	367 90	367 90	Do.
10552	Thomas Gardner et al.	do	do	1,560 65	1,560 65	Do.
10553	Thomas Guiral	do	do	72 70	72 70	Do.
10554	Max Gerstendorfer et al.	do	do	2,103 03	2,103 03	Do.
10555	W. H. Graef et al.	do	do	7,682 81	7,682 81	Do.
10556	M. Gardner et al.	do	do	549 94	549 94	Do.
10557	P. Goldstein et al.	do	do	246 79	246 79	Do.
10558	M. A. Frank	do	do	172 75	172 75	Do.
10559	Philip Frank et al.	do	do	771 25	771 25	Do.
10560	A. Flesh et al.	do	do	99 35	99 35	Do.
10561	W. A. Hall et al.	do	do	295 10	295 10	Do.
10562	M. Farris	do	do	193 40	193 40	Do.
10563	L. Friedberger	do	do	1,762 95	1,762 95	Do.
10564	R. L. Ferguson et al.	do	do	119 30	119 30	Do.
10565	P. Forchheimer et al.	do	do	271 50	271 50	Do.
10566	N. Erlanger	do	do	590 80	590 80	Do.
10567	I. S. Erdmann et al.	do	do	60 28	60 28	Do.
10568	M. Erlanger et al.	do	do	233 05	233 05	Do.
10569	S. B. Downes et al.	do	do	38 50	38 50	Do.
10570	A. Dingelstedt et al.	do	do	1,209 22	1,209 22	Do.
10571	A. I. Denny et al.	do	do	86 70	86 70	Do.
10572	H. Duden et al.	do	do	1,273 71	1,273 71	Do.
10573	C. H. Meyer et al.	do	do	313 77	313 77	Do.
10574	H. E. Drässer et al.	do	do	310 00	310 00	Do.
10576	S. H. Cohen et al.	do	do	13 20	13 20	Do.
10577	Robert Crowley	do	do	636 75	636 75	Do.
10579	W. Callender et al.	do	do	1,334 40	1,334 40	Do.
10575	W. H. De Forest	do	do	3,009 40	3,009 40	Do.

10578	R. Y. Cook	do	do	816 00	816 00	Do.
10580	John Campbell et al	do	do	754 50	754 50	Do.
10581	C. E. Cochrane	Cotton embroideries	55	116 60		T. I. 324.
10582	W. H. Clendinning et al	Charges	Free	33 25	33 25	Section 7 act March 3, 1883.
10583	E. Bredt et al	Charges and alizarine oil	Free and 25	1,103 70	24 90	Section 7 act March 3, 1883, and T. I. 92, or section 2513 Revised Statutes.
10584	C. Bergenstein	Charges	Free	130 20	130 20	Do.
10585	J. J. Bailly et al	do	do	1,204 14	1,204 14	Do.
10586	B. Bernhard et al	do	do	59 85	59 85	Do.
10587	C. Beck	do	do	63 10	63 10	Do.
10588	G. Ballin et al	do	do	156 00	156 00	Do.
10589	S. Baum et al	do	do	410 80	410 80	Do.
10590	I. V. Brokaw et al	do	do	105 90	105 90	Do.
10591	J. T. Burns et al	do	do	665 40	665 40	Do.
10592	A. Benjamin et al	do	do	17 75	17 75	Do.
10593	S. Bierman et al	do	do	244 36	244 36	Do.
10594	M. Arnold et al	Worsted coatings	35 per ct. and 34 c	951 31		T. I. 303.
10595	Geo. F. Arnold	Hat materials	20	1,374 80		T. I. 448.
10596	P. Alart et al	Charges	Free	49 10	49 10	Section 7 act March 3, 1883.
10597	B. Altman et al	do	do	152 20	152 20	Do.
10598	C. Weisker	do	do	85 00	85 00	Do.
10599	John Wygand	do	do	185 05	185 05	Do.
10600	J. G. Witte et al	do	do	70 35	70 35	Do.
10601	Paul Weilhacher	do	do	44 30	44 30	Do.
10602	A. Weidman	do	do	104 10	104 10	Do.
10603	Thomas Wilson	Cotton laces	35	213 70		T. I. 324.
10604	M. Wertheimer et al	Charges	Free	341 15	341 15	Section 7 act March 3, 1883.
10605	L. Weddigen et al	do	do	690 15	690 15	Do.
10606	A. Winpheimer et al	do	do	86 00	86 00	Do.
10607	C. M. Vom Baur	Charges, laces, rubber, &c.	Free and various	5,822 90	1,023 75	Section 7 act March 3, 1883, and T. I. 324-453.
10608	B. Ulmann, et al	Charges	Free	556 20	556 20	Do.
10609	M. Tompkins et al	Charges and linen handkerchiefs	Free and 30	731 65	270 69	Section 7 act March 3, 1883, and T. I. 337.
10610	S. S. Tallman et al	Charges	Free	524 25	524 25	Do.
10611	E. T. Tefft et al	Charges and metal buttons	Free and 25	1,268 80	1,245 80	Section 7 act March 3, 1883, and T. I. 407.
10612	L. Stras et al	Charges	Free	293 95	293 95	Do.
10613	H. Seigmann et al	do	do	432 25	432 25	Do.
10614	E. Scheiflin et al	do	do	411 60	411 60	Do.
10615	W. F. Sykes	do	do	23 35	23 35	Do.
10616	H. B. Shaen, et al	Charges and linen handkerchiefs	Free and 30	295 40	253 15	Section 7 act March 3, 1883, and T. I. 337.
10617	J. K. Stiefel et al	Charges and hat materials	Free and 20	352 65	137 65	Section 7 act March 3, 1883, and T. I. 448.
10618	G. D. Sweetser et al	Charges	Free	467 20	467 20	Do.
10619	F. A. O. Schwarz	do	do	156 70	156 70	Do.
10620	G. Sidenberg et al	do	do	932 60	422 60	Do.
10621	E. Stern	do	do	808 50	808 50	Do.
10622	A. S. Robbins et al	do	do	900 00	900 00	Do.
10623	W. E. Remy et al	Cotton damasks and linens	30	444 40		T. I. 324-337.
10624	L. Rothschild et al	Charges and metal buttons	Free and 25	3,223 30	2,114 50	Section 7, act Mar. 3, 1883, and T. I. 407.
10625	J. B. Ryer et al	Cotton lace curtains and charges	35	90 70	61 55	T. I. 324, and section 7 act Mar. 3, 1883.
10626	S. Rosenberg et al	Charges	Free	266 45	266 45	Section 7 act March 3, 1883.
10627	L. Rheims	Charges and hat materials	Free and 20	11,978 48	157 60	Section 7 act March 3, 1883, and T. I. 448.
10628	S. C. Pullman	Charges	Free	1,115 30	1,115 30	Section 7 act March 3, 1883.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartons, packing, &c.	Under what section of the tariff claim d.
10629	H. Passavant et al	Charges and hat materials	Free and 20	\$62,207 23	\$12,452 78	Section 7 act March 3, 1883, and T. I. 448.
10630	S. Ottenheimer et al	Charges	Free	473 20	473 20	Section 7 act March 3, 1883.
10631	E. Oppe	do	do	678 10	678 10	Do.
10632	R. Oberteuffer et al	Charges and hat materials	Free and 20	9,895 85	3,900 25	Section 7 act March 3, 1883, and T. I. 448.
10633	E. Oelbermann et al	Charges	Free	2,486 30	2,486 30	Section 7 act March 3, 1883.
10634	H. Neuman	do	do	350 20	350 20	Do.
10635	M. Neuberger et al	do	do	178 35	178 35	Do.
10636	G. A. Morrison et al	Charges and cotton lace and linens	Free & 30 & 35	955 60	810 85	Section 7 act March 3, and T. I. 337-324.
10637	John Mills	do	do	385 00	107 75	Do.
10638	A. Manlove	Charges and hat materials	Free and 20	825 70	12 30	Section 7 act March 3, 1883, and T. I. 448.
10639	Joseph Morgan et al	Charges and linen handkerchiefs	Free and 30	659 00	365 45	Section 7 act March 3, 1883, and T. I. 337.
10640	L. H. Mace et al	Charges and rubber balls, &c.	Free and 25	352 45	321 85	Sec. 7 act March 3, 1883, and T. I. 454.
10641	S. Marx	Charges	Free	250 35	250 35	Do.
10642	H. Matier et al	Charges and linen handkerchiefs	Free and 30	693 48	329 65	Sec. 7 act March 3, 1883, and T. I. 337.
10643	H. W. T. Mall et al	Charges	Free	98 45	98 45	Do.
10644	R. Lawson	Charges and cotton nets and embroideries	Free and 30	884 25	884 25	Sec. 7 act March 3, 1883, and T. I. 324.
10645	L. Lehmaier et al	Charges	Free	124 10	124 10	Do.
10646	E. S. Levi et al	do	do	269 75	269 75	Do.
10647	P. R. Letson et al	do	do	50 30	50 30	Do.
10648	A. Liebenroth et al	Charges and various	Free and various	1,001 40	91 40	Sec. 7 act March 3, 1883, and various.
10649	A. Kohn et al	do	do	49,485 70	2,373 50	Do.
10650	Copeland Kell	Charges	Free	1,220 62	1,220 62	Sec. 7 act March 3, 1883.
10651	H. R. Kelly et al	do	do	477 20	477 20	Do.
10652	A. Klipstein	do	do	89 60	89 60	Do.
10653	A. Klingenberg	do	do	709 45	709 45	Do.
10654	P. J. Keary et al	do	do	229 55	229 55	Do.
10655	B. Hecht et al	do	do	393 50	393 50	Do.
10656	G. Houston	do	do	39 00	39 00	Do.
10657	E. Hill	do	do	100 22	100 22	Do.
10658	E. I. Horsman	do	do	206 85	206 85	Do.
10659	W. A. Harat et al	do	do	419 70	419 70	Do.
10660	S. Heilner et al	do	do	87 90	87 90	Do.
10661	W. Gribbon	do	do	149 10	149 10	Do.
10662	S. Ginterman et al	do	do	440 25	440 25	Do.
10663	A. Gobring	do	do	154 20	154 20	Do.
10664	E. Greef et al	do	do	257 00	257 00	Do.
10665	S. Goldenberg et al	Charges and cotton and metal laces	Free and 25	923 06	474 51	Section 7 act Mar. 3, 1883, and T. I., 401.
10666	E. Gradler	Charges	Free	158 00	158 00	Section 7 act March 3, 1883.
10667	G. R. Gibson	do	do	237 80	237 80	Do.
10668	M. A. Frank	do	do	30 00	30 00	Do.
10669	H. Fleitman et al	do	do	7,888 35	7,888 35	Do.
10670	P. Frank	do	do	223 25	223 25	Do.

10671	I. S. Erdmann et al.	do	do	70 58	70 58	Do.
10672	I. D. Einstein et al.	do	do	393 15	393 15	Do.
10673	N. Erlanger	do	do	384 23	384 23	Do.
10674	A. J. Deuny et al.	do	do	147 70	147 70	Do.
10675	E. Dieckerhoff et al.	Cotton braids	do	2,814 25		T. I. 324.
10686	W. H. De Forest	Charges	do	1,923 90	1,923 90	Do.
10677	H. Douglas et al.	Charges and linens	Free and 30	482 65	164 50	T. I. 324 and T. I. 337.
10678	J. H. Dunham et al.	Charges	do	2,163 60	1,584 00	Do.
10679	J. Berbecker et al.	do	Free and 30	2,178 13	2,178 13	Do.
10680	S. Bierman et al.	do	do	515 80	515 80	Do.
10681	J. H. Brown et al.	do	do	41 09	41 09	Do.
10682	I. V. Brokaw et al.	do	do	99 65	99 65	Do.
10683	N. Bloom	do	do	135 38	135 38	Do.
10684	T. Block et al.	do	do	57 50	57 50	Do.
10685	G. T. Arnold et al.	do	do	278 00	278 00	Do.
10686	R. T. Austin et al.	do	do	522 75	522 75	Do.
10687	C. Althof et al.	do	do	678 10	678 10	Do.
10688	M. Arnold et al.	Charges and cotton and worsted	Free	749 69	56 05	Do.
10689	M. Aronstein et al.	Charges	do	120 70	120 70	Do.
10690	W. A. Thorn	do	do	67 00	67 00	Do.
10691	L. Lehman	do	do	88 60	88 60	Do.
10692	S. Harris et al.	do	do	119 00	119 00	Do.
10693	J. L. Smith et al.	do	do	28 26	28 26	Do.
10694	T. E. Keator et al.	do	do	484 60	484 60	Do.
10695	E. Thiele	do	do	133 58	133 58	Do.
10696	A. Whyte	do	do	79 45	79 45	Do.
1069	H. Wolff	Charges and buttons and pins	Free & 25 & 30	439 90	(*)	Section 7 act March 3, 1883. Section 7 act March 3, 1883, and T. I. 407-201. Section 7 act March 3, 1883, & T. I. 92. Refunded.
10698	J. L. Riker et al.	Charges and bichrom. soda	do	3,275 42	(*)	Section 7 act March 3, 1883, & T. I. 92. Refunded.
10699	H. Fleming	do	Free	448 00	448 00	Do.
10700	E. F. Burke et al.	do	do	1,895 60	1,895 60	Do.
10701	J. D. Cutter	do	do	523 50	523 50	Do.
10702	J. M. Mencke et al.	do	do	483 00	483 00	Do.
10703	Jos. Park et al.	do	do	1,643 00	1,643 00	Do.
10704	A. B. Purdy et al.	do	do	1,552 25	1,552 25	Do.
10705	S. R. Leshar et al.	do	do	423 60	423 60	Do.
10706	E. La Montagne	do	do	841 00	841 00	Do.
10707	Thomas Taylor	do	do	944 00	944 00	Do.
10708	A. Schoverling et al.	do	do	734 70	734 70	Do.
10709	G. G. Moore et al.	do	do	282 70	282 70	Do.
10710	H. E. Frankenberg	do	do	572 50	572 50	Do.
10711	O. K. Krause	do	do	647 25	647 25	Do.
10712	James Brand	do	do	728 00	728 00	Do.
10713	E. Thiele	do	do	1,797 54	1,797 54	Do.
10715	Joseph Wild	do	do	112 80	112 80	Do.
10716	R. H. Wolff et al.	do	do	288 98	288 98	Do.
10717	S. Harris	do	do	463 40	463 40	Do.
10718	C. T. Reynolds et al.	do	do	25 00	25 00	Do.
10714	Ignatz Fisher	do	do	301 40	301 40	Do.
10719	L. Frank et al.	do	do	582 75	582 75	Do.

\* Charges claimed, but not specified as to amounts.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartons, packing, &c.	Under what section of the tariff claimed.
10720	A. Whyte	Charges and various	Free & various	\$156 50	(*)	Section 7 act March 3, 1883, and various.
10721	E. M. Benjamin et al.	do	do	1,703 50	\$1,703 50	Do.
10722	J. L. Smith	do	do	90 33	90 33	Do.
10723	L. Johnson et al.	do	do	160 00	160 00	Do.
10724	T. R. Keator et al.	do	do	1,017 42	1,017 42	Refunded.
10725	J. E. S. Hadden et al.	do	do	239 20	239 20	Section 7 act March 3, 1883.
10726	A. Wallach et al.	do	do	73 30	73 30	Do.
10727	G. Grawitz	do	do	314 55	314 55	Refunded.
10728	A. Frank et al.	do	do	52 45	52 45	Section 7 act March 3, 1883.
10729	A. Imhorst	do	do	93 00	93 00	Do.
10730	W. H. Thorne et al.	do	do	49 00	49 00	Do.
10731	L. Lehman	do	do	107 70	107 70	Do.
10732	H. Schorestene et al.	Hat materials	do	410 00		T. I. 448.
10733	P. L. Mills et al.	do	20	2,723 70		Do.
10735	E. L. Graef	Charges	Free	374 00	374 00	Section 7 act March 3, 1883.
10736	T. A. Lahey et al.	Charges and hat materials	Free and 20	1,463 00	(*)	Section 7 act Mar. 3, 1883, and T. I., 448.
10734	W. Ohenhym et al.	Charges	Free	5,175 40	5,175 40	Section 7 act March 3, 1883.
10737	R. Arnold et al.	do	do	5,161 03	5,161 03	Do.
10738	W. Stens et al.	Charges and hat materials	Free and 20	4,131 00	(*)	Section 7 act Mar. 3, 1883, and T. I., 448.
10739	do	do	do	3,058 00	(*)	Do.
10740	F. O. Horstmann et al.	Charges	Free	1,484 20	1,484 20	Section 7 act March 3, 1883.
10741	J. C. Conroy	do	do	52 70	52 70	Do.
10742	do	do	do	473 72	473 72	Do.
10743	George Campbell	do	do	880 07	880 07	Do.
10744	B. Silberberg et al.	Cotton embroideries	35	473 72		T. I. 324.
10745	H. Brenker et al.	Charges	Free	408 03	408 03	Section 7 act March 3, 1883.
10746	D. Klauber et al.	Cotton embroideries and hat materials	35 and 20	150 40		T. I. 324, 448.
10747	A. Weiller et al.	Buttons, jewelry, laces, &c	Various	1,257 60		T. I. 407, 210, and various.
10748	C. A. Anfmordt et al.	Charges and various	Free & various.	4,042 45	(*)	Section 7 act March 3, 1883, & various.
10749	A. Weiller et al.	Buttons, jewelry, embroideries, &c	25 and 30	1,958 45		T. I. 407, 210, 337, &c.
10750	E. Stabel	Metal buttons	25	173 60		T. I. 407, 210.
10751	E. D. Compte	do	25	104 80		Do.
10752	A. Weiller et al.	Buttons, laces, and linen handkerchiefs, &c	25, 30, 35, &c	756 60		T. I. 407, 210, 324, 337, &c.
10753	J. Pollack	Charges	Free	50 00	50 00	Section 7 act March 3, 1883.
10754	R. Blaukenberg et al.	do	do	2,045 30	2,045 30	Do.
10755	S. Ullman	do	do	28 75	28 75	Do.
10750	H. Wolf	do	do	138 00	138 00	Do.
10757	S. Ullman	do	do	136 95	136 95	Do.
10758	W. Clark	do	do	7,662 87	7,662 87	Do.
10759	F. Gottschalk	do	do	48 60	48 60	Refunded.
10760	R. F. Downing et al.	Seeds	do	143 40		T. I. 780.
10761	J. W. Rosonstein	Lentils	do	858 93		Do.

10762	J. F. Brigg et al.	Seal plush	50	1,914 30		T. I. 383.
10763	H. H. Schwietering et al.	Matelassi cloth	50	3,137 45		Do.
10764	A. Strauss et al.	Charges, pins, cottons	Free & 45 & 35.	53 25		Section 7 act March 3, 1883, and T. I. 209, 324.
10765	L. Lutz et al.	Rosolic acid	Free	262 50		T. I. 594.
10766	L. Schreiber	Charges	do	471 55	471 55	Section 7 act March 3, 1883.
10767	G. Schmolze	do	do	893 08	893 08	Do.
10768	J. Wygand	do	do	191 00	191 00	Do.
10769	P. Weilhacher	do	do	39 40	39 40	Do.
10770	A. Veith	Metal, lace, and hat materials	25 and 20.	1,894 45		T. I. 401, 448.
10771	B. Veit	Hat materials	20.	2,895 39		T. I. 448.
10772	L. Schreiber	Charges	Free	1,287 15	1,287 15	Section 7 act March 3, 1883.
10773	S. Rosenberg	do	do	610 35	610 35	Do.
10774	A. S. Robbins et al.	Charges and pins, braids, &c	Free & various.	115 70	107 65	Section 7 act Mar. 3, 1883, and various.
10775	J. B. Ryer et al.	do	Free	72 50	72 50	Section 7 act March 3, 1883.
10776	V. Loewi	do	do	150 80	150 80	Do.
10777	M. Isaacs et al.	do	do	18 20	18 20	Do.
10778	S. Isaacs et al.	do	do	48 00	48 00	Do.
10779	I. Heasty	do	do	15 75	15 75	Do.
10780	T. A. Harton	do	do	52 05	52 05	Do.
10781	C. Hanesman et al.	do	do	41 50	41 50	Do.
10782	H. Gottschalk	do	do	87 50	87 50	Do.
10783	E. Gradler	do	do	30 90	30 90	Do.
10784	W. J. Ehrick et al.	Charges	Free	30 95	30 95	Do.
10785	D. Duncan et al.	do	Charges	223 35	223 35	Do.
10786	J. Adler et al.	do	do	27 70	27 70	Do.
10787	L. Metzger et al.	Hat materials	20	57 80		T. I. 448.
10788	H. H. Schwietering et al.	Hat materials and braids	20 and 35	3,773 95		T. I. 448 and 324.
10789	T. H. Wood et al.	Charges	Free	1,389 20	1,389 20	Section 7 act March 3, 1883.
10790	B. Illfelder et al.	do	do	3,325 65	3,325 65	Do.
10791	B. Illfelder et al.	Charges	Free	3,325 65	3,325 65	Do.
10792	J. Freund et al.	do	do	50 55	50 55	Do.
10793	F. Booss	do	do	1,462 00	1,462 00	Do.
10794	John Claffin et al.	do	do	16,627 60	16,627 60	Do.
10795	S. M. Cohen et al.	Charges and hat materials	Free and 20.	407 00	(*)	Section 7 act March 3, 1883, and T. I. 448.
10796	W. H. De Forest	do	do	20,907 20	(*)	Do.
10797	F. Hoeninghaus et al.	do	do	31,790 00	(*)	Do.
10798	A. E. Person et al.	do	do	22,525 00	(*)	Do.
10799	M. E. Warren	do	do	203 10	(*)	Do.
10800	S. Rothfeld et al.	Charges, buttons, &c	Free, 25, &c.	210 66		Section 7 act March 3, 1883, and T. I. 407-210, &c.
10801	M. Wimpfheimer et al.	Charges and hat materials	Free and 20.	20,007 85		Section 7 act March 3, 1883, and T. I. 448.
10802	L. S. Friedberger et al.	Charges	Free	4,586 07	4,586 07	Section 7 act March 3, 1883.
10803	H. C. Sylvester et al.	do	do	1,576 60	1,576 60	Do.
10804	S. M. Cohen et al.	Charges and hat materials.	Free and 20.	120 00		Act March 3, 1883, and T. I. 448.
10805	H. Nordlinger et al.	Charges	Free	916 40	916 40	Do.
10806	J. W. Goddard et al.	do	do	520 10	520 10	Do.
10807	S. Wormser et al.	do	do	842 62	842 62	Do.
10808	T. O'Donohue					No bill of particulars served.
10809	E. S. Jaffray et al.			325 40		

\*Charges claimed, but not specific as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartons, packing, &c.	Under what section of the tariff claimed.
10810	H. Herrman et al	Seal plushes, manufactures worsted, cotton	Various	\$6,240 63		Various.
10811	do	do	do	962 35		Do.
10812	H. C. Sylvester et al	Charges	Free	4,651 15	\$4,651 15	Section 7 act March 3, 1883.
10813	R. Acosta	Sugar	do	30,856 68		Treaty stipulation.
10814	H. C. de Rivera	do	do	78,451 87		Do.
10815	A. Lucder	do	do	20,024 19		Do.
10816	do	do	do	31,793 02		Do.
10817	M. Neuberger et al	Charges	do	61 80		Section 7 act March 3, 1883.
10818	A. T. Sullivan	Dress goods, linings, &c.	Various.	746 28		Various.
10819	R. Struthers	Charges	Free	1,935 15	1,935 15	Section 7 act March 3, 1883.
10820	E. A. Price et al	do	do	3,172 35	3,172 35	Do.
10821	John Hills et al	do	do	684 25	684 25	Do.
10822	do	do	do	1,600 55	1,600 55	Do.
10823	H. Fleming	do	do	307 00	307 00	Refunded.
10824	M. Gabriel et al	do	do	244 80	244 80	Do.
10825	H. A. Batjer et al	do	do	125 30	125 30	Section 7 act March 3, 1883.
10826	do	do	do	105 70	105 70	Do.
10827	P. Schulze Berge et al	Crude aniline oil	do	81 00	81 00	T. I. 559.
10828	A. Klipstein	do	do	390 20	390 20	Do.
10829	C. F. A. Hinrichs	Charges	do	1,309 85	1,309 85	Section 7 act March 3, 1883.
10830	J. M. Young et al	do	do	1,445 25	1,445 25	Do.
10831	R. S. Roberts et al	do	do	1,422 30	1,422 30	Do.
10832	M. Guggenheim et al	Charges and cotton embroideries	Free and 35	3,134 50	(*)	Section 7 act March 3, 1880, and T. I. 324.
10833	B. Lawrence Stationery Company.	Printing paper		1,076 80		T. I. 392-388-386.
10834	H. C. Sylvester et al	Charges	Free	665 20	665 20	Section 7 act March 3, 1883.
10835	E. Greeff et al	Hat materials	20	290 90		T. I. 448.
10836	J. Mammelsdorf et al	Hat materials and metal lace	20 and 25	852 03		T. I. 448-427.
10837	E. Levy	Hat materials	20	38 40		Do.
10838	H. Fleitmann et al	Hat materials and charges	20 and free.	36,183 90	(*)	T. I., and section 7 act March 3, 1883.
10839	W. H. Graef et al	do	do	13,041 00	(*)	Do.
10840	F. Hoeninghans et al	do	do	109 50	(*)	Do.
10841	W. E. Iselin et al	do	do	39,145 00	(*)	Do.
10842	M. Luckemeyer et al	do	do	8,989 60	(*)	Do.
10843	Otto Meyer	do	do	3,033 40	(*)	Do.
10844	L. Megroz et al	do	do	1,593 50	(*)	Do.
10845	B. F. Wendt et al	do	do	1,084 00	(*)	Do.
10846	L. Windmueller et al	do	do	392 40	(*)	Do.
10847	H. Fleitmanu et al	do	do	200 00		Penalty for exaction of \$10 reappraisal fee.
10848	W. H. Jackson et al	Paving tiles	20	952 80		T. I., 130.

10849	N. Arnold et al.	Charges	Free	124 80	124 80	Section 7 act March 3, 1883.
10850	C. Bruns, jr	do	do	143 75	143 75	Do.
10851	J. Daniel et al.	do	do	189 90	189 90	Do.
10852	J. A. Judge	do	do	680 02	680 02	Do.
10853	P. L. Mills et al	do	do	2,344 03	2,344 03	Do.
10854	G. J. Muller	do	do	135 50	135 50	Do.
10855	George Schmolze	do	do	510 41	510 41	Do.
10856	J. Strauss et al.	Charges, and silk and cotton	Free and 50	1,016 05	460 95	
10857	R. Lam et al	Charges	Free	135 70	135 70	Do.
10858	C. Becknagel et al	do	do	275 60	275 60	Do.
10859	do	do	do	64 10	64 10	Do.
10860	H. Zimmern	do	do	60 00	60 00	Do.
10861	Thomas Wilson	do	do	85 69	85 60	Do.
10862	T. W. Bartram et al	Sugar	do	8,792 20		Treaty stipulation.
10863	do	do	do	2,940 69		Do.
10864	do	do	do	7,446 75		Do.
10865	do	do	do	5,373 87		Do.
10866	W. Irving Clark	Charges	do	490 50	400 50	Section 7 act March 4, 1883.
10867	J. J. Kittel et al	do	do	1,429 75	1,429 75	Do.
10868	C. Spielmann et al	do	do	4,479 88	4,479 88	Do.
10869	do	do	do	4,641 50	4,641 50	Do.
10870	P. Wolt et al	do	do	319 80	319 80	Do.
10871	J. S. White	Gilling twine	25	312 05		T. I. 347.
10872	C. Fournier et al	Charges	Free	3,957 03	3,957 03	Section 7 act March 3, 1883.
10873	do	do	do	7,544 10	7,544 10	Do.
10874	J. N. Balch et al	do	do	104 60	104 60	Do.
10875	J. J. Kittel et al	do	do	2,587 90	2,587 90	Do.
10876	S. E. Bloch et al	do	do	422 20	422 20	Do.
10877	A. Dongen et al	do	do	1,261 45	1,261 45	Do.
10878	H. Dreyfus et al	do	do	628 75	628 75	Do.
10879	W. J. Ehrick et al	do	do	157 65	157 65	Do.
10880	E. Ncuss et al	do	do	1,993 35	1,993 35	Do.
10881	E. Robert Peters	do	do	430 20	430 20	Do.
10882	C. Spielmann et al	do	do	3,738 90	3,738 90	Do.
10883	do	do	do	3,117 55	3,117 55	Do.
10884	W. Dick et al	Sugar	do	17,749 97		Treaty stipulation.
10885	Brooklyn Sugar Refining Company	do	do	39,379 99		Do.
10886	B. H. Howell et al	do	do	20,616 78		Do.
10887	Hugh Kelly	do	do	315 16		Do.
10888	F. O. Matthieson et al	do	do	97,331 97		Do.
10889	J. Moller et al	do	do	14,168 19		Do.
10890	E. Dieckerhoff et al	Charges and buttons, braids, &c	Free and 25-35	38,572 11	(*)	Section 7 act March 3, 1883, and T. I. 407-324, &c.
10891	J. Palme	Charges	Free	53 90	53 90	Do.
10892	J. G. Bainbridge	do	do	2,123 90	2,123 90	Do.
10893	J. C. Colwell	do	do	10 50	10 50	Do.
10894	H. Fleitmann et al	do	do	350 00	350 00	Do.
10895	J. Einstein	do	do	69 75	69 75	Do.
10896	S. Jacobson	do	do	69 70	69 70	Do.

\* Charges claimed, but not specified as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &amp;c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartons, packing, &c.	Under what section of the tariff claimed.
10807	C. F. Rumpff .....	Charges .....	Free .....	\$618 50	\$18 50	Section 7 act of March 3, 1883, and T. I. 407-324, &c.
10898	E. Rejall et al .....	do .....	do .....	997 10	997 10	Do.
10899	R. F. Downing et al .....	do .....	do .....	434 96	434 96	Do.
10930	do .....	Charges, albums, &c .....	Free and 15-20-25 .....	446 55	195 70	Section 7 act March 3, 1883, and T. I. 388-385-384.
10901	F. J. C. Ferris .....	Charges and various .....	Free and various .....	1,004 71	.....	Section 7 act March 3, 1883.
10902	P. Wiederer .....	Charges .....	Free .....	752 00	752 00	Do.
10903	W. H. Graef et al .....	do .....	do .....	1,752 30	1,752 30	Do.
10904	M. Gerstendorfer et al .....	do .....	do .....	1,863 00	1,863 00	Do.
10905	E. Mommer et al .....	Charges, buttons, and cotton .....	Free and various .....	5,503 66	5,449 01	Act March 3, 1883, and various.
10906	F. B. Thurber et al .....	Charges .....	Free .....	531 85	531 85	Section 7 act March 3, 1883.
10907	William Demult .....	do .....	do .....	253 42	253 42	Do.
10908	T. P. Conway .....	do .....	do .....	736 30	736 30	Do.
10909	W. H. Chipman .....	do .....	do .....	25 90	25 90	Do.
10910	J. M. Young .....	do .....	do .....	952 90	952 90	Do.
10911	C. F. A. Hinrichs .....	do .....	do .....	669 60	669 60	Do.
10912	G. W. Faber .....	do .....	do .....	2,962 50	2,962 50	Do.
10913	J. F. Decker .....	do .....	do .....	525 00	(*)	Do.
10914	Isaac Cooper et al .....	do .....	do .....	241 88	241 88	Do.
10915	I. Einstein et al .....	do .....	do .....	509 00	509 00	Do.
10916	M. Eisner .....	do .....	do .....	44 00	44 00	Do.
10917	Great Western Dis. Co .....	do .....	do .....	123 00	133 00	Do.
10918	I. Fellheimer .....	do .....	do .....	24 10	24 10	Do.
10919	A. Forbes .....	do .....	do .....	45 90	45 90	Do.
10920	J. Freedman .....	do .....	do .....	51 20	51 20	Do.
10921	A. Forster et al .....	do .....	do .....	8 70	8 70	Do.
10922	A. Fiedler et al .....	do .....	do .....	71 00	71 00	Do.
10923	E. Ludwig .....	do .....	do .....	918 30	918 30	Do.
10924	J. Meyer et al .....	do .....	do .....	93 25	93 25	Do.
10925	A. Flesh et al .....	do .....	do .....	998 05	998 05	Do.
10926	M. Steiglitz .....	Charges and hat materials .....	Free and 20 .....	158 40	(*)	Do.
10927	W. E. Iselin et al .....	do .....	do .....	350 00	(*)	Do.
10928	W. Figgis .....	Charges .....	Free .....	137 42	137 42	Do.
10929	W. B. Fox et al .....	do .....	do .....	50 60	50 60	Do.
10930	M. Guggenheim et al .....	Charges and cotton embroideries .....	Free and 35 .....	14,563 05	(*)	Do.
10931	H. G. McFadden .....	Charges .....	Free .....	15 60	15 60	Section 7 act Mar. 3, 1883, and various.
10932	W. Pickhardt et al .....	Oleate of soda .....	25 .....	1,537 50	1,537 50	T. I. 92.
10933	do .....	do .....	do .....	61 55	.....	Do.
10934	C. Spielmann et al .....	do .....	do .....	3,501 25	3,501 25	Section 7 act Mar. 3, 1883.
10935	John Claffin et al .....	Cotton damasks, linen handkerchiefs, &c .....	35, 30 .....	337 55	.....	T. I. 324-337.
10936	W. B. Iselin et al .....	do .....	do .....	200 00	.....	Penalty for exacting reappraisalment fee.

10937	E. Hardt et al	Cotton damasks, linen handkerchiefs, &c	35, 30	*3, 608 51	Do.
10938	C. Spielmann et al	do	35, 30	736 30	Do.
10939	L. Weddigen et al	Hat materials	20	2, 328 10	T. I. 448.
10940	E. Anthony et al	Manufactures of paper	20	3, 930 50	T. I. 386.
10941	John Bester et al	Silk and cotton goods, s. c. v	50	558 72	T. I. 383.
10942	M. J. Drucker	Charges and rubber fabrics	Free and 30	482 50	14 80
10943	R. G. Glendinning et al	Charges and linens	do	1, 227 40	397 03
10944	L. Hammond et al	Opera glasses (claim philosophical instruments)	35	644 28	T. I. 475.
10945	A. Kohn et al	Charges and hat materials, &c	Free, 20, &c	73, 906 35	4, 067 90
10946	J. Konigsberger et al	Silk and cotton goods, s. c. v	50	402 95	Section 7 act Mar. 3, 1883, and T. I. 448.
10947	L. W. Levy et al	Opera glasses, &c	35 and 25	1, 304 78	T. I. 383.
10948	do	do	35	172 45	T. I. 475-486.
10949	F. Livingston	Fabrics in part india-rubber	30	19 95	Do.
10950	A. Liebenroth et al	Albums	15 or 20 or 25	290 65	T. I. 453.
10953	D. W. McLeod et al	Duck, canvas, padding, &c	30	264 67	T. I. 388-385-384.
10952	F. W. Muser et al	Charges, cotton net, &c	30	3, 097 04	T. I. 338.
10951	J. Meyer et al	Seal plushes	50	817 00	Section 7, act Mar. 3, 1883, and T. I. 324.
10955	O. Oelschlager et al	Telescopes, barometers, &c	35	262 20	T. I. 383.
10954	R. M. Obertouffer et al	Charges and hat materials	Free and 20	12, 481 43	4, 642 53
10956	L. Rheims	Hat materials	20	9, 634 09	Section 7 act Mar. 3, 1883, and T. I. 448.
10957	S. W. Richardson	Linen handkerchiefs	30	92 75	T. I. 448.
10958	J. W. Rosenstein et al	Preserved fish	1 c. per lb.	589 00	T. I. 337.
10959	L. Sussfeld et al	Opera glasses, &c	35	4, 050 00	T. I. 278.
10960	do	do	35	163 65	T. I. 478.
10961	S. B. Solomon et al	Charges and silk, metal braid	Free & various.	608 60	5 60
10962	B. J. Salomon et al	Webbings, shoe-vamps, and charges	Various & free.	532 35	Section 7 act Mar. 3, 1883, and T. I.
10963	Scoville Manufacturing Company.	Paper	20	1, 336 90	Various and section act Mar. 3, 1883.
18964	G. F. Vietor et al	Seal plushes and charges	50 and free	4, 291 55	T. I. 383 and section 7 act Mar. 3, 1883.
10965	do	do	50	943 20	T. I. 383.
10966	A. Walter et al	Opera glasses	35 or 25	175 50	T. I. 475-486.
10967	H. Fleitmann et al	Hat materials and charges	20	1, 222 50	T. I. 448.
10968	W. Demuth	Charges	Free	74 03	74 03
10969	G. Ballin et al	Cottons and jute, cotton and metal	30 and 35	1, 398 66	Section 7, act March 3, 1883.
10970	N. Bloom	Metal manufactures, books, &c	35 and 15	146 78	T. I. 324-334.
10971	B. Blumenthal et al	Brass buttons	25	159 50	T. I. 210-388.
10972	A. Boote	Decorated earthenware	20	1, 502 90	T. I. 407-210.
10973	W. Clark et al	Linen thread	25	388 65	T. I. 130.
10974	J. F. McCoy et al	Currycombs, cottons, charges, &c	Various & free.	72 75	T. I. 347.
10975	A. Roseman	Decorated earthenware (claim tiles)	20	31 20	Various, and section 7 act Mar. 3, 1883.
10976	F. Rohe	Paintings on porcelain	30	75 60	T. I. 130.
10977	A. Dongan	Linen thread	25	3, 324 20	T. I. 470.
10978	L. Lutz et al	Antipyrone	20	1, 285 20	T. I. 347.
10979	R. S. Roberts et al	Hat materials	20	16, 447 00	T. I. 92-93 or 83.
10980	C. S. Bates et al	do	20	8, 161 00	T. I. 448.
10981	do	do	20	3, 506 60	Do.
10982	J. Bronheimer et al	Charges and worsteds	Free and 18 o. and 35 p. c., or 24 c. and 35 p. c.	638 93	35 45

\* Charges claimed, but not specified as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
10983	W. H. Forbes et al	Fire-crackers	Damage	\$328 00		Section 2929 R. S., art. 456-471 Treas. Reg. '84, S. 3774.
10984	do	do	do	650 00		Do.
10985	H. C. Aspinwall	Decorated earthenware (tiles ?)	20	1,306 70		T. I. 130.
10986	J. S. Conover et al	do	20	333 10		Do.
10987	A. Klipstein	Charges and various	Free and various	*3,453 57		Section 7 act Mar. 3, 1883, and T. I. 594-92-84-94, &c.
10988	George E. Miller	Decorated earthenware (tiles ?)	20	2,043 70		T. I. 130.
10989	M. Stern	Charges	Free	58 75	\$58 75	Section 7 act Mar. 3, 1883.
10990	W. F. Sykes	Carmine of Persian berries	10	201 60		T. I. 84.
10991	B. Lawrence Stationery Company.	Paper	15	383 10		T. I. 387.
10992	W. B. Bird et al	Bichromate of soda	25	2,499 49		T. I. 92.
10993	L. Lehmann	Charges	Free	149 75	149 75	Section 7 act Mar. 3, 1883.
10994	F. Paturel	Rubber balloons	25	761 90		T. I. 454.
10995	H. H. Schwietering et al	Matelassi cloths	18 cents and 35 per cent.	1,516 51		T. I. 383, S. S. 6134, T. I. 363.
10996	do	do	do	2,919 35		Do.
10997	do	Wool or worsted and silk and cotton	50 or 7 cents and 40 per cent.	2,636 48		T. I. 383, S. S. 6134, T. I. 365.
10998	J. M. Constable et al	Charges and linens, hat materials, &c	Free and 30-20.	*7,154 00		Section 7 act Mar. 3, 1883, and various.
10999	do	do	do	*7,468 75		Do.
11000	W. Haasker Company	Charges and sardines	Free and 40	*1,101 80		Section 7 act Mar. 3, 1883, and T. I. 281.
11001	John Clafin et al	Hat materials	20	3,323 55		T. I. 448.
11002	B. Veit	Jewelry	25	1,535 00		T. I. 459.
11003	A. Friedman	Hat trimmings and charges	20 and free.	198 30		T. I. 459 and section 7, act Mar. 3, 1883.
11004	E. Greeff et al	Hat materials	20	133 20		T. I. 459.
11005	J. Mammelsdorf et al	Hat materials and metal lace	20 and 25	1,009 00		T. I. 459 and 427.
11006	do	do	20	506 73		T. I. 459.
11007	L. Metzger et al	Manufactures metal, silk, and cotton	25	136 75		T. I. 427.
11008	S. C. Pullman et al	Embroideries (linen handkerchiefs)	30	659 95		T. I. 337.
11009	B. Silberberg et al	Cotton collars, trimmings, &c	35	45 85		T. I. 324.
11010	L. Topfitz et al	Hat materials and charges	20 and free.	195 91		T. I. 448 and section 7, act Mar. 3, 1883.
11011	do	do	20 and 25.	67 25		T. I. 448 or 427.
11012	L. K. Wilmerding	Canvas, &c. claimed burlaps	30	646 10		T. I. 338.
11013	M. C. Warren	Linen handkerchiefs	35	522 05		T. I. 357.
11014	E. S. Jaffray et al	Charges and hat materials	Free and 20	10,503 32		Section 7 act Mar. 3, 1883, and T. I. 448.
11015	A. D. Napier et al	Linen handkerchiefs	30	188 95		T. I. 337.
11016	J. S. White	Linen thread	25	958 25		T. I. 347.
11017	American Lens Manufacturing Company.	Unpolished cylinder glass and chalk	Free	527 03		T. I. 708-611 (?).

11018	M. Arnold et al	Charges and cotton-back worsteds	Free and 24 c. and 35 p. c.	324 21	Section 7 act Mar. 3, 1883, and T. I. 363.
11019	C. Bergenstein	Cotton collars and embroideries	35	61 85	T. I. 324.
11020	J. Freund et al	Cotton doilies and damasks	35	397 95	Do.
11021	Otto Gerdan	Ivory for piano keys	25	510 98	T. I. 469.
11022	S. Haas	Cotton damasks	35	442 50	T. I. 324.
11023	M. Jonasson et al	Seal plushes	50	5,598 95	T. I. 353.
11024	Copeland Kell	do	50	194 50	Do.
11025	F. Kleeburg	Charges and hat materials	Free and 20	579 27	Section 7 act Mar. 3, 1883, and T. I. 448.
11026	George Legg	Feather trimmings	Various.	11,159 60	Various; claim under several sections.
11027	J. E. McCrea et al	Cotton-lace curtains	35	41 80	T. I. 324.
11028	Hugo Meyer	Manufactures silk and cotton, s. c. v	50	1,622 65	T. I. 383.
11029	O. Oelschlagler	Opera glasses, &c	35	768 55	T. I. 475.
11030	H. Passavant	Hat materials and buttons	20 and 25	76,871 10	T. I. 448-407.
11031	Robert Shaw	Manufactures silk and cotton, s. c. v	50	2,060 80	T. I. 383.
11032	C. J. Tagliabue	Spy glasses, &c	35	732 20	T. I. 475.
11033	B. Veit	Hat trimmings, metal lace, &c	20, 25	2,846 65	T. I. 448-427.
11034	A. Veith et al	do	20, 25	6,325 58	Do.
11035	R. F. Downing et al	Hat trimmings.	20	436 45	T. I. 448.
11036	W. H. Graef et al	do	20	3,459 95	Do.
11037	do	do	20	103 50	Do.
11038	E. Mommer et al	do	20	2,030 75	Do.
11039	H. Schorestene et al	Hat trimmings and charges	20 and free	*31 00	T. I. 448 and section 7 act Mar. 3, 1883.
11040	do	do	do	*91 40	Do.
11041	J. Reshower et al	Hat trimmings	20	30 75	T. I. 448.
11042	B. Hecht et al	Jewelry	25	132 10	T. I. 459.
11043	J. McCreery et al	Hat materials	20	3,449 91	T. I. 448.
11044	C. F. Zentgraf	Colors (lakes)	10	424 40	T. I. 84.
11045	H. Herrman et al	Cotton velvets	35	309 80	T. I. 324.
11046	do	Seal plushes	50	3,080 92	T. I. 383.
11047	do	Worsted coatings	24 c. and 35 p. c.	917 95	T. I. 363.
11048	S. Wormser	Charges	Free	9,109 87	Section 7 act Mar. 3, 1883.
11049	A. Stein et al	Tanned skins	10	191 80	T. I. 462.
11050	E. I. Horsman	Lawn-tennis balls	25	258 65	T. I. 454.
11051	E. Dieckerhoff et al	Linen tapes and braids	35	53 60	T. I. 324.
11052	E. Jaautet	Iron-wire hair-pins	30	31 05	T. I. 209.
11053	J. Loewenthal et al	Metal buttons	25	609 20	T. I. 407.
11054	J. L. Riker et al	Chemicals and charges	Free and 25	3,201 37	T. I. 92 and section 7, act Mar. 3, 1883.
11055	Zucker & L. Chem. Co	Charges and bi-carbonate of soda	Free and 20	168 65	T. I. 479-215 and section 7, act Mar. 3, 1883.
11056	H. F. Barnett, executor	Rosalic acid	Free	2,881 20	T. I. 594.
11057	E. Goldberg	Hat materials and various	20 and various	1,648 79	T. I. 448 and various.
11058	W. Pickhardt et al	Bromofluorescic acid and charges	Free	*1,138 90	T. I. 594 and section 7, act Mar. 3, 1883.
11059	A. Steinhardt et al	Buttons and pins	25-35-30	267 55	T. I. 407-210-209.
11060	E. Neuss et al	Cotton damasks and pins	35 and 30	205 10	T. I. 324-209.
11061	J. G. Smith et al	Cotton damasks and manufactures of jute.	30 and 35	1,052 85	T. I. 338-324.
11062	E. Dieckerhoff et al	Hair-pins	30	348 15	T. I. 209.
11063	do	do	30	44 85	Do.
11064	W. P. Willett et al	Sugar	1½ and 2 and 25 per cent.	1,703 11	Against use of polariscope.

\* Charges claimed but not specified as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff.	Description of merchandise.	Rate of duty claimed.	Amount claimed.	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
11065	W. E. Iselin et al.	Silks, &c.		\$302 25		Against reappraisal.
11066	do	do		1,426 10		Do.
11067	H. Dreyfus et al.	Perfumery, &c., and charges.	\$2 and 50 per cent. and free.	685 75		T. I. 100 and section 7 act Mar. 3, 1883.
11068	B. Levy et al.	Lemon peel, &c., and charges.	20 or free	4,525 70		T. I. 301-704 and section 7, act Mar. 3, 1883.
11069	J. Loeb et al.	Cotton embroideries.	35	270 16		T. I. 324.
11070	do	do	35	104 04		Do.
11071	A. Flesh et al.	Metal buttons and jewelry.	25	620 25		T. I. 407-210-459.
11072	E. Stahel	do	25	459 00		T. I. 407-210.
11073	H. H. Schwietering et al.	Charges and mohair braids	Free, and 40 c. and 35 p. c.	882 25		Section 7 act Mar. 3, 1883, and T. I. 366.
11074	Henry Lewis et al.	Charges	Free	1,490 50	\$1,490 50	Do.
11075	E. Oelbermann et al.	Hat materials	20	7,721 10		T. I. 448.
11076	John Turgis	Beads	30, 35, 45.	773 94		T. I. 233-399-143-216.
11077	C. Benziger et al.	Plaster casts and beads	30 and various.	697 90		T. I. 470 and various.
11078	Brooklyn Sugar Refining Company.	Sugar	Free	166,407 14		Treaty stipulation.
11079	W. Dick et al.	do	do	105,851 11		Do.
11080	B. H. Howell et al.	do	do	1,744 92		Do.
11081	F. O. Matthiessen et al.	do	do	192,377 59		Do.
11082	L. Hartwig et al.	Lentils	do	176 10		T. I. 730.
11083	R. Acosta.	Sugar	Free	8,899 40		Treaty stipulation.
11084	C. H. Dunham et al.	Buttons, pins, &c.	25, 30, 35.	352 50		T. I. 407-210-453-209-337.
11085	E. Dieckerhoff et al.	Hat materials and various	20 and various.	3,471 67		T. I. 448 and various.
11086	H. Eggers et al.	Lentils.	Free	102 30		T. I. 730.
11087	H. Junge et al.	Articles composed of rubber	20	166 74		Section 2513 or 2499 R. S.
11088	A. Liebenroth et al.	Albums.	15, 20, 25.	847 20		T. I. 338-385-384.
11089	P. L. Mills et al.	Cotton nets and curtains.	35	1,498 45		T. I. 324.
11090	A. S. Robbins et al.	Linen handkerchiefs, &c.	30	1,135 70		T. I. 337.
11091	J. B. Ryer et al.	Manufactures of jute, &c.	30	556 10		T. I. 338.
11092	W. Robertson.	Manufactures of cotton and metal and various.	35, 25.	752 37		T. I. 320-321-324-401, and other.
11093	L. Toplitz	Bonnets for men	30	6,896 06		T. I. 400.
11094	E. T. Tefft et al.	Metal buttons	25	47 20		T. I. 407-210.
11095	G. F. Viator et al.	Seal plushes	50	33 20		T. I. 383.
11096	L. J. Simons	Beans.	Free	2,484 50		T. I. 760.
11097	B. Levy et al.	Beans and preserved fruits	Free and 20	1,305 15		T. I. 760 and 636-704-301.
11098	J. F. Brigg et al.	Seal plusher	50	514 75		T. I. 383.
11099	C. Spielmann et al.	Charges	Free	2,334 40	2,334 40	Section 7 act March 3, 1883.
11100	W. W. Thomas et al.	Soluble oil (castor-oil)	25 and 20.	351 71		T. I. 82, section 2513 R. S.
11101	G. W. Faber	Charges.	Free	559 25	559 25	Section 7 act March 3, 1883.
11102	S. Rothfeld et al.	do	do	521 29	521 29	Do.

11104	G. W. Faber	do	do	407 00	407 00	Do.
11105	W. Pickhardt et al	Oleate of soda	25	830 85		T. I. 92.
11106	do	do	25	682 40		Do.
11107	H. Herrman et al	Silks, plushes, &c	50	1,802 35		T. I. 383.
11108	do	Charges	Free	1,852 56	1,852 56	Section 7 act March 3, 1883.
11109	J. McCann					No bill of particulars served.
11110	H. C. de Rivera	Sugar	Free	995 48		Treaty stipulation.
11111	F. F. Sargent, assignee.	do	do	995 48		Treaty stipulation (this suit embraces the same cause as 11110).
11112	C. W. Lord	Seeds	do	3,743 70		T. I. 636-760.
11113	E. Pouquet et al	Woolens		731 20		Illegal reappraisalment.
11114	Otto Baerlin	Rosolic acid	Free	945 20		T. I. 594.
11115	John Claßin et al	Charges and silks, &c	Free and various.	5,785 70		Section 7 act March 3, 1883, and variations.
11116	W. J. Matheson	Rosolic acid	Free	2,781 80		T. I. 594.
11117	C. L. Tiffany	Statuary	30	1,078 05		T. I. 470.
11118	H. Fleitmann et al	Hat materials, and silk and cotton	20, 50.	48,141 27		T. I. 448-383.
11119	H. Albert et al	Charges	Free	889 06		Section 7 act March 3, 1883.
11120	E. Anthony et al	Paper	15, 20, 25	2,815 20		T. I. 388-386.
11121	J. Clendinning	Linens (handkerchiefs)	30	389 70		T. I. 337.
11122	S. Cohen et al	Cotton lace and damask	35	171 00		T. I. 324.
11123	F. J. C. Ferris et al	Pins and fabrics in part rubber	30	272 45		T. I. 209, 453.
11124	P. Jeselsohn	Albums	15, 20, 25	544 30		T. I. 368, 385, 384; section 2499 R. S.
11125	A. Kohn	Hat materials and metal lace	20, 25	53,137 54		T. I. 448, 427.
11126	G. A. Morrison	Linen handkerchiefs and cotton laces, &c	30, 35	186 15		T. I. 337, 324.
11127	W. E. Remy et al	do	30, 35	366 05		Do.
11128	S. W. Richardson	Linen handkerchiefs	30	440 00		T. I. 337.
11129	G. Sidenberg et al	Charges	Free	731 54	731 54	Section 7 act March 3, 1883.
11130	M. Tompkins	Linen handkerchiefs	30	1,018 00		T. I. 337.
11131	C. Vom Baur	Hat materials and various	20 and various.	7,696 66		T. I. 448 and various.
11132	C. A. Auffmordt et al	Hat materials and charges	20 and free	3,859 20		T. I. 448 and section 7, act March 3, 1883.
11133	E. S. Jaffray et al	Hat materials and linens	20 and 30	6,329 70		T. I. 448 and T. I. 337.
11134	C. A. Auffmordt et al	Exaction of reappraisalment fee		22,200 00		Penalty for exaction of reappraisalment fee.
11135	E. Oelbermann et al	do		8,000 00		Do.
11136	H. Fleitmann et al	do		4,600 00		Do.
11137	do	do		4,600 00		Do.
11138	O. K. Krause et al	Charges	Free	25,964 65	25,964 65	Section 7 act March 3, 1883.
11139	W. B. Bird et al	Bichrom. soda	25	688 25		T. I. 92.
11140	W. H. Walmsley	Philosophical instruments	35	572 54		T. I. 475.
11101	H. E. Frankenburg et al	Charges	do	3,371 25	3,371 25	Section 7 act March 3, 1883.
11141	W. E. Isclin et al	Exaction of reappraisalment fee		2,400 00		Penalty for exaction of reappraisalment fee.
11142	H. Herman et al	Charges	Free	241 85	241 85	Section 7 act Mar. 3, 1883.
11143	do	do	do	206 30	206 30	Do.
11144	do	Charges and hat materials	Free, and 20	4,937 05		Section 7 act Mar. 3, 1883, and T. I. 448.
11145	H. B. Shaen et al	Linen thread	25	303 25		T. I. 347.
11146	A. Dongom et al	do	25	773 85		Do.
11147	F. Hoeninghaus et al	Exaction of reappraisalment fee		1,800 00		Penalty for exaction of reappraisalment fee.

\* Charges claimed, but not specified as to amount.

Schedule showing the number of suits against the collector of the port of New York, begun between October 1, 1885, and October 1, 1886, &c.—Continued.

No. of suit.	Name of plaintiff	Description of merchandise.	Rate of duty claimed.	Amount claimed	Claimed on cartoons, packing, &c.	Under what section of the tariff claimed.
11148	I. E. Dreyfus et al	Exaction of reappraisement fee		\$14,400 00		Penalty for exaction of reappraisement fee.
11149	G. W. Sutton et al	do		2,000 00		Do.
11150	E. Luckemeyer et al	do		3,000 00		Do.
11151	R. M. Oberteuffer et al	do		6,000 00		Do.
11152	do	do		6,000 00		Do.
11153	M. C. Warren	Linen handkerchiefs	30	200 00		T. I. 337.
11154	E. Dieckerhoff et al	Linen braids, tapes, &c	40	71 40		T. I. 336.
11155	F. C. Havemeyer et al	Sugar	Free	4,667 62		Treaty stipulation.
11156	W. Dick et al	do	do	53,282 36		Do.
11157	Brooklyn Sugar Refining Company.	do	do	230,940 86		Do.
11158	J. Berbecker et al	Gilt nails	Various	4,786 61		Various (manufactures copper, plated ware, &c.).
11159	J. Bernheimer et al	Cotton-back worsteds	18 c. or 24 c. and 40 per cent.	1,771 63		T. I. 363.
11160	J. Bisler et al	Manufactures of silk	50	302 72		T. I. 383.
11161	E. Dieckerhoff et al	Hat materials	20	323 00		T. I. 448.
11162	H. Douglas	Linens	30	830 10		T. I. 337.
11163	Otto Gerdan	Ivory for piano keys	25	214 65		T. I. 469.
11164	R. G. Glendinning et al	Manufactures of linen embroideries	30	190 85		T. I. 337.
11165	B. Hecht et al	Willow-ware, purses, &c	Various	55 10		Various.
11166	Copeland Kell	Cotton-back worsteds	18 or 24 c., and 35 per cent.	1,144 80		T. I. 363.
11167	A. Lueder	Sugar	Free	32,662 50		Treaty stipulation.
11168	H. Matier et al	Linens, handkerchiefs	30	1,458 45		T. I. 337.
11169	H. Meyer	Manufactures, silk and cotton	50	416 40		T. I. 383.
11170	J. Meyer	do	50	298 25		Do.
11171	F. W. Muser et al	Cotton nets, embroideries, &c	35	1,336 25		T. I. 324.
11172	F. Pinkus	Cotton doilies and damasks	35	723 85		Do.
11173	S. B. Solomon et al	Manufactures, cotton, &c	35	261 85		Do.
11174	Seovill Manufacturing Company.	Paper	15	901 20		Schedule M.
11175	G. F. Vietor et al	Hat materials	20	8,612 35		T. I. 448.
11176	S. H. Wilson	Linens	30	925 30		T. I. 337.
11177	M. Wimpheimer et al	Charges and hat materials	Free and 20	849 85		Section 7 act March 3, 1883, and T. I. 448.
11178	M. L. Stieglitz et al	Hat materials	20	1,208 20		T. I. 448.
11179	Henry Lewis et al	Hat materials and charges	20 and free	9,529 30*		Section 7 act March 3, 1883, and T. I. 448.
11180	H. Lewis et al	Manufactures silk and cotton and various	50 and various	1,132 80		T. I. 383, and various.
11181	H. Floitman et al	Hat materials	20	15,229 35		T. I. 448.
11182	C. Megroz et al	do	20	503 20		Do.

11183	W. E. Iselin et al	do	50	12,713 20		Do.
11184	W. H. Graef et al	do	20	19,251 70		Do.
11185	F. C. Havemeyer et al	Sugar	Free	23,386 36		Treaty stipulation.
11186	J. B. Locke et al	Linen handkerchiefs	30	1,053 85		T. I. 337.
11187	J. H. Duke et al	Charges	Free	3,300 00	\$3,300 00	Section 7 act March 3, 1883.
11188	L. Toplitz	Hat materials	20	946 80		T. I. 448.
11189	G. W. Sutton et al	Silk and cotton		1,306 70		Claim reappraisement to have been illegal.
11190	A. Origet	Woolens		4,055 14		Illegal appraisement (?).
11191	H. Herrman et al	Worsted coatings, cotton-velvets, &c., various	Various	9,446 51		Various.
11192	T. O. Hague	Jute matting	30	117 32		T. I. 338.
11193	H. Hohenstein	Paper lamp-shades	15	217 25		Schedule M.
11194	W. F. Sykes	Carmine of Persian berries	10	274 65		T. I. 84.
11195	A. Strauss et al	Charges and hairpins	Free and 30	254 92		Section 7 act Mar. 3, 1883, and T. I. 209.
11196	George C. Miller	Decorated earthenware (tiles?)	20	740 35		T. I. 130, 129.
11197	B. Veit	Jewelry	25	1,687 04		T. I. 459.
11198	W. H. Fletcher					No bill of particulars served.
11199	G. Ballin et al	Cotton damasks	35	193 50		T. I. 324.
11200	W. H. Jackson et al	Decorated earthenware (tiles?)	20	676 90		T. I. 130, 129.
11201	F. Rossler	Crude aniline oil	Free	116 20		T. I. 559.
11202	A. Dinkelstedt et al	Necklaces	25	200 00		T. I. 459 (?).
11203	H. Herrman et al	Manufactures of silk (mohair)	50	250 25		T. I. 383.
11204	O. K. Krause et al	Charges	Free	18,762 30	18,762 30	Section 7 act March 3, 1883.
11205	W. Openhym et al	do	do	730 90	730 90	Do.
11206	J. Park et al	do	do	275 00	275 00	Do.
11207	P. Sgobel et al	do	do	789 80	789 80	Do.

\* Charges claimed, but not specified as to amount.

Total number of suits	1,120
Number including claim on cartons, &c	649
Amount claimed in all the suits	\$4,814,735 67
Amount claimed on cartons (so far as ascertainable)	1,182,298 15

Trials by jury between October 1, 1885, and October 1, 1886.

Series No.	Title of suit.	Verdict for—	Judge before whom tried.
N. S. 9252	August Giese vs. William H. Robertson	Plaintiffs	Wheeler.
N. S. 8723	Franklin Roefe vs. same	Split verdict	Do.
N. S. 8809	Henry R. Bradbury vs. same	Plaintiffs	Do.
N. S. 9571	Fred. S. Pinkus vs. same	Plaintiffs	Do.
N. S. 9133	John T. Sherman et al. vs. same	Defendant	Do.
N. S. 9431	Gustav Falk and another vs. same	Plaintiffs (first trial)	Do.
N. S. 9564	J. H. Mapleson vs. same	Plaintiff	Do.
N. S. 9441	W. R. Woodward and another vs. same	do	Do.
N. S. 9558	L. Toplitz and other vs. same	Defendant	Do.
N. S. 9510	K. G. Glendinning et al. vs. same	Plaintiff	Do.
N. S. 9444	Donald McLeod and another vs. same	Defendant	Do.
N. S. 9382	L. Kaufmann et al. vs. same	do	Do.
N. S. 9677	O. Oelchlaeger vs. same	Split verdict	Do.
N. S. 9577	Louis Lutz and another vs. same	Plaintiffs	Do.
N. S. 9563	P. Schultze, Berge, and another vs. same	do	Do.
N. S. 9610	J. Rosenthal and another vs. same	do	Do.
N. S. 9735	The New Haven Clock Company vs. same	do	Do.
N. S. 9657	P. A. Frasse and another vs. same	do	Do.
N. S. 9623	Otto Gerdan vs. same	do	Do.
N. S. 8092	George S. Atterberg vs. same	Split verdict	Do.
N. S. 8570	Henry Herman et al. vs. same	Plaintiffs	Do.
N. S. 8580	L. Weddegen et al. vs. same	do	Shipman.
N. S. 9859	J. O. Carleton and another vs. same	Defendant	Do.
N. S. 9960	E. Luckemeyer and another vs. same	do	Do.
O. S. 458	Otto W. Pollitze t al. vs. Schell	Plaintiffs	Wheeler.
N. S. 8650	Jacob Bosch et al. vs. Robertson	Defendant	Shipman.
N. S. 8611	Frederick Beck and another vs. same	Plaintiffs	Do.
N. S. 7982	William Baumgarten and another vs. same	do	Do.
N. S. 9422	E. P. Gleason Manufacturing Company vs. same	do	Do.
N. S. 399	E. A. Oelricks and another vs. Barney	do	Wheeler.
N. S. 6862	H. Passavant et al. vs. Merritt	do	Do.
N. S. 6872	G. Collamore and another vs. same	Plaintiffs by direction of the court.	Shipman.
N. S. 7304	Edward Hill and another vs. same	Defendant	Do.
N. S. 5971	J. Kurtz et al. vs. same	Plaintiffs	Do.
N. S. 7519	Charles L. Tiffany vs. same	do	Do.
N. S. 7128	J. Kurtz et al. vs. same	do	Do.
N. S. 9449	L. A. Solomon et al. vs. Robertson	do	Do.
N. S. 7506	Dwight & Co., late Waterman, vs. Merritt	Defendant	Do.
N. S. 9431	Gustav Falk and another vs. Robertson	Defendant, 2d trial	Do.
N. S. 9613	W. H. Perego and another vs. same	Split verdict	Do.
N. S. 6935	D. Cameron and another vs. Merritt	Plaintiffs	Do.
O. S. 1585	C. Meletta vs. Schell	Defendant	Do.
N. S. 9985	C. von Pustan vs. Robertson	Plaintiff	Do.
N. S. 8676	L. Fleischmann vs. same	do	Do.
N. S. 7837	Abi Wallach and another vs. same	Split verdict	Do.
N. S. 6807	John F. Brigg et al. vs. Merritt	Plaintiffs	Do.
N. S. 9965	William H. Schieffelin et al. vs. Robertson	do	Do.
O. S. 317	Fewster Wilkinson et al. vs. J. E. Parsons & Co.	do	Coxe.
N. S. 10092	George C. Miller vs. Robertson	do	Do.
O. S. 1804	J. W. Smith & Co. vs. Robert Schell & Co	Defendant	Do.
N. S. 9063	Charles A. Edelhoff et al. vs. Robertson	Split verdict	Do.
N. S. 10038	Philo L. Mills and another vs. same	do	Do.
N. S. 2824	Philip Nettre vs. C. A. Arthur	Plaintiff	Do.
N. S. 10064	Thomas K. Cummings vs. Robertson	Defendant	Do.
N. S. 9986	Joseph Netherclift et al. vs. same	do	Do.

Total number of suits..... 50  
Total number of days occupied by trials..... 55

\* Between January 13 and 18 Judge Wheeler and Judge Shipman held separate terms at the same time for the trial of collectors' cases.

## APPENDIX G.

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### THE SEVENTH SECTION OF THE LAW OF MARCH 3, 1883, AND DUTIES ON COVERINGS.

No. 1.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., October 18, 1886.

Mr. J. C. MACGREGOR,  
*Chief of Customs Division:*

SIR: Please prepare, and present to me, as speedily as possible, a clear, concise, and full exhibition of all that has been done under the Oberteuffer decision, including the questions thereunder that have perplexed the Department; the decisions thereon that have been made; the questions now indicated, and the difficulties thereof.

Respectfully,

DANIEL MANNING,  
*Secretary.*

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No. 2.

J. R. L.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
Washington, D. C., October 19, 1886.

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: In reply to your request of the 18th instant, for "a clear, concise, and full exhibition of all that has been done under the Oberteuffer decision, including the questions thereunder that have perplexed the Department, the decisions thereon that have been made, the questions now indicated, and the difficulties thereof," I have the honor to state that on February 1, 1886, the following telegram was sent to the chief customs officer at 38 ports:

Advance proofs of Supreme Court decision in Oberteuffer case received; court decides that cost of cartons and all inside coverings and packing does not constitute element of dutiable value under existing law. Instruct appraiser accordingly. Instructions by mail shortly.

D. MANNING,  
*Secretary.*

And on the next day (February 2) a circular promulgating said decision was published and copies sent to all ports (S. 7387).

## INSTRUCTIONS TO COLLECTORS.

Authority was therein given to collectors to apply the rule laid down in said decision "to all future importations and unliquidated entries, and also to all entries where the requirements of law as to protest, appeal, institution of suit, &c., have been fully complied with."

(7387.)

*Cartons and other inside coverings.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
Washington, D. C., February 2, 1886.

Appended hereto will be found a copy of the decision of the United States Supreme Court in the suit of *Oberteuffer et al. vs. Robertson*, which involved the question as to the liability to duty of cartons and other inside coverings of imported merchandise, and the cost of packing the same in the outside packages.

The merchandise which was the subject of the suit consisted of gloves and hosiery put up in cartons or paper boxes of one-half dozen and one dozen pairs each. The importers (plaintiffs) on making entry at the custom-house excluded the cost of such cartons and packing charges, while the appraiser in returning the dutiable value of the goods added to such entered value the cost of the cartons and packing, whereupon duty was assessed by the collector on the addition thus made.

It will be seen that the Supreme Court now decides that such action on the part of the appraiser and collector was erroneous, and that under the provisions of section 7 of the act of March 3, 1883, neither the cost of the cartons, and other inside coverings, nor the charges incident to the packing of goods for shipment are elements of dutiable value.

The rule thus laid down in this decision will be applied to all future importations and unliquidated entries, and also to all entries where the requirements of law as to protest, appeal, institution of suit, &c., have been fully complied with.

C. S. FAIRCHILD,  
Acting Secretary.

To COLLECTORS OF CUSTOMS AND OTHERS.

[Supreme Court of the United States. No. 1192.—October term, 1885. *Reece M. Oberteuffer et al. plaintiffs in error, vs. William H. Robertson, collector of the port of New York.* In error to the circuit court of the United States for the southern district of New York. January 25, 1886.]

Mr. JUSTICE BLATCHFORD delivered the opinion of the court.

This is an action brought in a State court in New York, by *Reece M. Oberteuffer, Henry Abegg, and Henry H. Daeniker*, composing the mercantile firm of *Oberteuffer, Abegg & Daeniker*, against *William H. Robertson*, collector of the port of New York, to recover \$140.80 as an excess of duties, paid on coverings and putting up charges on hosiery and gloves, on which *ad valorem* duties were imposed by law. It was removed into the circuit court of the United States by the defendant. At the trial the jury rendered a verdict for the defendant, by direction of the court, and there was a judgment for him, for costs, to review which the plaintiffs have brought a writ of error.

In July, 1883, the plaintiffs imported from Bremen 2 cases of wool gloves, Nos. 4836, 4837; 21 cases of cotton hosiery, Nos. 4852 to 4872; and one other case of cotton hosiery, No. 168. There were three invoices covered by one entry.

The invoice of the two cases of gloves was dated at Leipzig and Chemnitz, in Saxony, June 29, 1883, and was of goods purchased by the plaintiffs. It covered 50 dozen of gloves, in 5 items, the prices of which per dozen were given, and amounted to 2,415 marks. There was a deduction of 3 per cent. discount for cash, or 72 marks, 45 pfennigs, leaving 2,342 marks, 55 pfennigs. There was then added, under the item of "packing charges," 25 marks "for cases," 220 marks "boxes," and 5 marks "packing," being a total of 250 marks, less 3 per cent. discount for cash, or 7 marks, 50 pfennigs, leaving 242 marks, 50 pfennigs, which added made 2,585 marks, 05 pfennigs. In the entry, the value was stated at 2,342 marks, 55 pfennigs.

The invoice of the 21 cases of hosiery was dated at Leipzig and Chemnitz, in Saxony, July 5, 1883, and was of goods purchased by the plaintiffs. It covered 2,949 dozen of hose, in 21 items, the prices of which per dozen were given, and amounted to 13,530 marks, 70 pfennigs. There was a deduction of 3 per cent. discount for cash, or 405

marks, 95 pfennigs, leaving 13,124 marks, 75 pfennigs. There was then added, under the item of "packing charges," 420 marks "for cases," 1,204 marks, 50 pfennigs "boxes," and 42 marks "packing," being a total of 1,666 marks, 50 pfennigs, less 3 per cent. discount for cash, or 50 marks, leaving 1,616 marks, 50 pfennigs, which added made 14,741 marks, 25 pfennigs. In the entry the value was stated at 13,124 marks, 75 pfennigs.

The invoice of the one case of hosiery was dated at Hobenstein, Ernstthal, in Saxony, July 4, 1883, and was of goods consigned to the plaintiffs for sale. It covered 178 dozen of hose, in 6 items, the prices of which per dozen were given, and amounted to 1,629 marks, 20 pfennigs. There was a deduction of 4 per cent. discount for cash, or 65 marks, 20 pfennigs, leaving 1,564 marks. There was then deducted, for "case," 10 marks; "freight from Hobenstein to Bremen," 15 marks; "and to New York," 29 marks; "consul fees," 10 marks, 75 pfennigs; and "insurance," 10 marks, 25 pfennigs; being a total of 75 marks, less 4 per cent. discount for cash, or 3 marks, leaving 72 marks, which deducted left 1,492 marks; which was the value stated in the entry.

On the invoice of the 2 cases of gloves the report of the appraiser was that 225 marks (being the 220 marks for "boxes" and the 5 marks for "packing"), less importer's discount, should be added "to make market value in marketable condition." This was done, and the duty paid on the added amount was \$20.80.

On the invoice of the 21 cases of hosiery the report of the appraiser was that 1,246 marks, 50 pfennigs (being the 1,204 marks, 50 pfennigs, for "boxes," and the 42 marks for "packing"), less importer's discount, should be added "to make market value in marketable condition." This was done, and the duty paid on the added amount was \$114.80.

On the invoice of the one case of hosiery the report of the appraiser was that 30 pfennigs per dozen should be added "to make market value in marketable condition." This was done, and the duty paid on the added amount was \$5.20.

The importers filed a protest with the collector in due time, and duly appealed to the Secretary of the Treasury and brought suit in due time. The protest covered the entry in this case and was as follows:

"We protest against the liquidation as made by you of our entries of merchandise below referred to, and against the payment of the duties exacted thereon, and exacted on the charges, of whatever nature, thereon, on the following grounds, and upon each and every one of them:

"First. That under the act of March 3, 1883, the cost or market value of said merchandise is alone dutiable, whereas in ascertaining the dutiable value thereof there has been illegally estimated and included, as a part of such value, charges expressly declared by section 7 of said act to be non-dutiable.

"Second. That under the act of March 3, 1883, only the value of said cotton hose or other merchandise is dutiable, whereas the value of the usual and necessary sacks, crates, boxes, and other coverings have been estimated as part of the value of said goods in determining the amount of duties for which they should be liable, contrary to the provisions of section 7, act March 3, 1883.

"Third. By the act of March 3, 1883, all duties heretofore exacted upon charges incurred in the importation of merchandise are repealed, but there has been included, in estimating the dutiable value of said goods, actual, usual, and necessary charges for putting up, preparing, and packing said merchandise, and we hereby separately and distinctly protest against all duties assessed by reason of such additions to the actual cost or market value of the actual merchandise imported.

"Fourth. That under the act of March 3, 1883, said cotton hose or other merchandise are only dutiable at their first cost or net market value in principal markets of countries whence exported, whereas the appraiser, in fixing the dutiable value of said merchandise, has illegally estimated and included as a part of such value the charges for finishing and putting up said merchandise, or one or more of said charges.

"Fifth. That the dutiable value of said merchandise is its cost or true market value, at the date of its exportation, in the principal markets of the country whence it was exported, free of charges, but you have assessed a duty thereon upon a valuation in excess of such net cost or value.

"Sixth. We further protest against the duty assessed hereon, claiming that, for reasons heretofore set forth, the net invoice or entered value is the true legal value upon which the duties should have been assessed, and that the additions made to such value are made contrary to the statutes of the United States, in that non-dutiable charges have been reckoned as a part of the dutiable value of said goods.

"And we give notice that we pay all higher duties or rates than is claimed above as the legal duty under compulsion, and to obtain and keep quiet possession of our goods; and we also give notice that we do not intend by this protest to relinquish or waive any right we may have to a refund of the difference between the duty exacted of us and any less duty which may hereafter be adjudged the legal duty upon said goods, intending this protest to be made against the present duty charged upon said goods, claiming that said duty is not the legal duty to which said goods are charge-

able, holding you and the Government responsible for all excess of duty exacted by you upon said goods above the legal duty, and protesting against all illegal exactions of duty thereon, and hereby give notice that we intend this protest to apply to all future similar importations by us, and also intend the duplicate protest herewith submitted for transmission by you to the Secretary of the Treasury, under the rules of your office, to be an appeal to him from your decision, and to likewise apply to all future similar importations by us."

The main question involved in the case is as to whether it was lawful to impose duties on the items for "boxes" and "packing" in the invoices of the two cases and the twenty-one cases, and on the item added to the invoice of the one case, which item was one for like boxes and packing. There was no duty charged on the outside packing case. The "boxes" in question were paper boxes or cartons, which contained the goods, and were themselves packed in the outside case, and the item for "packing" was for packing the goods in the cartons and lining the outside case and packing the cartons in it. The cartons contained some of them a dozen and some a half dozen pairs of the articles. The outside case had a lining of heavy paper or oil-cloth, to protect the goods from sea-water. Some of the cartons had a partition running through the middle, with half a dozen pairs of the articles on each side of the partition; some had a dozen pairs in each carton; and some had half a dozen pairs in each carton. The prices affixed to the gloves and hosiery bought, in the invoices of them, represent the prices of the goods, without case or cartons or packing. The plaintiffs paid not only for the goods, but for the cases, the cartons, and the packing, paying a price per dozen of the goods, which covered the cases, the cartons, and the packing, which price was 50 pfennigs higher per dozen of the goods than if there had been no cartons. In the invoice of the one case the prices affixed are the prices for the goods, including, in fact, the items deducted on the invoice, and also the charge for cartons, which charge was not deducted on the invoice, although there is nothing on the invoice to show that that charge was part of the price. The cartons are for the convenience of the trade in transporting the goods, and preserving them, and handling them, and counting them; and the cartons go with the goods in them, until they become empty through the sale of their contents in the United States to consumers who buy at retail, for use. The cartons have labels on, showing the article, and the style, and the size, and the quantity.

The contention of the plaintiffs is that, by virtue of section 7 of the act of March 3, 1883 (22 Stat., 523), referred to in the protest, it was unlawful to exact duty on the value of the cartons and the packing; that, in respect to the invoice of the one case, the addition made was for cartons already included in the entered value; and that it was error to direct a verdict for the defendant.

Before examining the provisions of the act of 1883, it will serve to make a determination of their meaning more easy if it is distinctly seen what were the enactments in force on the subject at the time that act was passed.

By section 7 of the act of March 3, 1865 (13 Stats., 493), it was provided as follows: "That in all cases where there is or shall be imposed any ad valorem rate of duty on any goods, wares, or merchandise imported into the United States, and, in all cases where the duty imposed by law shall be regulated by, or directed to be estimated or based upon, the value of the square yard, or of any specified quantity or parcel of such goods, wares, or merchandise, it shall be the duty of the collector within whose district the same shall be imported or entered to cause the actual market value or wholesale price thereof, at the period of the exportation to the United States, in the principal markets of the country from which the same shall have been imported into the United States, to be appraised, and such appraised value shall be considered the value upon which duty shall be assessed." The same section then provided for an addition, on entry, by the importer, to the invoice value, to make such actual market value or wholesale price, and for a duty of 20 per cent. ad valorem on the appraised value, in addition to other lawful duties, if the appraised value should exceed by 10 per cent. or more the value so declared in the entry. It also provided that the duty should "not be assessed on an amount less than the invoice or entered value"; and then repealed sections 23 and 24 of the act of June 30, 1864 (13 Stats., 216, 217), "and all acts and parts of acts requiring duties to be assessed upon commissions, brokerage, costs of transportation, shipment, transshipment, and other like costs and charges incurred in placing any goods, wares, or merchandise on shipboard, and all acts or parts of acts inconsistent with the provisions of this act." Section 24 of the act of 1864, thus repealed, was in these words: "That in determining the valuation of goods imported into the United States from foreign countries, except as hereinbefore provided, upon which duties imposed by any existing laws are to be assessed, the actual value of such goods on shipboard at the last place of shipment to the United States shall be deemed the dutiable value. And such value shall be ascertained by adding to the value of such goods at the place of growth, production, or manufacture the cost of transportation, shipment, and transshipment, with all the expenses included, from the place of growth, production, or manufacture, whether by land or water, to

the vessel in which such shipment is made to the United States; the value of the sack, box, or covering of any kind in which such goods are contained; commission at the usual rate, in no case less than  $2\frac{1}{2}$  per cent.; brokerage, and all export duties, together with all costs and charges paid or incurred for placing said goods on shipboard, and all other proper charges specified by law."

The effect of the legislation thus embodied in section 7 of the act of 1865, as applicable to goods subject to ad valorem duty, was to fix as their dutiable value their actual market value or wholesale price, at the period of their exportation to the United States, in the principal markets of the country from which they were imported into the United States, instead of their actual value on shipboard at their last place of shipment to the United States. The provision in the act of 1864 for adding, as part of the dutiable value, to the value of the goods themselves, the value of any sack, box, or covering containing the goods, was repealed, and under the act of 1865 the dutiable value was such actual market value or wholesale price abroad of the goods themselves, without sack, box, or covering, and the value of the sack, box, or covering was not to be added and was not dutiable.

So much of section 7 of the act of 1865 as related to additions by the importer on entry, and to the duty not being assessed on an amount less than the invoice or entered value, was re-enacted as section 2900 of the Revised Statutes. So much of the same section as related to the rule for appraisement was re-enacted as section 2906, in these words: "When an ad valorem rate of duty is imposed on any imported merchandise, or when the duty imposed shall be regulated by, or be directed to be estimated or based upon, the value of the square yard, or of any specified quantity or parcel of such merchandise, the collector within whose district the same shall be imported or entered shall cause the actual market value or wholesale price thereof, at the period of the exportation to the United States, in the principal markets of the country from which the same has been imported, to be appraised, and such appraised value shall be considered the value upon which duty shall be assessed."

After the act of 1865 followed the act of July 8, 1866, the ninth section of which (14 Stat., 330) provided as follows: "That in determining the dutiable value of merchandise hereafter imported there shall be added to the cost, or to the actual wholesale price or general market value, at the time of exportation, in the principal markets of the country from whence the same shall have been imported into the United States, the cost of transportation, shipment, and transshipment, with all the expenses included, from the place of production, growth, or manufacture, whether by land or water, to the vessel in which shipment is made to the United States; the value of the sack, box, or covering of any kind in which such goods are contained; commission at the usual rates, but in no case less than  $2\frac{1}{2}$  per cent.; brokerage, export duty, and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment. And all charges of a general character incurred in the purchase of a general invoice shall be distributed *pro rata* among all parts of such invoice; and every part thereof charged with duties based on value shall be advanced according to its proportion; and all wines or other articles paying specific duty by grades shall be graded and pay duty according to the actual value so determined: *Provided*, That all additions made to the entered value of merchandise for charges shall be regarded as part of the actual value of such merchandise, and if such addition shall exceed by 10 per cent. the value so declared in the entry, in addition to the duties imposed by law, there shall be levied, collected, and paid a duty of 20 per cent. on such value."

These provisions of section 9 of the act of 1866 were re-enacted as sections 2907 and 2908 of the Revised Statutes in these words: "Sec 2907. In determining the dutiable value of merchandise, there shall be added to the cost, or to the actual wholesale price or general market value at the time of exportation in the principal markets of the country from whence the same has been imported into the United States, the cost of transportation, shipment and transshipment, with all the expenses included, from the place of growth, production, or manufacture, whether by land or water, to the vessel in which shipment is made to the United States; the value of the sack, box, or covering of any kind in which such merchandise is contained; commission at the usual rates, but in no case less than two and a half per centum; and brokerage, export duty, and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment. All charges of a general character incurred in the purchase of a general invoice shall be distributed *pro rata* among all parts of such invoice; and every part thereof charged with duties based on value shall be advanced according to its proportion, and all wines or other articles paying specific duties by grades shall be graded and pay duty according to the actual value so determined. Sec. 2908. All additions made to the entered value of merchandise for charges shall be regarded as part of the actual value of such merchandise, and if such addition shall exceed by ten per centum the value declared in the entry, in addition to the duties imposed by law, there shall be collected a duty of twenty per centum on such value."

Then followed section 14 of the act of June 22d, 1874 (18 Stat., 188), which pro-

vides as follows: "That wherever any statute requires that to the cost or market value of any goods, wares, and merchandise imported into the United States there shall be added to the invoice thereof, or, upon the entry of such goods, wares, and merchandise, charges for inland transportation, commissions, port duties, expenses of shipping, export duties, cost of packages, boxes, or other articles containing such goods, wares, and merchandise, or any other incidental expenses attending the packing, shipping, or exportation thereof from the country or place where purchased or manufactured, the omission, without intent thereby to defraud the revenue, to add and state the same on such invoice or entry shall not be a cause of a forfeiture of such goods, wares, and merchandise, or of the value thereof; but in all cases where the same, or any part thereof, are omitted it shall be the duty of the collector or appraiser to add the same, for the purposes of duty, to such invoice or entry, either in items or in gross, at such price or amount as he shall deem just and reasonable (which price or amount shall, in the absence of protest, be conclusive), and to impose and add thereto the further sum of one hundred per centum of the price or amount so added; which addition shall constitute a part of the dutiable value of such goods, wares, and merchandise, and shall be collectible as provided by law in respect to duties on imports." Section 26 of the same act repealed all prior inconsistent provisions.

Such were the enactments in force when the act of 1883 was passed. When the duty was ad valorem, or based on the value of a given quantity or parcel of goods, there was, by section 2906 of the Revised Statutes, to be an appraisement here of the actual market value or wholesale price of the goods, at the period of exportation, in the principal markets of the country from which they were imported, and such appraised value was to be the dutiable value of the goods, as merchandise, without reference to any of the items required by section 2907 to be added as charges to such actual market value or wholesale price of the goods. All those items so required to be added were charges, and not part of the appraised value of the goods. By section 2908, if the items added for charges, after entry, exceeded by 10 per cent. the entered value of the goods, a duty of 20 per cent., in addition to the duties imposed by law, was required to be collected "on such value." This additional duty did not depend on an intent to defraud, but was imposed for the mere omission of the charges from the entry. By section 14 of the act of 1874, the omission to add the charges, without intent to defraud, was declared not to be a cause of forfeiture, but when they were omitted, it was made the duty of the public officers to add them for the purposes of duty, and to add the further sum of 100 per cent. of the amount so added, such additions to be a part of the dutiable value.

Then followed the 7th section of the act of 1883, in these words: "That sections twenty-nine hundred and seven and twenty-nine hundred and eight of the Revised Statutes of the United States, and section fourteen of the act entitled 'An act to amend the customs revenue laws, and to repeal moieties,' approved June twenty-second, eighteen hundred and seventy-four, be, and the same are hereby, repealed, and hereafter none of the charges imposed by said sections, or any other provisions of existing law, shall be estimated in ascertaining the value of goods to be imported, nor shall the value of the usual and necessary sacks, crates, boxes, or covering, of any kind, be estimated as part of their value in determining the amount of duties for which they are liable: *Provided*, That if any packages, sacks, crates, boxes, or coverings, of any kind, shall be of any material or form designed to evade duties thereon, or designed for use otherwise than in the bona fide transportation of goods to the United States, the same shall be subject to a duty of one hundred per centum ad valorem upon the actual value of the same."

By this section 7 of the act of 1883, in the first place, sections 2907 and 2908 of the Revised Statutes, and section 14 of the act of 1874, are repealed. This repeals the provision of section 2907, that, in determining the dutiable value of the merchandise, there shall be added to its appraised market value (to be ascertained under section 2906, which is left unrepealed) the expenses and charges mentioned in section 2907, among which are "the value of the sack, box, or covering, of any kind, in which such merchandise is contained," "and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment." It also repeals the provision of section 2908 for the additional duty of 20 per cent. when the addition for the charges mentioned in section 2907 exceeds by 10 per cent. the entered value. It also repeals the provisions of section 14 of the act of 1874, for the addition of double the charges omitted, among which charges are specified "cost of packages, boxes, or other articles containing such goods, wares, and merchandise, and any other incidental expenses attending the packing, shipping, or exportation thereof from the country or place where purchased or manufactured."

The items thus specified in section 2907 of the Revised Statutes, and in section 14 of the act of 1874, being charges, and being eliminated as part of the dutiable value of goods, and section 2906 remaining for the appraisement of the goods *per se*, without

the addition of any of the charges so abolished, it would seem that the meaning of section 7 of the act of 1883 was plain.

But that section goes on to say: "And hereafter none of the charges imposed by said sections or any other provisions of existing law shall be estimated in ascertaining the value of goods to be imported." Nothing is imposed by section 2907 of the Revised Statutes but the addition to the appraised market value, provided for by section 2906, of the items specified in section 2907, all of which are thus declared by section 7 of the act of 1883 to have been "charges." Those charges are no longer to be added or estimated, as before, in determining the dutiable value of the goods. So, the repealed section 14 of the act of 1867 imposed nothing except in respect of the items it specified, which were items to be added to appraised market value, and are, therefore, declared by section 7 of the act of 1883 to have been "charges."

But that section goes on still further to say: "Nor shall the value of the usual and necessary sacks, crates, boxes, or covering, of any kind, be estimated as part of their value in determining the amount of duties for which they are liable." This means that not only, as the section had declared, shall none of the charges provided for in the repealed sections be added or estimated in ascertaining dutiable value, but the value of the sacks, crates, boxes, or covering, of any kind, shall not be estimated as part of the value, or included in the value, of the goods, but shall be omitted, leaving the value of the goods to be appraised *per se*, under section 2906, without estimating or including the value of the sack, crate, box, or covering, of any kind, and, therefore, requiring such latter value to be deducted, if the entry or invoice includes it, either separately, or as part of a price or value affixed to the goods, if it is capable of separation and deduction, unless the effect is to reduce the dutiable value below the invoice or entered value. For, by section 2907 of the Revised Statutes, "the value of the sack, box, or covering, of any kind, in which such merchandise is contained," was required to be added, that is, estimated, "in determining the dutiable value of merchandise;" and the items required by section 14 of the act of 1874 to be added to the market value of goods, for the purposes of duty, cover the "cost of packages, boxes, or other articles containing" the goods, and the expenses of packing.

The last clause of section 7 of the act of 1883 adds force to the foregoing views. It is this: "Provided, That if any packages, sacks, crates, boxes, or coverings, of any kind, shall be of any material or form designed to evade duties thereon, or designed for use otherwise than in the *bona fide* transportation of goods to the United States, the same shall be subject to a duty of one hundred per centum ad valorem upon the actual value of the same." This implies that if the boxes or coverings of any kind are not of a material or form designed to evade duties thereon, and are designed to be used in the *bona fide* transportation of the goods to the United States, they are not subject to duty. If either of these things occurs they are subject to 100 per cent. duty. There is not, in the present case, any suggestion that the cartons were of a form or material designed to evade duties thereon. They were of the usual kind known to the trade before the law was passed, as customarily used for the same purpose. They were designed to be used in the *bona fide* transportation of the goods to the United States, not only because they were and had been a customary article in the trade for covering and transporting these goods, but because they were intended to accompany the goods and remain with them in the hands of the retail dealer, until the goods should be sold to the consumer.

The change made by section 8 of the act of 1883 in the oaths required on entry, is in consonance with the above interpretation of the effect of section 7. Section 8 amends section 2841 of the Revised Statutes, as to the forms of the three several oaths, in the following manner, the particular parts referred to of the old forms and the new ones being placed side by side, and the parts in each which differ from the other being in italic:

*Oath of consignee, importer, or agent.*

OLD OATH.

"that the invoice now produced by me exhibits the actual cost (if purchased), or fair market value (if otherwise obtained), at the time or times, and place or places, when or where procured (as the case may be), of the said goods, wares, and merchandise, *all the charges thereon*, and no other or different discount," &c.

NEW OATH.

"that the invoice now produced by me exhibits the actual cost (if purchased), or fair market value (if otherwise obtained), at the time or times, and place or places, when or where procured (as the case may be), of the said goods, wares, and merchandise, *including all costs for finishing said goods, wares, and merchandise to their present condition*, and no other or different discount," &c.

*Oath of owner in cases where merchandise has been actually purchased.*

## OLD OATH.

"that the invoice which I now produce contains a just and faithful account of the actual cost of the said goods, wares, and merchandise, of all charges thereon, including charges of purchasing, carriages, bleaching, dyeing, dressing, finishing, putting up, and packing, and no other discount," &c.

## NEW OATH.

"that the invoice which I now produce contains a just and faithful account of the actual cost of the said goods, wares, and merchandise, including all cost of finishing said goods, wares, and merchandise to their present condition, and no other discount," &c.

*Oath of manufacturer or owner in cases where merchandise has not been actually purchased.*

## OLD OATH.

"the invoice which I now produce contains a just and faithful valuation of the same, at their fair market value, including charges of purchasing, carriages, bleaching, dyeing, dressing, finishing, putting up, and packing, at the time," &c.

"that the said invoice contains also a just and faithful account of all charges actually paid, and no other discount," &c.

## NEW OATH.

"the invoice which I now produce contains a just and faithful valuation of the same at their fair market value, at the time," &c.

"that the said invoice contains also a just and faithful account of all the cost for finishing said goods, wares, and merchandise to their present condition, and no other discount," &c.

It is apparent that these new forms of oath leave out "charges" entirely, because the statute leaves them out as dutiable items. The "cost of finishing the goods to their present condition" is part of the value of the goods abroad outside of the abolished "charges." Goods may be bought abroad unfinished, and then caused to be finished; but in no case can the cost of finishing be left out of their value, however they have been obtained. So, the new oaths embrace only the value of the goods *per se*, and there is no oath as to any item before called "charges." The item of "finishing" is broad enough to include bleaching, dyeing, and dressing, but does not include any of the other charges specifically named in the old oaths.

The contention on the part of the Government is that section 7 of the act of 1883 repeals only so much of the prior statutes as added to the market value abroad the charges which were incident to the shipment of the goods, after they were put in a condition for the market abroad, as usually sold; that the expense of the cartons was necessary to put them into that condition; that the value of the cartons was part of the market value of the goods abroad; and that, therefore, it must enter into the dutiable value. It is urged that the carton is not incident to the transportation of the goods, but is part of their preparation for sale abroad; that it is an integral part of the value of the whole, carton and goods, as a unit; that, in valuing such unit, nothing more is done than valuing the goods, ready for sale; and that, although, in one sense, the carton is a charge, it is a charge incurred in putting the merchandise into the condition in which it is sold abroad, and it becomes part of the goods, and its value is merged in the value of the filled carton. The sufficient answer to these suggestions is, that they allow no weight to the declaration of the statute that the value of the usual and necessary box or covering, of any kind, shall not be estimated as part of the value of the goods, in determining the amount of duties for which the goods are liable. The carton is a usual box or covering. It is a necessary box or covering, within the meaning of the law, on the facts shown in the bill of exceptions. It was a box or covering in which the goods were contained, and so was a charge specifically imposed by section 2907 of the Revised Statutes; and section 7 of the act of 1883 says that no charge imposed by section 2907 shall be estimated in ascertaining the value of the goods.

The bill of exceptions shows, that, after the enactment of section 14 of the act of 1874, and prior to March 3, 1883, it was the practice of the custom-house at New York, where there were cartons with the goods, and the cartons were not set forth in the invoice, to treat the value of the cartons as a charge, under that section, and add such value, and 100 per cent. thereon, to make dutiable value. No statute is referred to which ever recognized the value of cartons as other than a charge, and no such practice appears to have obtained before March 3, 1883.

As the action of the collector in this case appears to have been founded on a circular issued by the Treasury Department on May 15, 1883, and was sanctioned by the opinion of the Attorney-General, Mr. Brewster, given to the Secretary of the Treasury on January 11, 1884, and as there have been decisions of circuit courts in accordance

with those views (although there have been some to the contrary), the question involved has been carefully considered by this court, and the judges are unanimously of opinion that the true view of the statute in force at the time the goods in this case were entered is that announced in this opinion.

It appears that, after verdict and before judgment, there was a motion made for a new trial in this case, in deciding which (*Oberteuffer vs. Robertson*, 24 Fed. Rep., 852) the court stated that the verdict for the defendant was directed on the ground that the plaintiff's protest "was insufficient to present the objections relied upon by them to the exaction of the duties in controversy," but that the motion for a new trial was denied on the ground that the duties were not illegally exacted.

It is contended for the Government that a reappraisal should have been applied for by the plaintiffs, under section 2930 of the Revised Statutes, and that they mistook their remedy. We are of opinion that this is not a sound view. They were not dissatisfied with the appraisement of the value of the goods *per se*. That value was left at the value stated in the invoice. The addition of the items for cartons and packing was no part of the duty or function of the appraiser, acting under section 2906, to appraise the foreign market value of the goods. Although, in form, the appraiser added the items for cartons and packing, the action of the custom-house was only a decision of the collector, under section 2931, that the cartons and packing were dutiable costs and charges. Those items appeared distinctly, as to two of the invoices, on them and on the entry, as charges for boxes and packing, and being deducted as such on the face of the entry, were again added as such by the appraiser. As to the third invoice, the value of the cartons and packing, being included in the invoice value, was left in in the entered value, and a sum was added which in fact represented a second time the value of the cartons and packing as a dutiable charge. We are of opinion that the first, second, and third paragraphs of the protest in this case are sufficient to raise the points relied on by the plaintiffs, and that to protest was the proper way to raise those points.

The exaction of duty on the packing, whether packing the goods in the cartons, or the cartons in the outer case, or lining the outer case, was not warranted by law. These were "charges" under the former statutes and were abolished as charges by the act of 1883.

As to the one case of hosiery, the addition to the entered value of 30 pfennigs per dozen for the cartons and packing was unauthorized, and the goods were dutiable at only the entered value of 1,492 marks. As, under section 2900 of the Revised Statutes, duty cannot, as to the goods, "be assessed upon an amount less than the invoice or entered value," whatever is put down in the invoice and entry as the value of the goods *per se* cannot be diminished, although in fact there may have been included in such value the cost of cartons and packing, unless the invoice or entry shows distinctly what such cost was and that it was included. In fact the cartons and packing were included twice, as to the one case of hosiery, in exacting duties, but only that which the appraiser added for them can be deducted, although their cost would not properly have been part of the dutiable value if the invoice and entry had not stated the value of the goods at a price which in fact included the cost of the cartons and packing.

It results, from these views, that the judgment of the circuit court must be reversed, and the case be remanded to that court, with a direction to grant a new trial.

#### INSTRUCTIONS TO UNITED STATES ATTORNEY, NEW YORK.

Instructions to United States district attorney at New York, bearing on suits of a similar character, were issued April 9, 1886, in which he was directed to move the consolidation of all such suits as had not been in effect disposed of by the *Oberteuffer* case. (S. 7456.)

(7456.)

*Suits involving questions of charges.*

TREASURY DEPARTMENT, April 9, 1886.

SIR: The Department assumes that there are pending in your district suits the issues in which have been decided adversely to the defendant by the recent judgment of the Supreme Court in the *Oberteuffer* case, and that the plaintiffs desire a speedy refund of the money claimed. The Department has not in its possession the facts to enable it to decide which of the suits to recover money levied on what is claimed to be an erroneous interpretation of the seventh section of the law of 1883 have been in effect disposed of by that judgment, and in which there are no other issues of law or fact. If the plaintiffs shall present to you an application in writing, either for the

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taking of verdicts by consent, subject to an adjustment of the amount at the custom-house, or for a discontinuance of the suits by the plaintiffs, on the undertaking by this Department that the entries covered thereby shall be reliquidated according to law, and the sum found due refunded out of any available appropriation therefor, and the application shall give the titles of the suits and all other required particulars, you are requested to carefully examine the same and transmit it to this Department, with your report thereon. It will, of course, be understood that no refund will be made in any suit unless the law regulating protests and appeals and the bringing of the suit, as now interpreted by the Department, has been complied with. It is to be assumed that the plaintiffs will correctly declare in their applications the character of the commodities, and give a true description of the sort of coverings or charges on which duty was levied in excess, and whether or not such last-named items were exhibited in the invoice or entry, and if on examination you shall be in doubt whether such items have been covered by the judgment in the Oberteuffer case, you will fully report the facts to the Department for its decision.

All suits of the above-mentioned character the issues in which have not been in effect disposed of by the Oberteuffer case must be judicially examined by trial in court, and you are requested to move the consolidation of such suits as are within the statute regulating consolidations.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

Hon. S. A. WALKER,  
*United States Attorney, New York City.*

#### INSTRUCTIONS TO CONSULAR OFFICERS.

On the 3d of June (S. 7557) the honorable Secretary of State was requested to instruct United States consular officers to require makers of invoices to declare explicitly whether charges inscribed on such invoices were included in the prices of the merchandise.

(7557.)

*Charges in invoice—How they should be stated.*

TREASURY DEPARTMENT, June 3, 1886.

SIR: I am in receipt of information to the effect that serious and vexatious embarrassments to the chief customs officers exist by reason of the practice indulged in by shippers of merchandise in specifying items of charges in their invoices, but without a distinct statement as to whether such items of charges are or are not included in the price of the goods as set forth in the invoice.

An instance of this character may be mentioned where the invoice value of the goods *per se* was given at £69 7s. 3d., with a statement of charges underneath amounting to £3 7s. 4d. In this instance the importers claimed that the charges were included in the invoice price of the goods, and their claim might have been allowed but for the fact that the consular certificate attached to the invoice specified the gross sum to be £72 14s. 7d., which was the aggregate of both the value of the goods and the items of charges.

To prevent a continuance of this practice on the part of shippers, I have the honor to request that the United States consular officers be instructed to require every exporter, shipper, or maker of an invoice of merchandise subject to ad valorem duties, or to duties based upon the value of the square yard or other amount, to make an explicit declaration on each invoice whether or not the charges inscribed thereon are included in the prices of the merchandise.

If such instructions are carried out, the face of the invoice would clearly show the treatment to be adopted on the entry, appraisement, and liquidation of the merchandise, and the invoice would thereby be liable to but one interpretation in the appraising and liquidating departments of the customs.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

THE HON. THE SECRETARY OF STATE.

#### INSTRUCTIONS TO APPRAISERS.

Appraisers were informed on the 10th of April (S. 7458) (the Solicitor concurring in the view) that their action in returning the dutiable value of the merchandise need have no reference to the cost of non-dutiable

coverings, but should simply include the value of the merchandise *per se*, and these instructions were repeated June 3, 1886 (S. 7558), when appraisers were directed to separately return the values of the merchandise *per se* and the amount of alleged charges, leaving the collector to decide as to the dutiable or non-dutiable character of the latter.

(7458).

*Additional duty accrues on undervaluation of merchandise per se in invoice or entry.*

TREASURY DEPARTMENT, April 10, 1886.

SIR: Referring to your letter of the 8th ultimo, asking instructions as to the assessment of duty on sixty cases mushrooms imported by Messrs. Gabain & Co. at your port, concerning which it appears that a difference existed between the value of certain coverings as stated in the entry and the value as returned by the appraiser, it appears that the value of said coverings, as stated in the entry, was 600 francs greater than the value thereof as returned by the appraiser, and that the value of the merchandise *per se* was reduced in the entry to that extent, the sum total of the values of the coverings and merchandise as returned by the appraiser and as stated in the entry being the same.

The matter has been referred to the Solicitor of the Treasury for his opinion, and his reply, a copy of which is herewith inclosed, confirms the views of the Department that the action of the appraiser in returning the dutiable value of the merchandise need have no reference to the cost of non-dutiable coverings, but simply applies to the value of the merchandise *per se*. The Solicitor being of the opinion that, as the appraised value of the dutiable goods exceeded by more than 10 per cent. the value declared in the entry, the 20 per cent. additional duty imposed by section 2900, Revised Statutes, duly accrues and should be assessed.

You will be governed accordingly.

\* \* \* \* \*  
Respectfully yours,

C. S. FAIRCHILD,  
Acting Secretary.

COLLECTOR OF CUSTOMS, Chicago, Ill.

(7558.)

*Coverings which are dutiable—Additional duty under section 2900, Revised Statutes, not applicable.*

TREASURY DEPARTMENT, June 3, 1886.

SIR: I am in receipt of your letter of the 27th ultimo (received on the 1st instant) concerning Department's ruling of the 21st ultimo in the case of Messrs. Lutz & Movius, wherein it was held that if the additions made by the appraiser to the entered values of certain merchandise imported, per "Lessing" and "Ems," in March last were for charges specified in the invoices, the additional (penal) duty of 20 per cent. ad valorem prescribed by section 2900, Revised Statutes, did not accrue on the merchandise. The papers in the case showed that the additions consisted of the precise amounts which appeared on the invoices, and were deducted by the importers on the entries as "charges," and it was inferred, by reason of such coincidence, that the additions were for "charges," and not to make dutiable value of the goods *per se*.

If you have any doubt on the question, you should call upon the appraiser for explanatory reports; and in case it then appear that the additions were for charges which are non-dutiable under section 7 of the act of March 3, 1883, and the decision in the Oberteuffer case, the duties should be remitted on the additions, and the entries should be liquidated upon the basis of the market value of the goods *per se*. Should, however, the additions be for coverings which are liable to duty under the said provision of law and decision, you should then assess duty thereon.

As estimated in the Department's letter of the 21st ultimo, the appraiser should be directed, in cases where he is of opinion that items of charges deducted on entry are dutiable, to return the dutiable value of the goods *per se* and the value of the items of charges separately, whereupon it can then be determined by you whether such items of charges are dutiable or not. My opinion is that, under the said decision in the Oberteuffer case, all cartons, coverings, &c., are exempt from duty except such

as are "of any material or form designed to evade duties thereon, or designed for use other than in the *bona fide* transportation of goods to the United States."

The instructions of March 13 last, to which you refer, and which were intended as a temporary measure, will be considered as modified in the particulars mentioned.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

#### STATEMENTS FOR REFUND.

On the 7th of May a circular was issued relative to the preparation of statements for refund, which though not specifically referring to the Oberteuffer decision, had reference to the refunds which were occasioned thereby (S. 7505).

(7505.)

#### *Refunds of duties erroneously exacted.*

TREASURY DEPARTMENT, *May 7, 1886.*

Section 3012 of the Revised Statutes provides that the plaintiff in a suit to recover duties alleged to have been erroneously or illegally exacted shall serve on the defendant or his attorney a bill of particulars, giving, among other things, the precise amount of duty claimed to have been exacted in excess.

It has come to the knowledge of the Department that, in making up statements for refunds of duties illegally exacted, allowances have been made in excess of the amounts claimed in the bills of particulars.

In the adjustment of duties to be refunded in cases where suit has been commenced, the bills of particulars and protests relating to such suits will be carefully examined by the clerks and officers in the collector's office and naval office making such adjustments, and no allowance will be made in excess of the original claim of the importer as set forth in the bill of particulars, nor upon any item not fully covered by protest, appeal, and suit.

Refunds by means of certified statements will be confined at ports where naval officers are stationed to cases where suits have been commenced. In other cases where refunds are authorized by the Department, and in which it has been the practice to prepare certified statements at ports where there are naval officers, the entries will be reliquidated, and the excess of duties found due refunded as in ordinary liquidation upon items fully covered by protests: *Provided*, All the provisions of section 2931 of the Revised Statutes have been complied with.

Collectors at such ports will render to the Department a monthly report, countersigned by the naval officer, of refunds upon reliquidation under these instructions.

At ports where no naval officers are stationed, refunds, when authorized by the Department, will be continued to be made by means of certified statements, as prescribed by article 616 of the Customs Regulations of 1884.

C. S. FAIRCHILD,  
*Acting Secretary.*

To COLLECTORS AND OTHER OFFICERS OF THE CUSTOMS.

#### CHARGES STATED IN INVOICE OR ENTRY.

The question of reliquidating entries in cases where the invoices and entries differed, in the respect that one showed the cost of the coverings while the other did not, was early raised, and was decided in favor of the claimant in either case on the 6th of February (S. 7354); and subsequently repeatedly affirmed (S. S. 7391, 7422, 7453, 7507).

(7354.)

#### *Reliquidation by Collector—When to be Made.*

TREASURY DEPARTMENT, *February 6, 1886.*

SIR: The Department is in receipt of a letter, dated the 3d instant, from Messrs. Arnold, Constable & Co., in which they ask that certain entries at your port, where, as alleged, they were "compelled" by you to add the cost of cartons, tillots, &c.,

may be liquidated by the exclusion of such cost of cartons, &c., in accordance with the late decision of the United States Supreme Court in the case of *Oberteuffer et al. vs. Robertson*.

By reference to said decision, which is embraced in the Department's circular of the 2d instant (No. 12), you will find, in the next to the last paragraph of such decision, that it is held that "whatever is put down in the invoice and entry as the value of the goods *per se* cannot be diminished, although in fact there may have been included in such value the cost of cartons and packing, unless the invoice or entry shows distinctly what such cost was and that it was included."

In cases, therefore, where it is found that the invoices or entries in question show the cost of such cartons, &c., separate and distinct from the market value of the goods, the applicants are entitled to the relief requested. If, however, the invoices and entries simply state the value of the goods, without any specification of cost of cartons, &c., no relief can be granted.

Of course this letter will be construed as applying only to unliquidated entries or liquidated entries where the requirements of law as to protests, &c., have been complied with.

Respectfully, yours,

C. S. FAIRCHILD,  
*Assistant Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

(7391.)

*Cost of cartons, &c., when not appearing in invoice, may be specified on entry.*

TREASURY DEPARTMENT, *March 3, 1866.*

SIR: The Department is in receipt of your letter of the 26th ultimo, in which you ask whether you are authorized to separate the value of boxes containing imported cigars when the invoice does not specify the values of the cigars and of the boxes separately, but where the entry lodged by the importer specifies the cost of the boxes, and claims a deduction thereof from the invoice price of the cigars.

In cases where the invoice specifies the value of the goods free on board, or where it gives the gross value of the goods, including the cost of boxes, &c., you are authorized, until further instructions, to allow importers at their option to specify in their entries the value of the merchandise *per se*, and the cost of the boxes, cartons, &c., separately, subject, of course, to the requirement of law concerning appraisements.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Milwaukee, Wis.*

(7422.)

*Cartons or coverings—not dutiable when specified in either invoice or entry.*

TREASURY DEPARTMENT,  
*March 19, 1866.*

SIR: The Department is in receipt of your letter of the 12th instant, transmitting the appeal (4454 o) of Frederick Malleon from your decision assessing duty on the cost of boxes containing fish-hooks imported, per "Baltic," in December, 1865 (entry No. 164,501).

It appears from your report that the cost of the said boxes is specified as a separate item on the invoice of the goods, and that such boxes are of a character to entitle them to exemption from duty under Department's circular of the 2d ultimo (No. 12).

The language of the decision of the court appended to such circular indicates that where either the invoice or entry specifies the value of the cartons or coverings separately from the value of the goods *per se*, the cartons or coverings are not liable to duty.

The Department, therefore, decides that the appeal is well taken, and that the entry is entitled to reliquidation under the said circular.

You will take action accordingly.

Respectfully, yours,

C. S. FAIRCHILD,  
*Assistant Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

(7453.)

*Non-dutiable charges, appearing on invoice, but not included in invoice value, and ignored by importers on making entry, should not be deducted in assessing duty.*

TREASURY DEPARTMENT, April 7, 1886.

SIR: The Department is in receipt of your letter of the 5th instant, reporting on the communication of Messrs. Megroz, Portier, Grose & Co., dated the 17th ultimo, concerning the liquidation of their entry of two cases plush imported by them into your port, per "Belgenland," January 14 last, entry No. 13,215.

It appears that the value of the goods was specified in the invoice at R. M. 2,892.95, with a statement at the foot that such value included non-dutiable charges amounting to R. M. 57.10; that the importers on entry disregarded and waived such charges (it being presumed that they were of opinion that the charges were not included in the invoice price), and entered the goods at the full invoice value; that the appraiser advanced the value of the goods, whereupon a reappraisal was had, by which such advance was sustained to the extent of less than 10 per cent. over the entered value, and that you propose to liquidate the entry by deducting the said charges (R. M. 57.10) from the entered value, which will have the effect of making the reappraised value appear more than 10 per cent. above such entered value, and thus subject the merchandise to the payment of the additional (penal) duty prescribed by section 2900, Revised Statutes.

The appraiser in his report substantiates the representations of the importers, and states that "it was discovered that the amount of the charges stated on invoice to be included in the price of the merchandise was not included in fact, and that, not having been deducted by them on making their entry, it was assumed that said sum was waived."

After due consideration, the Department is satisfied that the importers did, in fact, ignore the said charges in making their entry, and that such item should not be considered as a factor in any sense in the liquidation of the entry. In other words, the invoice and entered value in this case is R. M. 2,892.95, and if the reappraisal advance is not 10 per cent. or more greater than such sum, the entry should be liquidated without the assessment of the said additional (penal) duty.

You will be governed accordingly.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, New York.

(7507.)

*Non-dutiable charges, when included in invoice value, must be separately specified, either on invoice or entry, in order to be deducted, under the Oberteuffer decision.*

TREASURY DEPARTMENT, May 7, 1886.

GENTLEMEN: The Department is in receipt of your letter of the 5th instant, concerning the decision of the 4th instant on your appeal (2076 o), whereby it was held that the invoice and entered value of certain goods imported by you into Philadelphia, per "Lord Clive," on the 14th of January last, could not be reduced by the deduction of certain items of charges which did not appear either in the invoice or in the entry.

Such ruling of the Department conforms to the decision of the United States Supreme Court in the Oberteuffer case, wherein it was enunciated that "whatever is put down in the invoice and entry as the value of the goods *per se* cannot be diminished, although in fact there may have been included in such value the cost of cartons and packing, unless the invoice or entry shows distinctly what such cost was, and that it was included."

The claim you make that the failure of the shipper to deduct the cost of such charges on the invoice was a clerical error cannot be admitted, and no reason is perceived for taking further action in the case.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

Messrs. STEPHENSON & Co.,  
214 Chestnut Street, Philadelphia, Pa.

FINISHING VS. MAKING UP.

The distinction between charges, so called, accruing prior to and including the finishing of the goods and those accruing afterwards, as laid down in the Oberteuffer decision, has been applied in the following published decisions:

- April 12 (S. 7460). Cost of carding buttons, not dutiable.
- April 12 (S. 7461). Cost of making up gloves, not dutiable.
- April 12 (S. 7464). Cost of labels and blocks on hat-bands, not dutiable.
- April 12 (S. 7465). Cost of corks, caps, and labels on olive oil, not dutiable.
- May 19 (S. 7528). Cost of boards on which dress goods are rolled, not dutiable.
- \* May 20 (S. 7529) Spools for thread, dutiable.
- May 21 (S. 7533). "Skeining" yarn, dutiable.
- July 2 (S. 7615). Cutting and putting together cotton robes, imported in that condition without further manufacture, dutiable.
- July 10 (7625). "Making up" certain textiles, not dutiable.

(7460.)

*Dutiable value, cost of "carding buttons" not to be included.*

TREASURY DEPARTMENT, April 12, 1886.

SIR: The Department is in receipt of your letter of the 10th ultimo, submitting the appeal (42930) of the John Shillito Company from your assessment of duty on the cost of carding certain buttons imported by them at your port, entry No. 269, February 19, 1886.

The Department is of opinion that, under the decision of the United States Supreme Court in the case of Oberteuffer *et al. vs.* Robertson, the charge for carding buttons is not an element of their dutiable value.

You are, therefore, authorized to readjust the entry and to take measures for refunding the duty levied on the value of such charge, which it appears is separately specified in the invoice.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

SURVEYOR OF CUSTOMS, Cincinnati, Ohio.

(7461.)

*Dutiable value—Cost of making up not to be included.*

TREASURY DEPARTMENT, April 12, 1886.

SIR: Referring to your letters of February 16 and March 2 last, in regard to a refund to Messrs. Lowman's Sons & Co. of duty levied on charges for cartons and making up on certain gloves imported by them, entry No. 122, January 26, 1886, I have to inform you that, upon investigation, it is ascertained that the term "making up," as applied to cotton gloves, covers the assorting in colors and sizes, placing one-half to one dozen pairs on a card, banding and ticketing with size and numbers, and tying at each end with a ribbon, in which condition they are ready for sale or casing for transportation or shipment.

This charge is incurred after the gloves are finished, and the Department holds that it is not an element of their dutiable value under the Oberteuffer decision.

The certified statement in favor of Messrs. Lowman's Sons & Co. has been referred to the First Auditor for examination and settlement.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

SURVEYOR OF CUSTOMS, Cincinnati, Ohio.

\* Subsequently reversed (see *Supra* Decision, November 1 (11600), page —).

(7464.)

*Non-dutiable charges—Labels and blocks on hat-bands.*TREASURY DEPARTMENT, *April 14, 1886.*

SIR: The Department is in receipt of your letter of the 6th ultimo, submitting the appeal (41050) of Messrs. Henry Tilge & Co. from your assessment of duty on charges for putting up labels and blocks on certain hat-bands imported by them, per "General Werder," February 16, 1886.

The charges, it appears, are incurred after the completion and finishing of the hat-bands, and consist of the cost of cylindrical wooden blocks upon which the hat-bands, with paper ribbons, are rolled, with a gilt label at each end inclosing the bands and blocks, and showing the quantity and style of the goods. These bolts are then placed in cartons for shipment, and the charges therefore are similar to the charges for packing the goods in the cartons, which were held by the Supreme Court to be not dutiable under the law.

You are therefore authorized to readjust the entry and to forward a certified statement for a refund of the excess of duty.

You are also authorized to pursue the same course with respect to all similar entries not in suit in which the requirements of section 2931, Revised Statutes, have been complied with.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Philadelphia, Pa.*

(7465.)

*Non-dutiable charges—Cost of corks, caps, and labels on olive oil in bottles.*TREASURY DEPARTMENT, *April 15, 1886.*

SIR: The Department is in receipt of your letter of the 22d ultimo, submitting the appeal (46240) of Messrs. Geo. B. Woodman & Co. from your assessment of duty on the value of caps, corks, and labels on certain olive oil in bottles imported by them, per "British King," January 3, 1883.

These charges are incurred in putting up and preparing the oil for transportation or shipment (as specified in section 2907, Revised Statutes), after its complete manufacture. Under the decision of the Supreme Court in the Oberteuffer case, the Department decides that they do not properly form an element of the dutiable value of the goods.

You are therefore authorized to readjust the entry and to forward a certified statement for a refund of the excess of duty.

You are also authorized to pursue the same course in other like cases in which the requirements of section 2931, Revised Statutes, have been complied with.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Philadelphia, Pa.*

(7528.)

*Charges incurred after "finishing" dress-goods—Not dutiable.*TREASURY DEPARTMENT, *May 19, 1886.*

SIR: The Department is in receipt of your letter of the 17th instant, in which you request instructions as to whether or not the cost of boards upon which woollen dress goods are rolled should be included in estimating the dutiable value of such goods.

In reply, I have to state that, as the cost of such boards is incurred after the goods are finished in putting them up for shipment, the Department is of opinion that their cost does not properly form an element of the dutiable value of the goods.

Your attention is invited to the Department's decision of April 14, 1886 (Synopsis, 7464), as to wooden blocks upon which hat-bands are rolled.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Baltimore, Md.*

(7529.)

*Charges, spools wound with thread—Dutiable.*TREASURY DEPARTMENT, *May 20, 1886.*

SIR: The Department is in receipt of your letter of the 17th instant, in which you request to be informed concerning the dutiable value of linen thread on spools, which you state, as imported at your port, is invoiced at separate prices for the thread *per se* and the spools.

Under sections 2907 and 2908 of the Revised Statutes, which were in force prior to March 3, 1883, the cost of spools for thread was not one of the "actual or usual charges for putting up, preparing, and packing for transportation or shipment" therein mentioned.

Neither can spools be considered in any sense of the term as coverings for the thread.

It is also a fact that thread is not finished until it is wound on the spool, and that the spools go to the consumer, and more particularly, in the case of machine-thread, that the thread is useless without the spools.

The Department is of opinion that the cost of the spools forms an element of dutiable value of spool-thread.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

Mr. CHAS. H. HAM,  
*United States Appraiser, Chicago, Ill.*

(7533.)

*Charges, cost of skeining yarn—Dutiable.*TREASURY DEPARTMENT, *May 21, 1886.*

SIR: The Department is in receipt of your letter of the 19th instant, in which you submit the appeal (54420) of Messrs. Brown, Durrell & Co. from your assessment of duty on charges for skeining on certain worsted yarns imported by them, per "Durham City," January 26, 1886.

The appraiser reports that the yarn is invoiced at stated prices per kilo., with additions for commissions, cases, and hooping; that the following statement appears at the foot of the invoice, viz: "In the above prices are included, for putting up of kilos. 495,600, for skeining, 30 pfennigs; for packing and wrapping in paper, 20 pfennigs—together 50 pfennigs, or a total sum of marks 247.80"; that the importers deducted this amount upon entry, and that he restored the amount deducted for skeining, only 30 pfennigs per kilo., in fixing the dutiable value.

The appraiser reports further that the yarn is divided into skeins, each of which weighs a certain part of an ounce; that it is sold by the retailer by the skein, and that, in his opinion, the skeining of the yarn is part of the finishing process.

In this opinion the Department concurs, and your assessment of duty on such charges is hereby affirmed.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Boston, Mass.*

(7615.)

*Charges—Cost of cutting and putting together embroidered cotton robes—Dutiable.*TREASURY DEPARTMENT, *July 2, 1886.*

SIR: The Department is in receipt of your letter of the 1st ultimo, submitting the appeal (56570) of Messrs. Shoninger, Moses & Co. from your assessment of duty on charges for "making up, box, and figurine" on certain embroidered cotton robes imported by them, per "Cephalonia," April 24, 1886.

The appellants state, and it is conceded by the appraiser, that the cost of "making up, box, and figurine" is specified in the invoice at M. 1.20, and that the appraiser made an addition to the value of the robes *per se*, on the ground that the value of such charges as expressed in the invoice is too high, and should be M. 0.90 only.

The appraiser reports that the robes in question consist of three separate pieces, to wit, ten or twelve yards of plain material and four and one-half yards each of narrow and wide embroidery, which are folded in such a manner as to show each material, and to nicely fit the cartons into which they are placed; that the invoice price is fixed per robe, including carton for each, and that at the foot of the invoice is a statement of the cost of "making up, box, and figurine," the latter being a figure on paper designed to show the style of the dress when completed. He further states that the combined value of the separate pieces, taken at a price per yard in the piece as woven and embroidered, is not the value of the robe, but that whatever expense is incurred by the manufacturer in cutting and putting together the pieces which form the robe constitutes an expense for finishing the goods, and is an element of the dutiable value.

In this opinion, which is sustained by the decision in the Oberteuffer case, the Department concurs, inasmuch as the robes are not finished as robes until the materials are cut and combined, ready to be placed in the cartons, and your assessment of duty on their value in that condition is hereby affirmed.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Boston, Mass.*

(7625.)

*Charges—Cost of making up—Not dutiable.*

TREASURY DEPARTMENT, *July 10, 1886.*

SIR: The Department is in receipt of your letter of the 23d ultimo, submitting the appeals (63030, 63040, and 63050) of Messrs. Mackintire, Lawrie & Co. from your assessment of duty on charges for "making up" on certain elastic duck imported by them, per Calatonia, April 19, Pavonia, March 29, and Kansas, April 23, 1886.

The appraiser reports that the "making up" consists in folding and pressing the goods into compact form for the market, stitching and tying the ends to retain the shape, and stamping upon the outer fold the quality, number, trade mark, number of yards, or other design to give beauty to the completed piece, and states that in his opinion the goods are not finished for the market until this has been done.

Referring to the Department's decisions of April 12, 1886 (Synopsis, 7460 and 7461), April 14, 1886 (Synopsis, 7464), April 15, 1886 (Synopsis, 7465), and May 19, 1886 (Synopsis, 7528), I have to state that the charges for "making up" the goods in question do not constitute an element of their dutiable value, and you are therefore authorized to readjust the entry in accordance with said decisions, and to take measures for refunding the excess of duty.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS,  
*Boston, Mass.*

(11600, &c.)

*Non-dutiable charges.—Cost of spool blocks for linen thread.*

OFFICE OF THE SECRETARY,  
*Washington, D. C., November 1, 1886.*

COLLECTOR OF CUSTOMS,  
*Philadelphia, Pa.:*

SIR: In reply to your letter of the 22d ultimo, asking whether the recent decisions of the Department on non-dutiable charges and coverings included the cost of spool blocks on which linen thread is wound, and which by Department's decision of May 20, 1886 (S., 7529), were held to be included in the "finishing" of said thread and accordingly dutiable, I inclose herewith copy of an opinion dated the 29th ultimo, received from the Attorney-General of the United States, in which he expresses the opinion that the spools on which the linen thread is wound seem to be the usual manner of packing the thread for transportation or shipment, and that under the ruling of the Supreme Court in the Oberteuffer case, they are non-dutiable.

In pursuance of this opinion the decision above referred to (S., 7529) is modified so as to harmonize with the more recent rulings of the 21st and 29th of September last, and the 2d ultimo (S. S., 7766, 7779, and circular October 2, No. 138), and you are instructed to take action accordingly.

Respectfully, yours,

C. S. FAIRCHILD,  
*Assistant Secretary.*

*Opinion of Attorney-General.*

DEPARTMENT OF JUSTICE, October 29, 1886.

The SECRETARY OF THE TREASURY :

SIR: Your communication of the 26th instant submits the question whether the spools on which linen thread is wound are subject to taxation separately as spools, or whether they are free from taxation under the provisions of the seventh section of the act of March 3, 1883. That section repeals, among others, all the charges imposed by section 2907 of the Revised Statutes. Among those charges thus repealed are included "all the actual or usual charges for putting up, preparing, or packing for transportation or shipment."

In the case of *Oberteuffer v. Robertson* (116 U. S. 499), the Supreme Court of the United States, in considering the seventh section of the act of March 3, 1883, declares, "The exaction of duty on the packing, whether packing goods in a carton or the cartons in the outer case, or lining the outer case, was not warranted by law."

The spools on which the linen thread is wound seems to be the usual manner of packing the thread referred to in yours for transportation or shipment. The tax as to such spools as packing or preparation for shipment is, under the ruling in *Oberteuffer v. Robertson*, therefore, repealed, and in accordance with the view expressed in the opinion rendered on September 17, 1886, it should not be levied on the spools. The Department rulings referred to in your letter should be modified to harmonize them with the opinion referred to, and the views now expressed.

I am, sir, very respectfully,

A. H. GARLAND,  
*Attorney-General.*

ADDITIONAL DUTY UNDER SECTION 2900, REVISED STATUTES.

By a decision of the 21st of May (S., 7534), wherein these instructions to appraisers were repeated, the Department held that an addition for charges does not carry with it additional duty under section 2900, Revised Statutes, such addition not being an advance on appraisement of the value of merchandise *per se*.

(7534.)

*Additional duty—Does not apply to undervaluation of charges.*

TREASURY DEPARTMENT, May 21, 1886.

SIR: The Department is in receipt of your letter of the 23d ultimo, reporting on the application of Lutz & Movius, per C. R. French, attorney, for relief from the payment of additional (penal) duty on certain merchandise imported into your port, per Lessing and Ems, in March last (entries Nos. 31667 and 38088).

It is understood that on entering the merchandise the importers deducted from the invoice values certain items of charges, and that on appraisement the dutiable values were returned by the appraiser at sums greater than the entered values to the extent exactly of the items deducted by the importers on the entries, which advance, being more than 10 per cent., subjected the merchandise, in your opinion, to the 20 per cent. additional duty prescribed by section 2900, Revised Statutes.

If this understanding is correct, it would seem that the additions made by the appraiser were not to make market value of the goods *per se*, but for items of charges which he considered to be liable to duty.

In the opinion of the Department, the addition for charges does not carry with it the imposition of such additional duty, inasmuch as section 2900, in view of section 7 of the act of March 3, 1883, must be considered as only prescribing such duty when the value of the merchandise *per se* is advanced on appraisement to the extent of 10 per cent. or more.

You will be governed accordingly in this instance, and also with regard to the similar cases of C. C. Abel & Co., B. Illfelder & Co., T. B. Gurney, Charles and Felix Fournier, and George F. Noe, which were the subject of Department's communications to you of the 13th, 15th, and 16th ultimo, respectively.

The appraiser should be directed in cases of this character, when he is of opinion that charges deducted on entry are dutiable, to return the dutiable value of the goods *per se* and of such charges *separately*, so as to leave the question as to whether the charges are liable to duty or not to be determined by the collector on the liquidation of the entry.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

This subject of additional duty on charges was also incidentally considered in S., 7458 and S., 7558. (*Vide ante*, pages —.)

The first difficulty encountered under the Oberteuffer decision is indicated in Department's circular of March 13, 1866 (S., 7408), wherein collectors were instructed that said decision applied to cartons and like envelopes generally containing goods in plurality, such as hosiery, gloves, laces, &c., and papers or other envelopes of single packages, such as tillots, &c., which coverings *do not pass into the hands of the consumer*, and simply serve as temporary protection of the goods, and which clearly come within the purview of said decision.

In other cases, such as boxes of blacking, matches, preserved meats, fruits, &c., cases containing meerschaum pipes, opera-glasses, and musical instruments, they were instructed to assess duty in the manner in vogue prior to the Oberteuffer decision. (This last instruction was modified June 3 (S. 7558 *ante*, page—), when appraisers were directed to return the value of all merchandise and charges separately, leaving the collector to determine the *character* of the charges.)

(7408.)

*Application of Circular of February 2, 1866.*

TREASURY DEPARTMENT, *March 13, 1866.*

SIR: Until otherwise instructed, you are directed to apply the circular of the 2d ultimo, in the Oberteuffer case, only to cartons and like envelopes generally containing goods in plurality, such as hosiery, gloves, laces, &c., and to paper or other envelopes of single packages, such as tillots, &c., which coverings do not pass into the hands of consumers, but simply serve as temporary protection for goods, and which clearly come within the purview of said decision.

In other cases, such as boxes of blacking, matches, preserved meats, fruits, &c., cases containing meerschaum pipes, opera-glasses, musical instruments, &c., you should assess duty as heretofore, leaving importers the privilege of raising the question by protest and appeal.

Respectfully yours,

C. S. FAIRCHILD,  
*Assistant Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

On the 10th of April, 1866 (S. 7457), the Department decided that Japanned tin boxes containing water-colors were dutiable at the rate of 100 per cent. ad valorem, under the proviso in section 7, as coverings designed for use otherwise than in the bona fide transportation of the merchandise they contained to the United States, and on the 3d of June, 1866 (S. S. 7553, 7555, 7556), similar rulings were made as to boxes containing zithers, piccolos, and other musical instruments; boxes containing pins, and jars containing extracts of meat.

(7457.)

*Japanned tin boxes containing water-colors—dutiable at 100 per cent. as coverings designed for use otherwise than in the bona fide transportation of goods.*

TREASURY DEPARTMENT, April 10, 1886.

SIR: The Department duly received your letter of the 9th ultimo, transmitting the appeal (4304o) of Messrs. Thayer & Chandler from your assessment of duty at the rate of 100 per cent. ad valorem on certain metal boxes containing water-colors imported per Germain, a difference existed between the value of certain coverings as stated in the entry and the value as returned by the appraiser.

It appears that the value of said coverings, as stated in the entry, was 600 francs greater than the value thereof as returned by the appraiser, and that the value of the merchandise *per se* was reduced in the entry to that extent, the sum total of the values of the coverings and merchandise as returned by the appraiser and as stated in the entry being the same.

The matter has been referred to the Solicitor of the Treasury for his opinion, and his reply, a copy of which is herewith inclosed, confirms the views of the Department that the action of the appraiser in returning the dutiable value of the merchandise need have no reference to the cost of non-dutiable coverings, but simply applies to the value of the merchandise *per se*. The Solicitor being of the opinion that, as the appraised value of the dutiable goods exceeded by more than 10 per cent. the value declared in the entry, the 20 per cent. additional duty imposed by section 2900, Revised Statutes, duly accrues and should be assessed.

You will be governed accordingly.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, Chicago, Ill.

(7553.)

*Coverings, certain boxes for zithers, trial-glasses, piccolos, and cornets—dutiable at 100 per cent.*

TREASURY DEPARTMENT, June 3, 1886.

SIR: The Department is in receipt of your letter of the 28th ultimo, submitting a further report from the appraiser on the following appeals from your assessment of duty at the rate of 100 per cent. ad valorem on certain cases containing zithers, trial-glasses, piccolos, and cornets, embraced therein:

The appraiser reports that the boxes containing the zithers were composed of wood and lined with cotton plush; those containing the piccolos and cornets were composed of wood, covered with leather and lined with cotton plush, and those containing the trial-glasses were composed of wood, covered with leather, with a glass top, and lined with silk plush; and that the boxes are intended for use as permanent receptacles for the instruments.

These cases, being intended "for use otherwise than in the bona fide transportation of goods to the United States," are dutiable at the rate of 100 per cent. ad valorem, under the proviso of section 7, act of March 3, 1883, as construed by the Department in its decisions of April 10, 1886 (Synopsis, 7457), on boxes containing water-color paints, and of April 30, 1886 (not published), on cartons containing toy tea-sets.

Your assessment of duty thereon is hereby affirmed.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, Chicago, Ill.

(7555.)

*Coverings—books containing pins, dutiable at 100 per cent.*

TREASURY DEPARTMENT, June 3, 1886.

SIR: The Department is in receipt of your letter of the 25th ultimo, submitting the following appeals from your assessment of duty at the rate of 30 per cent. ad valorem

on certain books containing pins embraced therein and claimed to be exempt from duty, under section 7, act of March 3, 1883.

From an inspection of the sample submitted, it is ascertained that the books in question are composed of paper folded and sewed together in such a manner as to hold a number of rows of pins of assorted sizes, which are inclosed in a paper wrapper firmly attached to the paper in which the pins are inserted, the whole constituting what is known as a pin-book, or book of pins, which are bought and sold as entireties, and used as receptacles for the pins until they are emptied.

This form of covering is similar in character and use to the papers used for needles, which were held by the Department, under date of April 30 last (not published), to be dutiable at the rate of 100 per cent. ad valorem, under the proviso to section 7, act of March 3, 1883.

You are therefore directed to readjust the entries at that rate, and to collect the balance of duties due.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Philadelphia, Pa.*

(7556.)

*Coverings—Jars containing extract of meat. dutiable at 100 per cent.*

TREASURY DEPARTMENT, *June 3, 1886.*

SIR: The Department is in receipt of your letter of the 31st ultimo, submitting the appeal (56380) of Messrs. Eisner & Mendelson from your assessment of duty at the rate of 20 per cent. ad valorem on charges for jars containing extract of meat imported by them, per Zealand, March 20, 1886, and also for corks, capsules, and labels.

The jars in question are small earthenware jars, which are used as receptacles for the extract of meat until their contents are consumed, and under the proviso to section 7, act of March 3, 1883, as construed by the Department's decision of April 10, 1886 (Synopsis, 7457), and April 30, 1886 (not published), they are dutiable at the rate of 100 per cent. ad valorem.

Under the Department's decision of April 15, 1886 (Synopsis, 7465), the charges for corks, capsules, and labels are not dutiable.

You are hereby directed to readjust the entry in accordance with their decision, and to collect the balance of duty, if any, found to be due.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Philadelphia, Pa.*

Other decisions followed of the same character, the Department being of the opinion that these coverings were for use beyond the period of the transportation to the United States, in many cases remaining with the goods while in the hands of the consumer. See section 7468 on lacquered boxes containing handkerchiefs; 7576, opera-glasses; section 7690, leather cases containing pipes; section 7692, brass boxes containing pins, and section 7716, razor-cases.

(7468.)

*Lacquered handkerchief-boxes—Unusual coverings, 100 per cent.*

TREASURY DEPARTMENT, *April 20, 1886.*

SIR: The Department is in receipt of your letter of the 10th instant, transmitting the appeal (49040) of A. Schilling & Co. from your decision assessing duty at the rate of 100 per cent. ad valorem on sixteen lacquered handkerchief-boxes, valued at 24 Mexican dollars, imported into your port per steamer City of Sidney on the 11th ultimo, which the appellants claim to be either exempt from duty or to be dutiable at the rate of 35 per cent. ad valorem only.

You report that the appellants made entry of 1,507 packages of tea, and added thereto "two packages of samples without value," which latter were found upon ex-

amination to contain the said lacquered boxes, a portion of which covered silk handkerchiefs.

You also state that these boxes are designed for use otherwise than the bona fide transportation of the goods, and that the value of the boxes and handkerchiefs was not declared either on the entry or invoice.

In the opinion of the Department, such boxes were properly subjected to duty at the rate of 100 per cent. ad valorem, under section 7 of the act of March 3, 1883, which prescribes "that if any packages, \* \* \* boxes, or coverings of any kind shall be of any material or form designed \* \* \* for use otherwise than in the bona fide transportation of goods to the United States, the same shall be subject to a duty of 100 per cent. ad valorem." &c.

Your decision is therefore affirmed.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *San Francisco, Cal.*

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(7576.)

*Coverings—Leather and wooden cases for opera-glasses, marine-glasses, and telescopes, dutiable at 100 per cent.*

TREASURY DEPARTMENT, *June 11, 1886.*

SIR: The Department is in receipt of your letter of the 8th instant, submitting the appeal (5693o) of Messrs. S. Thaxter & Son from your assessment of duty at the rate of 100 per cent. ad valorem on certain leather and wooden cases containing opera-glasses, marine-glasses, and telescopes imported by them per Pavonia, May 10, 1886, and claimed to be exempt from duty, under the provisions of sections 7 and 10, act of March 3, 1883.

The cases in question, it appears, are such as are ordinarily used to hold opera-glasses, field-glasses, and telescopes, and are sold with the instruments and permanently used as receptacles therefor.

Under the Department's decision of the 3d instant (Circular No. 66, paragraphs 2 and 6), these cases, being designed for use otherwise than in the bona fide transportation of goods to the United States, are properly dutiable at the rate assessed, and your decision is hereby affirmed.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Boston, Mass.*

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(7690.)

*Coverings, 100 per cent.—Leather cases for pipes.*

TREASURY DEPARTMENT, *August 10, 1886.*

SIR: The Department is in receipt of your letter of March 29 last, submitting the appeal (4733o) of Messrs. George Zorn & Co. from your assessment of duty on the value of certain leather cases containing pipes imported by them per Gen. Werder, February 15, 1886.

In view of your statement that the value of the cases was included in the entered value of the pipes and returned by the appraiser as dutiable, the Department infers that the same rate of duty was assessed on the cases and the pipes.

Under its rulings of June 3, 1886 (Synopsis, 7553), and June 11, 1866 (Synopsis, 7576), on boxes and cases for zithers, piccolos, cornets, trial-glasses, opera-glasses, marine-glasses, and telescopes, the leather cases in question are dutiable in this instance at the rate of 100 per cent. ad valorem, and you are therefore directed to adjust the entry at that rate, and to take measures for collecting the balance of duties found to be due.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Philadelphia, Pa.*

(7692.)

*Coverings, 100 per cent.—Brass boxes containing pins.*

TREASURY DEPARTMENT, August 10, 1886.

SIR: The Department duly received your letter of March 23 last, submitting the appeal (4637*o*) of Messrs. Sibley, Lindsay & Curr from your assessment of duty on certain small boxes and papers containing pins imported by them per Moravia, February 22, 1886.

The boxes, it appears, are composed of brass, with sliding covers, each containing sixty mourning-pins, and the papers are the ordinary papers into which pins are stuck in rows and rolled so as to form what is usually known as "a paper of pins."

Under the Department's decision of June 3, 1886 (Synopsis, 7555), it was held that books containing pins were dutiable at the rate of 100 per cent. ad valorem, and this decision is applicable to the boxes and papers covered by the present case.

You are therefore directed to adjust the entry at that rate, and to take measures for collecting the balance of duty found to be due.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, Rochester, N. Y.

(7716.)

*Coverings—Razor-cases dutiable.*

TREASURY DEPARTMENT, August 24, 1886.

SIR: The Department is in receipt of your letter of the 29th ultimo, submitting the appeal (6976*o*) of Messrs. Dame, Stoddard & Co. from your assessment of duty at the rate of 100 per cent. ad valorem on certain cases containing razors imported by them per Venetian, June 19, 1886.

The appraiser reports that the cases in question, which pass into the hands of the consumers, are used otherwise than for the bona fide transportation of the goods.

Your assessment of duty thereon, being in harmony with the Department's decision of June 3, 1886 (Synopsis, 7553), on cases containing zithers, piccolos, cornets, and trial-glasses, is hereby affirmed.

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Respectfully, yours,C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, Boston, Mass.

As samples of free coverings, under these rulings, see S., 7353, on cigar-boxes; S., 7463, tin cases containing tagger's iron; S., 7626, pasteboard boxes containing mouth harmonicas; and S., 7715, wooden boxes containing gelatine.

(7353.)

*Boxes containing cigars—Free of duty.*

TREASURY DEPARTMENT, February 6, 1886.

SIR: The Department is in receipt of a letter, dated the 4th instant, from Messrs. Bendheim Bros. & Co., in which they report that a difference of opinion exists between the officers of the customs at your port as to whether boxes containing imported cigars are liable to duty or not.

These boxes are inside coverings, in the nature of cartons, and they seem to be covered by the decision of the United States Supreme Court in the case of *Oberteuffer et al. vs. Robertson*, which is appended to Department circular of the 2d instant (No. 12.)

Under such decision, the cigars should be returned for duty at their value *per se*, without the addition of any charge for cost of boxes or otherwise.

Respectfully, yours,

C. S. FAIRCHILD,  
*Assistant Secretary.*

COLLECTOR OF CUSTOMS, Baltimore, Md.

(7463)

*Coverings, tin cases containing black tagger's iron—Non-dutiable.*TREASURY DEPARTMENT, *April 13, 1886.*

SIR: The Department is in receipt of your letter of the 5th instant, reporting on the appeal (2735 o) of Messrs. Phelps, Dodge & Co. from your assessment of duty on the value of tin cases containing black tagger's iron imported by them, per Warwick, November 20; Egypt, November 10; City of Berlin, November 21; Brooklyn City, November 16, and Republic, November 16, 1885.

The cases in question being outside coverings of the goods, and their cost being specified in the invoices, you are authorized to readjust the entries in accordance with the Department's decisions of February 2, 1886 (circular No. 12), and March 13 and March 29, 1886 (not published), and to forward a certified statement for the refund of the excess of duty.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*COLLECTOR OF CUSTOMS, *New York.*

(7620.)

*Coverings—Pasteboard Cartons for Harmonicas not Dutiable.*TREASURY DEPARTMENT, *July 8, 1886.*

SIR: The Department duly received your letter of the 30th ultimo, transmitting the protest and appeal (6494o) of Oliver Ditson & Co., from your assessment of duty at the rate of 100 per cent ad valorem on certain harmonica covers imported per Borderer, May 29, 1886.

It appears that duty was assessed at this rate under the provisions of section 7, act of March 3, 1883, for covers designed for use otherwise than in the bona fide transportation of goods to the United States, and in pursuance of the rule laid down in Department's decisions of April 20, 1886 (Synopsis, 7468), and June 3, 1886 (unprinted) see weekly circular No. 66, paragraph 6.

By Department's decision of April 13 last, it was held that pasteboard boxes or cartons which go as coverings with these mouth-harmonicas, or are intended rather for the protection of the goods in their bona fide transportation than for subsequent use in connection with the instruments, should be excluded in ascertaining the dutiable value of the goods.

They would, therefore, not be dutiable as coverings "for use otherwise than in the bona fide transportation of the goods," and your assessment of such duty on similar goods in the present case cannot, accordingly, be sustained.

You are authorized to reliquidate the entry and to take the necessary steps for refunding the duty exacted on these coverings.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*COLLECTOR OF CUSTOMS, *Boston, Mass.*

(7715.)

*Coverings—Boxes containing gelatine not dutiable.*TREASURY DEPARTMENT, *August 23, 1886.*

SIR: The Department is in receipt of your letter of July 17 last, transmitting the appeals (6726o and 6727o) of Messrs. James A. Hayes & Co. from your assessment of duty at the rate of 100 per cent ad valorem on the boxes containing gelatine imported by them per Scythia, May 14, 1886, and April 12, 1886, and claimed to be non-dutiable.

It appears that the boxes in question are small, of thin wood, and covered with paper and printed labels, and; in the opinion of the Department, are too frail to be of use otherwise than as a protection to the gelatine in the bona fide transportation thereof.

They appear, also, to be the usual and necessary coverings of such goods.

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These coverings fall within the principle laid down in Department's decision of July 8, 1886 (Synopsis, 7620).

The claim of the appellants is sustained, and you are authorized to reliquidate the entries and to take measures for a refund of the duty exacted on said coverings.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Boston, Mass.*

Collectors were accordingly instructed that in all cases where the appraisers should so return the coverings as intended for use otherwise than in the bona fide transportation of the goods to the United States the 100 per cent. duty should be collected unless importers should elect to treat such coverings as *independent commodities* aside from their contents, and dutiable at the respective rates provided therefor under the tariff, as manufactures of wood, metal, fancy boxes, &c., in which case duty might be assessed at the rates applicable. In Department's decision of June 21, 1886 (S., 7592), and August 3, 1886 (S., 7675).

(7592.)

*Coverings—When dutiable at 100 per cent.*

TREASURY DEPARTMENT, *June 21, 1886.*

SIR: I am in receipt of your letter of the 17th instant, further concerning the assessment of duties on coverings (earthen jars) designed for use otherwise than in the bona fide transportation of merchandise.

As intimated in my letter of the 16th instant, where such coverings of merchandise are imported as independent commodities aside from their contents, they may be classified under the appropriate provision in the tariff act relating thereto, as, for instance, decorated earthenware, vases, and jars should be classified as such, under Schedule B.

The rule in such instances should be, as suggested by you, to treat all such coverings as independent commodities whenever the importer at the time of entry shall expressly declare that they are intended as independent commodities, and are not imported as coverings of or charges incident to the goods they contain.

This rule corresponds with that set forth in Department's previous decisions (Synopsis, 5770, 7264, &c.), to which you refer.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

(7675.)

*Extraordinary coverings.*

TREASURY DEPARTMENT, *August 3, 1886.*

SIR: The Department is in receipt of your letter of the 31st ultimo, in which you state that an importer at Chicago desires to be informed as to whether he can import extraordinary coverings, such as violin boxes and other boxes for use in transporting and preserving musical instruments, and have them classified according to the materials of which they are composed, as independent importations aside from their contents.

This question was, to some extent, the subject of Department's ruling of June 21 last (Synopsis, 7592), wherein it was held that coverings might be considered as independent commodities whenever the importer at the time of entry shall expressly declare that they are imported as such, and are not intended merely as coverings of or charges incident to the goods they contain. In the case of the boxes mentioned by you, it is understood that such articles are frequently imported as such commodities without containing the articles for which they may be intended, and no objection is perceived, when an importer shall declare at the time of entry that boxes of this character are imported as such and not as coverings intended for bona fide transport-

tation of the goods to the United States or otherwise, to their being classified according to the materials of which they are constituted, it being understood, however, that the appraiser shall report that such declaration is true.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

CHAS. H. HAM, Esq.,  
*United States Appraiser, Chicago, Ill.*

Many importers availed themselves of this privilege and entered their goods and the coverings therefor separately, and duty was assessed on each at the rates respectively applicable.

This practice, however, gave rise to the question in the mind of the Acting Secretary as to whether such coverings had ever lost their dutiable character as independent commodities in view of the peculiar wording of section 7, which merely prohibits *the addition of their cost to the dutiable value of their contents*, but does not exempt them from the duty which would have been applicable had they been imported separately and in the absence of any other provision of law exonerating them from duty.

In the mean time the appraisers at the several ports found great difficulty in reconciling their practice to the interpretation placed by the Department on the proviso in section 7, as to the use of the coverings beyond the mere transportation to the United States, and their returns were accordingly made in such an ambiguous form as to involve collectors in doubt, and to necessitate the decision of the Department in numerous cases, such as tin boxes containing peas, mushrooms, fish, and all the other varieties of canned goods, all of which the appraisers returned as the usual and necessary coverings for the merchandise they contained, but which passing into the hands of the consumer were for use (in accordance with the Department's rulings) otherwise than in the bona fide transportation of goods to the *United States*.

It was also found about this time that the collector at New York, acting under the general instructions contained in Department's circular of February 2, 1886, promulgating the Oberteuffer decision (see S., 7387, p. —), was passing free of duty, without reference to the Department, coverings, which, on protest and appeal from other ports, the Department had held to be dutiable at 100 per cent.

This naturally gave rise to complaints of unjust discrimination from importers from other ports, and the Department, realizing that the assessment of duty at 100 per cent. on all coverings similar to those which had been already held to be dutiable at that rate would involve the publication of multitudinous decisions, decided, before going further, to obtain from the Attorney-General a statement of his views as to the interpretation of said proviso, and at the same time to submit the other questions which had arisen as above indicated. Copies of the Department's letter to the Attorney-General and his reply thereto are herewith inclosed.

(7771d.)

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., September 2, 1886.*

The Hon. the U. S. ATTORNEY-GENERAL:

SIR: I have the honor to inclose herewith copy of circular issued by this Department, under date of February 2, 1886, embodying the decision of the Supreme Court of the United States in the case of *Oberteuffer v. Robertson* as to the proper construction of section 7 of the act of March 3, 1883, and to ask your opinion on the questions hereinafter presented,

Sections 2907 and 2908 of the Revised Statutes of the United States and section 14 of the act of June 22, 1874, established rules for the ascertainment of the *dutiable value* of imported merchandise, by which certain additions to the cost of the actual wholesale price of the merchandise in the foreign country should be made. These additions represented, among other things, the value of the boxes, sacks, or coverings in which such merchandise was contained.

Section 7 of the act of March 3, 1883, repealed sections 2907 and 2908 of the Revised Statutes and section 14 of the act of June 22, 1874, and provided that thereafter the value of the usual and necessary sacks, crates, boxes, or coverings of any kind should *not* be estimated as part of the value of the imported merchandise.

As sacks, boxes, and other receptacles which are ordinarily used in the importation of merchandise would, if imported separately, be dutiable under the respective provisions of the tariff applicable thereto, the question presents itself whether they lose their dutiable character by being filled with or used for the transportation of such goods.

This question does not appear to have been presented to the court in the *Oberteuffer* case, but from a statement found on page 6 of the inclosed circular it appears that the court indulged in some remarks that might be considered as applicable. It is there stated, referring to a further provision of section 7 authorizing the assessment of 100 per cent. duty in certain cases on the value of the coverings if designed to evade duties or for use otherwise than in a bona fide transportation of the goods to the United States, that "this implied that if boxes or coverings of any kind are not of a material or form designed to evade duties thereon, and are designed to be used in the bona fide transportation of the goods to the United States, *they are not subject to duty.*"

Bottles if filled, except those containing ginger ale (paragraph 317) are dutiable at 30 or 40 per cent. ad valorem (see paragraphs 133 and 134). "Fancy boxes" and manufactures of wood, manufactures of paper, manufactures of leather, and manufactures of other materials from which receptacles or coverings for merchandise are usually made, are provided for in the tariff under their respective provisions.

In view of the apparent absence of any legislation exempting boxes, sacks, and other receptacles (except ginger-ale bottles as above) when filled from the duty which would be applicable under the various provisions of the tariffs if empty, I will thank you for an expression of your opinion as to whether the statement of the Supreme Court aforesaid, that such coverings are not subject to duty, should be considered as mere dictum used in the process of argument or as an authoritative expression of the views of the court.

The further provision in said section 7, by which a duty of 100 per cent. ad valorem is authorized in certain cases, as above referred to, is also submitted for your consideration, and in connection therewith I transmit copies of some of the Department's decisions rendered thereon since the decision in the *Oberteuffer* case.

An attempt has been made to confine the exemptions in the *Oberteuffer* decision to such coverings as do not pass into the hands of the consumers, but simply serve for the temporary protection of the goods, and thus clearly come within the purview of said decision, such as cartons for hosiery, gloves, laces, &c. In other cases, such as boxes of blacking, matches, preserved meats, fruits, &c., cases containing meerschaum pipes, opera-glasses, musical instruments, &c., collectors were instructed to assess duty as heretofore. (See decision March 13 last, S., 7408.)

The question in each case was left under the rule thus established to be decided by the appraiser at the port of importation, the collector being authorized to assess duty at 100 per cent. ad valorem in all cases where the appraiser should report that the boxes or other coverings were for use otherwise than in the bona fide transportation of the goods to the United States.

Considerable confusion has resulted from the conflicting views of the appraising officers at the several ports, and their inability to harmonize their views as to the uses of coverings in given cases with those expressed by the Department in similar cases through its printed decisions. Thus, the Department having decided that earthenware jars containing meat (S., 7556) and books containing pins (S., 7555) were dutiable as coverings for use otherwise than in the bona fide transportation of goods to the United States, the appraisers at Boston and elsewhere have extended the assessment of duty under the said provisions to tin cans containing mackerel and other fish, papers containing polishing powder, and numerous other coverings concerning which there is good ground for doubting the validity of such assessment.

The question, therefore, of the proper interpretation of said proviso in section 7 is also submitted for your consideration.

Under a recent case tried in the United States district court for the southern district of New York, and found in volume 28, No. 1 (United States *v.* Thurber) Federal Reporter, it was held that the transportation referred to in such proviso extended to the purchaser, or, in the language of the court, to the vest pocket of the consumer,

This is apparently in conflict with the limitation in the proviso, which reads, "transportation of goods to the United States."

Recently importers have been permitted to state the value or cost of coverings separately in their entry, for the purpose of having duty assessed thereon under the respective provisions in the tariff applicable to their component materials.

This, of course, is upon the theory that the coverings have never lost their dutiable character, and that the exemptions of said section 7 only prohibited the inclusion of their cost, in the *dutiable value* of the merchandise which they contain.

Should this view be finally adopted, consistent action on the part of the Department would require that none of the coverings should be *wholly* exempted from duty, but should be assessed either at the rate applicable under the tariff to their component materials, or at the rate of 100 per cent. ad valorem if the failure to state the cost thereof separately in the entry should indicate an attempt to evade the duty thereon.

Reports from the appraiser at Boston and from the general appraiser at Baltimore are submitted, which I will thank you to return with your reply.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

(7766.)

*Dutiable value of imported merchandise and classification of coverings.*

TREASURY DEPARTMENT, September 21, 1886.

The subjoined opinion of the Hon. G. A. Jenks, Acting United States Attorney-General, dated the 17th instant, concerning the "dutiable value" of imported merchandise and the classification of coverings containing imported merchandise, under the existing statutes, in which the Department concurs, is published for the information and guidance of officers of the customs and others interested.

C. S. FAIRCHILD,  
*Acting Secretary.*

TO COLLECTORS AND OTHER OFFICERS OF THE CUSTOMS.

DEPARTMENT OF JUSTICE, September 17, 1886.

SIR: Your communication of the 2d instant submits for consideration four subjects:

First. "As sacks, boxes, and other receptacles, which are ordinarily used in the importation of merchandise would, if imported separately, be dutiable under the respective provisions of the tariff applicable thereto, the question presents itself whether they lose their dutiable character by being filled with or used for the transportation of such goods."

Second. In the case of *Oberteuffer vs. Robertson*, No. 1192 of October term, 1885, in the Supreme Court, in considering the seventh section of the act of the 3d of March, 1883, the following language is used: "This implied that if boxes or coverings of any kind are not of material or form designed to evade the duties thereon, and are designed to be used in the bona fide transportation of the goods to the United States, they are not subject to duty;" with reference to, which you state, "I will thank you for an expression of your opinion as to whether the statement of the Supreme Court that such coverings are not subject to duty should be considered as mere dictum used in the process of argument, or as an authoritative expression of the views of the court."

Third. "The further provision in said section 7, by which a duty of 100 per cent. ad valorem is authorized in certain cases, as above referred to, is also for your consideration."

Fourth. "The question of the proper interpretation of the proviso in section 7 is also submitted for your consideration."

The solution of the questions submitted depends upon the true interpretation of the seventh section of the act of the 3d of March, 1883. That section provides "that sections 2907 and 2908 of the Revised Statutes of the United States, and section 14 of the act entitled 'An act to amend the customs-revenue laws, and to repeal motieties,' approved June 22, 1874, be, and the same are hereby, repealed, and hereafter none of the charges imposed by said sections, or any other provisions of existing laws, shall be estimated in ascertaining the value of goods to be imported, nor shall the value of the usual and necessary sacks, crates, boxes, or coverings of any kind be estimated as part of their value in determining the amount of duties for which they are liable: *Provided*, That

if any packages, sacks, crates, boxes, or coverings of any kind shall be of any material or form designated to evade duties thereon, or designed for use otherwise than in the bona fide transportation of goods to the United States, the same shall be subject to a duty of one hundred per centum ad valorem upon the actual value of the same." By this section, whatever, in sections 2907 and 2908 of the Revised Statutes and the fourteenth section of the act of June 22, 1874, was included as charges, is excluded from the estimate in fixing the dutiable value of the goods to be imported. The three sections repealed by the section quoted embrace as charges—"The cost of transportation, shipment, and transshipment, with all expenses included from the place of growth, production, or manufacture, whether by land or water, to the vessel in which shipment is made to the United States, the value of the sack, box, or covering of any kind in which merchandise is contained, commission at the usual rate, but in no case less than two and one-half per centum, and brokerage, export duties, and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment." When these charges are excluded, the goods to be imported are left to be valued "at the actual market value or wholesale price thereof at the period of the exportation to the United States in the principal markets of the country from which the same has been exported." Taken in connection with the provisions of section 2906, Revised Statutes, which remain unrepealed, the effect of section 7 of the act of the 3d of March, 1883, is to make the dutiable value the same as "the actual and market value or wholesale price" in the principal markets of the country from which the goods were exported at the time of the exportation.

Hence the market value of the goods to be imported as above stated, as the law now stands, is identical with the dutiable value. Nor can any of the charges above stated be added to that value for the purpose of charging duties thereon. Sacks, boxes, and coverings of any kind in which merchandise is contained are embraced among the charges which are not to be included with the value of the goods. As the statute in the broadest terms excludes all these, it is not permissible to add to its terms either the words "inside" or "outside." The exemption extends alike, and with equal force to both inside and outside sacks, boxes, or coverings of the merchandise. But the same sacks, boxes, or coverings, if imported separately, would be subject to duty.

The inquiry arises whether each is not to be charged with a duty when used as the covering to other dutiable merchandise as though separately imported? Did the legislative power so intend it?

The revenue act of 1883, of which section 7 is a part, was intended to reduce the revenue of the Government, which had become excessive. To reduce taxation on imports was the means adopted.

The increased dutiable value of the importations occasioned by adding the value of coverings, &c., under section 2907, if stricken off entirely, would be a large reduction, but if the coverings were only to be separated for purposes of duty from the value of the goods, and then taxed at separate rates, whether such a measure would increase or diminish the actual tax would be very uncertain. It is unlikely Congress would intend a reduction and pass an act which was subject to such uncertainty as to results. Simplicity in administration is an important element of a judicious tax bill.

The collection of duties under section 2907, which was repealed, would be more easily administered than under the act of 1883, if the duties on the coverings were only intended to be changed as to rates and be levied.

The coverings were not by former laws subject to taxation, except as charges on the goods imported. Yet under the former law they would have been liable to taxation if separately imported.

The mere repeal of the charge cannot be considered as an enactment of a duty on that which before the repeal would not have been subject to duty.

The proviso to the section under consideration suggests beyond mistake that a separate levy of the duty repealed was not contemplated by Congress. That proviso is, "That if any packages, sacks, crates, boxes, or coverings of any kind shall be of any material or form designed to evade duties thereon, or designed for use otherwise than in the bona fide transportation of goods to the United States, the same shall be subject to a duty of one hundred per centum ad valorem upon the actual value of the same."

If the same tax was intended to be imposed upon a given article, whether it was used as a covering for other goods or imported separately, it is not possible that Congress would have imposed a penalty for an evasion which under such an interpretation of the law could not occur; but if when used as a covering it came in free from duty, and when separately imported it was subject to duty, there would be a temptation for a colorable and fraudulent use as a covering, in order to evade duty. The proviso was intended to prevent such an evasion.

That the charges repealed by this section are not subject to a separate tax is distinctly ruled in the case of *Oberteuffer vs. Robertson*, in the following language, as quoted in your letter:

"This implies that if the boxes or coverings of any kind are not of a material or form designed to evade duties thereon, and are designed to be used in the bona fide transportation of the goods to the United States, they are not subject to duty."

That this is not dictum is well established by the fact that it is a distinct answer to what the court in the opening of the opinion says is the main point in the case, as follows:

"The main question left in the case is, whether it was *lawful to impose duties* on the items for boxes and packing in the invoices on the two cases and the twenty-one cases, and on the items added to the invoices of the one case, which item was one for like boxes and packing."

The brief submitted in the case by Solicitor-General Goode, on the part of the Government, declares:

"It will be seen that the plaintiff's protest stated substantially but a single ground of objection to the collector's liquidation, which was *that the cartons were not liable to duty.*"

The court again, after a discussion of an objection raised by the Solicitor-General that the plaintiffs in the case had mistaken their remedy, in that they had not demanded a reappraisal under section 2930, rules the objection not well founded, and concludes the discussion of that branch of the subject by saying:

"The exaction of the duty on the packing, whether packing goods in a carton, or the cartons in the outer case, or lining the outer case, *was not warranted by law.*"

Hence it would seem the very subject was distinctly before the court, considered by it as essential to a proper decision of the case, was formally ruled upon, and thus became an authoritative interpretation of the section under consideration. But, while section 7 does not permit a separate assessment of the boxes, coverings, &c., nor an assessment as part of the value of the goods, in order that this freedom from duty may not be fraudulently or wrongfully used to import dutiable goods free the proviso to the section was added by which a penalty of 100 per centum ad valorem is imposed whenever such an invasion is attempted. This penalty is only incurred, first, when the coverings, &c., "shall be of any material or form *designed to evade duties thereon;*" second, "when *designed* for use otherwise than in the bona fide transportation of the goods to the United States."

The first cause for the imposition of the penalty commits to the officer charged with the administration of the law the duty of determining from the character, value, form, and material whether the purpose and design of the covering was an evasion of duty or a good-faith covering. If the covering in either material or form is unusual and dutiable under other provisions of law, he is allowed to infer, when its character is thus extraordinary, that evasion is *designed*.

The second ground for the imposition of the penalty requires the officer to determine whether the covering was *designed* at the time of its application to that use to be used again for the same or some other use, of substantial commercial value, for which, if separately imported, it would be subject to duty, or whether its utility will be substantially exhausted as soon as it shall have subserved the use to which as a covering it is then devoted. In the former event, the penalty of 100 per centum should be collected; in the latter, it should not. The mere fact that it is continued after importation as a covering for the same merchandise calls for no penalty. The law does not contemplate that as soon as the merchandise reaches the port and pays the duty it shall then be denuded and new covering, either inside or outside, be provided to protect it either in handling or sale; neither is there any time or place after the importation that the same covering, used for the same merchandise as covering from which or in which to make sale of the merchandise, would show that it was designed for use for importation, so as to subject the covering to a duty at the rate imposed as a penalty in the proviso, nor would the fact that a box might possibly afterwards be used for fuel or the covering for some other use subject the box or covering to a penalty, unless there is reason to believe such use was *designed and contemplated* at or before the time of importation.

From this general consideration of the subject, the conclusions follow:

1. That the sacks, boxes, and coverings of any kind the duty on which was repealed as charges by the seventh section of the act of the 3d of March, 1883, are not subject to duty, neither as a part of the value of the goods nor separately, except when they come under the proviso to that section or some special provision of law.
2. That the portion of the opinion in the case of *Obertenfer v. Robertson* quoted in your letter is not dictum, but an authoritative interpretation of the law on the subject referred to therein.
3. That the 100 per centum ad valorem can be imposed upon coverings only when their material or form justifies the conclusion that they were used as such to evade duties, or when they were *designed* or *contemplated* to be applied to some use other than to that of coverings for transportation to the United States of the merchandise they then inclose, even though that use as a covering only should continue after the goods had passed beyond the custom-house to the market or consumer.
4. The mere fact that the boxes, sacks, crates, or coverings of any kind might possibly be used after importation for other uses, if such uses were not designed at or before the time of importation, and there was not at the time a design to evade duty by

their use as coverings, will not subject such coverings to the 100 per centum ad valorem duty prescribed as a penalty.

The 100 per centum duty in the proviso, although not in terms a penalty, is an unusually high duty.

The section under consideration clearly excludes the coverings from valuation as a part of the goods.

The second element in the proviso to the section implies no turpitude on the part of the importer.

In balanced cases in a customs act the doubt is to be resolved in favor of the importer. Hence, although the coverings after the port is reached might by a literal interpretation be construed, if intended for use thereafter as a cover to the same goods, to be designed "for use otherwise than in the bona fide transportation of goods to the United States," yet such an interpretation, while within the letter, would be a violation of the spirit of the act.

The inclosures transmitted with yours are herewith returned.

I am, sir, respectfully,

G. A. JENKS,  
Acting Attorney-General.

The SECRETARY OF THE TREASURY.

It will be seen that the Attorney-General is of the opinion that while the independent dutiable character of the coverings is not specifically abrogated by any provision of law, the proviso to section 7 and the general intent of the revenue act of 1883 accomplish this effect by implication; also, that in his opinion the transportation to the United States, referred to in the proviso, extended beyond the precincts of the custom-house to the hands of the consumer, and that unless the material and form of such coverings justify the conclusion that they were *designed* or *contemplated* to be applied to some use other than to that of coverings, they were not dutiable.

In order that the Department might not err in its application of the views of the Attorney-General, with which it was deemed expedient to acquiesce, he was specifically interrogated in subsequent letters as to the dutiable character of boxes containing musical instruments, tin cases containing canned goods, earthenware jars containing extracts of meat, &c., and similar coverings which had been the subject of decision by the Department, and as his replies (S. S. 7781 and 7791) specifically stated that in his opinion these coverings were to be exempted from duty under the Oberteuffer decision, the practice has been changed accordingly.

(7781.)

*Coverings non-dutiable—Opinion of Attorney-General.*

TREASURY DEPARTMENT, September 29, 1886.

SIR: I inclose herewith a copy of an opinion, dated the 27th instant, from Hon. G. A. Jenks, Acting Attorney-General, relative to the assessment of duty on tin cans containing French peas, prepared meats, fish, fruits, vegetables, and milk food, from which you will see that the officer advises that such tin cans are not liable to the duty of 100 per cent. ad valorem under section 7 of the act of March 3, 1883, inasmuch as they are neither designed to evade duties nor for use otherwise than in the *bona fide* transportation of the contents, and that this opinion is in harmony with the principles enunciated in his communication of the 17th instant, on coverings, which is the subject of Department's circular of the 21st instant (No. 130).

The Department accordingly modifies its decisions of April 30, 1886 (unprinted), on papers containing needles and cartons containing china tea-sets; June 3, 18-6 (synopses 7555 and 7556), on books containing pins and earthenware jars containing meats; June 25, 1886 (unprinted), on tin cans containing French peas, and all other decisions which may conflict with the views expressed in the accompanying opinion, and directs that coverings similar to those in question be hereafter passed free of duty.

The appeals hereinafter described, which were received with your letters of various dates, covering assessments of duty at 100 per cent. on tin boxes containing fish,

truffles, peas, mushrooms, and meats; wooden boxes containing pills, and face and tooth powders; jars containing ointments, cold cream, extract of meat, and potted meats; metal tubes containing shaving-soap; pasteboard boxes containing corn and bunion plasters; papers containing needles and polishing-powder; and cartons containing toy tea-sets, are accordingly sustained, and the entries may be reliquidated and duties refunded in the usual manner.

The same course may be followed with regard to previous importations of such goods where duty has been exacted on the coverings, and the requirements of the law as to protest, appeal, and suit have been duly complied with. (See section 2931, Revised Statutes, and Department's instructions of May 7, 1886, synopsis 7505.)

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *Boston, Mass.*

DEPARTMENT OF JUSTICE,  
*Washington, September 27, 1886.*

SIR: I received yours of the 23d of September instant, in which you state:

"I have to inform you that under date of June 25, 1886, the Department decided that tin cans containing French peas were subject to duty at the rate of 100 per cent. ad valorem, under the proviso of section 7, act March 3, 1883. \* \* \* In view of the provisions of section 2, act of March 3, 1875 (U. S. Statutes, vol xviii, page 469), I will thank you to inform the Department whether such tin cans, and similar tin cans containing prepared meats, fish, fruit, and vegetables and milk food, are properly dutiable at the rate of 100 per cent. ad valorem."

The cans referred to in yours are neither of material nor form designed to evade the duties thereon; nor are they designed for use otherwise than in the *bona fide* transportation of goods to the United States, except as a covering to the *very goods* imported, after which they are not adapted to any further or additional use. In accordance with the views expressed in a letter transmitted to your Department on the 17th instant, the cans would not be subject to the 100 per cent. ad valorem duty prescribed by the proviso to the seventh section of the act of the 3d of March, 1883.

The inclosure referred to, with yours, is herewith returned.

Very respectfully,

G. A. JENKS,  
*Acting Attorney-General.*

The SECRETARY OF THE TREASURY.

(7791.)

*Coverings, non-dutiable—Boxes containing musical instruments—Opinion of Attorney-General.*

TREASURY DEPARTMENT, *October 2, 1886.*

SIR: The Department duly received your letter of August 7 last, reporting on the appeal (6396 o) of Messrs. Kohler & Chase from your action in assessing duty on certain cases containing flutes imported by them, per rail from New York, under inward foreign entry No. 4875, on the 13th of May last.

It appears that the value of the flutes on which duty was assessed in this case included the cost of certain boxes or cases containing the same, and described by the appraiser at your port as being handsomely made of wood and leather, and divided into several compartments, to receive the different parts of the flute when taken apart. He further reports that in his opinion they were designed for use otherwise than in the *bona fide* transportation of the goods to the United States.

The question of the dutiable character of boxes and cases containing musical instruments was submitted to the United States Attorney-General, and I herewith inclose a copy of his opinion thereon.

You will perceive that boxes of this character, and also leather and wooden cases for opera and marine glasses and telescopes, leather cases for pipes, razor-cases, violin-boxes, and cases for clarionets, zithers, cornets, and trial-glasses, are, in his opinion, clearly not intended to evade duty, as they are the usual and ordinary coverings for

such instruments, and that, although they may be intended for coverings for the same after they shall have been imported, yet there is no reason to believe that they were designed for any further use or for sale separately as commodities.

Under this view, in which the Department concurs, these boxes, as coverings, are entitled to free entry, under the decision of the Supreme Court in *Oberteuffer vs. Robertson* (Synopsis, 7387), and the recent opinion of the Acting Attorney-General thereon (see Circular 21st ultimo, No. 130), in all cases where the invoice or entry specified the value thereof separately from the value of the goods (Synopsis, 7422).

Department's decision of June 3, 1886 (Synopsis, 7553) is modified accordingly, and you are authorized to reliquidate the entries and take the necessary steps for refunding the duties which have been exacted on coverings, either in the manner followed in this case, as part of the value of their contents, or at the rate of 100 per cent., under section 7, act of March 3, 1883, in all cases where the provisions of section 2931, Revised Statutes, as to protest, appeal, and suit, have been complied with, and the invoice or entry shows distinctly what the cost of such coverings was, and that it was included in the value of the goods.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *San Francisco, Cal.*

[Opinion of the Attorney-General.]

DEPARTMENT OF JUSTICE,  
*Washington, September 27, 1886.*

SIR: In your communication of the 24th of September instant you state:

"Referring to the letter of the Acting Attorney-General, dated the 17th instant, in relation to the construction of section 7, act of March 3, 1883, I have the honor to inform you that under date of June 3, 1886, (Synopsis, 7553, herein inclosed), the Department decided that certain boxes or cases containing zithers, piccolos, cornets, and trial-glasses were subject to duty at the rate of 100 per cent. ad valorem, under the proviso to said section.

"The boxes containing the zithers were described as wooden boxes lined with cotton plush, those containing the piccolos and cornets as wooden boxes covered with leather and lined with cotton plush, and those containing the trial-glasses as wooden boxes covered with leather, with a glass top, and lined with silk plush.

"These boxes conform in shape to, and are specially made as permanent receptacles for, the various instruments imported in them, and in some cases are held for sale as separate commodities, both the instruments and the boxes being imported separately or together.

"The Department held that the boxes were dutiable at the rate aforesaid, because they were 'designed for use otherwise than in the bona fide transportation of goods to the United States.'

"Similar decisions have been made in relation to leather and wooden cases for opera and marine glasses and telescopes, leather cases for pipes, razor-cases, and violin-boxes, which are similar in character and uses to those above described, as are also the cases containing flutes, clarionets, and a great variety of other instruments and articles.

"In view of the provisions of section 2, act of March 3, 1875 (U. S. Stat., vol. xviii, page 469), I will thank you for an expression of your views as to the correctness of such assessment of duty."

The several coverings referred to in yours were clearly not intended to evade duty, as they are the usual and ordinary coverings for such instruments. Although they may be intended for coverings for the same after they shall have been imported, there is no reason to believe they were designed for any further use or for sale separately as commodities. Hence, for the reasons set forth in the opinion transmitted to your Department on the 17th instant, the boxes and coverings referred to in yours are not subject to the 100 per cent. duty ad valorem prescribed in the proviso to the seventh section of the act of March 3, 1883.

Very respectfully,

G. A. JENKS,  
*Acting Attorney-General.*

The SECRETARY OF THE TREASURY.

The question involving the application of this decision to boxes containing Swedish matches which light on the box, and also other boxes containing matches, which is involved in cases now pending before the

United States Supreme Court, is now awaiting further report from the Attorney-General. Beyond this there do not seem to be any difficult questions pending under the Oberteuffer decision.

Recently (S. 7786) certain casks which are dutiable at 30 per cent. ad valorem when imported empty (T. I., new, 231), were held to be dutiable at the rate of 100 per cent. under section 7 when imported filled with canary seed, a non-dutiable article for which casks are not the usual and necessary coverings.

(7786.)

*Coverings—Unusual, casks filled with canary-seed—dutiable at 100 per cent.*

TREASURY DEPARTMENT, October 1, 1886.

SIR: The Department is in receipt of your letter of the 22d ultimo., transmitting the appeal (7923 o) of Messrs. Eugene Thomas & Co. from your assessment of duty at the rate of 100 per cent. ad valorem on certain wine-casks imported filled with canary-seed, per "Paolina Zino," August 16 last.

It appears that the casks were neither invoiced nor entered separately, but that their value was ascertained by the appraiser.

Such casks when imported separately are subject to duty at the rate of 30 per cent. ad valorem, under T. I., new, 231, which is the rate claimed by the appellants to be applicable to this case, and which would have been properly assessable thereon, provided the casks had been duly invoiced and entered.

The facts, however, that they were imported filled with canary-seed, which is entitled to free entry, and that no statement of their value was made on the invoice and entry, would indicate that they were imported in this manner in order to evade the payment of duty thereon, and that they thus clearly fall within the provision of section 7, act of March 3, 1883.

Your assessment of duty is accordingly affirmed.

Respectfully yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

COLLECTOR OF CUSTOMS, *San Francisco, Cal.*

As in this case the report of the collector indicated that these casks were intended to be used in this country as receptacles for wine, the justice of this decision can hardly be questioned.

Respectfully submitted.

J. G. MACGREGOR,  
*Chief Customs Division.*

No. 3.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,  
*New York, November 4, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: In accordance with your instructions of the 27th ultimo, we have obtained the opinions of the best examiners, appraisers, and other customs officers at the ports of Boston, Philadelphia, Baltimore, and New York upon the following points:

(1) Whether customs administration is feasible in respect to the coverings of imported goods under the law as expounded by the Attorney-General (S. S. 7766, 7781).

(2) Whether administration would be more feasible under the section proposed by the Department and adopted in the Hewitt bill than under the law interpreted by the Attorney-General, as above stated.

Upon the first proposition the officers consulted substantially concurred in the opinion that it is *not* feasible to administer the law as construed by the Attorney-General—that is to say, to appraise and classify merchandise in accordance with the ruling which requires appraisers to ascertain and appraise the actual market value of the merchandise *per se*, divested of all coverings and of all costs for folding, packing, ticketing, papering, cartons, boxes, &c., all of which are incident to and part of the cost of putting the merchandise into the condition in which it is bought and sold. In most cases merchandise is never bought and sold in its naked condition. Its market value *per se*, as now construed, cannot therefore be ascertained, because it has no market value in that condition. The best the appraiser can do is to seek to ascertain the cost of the various processes and items necessary to place the goods *per se* in marketable condition and deduct such cost from the value of the goods as bought and sold. To do this is practically impossible in most cases, and therefore recourse is had to arbitrary methods and estimates, adopted by each examiner or appraiser, which are naturally different at different ports. To obtain uniform bases for such estimates is impracticable, because the cost of putting goods into marketable condition varies in every locality and with every manufacturer. The result is that two importers will often pay a different amount of duty upon goods of precisely the same character and value, imported at the same time from the same place. The method and cost of preparing and putting up may be and often is different as to the same goods sold to different buyers. They also vary at different seasons for the same buyers. Goods, such as gloves, handkerchiefs, hosiery, and various other articles, are frequently put up in expensive ornamental cartons or boxes, costing more than the merchandise they contain. The covering is intended to make the article attractive and salable, and the gross price for the whole constitutes the value of the thing bought and sold. At the same time goods of the same character and value may be put up in cartons costing a mere trifle, and yet the merchandise pays the same duty as in the previous case, although costing but half as much.

The law, as interpreted by the Attorney-General and the courts, has added infinitely to the difficulties of the appraising officers, and has multiplied the inconsistencies and inequalities of the tariff to such an extent that regularity and uniformity in administration are impossible.

It reduces the duties collected upon almost all imported merchandise subject to rates based upon value, but in irregular, variable, and eccentric ways, the largest reductions being often upon goods dutiable at the lower rates. For instance, upon dress silks, dutiable at 50 per cent., the reduction in value for coverings would be not more than 1 per cent., while upon blacking, dutiable at 25 per cent., the reductions allowed for coverings would be from 50 to 75 per cent. of the total value. In the one case 49½ per cent. duty is collected, and in the other from 6¼ to 12½ per cent. duty is collected upon the value of the article as actually purchased.

The reduction is not uniform throughout the tariff schedules, nor is it uniform as to the same goods included in the same schedule. It may be said that owing to the unknown and uncertain conditions attaching to every invoice no two importers pay the same duty upon the same article. An appraiser passing regularly the same goods may endeavor to make his own action uniform in this regard, but there can be no uniformity among all the appraisers at the several ports.

When the appraising officer is deprived of the fundamental guide in appraisements, viz, the value of the goods in the condition in which

they are bought and sold, he is at sea without chart or compass. Under present instructions, in order to determine the value of what are called the goods *per se*, he is required to find the value of non-dutiable items which have no market value apart from the goods to which they belong and of which they are a part, which value cannot therefore be ascertained by any satisfactory method.

The following examples present some of the difficulties in the administration of the law under existing rulings and instructions:

Olive oil in earthenware bottles costs, say 450 francs per kilogram, the bottles being valued at 50 francs.

The same article in glass bottles costs 420 francs, the bottles being valued at 20 francs.

In the first case the bottles are non-dutiable; in the second they are dutiable at 40 per cent. under the special provisions for glass bottles filled. The value of the merchandise *per se* is the same in both cases, dutiable at 25 per cent. In one case the importer pays upon the merchandise as bought at the rate of 22.2 per cent., and in the other at the rate of 25.7 per cent.—the higher duty being exacted upon the article of lower value.

Ink is imported in both earthen and glass bottles. In one case the bottles are free and in the other they are dutiable.

The same inequality is found as to numerous articles prepared and put up in bottles of earthenware or glass, such as sweetmeats, fruits, comfits, pickles, &c. A noticeable illustration is furnished in the case of jams or preserves of trifling value *per se*, and dutiable at 35 per cent., but put up in decorated porcelain or china vessels, fit for other uses, which if imported separately would be subject to duty at 60 per cent. While it is manifest that the real value of the importation is in the covering rather than its contents, yet it is non-dutiable if it is a usual covering for that class of merchandise, while a cheap glass bottle inclosing the same article is dutiable at a higher rate than is exacted upon its contents.

Small sets of decorated chinaware, called "toy sets," when put up in cartons, are held to be dutiable as toys at 35 per cent., the value of the cartons, from 20 to 50 per cent., being deducted as non-dutiable, the duty collected being from 17½ to 28 per cent. upon the value of the merchandise as bought. The same articles when imported in crates or other packages, and not in cartons, are classified as decorated china, at 60 per cent. duty. About 7½ per cent. is deducted from this value for non-dutiable charges, so that the rate upon the merchandise as bought is 55½ per cent. A discrimination is thus made in favor of the article as put up in the more expensive manner.

Candies are imported in fancy boxes, the value of which is three times that of the candy itself. These boxes cannot, however, be said to be an unusual covering, because certain shippers put up candies regularly in that way.

Certain cotton yarn or thread pays a specific duty according to its value per pound. The expense of putting up is greater or less according to the size of the skein. Allowances are made for charges in putting up, papering, &c. It is found that the same quality of thread is dutiable in one case at 36 cents per pound and in another at 48 cents per pound, not on account of any real difference in value, but because of charges deducted in one case and not in the other.

Paints and water-colors are imported in boxes of mahogany or metal, of elaborate and expensive workmanship, containing, besides the colors, pencils, palettes, spatichels, &c., all adjuncts necessary for the conven-

ience of the artist. The value of the colors themselves is but a small part of the value of the merchandise as an entirety. The cost of the case largely exceeds the value of the paints, and yet it is held to be non-dutiable, being the usual covering.

Clay tobacco pipes are a common article of import and are dutiable at 35 per cent. They are uniformly bought and sold packed in boxes. The deductions from the value claimed for packing and coverings range from 30 to 50 per cent. of the value of the merchandise, so that the duty collected on this article is really only from 17½ per cent. to 24½ per cent.

Safety matches are imported in boxes made especially with an outside surface upon which alone the match can be ignited. Deduction is claimed for boxes and putting up amounting to 50 per cent. of the value, thus reducing the duty from 35 to 17½ per cent. This claim has been sustained upon suit, but the Department has not acquiesced in the decision.

Large quantities of matches are imported from Sweden. They cost, per case of 2,500 gross, £142 1s. 8d. The following deductions are claimed and allowed for non-dutiable charges:

	£	s.	d.
Inside coverings and packing .....	54	11	8
Paper labels and putting up in dozens .....	7	12	1
Outside case and label zinc-lined .....	15	2	1
Inland transportation .....	4	1	3
Total deductions .....	81	7	1
Leaving as dutiable .....	60	14	1

the duty collected upon the real value of the goods in their marketable condition being only about 15 per cent. instead of 35 per cent.

Blacking is dutiable at 25 per cent. In an invoice of 11,000 francs the charges claimed and deducted amounted to 7,000 francs, leaving but 4,000 francs as dutiable. This reduced the duty upon the value of merchandise as purchased to less than 10 per cent.

Malaga grapes are packed in kegs with cork dust and are shipped by the producers to Liverpool, where they are sold to the markets of the world. The kegs and contents are uniformly sold as an entirety, and there is no market value either at Liverpool or in the country of production for the grapes *per se*. Neither buyer nor seller in Liverpool, nor the appraiser in New York, can separate the different elements of value in a keg of grapes, except by arbitrary methods of calculation. The exemptions claimed for charges and coverings, and generally allowed on this article, amount to more than half the value of the merchandise, then reducing the duty from 20 per cent. to less than 10 per cent. upon the value of the goods bought.

Harmonicas are imported in leather-covered boxes valued at 1.10 marks, while the contents are valued at .90 pfennings, reducing the duty from 25 per cent. to less than 12 per cent. on the merchandise as bought and sold.

French violins, worth 5 francs, are imported in boxes worth 7 francs, the latter being exempt from duty.

Certain glass beads are uniformly imported upon strings and are sold in that condition only. Claims are now made for deductions on account of stringing and putting up, amounting to from 1 per cent. to 5 per cent. It is impossible for the appraiser to ascertain the value of the goods *per se*.

Imitation meerschaum pipes, valued, at 2 florins per dozen, are imported in leather boxes valued at 3 florins per dozen, the latter being exempt from duty.

On mock jewelry the deduction allowed for coverings is sometimes as high as 25 per cent.

On bonnet pins the reductions reach 15 per cent.

Instances of this kind might be multiplied to embrace almost every article in the tariff schedules subject to ad valorem rates, each of them varying in the percentage of reductions for coverings, &c., such reductions differing widely in invoices of the same article both as to items and amounts.

The general tendency is to an increase of the deductions claimed and to overstate the value of non-dutiable items, especially in invoices of consigned goods and among the less scrupulous importers, all tending to the disadvantage of the honest trader. For instance, cartons covering Crefeld velvets, formerly stated in the invoice at 5 marks, are now charged at 40 marks. In one invoice of purchased velvets from Lyons the cartons were charged at 1.25 francs, while in another invoice from the same shipper of *consigned* velvets received at the same time the value of the same kind of cartons was stated at 2.50 francs.

In an invoice of *consigned* ribbons the value of the whole invoice was stated at 8,957 francs, from which the following deductions were claimed :

	Francs.
Blocking charges .....	122.10
Rolls, paper, and tickets .....	304.80
Boxes and wrappers .....	170.80
Cases and packing .....	85.40
Carriage to shipping port .....	97.60
Freight to Philadelphia .....	158.60
Insurance .....	40.85
	980.15

The above represents generally claims made upon invoices of *consigned* goods, although they may vary as to items and amounts with different importers, and are largely fictitious. In invoices of goods actually purchased in the same markets the charges usually stated are for such legitimate items as packing cases, &c. Thus the regular purchaser invoicing his goods honestly as the transaction occurred, makes no claim for other items contributing to the value of the goods as bought, and deductions therefor cannot be allowed him, as in the case of his sharp competitor who makes such claims.

Upon the second inquiry in your letter, there was substantial agreement in the opinions expressed by all the officers consulted, that administration would be more feasible under the section proposed by the Department and adopted in House bill 7652, known as the Morrison tariff bill, than under the present law as interpreted by the Attorney-General.

Some criticisms were made, however, upon the phraseology of the section and changes were suggested which it was thought would make the meaning more easily understood and prevent possible litigation.

These suggestions, so far as they are deemed important, are as follows :

(1) To strike out after the word "commissions" in line 25 the words "marine insurance, export duties or fees for authentication by consular officers of the United States," and to insert in lieu thereof the words, "brokerage export duty, nor any other actual or usual charge incidental to the exportation thereof."

(2) The insertion after the word "all" in line 15 the words "inside boxes, coverings," so that the clause will read, "including all inside

boxes, coverings, costs, charges, and expenses incident to placing the same in such condition."

(3) To strike out the words "bona fide" in lines 20, 32, and 37.

(4) To strike out the words "marine insurance" in line 25, and the words, "or fees for authentication by consular officers of the United States" in lines 26 and 27.

(5) To strike out all after the word "and" in line 11 down to and including the word "allowed" in line 29, and insert in lieu thereof the following:

In the condition in which such merchandise is there bought and sold for exportation to the United States, or consigned to the United States for sale, and in which it is prepared and put up for shipment, including all costs, charges, and expenses incident to placing the same in such condition: *Provided, however,* that in determining the dutiable value of imported merchandise no estimate shall be made of the cost or value of the outer case, crate, sack, or other outer covering, in which such merchandise may be packed or inclosed for transportation to the United States, and which is designed to be used solely for such transportation, in case the same shall be specifically stated in the invoice, and if not so stated no deduction therefor from the invoice value shall be allowed.

(6) Another suggestion was to substitute the inclosed draft for the entire section.

All of the officers concurred in the view that, while the adoption of the section proposed in the Hewitt bill would afford substantial relief from present difficulties, the best plan to simplify administration and to do justice to all concerned would be to assess duty upon the value of merchandise in the precise condition in which it is put on board the vessel for exportation to the United States, including all costs and expenses of placing it in that condition.

The law in respect to coverings is not exceptional as a fruitful source of trouble in administration, although at the present time it is the cause of the greatest embarrassment to customs officers.

In the revision of the statutes in 1874, the various provisions of law relating to the entry and appraisement of merchandise and the liquidation of duties were arranged in an illogical and disconnected manner. Some of these provisions are defective, and some are inoperative. In our judgment all the laws relating to the subjects mentioned should be carefully rearranged and revised.

Respectfully, yours,

A. K. TINGLE,  
GEO. C. TICHENOR,  
*Special Agents.*

[Enclosure No. 1.]

In all cases where imported merchandise is subject to a specific rate of duty based upon or regulated, in any manner, by the value thereof, or to an ad valorem rate of duty, such value shall be the actual market value or wholesale price of such merchandise in the principal markets of the country from whence imported, at the time of exportation to the United States, and in the packed condition in which it is actually put up for shipment, including all costs, charges, and expenses incident thereto, whether the same has been actually purchased or procured otherwise than by purchase, or whether consigned to the United States for sale: *Provided, however,* That in determining the dutiable values of such merchandise no estimate shall be made of the cost or value of such outside shipping sack, crate, case, or other similar outside covering used and designed to be used only in the bona fide transportation of such merchandise to the United States, together with its individual lining or packing of zinc, paper, or other material, nor of the actual or necessary expenses incident to the transportation of the merchandise from the place of purchase or consignment, to the vessel or other vehicle in which exported to the United States, nor of com-

missions, marine or fire insurance, export duties, or fees for authentication by consular officers of the United States, in case the same shall be severally and specifically stated in amounts in the invoice and to be included in the cost or value of the invoice, and if not so stated no deduction therefor from the invoice value shall be allowed, either on the invoice or the entry: *And provided further*, That if there be used for covering or holding imported merchandise which shall be provided for in the *free list*, any article or material designed for use other than the bona fide transportation of such merchandise to the United States, duty shall be assessed on such article or material at the rate to which it would be subject if imported separately; and if there be used for covering or holding imported merchandise which shall be subject to duty, any article or material designed for use other than in the bona fide transportation of such merchandise to the United States, and which article or material if imported separately would be subject to a higher rate of duty than the merchandise contained therein, the whole invoice value of such merchandise shall be subject to such higher rate of duty, unless the value of the merchandise and of the article or material covering or holding the same shall be separately stated in the invoice, in which case the duties shall be assessed and collected on each separately, at the rates prescribed by law: *And provided further*, That, except as provided in this section and in section 17 of this act, duties shall not be assessed upon an amount less than the invoice value, or the invoice value with such addition as the owner, consignee, or agent may make, as provided in section 2900, Revised Statutes.

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No. 4.

TREASURY DEPARTMENT,  
November 29, 1886.

Hon. DANIEL MANNING,  
*Secretary of the Treasury :*

SIR: In accordance with your desire of this date, I have the honor to state that it is utterly impossible at this time, in the absence of any reliable data, to give anything like a correct, or even an approximately correct, estimate of the amount of money needed to refund duties, interest, and costs, under the decision of the United States Supreme Court in the Oberteuffer case, as interpreted by the United States Attorney-General.

Shortly after the decision of the court was rendered, I made a rough estimate of \$1,500,000, and I have no reason since to change my opinion. It may be more than that amount, but will not exceed \$2,000,000.

The late opinions of the United States Attorney-General have had but little effect, and they will not increase the amount, say, more than \$25,000:

Respectfully yours,

JOHN G. MACGREGOR,  
*Chief of Customs Division.*

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## APPENDIX H.

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ADMINISTRATION OF THE CUSTOMS LAWS AT THE FOUR LARGE SEAPORTS (BOSTON, NEW YORK, PHILADELPHIA, AND BALTIMORE), IN 1885-'86.

### No. 1.

[Copies of the appended letter of the Secretary were, on October 15, addressed to the collectors, naval officers, surveyors, general appraisers, and appraisers at the ports of Boston, New York, Philadelphia, and Baltimore.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, D. C., October 15, 1886.*

SIR: You are hereby requested to prepare and send to me at your very earliest convenience, and before the 1st proximo, a full and detailed exhibition of whatever reforms in the administration of your office have been made by you this year, or have been made at your port, together with the consequences of such reforms as far as they have to you become apparent. You are also requested at the same time to acquaint me with any other reforms in your office which you have in contemplation, or which you advise, at your port, and especially such as are, within your knowledge, called for by those among importers who transact considerable business with the custom-house, and which will require a change either in the law or its administration.

Will you also, in the same communication to me, set forth the chief complaints, if any (including causes of such complaints), which are now made to you by importers, in regard to the present execution of the customs laws at your port, and declare in what particulars the execution of those laws, in your opinion, has been improved during the present year.

Respectfully, yours,

DANIEL MANNING.

Collector of Customs, — — —.

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### PORT OF BOSTON.

#### No. 2.

LEVERETT SALTONSTALL—Appointed collector of customs for the district of Boston and Charlestown, Massachusetts, November 10th, 1885.

CUSTOM-HOUSE, BOSTON, MASS.,  
*Collector's Office, October 25, 1886.*

SIR: I have to acknowledge the receipt of your letter of the 15th instant, wherein I am requested to prepare and send at my earliest convenience, and before the 1st proximo, a full and detailed exhibition of

whatever reforms in the administration of this office have been made by me this year, or have been made at this port, together with the consequences of such reforms as far as they have to me become apparent.

In reply, I have the honor to state that upon my accession to office I found that the changes suggested by the special commission created by you, and who visited this port in September, 1885, and which changes mainly had reference to the internal administration, so to speak, of this office, had been substantially carried out and are now in operation.

The commission, I am informed, made a very careful and thorough examination into the methods and practices prevailing at this port in the collection of the revenue, and submitted an exhaustive report of its doings and recommendations. To the report of that commission, in this connection, I beg leave respectfully to refer.

The reforms instituted as above were in the direction of a better administration of the customs at this port, and are, so far as my experience extends, satisfactory in their operation.

During my term of office there has been, by direction of the Department, in letters of August 3, August 9, and October 4, 1886, the abrogation of what is known as the "48-hour privilege", under article 1016 of the Regulations, which, under Department letter of authority of June 28, 1877, was extended to the importer, but which now is confined to the "master, agent, or owner of the vessel" (*vide* Department circular of May 5, 1877). The change of the practice in this regard has created more or less friction, but it is hoped that the various steamship lines through their agents will conform to the requirements of said circular, and thus relieve all parties in interest in the various importations by said steamers from the embarrassment they allege they are undergoing.

The question as to when protests and appeals, under section 2931, Revised Statutes, must be presented by the aggrieved party, which in the past has been a mooted one (*vide* S. S., 2389, 3730, 4079), has been at length definitely determined (*vide* S. S., 7386, 7409), and the instructions therein set forth are strictly enforced at this port. The reform in this direction I regard as a substantial and practical one, and is satisfactory in its operation.

The practice prevailed here to issue a general order to discharge steam vessels in advance of entry. This practice has been discontinued.

As regards the inquiry "What are the chief complaints, if any, \* \* \* which are now made to you by importers in regard to the present execution of the customs laws at this port," I would state that there is, at this port, considerable trade, by sea, with the adjacent British Provinces. The articles usually imported are the products thereof. There has been in the past, and there is now, frequent complaint made by importers regarding the enforcement of the regulations concerning *consular invoices*.

Their complaints have, from time to time, been laid before the Department, and various circulars on the subject have been promulgated. I beg leave to cite that of May 9, 1866, S. S. 3775, 4380, 4622, 7099, and circulars of July 24, 1880, February 19, 1884, and February 8, 1886.

It is respectfully suggested, with a due regard for the interests of the revenue, that a modification of section 2859, Revised Statutes, by legislative action, would relieve importers from the annoyance and embarrassment to which they are now subject.

In this connection I beg leave to refer to Department letter (H. B. J.) of April 25, 1884, and reply thereto of May 6 following.

Section 2971, R. S., as construed by the Attorney-General (*vide* S. S. 6170), requires the sale of goods which remain in bonded warehouse be-

yond three years from the date of importation, and even though the duties have been paid thereon in full. The enforcement of this requirement has caused much inconvenience and expense to importers who, prior to the promulgation of said decision, enjoyed the privilege which prevailed, as I understand, at all the principal ports, of removing their goods at any time to suit their convenience.

Under the regulation issued in pursuance of the act of June 30, 1880 (*vide* S. S. 4582, and Article 775, Regulations of 1884), entry is not allowed until the arrival of all the merchandise embraced in the invoice and bill of lading. It frequently happens that a portion only of the shipment is received by the transporting vessel or vehicle. I beg leave to suggest whether the Regulations may not properly be amended in this regard, so that on receipt of the I. T. entry and bill of lading, and arrival of a portion of the goods, entry may be received of the entire importation specified in the invoice and bill of lading. I think this would be a measure of relief, and the Government suffer no detriment.

As regards the bond of importer for delivery of unexamined packages (Form 86, General Regulations, Art. 335), it has seemed to me that it contains a condition not warranted by the law. It will be perceived that section 2899, on which the bond is based, imposes forfeiture in case the packages delivered "shall be opened without the consent of the collector," \* \* \* or "if the package is not delivered to the order of the collector according to the condition of the bond." The bond, however, contains the provision for the payment of "whatever excess of duties or charges may be assessed or ascertained and found to be due upon the final liquidation of the entry." \* \* \*

This condition, so far as I am aware, appears for the first time in the Regulations of '84. It does not appear either in the Regulations of '57 or of '74 (*vide* Form No. 77, Regulations of '57, p. 146, and Form No. 86, Regulations of '74, p. 175).

To harmonize section 2899 and the form of bond prescribed by the Department, as found in the Regulations of '84, additional legislation would seemingly be required.

As regards the fees of merchant appraisers in reappraisal cases, if the interpretation of section 2725, Revised Statutes, by Brown, J., as reported in Federal Reports, vol. 28, No. 7, in the case of *Iselin et al. vs. Hedden*, collector, be regarded as sound in law, I should favor some legislative action changing the statutes in this respect.

In my judgment, in all cases where the importer claims a reappraisal, the compensation of the merchant appraiser should be paid by him whenever the finding of the appellate board is adverse to him; when in his favor, by the Government, thus applying what is understood to be the general principle in cases of arbitration.

I consider \$10 per diem a reasonable compensation for such service.

Judge Brown held in the *Iselin* case, referred to above, that under section 2636, Revised Statutes, the collector was liable to the penalty therein prescribed when he demands or receives any other or greater fee, compensation, or reward than is allowed by law; and that, although the exaction was in pursuance of a regulation of the Treasury Department, still that constituted no legal defense.

In my judgment that section calls for amendment. The question of *intent* should constitute the gravamen of the charge.

If the collector in good faith enforces a Treasury regulation, issued presumably in pursuance of law, and based thereon, he should not be subjected to any personal liability for so doing; neither should his acts subject him to any penalty.

To meet such a contingency there ought to be some statutory provision that, in the event of such liability incurred or penalty imposed, the Government should indemnify and save harmless the collector.

Before closing this report I may be permitted briefly to refer to the effect of the civil service reform law, upon the efficiency of the service.

I have endeavored to be true to the spirit and letter of the law; and, without enlarging upon the difficulties attending my effort to explain to the vast number of applicants for office the impossibility of making appointments, except through the examinations, I take great satisfaction in stating that in all respects the condition of the customs service at this port has been greatly improved through the wholesome influence of this reform.

I have recommended changes only in those cases where I believed they would add to the efficiency of the service, endeavoring to inspire the officers and employés with proper self-respect and ambition to succeed through merit alone; to make them feel that the custom-house is no longer to be a political, but a business, institution, and to be administered on purely business principles, so that hereafter they may all manfully maintain their own opinions and act according to their own convictions, so long as they take no active part in politics.

The result, thus far, is most encouraging, and it would be greatly to be deplored should this grand experiment fail through want of support on the part of the legislative or executive branches of the Government.

I inclose communications from deputies Munroe and Preston, submitting various suggestions which I regard worthy of consideration.

I have the honor to remain, sir, your obedient servant,

L. SALTONSTALL,  
*Collector.*

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

[Enclosure No. 1.]

WAREHOUSE DIVISION, CUSTOM-HOUSE, BOSTON, MASS.,  
*Collector's Office, October 23, 1886.*

Hon. L. SALTONSTALL,  
*Collector of Customs, Port of Boston:*

SIR: With reference to Department letter (confidential) of the 15th inst., the subject matter referred by you to this division has received due and careful consideration; concerning which I respectfully submit the following report:

(1) "As to whatever reforms have been made."

The comparatively recent advent of the deputy in charge necessitates conciseness, and in this connection, as the present condition of the division as a whole may be considered satisfactory, I would report progress and ask further time.

(2) "Contemplated reforms, or those which may be advised."

Referring to synoptical decision No. 7116, it appears that a protest must be lodged within ten days from the time of the liquidation of the transportation entry made at the port of importation. It frequently happens that the ten days have elapsed before the consignee at the port of destination makes entry, or before the appraiser at the last-named port has completed his examination, and should he return a different classification from that reported by the appraiser at the port of importation, and be sustained in such action by the latter office, the merchant thus debarred from the right of protest is without redress.

To illustrate: On the 15th June, 1885, an entry for "warehouse and immediate transportation" was received at this office from the port of New York, bearing date of June 3, 1885, covering two cases containing merchandise of various classifications.

Rewhousing entry was duly made by the consignee, and a prompt examination made by the appraiser. Owing to a difference between the appraising officers at the two ports in the classification of certain articles embraced in the invoice, the entry was returned to the port of New York under date of June 30, 1885, for readjustment. This port was notified by the collector at the port of New York, under date of October 24, 1885, to the effect "that as the corrections sought by this office would result in a reduction of the duty, and in view of Department instructions contained in S. S. 7116, he was unable to reliquidate the entry."

(3) "Such as are called for by importers, and which will require a change in the law or its administration."

In addition to the requirement of article 359, paragraph 2, Customs Regulations of 1884, "that a notice of the liquidation of entries be posted in some conspicuous place accessible to the public," and (paragraph 3) "the posting of the transcript will be deemed and taken to be a full notice to all parties interested," I would suggest that a copy of the "bulletin notice" of his liquidation be forwarded to the importer, thus obviating numerous complaints of lack of notice and the necessity of frequent examination of the files of this office for such information.

The enforcement of the order to sell bonded goods which have been in warehouse three years, despite the fact of the payment of the duties, causes great complaint from merchants for obvious reasons. After all claims of the Government have been satisfied the merchant naturally looks upon the matter as one which concerns only himself and the warehouse proprietors; and the attempted enforcement of the order has in every case aroused great opposition. It promises to be a source of constant friction and much confusion, and I am constrained to include it under the head of merchants' complaints.

I regret that the limit of time at my disposal does not permit an addendum from the superintendent of warehouses, and that my report is thus bereaved of that which must have proved instructive and unique. A suggestion of his, however, in regard to the sale of goods remaining in bonded warehouse beyond three years from date of importation, and upon which duties have been paid, is noted under question three.

Very respectfully,

W. PRESTON,  
*Deputy Collector.*

[Enclosure No. 2.]

CUSTOM-HOUSE, BOSTON, MASS.,  
*Collector's Office, October 21, 1886.*

HON. LEVERETT SALTONSTALL,  
*Collector of Customs:*

SIR: In compliance with your request for a report of the reforms or improvements that have been made in my division during the past year, and for such suggestions as will, in my opinion, without impairing the efficiency of the service, prevent annoyances to the importers, I have respectfully to submit the following:

The changes suggested by the special agents who visited this port in September, 1885, were mostly of a routine character, and were, with few exceptions, immediately adopted.

The abolition of the 48-hour list, so called, which gave the privilege to the importers who signed it of having their importations remain on the wharf for a limited time, was a change recently inaugurated. The custom which had prevailed for some years of granting general orders in advance of the entry of the steamers has also been discontinued.

The order of the honorable Secretary of the Treasury, dated May 6, 1886 (S. S. 7501), supplemented by your letter of August 4, last, has had a good effect, and more attention to work is now given by those clerks who were neglectful than formerly. I would respectfully submit that in my opinion the second paragraph of article 295, general regulations of 1884, which directs that the bill of lading and not the invoice must ordinarily govern as to who is the consignee, is in direct contradiction to the intent and spirit of the law, so far as having the entry made in the name of such consignee is concerned. It would be better to deal with the owner or importer direct, rather than with the consignee, who frequently is a custom-house broker, and knows nothing whatever about the merchandise.

Sec. 2859, Revised Statutes, allows the collector to admit to entry merchandise not exceeding \$100 in value without the production of a consular invoice; S. S. 7356, dated February 8, 1886, reduces the limit to \$50. This action has caused a great deal of annoyance to our importers, particularly those who import from the British Provinces, and I would suggest that \$100, as the law provides, is a fair limit.

Sec. 2844, Revised Statutes, permits the authentication of invoices in the absence of a consul by two respectable merchants residing in the port from which the merchandise shall have been imported. This section is practically inoperative as it is now, for the reason that there are no importations into this port from any country where there is no consul. I would suggest that the section be amended by prescribing some limit of distance—say 20 miles—that the shipper shall travel to obtain consular verification. This suggestion is made because I hear frequent complaints from our importers of merchandise from the provinces, that the shippers are many miles from the consular office, very often several days' journey, and to require them to go such long distances to procure verified invoices must be a great burden to them. Complaints are being made by importers of merchandise from Europe of the requirements of sec. 2854, Revised Statutes, that invoices shall be produced to the consular officer nearest the place of shipment. It is the practice for our large importing houses to employ a commission merchant in a large city—such as Berlin—and they have been in the habit of having their goods from the districts in the vicinity all included by their commissioners in one invoice. Now the invoices from the districts outside of the large city must be verified by the consular officer nearest the shipper. This requires separate invoices for small shipments, and entails vexatious annoyances to the importers, which might be avoided if invoices were verified at the last port.

Section 2901, Revised Statutes, requires the collector to designate the packages to be sent for examination. I would suggest that this section be amended by having the entry clerk, under the direction of the deputy collector, designate these packages.

Section 2921, Revised Statutes, provides for an allowance of duties when a deficiency is found on examination by the appraiser. The practice at the present time is to assess duty on the missing articles, unless the appraiser reports the case "full and in good order," or the importer submits positive proof that the articles in question were not landed in this country, something which in most cases it is impossible to do. It seems to me that the law clearly intends to afford relief to the importer, and it certainly must be a hardship to oblige him, at considerable expense, to seek redress in court. If the packages have been robbed during the voyage of importation, on proper proof being furnished, allowance should also be made.

Powers of attorney are now required to be signed by all the members of the firm (S. S. 5580). It would greatly facilitate business if this rule was amended to allow the powers to be executed by those members of the firm who reside in the United States. Article 775 of the regulations, third paragraph, requires all goods embraced in the I. T. entry to be entered within twenty-four hours after their arrival; and, if by reason of the non-arrival of any part of the goods, the portion which has arrived must be sent on storage as unclaimed.

This should be amended, as by reason of the non-arrival of part of a consignment the portion already here must be sent to store, thus causing an expense to consignees which it is entirely out of their power to avoid. I would suggest that it would be proper to accept an entry on arrival of the first portion, covering the whole importation, and the subsequent arrivals to be treated as of this entry.

Articles 829 to 834, inclusive, should be amended as set forth in letter from this office to the Department under date of October 7.

I am, sir, very respectfully,

M. A. MUNROE,  
*Deputy Collector, First Division.*

No. 3.

NOVEMBER 13.

SIR: In a printed statement of the representations made on March 4, 1886, by merchants and manufacturers of Boston to a subcommittee of the United States Senate Committee on Finances, I find a report made by the "Committee on Testimony" of facts in behalf of those merchants and manufacturers "as to undervaluations of imported merchandise entered for customs duties," in which there is a severe arraignment of this Department previous to March 4, 1885, and of the importers and customs officers at the port of New York, wherein it is said, among other things, "that the custom-house in this port of Boston is free from those evils may be due to its exemption from the consignment system of which New York is the center."

I find also in the same document a report in behalf of the same merchants and manufacturers, made by a "committee on legislation," to which are appended the names of ten well-known citizens of Massachusetts, and among them that of Mr. Worthington, your immediate predecessor in the office of collector of customs at Boston, who reported to me on September 15, 1885, that he neither had, or had been able to procure, any evidence that "duties have not within the last few years been levied and collected, as the law requires," or "that the full amount of duty prescribed by Congress has not been collected," wherein it is said, among other things, that "in practice, unless there is some cause for suspicion, the invoice is *often* taken as correct without any investigation."

I desire you to make diligent inquiry, and report to me immediately, of any invoice which has ever, by the appraising officer, or the collector, at Boston, been thus taken as the basis of duty "without any investigation," or without adequate investigation.

In a report made to me by Appraiser Stearns, under date of October 23, 1886, I am told that between October 1, 1885, and October 1, 1886, there were in Boston sent to the appraiser 36,371 invoices; that 34,933 were reported to the collector by the appraiser as "value correct"; that 1,438 were advanced in value by him; that 79 were advanced more than 10 per cent.; that 45 were appealed for reappraisal; and that on 10 the advance was sustained.

You are requested to forthwith inform me:

- (1) What number of all the invoices thus advanced by the appraiser were of purchased, and what number of consigned, merchandise.
- (2) What number of those advanced by the appraiser above 10 per cent. were of purchased, and what number were consigned.
- (3) What number of those advanced on reappraisal above 10 per cent. were purchased, and what number were consigned.
- (4) Of those finally advanced on reappraisal by any percentage whatever, and especially those advanced more than 10 per cent., what examination was made in the collector's office or by the naval officer to ascertain whether or not there was undervaluation when the invoice was made, and whether or not the undervaluation was made "with an actual intention to defraud the United States."
- (5) Who actually made the examination, and what is *now* the rule and habit of your office and the naval office in regard to the examination of fraud in invoices.
- (6) If any examination was made in regard to fraud in the invoices referred to, was any discovered or suspected; and, if so, was either of the invoices presented by you to the district attorney for prosecution; and, if not, you will fully explain to me why not.
- (7) You are requested also to inform me whether or not, in your opinion, the provisions of the existing law of June 22, 1874, requiring the United States to prove, affirmatively, on a prosecution for forfeiture on account of undervaluation in an invoice, "an actual intention to defraud the United States," and to obtain a special finding of the jury or the court on the allegation of "actual intention," is injurious to the revenue and an undue protection of importers and their property from seizure and condemnation.
- (8) I also desire you to carefully examine the printed reports of the two committees of merchants and manufacturers, to which I have referred, and tell me whether or not, in your opinion, the conduct of importers or customs officers at the port of Boston, has been such during

the present year as to justify or warrant criticism or condemnation, similar in any particular to that applied therein to the importers and customs officials at the port of New York.

Respectfully yours,

DANIEL MANNING.  
*Secretary.*

Hon. LEVERETT S. SALTONSTALL,  
*Collector of Customs, Boston, Mass.*

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No. 4.

CUSTOM-HOUSE, BOSTON, MASS.,  
*Collector's Office, December 1, 1886.*

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

SIR: I have to acknowledge the receipt of your letter of the 13th ultimo, and in reply have the honor to state—however true it may be at other ports, which does not seem hardly credible—that “unless there is some cause for suspicion the invoice is often taken as correct without any investigation.” I know of no instance here where any invoice has been taken as the basis of duty “without any investigation,” or “without adequate investigation.”

So far as I am aware, the appraising officers at this port endeavor faithfully to live up to the requirements of Section 2902, R. S.; and there have been instances—though not of frequent occurrence—where the collector has exercised his prerogative under Section 2929.

In reply to your *first* inquiry, I would state that the number of all the invoices advanced by the appraisers between October 1, 1885, and October 1, 1886, was 1,185, of which 1,120 were of purchased and 65 of consigned merchandise.

Of this latter number (65), 46 were of merchandise consigned to commission merchants at this port, and 19 were consignments to agents of the foreign shippers.

In reply to interrogatory No. 2, I would state that 79 invoices were advanced above 10 per cent., of which number 54 were purchased goods, and 25 consignments. Of the 25, 22 were consignments to resident commission houses at this port, and 3 were consignments by the foreign shippers to representative agents here.

In reply to inquiry No. 3, I would state that of the 79 invoices which had been advanced by the local appraiser above 10 per cent., 58 were appealed to the Board of Reappraisal, and of which number 11 were purchased and 7 consigned, which latter included 4 consignments to commission merchants and 3 to agents of the foreign houses.

Of the 18 so appealed, the advance made by the local appraiser was sustained in 15 instances, while in 3 cases the advance, although *less* than that reported by the local appraiser, exceeded 10 per cent. of the value declared in the invoice.

The advances made by the local appraiser on the 1,185 invoices above referred to were not additions to the value of the merchandise *per se* alone, but included charges which, prior to the decision of the Supreme Court in the *Oberteuffer case*, were required by the Department to be added to make *dutiable value*. (Vide S. 6296.)

It is thought that of the additions so made by the appraiser, 75 per cent. were for *charges* which had been deducted by the importer at the time of entry.

In reply to inquiries Nos. 4, 5, and 6, I would state that in the absence of any intimation made by the appellate Board that their investigation had led them to suspect that the transaction was tainted with fraud, the valuation ascertained and reported by said Board would be regarded as final and binding, as well upon the importer as upon the Government.

In General Instructions No. 7, of July 30, 1853, the Department held that an undervaluation to the extent of 20 per cent. was presumptive evidence of fraud, which would justify a seizure on the ground of fraud.

In 1884 there were large advances made by the appraiser to invoices of bicycles and tricycles, representing some 22 importations. Seizures were made for undervaluation, and proceedings were instituted through the United States attorney, which resulted in a settlement by way of compromise authorized by the Department.

Since then there have been, as far as I am aware, no seizures made for undervaluation, nor prosecutions therefor.

In reply to inquiry No. 7, I have to state that in my judgment so exacting are the provisions of section 16 of the anti-moiety act of June 22, 1874, it is extremely difficult, if not impossible, in the great majority of instances for the Government to prevail in litigated cases. It may, therefore, be regarded as "injurious to the revenue, and an undue protection of importers and their property from seizure and condemnation."

The law, therefore, is defective in this regard. The Government in the collection of its revenue is often thwarted by the exacting terms of said section.

Remedial legislation I consider important, by which a full inquiry into the intent and purpose of *all parties* interested in the importation of the goods would be open to the Government.

The chief class of fraudulent importations has been that of goods consigned by foreign manufacturers and owners, and it is against this "consignment" system that legislation should be directed. The breaking up or checking this system would greatly enhance the revenue; the interests of the honest importer would be materially benefited; while the only parties who would suffer detriment would be the foreign manufacturer or owner and the unscrupulous importer.

In reply to inquiry No. 8, I would say that, so far as my knowledge extends, neither importers nor customs officers at the port of Boston during the present year have, by their conduct, subjected themselves to criticism or condemnation similar to that applied to the importers and customs officials at the port of New York in the printed reports referred to.

I have the honor to remain, sir, your obedient servant,

L. SALTONSTALL,  
*Collector.*

No. 5.

PORT OF BOSTON, MASS.,  
*Naval Office, December 2, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I regret exceedingly that the opinion and answer of this office, relative to your letter of November 13, did not accompany the reply which I learn to-day was forwarded yesterday by the collector.

Collector Saltonstall showed me your letter of November 13. He then informed me that he would consider the matter and advise me when he was ready to reply, that we might confer about the matter, and that my answer might accompany his.

Since then this office has had no information on the subject, until I learned to-day, on inquiry, that the collector's answer had been forwarded, and that it was largely based upon a new statement of appraisements, referred to from Washington, of which corrected statement this office had no knowledge, and concerning which it can now answer only in general terms, as no time exists for a new examination.

I deem this explanation proper to excuse any apparent remissness on the part of this office. We were delaying for information which was not furnished us.

The inquiries of the letter of November 13 seem to be addressed to the collector solely, save Nos. 4 and 5, on the third page, and I confine my replies therefore to the inquiries thus referred to.

Inquiry No. 4 is, substantially: "What examination was made by the collector or naval officer of those invoices reported on by Appraiser Stearns, October 23, 1886, advanced, by any percentage, but especially more than 10 per cent., to ascertain as to undervaluation at making of invoice, and whether or not such undervaluation was made with actual intention to defraud the United States"?

Inquiry No. 5 asks *who* made the examination, and what is *now* the rule here in regard to the examination of fraud in invoices.

My reply is: All invoices are carefully scrutinized at the time of liquidation. If there appears any indication of error, or any informality or irregularity in the invoice itself, or in any of the accompanying returns from the surveyors' or appraisers' departments the entry is held until all doubt is removed. This examination is always made by the deputy naval officer, who consults with the naval officer if any questions arise before the entry is liquidated.

We have not believed that there was any systematic attempted undervaluation of invoices of goods entered at this port, and therefore we have had no extraordinary system to investigate invoices, intending to carefully scrutinize each entry on its process through liquidation to discover any errors or irregularity, believing this to be sufficient. We have seen nothing to take the entries referred to by Appraiser Stearns out of the usual category, wherein goods are not always invoiced at the value deemed fitting by the appraisers.

This statement, it seems to me, covers both inquiries Nos. 4 and 5. With careful examination of the papers accompanying each entry, we think we should quickly observe any attempted fraud other than pertaining to values, in which case this office would delay liquidation, and take such decisive steps as, in its opinion, the case warranted to protect the Government and punish the aggressors.

It seems to me that the matter of undervaluation rests with the appraisers' department, and that, if the forms of law are complied with, and in the absence of evidence of fraud, the naval office has no option but to accept, in liquidation, the values attested by the appraiser.

In support of this opinion, I respectfully refer to the decisions of the Department relative to the functions of appraisers, Synopsis Nos. 7235 and 7800, which to me seem conclusive.

I am sir, very respectfully, your obedient servant,

HENRY O. KENT,  
Naval Officer.

No. 6.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., December 6, 1886.

SIR: In reply to your letter of the 1st instant, and to the naval officer's letter of the next day, in respect to the legislation of June 22, 1874, I desire to say, that the law referred to has not diminished your responsibility, or that of the naval officer, for a vigilant scrutiny of each invoice and entry in order to ascertain if either was made with an actual intention to defraud the revenue. The report of the appraiser cannot relieve either of you from the obligation and labor of such vigilance. Before that law was enacted customs officers would not have been justified in making seizures, or the collector in requiring district attorneys to begin prosecutions for forfeiture, unless satisfied that *prima facie* evidence existed, and could be obtained, of an actual intention to defraud the revenue. Because the law of 1874 made new rules for the conduct of trials in court, the obligation of collectors to make seizures, when they have reasonable ground to believe the existence of an actual intention to defraud, has not been changed. Sections 2922, 2923, and 2924 of the Revised Statutes confer large powers on collectors and naval officers to discover and prove frauds in the revenue, and henceforth they will be held by the President to strict personal responsibility for the faithful execution of those sections. Chapter 10 of title 34 of the Revised Statutes, and especially section 3072, defines with perfect clearness the powers to be held and the work to be performed by collectors in making seizures and instituting proceedings for forfeiture.

This Department and the good repute of the chief customs officers at the several ports suffer in the estimation of Congress and the country by the insinuations, more or less distinctly put about in Boston and elsewhere, that great frauds are committed against the revenue by false invoices or false entries, and especially in New York, and that such frauds are not vigorously dealt with for the reason that the antemoiety law of 1874 deprived collectors, naval officers, and surveyors of a large and clearly defined share of the proceeds of seizures and forfeitures.

The Department is at a loss to understand how customs officers can be convinced of large and repeated and persistent undervaluations in invoices or entries, and not be enabled by the powers given to them by law and especially by sections 2922, 2923, and 2924, to discover and present to the district attorneys the evidence of an actual intention to defraud, if such undervaluations were actually made in the invoice. The law is well settled that the report of an appraiser declaring "value correct" does not protect an invoice from forfeiture if proved to have been intentionally false in order to defraud the revenue.

Respectfully yours,

D. MANNING,  
*Secretary.*

Hon. LEVERETT S. SALTONSTALL,  
*Collector of Customs, Boston, Mass.*

## No. 7.

HENRY O. KENT.—Appointed Naval-Officer of Customs in the District of Boston and Charlestown, Massachusetts, December 4, 1885.

PORT OF BOSTON, MASS.,  
*Naval Office, October 27, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury :*

SIR: I am in receipt of your letter of the 15th instant, in which you request me to send to you prior to November 1 a statement of all reforms in the administration of this office made by me during the present year, of all other reforms in contemplation, and to communicate knowledge of any complaints made by importers relative to the execution of the customs laws, and to state how, in my opinion, the execution of those laws has been improved during the present year.

In reply I have the honor to submit the following specified list of changes in administration inaugurated in this office since January 1, 1886, which changes I regard as "reforms" in administration.

I. Under Department circular of May 6, 1886, the time of employes has been carefully kept; consequently they are prompt at their desks at 9 a. m., remaining to the close of the day, with only the authorized 30 minutes for lunch, to avoid being marked and reported as "late" or "absent without leave." No newspaper reading or unnecessary noise occurs during office hours.

II. Admission behind the counters or among the clerks is not granted to outsiders, and especially to custom-house brokers. Visitors are not allowed.

III. Inspectors are not allowed to see the Naval Office copy of ships' manifests under any conditions whatever.

IV. This office *insists* on the *seizure* of all smuggled merchandise, instead of allowing it to be subsequently entered and delivered on payment of duty, as has sometimes been proposed.

V. Under Department orders all protests and appeals filed with the collector are examined and entered in a register specially prepared by us for that purpose in the Naval Office.

VI. At the suggestion of this office declarations are now made by incoming intermediate and second-cabin passengers, as well as by first-cabin passengers, first-cabin passengers only being formerly required to make said declarations.

VII. At the suggestion of this office, concurred in by the surveyor, arrangements have been made on several docks for the exclusion of the public from the space designated for discharged cargoes and baggage.

VIII. More careful supervision in the posting of warehouse liquidations is required.

IX. The record of ships' manifests and of the entering and clearing of vessels has been placed under one head, and greater attention is paid to this branch of the customs work. It is the intention to liquidate the entire cargo of a vessel before her clearance is granted, so far as it is possible to do so without possession of actual returns from inspectors, on all articles contained therein, instead of clearing on surveyor's clearance tickets furnished that office by the Department, and by the surveyor declared to be sometimes essential.

X. By arrangement with the surveyor an agreed schedule has been made of the percentage of packages of all weighable merchandise which

shall be tared, thus securing a uniform rule and greatly accelerating liquidations.

It is proper to state that all the changes recorded in this letter when proposed by this office have met the cordial concurrence of the other departments of the customs service at this port, and that conferences have of late been frequent to secure improved efficiency in details and in routine work.

In compliance with the further requests of said letter I venture to submit the following specified suggestions.

I. It seems to this office that weighers should not see invoices. These invoices are not in our custody, and consequently we have no responsibility in the matter.

II. We have been of opinion that weighers should not return *net* weight or *tare* when they, for any cause, do not actually tare the goods, but take this tare and net from the invoices; but rather that they should return the gross weight only, leaving to the liquidating clerks the ascertainment of such net weights. The surveyor is of opinion that his duty requires the addition to the dock-books of such tare and net to complete his returns. It seems desirable that this point be authoritatively determined—whether tare should be entered upon the dock-books unless it is ascertained by actual weighing.

III. We think the inspectors should not be allowed to see the ship's manifests.

IV. This office suggests the advisability of a monthly abstract, to be made by the collector, of all "free orders," covering description and value of the articles so admitted, said abstract to be countersigned by the naval officer.

V. Should not arrangement be made, by increase of force or otherwise, so the cargoes of steam vessels can be fully accounted for, by inspector's returns, within the time allowed, so the naval office will not be obliged to clear on a general certificate or "ticket" from the surveyor's office, or, by declining to accept such ticket, delay the ship, which may be ready to leave with favoring tide or weather?

Sailing vessels already account for their cargoes, as do small steamers, per inspector's returns; but the surveyor is now unable to complete such returns of cargoes of large steam vessels. The regulations, however, contemplate such returns in all cases, as we understand them in this office.

I am unaware of any complaints by importers in regard to the execution of the customs laws at this port, aside from trivial matters of detail that occasionally arise, and which are amicably adjusted. Such complaints, if any there are, would come more frequently under the knowledge of the collector.

My belief is that the execution of the laws has been improved by the changes hereinbefore recited and numbered from I to X.

All of which is respectfully submitted.

Your obedient servant,

HENRY O. KENT,  
*Naval Officer.*

## No. 8.

JEREMIAH W. COVENEY.—Appointed for a term of four years to the office of Surveyor Customs for the District of Boston and Charlestown, in the State of Massachusetts, August 7, 1886.

CUSTOM-HOUSE, BOSTON, MASS.,  
*Surveyor's Office, October 27, 1886.*

SIR: In reply to your communication dated October 15, 1886, I have the honor to reply that on August 21, 1886, I assumed the duties of surveyor of the port of Boston and Charlestown, and have instituted the following reforms in the administration of the department:

In the inspector's force, consisting of 79 men, I have established a more prompt manner of reporting for duty than had heretofore existed. I have directed and enforced a regular and prompt manner of making returns of vessels discharged. Communications with other departments, relating to matters of the smallest details affecting the business of the outdoor force, are required to be made through the surveyor's office. By this means the surveyor is enabled to be kept informed upon the entire business transacted through and by his department.

The constant wearing of uniforms by officers while on duty is now exacted, and a uniform cap, heretofore not worn, is being made for use of outdoor officers.

The examination of passengers' baggage has been improved in this, that 2 inspectors have been appointed acting deputy collectors, without additional pay, to take declarations and administer oaths to passengers.

The former inspectress, incapacitated by age and infirmities, has been removed, and a more active person appointed, who attends personally on all steamers arriving in port carrying passengers.

An entirely new system of locating and working inspectors on the arrival of the steamers at Cunard wharf has been adopted, by which passengers are afforded greater facilities for dispatch and the interests of the Government are more carefully guarded.

The examination of sea stores is being carefully looked after, and the unloading of excess of coals in the sea stores without permit, which has been heretofore allowed, has been stopped. I have detailed 2 inspectors as searchers, whose duty is to thoroughly examine vessels of all kinds, even after the examination is made by the officer making return of the vessel.

A daily report of inspectors is now furnished, showing the stations of and work done by inspectors. A consolidated weekly report is also made. Heretofore goods Trans. Ex. in bond were allowed to pass from railroads to steamers, or *vice versa*, across the city without pass. This has been remedied, and inspectors are now ordered to send passes to officers at the final point of departure of the goods in transit.

## NIGHT INSPECTORS.

In this department, consisting of 30 men, officered by an acting captain and 2 sergeants (inclusive), I have made some changes in minor details of value to the working of the force and remedied a long-standing neglect by the detail of 2 night inspectors for duty each night at the barge office. Heretofore, in the event of the arrival of a vessel after dark, which is liable to occur every night, there was no officer at the

barge office to assist the boarding officer, and vessels were allowed to remain in the stream without an officer. By the change made the 2 night men are ready to be put on board on the arrival of incoming vessels and there remain until relieved in the morning. By this detail a long-standing neglect to properly protect the revenue is remedied.

#### THE WEIGHERS.

The weighers' department consists of a United States weigher and 27 assistant weighers. This force has been reformed to a great extent since my assumption of the duties of this office, August 21. I was compelled to ask the collector to call for the resignation of Mr. Thomas C. Parks, the former United States weigher, as, after sufficient trial, I satisfied myself that he was not competent to fill the position to the full benefit of the Government.

There seemed to be a lack of discipline; errors were constantly occurring in weighing, necessitating the frequent amendment of returns; dock-books and returns were improperly and carelessly made. Since the appointment of Mr. Andrew Hall, who was promoted from the line of assistant weighers, a great improvement has taken place, and the change has been of benefit to the Government, to the importers, and to the force of assistant weighers, in the improvement of returns, greater correctness in weighing, and stricter attention to duty by the entire force in the weighers' department.

Consolidated district daily reports are now sent to the surveyor's office, showing the location of and work done by each assistant weigher during the day.

The measuring of lumber as now done at this port is performed by Mr. John W. Wiggin, surveyor-general of lumber for the State of Massachusetts, at a contract price of 16 cents per M. This work is done under the immediate direction of the United States weigher, and has been improved in the manner of keeping the books, showing the measurement and disposition of foreign lumber. The measurement of coal, salt, and other merchandise has been and is being done by the weigher's department. Previous to the change of United States weigher this work was done very carelessly, and gross irregularities occurred, notably one measurement where, through the carelessness of a measurer, an excess of 23 tons of coal was caused by the use of a 400-pound beam instead of a 500 pound beam. This has all been improved, and but little difficulty in measuring is now had.

The gauger and assistant gaugers, three in number, with an inspector detailed as marker and prover, gauge, mark, and prove all the gaugeable goods imported into this port.

A daily report showing the work done and where performed has been ordered to be made, thus showing the time and place of employment of this force every day.

The reforms here suggested have been made with a view to correct looseness in details, and to prevent irregularities heretofore existing, which have grown out of a too careless attention to business, and by means of which the efficiency of the department was greatly impaired. The effect of these reforms has been to greatly improve the service, in requiring every officer in the surveyor's department to live fully up to the Treasury rules and regulations, and exacting from them a full and complete service, and I think that the collector of the port, the naval officer, and the importers will join in saying that the improvements made in the surveyor's department since August 21, 1886, have been of

positive and substantial benefit to a business-like and effective administration of the duties of this department of the custom-house.

In reply to your request to acquaint you with any other reforms which I would advise in this office, I desire to respectfully submit the following changes that might be made in this department:

The necessity for a uniform overcoat by the out-door officers of this department is acknowledged by all persons familiar with the service. I would ask that the Treasury Department order the wearing of such a coat, and that style and texture of the goods be prescribed by the Department.

This, with the cap now being made, would insure a complete uniformity of uniform, and would prevent the irregular and unsightly spectacle of a half-uniformed customs officer, now so frequently met with here.

The necessity for quartering of the inspectors in the same building with the Barge Office is demanded in the interest of a quick dispatch of business, and I would ask that provision be made to accomplish this desirable improvement.

As before stated, all lumber imported into this port is measured under the direction of the United States weigher, by a sworn weigher of the State of Massachusetts, styled a surveyor-general, at a contract price of 16 cents per M.

It seems to me advisable that a person thoroughly familiar with lumber of various kinds should be appointed by the Government with the pay of a day inspector, to supervise, and, if need be, resurvey and inspect measurements made by the surveyor-general.

This contract of the surveyor-general of lumber has continued in force with the Treasury Department since 1878, and while I have no doubt of the accuracy of the State survey, prudence demands a careful scrutiny of lumber surveying under a United States officer.

In the examination of baggage—of cabin passengers' in particular—the inspector, after examining the trunks, satchels, or bundles of the passenger, puts upon each piece of baggage a chalk mark with his initials and number, signifying that the several pieces have been properly examined, and the owner is at liberty to remove them from the wharf. This manner of marking seems to me entirely inadequate, and, from its liability to be counterfeited, its easiness of erasure and difficulty of distinctly marking on the various pieces of baggage, suggests that a tag or poster of a distinctive pattern be devised to make the record of an officer's inspection of baggage something definite and lasting.

The night inspector's force is now consolidated into two (2) districts, covering seven European steamers, at least two tramp steamers a week, and a water-front of some 7 miles. The duties demanded of this force are very arduous; and, when the details for barge and steamer duty and the special detail of four (4) men to count the passengers on pleasure steamers in the summer are made, the force is greatly reduced.

I would recommend that an increase of the force be made as follows: A captain, to be appointed with pay of a day inspector, \$4 per day; two lieutenants, to be appointed with pay at \$3.50 per day; five additional night inspectors, to be appointed at \$3 per day. This increase of the force of night inspectors and the creation of three officers with increased pay will be of great advantage to the discipline of a force whose duties require constant and faithful service in all seasons, and under whose care are intrusted, not only the guarding of the water front, but the custody of the several important bonded warehouses in the several districts. The weigher's force, so important to the conduct of the business of the

department, requires constant and watchful care, and with a view to its efficiency I would recommend that in the future special examinations be made to determine the qualifications and fitness of assistant weighers, and among the requirements should be one that the applicant should be 5 feet 7 inches in height. This height is necessary, that a full and complete control of the beam should be had by the person handling it. An assistant weigher is now detailed to weigh cigars, tobacco, and opium, and also to attend to general weighing at the appraisers' stores. The importation of cigars having increased from 67,264 boxes in 1882 to 135,948 boxes in 1886, fully 100 per cent., and the imports of tobacco having also increased proportionately, in view of the importance of the duties performed by this assistant weigher, I would recommend that his pay be fixed at \$1,600 per year instead of \$4 per day, as at present established.

The general complaint made by importers through this department is in regard to the allowance of tare. Particularly in the articles of tin, glass, wool, and sugar, the need of a uniform manner of taring is apparent. In connection with the naval office, consultations are now being held to remedy this complaint, and I have no doubt a result satisfactory to the Government and the importer will be speedily arrived at.

In conclusion I beg respectfully to say that I have endeavored to fully cover all the points embraced in your letter.

Very respectfully,

JEREMIAH W. COVENY,  
*Surveyor.*

HON. DANIEL MANNING,  
*Secretary of the Treasury.*

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No. 9.

ALBERT B. STEARNS.—Appointed Appraiser of Merchandise, District of Boston and Charlestown, Massachusetts, January 22, 1886.

PORT OF BOSTON, MASS.,  
*Appraiser's Office, October 22, 1886.*

SIR: I have the honor to acknowledge the receipt of your letter of the 15th instant, noted confidential, requesting a detailed exhibit of reforms instituted by me in the administration of this office during the past year, together with the consequences of such reforms, &c.

I would premise by saying that my incumbency of the office of principal appraiser has fallen short of the described time by nearly three months; that during the period immediately preceding my assumption of the duties of this office the care and direction of affairs devolved upon Assistant Appraisers Joslin and Jones.

The health of my predecessor was such that he was precluded from giving his valuable direction to the business of the office for several months, and as Assistant Appraiser Jones was a notoriously inefficient officer, there was considerable demoralization so far as relates to the division under his charge. In this I cast no reflection upon the majority employed under his direction, for in justice I will say I could have selected the least among them and shown by comparison a marked superiority in qualifications over those possessed by his official superior.

Assistant Appraiser Joslin, it gives me pleasure to say, is a most energetic and competent officer, the division under his charge being in a

most excellent state of discipline and faithful in the performance of its duty to the Government.

In the report of the examination of the customs service and business at this port by the Treasury agents, in September, 1885, which is embodied in your last report to Congress, on pages 117 and 118, they were pleased to advise against the appointment of two appraisers of equal and concurrent authority, as likely to lead to conflict, want of harmony, and possible injury to the interests of the Government.

Up to this time the appointing power has seemed to concur in this view, and I can unreservedly state that an undivided responsibility and direction has resulted in great improvement in the work and discipline of the force. The officers have felt a larger confidence and greater incentive to perform their several duties, because of the knowledge that their work and records would not be the subject of dispute between two executives, and certainly the work requisite for an exact carrying out of the regulations does not involve labor beyond the capacity of one chief appraiser.

By this has been saved to the Government the past year the sum of \$3,000, the salary of one appraiser, and improvement of the force been attained. The act of April 20, 1820, section 9 of the United States Statutes at Large, provided that 2 appraisers should be appointed for all the principal ports from Boston to New Orleans, these officers being appointed by reason of their skill as experts, for the purpose of making all the examinations of imported merchandise.

The act of May 28, 1830, provided for an additional appraiser at New York, making 3 for this service, because of the increase of business, and 2 assistant appraisers at Boston and Philadelphia. July 27, 1866, the law was amended, under pressure of an increased tariff schedule, to the extent of substituting one appraiser and 10 assistant appraisers at New York in place of 3 appraisers of equal authority; but this change in character was not applied at any of the other ports above mentioned. To all business minds it seems imperative that this anomalous condition should be repeatedly and forcibly brought to the attention of Congress.

The first evil that occupied my attention was the necessity of instituting a reform in the manner of ascertaining damage allowances. Importers were dissatisfied and the collector's office discouraged because of the wretched condition to which this branch of the service had degenerated.

I found improvement impossible so long as Assistant Appraiser Jones held his commission in this service. Whereupon I suggested his resignation and consequent retirement. So gross had become the abuses in his division, I was compelled to take this work entirely out of his hands pending the confirmation of his successor. From that date to the present time I am happy to report that no complaint has been preferred touching this matter. No book containing details of examinations of damaged merchandise, such as time, place, and condition, from which the appraiser might judge for himself of the corrections of his returns, had been kept by Mr. Jones. It was customary for the warrants to lie in the appraiser's office for months after their issue, before allowance or return was made to the collector, thus completely obstructing the adjustment of accounts.

This practice unquestionably involved a loss to the Government in most cases, while in a few injustice was done the importer, for the reason that the appraiser was obliged to make his allowance largely upon guess, as the subject of appraisal was removed. The Treasury regulation requiring stenciling of damaged packages I found had been wholly ignored by the damage appraiser.

No surprise which our return to legal methods has caused has been more striking than this, so far as the importation of glass is concerned, the oldest importers of that commodity hardly believing it possible that such requirement existed. I am of opinion the Government has heretofore allowed more than one rebate upon the same importation of glass. Assistant Appraiser Kitfield has given this matter prompt and intelligent action, and in the management of his division, in all other respects, shows a first-class ability.

As regards the *personnel* of this office, I found that in many instances this department was a place of refuge for political dependents and clever do-nothings who were a burden to their friends. Examiners, clerks, and packers in some instances were decrepit and unable to do anything like *adequate return* for their wages, and other branches of the service were suffering for want of proper attention. Notable reforms have been made in the examination of merchandise upon the wharf by the officers of this department. I found three officers provided to make examination of goods, but no opener and packer to display and repack the merchandise for the examiner's classification.

Upon investigation of this matter, it came to my knowledge that the examiners were in the habit of requesting the assistance of employés upon the wharf to perform this work, which only should be executed by sworn officers commissioned by the Government. In this respect the officers of this department were putting to a severe test the good nature of the employés of importers and steamship companies, and sometimes coerced them into its performance by refusing to pass the goods if such work was not forthcoming. I immediately called the Department's attention to this state of affairs, upon which, I believe, you requested the special agent of this district to report, and, the finding being in accordance with the above statement, I was authorized to appoint two openers and packers for this work.

As this service is now executed, it has become apparent that this reform has resulted in great good to importers, steamship companies, and Government examiners, and all concerned.

Previous to this year, and my assuming the functions of this office, the force was as widely separated, so far as the business of this department was concerned, as if situated in different towns. Indeed, there was a distinct and clearly marked division of the officers themselves, whose business relations seemed to have nothing in common. This gave rise to vexatious delay in certain cases.

I reformed this mischief by causing the force to be brought under one method and discipline. By reason of having sole control, I have been able to cause the current internal affairs to conform to a correct system of co-operative work, which has been admirably effective, as it has more clearly defined the relations of the subordinate officers to the assistant appraisers and left me free to attend to the more important matter coming within the province of the appraiser.

The amount of merchandise that was allowed to be examined upon the docks, by inspectors of customs at this port, previous to the present year, was far greater than could be entrusted to them with safety to the revenue. It had come to be a very general practice for this office to report upon invoices of free goods without knowledge even of their whereabouts, or the mark of an inspector to denote that he had verified the marks. Under such a system, proceeding without proof that the goods were not of a dutiable character, the Government was dependent solely upon the integrity of the importers, deriving no security from the action of its own agencies.

As the standing list of goods for wharf examination has now been abolished, I find that a vast volume of work has pressed upon us. Therefore, in obedience to your request that I acquaint you with whatever reforms I may have in contemplation, I recommend that a limited number of sugar samplers, who are acquainted with wharf work, be commissioned as "examiners and samplers," so that at times when their services happen not to be needed for their specific duty, I can transfer them to assist in the examination of goods upon the wharf. By this means no extra expense will be incurred and the Government bill for training will remain without increase. Otherwise I apprehend that it will be necessary to appoint one or two examiners to handle this work.

With reference to the reforms in the force employed, I have to report that I have abolished two positions, each salaried at \$1,600, reduced others, and increased some salaries, in accordance with business principles. I have also added to the force two persons in the lower grades, as before mentioned, and increased the force in efficiency and number, at less expense than before.

Although the law provides for an examiner of drugs and chemicals, the laboratory was without appliances to carry on the work required. How this important work had been transacted in the past is incomprehensible. At my request the Department has furnished the necessary supplies, so that now the Government obtains correct results.

In the above-named office was located a person whose duty was to serve in several capacities (such as sampler of drugs, then turned over to the examiner of liquors, at times), but who was not possessed of the knowledge requisite to serve in either. I immediately transferred this officer to the position made vacant by the discharge of an unreliable man in the sugar force, and subsequently obtained the services of an educated and trained person as sampler of drugs and chemicals by examination under the civil service rules.

Great and numerous complaints by importers and merchants flood this office, caused by the ambiguities and obscurities of the tariff. In this respect it is only perplexing, if not amusing, to be harangued day after day by parties whose interests lie in opposite directions, all quoting the several conflicting paragraphs in the same schedule to sustain their position. Customs officers are constantly reminded, after this manner, that the present tariff law is a work which covers as many theories as the Bible sustains theologies.

I am of the opinion that this evil could be mitigated to a large degree if you would provide for a quarterly conference, at New York, of the appraisers of the larger ports. I am confident that by this system, if adopted, a radical reform in classification would be attained. Revised Statutes 2608, and article 1399 of the General Regulations, devolves this duty upon the general appraisers, but the fact is established that the success contemplated by the law has not been achieved, and cannot be effective under the present system.

I think I may properly close this communication by stating, without fear of contradiction, that among the chief complaints now made to me by importers are, that the present execution of the customs laws at this port are enforced too rigidly, as to the letter and spirit of the same.

In this respect I propose to continue to reform the work of this office so far as it lies within my province.

Very respectfully, your obedient servant,

A. B. STEARNS,  
*Appraiser.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury.*

No. 10.

HENRY S. BRIGGS—Appointed United States General Appraiser April 11, 1872.

OFFICE OF THE UNITED STATES GENERAL APPRAISER,  
*Port of Boston, Mass., October 28, 1886.*HON. DANIEL MANNING,  
*Secretary of the Treasury :*

SIR: I respectfully submit the following response to the several requests contained in your letter dated October 15, 1886:

First. To the request for a full and detailed exhibition of whatever reforms in the administration of my office have been made by me, and have been made at this port this year, I have to remark that there have been no material changes in the manner in which the duties of the general appraiser have been performed, so far as proceedings at this port have been concerned, and that my attention has not been called to any particular complaints or demands for reforms.

The instructions of the Department relating to the mode of procedure on reappraisements, promulgated by the circular of June 9, 1885 (S. S. 6957), did not require any material change in the practice already existing except the exclusion of professional legal counsel employed by importers from the reappraisal hearings. It may be proper, however, to note another exception, with respect to a practice which in the circular cited appears to have been considered by the Department as a departure from the methods contemplated by the law and regulations, viz, the practice of hearing two or more reappraisal appeals, by two or more merchant appraisers sitting with the general appraiser, in certain cases where the merchandise in question is the same and exported at about the same period from the same markets. The practice seemed to me so unobjectionable that, after having expressed my views and stated my practice in a communication to the Department, in reply to the argument of Mr. F. L. Stetson, in August, 1885 (the press copy of which communication fails to preserve the precise date thereof), the practice has been continued whenever the circumstances of the case seemed to make it advisable. Inasmuch as the views expressed by me were not expressly disapproved by the Department, I have been led to believe that they were acquiesced in. There can be no doubt that the practice facilitates proceedings and promotes thoroughness in the investigations. I believe it is adopted by all the general appraisers in the reappraisements held by them respectively in New York. There is seldom occasion to resort to it at this port.

The letter of the honorable Secretary is addressed to me as "general appraiser at *New York*," but I have understood that the inquiries relating to the administration "at *your port*" refer to the port of Boston. This suggests a reference to the fact that a very considerable part of the current year has been employed in holding reappraisements at New York, under special instructions from the Department. I do not consider, however, that the inquiries addressed to me invite an extended and detailed expression of views respecting the administration of the general appraiser's office at that port. The methods of reappraisal at that port are somewhat peculiar, and different from the forms prescribed by regulations. Whether a stricter observance of such forms, or other changes, would tend in any degree to relief from existing evils cannot be satisfactorily tested except by experiment.

Recurring to that part of the inquiry which relates to the administration of the duties of my office, I have endeavored to observe the instruc-

tious found in the Treasury Regulations (articles 1399–1407), both in respect to action at this port and in visiting other ports and collection districts within the general appraiser's division assigned to me. Referring to the third paragraph of Department circular of June 27, 1877 (S. S. 3281), in which it is declared that—

The principal duty of the general appraisers, under the law, is to visit the various ports for the purpose of supervising the method of appraisement of dutiable goods, and securing uniformity in their values and classifications—

I remark that the authority to visit ports others than those at which they regularly reside is not altogether clear. I have hitherto acted under the authority conferred by a special letter of instructions addressed to General Appraiser Heyl and myself, dated September 20, 1877, directing visits to several specified ports, in which occurs the following paragraph, viz:

The Department does not desire that, after your performance of the work herein assigned, your visits shall be restricted to ports specially designated; but deems it proper that you should at any time visit ports at which your services may be specially needed, and authority for such visits is hereby given.

Article 1399 of the Regulations prescribes as a duty of the general appraisers—

to supervise the appraisement of merchandise within their assigned jurisdiction, by visiting and inspecting the several ports therein as often as, from time to time, may be designated by the Secretary of the Treasury.

Questions of valuation and classification arising in the supervision of these subjects at the ports within my division, and more particularly questions of valuation arising on reappraisements, make it desirable to make frequent visits to the port of New York to confer with appraising officers there. I have during the month of August visited several ports on the northeastern frontier. The more attention that is given to this duty, the more I am convinced of the usefulness of such visits and that more attention should be given to them; and the purpose to give more attention to them may be mentioned as a "reform in contemplation."

A reform in the administration at this port which has come under my observation is worthy of note, viz, the practical establishment of a single responsible head to the local appraiser's department, in lieu of the dual organization that has heretofore for many years existed. I am satisfied that the general efficiency of the department has been materially improved under the new system and its new administration.

The new, extended, system of sampling merchandise and return of samples to the general appraisers, which has been inaugurated by the honorable Secretary during the last fifteen months, should also be noted as a change in the direction of reform or improvement.

While necessary absence from this port at New York so much of the year has prevented giving that attention which the subject deserves, it is my purpose hereafter to make it a subject of more particular attention.

The recent supply of better facilities for classifying and preservation of samples will promote the practical usefulness of the system.

That part of the Secretary's letter which requests information respecting such advisable changes as may be called for by those importers who transact considerable business with the customhouse, and which will require change either in the law or its administration, though in terms limited to changes at this port, may, perhaps, be intended to include changes applicable to all ports. The business of reappraisements

has brought to my attention one subject of complaint, the only remedy for which lies in a change of the statute law; but it is one which, it seems to me, may be demanded on equitable considerations. I refer to the existing law which subjects the importer to the inevitable and irremediable imposition of an additional duty of 20 per cent. whenever the invoice or entered value is advanced on appraisement to the extent of 10 per cent. The cases where such provisions operate unjustly are those where the merchandise is obtained by actual purchase in the ordinary course of trade, and so invoiced at the price paid, but which, it may be shown on investigation by the appraisers, is below the standard set by the law, viz, the market value. It is to be considered that this standard is not one which is generally easily or exactly ascertainable. The importer who goes into the foreign market to purchase may be supposed to know what the *published* or *quoted* prices are, but such quotations are not the highest and *best* evidence of that *market* value. Actual transactions of purchase like that by which he has obtained his own goods are the *best* evidences. What such transactions are, beyond his own, he is not presumed to know. One purchaser may purchase for cash a certain quantity of goods at a certain price, while it may be ten other purchasers on the same day purchase the same kind of goods at varying prices, paying, it may be, 10 or 12 per cent. above that paid by the first. It may be considered that the eleven transactions of purchase herein supposed would furnish the best evidence of the actual *market value*, but it is not to be assumed that either of the eleven purchasers had any knowledge of any of the transactions besides his own. The application of this inflexible rule, by which the price actually paid by one of several purchasers is advanced to the price, or average price, at which other purchasers procure their goods, in many cases inflicts a veritable hardship; notably so in such cases as the importations of worsted yarns and fabrics, when the variation in prices from day to day, although it may not have been to the extent of 10 per cent., has been sufficient to change the *rate* of duty, so that a manufacturer who has made a contract or purchase at a certain price on a certain day, on terms advantageous to his business as manufacturer of worsted fabrics, is subjected, by reason of a subsequent slight advance, to a rate of duty which would make his importation disastrous.

Importations at this port are, as a rule, made upon actual purchases, and complaints are frequent and, it seems to me, well founded, by importers, that they are subjected to what may appropriately be termed a penalty for invoicing their goods according to the requirement of the law, viz, the price actually paid. It is natural and reasonable that they should understand that the price actually paid in open market, in the ordinary course of trade, constitutes *market* value, inasmuch as it has been held by high judicial authority that such actual purchase is *prima-facie* evidence of market value.

The tendency to undervaluation at ports where importations are principally upon consignments by foreign owners to their agents in this country is, I suppose, the principal ground of support for the law as it now stands; but it would seem that it ought not to be beyond the ingenuity of law-makers to frame a provision by which a discrimination could be made between a fraudulent consignment and a bona-fide purchase by an honest importer.

It is not against undervaluation in invoices which show prices actually paid that the loud and prolonged complaint has been aimed. I do not consider it impracticable to make such change in the statutory law as to provide that the imposition of the additional or penal duty shall depend upon the finding of the appraising officers that the undervalua-

tion was intentional, or made so carelessly as to imply culpability. Whether it would be advisable to place such discretionary power in the local appraisers, whose action is necessarily summary and hurried, is a question; but the course of investigation on reappraisement is such that the cases are rare in which the reappraising officers do not have the information which enables them to determine whether an undervaluation of goods obtained by purchase is undervalued to the extent of implied culpability.

Perhaps a better remedy may be suggested in the amendment of the existing laws, relating to the addition by the importer at the time of entry to the invoice value, by *extending* the period during which such privilege may be exercised. I do not perceive any sufficient reason why the importer, in case he shall be satisfied from the evidence furnished by the appraiser or from information from any other source, that his purchase price, as invoiced, measured by the strict standard of market value, is too low, should not be permitted to add to the entered value, at any time before liquidation, sufficient to make market value.

This might be left in the discretion of the collector upon the report of the appraising officers, or upon information from whatever source, sufficient to satisfy him that the invoice valuation was made in good faith and without intention of undervaluation.

I think that the advance of the invoice values, which are the prices paid by honest purchasers, is one of the most prolific causes of dissatisfaction and complaint in the administration of customs laws at this port.

The injurious and offensive, because to the importer it is inequitable, operation of the existing law is particularly exemplified in that class of importations which are based on orders for goods to be manufactured or to be delivered at a future date, which class embraces a large proportion of the finer and more costly kinds of textile fabrics of mixed materials, the market value of which fluctuates with the cost of component materials. The rule that duties shall be assessed upon the market value at the date of exportation, irrespective of the actual *cost* or the market value at the time when the contract for purchase was made, results frequently in an advance on appraisement, which the importer could not have foreseen, and operates to complicate and disturb contracts, based upon such purchased value, which the importer has made for the sale of his goods in the home market.

While it may be well understood as a principle of law that the citizen is supposed to know what the law is, this law is no less a hardship and injurious in its application, because it is impossible to foresee and calculate upon its application. After long observation of its operation, I find importers of high standing and large business experience protesting now as earnestly and honestly as ever against the operation of a rule by which their bona fide purchases are ignored, and values additional to those at which these goods have been honestly purchased found to such an extent that the rate of duty is largely increased.

The doctrine that ignorance of law is no excuse for non-observance, so far from being satisfactory, is met with the protest that such a technical application to such a subject-matter is an offense to the common sense of justice. Neither does the suggestion that a change in existing laws would be productive of great abuse in the port of New York, convince the honest sufferers there, and at other ports, that they should be involved in penalties designed for dishonest importers, or that a modification of the law may not be devised, by which the innocent shall be protected, while the different class shall be left to bear the consequences of dishonest practices.

I am satisfied that some such provision as that of conferring upon collectors discretionary authority, based upon the reports of reappraising officers, to permit importers to amend their entries, in case of honest mistakes as to market value, at any time before final liquidation, is practicable and would be safe. Already appraisers are charged in certain cases (Treas. Reg., Art. 453) with the duty of reporting their opinion to the collectors where certain irregularities in invoices appear to be attributable to fraudulent intent; and it would seem equally proper to require appraisers to report an opinion, resulting from careful investigation, of a fraudulent or culpable purpose in undervaluations.

Another improvement in administration which would require change in the statute, according to the construction by the Department of existing laws, which I beg leave to suggest, would be the enlargement of the discretionary authority of the Secretary of the Treasury with respect to the correction of mistakes on reappraisements. The occasions for the exercise of such power would probably be of rare occurrence, but in view of the fact that decisions of reappraisements, when conducted according to law, are absolute and irreversible, it would only be just and reasonable that there should be some remedy for the acknowledged mistakes which occasionally occur in the best administration of any law or in any practice. I would recommend that authority be conferred upon the Secretary to permit reappraising officers, upon their own request, and upon grounds satisfactory to the Secretary, to revise their report and correct mistakes which are discovered subsequent to the making of the report, such authority to extend, within reasonable limits, beyond the date of liquidation. According to present practice, sanctioned by judicial authority, the power to correct such mistakes at any time *before* liquidation is exercised, and there seems to be no sufficient reason why similar authority, under the sanction of the Secretary, should not be extended. The objection that the existence of such authority would unsettle the long-established understanding that the reappraisement is a finality, and open the way to frequent and unreasonable applications to the Secretary for revision, is met with the suggestion that application is only to be made by the reappraising board, and by the fact that in practice, under the present authority to revise before liquidation, its exercise is of very rare occurrence, although applications have been frequent and urgent. Under the present system of reappraisements such full opportunity is given to importers to prepare for the hearings that there is seldom any reasonable cause presented for reopening the investigation.

The tendency in modern legislation has been to enlarge equity jurisdiction for the correction of mistakes in the administration of general laws and their application to particular facts and circumstances.

It would seem in the line of such liberal reform that such authority should be conferred upon the chief executive of the Department, who already exercises, under the law, so large powers in the establishment of rules and regulations for the administration of that Department.

I consider it a duty to again invite the attention of the Department to a point in the administration of the law, in respect to the ascertainment of *market value*, which involves such difference of opinion as to make it difficult to apply the law to a certain class of invoice valuations. Having stated the grounds of complaint on the part of the importer against the operation of the law adversely to his interests, consideration should be had for this important class of cases in which a construction of the law made several years since operates to the prejudice of the interests of the Government. I refer to a ruling of the Secretary of the Treasury made April 21, 1884, by which the collector at Boston, having

been called on to act as umpire in a case of disagreement between the general and merchant appraisers, was instructed that in ascertaining the market value of certain *worsted yarns* he might accept the price at which such goods were generally sold to the *United States* purchaser in distinction from the higher prices at which they were sold to any other purchasers. This ruling has never been promulgated in the usual way by printing in the synoptical series of decisions; and I am informed that it is not recognized at other ports as authority for the very reason that it has not been generally promulgated, the inference being that if it had been the purpose of the Department to have the principle of the ruling adopted by appraising officers it would have been announced in the usual way. I am inclined to this view because of a personal interview with the late Hon. Secretary Folger a few months subsequent to the ruling, and a few weeks before he was permanently disabled from official duties, in which interview the subject was discussed, and the Secretary declared that he would give it further consideration. At this port the ruling is well known, and is frequently cited by importers and merchant appraisers in reappraisements. It would seem to me that its general adoption would be so subversive of the generally accepted rule of finding market value that there would be not only practical difficulty in its application, but that it would seriously affect the revenue. While the equities of bona fide purchasers have been recognized in considering their complaints against the technical application of the law to innocents and ignorant undervaluations, there can be no such consideration in this class of cases, for in the case in which the ruling was made it was conceded that the prices were exceptional, and this knowledge may be presumed in all such cases, the motive presented to the seller to induce a discount from the ordinary prices being that the purchases are for the United States market.

The following is an extract from the ruling of April 21, 1884, referred to:

It is conceded that the invoice shows the prices actually paid for the merchandise. These prices are lower, however, than prices of the same goods for the English market. But it is stated that the invoice prices are those at which such goods are sold for exportation, so that it is said there are two wholesale prices, both of them actual, one for consumption in England and the other for exportation, and the question arises which of these two values is to be chosen as the basis for the assessment of duties.

In decision 3238 it was held that the general range of prices actually paid for goods shipped from foreign countries may properly be accepted as a standard for the actual market value or wholesale price prescribed by law as a basis for the assessment of duties, although the actual market value of such goods for consumption in the country of export may be greater. If there is an actual market price for goods to be exported to the United States, though that market value differs from the actual value of goods sold for consumption abroad, the former should be the standard of assessable value for the customs officers here.

By actual market value is meant a general market value by which any person could buy in the foreign market for exportation to the United States in competition with another purchaser for the same purpose, or, in the language of the decision cited, "a general range of prices actually paid." \* \* \*

As a matter of fact in that case, established conclusively by the report of Special Agent Tichenor, whose information was obtained by personal interviews with the sellers of the merchandise in question, the prices invoiced were below *all* other prices except those made especially for the United States market, the exception being against prices for export to other countries besides the United States, as well as those for consumption in Great Britain.

Decision S. S. 3238 is cited as supporting the ruling in this case. A reference to that decision shows that it was arrived at not without doubt, and was justified partly on the ground that the book trade was

*peculiar*, so as to "render it impossible to fix any positive standard of value for any particular book for any given time." It was found that the price at which they were invoiced to the United States were substantially the same as those at which such books were sold to all English-speaking countries, and that an exceptional price had *not* been made for the United States. The previous decision of April 11, 1877 (S. S. 3196), is cited, and the Department says "there is no occasion to modify that decision." The question of royalty was discussed, but, independently of that, it was held that a no less price than that realized from the books sold for consumption in England could "be accepted as a basis for assessment of duty," and, in conclusion, that as it did "not appear that the publishers had reduced the price of their books for consumption in England or for shipment to countries other than the United States," the value reported by the appraisers must be sustained. Although the instructions to the collector at Boston purports to be in harmony with the decision of May 15, 1877 (S. S. 3238), which latter affirms the preceding one of April 11 (S. S. 3196), it goes far beyond that, and declares, without the qualification that the prices must be the *general* export prices, that "by market value is meant a general market value by which any person could buy in the foreign market for exportation to the *United States* in competition with another purchaser for the same purpose." *i. e.*, for exportation to the United States. This decision of May 15 (3238) was based on the consideration that an exceptional price had not been made exclusively for the United States. The last paragraph is to be construed with the preceding paragraph, so that, although the precise language is used as quoted in the instructions to the collector, it is to be read when quoted as it was originally given "in view of all the facts," a material one being that an *exceptional* price had *not* been made exclusively for the United States. The instructions to the collector could not have been given in view of any such fact, for the fact was established beyond all question that the worsted yarn had been purchased and invoiced at an exceptional price, made exclusively for the United States importer.

Reference is made to a report by late Special Agent Bingham on this subject, to be found printed in the "Report of the Secretary of the Treasury on the Collection of Duties," dated December 7, 1885, pp. 399-401, in which the instructions to the collector are discussed and contrasted with the generally accepted definitions and standard of *market values*.

Respectfully, yours,

(Signed)

H. S. BRIGGS,  
*General Appraiser.*

No. 11.

PORT OF BOSTON, MASS.,  
*Appraiser's Office, November 29, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I herewith transmit the statement required in your letter of the 16th ultimo.

The imperfect records of this office in the past is the cause of my delay.

Very respectfully, your obedient servant,

A. B. STEARNS,  
*Appraiser.*

	October 1, 1884, to October 1, 1885.	October 1, 1885, to October 1, 1886.
(a) Invoices examined and appraised .....	29,902	36,371
(b) Invoices reported value correct .....	29,185	34,933
(c) Invoices advanced in value by appraisers .....	767	1,488
(d) Invoices advanced more than 10 per cent. ....	50	79
(e) Invoices appealed to re-appraisers .....	22	45
(f) Effect and result of re-appraisement.	Advance sustained .....	7
	Advance partially sustained .....	10
	Advance made above appraiser .....	1
	Invoice sustained .....	4

No. 12.

OFFICE OF THE UNITED STATES ATTORNEY,  
DISTRICT OF MASSACHUSETTS,  
Boston, November 16, 1886.

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

SIR: In reply to your letter of the 8th instant, in regard to presentations to this office in 1886 by the collector for frauds on the customs revenue, I would say that there has been but one such case. Emily Rigby was accused of attempting to evade payment of duty on certain ribbons, laces, &c., valued at about \$375. A suit was commenced against her, the writ being returnable in circuit court October 15, 1886, but it was discontinued before entry, in accordance with instructions from the Solicitor of the Treasury in his letter of September 27, 1886, the defendant having redeemed the goods by payment of their appraised value and having deposited the sum of \$500 and costs in an offer of compromise.

Respectfully, yours,

JAMES RUSSELL REED,  
*Assistant United States Attorney.*

PORT OF NEW YORK.

No. 1.

CUSTOM HOUSE, NEW YORK CITY,  
*Collector's Office, December 2, 1886.*

To the Honorable the SECRETARY OF THE TREASURY,  
*Washington, D. C.:*

SIR: In response to your request for my views upon the customs service, I beg leave to say that I have not yet had sufficient experience to enable me to point out intelligently and in detail evils to be remedied or to suggest improved methods in the customs administration at this port.

There are, however, two subjects which forced themselves upon my attention soon after taking charge of the custom-house; these are:

1. The imperative need of a new custom-house and a new public store.
2. The cumbrousness of the present system of the payment of duties in the custom-house in actual money, and the consequent need of change.

(1) That the custom-house building at this port is unfit and inadequate for the proper and orderly transaction of the business needs only to be stated. In past years, when the amount of business was comparatively small, it may have answered the demands of the service in a certain way, but it does not now afford the requisite accommodations

for either the public or the customs officials, and its interior arrangement and construction are such that it cannot be altered so as to make it fit for custom-house purposes. Without such accommodations, orderly, efficient, and economical administration is exceedingly difficult. Private firms and corporations recognize the fact that proper buildings in which to conduct their business are essential to success. They spare no reasonable expense to secure suitable and safe buildings and appointments for all the details of the work to be done. But the Government, while it has expended large sums for the erection of public buildings in various cities and towns of the country, has been content to leave its servants charged with the administration of the largest financial collecting agency in the world in buildings not originally intended or constructed for the purposes for which they are now used, and not at all adapted for such use.

The appraisers' department is inconveniently located in an old sugar refinery about a mile and a half from the custom house, and the building is, like the custom-house, quite unsuitable for the business, nor is it large enough for the work of examining and appraising merchandise and the safe keeping of the same.

Many of the transactions of the collector's office require the concurrence of the naval offices. The convenience of the officers and employes of both of these departments, as well as that of the public, requires that these officials should be located in close proximity and under the same roof; but the naval office was crowded out of the custom-house building several years ago and is now located in a rented building across the street. The lease will expire within three years, and should it be impracticable to renew it or to secure adjacent quarters for the naval office, great inconvenience and delay would result to all concerned. The amount paid for rent for the two buildings used for the naval office and the appraisers' store for the last five years was about \$375,000, or \$75,000 per annum.

It is therefore respectfully suggested that Congress should make immediate provision for the purchase of a suitable site and the erection thereon of a building of sufficient capacity to accommodate all of the several departments of the customs service at this port. The ground upon which the custom-house stands is very valuable and would probably sell for a sufficient sum to pay for a site in another location.

(2) The losses which have occurred in past years in the cashier's department of the custom-house, and the risk to merchants in handling the large sums of cash used in the payment of duties, have rendered desirable some method of payment by checks or certificates.

Yours, respectfully,

D. MAGONE,  
*Collector.*

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No. 2.

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, October 30, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury, Washington, D. C.:*

SIR: I have the honor to acknowledge the receipt of your letter of the 15th instant, requesting me to give you a full and detailed statement of the reforms in the administration of my office, and generally in the

customs business at this port, that have been made within this year, and also to communicate to you other information regarding reforms either contemplated, desirable, or called for by our principal merchants, as also the complaints made by them as to the present execution of the customs laws at this port.

In obedience to your request I would respectfully submit the following statement, in which I have treated the several branches of the customs business in their order of succession.

(1) *Entrance and clearance of vessels.*—Under this head the most important change has been that made by the act of June 19 last, abolishing certain fees, which became effective on July 1, 1886. The amount of fees thus abolished that was collected at this port during the fiscal year ending June 30, was about \$25,000. The result of their abolition has been a great simplification in the work connected with the documenting, transfer, entrance, and clearance of vessels. I know of no complaints in regard to the execution of the laws under this head.

(2) *Entry of merchandise.*—The marked improvements on this point within the year are expressed in the several decisions by the Treasury Department: (1) More closely defining dutiable invoice value; (2) Tending to an insistence that the entered value must be the dutiable invoice value, with such additions thereto as the importer may make; (3) Giving force to the principle laid down by the Supreme Court in the "Obersteuffer case," that the invoice and entry are co-ordinate parts of a single transaction, and that both are to be considered in the assessment of duties; (4) That the oaths administered at the time of entry as provided by section 2841, Revised Statutes, so far as they refer to costs, values, and discounts, apply to the invoice alone, and not to the form of entry. While these decisions have not been precise and definitive, their general trend has been in the direction indicated. It is always difficult to reverse a procedure long in practice, even when it is manifestly defective. At the very foundation of the assessment of duties under our present laws is the invoice, a document so important for this purpose that a costly corps of consular officers are sustained in foreign countries to verify it for customs purposes. The important element in the invoice is the cost, including all costs of finishing the goods as exported, all of which constitutes the dutiable invoice value, or, expressed in brief, "the invoice value." This should be the entered value, with such additions thereto as the importer may elect to make. Thus there is a clear standard of entered value as of invoice value, leaving no chance for future doubt or misconstruction as to either. The appraiser has before him the invoice only in determining the market value, and the collector and naval officer have the invoice, the entry, and the appraisement before them in the liquidation of the exact amounts upon which duties are finally assessed.

The merchants have for several years sought relief from the necessity of appearing in person at the custom-house to take oaths on entries of goods. It is not necessary to recount the inconveniences they suffer in this respect, but to again recommend the repeal of the oaths, and substitution of declarations verified by the signature and seal of special notaries commissioned by the Secretary of the Treasury.

So, too, as applicable not only to entries of goods but to all other official transactions connected with their movement, there should again be pressed the legislation abolishing the annoying fees now collectible on various documents, and which are small, indistinct amounts, vexatious in their payment, and difficult in their proper accounting.

(3) *Payment of duties.*—There have been proposed several plans by which duties might be paid without the presentation of the actual coin or other lawful money at the custom-house.

The importers have generally urged the acceptance of certified checks by the collector. There are certain obvious objections to this plan, and whatever one is adopted will require amendments to the present statutes affecting the subtreasuries and other public depositories, as well as those affecting the collection of duties.

(4) *Warehousing and bonding of goods.*—There is a general desire by importers that the 10 per cent. additional duty now assessed upon goods remaining in warehouse over one year shall be abolished. It is my own opinion that our whole warehousing system should be remodeled, and so far as practicable that the British system should be substituted; the main features to be incorporated being a liberal term for warehousing, and for allowances for normal loss in quantity in bond when such loss diminishes values; a provision whereby the cost of the warehouse system should be borne by the interests benefited; the cancellation of export bonds upon alternative evidences satisfactory to the collector and naval officer; and a reduction of the number of bonds now required. The Government storekeepers should be so paid that their compensation would not, as now, appear to be directly contributed by the warehouse proprietors upon whom they are the only check. For all importations made under the provisions of sections 2507, 2508, and 2509 there should be distinct series of bonds, to be kept apart from, but treated in the same manner as, regular warehousing bonds. Some of the above suggestions were incorporated in the bill introduced in the House of Representatives on February 1 last by the Hon. Abram S. Hewitt (H. R. 5010, Forty-ninth Congress, first session).

(5) *Appraisalment and reappraisalment.*—Under the general direction of the Secretary of the Treasury, much has been accomplished within the year at this port in securing more accurate appraisements. Appraiser McMullen has been indefatigable in his endeavor to carry out the provisions of the law governing appraisements (sec. 2902 R. S. particularly). In this delicate task he has naturally incurred the opposition and censure of many of the importers the value of whose goods has been advanced. I desire to renew my recommendation that the methods of appraisalment be arranged and systematized so that in regard to the great bulk of importations groups may be established and a standard and staple commodity in each group be made the scale or key for that group. Articles of the same materials, uses, and origin must have a correlation in value, the common elements being cost of raw materials and labor. The concentration of research upon a single key would secure a more accurate valuation, and the fluctuations in this value would suggest responsive changes in the other commodities in the group. This method of judging by reciprocal relations is now adopted by the appraisers to some extent, but the extension and systematization of such a plan would be of great benefit. The advantages that might have been gained by the more efficient appraisalment of goods during the last fifteen months have been very greatly impaired by the defective methods of reappraisalment and the administration of those methods. The cure for these defects must be radical, through legislation abolishing the present provision for general and merchant appraisers, and substituting a board of general appraisers upon plans hitherto submitted to you and to the special Senate committee on the subject of undervaluations.

Apropos to the appraiser's functions it may be here indicated that they are both intrinsic and incidental; the former being those imposed by law, *i. e.*, the appraisalment of the market values of imported goods; the incidental are those originating in the fact that the appraiser is the

only customs official who examines and inspects the goods and who can certify to other officers the facts revealed by such examination. The action upon these facts (which do not enter into the question of market value) devolves upon the collector and naval officer, or the Secretary of the Treasury; and the opinion of the appraiser as to such action, whether voluntarily expressed or requested, is only advisory. Thus the opinions of the appraiser as to classification are advisory, and the responsibility of action on this point rests wholly with the other officers above named. There has been some misapprehension on this point, and appraisers and general appraisers have sometimes undertaken to decide both classification and dutiable values.

(6) *Liquidation of entries.*—By this term is meant that ascertainment of the duties payable on every entry contemplated by sec. 2931, Revised Statutes. The original estimate of duties at time of entry is based upon the *ex parte* papers produced by the importer, but in liquidation these papers are supplemented by the reports of the appraisers, weighers, gaugers, and other officers, who have subsequently examined the goods and testify as to their value, character, quantity, and condition; and the liquidation takes into account all the papers and certificates, with the provisions of law, regulations, and decisions pertinent to the entry. The Treasury Department, within the past year, by its decisions, and particularly those regarding protests, to be more particularly mentioned hereafter, has greatly improved the methods and results of this important process.

(7) *Protests and appeals.*—At an early date in your administration of the Treasury Department, you became apprised of the many vexed questions pending before the Department, and the courts upon protest (sec. 2931, R. S.) from the liquidated amount of duty. Your first action was on May 2, 1885, deciding that a legal protest upon an entry for warehousing must be made within ten days after the liquidation of that entry, and could not be made upon a final withdrawal of the goods. This decision, correct in law, and equitable in its relations to entries for direct consumption and those for warehousing, shut off many claims having no substantial justice, but valid under previous rulings. The amount of money thus saved to the Treasury cannot be accurately estimated, but was very large.

The minute and extended inquiries you made between August 1, 1885, and March 1, 1886, demonstrated serious defects in the administration of the law (sec. 2931, R. S.), leading to a vast accumulation of appeals to the Secretary of the Treasury, and great arrears in the disposition of suits instituted in the United States courts. The decision of important questions being thus long delayed inflicted great injury upon commercial interests by the uncertainty as to rates of duty that might govern in the future, while the delay increased the interest charges upon all cases decided adversely to the Government. There was also inadequate preparation of the evidences for transmission to the district attorney. I beg pardon for even thus briefly touching upon the matters exhaustively treated in your letter of March 23, last, in answer to a resolution of the House of Representatives, in regard to suits against collectors of customs. I have done so only as a preface to a review of what has been accomplished under your orders since April 1, last. All protests are now examined by the collector and the naval officer, and after consideration of the points presented by the importer, the original liquidation is either confirmed by those officers, or a re-liquidation is directed. Should the collector and the naval officer differ

in such consideration, the matter of difference is immediately reported to the Secretary of the Treasury for his decision.

The beneficial results that might reasonably be anticipated from this new procedure have not as yet fully accrued, for the following reasons: At the time when the new regulations were put in force on May 1, there were large arrears in the disposition of liquidations as well as of protests, and since that date these arrears of liquidation have not been largely reduced; the great mass of accumulated protests and appeals are upon points that should have been brought to suit, and the protests on these points are growing in volume, and as they are against Departmental decisions on appeal, they cannot be disposed of or reduced by any action here upon the protests. These accumulated appeals are mostly upon the following points: 1st, on coverings and charges under the 7th section, act March 3, 1883. Although the Supreme Court decision (*in re Oberteuffer et al. vs. Robertson*) appeared to cover all disputed points as to the above section, the protests are still filed in great numbers, and are almost invariably vague in their terms, not specifying particular charges on any invoice or entry, and generally having no grounds that can be ascertained by the most careful examination of those documents. In such cases the liquidation must be confirmed with a consequent appeal to the Secretary and probably the same fruitless labor in his office. The tendency to vague protests "at large" is increasing and the law should provide that matters of protest should be clearly and definitely stated in detail.

(2) A class of protests, increasing in volume, is for the allowance for breakage under section 2, act of February 8, 1875, which allowance, it is claimed, was not repealed by the act of March 3, 1883.

(3) A large number of protests are also made against the duty of 50 cents per gallon on wines, upon the claim that the act of March 3, 1883, did not repeal the duty of 40 cents per gallon imposed by the second section of the act of February 8, 1875.

(4) Protests against the imposition of the metal rates of duty upon textile fabrics containing metal threads.

(5) Protests upon all classes of textile fabrics liquidated at rates according to material under the several schedules but claimed to be subject to duty as "materials for hats." (T. I., new, 448.)

(6) Protests against the assessment of wool and worsted duties on certain fabrics of mixed materials, and claiming that they are dutiable at 50 per cent. ad valorem because silk is their component material of chief value.

(7) Protest against any duties on sugar imported from certain countries, claiming that the treaties with those countries contain the "most favored nation" clause, and that sugars from them are free because they are free under the reciprocity treaty with the Hawaiian Kingdom.

It would be a great relief if the points at issue in these seven classes, particularly in the last six, could be brought into court and decided. They cover tens of thousands of entries and the mass daily increases, involving great labor in recording, both here and in the Department, while the interest in case of adverse judicial decision upon the suits will add materially to the outgo from the Treasury.

In spite, however, of this drag of arrears in liquidation and of the formal treatment of such a volume of protests that cannot be arrested, the results of the new method of reviewing protests by the responsible officers at the port have been satisfactory. One hundred and fifty-two liquidations of protested entries have been made to date, arresting certainly so many appeals to the Secretary, and probably many times that

number had the protests in question not been reviewed here. Already the influence of this review is perceptible in the better education of the liquidating clerks and the more efficient discharge of their duties. There is also a promise of much better preparation of evidence to sustain in the courts cases where the protest and appeal are denied. This reform in the treatment of disputed assessments of duties is entirely due to your official care, and in time will relieve the overburdened dockets in the Treasury Department and courts of law, and also remove one of the obstacles in the way of legitimate commerce, and that is, the doubt as to the rates of duties that will be imposed.

*Drawbacks.*—This letter has been extended so far that I can touch but lightly on this subject. I beg leave to renew the recommendations for amendment of the statutes made in my letter to you of November 19 last for reasons therein stated at length.

Your request that this report should be made to you before the 1st proximo has so limited the time I could give to a review of the year's work and to the consideration of what should be advised for the future, that I have probably omitted many matters pertinent to your inquiries. I would have treated the question of the necessary legislation, fixing a precise and practical basis of dutiable value, had I not learned that you were making special inquiry on this subject in directions where there are better sources of information.

All of the above is respectfully submitted by  
Your obedient servant,

SILAS W. BURT,  
*Naval Officer.*

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No. 3.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., November 8, 1886.*

SIR: In your interesting letter of October 30, 1886, you refer to "complaints submitted to me and to the Senate committee on the subject of undervaluations."

Will you kindly give me the dates of those submitted to me, and also copies, if you can obtain them, of those submitted to the Senate committee?

You also mention great arrears in protests and liquidations in New York growing out of transactions (I infer) before my protest order. Will you furnish me with a statement of the number of such protests in arrears, and say whether appeals thereon have been made? Why have not reports on such protests and appeals been made to the Department? Be good enough to specify the chief questions presented therein.

You also allude to the vagueness of protests. Is not the law sufficient in that regard; and, if so, why are not protests which are illegal because vague rejected on that account, and so reported to the Department?

I invite you to send me, at your convenience, your views on the "precise and practical basis of dutiable value" mentioned at the close of your letter.

Respectfully, yours,

D. MANNING,  
*Secretary.*

SILAS W. BURT, Esq.,  
*Naval Officer, New York.*

No. 4.

PORT OF NEW YORK,  
Naval Office, November 12, 1886.Hon. DANIEL MANNING,  
*Secretary of the Treasury, Washington, D. C.:*

SIR: I have the honor to acknowledge the receipt of your letter of the 8th instant, requesting me to explain certain expressions in my letter to you of the 30th ultimo, relative to the customs administration at this port.

I would respectfully invite your attention to my letter of the 30th ultimo, wherein I mention *plans* submitted to you and to the Senate committee on the subject of undervaluations and not "*complaints* submitted, &c.," as your letter represents. These plans suggested such legislation as would repeal the present statutes providing for general appraisers and merchant appraisers and substituting for them a board of general appraisers having sole appellate jurisdiction. I believe that several such plans were prepared and brought to your attention, and that of the Senate committee. I inclose a letter from me to Senator Aldrich of that committee on February 22 last, in which I briefly outlined the defects in the present system, and suggested a board of general appraisers.

The arrears in protests mentioned by me partly accrued before your orders of March 13 last, and that part originated in inefficient administration and the retention of many protests (with coincident appeals attached) because of defects or informalities which in most cases should have led to peremptory rejection or prompt reference to the Treasury Department or because of other reasons to me unknown. A part of the arrears accrued after your order of the above date and were caused by the apparent indisposition of the collector to obey that order, and it was not until May 1 that the protests were sent to this office for review, and the month's accumulation then came in within two or three days. I do not know how the long-delayed protests have been disposed of, but presume they have been reported.

Since May 1, when your order of March 13 was put in operation here, the protests made subsequent to that date and sent to this office have been promptly considered and the arrears have been cleared off.

In my previous letter I mentioned the arrears of liquidation as well as of protests, and it was to the latter I more particularly referred. These arrears, I regret to report, have for a long time existed and have averaged for several months past thirty thousand entries.

The causes for these arrears are several, the principal one being the many errors made in the liquidations in the collector's office and the difficulties encountered in obtaining a correction of them. As this excessive number of errors and the delays in their correction originated in defects in administration, they will doubtless be reformed by the present collector, who is gradually and efficiently reorganizing his office. Another cause of these arrears has been the inadequate force of clerks engaged in liquidation, which has been repaired by the authority recently granted by you to increase the number.

The reliquidation of entries under the supreme court decision in the Oberteuffer case has begun, and the readjustment for refund of excessive duties in cases in suit, and otherwise valid, will be pushed forward with all possible rapidity.

In regard to the vagueness of protests, you ask me if the law is not sufficient in that regard, and why protests are not rejected upon that

account. The law ordains that the importer shall set forth in the protest "distinctly and specifically the grounds of his objection" to the liquidation. I inclose herewith some of the blank forms of protests in use at this port, as a more clear explanation of what I have termed as "vagueness," than I could otherwise give. Exhibit No. 1 is used in protests against the inclusion of coverings and charges, and is made most frequently upon entries where every item of cost for coverings or charges appearing on either the entry or invoices has been excluded from the liquidated dutiable value. As the terms of the protests are general, it requires a minute and lengthy examination of the invoice and entry in order to discover if there are any discernible grounds for the protests, and as some of the protested liquidations cover many invoices and long and complicated entry statements, much labor and time are expended in the effort to test the allegations in the protest, which in most cases prove unfounded.

If this latter document had specifically indicated the several items for coverings or charges claimed as non-dutiable, by amounts and names, the examination could be accurately and rapidly made.

Exhibits Nos. 2 and 3, being protests against the validity of appraisements and reappraisements, show in a degree that is absurd, the indefinite, obscure, and diffusive terms in which protests are couched. Every possible contingency is covered by these documents, which allege every conceivable defect of commission or omission as tainting every official act connected with the appraisement of the goods in question.

Exhibits 4, 5, and 6 are more specific in terms than those mentioned, but fail to indicate the distinct and specific grounds of objection.

It would seem that a certain class of attorneys have discovered the vast possibilities of the existing procedure on disputed assessments of customs duties.

Their protests are framed "at large," and are like a fine-meshed seine, intended to entrap all kinds and sizes of fish, known and unknown. Their policy is first to keep the protest and appeal alive as long as possible, in order to bring within its indistinct terms any subsequently discovered ground of objection. Thereafter it is to their advantage to delay a final adjustment in the courts, so as to accumulate as many protested entries as possible, since their contingent profit in case of a successful issue increases proportionately with the magnitude of the claim. All these delays are obviously injurious in every way to the interests of the Government.

If the Treasury Department considers as valid such protests as I have above particularly alluded to, there should be such an amendment to the law as will require a particular specification of each distinct act and item in the liquidation of an entry against which an importer may protest and the exclusion of all matter not pertinent to the specific acts and items objected to.

In my letter of 30th ultimo, I gave seven different clauses of protests on which suits are delayed to the great disadvantage of the business in the customs offices and the Department, and with probable increased loss to the public treasury.

You have also asked me my views as to a "precise and practical dutiable value." Of course such a value is the essential basis for the assessment of all ad valorem duties. As the theory of all customs taxes is that they are imposed upon foreign goods consumed within our country, the taxable value should logically be the value of the goods in the condition in which they reach the actual consumer. Some effort has been made from time to time to frame legislation that would secure such an

end, the latest being embodied in the seventh section of the act of March 3, 1883, excluding the cost of coverings and other charges. This provision as construed by the Supreme Court has not accomplished the purpose sought, since it enforces the exclusion of certain values pertaining to and inseparable from the goods as ultimately consumed. But the real and insuperable difficulty is in the impossibility of administering any provision of law designed to tax the goods in the condition when consumed. In order to comply with the constitutional provision that "all duties, imposts, and excises shall be uniform throughout the United States," a home valuation of imports, naturally different at the several ports, cannot be adopted, and the tax must be, and therefore always has been, based upon the actual market value or wholesale price in the foreign market. This value the law previous to act of March 3, 1883, enjoined should include certain costs and charges, which injunction that act repealed for reasons above stated. As some of these costs and charges do now and always have formed a part of the foreign market value or wholesale price, the appraisements for the last three and a half years have been based upon a condition of the goods in which they have no expressed or recognized price. Under the most favorable auspices the proper appraisalment of imported goods has been a difficult task, but the present law has made it practically impossible. The basis for appraisalment should be the value of the goods as prepared to be placed in the outside packing-case for shipment to the United States. This condition of the goods accords as near as may be to the wholesale price in the foreign market. It also has the rare advantage of being the condition in which the appraiser examines them, and he thus has a visible and tangible basis of valuation and not a hypothetical one unrelated to any condition in which the goods are bought or sold at wholesale.

There are many excellent and sound theories relative to customs taxation that cannot be adhered to in practical administration, such as the universal application of the ad valorem system of rates; so, too, the appraisalment of the goods *per se*, or in the condition as consumed, is in theory the proper method, but in practice is not feasible, as shown by the experience of the last three years.

The section of the bill known as the "Morrison bill," introduced in Congress at the last session, providing for a new definition of dutiable value, was not entirely satisfactory, and recently there was furnished by this office to Special Agents Tingle and Tichenor the draft of an amended section, which I understand these officers will include in some report to you.

In making any change in the basis of dutiable value it must be borne in mind that such change will work a reduction or increase of tax upon the several classes of goods with resultant effects upon commercial and manufacturing interests, as also upon the aggregate amount of revenue derived from the customs.

In my letter of the 30th ultimo I omitted to mention among the transactions of the past year the reduction of the drawback rate upon refined hard sugars exported.

This rate, which went into effect upon the 1st instant, was established provisionally, pending an inquiry as to what further reduction may be necessary. Under your direction I have been gathering statistics pertinent to such an inquiry. They touch both special and general commercial conditions at home and abroad, and may also include particular information that can be given only by the refiners themselves. The

extent of the statistics will delay for some weeks their collection and collation for your use, but the provisional rate is apparently so near the proper one that the delay will not materially injure any interests concerned. The great importance of the subject in its relations to the refiners, the revenue, and to our general commercial interests indicates a careful and thorough inquiry before a permanent drawback rate is fixed.

I would most respectfully suggest that there should be a commission appointed, by authority of law, to revise and recast all that part of the United States statutes comprised under Title 34 and the amendments thereto, and to report such revisions to Congress for consideration and enactment. The basic law under which duties are collected is that of March 2, 1799, which has been amended and enlarged by several scores of acts passed since. These frequent and distinct changes have failed to adapt the law to the growing needs and changed conditions of our commerce. Those of our citizens interested in the carrying trade, as well as in the importation and exportation of merchandise, have daily cause to complain of the obstacles and inconsistencies of this patchwork code. The corresponding British statutes have been entirely recast six or seven times within the past century in order to adapt them to the growth and changes in commercial methods and relations. This responsiveness of legislation to commercial needs is one of the elements in that superiority of the British foreign trade to our own that is so often a cause of national regret. I will venture to say that you could do no greater public service to our commercial interests than by securing a thorough recast of our statutes regulating them.

With great respect, I am your obedient servant,

SILAS W. BURT,  
*Naval Officer.*

[Enclosure No. 1.—Exhibit No. 1.]

LAW OFFICE CHAS. CURIE,  
(44 Exchange Place, N. Y.)  
New York, ———, 188—.

Hon. EDWARD L. HEDDEN,  
*Collector of Customs, New York :*

SIR: We protest against your decision and exaction of duty as made by you on our entries below referred to of certain ——— and other merchandise and against the payment of the duties exacted thereon, or exacted on any of the charges thereon, or upon a value enhanced by reason of the cost or value of said charges, or upon the exaction of duty upon any value in which any of the charges mentioned and referred to in section 7, of the act of March 3, 1883, as non-dutiable, have been taken or made a basis of estimate in determining the dutiable value of said merchandise, upon the following grounds and upon each and every one of them.

First. Against your decision establishing as the standard dutiable value of imported merchandise, their value in their put up, packed, and covered condition, including the cost of their putting up, packing, and the coverings in which they are contained, and against all additions we are obliged to make on entry to cover such items of cost, claiming that the said items of cost are not dutiable, and that you have no legal right to assess duty thereon, and that it is part of your official duty to cause the proper dutiable value of said goods to be returned by the appraiser, which value should be exclusive of the items of cost mentioned, but that on the contrary you have liquidated and assessed the duties upon his return value which includes said charges and costs, contrary to the expressed provision of section 7, act of March 3, 1883.

Second. Against your certificate of entered or declared value on invoice as false and unauthorized by law in containing the value and cost of coverings and charges.

Third. Against the return of the appraiser as not in accordance with the facts, in that it pretends to return the market value of the merchandise only, whereas in fact he has added to such value the cost of putting up, packing, and coverings in which

the goods are contained, or has taken and returned a value which includes, besides the goods, these charges and the coverings, contrary to the provision of section 7, act of March 3, 1883; and further against the return as made by the appraiser, upon the grounds that there has been no legal appraisement or ascertainment of the dutiable or market value of said goods, in that the appraiser has not acted upon his own knowledge and judgment, but under directions of the Secretary of the Treasury. That he has aggregated in his return the market value of said goods and the cost of putting up, packing, and the coverings in which they are contained, whereas the value of the goods should have been stated separate from such charges and the coverings, and the duties assessed on the merchandise only in accordance with the express provision of section 7, act of March 3, 1883; and we protest for these reasons against your assessment of duties on such illegal return.

Fourth. That under the act of March 3, 1883, the cost or market value of said merchandise is alone dutiable, whereas in ascertaining the dutiable value thereof there has been illegally estimated and included as a part of such value charges expressly declared by section 7 of said act to be non-dutiable.

Fifth. That under the act of March 3, 1883, only the value of said merchandise is dutiable, whereas the value of the usual and necessary sacks, crates, boxes, and other coverings have been estimated as part of the value of said goods, in determining the amount of duties for which they should be liable, contrary to the provisions of section 7, act of March 3, 1883.

Sixth. That by the act of March 3, 1883, all duties theretofore exacted upon charges incurred in the importation of merchandise are repealed, but there has been included in estimating the dutiable value of said goods, actual, usual, and necessary charges for putting up, preparing, and packing said merchandise, and we hereby separately and distinctly protest against all duties assessed by reason of such additions to the actual cost or market value of the actual merchandise imported.

Seventh. That under the act of March 3, 1883, said merchandise is only dutiable at its first cost or net market value in the principal markets of countries when exported, whereas the appraiser, in fixing the dutiable value of said merchandise, has illegally estimated and included as a part of such value the charges for bleaching, dyeing, dressing, finishing, and putting up said merchandise and the coverings in which it is contained, or one or more of said charges, and you have assessed duty thereon.

Eighth. That under section 7, of the act of March 3, 1883, the dutiable value of said merchandise is its cost or true market value at the date of its exportation in the principal markets of the country whence it was exported, free of charges, but you have assessed a duty thereon upon a valuation in excess of such net cost or value.

Ninth. We further protest against the duty assessed, claiming that sections 2900, 2902, 1905, and 2906 of the United States Revised Statutes, as well as other provisions of law heretofore existing, have been so modified by section 7 of the act of March 3, 1883, that the legal dutiable value of said goods is now to be determined without the estimation of the value or cost of the packages or coverings of whatsoever kind, containing said goods, or the putting up, or the packing of the same, or the estimation of any of the charges which were dutiable by said sections, or any other provisions of law prior to the passage of the act of March 3, 1883, but the appraiser, in his return of the market value of said goods, has included therein the value or cost of said charges, or some one or more of them, and you have assessed duty thereon without making any allowance therefor.

Therefore we give notice that we pay all higher duties or rates than is claimed above as the legal duty, under compulsion, and to obtain and keep quiet possession of our goods, and we also give notice that we do not intend by this protest to relinquish or waive any right we may have to a refund of the difference between the duty exacted of us, and any less duty which may hereafter be adjudged the legal duty upon said goods, intending this protest to be made against the present duty charged upon said goods, claiming that said duty is not the legal duty to which said goods are chargeable, holding you and the Government responsible for all excess of duty exacted by you upon said goods above the legal duty, and protesting against all illegal exactions of duty thereon, and hereby give notice that we intend this protest to apply to all future similar importations by us, and also intend the duplicate protest herewith submitted for transmission by you to the Secretary of the Treasury, under the rules of your office, to be an appeal to him from your decision, and to likewise apply to all future similar importations by us.

\_\_\_\_\_  
 For \_\_\_\_\_ Attorney.

NEW YORK, \_\_\_\_\_, 188-.

Hon. DANIEL MANNING,  
 Secretary of the Treasury:

SIR: Appeal is hereby taken from the decision and action of the collector in his assessment of duty on the importations respectively mentioned in the protest filed here-

with with him under the rules of your office, copy of which is on the back hereof submitted and referred to, as embodying the grounds and reasons of our appeal to you on each of said importations.

Very respectfully,

By CHARLES CURIE,  
Attorney.

[Enclosure No. 2.—Exhibit No. 2.]

LAW OFFICE CHAS. CURIE,  
(44 Exchange Place, N. Y.)  
New York, ———, 188—.

Hon. EDWARD L. HEDDEN,  
Collector of Customs, New York:

SIR: We protest against your decision and exaction of duty as made by you on our entries below referred to of certain ——— and other merchandise, and against the payment of the duties exacted thereon, or exacted on any of the charges thereon; or upon a value enhanced by reason of the cost or value of said charges, or upon the exaction of duty upon any value in excess of the net value of said good as expressed in the invoice.

In that—

There have been informalities and illegalities in the appraisal of said goods, both as to form and substance in one or more of the particulars following, to wit:

The appraising officers have not exercised all reasonable ways and means in their power to ascertain, estimate, and appraise the true and actual market value and wholesale price of said goods as required by sec. 2902, Revised Statutes, and existing law. That is to say:

They have acted upon *ex parte* testimony.

They have acted upon *ex parte* testimony of incompetent witnesses.

They have excluded the testimony of competent witnesses.

They have refused the testimony of competent witnesses.

They have neglected to properly inform themselves of the facts submitted for their inquiry and determination by evidence within their reach, contrary to the requirements of said section.

That said appraisal has not been made in conformity with law in that the legally constituted appraiser or officer has not made the personal examination as required by sec. 2901, Revised Statutes.

They have not appraised the goods at their actual wholesale price, or their actual market value in the principal markets of the country of exportation at the time of exportation as required by secs. 2904 and 2906, Revised Statutes; and Sec. 7, act March 3, 1883.

They have not appraised the goods at their actual wholesale price, or their actual market value in the principal markets of the country of exportation at the time of exportation as required by secs. 2904 and 2906, Revised Statutes and sec. 7, act March 3, 1883—namely, the price which discreet and experienced merchants in said goods can and do buy or procure them at wholesale in said markets, but have estimated them at the price which careless or indiscreet buyers pay for them, or which second-hand dealers or storekeepers sell them to casual or inexperienced purchasers.

That said appraisal has not been made on the appraiser's own knowledge and judgment, but upon the suggestion of outside parties, whom the importer is denied the right to face and to question in support of his own sworn invoice.

That the invoice or entered value as declared in the invoice or entry is the actual and legal value upon which duties legally accrue, because they are the actual wholesale price, cost or market value thereof at time and place of purchase or procurement, and duties levied in excess are illegally exacted because of the reasons and grounds herein set forth.

That in making the appraisal aforesaid the appraiser has acted, not on his own judgment, but on instructions of the Treasury Department or special directions of special agents of the Treasury.

We protest against the appraisal of said merchandise as made by the appraising officers upon the further ground of informality and illegality as to both form and substance in one or more of the particulars following, to wit:

That if the appraiser is not satisfied that our invoice price states the actual wholesale price or market value of said goods at the time of exportation, because of there being no other purchasers of said goods and at said time and place, or for any other reason he cannot ascertain the actual market value of said goods, that in such case it is his duty to determine the dutiable value of said goods under the provisions of

section 9 of the act of March 3, 1883, not to exceed the cost of production and the putting up of such merchandise for shipment; but that, on the contrary, he has made certain arbitrary additions to such net cost for manufacturers' or commissioners' profit, contrary to the provisions of said section.

We protest further against the interference to our right to an impartial reappraisal as contemplated by section 2930, Revised Statutes, by a discreet and experienced merchant in the merchandise in question, and the denial of our right to produce evidence in support of our invoice value, and of the denial of our right to be present at the hearing, and of the denial of our right to face and question our traducers or accusers, as arbitrary and illegal, thereby rendering the said contemplated legal remedy for our grievance nugatory and of no practical use or effect, but, on the contrary, rendering it a mere sham for the illegal confirmation of a previous illegal act under color of law, at the expense of the appellant.

That the denial of our said rights is equally illegal, whether done by instructions from the Secretary of the Treasury or at the appraiser's own suggestion, and we protest against its illegality from whichever source the denial may emanate.

We protest against the additions to value we are obliged to make on our entry above the invoice value to meet the illegal and arbitrary standard of value fixed as aforesaid, upon the grounds and reasons aforesaid, claiming the same to have been done under duress and compulsion by the arbitrary withholding from us the right to an impartial reappraisal as aforesaid, and to obtain possession of our goods.

We further protest against the duty assessed, claiming that sections 2900, 2902, 2905, and 2906 of the United States Revised Statutes, as well as other provisions of law heretofore existing, have been so modified by section 7 of the act of March 3, 1883, that the legal dutiable value of said goods is now to be determined without the estimation of the value or cost of the packages or coverings of whatsoever kind containing said goods, or the putting up or the packing of the same, or the estimation of any of the charges which were dutiable by said sections, or any other provisions of law prior to the passage of the act of March 3, 1883, but the appraiser in his return of the market value of said goods has included therein the value or cost of said charges, or some one or more of them, under cover of "market value *per se*," and you have assessed duty thereon without making any allowance therefor.

We protest against the appointment as merchant appraiser of any person who is not an actual importer, and a discreet and experienced buyer of like goods in the principal markets of the countries from which the said goods have been imported, as contrary to the provision of section 2930, Revised Statutes, and existing law.

We especially protest against the appointment of a domestic manufacturer as merchant appraiser, and of the right of the collector so to do, and against the collector's decision claiming such right, upon the ground that such appointment is in direct conflict with the provision of section 2930, Revised Statutes, providing for a discreet and experienced merchant, and therefore illegal, and depriving us of the otherwise legal redress of the wrong complained of.

Some of the reasons for our objections to said appointments are:

That he is an interested party in keeping up high values.

That his business interest depends to a great measure in keeping up such prices.

That he has no experience as a merchant in the markets of the countries from which said goods have been imported.

That he is biased, and an interested party.

That he does not come within the legal requirements, in that he is not a discreet and experienced merchant, nor is he familiar with the foreign value of the goods in question, nor is he an experienced buyer in such markets.

We further specifically protest against your denial of our right to a reappraisal as provided by section 2930, Revised Statutes, without first paying an amount of money for the expense of such reappraisal.

That you have no authority in law to exact of us such fee or sum of money as a prerequisite to our right to said reappraisal, and your action in so doing is arbitrary and illegal.

That the appraisal as made by the local appraiser is wrong, incorrect, and based upon a false standard, or erroneous conclusion as to the facts, from which appraisal we hereby appeal by virtue of said section, claiming the right thereto, free from any taxation for the privilege thereof.

Therefore we give notice that we pay all higher duties or rates than is claimed above as the legal duty under compulsion and to obtain and keep quiet possession of our goods, and we also give notice that we do not intend by this protest to relinquish or waive any right we may have to a refund of the difference between the duty exacted of us and any less duty which may hereafter be adjudged the legal duty on said goods, intending this protest to be made against the present duty charged upon said goods, claiming that said duty is not the legal duty to which said goods are chargeable, holding you and the Government responsible for all excess of duty exacted by you upon said goods above the legal duty, and protesting against all illegal exactions of duty thereon, and hereby give notice that we intend this protest to apply to all future

similar importations by us, and also intend the duplicate protest herewith submitted for transmission by you to the Secretary of the Treasury, under the rules of your office, to be an appeal to him from your decision, and to likewise apply to all future similar importations by us.

We separately protest against the returned value as made by the appraiser as erroneous, informal, and illegal in that he has, contrary to the provisions of sections 2902, 2904, and 2906, Revised Statutes, based his valuation on contracts for future delivery, thereby taking an hypothetical or speculative value instead of the actual wholesale market price which actually obtained for immediate delivery on the day of exportation, claiming the invoice value to be the correct value of said goods, and that unless it is shown by evidence of actual transactions made on that day, by purchases and sales for immediate delivery, our invoice must stand as evidence of the true value, and cannot be avoided or set aside for purpose of admitting hypothetical and speculative values based on a theory as to what might be the value at some time in the future on the happening of some contingent event.

We further and separately protest against the appraising officer's method of computing the cost of said goods under the provisions of section 9, act March 3, 1883, as informal and illegal, in that they have not computed the same by ascertaining the cost and 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.

That we intend this protest to apply to the actions of the reappraising officers as well as to those of the local appraisers.

Vessel.	From—	Date.	Kind of entry.	Entry No.	Date of liquidation.

\_\_\_\_\_, Attorney.  
For \_\_\_\_\_.

[Enclosure No. 3.—Exhibit No. 3.]

Hon. EDWARD L. HEDDEN,  
*Collector of Customs, port of New York:*

SIR: In the matter of the entry, appraisement, reappraisement, liquidation, and demand for duties on the importation of merchandise \_\_\_\_\_ marked \_\_\_\_\_. Invoice dated at \_\_\_\_\_. Goods shipped per S. S. from \_\_\_\_\_.

Please take notice that we hereby protest against the payment of the sum of \$\_\_\_\_\_ and the sum of \$\_\_\_\_\_, amounting in all to the sum of \$\_\_\_\_\_, exacted by you from us as additional duty upon said invoice, which amounts we have paid under duress and compulsion, in order to obtain possession of our goods, holding you and the Government responsible for the return of the said excessive amounts exacted from us on the goods in question; and that we protest against the exaction of any duty on said merchandise beyond the amount paid by us upon the original entry of the same on or about the \_\_\_\_\_ day of \_\_\_\_\_, 188-. We claim that the liquidation assessment and exaction of any duty in addition to the amount paid by us on the entry of said goods, including the additional duty or penalty of 20 per cent. ad valorem, are not warranted by law.

We claim that the appraisement and reappraisement of said goods by virtue of which the sums beyond the amount paid as aforesaid for duty at the time of the entry of said goods were assessed thereon, were not, nor was either of them, conducted in accordance with the requirements of law, and therefore the liquidation, assessment, and exaction of said duty and penalty, so called, in addition to the amount paid at the time of said entry, were unwarranted, illegal, and void.

We claim that said re-appraisement was illegal and void, because the merchant appraiser who acted on said re-appraisement was not a disinterested merchant and free from bias; because he was not a discreet and experienced merchant; because he was not familiar with the character and value of said goods; because he was not qualified or authorized by law to act as such merchant appraiser, and because you had no authority to appoint him merchant appraiser; and also because the undersigned were not allowed to be present either in person or by representative during the proceedings on said re-appraisement; because we were not allowed to be present either in person or by representative during the examination of the witnesses on said re-appraisement; because we were not permitted to be present on said re-appraisement to

examine the witnesses that were produced to testify against us; because we were not allowed to be present on said re-appraisalment and to produce witnesses in our own behalf and to have them examined in our own behalf, for the purpose of establishing the correctness of the prices of said goods; because we were prevented from examining the written statements of the witnesses on said re-appraisalment, notwithstanding the fact that said statements were read and considered by said re-appraisers, and influenced their minds in reaching their conclusions on said re-appraisalment; because we were not permitted on said re-appraisalment to appear by or to be represented by an agent, factor, or broker; because we were not permitted to appear by, or to be represented by, or to have the assistance of counsel on said re-appraisalment—all this contrary to law. Because improper testimony and statements were received and accepted as evidence on said re-appraisalment, including the statements or testimony of American merchants unfamiliar with the foreign market value of said goods; because competent and material statements offered and tendered to said general and merchant appraisers on said re-appraisalment were excluded; because competent and material statements offered and tendered on said re-appraisalment as evidence of the correct valuation of said goods were excluded by said re-appraisers; because said re-appraisers disregarded the evidence as presented in the testimony of witnesses on said re-appraisalment, and acted contrary to the evidence, and upon their own judgment and supposed knowledge in deciding the same, to the great injury of said importers; because the decision arrived at on said re-appraisalment was contrary to the facts, contrary to the evidence adduced, and contrary to law; because testimony was received and accepted by the said re-appraisers as competent evidence which was so incompetent, improper, irrelevant, and valueless that it should have been ignored, set aside, and disregarded altogether; because said general and merchant appraisers and each of them in their deliberations on said re-appraisalment, and in the decision arrived at, acted in fraud and evasion, and disregard of the law, and in collusion with the collector of the port and the Secretary of the Treasury, for the purpose of exacting the excessive and illegal duty paid as aforesaid; and, furthermore, that they conducted said re-appraisalment in fraud of the importers, and by collusion with adverse or rival interests, and by information or advice not communicated to the importers, and on evidence unknown to them, which they were afforded no opportunity to controvert, having been denied a hearing; because you would not release said goods or permit said merchandise to be re-appraised upon our demand therefor, without exacting from us payment as and for compensation for said merchant appraiser, an amount and an exaction unwarranted by law; and we protest that said re-appraisalment was altogether irregular, unlawful, fraudulent, and void, and not in conformity with our demand therefor, and the laws and regulations applicable thereto; and also that your appointment of merchant appraiser to assess duties on our said importations was unlawful and void, and that you have no warrant or authority therefor, nor had such merchant appraiser any lawful qualification or right to act officially in the premises, and we hereby demand a re-appraisalment of said goods to be conducted according to law.

We claim that said appraisalment and re-appraisalment each and both of them were illegal and void, because none of the said goods were properly or legally examined by the appraiser, the assistant appraiser, or the examiner, who originally examined and advanced the prices of the same; because none of said goods were either properly examined or appraised on such original appraisalment; because said re-appraisers did not, nor did either of them, diligently and faithfully examine and inspect such packages of said goods, described in said invoice, as were duly designated by the collector, and ordered to the public store, there to be opened, examined, and appraised; because none of said goods were properly examined by the general or the merchant appraiser as required by law, nor did the said general or merchant appraiser either properly or legally examine or appraise the same; because none of said goods were properly examined by any or all of the witnesses on said re-appraisalment, who testified for the Government and against the importers, nor did any or all of said witnesses either properly or legally examine or appraise the same, and we also claim that said appraiser, assistant appraiser, and examiner, as well as said general and merchant appraisers were severally and collectively in making their said pretended appraisalment and re-appraisalment, unlawfully under the suggestion, direction, and undue influence of the Secretary of the Treasury and other unauthorized persons, and that said pretended appraisalment and re-appraisalment were not in fact, nor was either of them the act of the appraising or re-appraising officers assuming to make the same, but was the record of the determination or desire of some other officer or person who was without lawful authority either to appraise or re-appraise said merchandise; because said general and merchant appraisers violated that provision of law which requires that appraisers shall arrive at their conclusions by "all reasonable ways and means" within their power, the ways and means resorted to on said re-appraisalment being unreasonable, unjust, unlawful, and in the highest degree arbitrary and oppressive; because the true and actual foreign market value and wholesale price of said goods on

which duty should have been assessed, was the value of the same as stated in the said invoice, the value by and in accordance with which such goods are bought and sold in the foreign market and any other or different so-called foreign market value or wholesale price, should not have been accepted, considered, or regarded in any manner whatsoever in the assessment of duty on said invoice; because the amount exacted as duty on the charges mentioned on the said invoice, including cartons, packing, packages, putting up, coverings of various kinds, packing materials, labor in packing, and other miscellaneous charges was unjustly and illegally exacted. Said charges should not have been considered or taken into calculation in estimating the duty, or any part thereof, on the said goods, for the reason, that under the laws of the United States, the naked merchandise alone was liable to duty, according to section 7 of the tariff act of March 3, 1883; because said appraisement and re-appraisement and each of them were conducted and concluded contrary to law; because said appraisement and re-appraisement, and each of them, were unlawful and illegal, and should be canceled, set aside, and declared null and void.

We claim that the additions to the invoice value of the charges for packing and putting up, which were by the customs officers of this port placed upon the entry as a part of the so-called dutiable value of said goods, were illegal and unwarranted; that your refusal to permit said merchandise to be assessed for duty at the value expressed on the invoice, with said additions or deductions allowed, was unlawful and unwarranted; that your menace, and that of the appraising officers, to impose a penalty or additional duty on said merchandise, unless we made or submitted to the addition of said undutiable items to the true invoice value, was unwarranted by law, and that such additions as we made to said invoice value were made only in order to avoid the payment of said additional duty or penalty, and to obtain possession of our goods, and we claim that the additions compulsorily made to said invoice by or under the direction of the revenue officers, were unwarranted by law, and that we should not be in any respect concluded or bound thereby. We also protest against the fees or special compensations of any and every nature whatsoever exacted from us on the entries and liquidations of the entries, and appraisement and reappraisement of said goods.

Wherefore, we demand that said duties illegally exacted of us, as aforesaid, be repaid to us in accordance with our claim herein set forth.

Dated, New York, \_\_\_\_\_, 188—.

APPEAL.

To the Secretary of the Treasury :

You will take notice that pursuant to the provisions of existing laws, we hereby appeal from the decision of the collector of customs at this port, assessing duty on our importations of merchandise described in the above protest, and for the reasons particularly set forth therein.

Dated, New York, \_\_\_\_\_, 188—.

Office and P. O. address, No. 4 William Street, New York City.

[Enclosure No. 4.—Exhibit No. 4.]

Claim Dee, June 28, 1886; covers also SS.

NEW YORK, June 26, 1886.

Hon. \_\_\_\_\_.

Collector of Customs, New York :

SIR: We hereby protest against your decision and assessment of duties as made by you on our importations below mentioned, consisting of certain nails, composed of iron, shank and head of composition metal, of which copper is the component material of chief value, u. s. e. or p. f., plated or gilt, claiming said goods are entitled to entry at 4 cents per pound under section 2499 and the provision for \* \* and all other wrought-iron or steel nails, u. s. e. or p. f., in Schedule C, act March 3, 1883, or if these nails are to be deemed excluded from said provision because of the material their heads are composed, or because of their commercial designation then they are dutiable, first, under the provision in said Schedule of said act for all composition metal of which copper is the comp. mat. of c. v. n. o. s. e. or p. f., or at 35 per cent. ad valorem for all manf. of which copper is the comp. mat. of c. v. u. s. e. or p. f.; or, second, at no more than 35 per cent. ad valorem under the provision in said schedule for plated and gilt articles and wares of all kinds, they being known as "gilt-headed nails," and not at 45 per cent. ad valorem or as charged by you; and we give notice that we pay all other higher rates than is claimed above as the legal rate under compulsion and to obtain possession of our goods; and we also give notice that we do not intend by this protest to relinquish or waive any right we may have to a refund of the differ-

ence between the duty exacted of us and any less duty which may hereafter be adjudged the legal duty upon said goods, intending this protest to be made against the present duty charged upon said goods, claiming that the said duty is not the legal duty to which said goods are chargeable, holding you and the Government responsible for all excess of duty exacted by you upon said goods above the legal duty, and protesting against all illegal exactions of duty thereon, and hereby give notice that we intend this protest to apply to all future similar importations by us, and also intend the duplicate protest herewith submitted for transmission by you to the Secretary of the Treasury, under the rules of your office, to be an appeal to him from your decision, and to likewise apply to all future similar importations by us.

Attorney, 44 Exchange Place, New York.  
For \_\_\_\_\_

[Enclosure No. 5.—Exhibit No. 5.]

NEW YORK, \_\_\_\_\_, 188—.

Hon. \_\_\_\_\_,  
Collector of Customs, New York:

SIR: We hereby protest against your decision and assessment of duties as made by you on our importations below mentioned, consisting of certain braids, plaits, flats, laces, trimmings, and tissues, used for making or ornamenting hats, bonnets, and hoods, composed wholly or in part of silk, cotton, flax, hemp, metal, wool, or worsted, or other substance or material, and not specially enumerated or provided for under existing laws, claiming said goods to be subject to only 20 per cent. ad valorem under the provision of Schedule N, act March 3, 1883, and not at 50, 45, 40, 35, or 35 and 40 per cent., or as charged by you; and we give notice that we pay all other higher rates than is claimed above as the legal rate under compulsion and to obtain possession of our goods; and we also give notice that we do not intend by this protest to relinquish or waive any right we may have to a refund of the difference between the duty exacted of us and any less duty which may hereafter be adjudged the legal duty upon said goods, intending this protest to be made against the present duty charged upon said goods, claiming that said duty is not the legal duty to which said goods are chargeable, holding you and the Government responsible for all excess of duty exacted by you upon said goods above the legal duty, and protesting against all illegal exactions of duty thereon, and hereby give notice that we intend this protest to apply to all future similar importations by us, and also intend the duplicate protest herewith submitted for transmission by you to the Secretary of the Treasury, under the rules of your office, to be an appeal to him from your decision, and to likewise apply to all future similar importations by us.

Attorney, 44 Exchange Place, N. Y.  
For \_\_\_\_\_

[Enclosure No. 6.—Exhibit No. 6.]

NEW YORK, \_\_\_\_\_, 188—.

Hon. \_\_\_\_\_,  
Collector of Customs, New York:

SIR: We hereby protest against your decision, liquidation, and assessment of duties as made by you on our importations below mentioned, consisting of certain torchon laces, of linen or linen and cotton mixed, or other like mixed laces, claiming that such as have flax or linen as a component material of chief value are dutiable at only 30 per cent. ad valorem, by force of section 2499, Revised Statutes, as flax or linen laces and insertions, under the provisions of Schedule J, act of March 3, 1883, because, *first*, said laces assimilate to flax or linen laces more than to any other enumerated laces; or, *second*, because linen or flax being the component material of chief value, they are dutiable by force of said section and schedule as if wholly of linen or flax; or, *thirdly*, by force of said section and schedule, at no more than 35 per cent. as a manufacture of flax n. o. p. f.; *fourth*, those which have cotton as a component material of chief value are dutiable at 30 per cent. by assimilating to "linen laces," by force of section 2499, Revised Statutes, and Schedule J of said act; or, *fifthly*, at no more than 35 per cent. ad valorem as a manufacture of cotton n. o. p. f. under said section and Schedule J, act March 3, 1883, and not at 40 per cent. ad valorem, or as charged by you; and we give notice that we pay all other higher rates than is claimed above as the legal rate under compulsion and to obtain possession of our goods; and we also give notice that we do not intend by this protest to relinquish or waive any

right we may have to a refund of the difference between the duty exacted of us and any less duty which may hereafter be adjudged the legal duty upon said goods, intending this protest to be made against the present duty charged upon said goods, claiming that said duty is not the legal duty to which said goods are chargeable, holding you and the Government responsible for all excess of duty exacted by you upon said goods above the legal duty, and protesting against all illegal exactions of duty thereon, and hereby give notice that we intend this protest to apply to all future similar importations by us, and also intend the duplicate protest herewith submitted for transmission by you to the Secretary of the Treasury, under the rules of your office, to be an appeal to him from your decision, and to likewise apply to all future similar importations by us.

Attorney, 44 Exchange Place, New York.  
For \_\_\_\_\_

[Enclosure No. 7.]

PORT OF NEW YORK,  
Naval Office, February 22, 1886.

HON. NELSON W. ALDRICH,  
U. S. Senator, Washington, D. C. :

MY DEAR MR. SENATOR: Before I had thoroughly considered the proposition to establish an appellate board of appraisers I was averse to it. I am convinced that this was caused by a trace of that official over-conservatism that I am generally free from. The more I revolve the matter now the more I am persuaded that it affords the only practicable relief from the difficulties in reappraisement under present tariff conditions. I would advance the following points as cogent:

(1) That the original conditions which induced the employment of merchant appraisers no longer exist. Not only is appraisement not an arbitration or a compromise, but the class of merchants from whom such appraisers should be drawn is not now available for the purpose. It forms too small a proportion of the entire mass to be available in view of the vast increase of business. The great proportion of consignees in the aggregate mass of importers is fatal to the utility of such a method of reappraisement.

(2) The collector should be relieved from all concern in appraisements, either in the selection of reappraisers or as an umpire when they disagree. At this port the collector has so much else upon his hands that he cannot attend to appraisement duties properly. This alone would suffice were there no other reasons for his relief. I reiterate my profound conviction that there is no escape from undervaluations with our high rates and the existing and probable future commercial conditions. A heavy customs tax can be collected with uniformity and ease only by specific rates, and it is only upon the presumption that it is impracticable to generally substitute these for our present ad valorem rates that I have sketched the following as the method I think the best adapted to the purpose in view:

Let there be established in the Treasury Department a board of, say, twelve officers who should have final appellate jurisdiction as to appraisement of imported merchandise and of all questions of fact relative to the classification of such merchandise, and charged with the equalization of valuations of merchandise throughout the whole customs service.

These officers should be appointed by the President, with the advice and consent of the Senate, and should hold their offices during good behavior, removable only upon charges filed in the Treasury Department and publicly announced. They should receive a salary of, say, \$6,000 per annum, and the payment of actual traveling expenses when on public duty away from the port of detail, as hereinafter provided.

The central office of the board should be at the port of New York, and the officers should be detailed by the Secretary of the Treasury from time to time, so that there be three officers at the port of New York and one each at the ports of Boston, Philadelphia, Baltimore, New Orleans, Chicago, and San Francisco, and two at large for the districts east of the Rocky Mountains, and one at large for the districts west thereof, the residential ports of such officers at large to be fixed by the Secretary of the Treasury. The Secretary of the Treasury should change the detail of the several officers at stated intervals, so that they would rotate from port to port.

In case an importer is dissatisfied with the original appraisement of any goods, or with the classification of such goods as affected by the facts appertaining thereto, he should have the right to appeal to the appellate appraiser at the port or in the district where such goods are imported, and the decision of such appellate appraiser should be final and conclusive as to the value of the goods or as to the facts relative to classification. At the port of New York the three appellate appraisers should be

organized as a board, whereof one of them, by designation of the Secretary of the Treasury, should be chairman, and the appeal should be made to such chairman, who should be empowered to refer it to either of his associates for decision or to the full board of three officers, as he should deem advisable, and the decision made by such officer or board of officers should be final and conclusive.

At the central office at New York should be received and filed general and special reports from United States consuls and other officers as to the market values and prices current at all foreign markets, as well of raw materials as of manufactured articles, the prices of labor, rates of depreciated currencies, and copies of such foreign commercial journals as the Secretary of the Treasury may have subscribed for. Samples of goods appraised from time to time should be collected and kept for reference, as also samples sent by consuls, with prices current marked thereon. From the central office circular letters should be sent to all appraising officers, giving the appraised values of merchandise, accompanied, when practicable, by samples of the goods.

The decisions of the appellate appraisers should govern all appraisements subsequently made until set aside by new decisions, and it should be competent for the Secretary of the Treasury to order a conclave of at least five of these officers to meet at New York to consider and determine valuations, without regard to appeals for re-appraisal, and the values so determined should continue until set aside by new decisions.

This would provide for advances in value throughout the country, without regard to appeals by merchants.

I am aware that this scheme is crude, and that the details I have given should be partly legislative and partly administrative. But what I have presented may be suggestive, though I believe you have given the subject some attention and may have perfected your ideas.

Apart from the crudity of my proposed plan, I perceive there are three objections to which it might seem open:

(1) That it is in its terms arbitrary—what is popularly called “one-man power.” It may seem paradoxical, but it is nevertheless true, that tax laws, to be efficient and uniform, must be enforced by arbitrary measures that secure a prompt and final decision. In this they are similar to our election laws, which have reached practical perfection in New York State by a summary decision.

(2) That the plan is expensive; but, on the other hand, the task is one that requires well-paid officials and an effective staff, and I should not think an annual outlay for salaries, clerk-hire, traveling and other expenses of \$150,000 to \$200,000 would be at all excessive in comparison with the results economical and otherwise to be obtained.

(3) That the scheme is cumbrous, and requires the co-operative and uniform action of many officers. It must be remembered that the assessment of ad valorem duties is cumbrous, since it demands that the fluctuating values in a thousand foreign markets shall be determined in a hundred ports and with equal precision at New York and Evansville, Ind. To secure harmony and justice in the administration of such a complicated and burdensome method there must be a special machinery that in the nature of things is as complex as the fabric it is to produce. The fault is not in the plan but in the nature of the work it is designed to accomplish.

Secretary Manning's recent communication to the House is a clear and strong presentation of some of the difficulties encountered in administering customs laws, and imposes upon Congress the responsibility for relief. I hope Mr. Hewitt's bill providing a new basis of dutiable values will be rapidly pressed, so as to make as little disturbance to business interests as possible through the radical change in taxation caused by the recent Supreme Court decision.

Very respectfully,

SILAS W. BURT,  
*Naval Officer.*

No. 5.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., November 16, 1886.

SIR: I have yours of the 12th instant, in which you transmit to me certain blank forms of protests in use at the port of New York, which are marked “Exhibits 1, 2, 3, 4, 5, and 6.”

I shall be under obligation to you if you will ascertain and report to me, as far as you are able to ascertain it, what decision, if any, was made in regard to the illegality of those protests on account of vagueness; by whom that decision was made, and also what report, if any thereon, was transmitted to this Department.

Respectfully yours,

DANIEL MANNING,  
*Secretary.*

Hon. SILAS W. BURT,  
*Naval Officer, New York City.*

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No. 6.

PORT OF NEW YORK,  
*Naval Office, November 17, 1886.*

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

SIR: I have the honor to acknowledge the receipt of your letter of the 16th instant, relative to certain exhibits of vague protests contained in my letter of the 12th instant, and requesting me to ascertain and report to you what decision, if any, was made in regard to the vagueness of such protests.

I would respectfully report that until your order of March 13 last went into operation at this port, on May 1, the protests were never seen at this office. I was therefore ignorant regarding all procedure and usage as to such documents prior to the last date. I was then informed that such protests as I have invited your personal attention to were accepted by the Department upon appeals, and as they continued after that date to be accepted by the collector, who had been the repository of all previous orders and regulations as to protests, I saw no reason to reject them. I was confirmed in the belief that such protests were acceptable under existing laws and regulations by an examination of the protest upon which the suit of *Oberteuffer vs. Robertson* was brought, which is quite as indefinite as to the items objected to as is the protest represented as Exhibit No. 1 in my inclosures.

I have felt that if such protests were acceptable under the law as now framed that there should be additional legislation requiring a protest to be as precise and detailed in its terms as is now the bill of particulars, as defined by section 3012, Revised Statutes.

It may be that there are orders and regulations or decisions by the Department, made prior to your order of March 13, and consequently unknown to me, which would have caused the rejection for vagueness of some protests officially acted upon here since that date.

I have, however, no official means of reference to any such orders, &c., if any such there be.

I am, sir, with great respect, your obedient servant,

SILAS W. BURT,  
*Naval Officer.*

No. 7.

NOVEMBER 13.

SIR: In the report made to me by the appraiser at New York, it appears that from October 1, 1885, to September 30, 1886, there were 16,927 invoices advanced in value by the appraiser; that 1,587 were advanced more than 10 per cent. and 2,050 appealed for reappraisalment. It also appears by the report of General Appraiser Brower that during the same period 2,089 invoices (the discrepancy is explained by the appraiser) were appealed; that 106 were withdrawn; that on 426 the entry was sustained; that on 272 the appraiser's advance was wholly, and on 1,014 partly, sustained; that on 49 the value was returned to be more than the appraiser had reported; that on 114 there were divided reports which went to the collector, and 108 are unfinished.

I desire to know how many of the invoices advanced by the appraiser over 10 per cent. represented purchased and how many consigned goods, and also what portion of the 272 invoices in which the appraiser's advance was sustained on reappraisalment were for purchased goods.

Also, I wish to be told how many of those 1,587 and of those 272 invoices, if any, were by the collector presented to the district attorney for prosecution as fraudulent, or were represented by the naval officer to the collector to be fraudulent.

If it shall be that none of the invoices thus advanced in value by the appraiser and the reappraisers have been presented to the district attorney for prosecution as fraudulent, or only a very small portion, then I desire to be made acquainted, if possible, with the reasons which persuaded the proper officers of the customs that those invoices had all, or nearly all, been honestly and innocently made and with no intention to defraud the revenue.

Respectfully yours,

D. MANNING,  
*Secretary.*

HON. SILAS W. BURT,  
*Naval Officer, New York.*

No. 8.

PORT OF NEW YORK, NAVAL OFFICE,  
*November 18, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury, Washington, D. C.:*

SIR: I have the honor to inform you that I would have made an earlier acknowledgment of the receipt of your letter of the 13th instant, relative to reappraisements and additional duties, had I been able to obtain the required information to answer the inquiries therein made. I find that the records in this office do not refer to the conditions of appraisalment on the several invoices, and that I can only report to you the respective numbers of invoices for consigned goods and purchased goods advanced ten per cent. or more and on which additional duties were assessed during the year ending September 30, 1886. This, however, will not coincide with the numbers given by the appraiser for the same period, since the transactions in the several customs offices are not coincident, and as I have not the detailed list of invoices included in the appraiser's report, I cannot collate my own statistics with those given by him. It will take several days longer to get up the entries and invoices for my report on this point.

Referring to the last queries in your letter of the 13th, I would answer that I am not aware that within the year ending September 30 last any invoices were presented by the collector to the district attorney as fraudulent. There were none such officially represented by the naval officer to the collector as fraudulent. Since the passage of the act of June 22, 1874, known as the "Anti-Moiety Act," it has been held that in the absence of any evidence of fraudulent intent, other than that of under-valuation in the invoice and entry, no prosecution, either *in rem* or *in personam*, could be sustained. Thus an invoice and entry of goods at one-quarter their appraised value would not work forfeiture or other penalty, unless it could be affirmatively proven that such an under-valuation was made by invoice and entry with intent to defraud the revenue.

Very respectfully,

SILAS W. BURT,  
*Naval Officer.*

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No. 9.

PORT OF NEW YORK, NAVAL OFFICE,  
*November 27, 1886.*

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

SIR: I have the honor to inform you that in answer to your inquiry of the 13th instant, relative to what proportion of advances of value by reappraisal attach to consigned goods, I have found great difficulty in obtaining trustworthy data, on account of the method in which the customs accounts have been kept. But in a review of the additional duties assessed under section 2900, Revised Statutes, for advances in value since October 1, 1885, I find that of the advances carrying a penalty of \$50 dollars or more there were 70 per cent. attached to consigned goods. If there were excluded from the problem the penalties assessed upon addition of value of coverings and of charges (prior to Supreme Court decision) the proportion of consigned goods subject to a material penalty would be about 75 per cent. of the whole.

Wishing I could give you more satisfactory statistics,

I am, very respectfully, your obedient servant,

SILAS W. BURT,  
*Naval Officer.*

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No. 10.

NOVEMBER 13, 1886.

SIR: I send you herewith a copy of a printed report of "communications respecting undervaluation of imported merchandise submitted by an organization of merchants and manufacturers of Boston" on March 4, 1886, and request you to carefully examine the same, and report to me whether or not facts within your knowledge, since you have been a naval officer, and if so, what facts, justify the criticism and condemnation applied therein to importers and customs officers at the port of New York, and to this Department as well.

I call upon you, and not the collector or surveyor, to favor me with the result of your observation and experience in that regard, because the collector has so recently come to the port of New York, and the sur-

veyor is now prostrated by a severe illness, and because your intelligence, experience, and zeal in the matters referred to are of an exceptional character.

Will you kindly return to me the inclosure?

Respectfully yours,

DANIEL MANNING,  
*Secretary.*

SILAS B. BURT, Esq.,  
*Naval Officer, New York City.*

No. 11.

HANS S. BEATTIE.—Appointed Surveyor of Customs for the port of New York, New York, June 27, 1885.

CUSTOM-HOUSE, NEW YORK CITY,  
*Surveyor's Office, November 4, 1886.*

SIR: Acknowledging the receipt, by due course of mail, of your letter of the 15th instant, calling for certain information touching the administration of the affairs for the past twelve months of the department of which I have the honor to have charge, I respectfully report that, while, in theory, the duties of surveyors of customs are solely executive at ports where there are also a collector and naval officer, the port of New York covers so vast an extent of territory, and the volume of business transacted therein is of such magnitude, that, in addition to purely executive duties, the surveyor is constantly called on to take greater responsibility and to decide more intricate questions of law and regulations than the collectors of customs at other ports. At this port there are 320 inspectors of customs; 119 night inspectors (so called); 87 weighers and assistant weighers; 13 gaugers and assistant gaugers, and a force of 175 weighers' laborers, on an estimate for the smallest average day's work, also 14 skilled laborers and 28 ordinary laborers with the gauger. To see that this force performs its varied duties properly and efficiently is the special function of the surveyor. Experience has shown him that it is unwise, if not entirely impracticable, to vest discretion in these subordinates, and that that surveyor who considers it primarily his duty to see that the regulations of the Department and the orders of the collector are carried out to the letter, secures the best results to the service.

During the past year much progress has been made in the conduct of the affairs by the simplification of the methods of business procedure, a continuous insistence on clearness and certainty in the issuance of orders, and the enforcement of strict compliance with the provisions of the statutes and regulations.

To secure a proper observance of these statutes and regulations it has been found necessary to recommend the removal of many subordinates in all branches of the force subject to the supervision of the surveyor. The causes of such removals have been in some cases inexcusable ignorance of the rules and regulations governing the bureau in which the removed officer served, in others an apparently inherent inability to become subject to the simplest requirements of discipline, and in almost all, as compared with that reciprocity of regard which usually obtains between the private employé and employer, a callous indifference to the interests of the Government.

Simplification in the method of business procedure has been obtained—

First. By mobilizing the gaugers' force under one head, concentrating its clerical employes in one office, and directing the performance of its outdoor work therefrom. For a detailed statement of the benefits which have thus far accrued to the service and to the public from the reorganization of this force, I respectfully refer to the report of Mr. C. H. Knight, gauger, under date of October 18, 1886, herewith submitted.

Second. By the adoption of the same principle of mobilization to the force of inspectresses, who, under the immediate supervision of one of their own sex, are now detailed to their respective assignments in the same manner as inspectors of customs are detailed. Heretofore the method of assigning inspectresses to duty was to have them notified, under the immediate direction of the deputy surveyor or superintendent of the barge office, at their homes, by telegraph, of the arrival of steamships at Fire Island, Sandy Hook, or Quarantine, according as notice was received of the arrival of a vessel at one or the other of these points. Obviously this system of operating this force was liable to, and did frequently result in, the failure of an inspectress to be promptly in attendance at the wharf on the arrival of a vessel. To render such occurrences less liable to take place, and for the purpose of securing a proper record of the duties discharged by the inspectresses, they have been divided into two watches, of four each, the first reporting for and awaiting assignment to duty in a room in the barge office (separated from other branches of the force there located), from 9 o'clock a. m. to 4 o'clock p. m., a detail being made from that of one or more of them who may not have actually performed work during these hours, for any vessel which may arrive at her wharf between the last-named hour and 9 o'clock a. m. of the following morning, when the second watch relieves the first from duty for the next twenty-four hours. The results thus far obtained from this change have not only been more satisfactory to the service, but also to the inspectresses themselves, among whom a more equitable division of the aggregate of duties to be performed by them has been secured, without at the same time sacrificing any consideration for their sex, which should be observed.

Third. By the modification of regulations, an instance of which is that approved by the Department March 12, 1886, in respect to the transfer of bonded merchandise for export and the shipment of merchandise entitled to drawback, when exported.

The modification of this regulation has been made without prejudice to the revenue, the expense of collecting which would have been materially augmented by the increased force which would have been necessarily required to strictly carry out the provisions of the regulation before it was modified.

Among the matters which, at the present time, seem to me most deserving of the attention of the Department are:

First. The condition and methods of conducting the business of the force employed in weighing.

Second. The questions of the examination of passengers' baggage and the payment of duties thereon on the wharf.

Third. The transfer to public store of packages ordered there for examination.

For some time previous to July, 1885, the port of New York was, with reference to the weighers' force, divided into four districts, each under the charge of a United States weigher, too small a number, if the certificates of weight on which the collector bases his liquidation of the duties on articles paying duties by weight should be signed by the

person ascertaining it, and too many, by *three*, if the duties of weigher can be construed to be merely supervisory.

The ascertainment of gross weight is comparatively simple. Given correct and sharp beams and accurately adjusted poise, and true gross weight can be obtained by persons of ordinary intelligence, exercising care; but the question of tare is more difficult and requires judgment and experience in selecting the packages to be tared, so that proper representative packages of the whole lot may be taken. The employment of unskilled labor in handling the merchandise to be weighed, so that a sufficient number of laborers may always be ready when required, and yet none be employed that are not needed, is a result which ought to and can be substantially attained.

It must be conceded that the collector should base his finding of the amount due the Government by an importer, on merchandise paying duty by weight, on a statement or return made to him by that employé who directly ascertained, or, at least, witnessed, the ascertainment of the net weight so stated or returned. The courts have decided (*Marrriott vs. Brune*, 9 How., 619), that the collector is bound by the return of weight made by the weigher, he being the officer created by the statute for the purpose of ascertaining the weights of merchandise upon which duty by weight is paid. To have returns of weight made by the United States weighers who have personally supervised the actual weighing and ascertainment of tare would, at this port, require that the number of such weighers be increased to at least twenty, involving an increase of \$40,000 in the expense of collecting the revenue—for their salaries alone—if, as has been generally conceded, the act of June 26, 1866, fixing the salaries of weighers at this port, has not been repealed by reason of its provision not being included in the revision of the Statutes. The question then arises, Has the collector the right to accept, as the basis of liquidation of an entry, a return or statement of weight made to him by an assistant weigher? If this question be decided in the affirmative, the reorganization of the weighers' department is comparatively a simple matter, which might be accomplished by constituting it of one weigher, at a salary, as provided by law, of \$2,500 per annum, whose duties should be the direct supervision, under the surveyor, of twenty, or more or fewer (as experience may decide to be necessary), principal assistant weighers, at a compensation, to be fixed by the Secretary of the Treasury, *as now*, at \$4 per diem, or, perhaps, \$25 per week, whose duties should consist of personally making or supervising the making of weight, allowing of tares, and making and signing of returns. Under these principal assistant weighers the remaining number of assistant weighers (whose salaries might be fixed at \$3 per diem, or \$20 per week) deemed necessary could be employed. The employment of unskilled labor could be regulated by the appointment of one foreman of weighers' laborers and two classes of laborers—those employed by the week and those by the hour, as emergency might require—it being the duty of the foreman to assign them to work, as the principal assistant weighers might inform him, from time to time, their services were needed. The reduction from the amount now paid the assistant weighers would not only offset the slight increase in the compensation of the principal assistant weighers, but the amount saved from the salaries of the weighers would also make a large reduction in expenses.

This plan, if adopted, would give no principal assistant more than he could personally attend to; and, by enabling the weigher and the surveyor to hold him to a strict and rigid responsibility, would certainly

increase the efficiency of the force and insure the greatest accuracy of the returns.

On the 20th of March last I addressed a communication to the honorable the collector of the port, recommending a reorganization of the weighers' force. The recommendation, approved by the then collector, was, as I have been informed, forwarded to the honorable the Secretary of the Treasury. As up to the present date I have not been officially advised of what disposition, if any, was made of that communication, in order that the views then presented may be before you with those now expressed, I take the liberty of reproducing it here. It is as follows :

CUSTOM-HOUSE, NEW YORK,  
*Surveyor's Office, March 20, 1886.*

SIR: The honorable the Secretary of the Treasury having ordered a reorganization of the gaugers' force at this port, in accordance with the terms of my recommendation to him, under date of January 18, 1886, I would respectfully suggest the propriety and practicability of applying the same method of mobilizing and operating the weighers' force from a suitable central point at the port.

The force, as now organized, is distributed, as you are aware, over four principal districts, each of which is under a chief weigher, at an annual compensation of \$2,500, or an aggregate of \$10,000. Each of these weighers has a central office, and one of them (the weigher in charge of the Brooklyn district), in addition to his central office, has three suboffices. To each of these offices, both principal and sub, there is attached a clerical, janitor's, and other force, which it is necessary to maintain under existing arrangements. There is also a force of assistant weighers (sixty-two in number), apportioned among these districts and divisions, at an expense, for each assistant, of \$4 per diem, or an aggregate of \$77,624 per annum. In addition to these regular assistant weighers, there are also temporary assistant weighers and laborers employed by the weighers at a compensation of 30 cents per hour while actually occupied. The average number of such temporary assistant weighers employed during the fourteen weeks ending March 4, of the present year, was forty-eight, each of whom was occupied during the same period an average of forty-nine and one-half hours, and received an average compensation of \$14.83½ per week.

It is unnecessary, for my present purpose, to state the cost of labor and other incidental expenses for the same period, as it is not at present contemplated that the method of employing such labor, or providing for the other incidental expenses, be changed.

Data which I have collected show that in the Brooklyn district (to which forty regular assistant weighers are assigned), between January 2 and March 15, of the present year, there were numerous days upon which from five to eleven regular assistants rendered no service whatever to the Government. For instance, on January 2, 1886, in that district, there were nine of these regular assistant weighers who were awaiting orders all day at an expense of \$36 to the Treasury, for it received no return whatever; on the 4th of the same month there were seven; on the 8th, five; on the 9th, ten; on the 21st, eleven; on the 25th, eleven; on the 29th, five, and a proportionate number of idlers during the entire period covered by the records which I have had made. Investigation has shown me that the facts just stated are approximately true of the other districts, and that this loss of energy and waste of money must be chiefly attributed to the existing method of organization.

As an initial step toward securing more efficient and economical administration of the force, I respectfully recommend—

First. That the services of the four chief weighers be discontinued, and that in their stead a superintendent of weighers, at an annual salary of \$3,500, and a superintendent of taring, at an annual salary of \$2,500, be appointed.

Second. That the services of sixty-two assistant weighers, who now receive a compensation of \$4 per diem each, be discontinued, and that authority be given to employ in their place and stead, not exceeding fifty weighers, at a compensation of 40 cents per hour.

Third. That the authority now possessed for employing temporary assistant weighers, at a compensation of 30 cents each per hour, be discontinued.

Fourth. That the services of the present foreman of weighers be discontinued, and that authority be given to employ eight temporary foremen of weighers, at a compensation of 50 cents each per hour.

Fifth. That the existing provisions for the employment of skilled and ordinary laborers, janitors, and other necessary force be continued.

Sixth. That the central office, for the transaction of the business of the entire weighers' force, be located at the barge office, with eight suboffices; four in Brooklyn,

one in Hoboken, two on the North River, and one on the East River, New York City; the intention being to place a foreman in charge of each, the suboffices to be chiefly for the purpose of storing the tools, and as a locus for the assembling of laborers, &c.

The foregoing recommendations are so far in accordance with the views which I have frequently expressed since I assumed office that I trust they will receive your approval and that of the honorable the Secretary of the Treasury. If adopted, they will not only secure uniformity of procedure in the conduct of the business of the weighers' force, but they will also result in a very material reduction of operating expenses. I am satisfied that, with the better means of supervising the force which such reorganization will afford fifty men, employed at a compensation of 40 cents per hour, at an estimated annual cost of \$50,000, will perform the services of the sixty-two men who now cost the Government over \$77,000 per annum. Other items of saving to be effected will occur to you, as, for instance, the \$4,000 of the amount now paid chief weighers, the one-third of the expense now incurred for a scattered clerical force, and the avoidance, to a very large extent, of the expense now incurred by numerous regular assistants being occasionally idle while in receipt of pay.

The saving likely to be effected by the employment of a superintendent of taring will be the subject of another communication.

Yours, very respectfully,

H. S. BEATTIE,  
Surveyor.

The COLLECTOR OF THE PORT.

I understand that objections were made through some official channel to the following, among other, recommendations, made in the foregoing communication:

First. To the employment of a superintendent of taring.

Second. To the method of employing weighers at a per horam than a per diem rate of compensation.

The first objection, I am unofficially informed, was made on the grounds that a superintendent of taring was an officer unknown to the statute, and that it was as much the duty of weighers to ascertain the tare as it was their duty to ascertain the gross weight of merchandise.

Clearly this last objection was made under a misapprehension of the duty which it was intended a superintendent of taring should discharge.

The object in recommending the appointment of a superintendent of taring did not contemplate that such an officer should ascertain the actual tares on all merchandise weighed—an obvious impossibility—but that he should ascertain that such tares as were found by the weighers were *honestly* found.

There is no more important duty discharged by a weigher than that of the ascertainment of tare. It is a very important duty—one that requires skill, knowledge of the nature of the merchandise to be weighed, and familiarity with the coverings in which it is imported.

In this connection, I would respectfully refer to a recommendation of the surveyor under date of March 20, 1886, relative to the result of tests made, under his direction, of the weight of bags in which sugar was imported from Havana. The statement inclosed with this showed that the then existing schedule allowance of tare was altogether too large, there being, in some instances, a difference of nearly 100 per cent. in favor of the Government, between the actual ascertained tare and the tare allowed by schedule, and on receipt of which the Department amended article 598 of the regulations of 1884, so as thereafter to require that actual tare only should be taken on all such sugars.

This very recommendation was bottomed upon the fact that the weighers had neglected to do their duty under Article 597 of the regulations, a neglect which could not possibly have continued so long had there been an officer charged with the special duty of seeing that the Government received its just allowance of tare. Whether or not such an officer was known to the statutes was not considered. The object

was to indicate the necessity for the appointment of an officer—by whatever title he might be known was immaterial—who would give his undivided attention to the practices employed and the methods pursued by the weighers in the ascertainment of tares.

The second objection—namely, to the employment of men at a per horam rather than at a per diem rate of compensation—was, as I have been unofficially informed, made on the grounds, among others, that on a tenure of office of so uncertain and limited duration, it would be impossible to secure honest and efficient service, and that opportunity would be afforded to a surveyer who desired to avail himself of it, to frequently change the *personnel* of the force for political rather than for business purposes.

As matter of fact, temporary assistant weighers have been for years, and are now, employed on the conditions proposed, at less favorable rates of compensation; and the chief weighers who were in the service when the present surveyor entered it, and the more competent of them, have repeatedly stated that the work done by the temporary assistants at the lesser rate of compensation, was and is done as satisfactorily as that performed by the permanent weighers at the higher rate of compensation.

But neither is the appointment of a superintendent of taring nor the employment of weighers at a per horam rate of compensation a vital object of the reorganization then or now recommended. The essential part of both of the recommendations is that which contemplates the operation of the force from the most available central point in the port under the immediate supervision of one head, in order that uniformity of procedure in the conduct of business transactions of the same nature may be obtained, and that waste of time and force may be avoided.

A reorganization which will secure such a mobilization of this force and the operative concentration of its scattered energies must benefit the revenue and be of great convenience to the commercial interests of the port. Whether under such a reorganization one class of weighers shall, as now, be employed at a rate of \$4 per diem; another, as now, at a rate of 30 cents per hour, and the laborers connected with such force at the rate of 30 cents per hour while actually employed, or whether all assistant weighers and all weighers' laborers, who may be necessary to the discharge of the duties connected with this Bureau, shall be paid a per diem rate of compensation, is a matter of minor importance, and one which need not prevent the adoption of the essential features of either recommendation.

In this connection I beg leave to draw your attention to a communication from me to the collector of the port under date of July 13, ultimo, forwarded by him to the Department with letter of approval under date of July 30 ultimo, recommending the expenditure of \$5,000 for the purchase of a steam launch for the speedy transfer of various customs officers under my supervision and control to and fro within the limits of the port, as might be required by their assignment to duty. As promptitude and dispatch are among the principal objects of the proposed reorganization, the adoption of the suggestion made by me in said communication and approved as stated by the collector would be a not unimportant element in the effectiveness of the suggested change.

I believe, however, that a perusal of the letters referred to will make it apparent that its adoption would be in the interest of economy and good business method, not merely as an adjunct of the proposed reorganization of the weighers' force, but even independently thereof,

and I accordingly take this occasion of again presenting the matter on both grounds for your consideration.

Second. Examination of and payment of duties on passengers' baggage on the wharf.

These are matters which, in the past, have been the fruitful source of scandal and complaint. During the last year the cause for both has been largely diminished. But as this decrease in the cause for complaint has, as far as the conduct of the force is concerned, largely resulted from the fear of loss of place, rather than from the assertion of a self-respecting manhood, the improvement in this particular has not been wholly satisfactory. By no means is it intended to be understood that all inspectors are generally or habitually guilty, while in the act of examining passengers' baggage, of disregarding the prohibitions of the statutes and regulations; but it cannot be denied that, to some extent, passengers continue to fee the officers with whom they are brought in contact on the wharf, and that some of these occasionally accept gratuities. The custom of feeing officials for sometimes real, but more frequently imaginary favors received, has so long obtained among the traveling public that it is extremely difficult to entirely stop it. In every case in which the offense of accepting a fee has been reasonably fastened upon an inspector he has been removed. The offense, however, is so difficult of proof; passengers in giving fees to these officers observe so religiously the rule of not letting their left hand know what their right hand does, and the opportunities afforded on poorly lighted and numerous crowded wharves for the infraction of the law unobserved are so great that the evil complained of can only be eradicated by an incessant weeding out from the service of such inspectors as may be reasonably suspected to be guilty of the offense. Under these circumstances, calling as they do for the minimum of interference with the right of the responsible supervising officer, for cause which is satisfactory to him to remove a subordinate, the tendency to insist as a condition requisite to the removal of an officer, that the proof of his guilt shall be as strong as that which would convince a jury in court, the continuous efforts of subordinate officers to compel the making of such proof of cause for removal, and the encouragement which they receive from well-meaning citizens in the maintenance of this position, offer a most serious obstacle to the realization of good and clean service.

The honorable the Secretary of the Treasury, by the detail of several special agents' inspectors to assist the surveyor in the detection of irregularities on the part of inspectors in examining baggage, has materially aided that officer in the supervision of this force. It is, however, evident that when one of these officers complains of an infraction of the regulations by an inspector, and the latter, as he usually does, enters a general denial to the complaint, the surveyor is inevitably compelled either to take no action on the complaint, or, because of his faith in the fairness and honesty of the complaining officer, to recommend the removal of the alleged offender.

Objection may be made that the supervision which it is desired to obtain by these assignments of special inspectors is the proper function of the deputy surveyor, and that he, if competent, would be able to fill all necessary requirements. The answer to such objection is that the so-called deputy surveyor is a deputy only in name; that the time of the present deputy, as was that of his immediate predecessors, seems to be almost wholly occupied in the supervision of inspectors employed in the examination of passengers' baggage; that it seems impossible to obtain, for a compensation of \$2,500 per annum, a man new to the serv-

ice, who is possessed of that equipment of character and intellect which constitutes the surest guarantee of securing good, intelligently-directed and clean work, well done. Subordinates who have been long in contact with and the associates of other subordinates of equal grade, are rarely free from embarrassment when they become the superiors of their former equals in office, and the experience of the present surveyor is that their hearty co-operation in any efforts to improve the service by removal for other than scandalous conduct is not to be expected. If employes, who find in the letter of the regulations a law for whose spirit no respect is found in their consciences, are to be eliminated from the service, such elimination must be effected through the assistance of officers who are untrammled by their former associations. In the absence of any provision for a compensation which would secure the entire time and services of a deputy of a much higher order of ability than has been possessed by the majority of those who have been appointed to that office, it is only by the use of such agents as these specially-assigned inspectors that the surveyor can inform himself of the character of the force supervised by him and the quality of their work.

In the mean time the system of collecting duties on the wharf would be improved if the representative of the appraiser were required to keep an account showing the amount found by him to be due on each entry of merchandise appraised by him, and to forward the same, through the United States appraiser, to the collector, in order that it might be compared with the returns of the other officers, and any failure to collect the full amount appraised detected.

Another check on possible irregularities in the collection of duties on the wharf would be provided by requiring the collector's representative to give a receipt for the amount received by him from passengers in payment of duties. Passengers frequently imagine that the money they pay on the wharves as duty is not accounted for to the Government, but is retained by the officer receiving it, and that it merely represents an unauthorized levy or assessment which the inspector who has examined their baggage makes for his own benefit. The furnishing of a properly worded receipt to each passenger who pays duties on the wharf would do much to remove this impression.

Third. Delay in the transfer to the public store of packages ordered there for examination is also, from time to time, the cause of complaint, by importers. It must be admitted that under the present system of transferring these packages from such points as the wharves at Hoboken and Jersey City, they frequently do not reach the public store until a week after the vessel in which they were imported has been entered at the custom-house. While many causes combine to produce this result, the principal reasons assigned for the delay are the manner of discharging a steamer under a general order, day order, and night permit, and the fact that since the passage of the act known as the "anti-moiety act" the contract for public cartage has to be awarded, after advertisement, to the lowest bidder.

The question is one that has been so fully discussed during the past year in my reports to the collector that I now merely deem it necessary to call attention to a suggestion in one of the latest of such reports, namely, that the delay complained of in relation to the transfer of public store packages from New Jersey, Brooklyn, and other points remote from the public store could be avoided by the use of steam lighters instead of the use, as at present, of trucks or carts. Doubtless, such a change in the means of transfer is practicable, and could be properly construed as the "public cartage of merchandise."

The practice of taking the capacity of casks containing distilled spirits brought in bond to this port for exportation, is one to which I have called the attention of the Department as unnecessary, and have suggested the propriety of modifying the regulations relating thereto, as more fully appears by the following :

[Extract from report made to collector by surveyor, October 12, 1835, *in re* treatment of reimported American whiskies.]

The history of a barrel of whisky reimported is this: When it leaves the distillery warehouse for export its capacity is ascertained, which, with the wantage and other particulars, are cut or punched on the bilge stave, and a warehouse and an export stamp affixed, containing the same information. Its serial number is also branded on it. It is transported under bond to the collector of the port from whence it is to be exported. It is there gaged again by a customs gauger, who has to ascertain its capacity, wantage, &c., alongside the export vessel, and is also watched by an agent of the internal revenue, who takes the proof, and in case there is an excessive wantage, is, I believe, expected to account for it. It is exported, and after a time, greater or less, is imported as an "American production returned," and as such is admitted upon payment of a duty equal to the internal-revenue tax; but first, and before it can be admitted as an "American production returned," the importer must prove to the satisfaction of the collector in what vessel it was exported, its serial number, its export number, produce a certificate that it was landed abroad, and the customs gauger must be satisfied after again gaging it and scoring it that it is the "original" package, serial numbers and all, before he can stamp it "American whisky reimported."

Now, I respectfully submit that such a barrel ought to be forever after—if it bears anywhere, on either of its heads, the customs stamp of imported liquors—free from suspicion, and that if any internal-revenue agent should ever want to determine its history, he should be instructed to ask for it from the collector of the port where it was returned. The mere giving of the serial number of the import stamp would be sufficient for the collector to furnish its entire history.

I have, if anything, understated the various manipulations and markings that a barrel of "American whisky returned" has to be subjected to before it can reach the control of an importer or his customer. But I have dwelt upon it at length because I hope the Department will look into the whole matter, with a view of seeing if some regulations cannot be framed which, while protecting both the internal and customs revenue, will reduce very greatly the expense necessary under the present regulations, and I would be very glad if the Department would detail some officer of the internal revenue to confer with you and this office, to the end that some more practicable regulation may be arrived at.

As already noted, the Department, under date of March 12, 1886, modified article 295 of the Surveyor's Regulations, so as to remove the difficulties theretofore encountered in the strict enforcement of the unamended regulation. In the same communication in which this modification was recommended attention was directed to the existing practice in regard to the transfer of goods under I. T. entries, reference being made to the propriety of fixing the time when, and the place where, the responsibility of the common carrier begins, but especially with the view of effecting a further simplification in the conduct of the business of the surveyor's department. Notwithstanding that in view, of the modification of the regulations in regard to the transfer of bonded merchandise for export, and the shipment of merchandise entitled to drawback when exported then allowed, it was considered by the Department that the practice in respect to the transfer of goods under I. T. entries might remain unchanged. I avail myself of this opportunity to request a reconsideration of the suggestion, and for that purpose I respectfully submit the following extract from my letter to the collector, under date of February 5, 1886, in relation thereto:

This merchandise is transported from this port to certain ports designated by law, by the great railroad companies of the country, who, although under very heavy bonds required by the Government from them as "common carriers" to transact this business, are not apparently responsible until the merchandise is delivered to them at their depots.

In practice any broker or agent presenting the proper bill of lading and invoices is permitted to make an I. T. entry by any bonded route in the third division of the collector's office.

This entry is charged against the bond of the common carrier in the seventh division, without the knowledge or consent of the common carrier, and a permit is issued to the discharging inspector of the import vessel, directing him to send the merchandise described therein to the depot of the common carrier by the carts or lighters designated on the back of the permit, and not until the merchandise is loaded on the cars of the common carrier does its agent receipt for them.

Article 428 of the Surveyor's Regulations of 1883 directs that I. T. merchandise shall be transferred from the discharging vessel to the common carrier's depot under the same supervision as is required in case of the exportation of imported merchandise to foreign countries.

I respectfully submit that the practice at this port, in regard to the entry of merchandise for transportation without appraisement, should be changed; that no entry should be allowed until the agent of the common carrier consents to the entry being charged against its bond, and that the only customs drayman or lighterman that should be designated by the collector for the transfer of the merchandise from the discharging vessel to the car, vessel, or vehicle of transportation should be that of the common carrier that has assumed the responsibility by permitting the entry to be charged against its bond.

If this change of practice should be made, I am of opinion that the supervision of the shipping inspector, as provided in article 432 (Surveyor's Regulations, 1883), would fully comply with the requirements of the act of June 10, 1880, and the safety of the revenue be amply provided for by the transfer ticket prescribed in article 430 (Surveyor's Regulations).

Importers are occasionally subjected to much inconvenience by a practice which obtains in the fifth division of the collector's office of requiring that the permit shall be an exact copy of the bill of lading, even if it contains manifest clerical errors, or differs from the invoice. Although the collector is bound by law to account for every package on the manifest of a vessel, and the bill of lading is a copy of the manifest, there seems to be no good reason why, in addition to the marks and numbers, as given, of the bill of lading, the permit should not have any discrepancy between the bill of lading and the invoice noted on it, preceded by the word "or." Inspectors could then note on their return under which mark or number the packages themselves were found. This method of procedure would seem to be as safe as that of having a permit first delivered to the inspector, then recalled, and merely indorsed, by some deputy collector, "Land and return as found," while, in time alone, it would frequently save the importer twenty-four hours.

I trust that the foregoing statement will impress you with the advisability of the reforms suggested in that branch of the service. I should have replied earlier to your inquiries had not the stress of business compelled me to postpone my answer until near the expiration of the time allotted in your letter. As you are probably aware I was then the subject of an assault which until now incapacitated me from completing and forwarding this reply.

I am, sir, yours, respectfully,

H. S. BEATTIE,  
*Surveyor.*

Hon. DANIEL MANNING;  
*Secretary of the Treasury.*

[Enclosure No. 1.]

CUSTOM-HOUSE, NEW YORK CITY,  
Gauger's Office, October 18, 1886.HANS S. BEATTIE, Esq.,  
Surveyor:

SIR: I beg leave to offer a report as to the workings of the gauger's department since the reorganization by you, May 1, 1886.

In the first place I will take up the matter of having one gauger at an office located in the custom-house, instead of the old plan of having three gaugers with offices located in different parts of the port of New York.

I will submit a case for illustration: A merchant imports three lots of wine by three different vessels, to be discharged at piers in Brooklyn, on the East River, and on the North River; under the old plan of three gaugers' offices it would necessitate the merchant sending to all the different gaugers' offices for information as to when the wines would be gauged and returned. Now, under the present plan, he can, by calling or sending to the gauger's department, at once obtain any information as to the time the wines would be gauged, returned, &c.

The reorganization as made by you is not only a great source of benefit to the wine and liquor importers, but is also a benefit to the department. The expenses are less, the work is attended to more promptly, the men under the gauger are under better control, and at all times it is known where each and every member of the gauger's force can be found if wanted.

I will now take as an example the case of a clerical error in a gauger's import return: Under the old plan the gauger would make his returns to your office for examination as to clerical correctness and then return to his office. If, after an examination of the returns by your office, an error should be found, the gauger would not know of it until the next day, without the return for correction was sent to his office by special messenger. Now, under the present plan, each and every return of gaugers are examined in the gauger's office before they are sent to your office; but if by any chance an error should be overlooked by the gauger's office it can be at once returned, and the error corrected without delay.

I have conversed with many importers of liquors, custom-house brokers, and clerks of importers, and I find there is but one opinion, that the reorganization as made by you is a success in every way. Herewith please find letters from some of those having business with gauger's department.

By statement herewith you will see that in the five months of this year, 1886, the nominal fees of the gauger's department were in excess of the expenses \$3,137.94 while in the same months of 1885 the expenses exceeded the fees \$2,742.14, and in the same length of time there were gauged, in 1886, 4,765 casks more than in same months of 1885. That is, in the five months of 1885 there were 170,244 casks gauged, at an expense of \$24,050.44, while in the same time, 1886, there were gauged 175,009, casks, at an expense of \$21,181.34, showing a gain of 4,765 casks gauged as also an amount in fees of \$2,869.10.

And in conclusion I would say that, after many years of experience in the gauger's department, I am fully satisfied that the gauging of imports and exports under the present plan can be attended to with more dispatch than ever before.

Very respectfully,

C. H. KNIGHT,  
Gauger.*Gauger's department.*

Month.	1885.		1886.	
	Fees.	Expenses.	Fees.	Expenses.
May .....	\$5,008 67	\$4,986 44	\$6,487 80	\$4,170 17
June .....	4,611 90	4,823 59	5,615 56	4,334 11
July .....	4,725 31	5,172 91	4,247 77	4,300 30
August .....	3,198 08	4,633 00	4,545 96	4,242 80
September .....	3,764 34	4,434 50	3,548 95	4,133 96
	21,308 30	24,050 44	24,446 04	21,181 34

Fees, 1885.....	\$21,308 30
Fees 1886.....	24,446 04
Excess in fees, 1886.....	3,137 74
Expenses, 1885.....	24,050 44
Expenses, 1886.....	21,181 34
Saved in expenses.....	2,869 10
Expenses over fees, 1885.....	2,742 14
Fees over expenses, 1886.....	3,264 70

[Du Vivier & Co., New York.]

NEW YORK, *October 18, 1886.*

C. H. KNIGHT, Esq.,  
*United States Gauger :*

DEAR SIR: In answer to your query in regard to the location of the United States gaugers' and stampers' offices, I would say we find the present system of combining all the gaugers' and stampers' offices in the custom-house to be a great improvement on the old plan. It facilitates the business of the importers very much, *we can get our goods stamped in one-third the time we could formerly*, and would be very loth indeed to return to the old system.

Very truly, yours,

DU VIVIER & CO.

[Office of James Reid & Co., 49 Broadway.]

NEW YORK, *October 19, 1886.*

C. H. KNIGHT, Esq.,  
*United States Gauger :*

DEAR SIR: In response to your inquiry, if the present mode of concentrating the department of gauger and stamping office in the custom-house is more convenient for the merchants than the former practice of several gaugers at different locations, would say the present is infinitely more convenient, saving the merchants a great deal of time and labor, the former method being cumbersome, inconvenient, and a great loss of time.

Yours, truly, &c.,

JAMES REID & CO.

[Office of Joseph H. Bearns & Co., No. 253 Washington street.]

NEW YORK, *October 18, 1886.*

Mr. C. H. KNIGHT,  
*United States Gauger :*

DEAR SIR: We consider the present arrangement for gauging and stamping goods in bond very advantageous to the importers. Our goods are gauged and stamped promptly under the present system, which at times is of considerable importance to us.

Yours, &c.,

J. H. BEARNS & CO.

[Peter McQuade, importer, 33 Pearl street.]

NEW YORK, *October 18, 1886.*

C. H. KNIGHT, Esq.,  
*United States Gauger, Custom-House :*

DEAR SIR: I have much pleasure in acceding to your request to give my opinion as to how the transaction of the business in your department now compares with its conduct previous to the 1st May last.

Briefly, I find much improvement; our facilities are increased, the vexatious delays that existed formerly much decreased, and I should be extremely sorry to find the department reverting to the old methods.

I am, sir, yours, truly,

PETER McQUADE.

[F. Boegler &amp; Co., 26 South William street.]

NEW YORK, October 18, 1886.

C. H. KNIGHT, Esq.  
*United States Weigher and Gauger :*

DEAR SIR: We take pleasure in expressing our entire satisfaction with the management of your department during the past five months. The vexatious delays by which our business had suffered prior to that time are now removed, and we only trust that the present system may continue in force.

Very respectfully, yours,

F. BOEGLER &amp; CO.

[Emil Schultze &amp; Co., 36 Beaver street, New York.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT,  
*United States Gauger, Port of New York :*

DEAR SIR: We think that the present system of stamping and gauging is better than the old one, as it does away with unnecessary delays, and we would suggest that the method should be continued, as we are convinced that it would satisfy all the wants of the importers of New York.

Respectfully, yours,

EMIL SCHULTZE &amp; CO.

[Office of Gottsch Brothers, importers of wines and brandies, No. 346 Greenwich street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT,  
*United States Gauger, Port of New York :*

DEAR SIR: Comparing the present system of gauging and stamping now in force in your district with the former method, we would like to say that it is working to our entire satisfaction, and that in our opinion, it is far above the old way.

Very respectfully,

GOTTSCH BROS.

[Clarence M. Roof, 22 College place.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT,  
*United States Gauger, Port of New York :*

DEAR SIR: We find that the present method of gauging and stamping followed in this city is much superior to the old method, preventing numerous delays and annoyances. We sincerely hope the department will continue in the same line. We feel certain that they will receive the thanks of the merchants of New York.

Respectfully, yours,

CLARENCE M. ROOF,  
Per M. HOYT, *Attorney.*

[Office of Davis, Clark &amp; Co., 15 Dey street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT,  
*United States Gauger, Port of New York :*

DEAR SIR: We find that the present method of gauging and stamping our goods is far superior to the old way, inasmuch as we are not obliged to visit several warehouses in New York, and oftentimes go to Brooklyn, in order to have a cask gauged and stamped.

We remain, yours, very respectfully,

DAVIS, CLARK &amp; CO.

[Samuel Streit &amp; Co., 31 Liberty street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT,  
*United States Gauger, Port of New York:*

DEAR SIR: We take pleasure in stating that the method of gauging and stamping now followed in this city is a decided improvement over the former style and meets with our approval.

Respectfully, yours, &c.,

SAML STREIT &amp; CO.

[Pringle &amp; Gondran, 138 and 140 Liberty street.]

NEW YORK, October 18, 1886.

C. H. KNIGHT, Esq.,  
*United States Gauger, Port of New York:*

DEAR SIR: In regard to the present arrangement of one office for the issuing of stamps and assignment of gaugers, we wish to state that we are in favor of the present system, and hope it will continue. We remain,

Respectfully, yours,

PRINGLE &amp; GONDRAN.

[Ferd. Ruttmann, sole agent for Messrs. J. J. Meder &amp; Zoon, Schiedam and Amsterdam, 51 Broadway.]

NEW YORK, October 18, 1886.

CHARLES H. KNIGHT, Esq.,  
*United States Gauger:*

DEAR SIR: In answer to your request for my opinion about the recent changes in the location and workings of the United States gauger's office, it affords me a great deal of pleasure and satisfaction to state that the present appears a most decided improvement on former methods of transacting the business of that office, and its central location in the custom-house building a great convenience and saving of time to the merchant.

I can cheerfully testify to the prompt attention and dispatch of all business which has passed through your office for my account.

Yours, respectfully,

FERD. RUTTMANN.

[Edw. Blackburn &amp; Co., 25 Beaver street.]

NEW YORK, October 18, 1886.

C. H. KNIGHT, Esq.,  
*United States Gauger, Port of New York:*

DEAR SIR: We are decidedly in favor of the present arrangement of having only one office for the stamping of wines and spirits, and hope there may be no change, as we find it a great improvement on the old system.

Yours, truly,

EDW. BLACKBURN &amp; CO.

[Ramsay Crooks, 25 South William street.]

NEW YORK, October 18, 1886.

C. H. KNIGHT, Esq.,  
*United States Gauger, Port of New York:*

DEAR SIR: In regard to the present arrangement of one office for the issuing of stamps and assignments of gaugers, I wish to state that I am in favor of the present system, and I hope it will continue so as long as the present system of stamping imported wines and liquors is enforced.

Yours, respectfully,

RAMSAY CROOKS.

210 REPORT OF THE SECRETARY OF THE TREASURY.

[I. Hays & Co., importers of wines, brandies, seltzer water, &c., 55 Warren street.]

NEW YORK, October 18, 1886.

C. H. KNIGHT, Esq.,  
*United States Gauger, City:*

DEAR SIR: We hereby wish to inform you that the system of stamping and gauging now in operation under one department works better than the old:

Respectfully,

I. HAYS & CO.,  
Per J. M.

[56 Wall street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT:

DEAR SIR: We think that the convenience of the merchants has been largely promoted by the consolidation of the various gauging districts under one central head in the custom-house. The work has been more promptly done and more promptly returned, and we are of opinion that the interests of the Government as well of the merchants have been greatly conserved thereby.

Very truly, yours,

B. WARREN HAMM,

Representing Messrs. Cook & Bernheimer, Darwin & Co., Gonzalez Byass & Co., C. H. Pye, E. C. Hazard & Co., Osw. Jackson & Bro., Dodge, Cammyer & Co., Davis, Clark & Co., C. Fraebt & Co., R. Greucen & Co., C. H. Marten, A. Rijney, Schmersahl & Wittzau, and others.

[P. W. Engs & Sons, No. 131 Front street, New York.]

NEW YORK, October 18, 1886.

Mr. CHAS. H. KNIGHT,  
*United States Gauger:*

DEAR SIR: We are pleased to say that the changes in the working and location of United States gauger's office is favorably observable over the former modes of transaction of business with the office. Its location is certainly a very great convenience, being quite central to the majority engaged in the business requiring the gauger's services.

The promptness with which all our requirements are met calls for our strong commendation.

Yours, truly,

P. W. ENGS & SONS.

[Cook & Bernheimer, 144 to 150 Franklin street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT:

DEAR SIR: We desire to express our approval of the change recently made consolidating the various gauging districts of this port into one district and under one head. Our experience is that the merchandise imported and exported receives equal, if not better, attention under the present system than could possibly obtain under a system divided in itself. We are of opinion the change has been to the benefit of the merchants.

Yours, respectfully,

COOK & BERNHEIMER.

[Lawrence Myers & Co., office 35 and 37 South William street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT:

DEAR SIR: We are greatly in favor of the present method of gauging and stamping liquors, as it avoids numerous delays which occurred under the old system.

Respectfully,

LAWRENCE MYERS & CO.

[Heyman Brothers, importers, 75 Murray street.]

NEW YORK, October 18, 1886.

Mr. C. H. KNIGHT,  
*United States Gauger, Port of New York :*

DEAR SIR: We find that the present method of gauging and stamping our goods is far superior to the old way.

Yours, very respectfully,

HEYMAN BROS.

[Enclosure No. 2.]

CUSTOM-HOUSE, NEW YORK,  
*Surveyor's Office, July 13, 1886.*

SIR: I cannot find that the exact limits of the port of New York as a subdivision of the collection district of the city of New York are anywhere legally or officially defined. Custom, however, appears to have bounded its northern limit on the Hudson River by Communipaw on the west and the city line on the east; on the East River by Port Morris on the west and Point Lawrence on the east. Its southern boundary follows that of the collection district, including Staten Island. The water front embraced within these limits, as will be seen by the report of Lieutenant-Colonel Houston, of the United States Engineer Corps, inclosed herewith, is over 150 miles.

This water front is divided into fifty districts, to each one of which it is necessary to detail at least one inspector of customs for the protection of the revenue, in supervising the discharge of small vessels, to which it is impracticable to assign other inspectors, and in receiving from and shipping by common carriers merchandise in bond (appraised and unappraised).

In addition to the inspectors thus detailed to district duty, other inspectors are assigned to steamers and large sailing vessels as they arrive, and remain on duty with them wherever they discharge until they are unloaded. The weighers and gauger, with their assistants and laborers, are also constantly employed on all portions of this water front. All of these persons scattered, as their respective duties compel them to be, I am required, under the provisions of section 2627 of the Revised Statutes, to superintend and direct. To do this properly, it is necessary for me to visit various parts of the port, often remote from one another, at very short notice.

I have caused to be prepared and inclose herewith a table showing the distances of the places, which it is my duty to visit, from the barge office, the most central point in the port, the time which, under the most favorable circumstances, taking advantage of ferries, horse-cars, and elevated railroads, is necessarily consumed to reach each place, compared with the distances by water, and the length of time required if use were made of a steam launch.

Such a steam launch, capable of steaming from 8 to 10 miles per hour, can be purchased here, complete and in good order, for less than \$5,000. In view of the fact that its use in sending for inspectors from remote districts when their presence at this office is required, and in transmitting orders when promptness is essential would save the services for other important duty of several inspectors, in addition to permitting me to perform my personal duties properly.

I have no hesitation in recommending that a sum not exceeding \$5,000 should be expended for this purpose.

I am, sir, very respectfully,

H. S. BEATTIE,  
*Surveyor.*

The Hon. COLLECTOR OF THE PORT.

[Enclosure No. 3.]

CUSTOM-HOUSE, NEW YORK CITY,  
*Collector's Office, July 30, 1886.*

The SECRETARY OF THE TREASURY,  
*Washington, D. C.:*

SIR: I respectfully transmit herewith a communication from the surveyor of the port, under date of the 13th instant, with inclosures, recommending the expenditure of a sum not exceeding \$5,000 for the purchase of a steam launch to be used in the general supervisory duties of the surveyor, and for the speedy transfer of district and other inspectors to and fro between the barge office, their center of location, and the points within the port to which they are respectively assigned for duty.

The inclosures, other than than the letter, consist of a statement by D. C. Houston, lieutenant-colonel of Engineers, U. S. Army, of the number of miles of water-front within the port of New York, and a table contrasting the lengths of time consumed in reaching various important points within the limits of the port by the present method of travel and by the proposed launch respectively.

It will be seen from this statement that by the use of the proposed launch the travel mentioned can, on the whole, be accomplished in half the time now consumed, a reform of great consequence, as the efficiency of this service depends very much upon its promptitude and expedition.

Moreover, I am informed by the surveyor that the time of at least three inspectors is constantly occupied in communicating with the officers in remote districts of the port when their attendance at the central office is required, and I have ascertained from inquiry that the cost of running the proposed steam launch will not exceed \$8 a day, an expense more than counterbalanced by the service of the inspectors who have been thus ascertained to act as messengers.

For these reasons I approve the suggestion of the surveyor and recommend the same to your favorable consideration.

Yours respectfully,

E. L. HEDDEN,  
Collector.

No. 12.

JOSEPH TRELOAR—Appointed chief clerk November 24, 1855.

CUSTOM-HOUSE, NEW YORK CITY,  
Collector's Office, November 5, 1886.

SIR: I have the honor to acknowledge the receipt of your letter of the 15th ultimo, in which you request from me a statement of the reforms made during this year in the administration of the customs service at this port; of any other reforms which are, within my knowledge, called for by importers who transact considerable business with the custom-house; and of the chief complaints made by importers "in regard to the present execution of the customs laws" at this port; and in what particulars the execution of the customs laws has in my opinion been improved.

My memory serves me to enumerate the following reforms made during this year:

A more full and careful examination into applications to make entry by *pro forma* invoices, which, it is believed, has resulted in a material reduction in the number of such entries. From personal contact with him I can testify that the deputy collector now charged with such matters is well qualified therefor, and is doing good work.

The refund, on adjustments made by the collector and naval officer, without certified statements to the Department, of duties decided to have been illegally exacted, except in suit cases. By this procedure payment is more promptly made of the claims of importers, clerical labors materially lessened, and the work done, it is believed, with that exactness which the protection of the Government demands.

Your instructions that protests lodged *before* liquidation must be rejected as not in compliance with the laws (sec. 2931, Rev. Stat), which requires them to be filed within ten days *after* liquidation of the duties, leave no uncertainty in the minds of the importers or of the customs officers as to the time when notice of dissatisfaction with the assessment of duties shall be made, and have put an end to many questions which had consumed much valuable time.

## NEEDED REFORMS.

Increased accommodations for the appraiser's force. The law now requires that one package at least out of every ten packages shall be sent to the United States public store for examination; but the present building, rented by the Government for the use of the appraiser, is in capacity not more than half sufficient to allow a compliance with the law; and the inadaptability of the building (an old sugar refinery altered) in every particular is strikingly apparent to every person who visits it. As a consequence examinations of merchandise on the "wharf" are resorted to extensively, and I am unaware of any statute that provides that they may be made there. Would it not be wise to legalize the examination of bulky merchandise at such places for appraisement?

It is noteworthy that the appraising officers do so well as they do in their much limited and confined apartment.

A larger building and one better suited to the orderly and prompt transaction of the public business than that now occupied as a customhouse is also a crying necessity. The employés therein are cabined, cribbed, and confined, and do not have the space necessary to correctness and dispatch in the discharge of their functions.

Many complaints are made at this office by importers because the law (sec. 2844, Rev. Stat.), relieves them from the production of consular invoices only where there is no United States consular officer in the country from whence shipments may be made, and not when the nearest United States consul is so far distant from the *place* of shipment that he can be reached only with great expenditure of time and money.

I have heretofore recommended that the law provide that additional (penal) duty shall attach for undervaluation in entries by *pro forma* invoices, the same as when entry is made by certified invoice. And I now suggest for your consideration that it be recommended to Congress that the additional (penal) duty of 20 per cent. ad valorem shall accrue for undervaluation in the invoice of *consigned* goods. Such distinction between purchased goods and consigned goods was made by section 17 of the act of August 30, 1842 (second proviso, vol. 5, Stat., p. 564).

In the case of purchased goods the importer should, in my judgment, have the right, as he has by statute, to make such additions in his entry to the invoice as he may deem necessary to make market value, for the reason that the market value may have advanced between the date of purchase and the date of shipment; but in the case of *consigned* goods the consignor is the owner, and doubtless knows what the wholesale price or market value of his goods is at the date of their shipment; and if for undervaluation in his *invoice* made at that time the law should impose an additional duty he will have incurred it by his own act, as does the importer when he understates the value of purchased goods in his entry. Complaints are also made by importers of delay in the transfer from the wharves by the public-store carman of packages ordered for examination and appraisement.

These are occasioned mostly by the discharge of cargo, as allowed by law, immediately on arrival of the vessel and the retention on the wharf of the goods for forty-eight hours, as authorized by the Department. The present collector has taken energetic measures for better service in this particular; but I submit that, as recently suggested by the surveyor of the port, the transfer of such packages could be more promptly made by the employment of steam lighters. I favor the amendment of the

law, if necessary, to this end. (See section 25, act June 22, 1874, vol. 18 Stat. L., p. 186.)

The subject of reappraisements is an important one, and demands, in my opinion, further legislation. If the importer is dissatisfied with an appraisement he may appeal to reappraisers, without cost to himself, for their services; and the great increase in the number of such appeals impresses me that importers in many instances resort thereto as an experiment, arguing to themselves, doubtless, that they can be no worse off even if the reappraisers do not reduce the value. I suggest as a remedy that the law provide, as is now under consideration, I believe, by the committee of the Senate, for a board of general appraisers and for a payment of a fixed sum by the importer to cover the expense of the reappraisement in cases where it does not sustain the appeal; the Government to bear the expense where the entered value is sustained. A board of general appraisers is almost a necessity, by reason of the constant complaint of importers against the selection of their competitors in trade as reappraisers. And if merchants are to act in such cases, who is more competent than a competitor in trade?

The many questions growing out of the execution of the seventh section of the act of March 3, 1883, have been fruitful in complaints of delays in the adjustment of duties. If outside or shipping packages are not to be made dutiable, and the previous law as to charges shall not be re-enacted as the clearest remedy for the present disputes, then I can suggest no better amendment than that contained in the fifth (printed) page of your letter of the 29th of March last addressed to the chairman of the subcommittee of Ways and Means; House of Representatives, striking out, however, on the ninth line of that amendment, I recommend, the words "when so bought and sold or when consigned." The words "when so bought and sold" would still leave it for dispute that the goods are not bought and sold in a packed condition, that is to say, for instance, in cartons, it being alleged that the naked goods are bought separately from the coverings. Such was one of the pleas as to matches.

Some years since, as a member of a committee appointed by the Secretary of the Treasury to inquire into the workings of the customs service at this port, I joined in a recommendation that the entry clerks in the naval office could be dispensed with without detriment to the interests of the revenue and at the same time simplify the entry of merchandise, thus saving also the valuable time of the importer.

I am still of the same opinion, and annex hereto a copy of the recommendation which was made in that respect.

I can readily understand and appreciate the need which the head of the Treasury may have for the services of an agent to look into special matters from time to time at the different ports; but the constant presence in the custom-house of a number of special agents is, to my mind, a hindrance to the public business. Of course it is natural that they will labor to show a necessity for their existence by exerting themselves in the discovery of irregularities; and that they will make their efforts in such direction by consuming the valuable time of experienced customs officials whose attention may already have been given to the matter which the special agent may desire to investigate for credit to himself. There are many excellent men in the force of special agents, but the collector is responsible for the discharge of the duties of his office; and if special officers are needed to look into the doings of those under him they should be men of experience and training in the service, subject to his sole direction, and capable of sifting a matter understand-

ingly without taking unnecessarily the time of officials whose constant attention is required to current business.

I am, with high respect, your obedient servant,

JOSEPH TRELOAR,  
*Chief Clerk of the Customs.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury.*

[Enclosure No. 1.]

DECEMBER 7, 1882.

The naval officer originates nothing, but his functions are to act as a check against the collector, in order to establish his responsibility for the duties collected.

At the present the entries, when presented by the importer, after being examined and passed in the collector's office, are sent to the naval office, where a like examination is made, and if the naval officer finds no objection to the actions of the collector's office he countersigns the permit for the landing of the goods, on a certificate of the proper officers that the estimated duties have been deposited or bond duly given.

The estimates of duties, however, on the presentations of an entry is but preliminary, and the correctness thereof is dependent upon the reliability of the description of the goods given by the importer in his entry. The rate or the amount of the duties due cannot be definitely fixed by either the collector or naval officer until the return of the appraiser shall have been made as to the character of the merchandise and its dutiable value, or until the returns of the weigher, measurer, or gauger as to quantity shall be furnished, and these reports are never made until after the entry has been passed on the preliminary examination now made by the collector and naval officer. If goods are incorrectly described in an invoice and entry, and a consequent wrong rate of duty is set forth in the entry, or the goods are so described in the papers presented as to indicate that they belong to the free-list, when in reality they belong to the dutiable list, the error would not ordinarily be discovered until after the receipt of the returns of the appraiser as before indicated.

We have therefore proposed in our estimates to dispense with the preliminary examination of the entry in the Naval Office, and to simply require the officer known as the cashier in the Naval Office to note on the copies of the entries lodged in that office the collector's estimates of duty, and to require the naval officer to prove the correctness of the collector's final adjustment or liquidation of the amount payable, thus preserving a perfect check against the collector's daily receipts, and against his final settlement of the duties.

We fail to see that the present system serves any other purpose than a useless cumulative action, and a consequent hindrance to the prompt dispatch of the business connected with the entry of imported merchandise.

The course of procedure proposed would save valuable time to importer, not lessen the security to the Government, and would save the salaries of one chief entry clerk, at \$2,500; five entry clerks, at a salary of \$2,200 each, and two messengers, one at \$840 and one at \$500, whose services could thus be dispensed with, and in that event there would be no need for the counter signature of the naval officer to the permit to land the goods from the importing vessel. Every prominent official in the collector's office we consulted, and whose opinions may be relied upon, from the nature of their official experience, concur in recommending the proposed change. It may properly be added that while the collector's entry clerks do commit errors in the preliminary estimate of duties, it is equally true that such errors will, without the assistance of the naval-office entry clerks, the day following the day of entry by the impost clerks in the collector's office. The discovery of such errors is now made daily, notwithstanding the previous review of the entries in the naval office.

The claim of the Government for additional duties arising from error, or otherwise, is secure under the law, by the retention of the packages ordered for examination and appraisement until full payment of the duties due, and by the bond of the importer to return to the custody of the officers of the customs the package delivered to him on payment of the estimated duties and not ordered for examination.

There need be no apprehensions, we think, that by the change proposed the sums of money involved in the errors heretofore discovered by the entry clerks in the naval office will be lost to the Government. If such change were likely to lead to that result we should not recommend its adoption. To urge a continuance of the present system because it was adopted long ago is to debar improvement in measures which were placed on the statute book in the earlier days of the Republic, and which should be modified from time to time, as business may require, and the interests of the Government permit.

No. 13.

LEWIS McMULLEN—Appointed February 27, 1852; appointed Appraiser April 23, 1885.

PORT OF NEW YORK,  
APPRAISER'S OFFICE,  
October 30, 1886.Hon. DANIEL MANNING,  
*Secretary of the Treasury, Washington, D. C.:*

SIR: I am in receipt of your communication of the 15th instant, in which I am "requested to prepare a full and detailed exhibition of whatever reforms in the administration of my office have been made by me this year, or have been made at this port, together with the consequences of such reforms, as far as they have to me become apparent."

I am "also requested to acquaint you with any other reforms in my office which I have in contemplation or which I advise at this port, and especially such as are within my knowledge called for by those among importers who transact considerable business with the custom-house, and which will require a change either in the law or its administration."

You also desire me to "set forth the chief complaints, if any (including causes of such complaints), which are now made to me by importers in regard to the present execution of the customs laws at this port, and declare in what particulars the execution of those laws, in my opinion, has been improved during the present year."

I respectfully state that the appraiser's department is composed of ten divisions for the appraisal of merchandise, one invoice bureau, and a laboratory.

The first division, to which is assigned the appraisal of personal and household effects, goods in what are known as packed packages, lumber, hides, rags, animals, &c., the inspection of goods claimed to be samples, the appraisal on wharf of merchandise contained in passengers' baggage, and which also estimates the proper allowance to be made on goods claimed to have been damaged on the voyage of importation, is in charge of Assistant Appraiser Daniel J. Moore. This division has been reorganized by the removal of several examiners, whose vacancies have been filled by other and better officers. This fact is apparent in the great reduction of allowances for damage over the previous year, being an estimated reduction of more than one-half.

The second division, to which is assigned the appraisal of jewelry, precious stones, bronzes, paintings, engravings, lithographs, books, paper, toys, fancy goods, china, glass, earthenware, &c., is in charge of Assistant Appraiser Cyrus A. Stevens. Several examiners have been removed in this division and their places filled by the appointment of officers of greater integrity and ability, which has been shown in the increased appraised value of merchandise passed in this division, particularly on china and glassware.

The third division, to which is assigned the appraisal of manufactures of silk, laces, and embroideries, is in charge of Assistant Appraiser William Kent. Very little change has been made in the *personnel* of this division, the examiners being officers of integrity and ability. The goods appraised in this division are largely on consignment. This is the fact particularly in regard to manufactures of silk. They are consequently invoiced at less than their proper market value. The advances in this division for the past fiscal year amount to \$2,217,240, which is \$531,167 in excess of the preceding fiscal year.

The fourth division, to which are assigned manufactures of linen, cotton, jute, and hemp, is in charge of Assistant Appraiser George N. Birdsall. The merchandise appraised in this division is more stable in its prices, and is generally on invoices of purchased goods. This division has been strengthened in its appraising capacity by the removal of one examiner, the resignation of another, and the appointment of two others in their places, and also by the appointment of an additional examiner.

The fifth division, to which are assigned manufactures of worsted, bosieri, gloves, straw goods, hats, hat material, feathers, flowers, yarns, &c., is in charge of Assistant Appraiser Edward Rowe. This division has been strengthened by the addition of two examiners. Advances have been made, particularly on yarns and worsted dress goods, in consequence of the advance on the raw material.

The sixth division, to which are assigned wool and manufactures of wool, furs, hemp, carpeting, oil cloths, &c., is in charge of Assistant Appraiser Edgar A. Brown. This division has been reorganized by the removal of two examiners and filling their places with others of greater integrity and expert knowledge. The work of the assistant appraiser and examiners for the past year in advances on woolen goods and the advances made by importers, together with the changes in classification that formerly existed, of classifying woolen as worsted goods, will amount in the aggregate to \$861,972.99.

The seventh division, to which is assigned the appraisal of drugs and chemicals, perfumery, &c., is in charge of Assistant Appraiser Charles E. Stott. No change has been made in the examiners in this division, as they are all honest and capable officers.

The eighth division, to which is assigned the appraisal of window-glass, looking-glass plates, leather, sugar, molasses, and melado, is in charge of Examiner Abraham G. Remsen. This division has been thoroughly reorganized by the removal of several examiners and samplers and filling their places with officers of known integrity and capacity, which is shown by the fact that on the same quantity and quality of sugar there has been collected half a million dollars more this year than during the preceding year.

The ninth division, to which is assigned the appraisal of hardware, cutlery, iron, steel, tin plates, lead, tin, marble, &c., is in charge of Assistant Appraiser David C. Halsted. There has been no change in the examiners in this division, the present incumbents being officers of integrity and ability.

The tenth division, to which is assigned the appraisal of wines, liquors, coffee, tea, cigars, fruit, &c., is in charge of Assistant Appraiser David C. Sturges. There has been no change made in the examiners in this division. They are men of integrity and ability, and all but one have been a long time in the service.

The invoice bureau is in charge of Chief Clerk Herman F. Bauer. The invoices are received from the collector in this bureau and distributed to the various divisions to which they belong. When the goods have been examined and the proper returns made by the assistant appraiser they are returned, and, after being properly approved by the appraiser, are transmitted by an official messenger to the collector.

The laboratory is in charge of Examiner Edward Sherer, to whom and his assistants is assigned the analysis of all merchandise which is required to be analyzed in this department, and also the polarization of all sugars. The services of this laboratory are frequently called into requisition by the department and the collectors of other ports. There

have been no changes in the *personnel* of the laboratory, the examiners having proved themselves capable and trustworthy officers.

The clerical force of this department has been improved during the past year by removals and the filling of the vacancies with men of greater ability.

The force of openers and packers has been reorganized, many removals have been made, and the vacancies filled with better men. The force, as at present constituted, is in a more satisfactory condition than it ever has been. The men, without exception, are performing their duties faithfully and well.

Reforms have been made during the past year by refusing to recall and reconsider advanced invoices upon the assertion of importers that the additions to make market value were exorbitant; by requiring the prompt attendance of every employé during office hours, declining to grant temporary leaves of absence on frivolous excuses, prohibiting officers and other employés from visiting importers' stores without my approval; also by the removal of careless and incompetent examiners, clerks, and openers and packers, and the substitution of others more painstaking and capable.

I have no hesitation in saying that the officers and employés constituting the force of this department will compare favorably with any other body of men in the service of the Government.

I have no other reforms in contemplation, except such as may, from time to time, suggest themselves. The real reform now required is adequate room for the appraisal of merchandise, and an increased force of examiners to properly perform the arduous and increasing duties of this department. The latter cannot be made available without additional accommodations. The condition and capacity of this building are treated of in my communication to you dated February 19, 1886.

There have not been any serious complaints made to me by importers in regard to the present execution of the customs laws at this port. The execution of these laws has been improved during the past year by the more liberal construction put upon them by the Department. There is no serious cause for complaint on the part of importers against the administration of the law, but against the construction of the law, and a very earnest desire to get rid of its ambiguities by the substitution of a clearly-defined commercial tariff.

Very respectfully, your obedient servant,

LEWIS McMULLEN,  
*Appraiser.*

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No. 14.

GEORGE V. BROWER—Appointed United States General Appraiser July 3, 1885.

PORT OF NEW YORK,  
OFFICE OF UNITED STATES GENERAL APPRAISER,  
November 1, 1886.

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

DEAR SIR: In reply to your letter of the 15th ultimo, I have the honor to submit the following report:

There have been several reforms in the administration of the affairs of this office, the effect of which has become apparent only during

the year last past. The method of conducting reappraisements has materially changed, pursuant to the letter of the Department, under date of June 9, 1885 (synop. 6957), in which attention was called to abuses that existed in the hearing of causes on reappraisement. The effect of that letter has enabled the merchant and general appraiser to hear all causes and decide them in an orderly manner, permitting them to give their whole time and attention to the real issue. Honest importers, who heretofore deemed it their duty to employ lawyers to protect their interests, although at first strenuously objecting to the change, now heartily approve of the working under the present system. Instead of the unseemly noise and confusion oftentimes attending reappraisements, by the conflicting interests, there is now quiet, order, and a sincere desire to get at the true facts in each case, and not to obscure them. Much annoyance was caused also by the announcement of the result of a reappraisement to the importer, the merchant appraiser being frequently besieged by the importers for a rehearing of their cases, and, by their importunities, they would sometimes cause him to waver and demand a rehearing and a change of result, not from his own unbiased judgment, but by the persistent efforts of the importer. All decisions are now sent to the collector, where they are first announced, except in occasional instances, where the exigencies of the case may require a knowledge of the result by the importer, for the purpose of facilitating him in making entries on the reappraised basis.

During the last year cases have been erected in which samples of all merchandise that has been reappraised have been placed, labeled, and numbered for the purposes of comparison and examination, and such samples will be held so long as they are valuable for comparison. In all cases where there is an appeal the samples will be filed away until the hearing and determination of the protest and appeal by the court, and for use therein when necessary.

The quarters assigned to the general appraiser are wholly inadequate for the proper transaction of the increased business of the office. When the present offices were provided the appeals for reappraisement were about twenty-five or thirty per month, while at the present time they are in the neighborhood of three hundred per month. All this vast amount of merchandise has to be opened in two small rooms and there inspected and examined by the witnesses and appraisers. These rooms often cannot contain one-half the articles to be examined, and the halls and passage-ways are filled with boxes, crates, bales, and casks, so as to scarcely allow passing and repassing. The halls are dark and unsuitable for the inspection of the merchandise. We need at least four times the space we now have in order to permit a proper examination of the various articles that come up daily for reappraisement, and to facilitate the business of the department. The room in which the merchants, importers, and witnesses summoned by the Government assemble, and in which they are sometimes compelled to remain for a long time, is small and unfit for the purpose, being often crowded almost to suffocation to the serious embarrassment of the clerks in the discharge of their duties, they being compelled to occupy a portion of the same room. Many improvements in the method and management of this department could be made if there was more space in which to transact its business. It is no fault of the general appraiser that the accommodations are so limited. Application has been made for more room, but the overcrowded condition of the present building used for public stores prevents the acquisition of greater space. As the work of appraisal and reappraisement, to be carried on effectually and econom-

ically, should be conducted in the same building, the only relief would seem to be in having a public store-house commensurate with the dignity of the Government and the importance of this port.

Since the decision of the United States court, decreeing that the exacting of a deposit to pay the expenses of a merchant appraiser was illegal, reappraisements have increased rapidly. If the present law is not adequate to protect the Government, then some immediate legislation is necessary to compel the importer to make a deposit, as many cases on appeal are of the most trivial nature, the amount involved being sometimes scarcely enough to pay the expense thereof, and the appeal only taken to embarrass the appraising officers and tending to throw discredit on reappraisements. These numerous appeals are becoming a great burden to witnesses and merchants, requiring almost daily attendance at the public stores, to the great detriment of their business. Merchants on whom the Government can rely, who come and act at a great personal sacrifice, are becoming very much discontented, as they often have to act on a great many cases, occupying the greater portion of the day, and unless some arrangement or plan can be adopted to lighten their labors they will refuse or evade service, to the great detriment of the revenue. Witnesses who come day after day upon the same cases cease to perform their duty as satisfactorily as when only occasionally called, their great anxiety often being to escape duties which have become exceedingly irksome. On some questions there have been nearly two hundred appeals, and with one uniform result on reappraisement. The exactions and appeals did not cease until the decision of the United States court, sustaining the general appraiser, and the direction of the Department to appraising officers. Competent merchants who give their time to the investigations, after having acted thereon in an intelligent and conscientious manner, oftentimes find all their efforts neutralized on every succeeding invoice of the same class and character.

Reappraisements should have some binding force and effect and should be conclusive upon the importer and the Government, at least for a reasonable period, unless for good cause shown to the department or the collector, to the effect that there was an error on the reappraisement, in that there was fraud or that new and important evidence had been received since the reappraisement, or that the market value had materially changed since the previous reappraisement or reappraisements.

This office has outgrown all the machinery or laws made for it on its organization, and has become one of the most important departments in the revenue service. For the last eight or nine months past the business has increased so rapidly that it is impossible for one general appraiser to hear all the cases, and at times it has been necessary to request the aid of all the general appraisers to prevent delay. The inadequate accommodations for the transaction of business, however, prevent more than two general appraisers acting to advantage. There is, probably, no department in the customs service that requires more prompt legislative action than the administration of the office of general appraiser at this port. If the suggestions herein made are deemed wise and prudent and such action should be advised and taken, with it should be coupled some regulation whereby the compensation of the general appraiser of the port of New York may be made commensurate with the importance of the position.

Yours, very respectfully,

GEO. V. BROWER,  
*United States General Appraiser.*

## No. 15.

H. WHEELER COMBS—Appointed United States General Appraiser December 4, 1877.

OFFICE OF U. S. GENERAL APPRAISER,  
New York, October 27, 1886.

Hon. DANIEL MANNING,

*Secretary of the Treasury, Washington, D. C.:*

SIR: In reply to your circular letter of the 15th instant, I have the honor to state that at the time of my appointment to the office of general appraiser at Baltimore, in July, 1884, there were but two clerks attached to that office, who were the only employes under my control. I have been able, by systematizing the business of the office, to dispense with the services of one of them without impairing the efficiency of that branch of the service.

The most important improvement in the execution of the customs laws within the district under my personal supervision has resulted from a strict enforcement on my part of Department letter (L. G. M.) of June—, 1885, requiring appraising officers to forward daily samples of all merchandise of which samples could be taken, appraised and classified by them, to the general appraisers of their respective districts. By means of these daily samples I have been enabled to promptly detect and correct numerous erroneous classifications of imported merchandise, and have thereby secured, practically, within that district uniformity of classification and valuation. I have, in accordance with Department letter above referred to, scheduled and retained in my office the samples received under said instructions and find them to be of great value for reference and comparison in the supervision of classification and valuation of imported merchandise at the many different ports within my district. Had the order been strictly enforced in the several general appraising districts, as contemplated by the Department, it would have resulted in the greatest good to the service by securing uniformity of classification and valuation at all the ports of the United States. I would respectfully suggest, as the best means of securing uniformity of practice at the various ports, the establishment of a bureau of samples at New York, to which appraising officers should be required to forward, daily or weekly, samples of all textiles appraised and classified by them, with label attached, showing the place of manufacture, date and place of exportation, with weight, value, and classification, and also a weekly or monthly report giving same information concerning all merchandise other than textiles appraised and classified by them. The beneficial results experienced by me in the performance of my duty in the supervision of classifications, from the daily samples of textiles, caused me to require samples of all wools exported from Mexico and entered at the ports along the border. From these samples I discovered that large quantities of merino wools, or wools having traces of merino blood, were being entered at these ports as carpet wools of the third class, upon which the duty imposed was  $2\frac{1}{2}$  cents per pound. This information having been furnished by me to the Department, instructions were issued from the Department which have corrected this erroneous classification and resulted in the collection of a large amount of duty which otherwise would have been lost to the Government, besides bringing about a uniform classification of such merchandise at the various ports of the United States.

I am not aware of any complaints at Baltimore with respect to the present execution of the customs laws, although I have been away from

that port so much of the time during the last year that I have had but little opportunity to hear such complaints, if any exist. Having been on duty at this port (New York) constantly since May last, I am familiar with the complaints and causes therefor existing here, but suppose you will be fully advised of them by the local officers of this port.

The greatest number of reappraisements in the Baltimore district have been upon "iron cotton-ties" and "Portland cement," two articles of merchandise which are sold by the pound or hundredweight, and upon which the duty should be specific. Complaint will naturally exist so long as ad valorem duties are collected upon such a number and variety of articles of merchandise.

The execution of the customs laws has been, in my opinion, greatly improved within the last year by relieving appraising officers and examiners of all outside or undue influences, heretofore frequently exerted upon them, and by your policy of holding each principal officer of the customs service at the various ports alone responsible for the proper performance of the duties charged upon him by law. The prohibition of attorneys from appearing and practicing before reappraising boards has operated very beneficially at this port (New York).

Yours, very respectfully,

H. WHEELER COMBS,  
*United States General Appraiser.*

No. 16.

PORT OF NEW YORK, APPRAISER'S OFFICE,  
October 26, 1886.

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

SIR: In reply to your communication of the 16th instant, I have the honor to transmit herewith a statement covering the period from October 1, 1884, to October 1, 1885; and the period from October 1, 1885, to October 1, 1886, giving for each aforesaid year the following information concerning the transactions at this office:

- (a) The whole number of invoices examined and appraised.
- (b) The whole number of invoices reported value correct as given in invoice.
- (c) The number of invoices advanced in value by the appraiser.
- (d) The number of invoices advanced by more than 10 per cent.
- (e) The number appealed to reappraisers.

In reply to inquiry marked (f) I transmit herewith a communication from General Appraiser George V. Brower, dated October 25, in which the effect and result of reappraisement are specifically stated. The discrepancy between my statement and that of the general appraiser as to the whole number of invoices appealed to reappraisers during the respective years is accounted for by the fact that a considerable number of the invoices which were acted on by the reappraising board in each of these years had been received at the office of the general appraiser prior to the commencement of the years in question, while in the statement furnished by me the dates are carefully confined to the years and months in which the appeals were taken.

Very respectfully, your obedient servant,

LEWIS McMULLEN,  
*Appraiser.*

[Enclosure 1.]

PORT OF NEW YORK,  
OFFICE OF UNITED STATES GENERAL APPRAISER,  
October 25, 1886.

LEWIS MCMULLEN, Esq.,  
*Appraiser of the port of New York:*

SIR: In compliance with your request to be furnished with a statement, covering the periods from October 1, 1884, to October 1, 1885, and from October 1, 1885, to October 1, 1886, of the number of invoices appealed for reappraisal, and the result of said reappraisements, I respectfully submit the following:

Total number of appeals from October 1, 1884, to October 1, 1885.....	1,078
With the following action:	
Appeals withdrawn by importer.....	103
Entry sustained.....	177
Appraiser's advance sustained.....	236
Appraiser's advance sustained in part.....	464
Advanced beyond appraiser's valuation.....	65
Divided reports:	
Collector sustains entry.....	2
Collector sustains general appraiser.....	9
Unfinished reappraisements.....	22
	1,087

Appeals received from October 1, 1885, to October 1, 1886.....	2,089
With the following action:	
Appeals withdrawn by importer.....	106
Entry sustained.....	426
Appraiser's advance sustained.....	272
Appraiser's advance partly sustained.....	1,014
Advanced beyond appraiser's valuation.....	49
Divided reports:	
Collector sustains entry.....	106
Collector sustains general appraiser.....	4
Decision not rendered.....	4
Appeals not taken up or unfinished.....	108
Total.....	2,089

The 106 cases above named in which the collector sustained the entry were the Donskoi wool cases.

Yours, very respectfully,

GEO. V. BROWER,  
*United States General Appraiser.*

[Enclosure 2.]

*Consolidated report of invoices examined, &c., in the appraiser's department, New York, from October 1, 1884, to September 30, 1886.*

Months.	Whole number of invoices examined and appraised.		Whole number of invoices reported; value correct as given in invoices.		Number of invoices advanced in value by the appraiser.	
	1884-'85.	1885-'86.	1884-'85.	1885-'86.	1884-'85.	1885-'86.
October.....	16,921	18,560	15,834	17,168	1,087	1,392
November.....	14,747	16,881	14,068	15,901	679	980
December.....	15,605	16,763	14,928	14,777	677	986
January.....	14,369	16,139	13,540	14,951	829	1,188
February.....	15,064	17,661	14,080	16,447	984	1,214
March.....	17,683	19,950	16,206	18,217	1,477	1,733
April.....	15,923	19,338	14,860	18,112	1,063	1,226
May.....	14,781	15,983	13,794	14,862	987	1,121
June.....	15,351	18,931	14,222	17,747	1,129	1,184
July.....	17,259	18,319	15,506	16,513	1,753	1,806
August.....	18,170	21,467	16,439	19,468	1,731	1,999
September.....	18,319	20,031	16,600	17,933	1,719	2,098
Total.....	194,192	220,023	180,077	203,096	14,115	16,927

*Consolidated report of invoices examined, &c.—Continued.*

Months.	Number advanced by more than 10 per cent.		Number appealed to reappraisers.	
	1884-'85.	1885-'86.	1884-'85.	1885-'86.
September.....	75	69	53	127
October.....	36	119	31	100
November.....	33	107	31	98
December.....	63	98	35	157
January.....	75	164	68	108
February.....	98	179	70	237
March.....	76	151	60	200
April.....	107	117	98	200
May.....	120	101	70	187
June.....	130	149	138	186
July.....	60	170	188	183
August.....	96	163	167	268
Total.....	969	1,587	1,014	2,050

No. 17.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., October 15, 1886.

SIR: Will you at your earliest convenience and before November 1, 1886, present to me such considerations and suggestions as you may deem it useful to lay before me, growing out of your observation and experience in dealing with suits, in your judicial district begun against collectors of customs for duties alleged to have been illegally exacted? Is the force in your office adequate for the economical, proper, and efficient defense of those suits, and, if not, why not, and what additional force is needed? Is the existing relation between your office and the custom-house that which is needed, in your opinion, for the proper defense of those suits, and, if not, what improvement can you suggest?

You are invited to freely express to me whatever, in regard to this most important subject, you may deem it useful for the public service, and for the due protection of the rights of importers who are plaintiffs, to be presented to my attention while engaged in preparing my annual report to Congress.

And will you likewise inform me how many and what description of suits for the presentation of false invoices or fraudulent entries at the custom-house have been begun, by the request of the collector, during your term of office, and whether or not any such have been brought to trial, and, if so, with what result?

Respectfully yours,

DANIEL MANNING,  
*Secretary.*

Hon. STEPHEN A. WALKER,  
*United States District Attorney, New York.*

No. 18.

OFFICE OF THE UNITED STATES ATTORNEY  
FOR THE SOUTHERN DISTRICT OF NEW YORK,  
New York, October 21, 1886.

SIR: I am in receipt of your letter of 15th instant, requesting any suggestions I may have to make respecting suits against collectors of customs in this district, and asking particularly—

Is the force in your office adequate for the economical, proper, and efficient defense of those suits, and if not, why not, and what additional force is needed? Is the existing relation between your office and the custom-house that which is needed, in your opinion, for the proper defense of those suits, and if not, what improvement can you suggest?

There has been but one session of the courts of 17 days' duration devoted to the trials of suits of this character since I entered upon the duties of this office, but I have arrived at very clear convictions upon many points in reference to the subjects which you have hitherto dealt with in so intelligent a manner, and will present my response to your inquiries without discursive argument, and in a form which I hope will be most convenient for your use.

First. With the present number of judges assigned for the trial of customs cases, and the consequent limited time for actual trials, the number of assistants, and the working force of this office, are sufficient to try the *legal issues* involved in the suits now upon the calendar notwithstanding the fact of their appalling number. You will understand by this that the strictly *professional* work involved in the trial of a suit, or any of the suits against the collector, can be attended to (under present conditions as to the opportunity for trials) with my present assistance.

Second. As to the relations of this office to the custom-house, and the collector as my client, there is need of reform, and of certain changes, which cannot be accomplished without additional expense to the Government. My answer to your first inquiry, you have observed, is limited to the questions of *law* presented in each case. It could not be truthfully made so broad as respects all the issues presented in the cases which are likely to be moved for trial. There is no sufficient provision for the discovery, preparation, and presentation of evidence on questions of fact arising in these trials.

It should be the duty of the collector, and he should have the authority and force to accomplish it, to provide the names of witnesses, a digest of their evidence, samples of the merchandise in question, in other words, the *facts* involved in every expected trial. I am satisfied that the same duty should be imposed upon the collector, in reference to customs cases, which belongs to a private client in a private case, of giving to the attorney, whom he employs, the facts, and their sources, to which the law is to be applied. Some one competent to represent the collector in his relations to this office, with right of access to every document in any department of the revenue in this city and following the lines, methods and subjects of inquiry directed by this office, should be charged with the responsibility of securing and presenting for use upon trials the *facts* in every case. Such person should have headquarters in this post-office building.

Let me illustrate this necessity briefly by a single class of cases. There are pending in this office some suits of venerable age known as the square yard issue. Two of these suits have been to the Supreme Court, and the questions of law involved are fully settled. Probably

three hundred thousand dollars are claimed in the actions which have not been tried. The Supreme Court has decided that it is a question of fact, to be decided by the jury, whether Saxony wool cloths are articles of "similar description" to delaines. The verdict of any number of juries upon this point will never make this question *res adjudicata*.

No investigation, or study, or preparation on the part of this office is necessary on the legal questions involved in such a case. But the trial comes on, and the plaintiff produces a dozen witnesses to prove that, as a question of fact, Saxony wool goods are articles of similar description to delaines. It is not an answer to say that two juries, one in Boston and one in this city, have found otherwise. Witnesses must be secured and produced who will swear otherwise.

The custom heretofore has been that the appraiser should forward the names of the officers who made the original appraisement—probably now out of office, and possibly employing the experience gained while in office in some business adverse to the interests of the Government—and one or two other names, probably names of those importing goods at the time in question. These men, and others if possible, must be drummed up by the young men in this office. Without criticising the service rendered by them or their predecessors, or speculating upon results, I am satisfied that the method, or system, if it can be called such, is wholly bad, and that the plan I suggest of bringing the collector through a skilled agent or bureau, into a direct responsibility for the facts of each case would be a vast improvement.

Third. The foregoing suggestions concern only the state of affairs as they now exist with the present judicial force for the trial of customs cases.

Nothing can be added by me by way of argument to the authority of the letter to Congress of March 23, 1886, respecting the necessity of a radical change in suits against collectors which would be involved in the appointment of an additional judge. Until that is done, any reforms and changes will alleviate only the surface of the difficulty presented by the vast accumulation of cases, the consequent expense by way of interest, loss of cases upon trial by death, and disability of witnesses, and all the evils consequent upon the present condition of affairs, which you so clearly apprehend, and have so urgently set forth.

Below will be found a description of the suits for the presentation of false invoices, or fraudulent inventories, begun since I entered upon the duties of this office, March 4, 1886, with the disposition of the same.

Following-named suits were brought at request of collector by the United States for violation of sections 2839, 2864 Revised Statutes, and section 12, act June 22, 1874:

United States *vs.* 20 Cases Cedar Cigar-box Shooks, &c. Letter from collector June 3, 1886.

Undervaluation and false invoice as to quantity and measurement. Compromised July 2, 1886.

United States *vs.* No. 6, 1 Bale Cotton-Yarn. Letter from collector June 15, 1886.

False invoice as to price. Compromised August 7, 1886.

United States *vs.* One Case Silk and Cotton Astrakhans, No. 147. Letter from collector August 16, 1886.

False invoice as to price. *Pending.*

Same *vs.* Same.

Same remarks.

Very respectfully, your obedient servant,

STEPHEN A. WALKER,  
U. S. Attorney.

To the SECRETARY OF THE TREASURY.

No. 19.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
 Washington, D. C., November 8, 1886.

SIR: Referring to your letter of the 21st ultimo, will you inform me how many days in 1886 have been given by the circuit court for the Southern District of New York to the trial of collector's suits with a jury, the number and total of all the suits tried, and the names of the judges holding the court.

Also, please inform me how many presentations to your office have in 1886 been made by the collector of false invoices or entries for prosecution.

Respectfully yours,

D. MANNING,  
 Secretary.

STEPHEN A. WALKER, Esq.,  
 United States States Attorney, New York City.

No. 20.

OFFICE OF THE UNITED STATES ATTORNEY  
 FOR THE SOUTHERN DISTRICT OF NEW YORK,  
 New York, November 10, 1886.

The SECRETARY OF THE TREASURY:

SIR: I have the honor to acknowledge the receipt of your letter of the 8th instant, asking for certain information as to suits brought against collectors of customs in this district.

In answer to the first part of your letter, I beg leave to refer to the statement herewith inclosed.

As to the second part, I beg to state that, as it appears by the records of this office, no suits for the presentation of false invoices or entries were begun prior to June 3, 1886, during the year 1886, and a list of such cases was submitted to you in my letter dated October 21, 1886, addressed to you.

Very respectfully,

STEPHEN A. WALKER,  
 United States Attorney.

[Enclosure No. 1.]

*Suits tried by a jury in 1886.*

Series No.	Title of suit.	Verdict for--	Judge before whom tried.	Date of trial.	Days occupied by trial.
				1886.	
N. S. 8570	Henry Hermann <i>et al.</i> v. W. H. Robertson	Plaintiffs .....	Wheeler ..	Jan. 11 .....	} 1
N. S. 8580	L. Weddigen <i>et al.</i> v. Same .....	do .....	Shipman ..	Jan. 12 .....	
N. S. 9959	J. O. Carleton and another v. Same .....	Defendant .....	do .....	Jan. 12 .....	} 1
N. S. 9960	E. Luckemeyer and another v. Same .....	do .....	do .....	Jan. 13 .....	
O. S. 458	Otto W. Pallitz <i>et al.</i> v. Schell .....	Plaintiffs .....	Wheeler ..	Jan. 13, 14, 15 .....	} 3
N. S. 8650	Jacob Basch <i>et al.</i> v. Robertson .....	Defendant .....	Shipman ..	Jan. 14 .....	
N. S. 8611	Fred'k Beck and another v. Same .....	Plaintiffs .....	do .....	Jan. 15 .....	
N. S. 7923	Wm. Baumgarten and another v. Same .....	do .....	do .....	Jan. 15 .....	

*Suits tried by a jury in 1886—Continued.*

Series No.	Title of suit.	Verdict for—	Judge before whom tried.	Date of trial.	Days occupied by trial.
N. S. 9422	E. P. Gleason Manufacturing Company v. Same.	Plaintiffs	Shipman	1886. Jan. 18	} 1
N. S. 399	E. A. Oelrichs and another v. Barney	do	Wheeler	Jan. 18	
N. S. 6862	H. Passavanti et al. v. Merritt	do	do	Jan. 18	
N. S. 6872	G. Callamore and another v. Same	Plaintiffs, by direction of the court.	Shipman	Jan. 19	} 1
N. S. 7304	Edward Hill and another v. Same	Defendant	do	Jan. 20	} 2
N. S. 5971	J. Kurtz et al. v. Same	Plaintiffs	do	Jan. 20	
N. S. 7519	Chas. L. Tiffany v. Same	Plaintiff	do	Jan. 20, 21	} 2
N. S. 7128	J. Kurtz et al. v. Same	Plaintiffs	do	Jan. 21	
N. S. 9449	L. A. Solomon et al. v. Robertson	do	do	Jan. 21, 22, 25	} 1
N. S. 7506	Dwight &c., late Waterman, v. Merritt	Defendant	do	Jan. 26	
N. S. 9431	Gustav Falk and another v. Robertson	Defendant (second trial).	do	Jan. 27	} 3
N. S. 9613	W. H. Perego and another v. Same	Split verdict.	do	Jan. 27, 28	
N. S. 6935	D. Cameron and another v. Merritt	Plaintiffs	do	Jan. 28	
O. S. 1585	C. Meletta v. Schell	Defendant	do	Jan. 28, 29* Feb. 1†	} 1
N. S. 9985	C. Von Pustan v. Robertson	Plaintiffs	do	Feb. 1	} 1
N. S. 8676	L. Fleishmann v. Same	do	do	Feb. 2	
N. S. 7857	H. Wallach and another v. Same	Split verdict.	do	Feb. 3	} 2
N. S. 6807	John F. Brigg et al. v. Merritt	Plaintiffs	do	Feb. 3	
N. S. 9965	Wm. H. Schiefelin et al. v. Robertson	do	do	Feb. 3, 4	} 1
O. S. 317	Fewster Wilkinson et al. v. J. E. Parsons, &c.	do	Coxe	April 6, 7	
N. S. 10092	Geo. C. Miller v. Robertson	Plaintiff	do	April 7, 8, 9	} 2
O. S. 1804	J. W. Smith, &c., v. Robt. Schell, &c.	Defendant	do	April 9, 12	
N. S. 9063	Chas. A. Edelhoff et al. v. Robertson	Split verdict.	do	April 12, 13, 14	} 3
N. S. 10038	Philo L. Mills and another v. Same	do	do	April 15, 16	
N. S. 2824	Philip Mettre v. C. A. Arthur	Plaintiff	do	April 19, 20	} 1
N. S. 10064	Thos. K. Cummings v. Robertson	Defendant	do	April 20	
N. S. 9986	Joseph Nettlecliff et al. v. Same	do	do	April 20, 21	} 1

\* Number of days given by the United States circuit court for the southern district of New York to the trial of collectors' suits with a jury (31 days).

† Number and total of all suits tried in 1886 (35 suits).

## No. 21.

NEW YORK, November 20, 1886.

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: Agreeably to your instructions of the 18th instant, I have examined the records of the general appraiser's office at this port for the purpose of ascertaining whether the reappraising force is adequate for the proper transaction of the business of that office, and respectfully report as follows:

As the business is now conducted the reappraising force is not adequate. If it were practicable to assign all of the four general appraisers to constant duty at New York, it is doubtful whether they could promptly dispose of appeals, so long as the present unbusiness-like methods are continued.

During the twelve months ending September 30, 1885, the number of cases received by the general appraiser for reappraisal was 1,078. For the twelve months ending September 30, 1886, the number of appeals was 2,089. Since that date to the 19th instant, 459 appeals have been received, making 2,548 since the 1st of October, 1885. At the present monthly average the number of appeals for the current fiscal year will exceed 3,000. In order to dispose of them promptly at least ten cases per day must be passed upon. There are now 310 appeals,

many of them at least two months old, awaiting the action of the general appraiser. The increase in the number of appeals is to be attributed partly to greater care and vigilance on the part of certain of the examiners and assistant appraisers in appraising consigned goods, particularly silks and woollens, and partly to the discontinuance in July last of the practice of requiring the importer to pay the fee of the merchant appraiser.

Besides the general appraiser permanently located at this port, one of the other three general appraisers has been here almost constantly during the past year under temporary assignment to assist in the disposition of appeals.

It appears that the mode of business adopted years ago, when appeals were few—not exceeding 300 in a year—is still continued, although the number of appeals has reached over 2,000 annually.

The practice of the general appraiser has been, and still is, to devote but two to four hours per day for five days in the week to reappraisements. The rule is to set the reappraisement cases for hearing at 11, 11.30, 12, and 1 o'clock, except on Saturday, when no cases are heard. From five to six, sometimes more, merchant appraisers are summoned to be present at the same hour. These gentlemen, as well as importers and witnesses, congregate in large numbers in the general appraiser's rooms, awaiting their turn, and there is great pressure to hasten the hearing of cases. Sometimes two or more cases, where there are different merchant appraisers, are heard at the same time by General Appraiser Brower.

All this results in a confused and hurried disposition of business. Many cases are necessarily adjourned from day to day, causing loss of time to all concerned and giving rise to just complaint. During the present week the number of cases set for hearing and disposed of by the two general appraisers was as follows: Monday, 15th, 16 cases appointed, 11 disposed of, and 5 adjourned; Tuesday, 16th, 21 cases appointed, 14 disposed of, and 7 adjourned; Wednesday, 17th, 15 cases appointed, 7 disposed of, and 8 adjourned; Thursday, 18th, 17 cases appointed, 11 disposed of, and 6 adjourned; Friday, 19th, 25 cases appointed, 19 disposed of, and 6 adjourned.

It is evident from the above that assignments have not been judiciously made.

The adjournment of some of these cases is due to the non-appearance of the merchant appraiser appointed, the practice of the collector being to address the letter of appointment to a member of a firm, with an alternative to some other member of the same firm, as, for example, to James M. Constable, or some other member of the firm of Arnold, Constable & Co. This is not, in fact, an appointment by the collector of a particular person to serve as merchant appraiser as contemplated by law, but is an authorization to a firm to select one of its members to act in that capacity. It frequently occurs that the member of the firm familiar with the merchandise to be reappraised is absent from the port, and therefore fails to be present when the case is set for hearing. It has long been the custom, under the regulations, for the local appraiser to send to the collector the names of five or more firms from whom a selection of a merchant appraiser may be made, the others being summoned as witnesses by the general appraiser. Upon inquiry recently made by the collector he found that over fifty persons whose names had been sent to him at different times by the appraiser as eligible for appointment as merchant appraisers were either dead, aliens, out of business, or otherwise ineligible.

These facts suggest a renewal of the recommendation heretofore made that the appraiser be required to furnish the collector a list, to be revised monthly, of individual merchants (members of firms) legally qualified to serve as merchant appraisers of the various classes of merchandise imported.

The lack of adequate space in the rooms assigned to the general appraiser for opening and displaying merchandise under reappraisal is another obstacle in the way of the orderly and prompt dispatch of business. It causes delay and confusion in examinations by reappraising officers and expert witnesses.

Notwithstanding the great increase of appeals and the large number of cases now in arrears at this port, I am of the opinion that with a thorough reformation in the methods of business, and with proper management, the two general appraisers now on duty here would be able in a few weeks to dispose of the accumulated cases, and that thereafter one of the general appraisers, with occasional assistance from the others, could keep up the work.

To do this it will be necessary—

1. That the general appraiser permanently located at New York, shall give his entire time, during business hours, to his official duties.
2. That he shall appoint the hearing of cases at suitable hours, from 9.30 a. m. till 3.30 p. m., each day, including Saturday.
3. That when the importers and witnesses in a case are not present and ready at the hour appointed, or the merchant appraiser is absent, the case may be put at the foot of the list for future assignment.
4. That the appointment of merchant appraisers shall be made by personal service upon the individual merchant selected, and if it be then ascertained that for any proper cause the person so selected cannot serve, another appointment shall be made without delay.

It is proper to state that General Appraiser Combs, who has been on duty here for some time assisting Mr. Brower, has suggested to the latter changes in methods calculated to expedite the work and secure a more orderly transaction of business. Mr. Brower, however, while expressing himself favorably, has taken no action toward making the changes proposed.

Respectfully, yours,

A. K. TINGLE,  
*Special Agent.*

## PORT OF PHILADELPHIA.

No. 1.

JOHN CADWALADER.—Appointed Collector of Customs for the District of Philadelphia, Pennsylvania, July 30, 1885.

CUSTOM-HOUSE, PHILADELPHIA, PA.,  
*Collector's Office, October 30, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury :*

SIR : I beg to transmit the following reply to your communication of 15th instant :

Upon assuming the duties of this office on August 12, 1885, I called for a statement, in writing, from each of the clerks and other chief officials, defining their duties as they then were and had been, to ascer-

tain, as far as possible, at once, their relative qualifications. From the replies and my own observation I found a lamentable lack of system in the department. Disregard of proper habits of business among the employés—smoking, lounging, reading newspapers, running in and out of the buildings, constant visits from friends and acquaintances during business hours—was the rule and not the exception. Leaves of absence had been granted with but little, if any, restriction.

The change in the office of surveyor of the port was not made until December, 1885, and my sources of information as to the inspectors, &c., was, until that time, limited and unsatisfactory. I found, however, many men upon these rolls who had scarcely ever performed a day's service; intemperance was very common, and irregularities of many kinds prevailed. Officers then known as "night inspectors" were especially unworthy. From the date upon which Mr. Campbell became surveyor a complete change in his department has been effected. I cannot speak too highly of the attention and fidelity of the surveyor to his duties. He gives close personal supervision to the various branches of the service. He visits docks, wharves, and vessels at all hours of the day and night, and thus secures a vigilance and care among the subordinates hitherto unknown. The force of "night inspectors" was, with scarcely an exception, composed of incapable and negligent men. The duties of this class were entirely distinct from those of an inspector, and their designation was deceptive. They received very high compensation, namely, \$3 per diem, and their duties were limited to watching vessels and docks during about six hours, from sunset to midnight, or from midnight to sunrise. As charges against the night inspectors were made and removals took place I asked that their offices be abolished, and I asked for the appointment in their stead of officers to be known as "surveyor's watchmen," with compensation at the rate of \$840 per annum; being the same amount paid to other night watchmen. By this change, which I warmly commend to your consideration to be extended throughout the service at other ports, I effected a reduction in the expenses of the department of \$8,670, and have secured a force superior in every respect to the former body of night inspectors.

The chief weigher has made many excellent reforms in his department, and has watched very closely all incidental expenditures, reducing them about 50 per cent., and has limited the laborers' roll as far as practicable. A great increase in the business of his department—nearly double that of former years—has been met by him, as shown by the statement annexed hereto, at less cost in the permanent force, and the cost of weighing per ton has been reduced from 9.7 cents in 1883, under his predecessor, to 6 cents in 1886. A question of some difficulty has arisen in regard to compensating customs officers for extra work at night and on Sunday. The business of this port requires facilities for weighing as well as discharging cargoes at night. These have been partly provided for night service; but it is much to be desired that vessels should be permitted to continue discharging during Sunday. Volunteers from the inspectors for Sunday work can be obtained if extra compensation, equivalent to a night's service, is given, and I ask authority to this end. Many requests have been made by masters to clear their vessel at night on completing their discharge. As the return of the inspector must be compared with the manifest, and this could not be done after the custom-house had closed, I have hitherto seen no proper mode of complying with this reasonable demand. As I have reorganized my clerical force by appointing chiefs of division, who, as "clerks designated," are authorized to administer the necessary

oaths and to issue the requisite certificates, I have requested authority hereafter when an application is made prior to 3 o'clock by a master to clear his vessel after hours, to designate the several chiefs of divisions in rotation to attend at the office for the purpose, at any hour required—the vessel to pay \$10 for this special service, which shall be paid, as in the case of other night service, to the chief of division attending at the office.

The following reforms are among the more important secured :

The clerical force has been organized into divisions known as law, statistics, estimation, liquidation, and navigation, with chiefs of each division, who are directly responsible for the work of the minor clerks. Hitherto there was no head for any of these branches, except one general deputy.

An auditor has been appointed, an officer absolutely necessary to the department. This position is filled by my special deputy, Charles Henry Jones, esq., who has brought to the service high attainments, and has proved himself one of the most competent, efficient, and thoroughly informed officials in the customs department.

I recommend an abolition of compensation by the day and a substitution of fixed salaries for all employes. An evil of the service, I think, is the very high rate of compensation for the lower grades of employment—being two or three times that of similar service in private positions—and inadequate compensation for positions requiring a high standard of attainment.

I recommend a reclassification of the clerical force into three grades, namely, clerks at \$1,200, promoted clerks at \$1,500, and chief clerks at \$2,000. At present there is no substantial difference between the duties of the 1st, 2d, 3d, and 4th classes. The suggested change has a meaning: \$1,200 will secure the best qualifications, and is nearly 25 per cent. higher than banks, &c., pay, and is therefore ample for *all* new clerks. Where capacity and fidelity have been proved, promotion may follow, with the further prize of the chief position in prospect.

The bonds and powers of attorney had never been properly drawn or renewed, and were practically of little or no value or protection to the Government. A competent lawyer is now in charge of this department, and system has succeeded disorder. The records and papers of the office were in great confusion—in heaps upon the floors and without arrangement; brokers and their clerks and others had free access to them, with the consequences natural to such indiscriminate handling. They have now been completely overhauled and arranged, and, in order to examine a paper, formal application must be made to the record clerk.

Additional duties, found to be due, upon liquidation, had been allowed to remain uncollected for a long period of time. The arrears have now been largely reduced and the current list carefully and promptly collected. Formerly, entries after being handed in and accepted, were constantly taken away by parties concerned. This is no longer permitted.

The regulations had been generally disregarded by the employes as to pledging and assigning their pay in advance. Moneys were loaned to them by brokers, and discounting by fellow employes was common. Money was frequently paid by parties outside of the office to obtain facilities and favors. The discovery of these and many other irregularities have rendered it necessary to have many of the employes removed, and at present the force is more competent and efficient than it has

ever been, as is freely admitted by the old employés, whose fidelity and efficiency have secured their retention.

The appraiser's department, under the care of Joseph B. Baker, esq., my predecessor as collector under President Buchanan, has been reformed in many ways, to the great benefit of the Department and of the public. All favoritism and discrimination has ceased, and a cordial co-operation with the general office has succeeded a condition of almost constant conflicts under former administrations. The relation of the appraiser to the collector is, however, anomalous, and, in my judgment, should not continue. At present he nominates all the examiners, packers, and laborers in his department, and his assistants are Presidential appointments. Neither the appraiser nor any of his subordinates is under bond, and although he has exclusive custody of large quantities of merchandise of great value, for examination, all responsibility for this property and the care of it rests upon the collector, who cannot supervise or control the employés. There is no reason that these officials, exclusive of the personal clerks, as in the case of the surveyor, should not be appointed, as other officers of the customs, by the collector, and I recommend legislation by Congress to effect this result. The office of cashier of a custom-house is a very responsible one. They are obliged to receive large sums of money very frequently under great pressure. These moneys must be carefully examined. No checks or drafts are receivable, light coin and counterfeit notes must be guarded against, and a very difficult portion of the duty is in returning proper change to those paying duties.

Under the present cashier, Mr. Vaux, there has been secured a degree of accuracy hitherto unknown, and he and his assistants are deserving of the highest commendation.

The naval office has been carefully and personally attended to by the present incumbent. His report will show the extensive improvements in the administration under his supervision.

I have concentrated in one building, within a short distance of the collector's and surveyor's offices and appraiser's stores, the inspectors, surveyor's watchmen, weighers, gaugers, and boarding officers. The revenue boat is at a dock almost opposite the building.

The chief gauger having died and two gaugers being sufficient for the port, I have now two assistant gaugers, with a superintendent over them and the inspectors jointly. In this I have effected a saving of \$2,980 in salaries, and a large reduction in rental, gas, and fuel, by substituting one building for three previously occupied.

At present a general warehousing business is conducted at the public stores. This I would not continue. Considerable risk of loss and injury to goods on storage exists and the question of liability on the part of the Government is serious.

The competition with private bonded stores is not desirable, and I shall ask authority to discontinue the business hereafter. The saving in the labor required and the appliances will be nearly or quite equal to any profit from storage.

As the best evidence of the effects of the reforms and careful attention to the business I annex tables showing the increase of receipts and business of the port, with the reduction of expenses.

Complaints of merchants and others having business with the office have almost ceased. Even suits on contested questions of construction of the laws are rare. In the fourteen months of my administration but thirty-seven actions of this character have been instituted against me, and as showing how great reduction is here indicated, in the same months, *fifty-nine* actions have been instituted against the late collector.

The reforms needed in the general administration of the service are largely provided for in the bill known as the Morrison bill (49th Cong., first sess., H. R. 7652). I would suggest a modification of section 15 on page 35 of that act, striking out the words "to recover money alleged to have been illegally exacted by him on imported merchandise," so that all suits may be included.

I desire to express my approval of the manner in which those of the employés who have been retained have performed their duties. I endeavored to reassure the force, on my taking office, that strict fidelity and performance of duty was the best and only means of retaining their positions, and that no other influence would avail them.

All removals have been made on specified charges of a kind that would justify removal from private employment. I believe that those retained are far more contented and satisfied under the stricter administration of the department where they secure approval and advantage from faithful service rather than from accidental favoritism.

Very respectfully, yours,

JOHN CADWALADER.

No. 2.

CUSTOM-HOUSE, PHILADELPHIA, PA.,  
Collector's Office, November 6, 1886.

Hon. DANIEL MANNING,  
*Secretary of the Treasury :*

SIR: I inclose certain statements referred to in my letter of the 30th ultimo, showing the results of the changes in the administration of this office. The comparison is made with the three years preceding that of my administration.

The increase in collections for the past year over that of 1882-'83 is \$3,370,699.43, or more than 25 per cent., with an actual reduction in the cost of collection of \$52,086.65. The surveyor's statement shows a great increase in the number of arrivals of vessels, both foreign and coastwise. The weigher has conducted the enormous increase in the business of his department with great economy. I regret the delay in the preparation of these tables, which could not be avoided.

Very respectfully, yours,

JOHN CADWALADER,  
*Collector.*

[Enclosure No. 1.]

Statement of the number of vessels arrived at the port of Philadelphia from September 1, 1882, to August 31, 1886.

FROM FOREIGN PORTS.

Year.	September.						October.					November.						
	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.
1882-'83	19	5	31	7	5	67	14	9	48	6	7	84	17	4	23	5	9	54
1883-'84	22	3	34	9	13	81	11	28	6	11	68	18	4	30	7	14	73	
1884-'85	30	20	68	5	14	137	14	19	54	13	12	108	18	7	44	7	6	82
1885-'86	29	13	46	4	8	100	24	15	41	9	12	101	21	12	34	7	16	90

  

Year.	December.						January.					February.						
	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.
1882-'83	16	6	25	15	14	76	14	2	16	6	11	49	23	3	34	3	12	75
1883-'84	21	5	27	1	13	71	22	1	15	2	9	49	26	3	24	7	16	74
1884-'85	18	1	16	1	7	43	24	1	17	2	5	56	26	3	9	2	11	51
1885-'86	22	6	22	4	17	71	30	3	12	1	5	55	27	16	29	10	23	105

  

Year.	March.						April.					May.						
	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamers.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamers.	Ships.	Barks.	Brigs.	Schooners.	Total.
1882-'83	23	5	23	12	20	83	25	3	79	24	25	156	19	6	37	17	41	120
1883-'84	21	5	11	19	37	93	29	3	36	16	36	125	33	6	40	24	50	153
1884-'85	34	18	29	18	32	141	21	20	86	20	37	184	34	15	66	13	51	179
1885-'86	43	11	23	12	33	127	57	15	45	9	35	161	56	16	65	19	42	198

  

Year.	June.						July.					August.						
	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.	Steamships.	Ships.	Barks.	Brigs.	Schooners.	Total.
1882-'83	27	3	41	14	35	120	31	1	37	11	20	100	36	6	38	10	16	108
1883-'84	24	14	22	15	31	106	21	3	45	12	15	103	34	13	34	6	10	97
1884-'85	34	11	38	11	25	119	32	15	77	8	21	152	31	10	56	4	14	115
1885-'86	34	11	44	13	37	139	55	4	46	6	16	128	48	16	38	8	9	119

Statement of the number of vessels arrived at the port of Philadelphia, &c.—Continued.

FROM FOREIGN PORTS—Continued.

Year.	Total each class.					Total all classes.
	Steamships.	Ships.	Barks.	Brigs.	Schooners.	
1882-'83 .....	264	40	432	130	215	1,090
1883-'84 .....	283	89	347	128	255	1,093
1884-'85 .....	316	147	569	104	231	1,367
1885-'86 .....	446	138	451	102	257	1,394

COASTWISE.

Year.	September.					October.					November.							
	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.
1882-'83 .....	145	1	1	344	...	491	153	3	1	327	...	484	155	1	4	285	...	445
1883-'84 .....	140	...	...	321	6	467	145	...	4	315	26	490	141	1	3	268	29	442
1884-'85 .....	161	...	...	454	60	675	143	...	...	411	52	605	132	1	...	368	30	529
1885-'86 .....	125	...	...	333	27	487	115	...	...	345	26	486	112	4	1	276	31	424

Year.	December.					January.					February.							
	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.
1882-'83 .....	148	...	2	186	4	340	114	1	...	59	...	174	109	2	1	113	...	225
1883-'84 .....	124	...	...	237	14	375	93	...	...	66	5	164	83	...	...	89	3	180
1884-'85 .....	136	...	...	315	18	469	92	...	...	138	8	248	72	...	...	23	...	99
1885-'86 .....	167	2	1	327	33	530	119	5	...	133	8	265	137	1	...	111	6	255

Year.	March.					April.					May.							
	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.
1882-'83 .....	147	...	3	256	...	406	132	...	...	256	23	411	156	...	1	294	14	465
1883-'84 .....	123	...	...	191	18	332	148	...	...	237	16	401	149	...	...	341	14	505
1884-'85 .....	87	...	...	70	12	169	86	...	...	239	37	362	70	...	1	317	24	412
1885-'86 .....	237	6	4	361	70	678	277	8	...	523	68	676	330	3	...	565	52	950

Statement of the number of vessels arrived at the port of Philadelphia, &c.—Continued.

COASTWISE—Continued.

Year.	June.					July.					August.							
	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	Total.
1882-'83	147	1	1	316	10	475	136	1	1	363	6	506	141	3	3	376	11	534
1883-'84	156	2	2	473	10	643	166	1	1	431	13	612	199	1	1	372	45	616
1884-'85	96	3	2	319	27	445	97	1	1	248	24	370	120	1	1	244	25	390
1885-'86	309	3	2	638	75	1,027	306	13	3	578	205	1,105	368	9	1	602	306	1,286

Year.	Total, each class.					Total, all classes.
	Steamships and steamers.	Barks.	Brigs.	Schooners.	Sloops.	
1882-'83	1,683	12	18	3,175	68	4,956
1883-'84	1,672	4	10	3,341	199	5,226
1884-'85	1,294	4	3	3,141	319	4,761
1885-'86	2,602	56	12	4,792	907	8,369

WEIGHMASTER'S EXHIBIT.

Month and year.	Weighmaster's monthly pay- roll.	Laborers' pay- roll.	Incidental ex- penses.	Total expenses.	Total tons weighed.	Cost of weigh- ing, per ton.	Number of car- goes weighed.
Sept. 1, 1882, to Aug. 31, 1883	\$23,912 50	\$23,405 75	\$3,512 26	\$50,830 51	521,894	\$0.097	689
Sept. 1, 1883, to Aug. 31, 1884	22,492 26	28,124 00	2,903 18	53,519 44	560,717	.097	714
Sept. 1, 1884, to Aug. 31, 1885	22,400 21	31,942 75	4,265 67	58,608 63	670,978	.087	865
Sept. 1, 1885, to Aug. 31, 1886	21,880 79	43,936 50	2,083 50	67,900 79	1,129,982	.06	940

RECEIPTS.

Year.	September.	October.	November.	December.	January.	February.
1882-'83	\$1,123,574 00	\$975,428 68	\$717,298 94	\$813,230 00	\$900,381 46	\$702,199 15
1883-'84	1,070,872 66	1,005,704 90	755,966 52	789,056 76	1,016,833 84	1,138,562 78
1884-'85	1,226,914 90	901,941 62	715,711 82	626,748 29	913,831 01	927,940 52
1885-'86	1,327,535 43	1,200,658 98	1,023,897 08	1,034,616 26	1,009,196 04	1,100,840 09
1886	1,675,346 83					

Year.	March.	April.	May.	June.	July.	August.	Total.
1882-'83	\$1,087,577 74	\$1,032,431 61	\$1,031,905 93	\$1,270,760 95	\$1,223,867 64	\$1,128,523 50	\$12,007,179 60
1883-'84	1,255,650 52	1,240,379 55	1,274,481 84	1,078,311 06	1,044,953 46	1,010,162 13	12,680,836 07
1884-'85	1,368,988 22	1,312,449 61	1,310,127 74	1,131,943 94	1,228,696 91	1,130,069 42	12,795,164 00
1885-'86	1,288,396 86	1,519,809 27	1,404,472 64	1,388,705 03	1,490,315 47	1,584,433 88	15,377,879 03
1886							

Statement of the number of vessels arrived at the port of Philadelphia, &c.—Continued.

## EXPENSES EXCLUSIVE OF WEIGHING.

Year.	September.	October.	November.	December.	January.	February.
1882-'83.....	\$32,383 55	\$32,127 49	\$30,941 62	\$32,294 24	\$39,794 71	\$31,824 61
1883-'84.....	31,546 70	32,198 99	31,035 65	32,748 43	32,086 61	34,082 96
1884-'85.....	31,998 61	32,434 34	30,886 01	32,941 33	32,402 93	28,443 20
1885-'86.....	28,914 81	29,932 56	27,724 96	29,321 57	29,700 15	24,431 77
1886.....	28,869 00					

  

Year.	March.	April.	May.	June.	July.	August.	Total.
1882-'83.....	\$33,616 96	\$32,457 52	\$33,147 09	\$32,037 80	\$33,012 39	\$33,254 23	\$396,892 21
1883-'84.....	33,409 07	31,317 19	32,148 65	33,523 77	33,586 09	32,073 41	389,757 52
1884-'85.....	38,889 09	30,212 43	30,488 02	30,565 09	30,682 13	29,994 58	379,937 76
1885-'86.....	29,823 87	28,677 64	29,496 60	29,190 86	28,683 54	28,907 23	344,805 56

## DAYS OF ABSENCE GRANTED TO EMPLOYÉS.

Year.	September.	October.	November.	December.	January.	February.	March.	April.	May.	June.	July.	August.	Total.
1882-'83.....	543	240	238	279	87	157	108	100	146	162	401	816	3,277
1883-'84.....	574	299	215	444	396	348	278	209	195	260	409	1,010	4,635
1884-'85.....	574	318	295	450	277	245	110	105	152	103	99	126	2,854
1885-'86.....	140	49	35	61	150	48	89	57	115	96	166	314	1,320
1886.....	318												

## No. 3.

HENRY B. PLUMER.—Appointed Naval Officer for the District of Philadelphia, Pennsylvania, October 15, 1885.

PORT OF PHILADELPHIA, PA.,  
Naval Office, October 21, 1886.

Hon. DANIEL MANNING,

Secretary of the Treasury, Washington, D. C. :

SIR: In reply to your letter of the 15th instant, in relation to the administration of this office so far as it pertains to reforms, recommendations, and complaints, I have the honor to submit the following:

The reforms, if the matters to be referred to may be so called, inaugurated during the year, consist chiefly in the taking up of additional work and certain changes in the methods of keeping the records of the office. The additional work, as already indicated in my letter to the Department in May last, embraces the opening and keeping, 1st, a record of errors from the collector's office; 2d, daily register of warehouse entries for transportation in the United States; 3d, record of entries for drawbacks; 4th, memorandum of differences in liquidation of entries; 5th, record of increased duties as ascertained on liquidation of entries for immediate consumption, and, 6th, daily time record of employés. In addition to the foregoing, an account between the United States and the collector has been opened for the purpose of facilitating compliance with Department letter of May 8, 1886, which also necessitates the examination of two additional abstracts at the end of each month of ascertained duties due, collected, and uncollected. The keep-

ing of the cash imposts book has been changed by extending the ad-valorem, specific, and "compound" duties so as to facilitate comparison with the monthly abstracts from the collector's office. The recapitulation of cash imposts, withdrawals, and rewithdrawals is also now kept in one book instead of in several as heretofore. The record of immediate-transportation entries without appraisalment, which had been neglected for several years, is also now properly kept, and the account compared monthly with the collector's abstracts. Mention may also be made of the fact that under the instructions of the Department it is now the duty of the naval officer to examine all the papers in cases of protests and appeals.

This additional work and the changes referred to have had the effect of bringing the office nearer to the requirements of the law, and of facilitating comparisons with and proving the work of the collector's office.

I cannot say that I have in contemplation other reforms at present. Whilst there are other things—referred to in the report of the special inspectors, submitted in November last, and embodied in my letter above referred to—that should be done to bring the office fully up to the standard of efficiency contemplated by the law, it is impossible, with the present working force, to do more than is now being done. The clerks are all willing and efficient, but the steady and notable increase of business has correspondingly swelled the volume of work undertaken, and as a result the force is taxed to its utmost capacity.

As to any complaints from importers or their agents, either as to the execution of the customs laws or the administration of the office, I am happy to say I have heard of none. In the execution of the laws this office has uniformly endeavored to characterize all its actions by a spirit of fairness, and in the transaction of the daily routine of business, the employés have been prompt, obliging, and courteous. Whilst I may not be able to point to any particular improvement or assign any special reason therefor, I feel confident that a better feeling than is manifested toward the office by those transacting business with it every day could not exist.

I am, sir, very respectfully,

HENRY B. PLUMER,  
*Naval Officer.*

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No. 4.

JOHN M. CAMPBELL.—Appointed Surveyor of Customs for the Port of Philadelphia, Pennsylvania, November 17, 1885.

CUSTOM-HOUSE, PHILADELPHIA, PA.,  
*Surveyor's Office, October 18, 1886.*

Hon. DANIEL MANNING:

DEAR SIR: I take great pleasure in saying, in reply to your letter of October 15, 1886, that the following reforms have been instituted in this office since my appointment on November 21, 1885:

(1) Inspectors were never required to make duplicate returns as required in article 213, Revised Statutes. No return was made by the inspector to the naval office as required by law. This carelessness and neglect have been corrected, and now the inspectors make their returns according to law.

(2) Requisitions are now required from the chief weigher, assistant surveyor, and gauger for all stationery, &c., furnished them. Prior to

my assuming the duties of this office the officers above mentioned seemed to have liberty to take from the surveyor's office whatever supplies they thought were necessary without any requisition. As I have before said, I now require requisitions from said officers, and take care to examine said requisitions myself, to see if the supplies are actually needed.

(3) When seizures were made of smuggled goods, it had been the custom for the inspector making the seizure to bring the matter to the attention of the surveyor, who, if he saw fit, returned the goods so seized to the alleged owner without reporting anything concerning the seizure to the collector or any other official. Such unwarranted action on the part of the surveyor would lead to the demoralization of the service, because no matter how prompt and vigilant the inspector had been in the discharge of his duty, if the surveyor could so act the inspector would have no incentive to perform his duty, and would lose all energy and become very remiss in the performance of his duty.

I need not say that there is now no such conduct on the part of the surveyor, and all seizures are made and returned according to law.

(4) Repeated attempts were made to obtain drawback, which were prevented by an examination of the facts. I cite these facts because the attempted frauds were prevented from being consummated by the vigilance of the officers. The customs service was somewhat demoralized before I assumed control. Drunkenness was very prevalent, and I had bills presented by tavern keepers against about twelve inspectors shortly after my induction in office. There was little, if any, discipline among the men, and the assistant surveyor, so called, but who was actually an inspector, detailed for duty on the wharf to take charge of the men, seemed to have entire control of the whole department; assignments to duty were made by this man instead of being made by the surveyor or deputy surveyor. His advice and opinion were asked on all mooted questions, and no attention seemed to be paid the surveyor or deputy surveyor. It is likely that such a state of affairs existed because the chief officials failed to properly discharge their duties.

No personal supervision was exercised by the surveyor or his deputy over the men, and the consequence was that the discipline of the force became very lax, and the officers became remiss in the discharge of their duties.

When Collector Cadwalader assumed control positive orders were given against the men drinking during business hours, and the morale of the service has been so much improved in the last year as to call forth warm encomiums from merchants and others having business with this port.

(5) I discovered, shortly after my taking possession of this office, that it was the custom to keep two weigher's records, one at the weigher's office, which was on the wharf, and the other book was kept at the surveyor's office. The keeping of the book at the weigher's office, and allowing him to give certificates of weight resulted in serious errors being made which, of course, made great trouble. I refused to allow a book to be kept at the weigher's office, and wrote to your Department asking for advice. I received a reply sustaining me in my position, and since that decision rendered by you, the surveyor's office is the only place from which certificates of weight can be procured. This circumstance affords another illustration of the lax manner in which the business of this office was conducted. The idea that any subordinate could give official records outside of the surveyor's office would seem to show

that the officials wanted their work made as easy as possible, regardless of consequences, and in total disregard of article 381, Customs Regulations.

(6) It had been the custom, also, to allow broker's clerks to take from the books of this office the weights of various cargoes. It had also been the custom not to use Form 956½.

Orders were given to allow no strangers access to the books of this office, and Form 956½ was brought into use. The result was that while people, before these orders were used, procured returns of weight without paying anything to the Government that now the revenue to the Government is quite considerable, six hundred and three certificates having been granted and paid for since July 12, 1886.

The only complaint I have heard from merchants and importers was on account of the small number of weighers and gaugers employed during the sugar and molasses season. Unfortunately, at this season of the year, we have not enough weighers and gaugers, while at other seasons of the year the weighers and gaugers are not at all busy. This difficulty would be met by the appointment of temporary gaugers and weighers, but the collector's embarrassment arises from the fact that he cannot appoint temporary gaugers and weighers outside of the civil-service list, and men who have passed these examinations will not accept appointment for a month or two. I bring this matter to your attention in the hope that you may solve this difficulty. It is a most serious matter for this port, because the importations of sugar and molasses are so heavy and the revenue to the Government necessarily so great that the importers should not be subjected to the delays, expenses, and inconveniences that they have been subjected to in the past.

All of which is respectfully submitted.

JOHN M. CAMPBELL,  
*Surveyor.*

No. 5.

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 20, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I have the honor to acknowledge the receipt of your letter of the 15th instant, and asking for my report upon certain particulars in the administration of this office and the execution of the customs laws at this port, and to reply; that no material changes have been made in the administration of this office, nor, so far as I have any knowledge, in the execution of the customs laws at this port during the present year. I have no reforms in contemplation nor any to propose, nor am I aware that any are called for among importers here. I am not aware of any complaints by the latter in regard to the present execution of the customs laws at this port. As regards the execution of those pertaining to this office, I think that the proceedings under appeals for reappraisements have been greatly simplified, and made more efficient under the

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instructions of your letters of June 9, 1885, to the general appraiser at New York, and those since promulgated. I do not see how they could be improved under the present statutes.

With great respect,

LEWIS HEYL,  
*United States General Appraiser.*

No. 6.

JAMES B. BAKER—Appointed Appraiser August 6, 1885.

PORT OF PHILADELPHIA, PA.,  
*Appraiser's Office, November 2, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: In compliance with directions in your communication of 16th ultimo, which requires "a statement covering the period from October 1, 1884, to October 1, 1885, and from October 1, 1885, to October 1, 1886," of matters therein expressed, I beg to inclose the paper marked A, which, I believe, will be found fully to cover the points of inquiry.

Although not called for, I venture to inclose for your information, as having some bearing on the matter, tabular statement B, which shows in some detail the extent of the business of this office during the two years last past, with exhibits of the considerable increase in the value and number of packages of the merchandise examined. As you may observe, the percentage of increase is quite large, adding greatly to the labors of the force here employed, as well as to the revenues of the Government.

Trusting that these statements may be found satisfactory,

I am, sir, very respectfully, your obedient servant,

J. B. BAKER,  
*United States Appraiser.*

[Enclosure No. 1.]

B.—*Comparative statement of the business of the appraising department at the port of Philadelphia for the two years ending October 1, 1885, and October 1, 1886.*

Number of invoices examined:	
October 1, 1884, to October 1, 1885 .....	12,548
October 1, 1885, to October 1, 1886 .....	14,522
Increase, October 1, 1885-'86 (15½ per cent.) .....	1,974
Number of packages received and examined at appraisers' stores:	
From October 1, 1884, to October 1, 1885 .....	26,700
From October 1, 1885, to October 1, 1886 .....	42,633
Increase, 1885-'86 (60 per cent.) .....	15,933

IMPORTS OF SUGAR AND MOLASSES.

The imports of sugar from October 1, 1884, to October 1, 1885, were 251,744,050 pounds, contained in 468,056 packages, and of molasses in the same year, 12,589,315 gallons, contained in 105,623 packages.

The imports of sugar from October 1, 1885, to October 1, 1886, were 292,407,000 pounds, contained in 959,247 packages, and of molasses in the same year 16,526,225 gallons, contained in 138,459 packages.

Increased imports of sugar in 1885-'86 over the previous year, 40,662,950 pounds—over 15 per cent.

Increased imports of molasses, same period, 3,936,910 gallons—32 per cent. The number of packages of sugar and molasses sampled and examined on the wharves in 1885-'86 was 145,575

Assuming that a relative proportion of the imports of sugar and molasses in 1884-'85 were sampled and examined as in the year ending October 1, 1886, viz 86,148

Increased examination in 1885-'86 59,427  
Add increased examinations in the appraisers' stores, as stated 14,522

Total increase in 1885-'86 73,949

In addition to the examination of packages above stated, a proper proportion of some thirty to forty different kinds of merchandise were examined on the wharves.

[Enclosure No. 2.]

PORT OF PHILADELPHIA, PA.,  
Appraiser's Office, November 1, 1886.

A.—Report of the appraiser of the business transacted at the port of Philadelphia covering the period from October 1, 1884, to October 1, 1885, and from October 1, 1885, to October 1, 1886, in accordance with the letter from the honorable Secretary of the Treasury, under date October 16, 1885.

(a) The whole number of invoices examined and appraised:  
October 1, 1884, to October 1, 1885 12,548  
October 1, 1885, to October 1, 1886 14,522  
Increase in 1885-'86 (15½ per cent.) 1,974

(b) The whole number of invoices reported "value correct," as given in invoice:  
October 1, 1884, to October 1, 1885 12,111  
October 1, 1885, to October 1, 1886 13,776  
Increase in 1885-'86 (13¼ per cent.) 1,665

(c) The number of invoices advanced in value by the appraiser:  
October 1, 1884, to October 1, 1885 437  
October 1, 1885, to October 1, 1886 746  
Increase in 1885-'86 (70¼ per cent.) 309

(d) The number advanced by more than 10 per cent.:  
October 1, 1884, to October 1, 1885 22  
October 1, 1885, to October 1, 1886 62  
Increase in 1885-'86 (181¼ per cent.) 40

(e) The number appealed to reappraisers:  
October 1, 1884, to October 1, 1885 6  
October 1, 1885, to October 1, 1886 37  
Increase in 1885-'86 (516¾ per cent.) 31

(f) Result of reappraisement:  
I. Invoices advanced by appraiser—  
Increased by reappraisement in 1884-'85 2  
Increased by reappraisement in 1885-'86 2  
II. Appraiser's advance—  
Sustained by reappraisement in 1884-'85 1  
Sustained by reappraisement in 1885-'86 14  
Increase in 1885-'86 (1,300 per cent.) 13

(f) Result of reappraisement—Continued.

III. Appraiser's advance, somewhat—	
Reduced by reappraisement in 1884-'85.....	1
Reduced by reappraisement in 1885-'86.....	15
	14
Increase in 1885-'86 (1,400 per cent.).....	14
	14
IV. Appraiser's advance not sustained by reappraisement—	
October 1, 1884, to October 1, 1885.....	2
October 1, 1885, to October 1, 1886.....	6

No. 7.

PORT OF PHILADELPHIA, PA.,  
Appraiser's Office, November 27, 1886.

HON. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I have the honor to acknowledge receipt of your communication of the 13th instant, wherein you request me to forward to you a report on the administration of the appraiser's office at this port during the past year, with such suggestions and observations on the general course of business as the experience of that period may render pertinent or advisable.

Since the 28th of November, 1885, when you authorized a change of the working force from 14 samplers and packers, at a salary of \$900 per annum each (\$12,600), and 13 laborers, at \$700 per annum each (\$9,100), total \$21,700, to 9 samplers and packers, at \$800 each (\$7,200), and 22 laborers, at \$700 each (\$15,400), total \$22,600, an increase in annual cost only of \$900, a marked improvement has been manifested in the rapidity with which the handling and examining of merchandise has been done. Although the number of packages examined has increased from 26,700 to 42,633, an increase of 60 per centum, this additional labor has been performed with satisfaction to importers. It has, however, at times caused work after hours on the part of officers, examiners, &c., and called for labor fairly beyond their strength. For the present business, which is a large advance on previous years, with the promise of further advances presumable from present prospects, the examining and laboring force is inadequate, the means to remedy which I have had the honor in another communication more specifically to explain.

For the greater part, perhaps, this increase of business may be attributed to the general improvement of trade and the greater prosperity of the country, and the judicial interpretation put upon section 7, act of 3d March, 1883, in the Oberteuffer case, which in many instances has practically reduced the duties 20 or 30 per centum, and in the average from 7½ to 10 per centum. This decision lowers the dutiable values upon which rates are assessed, and undoubtedly enlarges importations and the revenue therefrom derived. To a certain extent this increase is of a local character. I have reason to believe that the time which goods have been here under examination, having been reduced from three to five days, has induced importers to enter at this port in preference to others to which they have heretofore resorted. Complaints formerly usual that merchandise could be imported more speedily through other ports have ceased. Inasmuch as you have asked me to "set forth the chief complaints, if any, which are now made to" me "by importers," I may be permitted to say that after careful inquiry amongst importers

and their brokers, with whom they are closely associated, I am assured by them, without exception, that they have no criticism to make nor improvements to suggest upon the method of business now pursued in this office.

Perhaps one rule, the observance of which I insist upon, namely, that invoices shall be examined in the order of arrival here, without exception, unless upon urgent and satisfactory reasons, to be considered reasonable by myself or one of my assistants, has contributed somewhat to this result. It is obvious that the enforcement of this impartial regulation, by preventing through favoritism or partiality the advancement of one merchant's invoices at the expense of another, if not tending to shorten the average time required from the mass of importations, at least assures the business community of impartiality towards all.

As relating to this subject, I have also rigidly observed regulation of the Treasury No. 1410, which excludes "unauthorized persons from the rooms where goods are awaiting or are under examination for appraisalment" and forbidden my subordinates to hold communication with interested "persons concerning the goods under appraisalment." The enforcement of this rule resulted at first in some friction and irritation on the part of persons accustomed to the freedom of the floors and of intercourse with examiners; but the wisdom of it is shown by the diminished interruption to business and of opportunities, to say the least, of offering arguments to convince examiners, upon whom in the first instance these matters devolve, of the propriety of lower rates and values.

One of the chief difficulties at this port heretofore was the proper classification of wool. Under the former administration there was a serious controversy on the matter which led to long and tedious investigation. In fact, it was so serious that with few exceptions importers preferred to bring in their wool through other ports. As the result of much attention to this subject, the imports of this merchandise have largely increased, while the returns for classification made from this office on wool, nails, hair, &c., have with one exception been sustained.

The examination packages which were received here from October, 1884, to October, 1885, were 1,227 bales; from October, 1885, to October, 1886, were 4,439 bales, an increase of 3,212 bales, or over 260 per centum.

Instead of, as formerly, keeping the samples of wool, &c., in loose papers, they are now put in glass jars, properly labeled, and placed in closets constructed for the purpose. Special care is taken with regard to samples where advances have been made in values or classification, in order that in case of litigation they may be produced to the law officers of the Government.

As you will perceive from the statement herewith submitted, the importation of sugar has increased 40,662,950 pounds, and of molasses 3,936,910 gallons. The large area of the water-front on the Delaware and Schuylkill Rivers, and the lack of storage-room, make it impossible for a sampler to attend to sampling more than one cargo at a time. Having had as high as seven cargoes of sugar and two of molasses under examination at the same time, I have been compelled during the past season to detail laborers from the floor, and instruct them in such work.

During the past year I have turned over to the storekeeper for return to importers: samples of sugar, 36,259 pounds; of whisky, gin, rum, &c., 285 gallons, at the same time notifying the merchant of such delivery.

I have been informed by several importers that such practice is new as well as gratifying to them.

From the table of damage allowed through this office during two years last past, marked C, you will observe that such allowance for the year ending 1st October, 1885, was \$21,326.26; and for the same period ending 1st October, 1886, was \$28,941.86, an increase of \$7,615.60.

This increase of more than one-third is owing to an exceptionally bad season for foreign fruits, &c., in 1886, and to the stranding of the steamship Eros, laden with tin plates for this port, in June last. In other respects the decrease is marked.

The system of damage allowance, in my judgment, is vicious. It seems to me to be an error in administration to allow the vaults of the Treasury to be opened or the duties to be reduced, which is the same thing, on the certificate of any two subordinate officers of the Government. To say nothing of the errors in estimates likely to be made by them from inability accurately to compute the loss, the ability to do which correctly requiring an impossible knowledge of injury to all kinds of merchandise on which damage is allowed, from paintings and statuary to oranges and nuts, and the great difficulty of disregarding "commercial damage," by which I understand is meant the loss on exposing to sale goods injured "during the voyage," from causes incidental thereto, I believe the method itself to be injudicious and unsound. If losses of that kind are to be compensated for, the method of ascertaining them ought to be as it is now, speedy and certain. As it is plainly impracticable accurately to estimate these damages, the impossibility of so doing being recognized in excluding iron, wines, &c., from such allowance, I believe that the whole system might be abolished without serious loss to importers, and certainly with positive gain to the Government in the sums actually saved, as well as doing away with a procedure bad in principle and deficient in practice. Indeed, importers of fruits, &c., have declared to me that they would be glad to see it abolished if compensation in deduction of rates were granted sufficient to cover the very small percentage of loss. The greatest allowances, perhaps, are on damage to tin from rust occasioned by sea-water. There does not seem to be good reason that rust to tin should be allowed and rust to iron refused, especially as it is the iron part of the tin plates which is most affected, tin itself as a metal not being liable to ordinary oxidation.

The proper classification of merchandise for duty is much in the nature of appraisements, so much so that returns for classification are invariably made with appraisements of values. The process of appraisal usually leads to the classification. The latter cannot well be done without inspection of the article, which has already been made during appraisal. The facilities of the appraiser's office are much greater than any other to obtain information by which to determine the rating. The returns for classification are in almost all cases followed by the collector; in some cases—on sugars, for example—necessarily so, yet it is the collector who settles the rates and not the appraiser, whose functions in this regard are merely advisory. I see no reason why the latter officer should not fix rates as well as estimate values, leaving the right of appeal open as at present to importers. Much time would be saved by the change suggested.

Brokers are in the habit of including in one entry a number of invoices, sometimes as many as seven or eight, and occasionally more than twenty. This leads to confusion amongst examiners, to whom the entry must be successively turned over, and frequently to delay the responsibility for which cannot well in such case be fixed. The fees for entry

are so moderate that no reason appears for such inclusion of many invoices in one entry, and it would be well to restrict entry to one invoice. The reason for the existing practice seems to be that as the fees to brokers are so much for each entry, such fees are in proportion reduced. This difficulty would, however, soon regulate itself, and in the end no greater cost would ensue to importers than under the present custom. At all events the prompt dispatch of public business ought not to be regulated or retarded by consideration for contracts between importers and their brokers.

On this subject I have also to refer to the inferior quality of paper on which many invoices are submitted, frequently so defective that notes of examiners are made with difficulty and then are scarcely to be read. In some cases invoices are transmitted for examination the paper of which is little if any better than common tissue paper. If he has not the right now to reject such invoices, it would be well that the collector should be given such discretion.

The late circulars of the Department in regard to requiring invoices to be set forth in the weights, measures, and currency of the foreign countries from which they come have much corrected the evils arising from violation of the law and the regulations in those important respects. Much time has been saved and doubtless frauds prevented by the enforcement of these rules, the propriety of which is not open to question, and examiners and others relieved of uncertainty and doubt with regard to prices, measures, &c.

The system of informal entries, if not leading in many instances to positive frauds upon the revenues, at least makes more difficult and tedious the work of appraising officers. Should estimated values be too high, some evidence of prices paid is likely to come forth, whether a letter, bill, or the like; but if the appraisement be too low, nothing further is heard. It is difficult to suppose that in case of imported merchandise no data can be furnished from which to estimate value; in fact, I am constrained to believe that, in nine cases out of ten, such information could and would be supplied if it were necessary to pass the goods through this office. Besides, any hardship or inconvenience arising from the abolition of these entries would cease as soon as the public became aware of the need of proving values.

I am, sir, very respectfully, your obedient servant,

J. B. BAKER,  
*United States Appraiser.*

The imports of sugar from October 1, 1884, to October 1, 1885, were 251,744,050 pounds, contained in 468,056 packages, and of molasses, in the same year, 12,589,315 gallons, contained in 105,623 packages.

The imports of sugar from October 1, 1885, to October 1, 1886, were 292,407,000 pounds, contained in 959,247 packages, and of molasses, in the same year, 16,526,225 gallons, contained in 138,459 packages.

Increased imports of sugar in 1885-'86 over the previous year 40,662,950 pounds; over 15 per cent.

Increased imports of molasses, same period, 3,936,910 gallons, or 32 per cent.

*Damage allowances at port of Philadelphia.*

	1884-'85.	1885-'86.
October.....	\$1,976 74	\$208 36
November.....	2,578 92	373 00
December.....	3,901 25	619 46
January.....	1,603 32	595 07
February.....	1,970 93	818 48
March.....	1,025 43	4,232 31
April.....	2,441 27	2,199 69
May.....	1,018 18	2,375 95
June.....	1,542 01	*15,278 15
July.....	1,942 06	201 86
August.....	807 58	457 12
September.....	518 57	1,082 41
Total.....	21,326 26	28,941 86 21,326 26
Increase.....		7,615 60

\* Of the \$15,278.15 for June, 1886, nearly \$13,000 was for damage on tin plates.

No. 8.

OFFICE OF UNITED STATES ATTORNEY,  
EASTERN DISTRICT OF PENNSYLVANIA,  
*Philadelphia, November, 24, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury :*

SIR: In reply to your letter of the 8th instant, I have the honor to state that the only case presented to this office during 1886 by the collector for frauds on the customs revenue was that of the United States *vs.* Two Oil Paintings, &c., imported into this port from Liverpool per steamer British King, for undervaluation. An information for forfeiture was filed on February 17 last, and the case compromised and proceedings discontinued June 22, under instructions from the Solicitor of the Treasury dated June 16.

Very respectfully,

JOHN K. VALENTINE,  
*United States Attorney.*

PORT OF BALTIMORE.

No. 1.

JAMES B. GROOME.—Appointed Collector of Customs for the District of Baltimore, Maryland, February 20, 1886.

CUSTOM-HOUSE, BALTIMORE, MD.,  
*Collector's Office, October 30, 1886.*

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

SIR: Replying to your circular of the 15th instant, I have to report that no important reforms have been made in the administration of the collector's office here since I took possession of it on the 1st of

March last; nor are any such reforms either called for by the importers transacting considerable business with the custom-house here or in contemplation by me at present. When I entered upon my duties as collector, I found the system of doing business in this office to be one which seemed well adapted to the dispatch of public business in a manner satisfactory both to the Government and to the importers; and while I have endeavored to improve the average efficiency of the force under me, by replacing some of the more indifferent employés with others whom I expected to render more valuable public service, I have not deemed it wise to inaugurate changes in the way of doing business here until I shall become fully satisfied that such changes will be improvements on the present system.

There have, of course, been isolated cases here in which importers have objected to the assessment of duties upon particular entries, and which have been referred to your Department for decision; but at no time since I entered upon my duties has there been any general or serious complaint by importers in regard to the present execution of the customs laws at this port.

The customs duties which I have collected from March 1 to September 30, 1886, have been, within an insignificant fraction, 60 per cent. in excess of those collected here during the corresponding period of last year, yet there has not been a single suit brought against me by any importer to settle any disputed question.

This fact goes far to show that while the Government's interests have been protected at this port, the importers feel that they have been fairly dealt with by the customs officials.

There is one change in the general regulations as to the method of doing business which I think could be made with advantage, and to which it is probably not out of place to call your attention in this communication.

Section D of article 340, Customs Regulations, 1884, recites "that the liquidation will be made upon the face of the entry in red ink, showing the particulars thereof, be signed with the initials of the liquidating clerk, and recorded in the record of liquidations prescribed by the Department." In regard to the payments to importers on account of excess of deposits, I find that the chief of the liquidating department issues a notice to the importer of the amount due him (Cat. No. 657.—Notice to importer of balance in his favor), and upon presentation to the auditor of said notice he draws a check for said amount in favor of the importer, taking a receipt in duplicate therefor, as per catalogue No. 127a, one copy of which is sent to the first auditor with the monthly account of the repayment of excess of deposits.

There is no evidence whatever executed upon the face of the entry to show that the importer's claim has been satisfied, nor is there any evidence in the naval office of the fact of such satisfaction. I would suggest that, in the future, instead of the auditor paying to the importer the amount stated in said notice to be due him, without other evidence of its being due, upon the calculations showing the amount due to the importer being compiled as per section D, article 340, Customs Regulations, 1884, by the liquidating clerks of the collector and of the naval officer, that the copies of said entry made by both of said clerks be sent to the auditor; and upon the presentation by the importer of the notice of amount due him, that the auditor verify said amount by comparison with both copies, and if found to conform, that he pay said amount due and place the evidence of said payment upon the face of each copy of the entry in the shape of a receipt to be signed by the im-

porter in acknowledgment of the satisfaction thereof; after which the auditor should place the collector's copy upon the proper files of the office, and return the naval officer's copy to said officer, that the proper disposition thereof may be made.

The receipts which it is suggested should be taken upon the copies of the entry should be in addition to the two receipts required by the present practice, one of which is forwarded with the account, as stated above, to the first auditor, and the other kept on file in the office of the collector.

Under the present practice it would be possible for a dishonest importer to alter the figures stated in the notice to be due him (Cat. No. 657), and if skillfully done, there would be nothing to call the auditor's attention to the forgery; nor, in the improbable contingency of a conspiracy between the liquidating clerks of the collector and of the naval officer to defraud the Government by the allowance of illegal or excessive refunds, would there be anything before the auditor to put him on his guard against paying out the amounts so fraudulently allowed upon liquidation.

I would also suggest that in cases of refund on account of allowance for damage the same course should be adopted.

Very respectfully,

JAMES B. GROOME,  
*Collector.*

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No. 2.

I. FREEMAN RAISIN.—Appointed Naval Officer for District of Baltimore, March 11, 1886.

PORT OF BALTIMORE, MD.,  
*Naval Office, October 25, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury, Washington, D. C.:*

SIR: Respectfully referring to your letter of the 15th instant, requesting me to prepare and send to you a full and detailed exhibition of whatever reforms in the administration of my office have been made by me this year, or have been made at this port, together with the consequences of such reforms, as far as they have to me become apparent, &c., I have the honor to reply to your several requests, seriatim, as follows:

When I entered upon the duties of this office, April 1, 1886, I found great difficulty in obtaining from the clerks accurate information as to the methods of transacting the business of the office.

The deputy naval officer, the officer highest in rank, and supposed by me to be the executive officer, and, as such, to be familiar with all the details of the administration of the office, and charged with the immediate supervision of all such details, informed me, upon inquiry, that he knew nothing of the duties of the several clerks in the office, and, in fact, nothing except those duties pertaining to his own desk. The entry clerk, whose duty it was to verify, by actual calculations, all the ascertainment of duties upon import entries, and entries for drawback, seizures, and fines, and to examine the collector's abstracts, was either incompetent or neglectful of said important duties, and habitually checked and passed said papers without making the requisite calculations at all.

And so I found that in the majority of positions in the Naval Office the work had been slighted and gone over in a perfunctory, sham, rut style that would not have been tolerated in any business establishment conducted on business principles.

Having made as careful a study as possible of the general regulations, statutes, and decisions relating to the varied functions of my office, I have endeavored to have them carried into effect in every position in the naval office, and thus restore to efficiency this branch of the service, which the laws intend to be an office of final audit of all accounts and duties and the final check against all errors either through mistake or fraud in the custom-house.

To accomplish such reform a considerable change of the employés was the first requisite. With your permission some changes have been made. An efficient and capable deputy naval officer and three new clerks, who were appointed from the list of eligibles, certified by the Civil Service Board of Examiners, with one new unclassified clerk, have enabled me to perform the work of the office with promptness, accuracy, and intelligence far in advance, as I respectfully claim, of the work previously done in this office.

Conspicuous accuracy and faithfulness in the work of the Naval Office must necessarily have its effect by reaction upon the whole work done in the custom-house, since the final supervision of all such work is the function of the Naval Office. I am insisting upon and have, to a large degree at least, accomplished a return to the intelligent, industrious, and accurate performance of all the details of work in this office prescribed by the regulations and laws.

In reply to your inquiry as to other reforms contemplated, or deemed advisable by me, the short time of my incumbency—seven months—and the necessity of giving careful attention to mastering details, cause me to hesitate in suggesting changes in the law or its administration, for which I hope that further experience will better qualify me.

In reply to your inquiry as to the chief complaints, if any, which are now made to me by importers, in regard to the present execution of the customs laws at this port, I beg to state that I have sought to ascertain by interviews with leading importers whether causes for complaint exist in this regard, and am happy to be able to say that I have been unable thus or otherwise to discover any serious complaint or cause therefor. I believe that the present execution of the customs laws at this port meets and deserves the approval of the importers and of all having business in the custom-house.

Very respectfully,

I. FREEMAN RAISIN,  
*Naval Officer.*

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No. 3.

EDWIN WARFIELD.—Appointed Surveyor of Customs for the Port of Baltimore, Maryland, April 13, 1886.

CUSTOM-HOUSE, BALTIMORE, MD.,  
*Surveyor's Office, October 30, 1886.*

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

SIR: In reply to your communication of the 15th instant, I would respectfully state that I entered upon the discharge of my duties as surveyor of customs of the port of Baltimore on the 1st of last May,

and that I have devoted most of my time in mastering the details and becoming thoroughly familiar with the requirements of my position. Whilst I have not been able to inaugurate any radical reforms or changes in the administration of my office, I flatter myself that the men under me have become more vigilant, efficient, and effective in their work, and that the interests of the Government are now better guarded and protected than under the preceding administrations.

I have so changed the method of conducting business in the debenture department that we now have no complaints, and business is expedited and moves smoothly. I have given special attention to the examination of baggage of cabin and steerage passengers, and have corrected a carelessness and looseness that heretofore existed. Notwithstanding the fact that the force under me was materially reduced last December, I have been able to handle the business to the satisfaction of all persons interested and without detriment to the Government. The imports during my incumbency have been greatly in excess of the amount received during the same period of last year. We handled in June of this year 87 vessels (foreign) against 78 in the same month of last year; in July 83 against 65 in July, 1885; in August 78 against 39 in 1885; and 48 in September, 1886, against 34 in September, 1885, making in four months 80 vessels more than were handled in the corresponding months of 1885. This was done with a force of inspectors ten less than were employed in 1885. I am pleased to be able to state that the work of my department has been satisfactory to importers, shippers, and their agents.

My limited experience does not warrant any suggestions from me as to changes in the customs laws. I shall, however, direct myself to a careful study of said laws so that I may in the future be able to recommend changes should I be asked to do so.

Very respectfully,

EDWIN WARFIELD.

No. 4.

HENRY H. GOLDSBOROUGH—Appointed Appraiser January 19, 1875.

PORT OF BALTIMORE, MD.,  
*Appraiser's Office, November 1, 1886.*

SIR: Respectfully referring to your request to prepare and send at our earliest convenience an answer to the several inquiries contained in your communication of the 15th ultimo, I have the honor to submit the following reply:

(1) I do not know of any reforms that have been made during the present year in this office as one of the branches of the custom-house at this port. We have pursued the daily routine of business that has been sanctioned by the usage of many years as the most convenient and expeditious one for the faithful performance of our official duties. There being no reforms needed in our manner of doing business, we cannot of course speak of the consequences that would arise had any such changes been suggested or adopted.

(2) I do not know of any reforms at this time that are contemplated. We are not prepared to suggest any change in the present system, which seems not only to work admirably, but to give general satisfaction to the importers and others who are engaged in mercantile pursuits.

(3) I have not been at any time in possession of information which

leads me to believe that importers are dissatisfied with the present mode in which official duties are performed in this branch of the customs department. No such complaints have ever been suggested or made to me.

While thus stating generally that there are no reforms demanded in our usual mode of doing business, your letter seems to go further in asking our opinion as to any other changes that may be needed, either in the law as it now exists or in its administration. If so I beg to recall your attention to that part of my letter of the 6th of October, 1885, which refers to the importance and necessity of a customs court. Every year of official life demonstrates to me the very great need of a change in this administrative part of the tariff laws, and one which would secure a much more speedy adjustment of the classification of imported goods.

I would establish not less than three courts in this country, which for the adjudication of litigated cases should be divided into three territorial customs districts. Each court should be known as the "customs court of the United States for — district," and each one should be composed of one presiding judge, learned in the law, and two associate judges from the best customs experts in the respective districts, whose printed decisions as to classification and values should be rendered within sixty days after the commencement of proceedings in said court, and should be final if unappealed from by the Government or importers within ten days after their rendition. If a bill could be drafted so as to avoid any constitutional objections, the custom courts so established would remedy most of the difficulties now experienced by importers. Cases unappealed from would then be finally decided in sixty days, which now under the present system require years for their determination, and the Treasury Department, relieved of the innumerable protests and appeals now taken from the various ports in every section of the country.

An appeal should be provided for on issues framed from said custom courts to the Supreme Court of the United States. The whole matter in controversy, whether of classification or value, under such a system, commencing with a petition against the liquidation of duties or assessment of values and an answer thereto within — days, could easily be disposed of within a year, even should such an appeal be taken.

I beg leave also to call the attention of the Department to the great inconvenience the local appraisers at this port are frequently put to in ascertaining, as they are bound to do, the foreign wholesale market price of goods. This arises in a great measure from the very meager and imperfect foreign market reports furnished by United States consuls. From the most of our officials abroad no reports of any kind are received. Upon inquiry we are informed that this arises from the fact that no provision has been made by Congress for clerk-hire and the expense of collecting information and printing prices-current of foreign market values. If so, we think a sufficient appropriation should be made which would enable our foreign consuls and other representatives abroad to supply this much-needed information. In previous years weekly or monthly price-current reports were received from various points in England and on the continent, and the appraisers put in possession of information as to the fluctuations in market values, relieving us of a great deal of trouble. We think it would be well to call the attention of Congress to this omission, so that it may be remedied in future legislation.

Considering the many provisions of the tariff law, intended to distinguish various classifications of imported goods, there is no wonder that different opinions should exist among customs officials. At this and other ports differences will always exist as to the free or dutiable character of imported goods and under what schedule they are to be classified. These friendly differences between the entry, the appraising, and the liquidating departments should be adjusted by the adoption of some uniform practical mode of procedure. On the one hand the opinion seems to exist that the decision of the collector, if in favor of the importer, is final, as it relieves him from the necessity of protesting when there is nothing against which he can protest, even if the appraising or naval department should not concur in the opinion of the collector. On the other hand, it is held that in such a contingency the action of the collector should not be regarded as final, but merely preliminary, and that the papers should be at once transmitted to the honorable the Secretary of the Treasury for a final decision. Under the law and regulations now in existence, while the opinions of the various subordinate officials may be asked for and required by the collector, and are in their character only advisory, yet no decision of a collector releasing goods from duty or substituting one classification under which the liquidation takes place for another classification claimed by the importer, can be regarded as final or binding upon the Government without a transmission of the papers to the Department for its approval or disapproval. In other words, there should be an accord in opinion as to classification between the respective branches of the customs department, and where this unanimity does not exist the papers should be sent to the Department for an expression of its opinion. The General Customs Regulations of 1884, in articles 454, 556, and 1409, seem to sustain the propriety and necessity of such a review on all controverted points whether the goods are free or dutiable.

In addition to these provisions, the twenty-first section of the act of Congress of June 22, 1874, does not regard any classification or liquidation of free or dutiable goods as binding on the Government and importer until after the lapse of one year. This period is prescribed so as to give the Treasury Department time for a careful review and re-examination of the proper classification of all imported goods. Hence the necessity of every particular case, in which unanimity of classification does not exist, being sent at once to the Department. If delayed, in the multitude of cases always before the Department, it might be overlooked. Duties are primarily assessed and liquidated on the preliminary written reports of appraisers. They open the cases, see and inspect the goods. This personal inspection gives them an advantage over other officials in judging of the character, quality, and proper classification of goods. If their classification and the liquidation consequent thereon is concurred in by the collector and the importer dis-sents, a protest is then filed. If the classification of the appraisers and the liquidation thereon is overruled by the collector, the importer is gratified, as there is nothing against which he can protest. This, however, in my opinion, does not supersede the necessity, as the regulations require, of the papers being transmitted to the Department for their action.

It is undoubtedly true that the collector, being the chief responsible officer of the Government, the classification adopted by him should prevail, any opinion of a subordinate official to the contrary notwithstanding. The collector, however, like all other officials, is under the authority of the honorable the Secretary of the Treasury, and his acts and

doings, like all other officials, are subject to review and re-examination. This being the case, I should think greater uniformity at the several ports would be secured by the submission of all controverted cases to this acknowledged ultimate exponent of the proper classification of all imported articles where resort is not had to the courts. I think, however, it would not be courteous or respectful to the collector (for whom I entertain the highest regard) for any other official to intervene or ask the action of the Department in any case.

This is the only point in the practical administration of the law at this port about which there seems to be a difference of opinion between customs officials. It arises from the different interpretations given to the regulations and Department decisions, between which there may be an apparent but not real conflict, the one referring solely to cases where there is an unanimity of opinion, and the other to cases where a disagreement in opinion exists among customs officials.

Respectfully,

HENRY H. GOLDSBOROUGH,  
*Local Appraiser.*

HON. DANIEL MANNING,  
*Secretary of the Treasury.*

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No. 5.

JOHN L. LINTHICUM—Appointed Clerk, Baltimore, May 12, 1873; Appraiser, December 31, 1874.

PORT OF BALTIMORE, MD.,  
*Appraiser's Office, October 26, 1886.*

HON. DANIEL MANNING,  
*Secretary of the Treasury, Washington, D. C.:*

SIR: Referring to your letter of the 15th instant requesting "a full and detailed statement of any reforms in the administration of this office that have been made this year, and also to be advised of any other reforms in contemplation, or which are known to be called for by those among importers who transact considerable business with the custom-house, and further requesting to be set forth in the same communication the chief complaints, if any, made by importers in regard to the present execution of the customs laws at this port, and also our opinion in what particulars the execution of those laws has been improved during the present year," in answer I would respectfully state that I am unable to report any specific change made during the year in the manner of conducting the business of this office, as I do not see where any change, consistent with a due regard for the safety of the revenue and the efficiency of the service, could be made which would be in the character of a reform, or be any improvement on the present mode.

The appraiser gives his personal supervision to the business of the office, and not only sees that proper dispatch is given, but assists in the examination of the merchandise, reports the values and the classifications, and makes all advances in the values and changes in the classifications, and also sees that all transactions are properly recorded in the various books which are kept for the purpose. He is careful that no favoritism is shown, that uniform courtesy is extended, and that every proper facility is afforded to all having business with the office; and I

think that I can say that the manner in which the business of the office is conducted gives satisfaction to all concerned—at least I have not heard of any complaint in the matter. Of course it will be understood by the Department that the appraiser is often blamed where he finds it necessary to advance the values of merchandise, as it is natural for the importer to feel himself aggrieved, at least for the time being; but apart from this I have heard no complaint.

In reference to the request, "to set forth the chief complaints, if any, made by importers in regard to the present execution of the customs laws at your port, and declare in what particulars the execution of those laws, in your opinion, has been improved during the present year," I would say that I have not heard of any complaints in this direction, save the oft-repeated one that merchants are unable to compete with New York owing to the manner in which goods are passed at that port. There has been also some complaint in regard to the construction given to the proviso contained in section 7, act of March 3, 1883, imposing a duty of 100 per cent. on certain coverings; but this, in its character, was not confined to any particular port, but applied to all alike, and has been in a great measure, if not entirely, removed by the recent opinion of the Attorney-General.

While I know of no particular change made in the manner of executing the customs laws at this port, I can say, as far as my knowledge and observation extend, that they have been administered with a droper care for the protection of the revenue and in a manner creditable both to the officers concerned and to the Government, and at the same time satisfactory to those having business with the custom-house.

I have the honor to be, very respectfully, &c.,

JNO. L. LINTHICUM, *Appraiser.*

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No. 6.

PORT OF BALTIMORE, MD.,  
*Appraiser's Office, November 1, 1886.*

Hon. DANIEL MANNING,

*Secretary of the Treasury, Washington, D. C.:*

SIR: Referring to your letter of the 16th instant, requesting that "a statement be prepared covering the period from October 1, 1884, to October 1, 1885, and from October 1, 1885, to October 1, 1886, giving for each aforesaid year at your port—

- "(a) The whole number of invoices examined and appraised.
- "(b) The whole number of invoices reported value correct as given in the invoice.
- "(c) The number of invoices advanced in value by the appraiser.
- "(d) The number advanced by more than 10 per cent.
- "(e) The number appealed to reappraisers.
- "(f) Effect and result of reappraisement."

In answer we respectfully inclose a statement of the particulars desired embraced by the dates October 1, 1884, to October 1, 1885, and October 1, 1885, to October 1, 1886.

We have the honor to be, very respectfully, &c.,

JNO. L. LINTHICUM,  
HENRY H. GOLDSBOROUGH,  
*Appraisers.*

[Enclosure No. 1.]

*Invoices of merchandise examined and appraised at the port of Baltimore, from October 1, 1884, to October 1, 1886.*

Years when examined and appraised.	Number examined and appraised.	Number reported value correct.	Number advanced in value by appraiser.	Number advanced over 10 per cent.	Number appealed to reappraisers.	Effect and result of reappraisement.
October 1, 1884 to October 1, 1885.	4,960	4,832	128	18	6	3 cases, advances fully sustained. 3 cases, advances not sustained.
October 1, 1885 to October 1, 1886.	4,718	4,564	154	12	17	4 cases, advances fully sustained. 1 case, advance not sustained. 12 cases, awaiting reappraisement.

## No. 7.

[Law Offices, Thomas G. Hayes, U. S. District Attorney for Maryland.]

BALTIMORE, *November 27, 1886.*

Hon. D. MANNING,

*Secretary of the Treasury:*

SIR: In reply to your letter of the 8th instant, requesting me to inform you of the frauds on the customs revenues presented by the collector during the year 1886, I would say that I entered upon the duties of this office on 1st June, 1886, and that during my time in office one case of smuggling 24 cases of gin has been reported at this office. The duties were about \$104, and the gin valued at \$168. I have had all parties engaged in the said smuggling indicted, and the cases are awaiting trial. The records of the office give no information as to any other frauds on customs revenues reported prior to 1st June, 1886, and for said year.

Respectfully,

THOMAS G. HAYES,  
*U. S. Attorney.*

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## APPENDIX I.

### ADMINISTRATION OF THE CUSTOMS LAWS AT THE PORTS OF NEW YORK, BOSTON, AND PHILADELPHIA, IN 1885-'86.

#### No. 1.

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.

GEO. C. TICHENOR—Originally appointed Special Agent June 28, 1873.

JAMES A. JEWELL—Appointed a Special Agent of the Treasury Department, with compensation at \$6 per diem, August 20, 1885; promoted to \$8 per diem, January 1, 1886; assigned to duty as Agent in charge at New York October 6, 1886.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,  
*New York, November 6, 1886.*

Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: Respectfully referring to your instructions of the 4th ultimo, directing us to ascertain and report what reforms and improvements have been made in the customs service at the ports of New York, Boston, and Philadelphia during the past year, as compared with the previous year; in what particulars the customs administration, especially at New York, is defective, and what remedies should be applied to correct the same, we have the honor to report, as follows:

#### INVOICES AND CONSULAR CERTIFICATES.

So far as the integrity of invoices as presented to our consular officers for authentication and verification is concerned, our inquiries do not justify us in reporting any improvement.

Invoices of merchandise consigned for sale on foreign account still express the lowest values which the shippers deem consistent with safety. They do not state the actual market value of the merchandise as required by law, but it is left to their agents in the United States to add to the invoice values upon entry such amounts as they may deem necessary to escape the imposition of the additional duty of 20 per cent. provided by section 2900, Revised Statutes. This is also true in some instances of goods actually purchased, notably where sales are made of surplus products and overstocks for the American market only, at prices below those at which the same goods are regularly and uniformly sold in the country of production to the home trade and to other countries than the United States.

The fallacy that the price actually paid is equivalent to the "actual market value" and dutiable value, as prescribed by law, prevails almost uniformly in the minds of importers, and to a certain extent among appraising officers. Many foreign shippers, particularly manufacturers,

are imbued with the idea that the cost of production represents the value upon which duties are to be levied. These erroneous impressions with respect to the requirements of our revenue laws are doubtless due in part to the failure of consular officers to properly advise shippers in relation thereto.

The privilege granted to importers by law (Sec. 2900, Revised Statutes) of adding upon entry to the value expressed in the invoice, the exercise of which was intended to be exceptional (as, for example, to meet cases where goods purchased on contract, at a certain price, had advanced in value before shipment), has, with a certain class of importers, become habitual. With them there is no pretense that the invoice expresses the actual market value. In some instances the invoices do not even approximate such value.

Thus it has come about that the original invoice, bearing the formal authentication and verification of the consul, which under the law is the basis for the assessment of duties and the chief source of information to customs officers, is treated by the importers themselves as a false and unreliable document. This reflects equally upon the integrity of the person making the invoice and the fidelity and efficiency of the consular officer whose certificate it bears.

A remedy for this evil is proposed in section 12 of the bills now pending in Congress known as the Morrison and Randall tariff bills, which limits the privilege of making additions to the value on entry to invoices of goods obtained by actual purchase.

The Consular Regulations (paragraph 645), provide that the consular officer shall not consider himself authorized absolutely to withhold his certificate, *even* when he believes the cost or market value set forth in the invoice to be too low. He is required, however (Par. 646), in all such cases, on due investigation, to enter in figures on the face of the invoice what he regards as the true market value of the merchandise, and also to immediately advise the Department of State of the grounds upon which he bases his judgment. The regulations also (Par. 647) make it the duty of consular officers to acquaint themselves thoroughly with market values at the principal markets in their districts, and in general with all requisites, to enable them to certify intelligently.

Consuls are further instructed (Par. 648) that—

To judge correctly of the market value of any given article, it will often be important to inquire carefully as to prices and sales thereof, for other markets than our own. When the United States are the principal consumers, and fictitious sales to create nominal values are detected, consuls should ascertain the actual cost of production, and add the customary percentage for profit.

The regulations (Par. 649, 650, and 651) furthermore provide that consuls shall obtain, prepare, and transmit to the board of general appraisers at New York, and to the collectors of customs at the ports of destination of the goods, samples of all sampleable merchandise, particularly of textile fabrics. These regulations are not generally complied with by consular officers, and are practically disregarded at many of the more important consulates.

There are a few consuls who obey the above requirements with fidelity and intelligence. At most of the consulates, however, including some of the most important, no attention whatever is apparently paid to these regulations.

The prescribed form of consular certificate has in instances been changed in its most essential particular. For example, the consular agent at Rostoff, Russia, has stricken out that part of the form certify-

ing to the actual market value or wholesale price of the merchandise in the principal markets of the country at the time of exportation, and has substituted therefor the words "first cost," a meaningless phrase, unknown to the statutes. In other cases this officer has certified that the invoice value was "merely approximative," and gave no further information on the subject.

Invoices have been received at New York which had been certified by an unauthorized person, rather than by the consul or vice-consul. In some cases the name of the consul was simply *stamped* in the place of signature.

An important duty of consular officers in certain cases (par. 662, Consular Regulations) is the certification of the value in United States gold dollars of foreign depreciated or debased currency mentioned in the invoice. Great loss to the revenue has occurred during several years past because of the failure of certain consular officers in Russia to faithfully perform this duty. For some fifteen years past Russia has had a depreciated paper currency, which has driven out of circulation the standard coins of that country, viz, the silver ruble and the gold "half imperial," of 5 rubles. The annual proclamation of the Director of the Mint as to the value of foreign coins in the money of account of the United States gives the intrinsic value of the silver ruble of Russia, rather than its face value, which is equivalent to gold. Consuls in the wool districts of Russia, namely, at Odessa, Moscow, and Rostoff, certified the value of the paper ruble as compared with the intrinsic value of the silver ruble, thus proclaimed by the Director of the Mint, rather than with the actual value of the currency in gold.

By means of these false and erroneous currency certificates, importers of Russian wools were enabled to pass through the custom-houses at the principal ports large quantities of Russian carpet wools, which actually cost more than 12 cents per pound, exclusive of charges at the last port of shipment, at a nominal value below 12 cents, thus evading one-half the duties legally chargeable thereon.

This irregular method of certification was discovered and reported during the past year by the appraiser at New York, and the practice was corrected, under instructions of the Department, by its circular of March 8<sup>th</sup> of the present year. (S. S. 7398.)

A possible explanation of the origin of this system of false currency certificates may be found in the fact that the consular agent at Rostoff, from whose district a large proportion of Russian wools is shipped, is himself the largest shipper of such wools to the United States, and therefore benefited directly from this irregularity.

These facts furnish additional grounds for the views expressed in the Department's letter addressed to the President and the Secretary of State on the 30th of March last (a copy of which is inclosed), that—

It is inconsistent with the proper discharge of their official duties that consular officers should be interested, either directly or indirectly, in merchandise shipped from their districts to the United States, or to act as agents or attorneys for persons engaged in such trade.

A practice still prevails at some of the consulates of authenticating invoices of merchandise shipped from other consular districts, and even from another political domain than that to which the consular officer making the certificate belongs. This is in direct violation of the regulations (par. 638), and has been brought to the attention of the Secretary of State in a letter from the Department dated April 8 last. (Copy inclosed.)

Irregularities of consular officers with respect to invoices are not of recent origin and growth. They have been subjects of more or less comment and criticism for a number of years. During the past year, however, invoices have been more carefully scrutinized than formerly, and many defects and omissions in authentication by consular officers, previously unnoticed, have been detected and reported for correction by customs officers, particularly by the appraiser at New York. It cannot be expected, however, that any substantial improvement will be secured in the efficiency of the consular service in its relation to the customs revenue until a better method of appointment is adopted than has hitherto prevailed, and a system of thorough inspection of consulates is established.

The abuse, which was brought to your notice last year, of improperly admitting goods to entry on *pro forma* invoices, which had been a growing evil for a number of years at the port of New York, has been remedied to a considerable extent, within the last year, by the assignment of a careful and judicious officer to pass upon all applications for permission to enter merchandise by such invoices. This officer is instructed to require a more complete and satisfactory statement of reasons for such application than had previously been the rule. The causes which led to the growth of this abuse were the opportunities thus afforded for defrauding the revenue by undervaluation, without risking the only punishment now to be feared for that offense, namely, the imposition of the 20 per cent. additional duty provided by law in certain cases. It was found that a number of regular importers habitually entered their goods by this method, without apparently challenging the least attention of the customs officers. Steps toward a substantial reform of this abuse have been taken by requiring full compliance with the regulations in all such cases. Nevertheless unscrupulous importers will continue to take advantage of this privilege, given them by law, so long as it is held that the 20 per cent. additional duty provided by section 2900, Revised Statutes, is not to be applied except upon entry by certified invoices. The decision of the Attorney-General establishing this rule is, we submit, based upon a misapprehension of the purpose and intent of the act of 1874, allowing entry upon *pro forma* invoice, and a misconception of what constitutes the original invoice of the merchandise. That act was intended, we apprehend, to meet the case of a merchant who had failed to receive an invoice from the shipper of goods consigned to him and already arrived. It permits him, upon his sworn statement that he has received no consular invoice, to make entry upon a *pro forma* invoice, or statement in form of an invoice, showing to the best of his knowledge the value and description of the goods. Such is not usually the character of the uncertified invoices presented on *pro forma* entry. As a rule they are *original* invoices from the shipper to the consignee, with all the particulars required by law except the consular authentication. They are not, as we understand it, *pro forma* statements in form of an invoice, within the intent and meaning of that statute. If this view be correct, the 20 per cent. additional duty should apply in case the value of such an invoice was advanced on appraisement 10 per cent. or more. We respectfully suggest a reconsideration of this question by the Department, believing that the decision referred to was made under a misapprehension of the facts in the case.

An amendment of section 2900 was proposed by the Department to Mr. Hewitt, and was embodied in the so called Morrison tariff bill (sec. 12). Its enactment would obviate the difficulties surrounding this question.

## CONSULAR FEES.

On the 16th of January last a letter was addressed by the Department to the honorable the Secretary of State (copy inclosed), inviting his attention to the practice which had for many years prevailed in Great Britain of exacting excessive fees for the administration of oaths or affirmations to invoice declarations by local officers. Under this practice a fee of one shilling and sixpence was charged for each of the triplicate or quadruplicate copies constituting a consular invoice, making a total of four shillings and sixpence, or of six shillings, as the case might be, (equivalent to, say, \$1.12 or \$1.48) charged upon each invoice, whereas but one fee of one shilling and sixpence (or 36 cents) should have been charged for administering one oath, which was the only official service rendered.

On the 27th of January last the Department of State issued a circular to consular officers in Great Britain (copy inclosed), restricting the charge for such service to one shilling and sixpence in any case, whether the invoice is in triplicate or quadruplicate. An examination of invoices at the various ports shows that this order is being complied with. According to a report of the Fifth Auditor, made to you on the 18th ultimo, there were 85,961 invoices certified in the United Kingdom of Great Britain and Ireland during the fiscal year ended June 30 last. At \$1.12 for each invoice the fees would amount to \$96,276.32. The proportion of invoices certified in quadruplicate (for immediate transportation without appraisement) is estimated at one-eighth of the whole, which would add to the above amount \$3,868.20, making a total of \$100,144.52. Under the instructions reducing the fee to no more than one shilling and sixpence, or, say, 36 cents, in any case, the aggregate amount collected for one year would be \$30,945.96, making an annual reduction in the amount of these fees of, say, \$69,198.56.

Assuming the same number of invoices from Great Britain for each year during the past twenty years that this system has been in vogue (and it is believed that in former years the number annually certified exceeded that reported for 1886), American consumers of merchandise from Great Britain during that period have been, in this respect, unjustly and unnecessarily taxed upward of \$1,000,000. That this tax was unnecessary is shown by the readiness with which the instructions referred to have been complied with.

## ENTRIES AND LIQUIDATIONS.

Certain irregularities in the entry of merchandise at the port of New York have been corrected during the past year. A practice had obtained of allowing the entry of sugar at an arbitrary rate per pound for certain classes, no matter what might be the actual rate to which a particular importation might be subject. Under this practice high grade centrifugal sugars were entered at 2 cents per pound, and estimated duties paid at that rate, when at least 2½ cents should have been collected. This left large sums to be collected after liquidation, often upon entries of sugars which had gone into consumption. In one case as much as \$15,000 additional duties were found due upon liquidation by reason of the advanced classification of the sugar by the appraiser. The failure of the importing firm in such a case might involve loss to the Government.

This defective method of entering sugar has been discontinued by the issuance of a circular from the Department by which the collector

is required to take a deposit to cover the full amount of duties according to the estimated strength on the polariscopic test upon which the sugars were purchased.

Under instructions issued by the Department during the last year certain irregular and defective features in the mode of entry of merchandise for export for benefit of drawback have been corrected. These instructions prescribe a more certain method of establishing the identity of the merchandise upon which the drawback is claimed.

An important reform has been made by the Department in the reduction of the rate of drawback allowed upon hard refined sugars exported, from \$2.82 to \$2.60 per 100 pounds. We deem this rate still too high, being 20 cents per 100 pounds more than the highest rate collectible under the tariff on raw sugar if absolutely pure. Loose and irregular practices with respect to changing material statements in drawback entries and oaths after execution, which were found last year to be of frequent occurrence, have been measurably discontinued.

While there has been an improvement in the particulars mentioned, and perhaps in other details of the administration of the drawback regulations, it cannot be said that these regulations are even now strictly enforced, or that if enforced they would furnish adequate safeguards against fraud. Drawbacks upon manufactured articles are paid, as a rule, upon the testimony of interested persons, and such examination and verification as is required, and as is necessary to protect the Government from imposition upon the *importation* of merchandise, is still lacking with respect to this class of exports at the port of New York.

Violations of law and regulations in certain particulars, which were of frequent occurrence at New York with respect to the execution of bonds and the omission to take bonds required by law in connection with the entry of merchandise, have been corrected.

There is a variance of practice between New York, Boston, and Philadelphia in regard to the entry of merchandise arriving under immediate transportation bond. The regulations do not permit the entry of any part of an invoice of such merchandise until the entire shipment is received. It often happens that a portion of a shipment arrives and the residue is delayed some time *en route*. This causes great inconvenience to merchants in being unable to obtain possession of their goods. The practice in New York in such cases is to disregard the regulations and allow the entry of the whole invoice as soon as the goods begin to arrive. At Boston the entry is not made but the goods are delivered upon a special deposit by the consignee to cover the duties. Both methods are irregular, and as the regulations do not meet the difficulty stated, we think they should be so amended as to make the New York practice permissible, provided it is shown to the satisfaction of the collector that all the merchandise has been delivered to the bonded common carrier for transportation from the port of first arrival.

At Philadelphia it is claimed that the regulations are adhered to, no matter what may be the cost or inconvenience to the importer.

For a number of years the regulations with respect to the entry and examination of passengers' baggage had been disregarded at the port of Boston. This has been remedied by the present surveyor. During the past year declarations have been required in all cases, and due care has been exercised in examinations.

The collection of duties on books imported through the mails has been a subject of recent investigation both at New York and Boston. At the former port the mode of accounting for these duties was culpably loose and irregular. The money was collected by an officer sta-

tioned at the post-office, who made returns once a week, and paid over his collections to a clerk in the auditor's office of the custom-house, who was intrusted with the duty of verifying the returns, making up the abstracts of moneys to be accounted for, and depositing the money with the cashier. It was disclosed upon investigation, instituted by the present collector, that this clerk systematically embezzled money thus coming into his hands. During a period of about three years the sums discovered to have been thus taken amount in the aggregate to over \$5,000. The facts were reported by the collector to the district attorney. The clerk referred to has been indicted, and is now in prison awaiting trial.

Changes have been made in the method of collecting and accounting for these moneys, which it is believed will secure the Government against future loss on this account.

The system of collecting these duties at Boston was found to be equally irregular. There the collections were made by the janitor of the custom-house, who turned over the moneys in his hands once a month to another employé, by whom they were paid to the cashier, a statement being filed at the same time showing the gross amount collected, without names or particulars. There was, however, no evidence of any misappropriation of money by either of the officers concerned. The present collector at Boston has corrected the irregularities in these collections, and they are now made by the cashier, and duly checked by the naval officer, as in the case of other duties received.

The liquidation of entries is conducted at Boston and Philadelphia with reasonable correctness and dispatch. We heard of no complaints on this account.

The shortcomings heretofore reported in this branch of the service at New York still exist. No reformation of consequence has apparently been made. We are informed that it is the purpose of the present collector to reorganize the force employed on this work in such manner as will improve its efficiency. The reliquidation of entries for refund of duties on coverings, &c., has been delayed on account of a want of proper material from which to select the requisite number of experienced clerks to do this work. Fair progress is now being made, and as the new clerks recently appointed acquire facility in their duties accumulated cases will be disposed of more rapidly.

#### APPRAISEMENTS.

Improvements and reforms have been made in the appraisal of merchandise at each of the ports of Boston, New York, and Philadelphia during the past year. These are due in great part to changes made in the heads of these departments, the removal of incompetent and untrustworthy officers, the retention of capable and faithful employés, and the selection of new appointees with greater regard than formerly to their qualifications for the duties assigned them, and generally to the introduction of better business methods.

At the port of Boston the wisdom of having but one head to the appraiser's department, instead of the dual organization formerly existing, has been fully demonstrated, and we respectfully suggest that the appraisership now vacant be abolished by legislative enactment. We find that the efficiency and discipline of the appraiser's department at Boston has been promoted, and with decreased expense to the Government, since the present appraiser took charge. Reforms have been made in respect to damage allowances and in wharf examinations and appraise-

ments, and improved methods have been adopted in regard to the examinations of drugs and chemicals.

At the port of Philadelphia examinations and appraisements have been more carefully made during the past year than in previous years, particularly with respect to wool. The demeanor of the officials toward the public is courteous, and proper information respecting the public business is cheerfully given, which is a marked improvement over past years. An increased amount of business is promptly disposed of without increased expense, owing to more systematic and business-like methods introduced by the present appraiser.

The improvements in this branch of the service at the port of New York are the more noticeable from the fact that abuses and irregularities had existed at that port to a perhaps greater extent than at the others. These improvements are largely due to the long experience and known integrity of the chief appraiser, and the great respect in which he is held by all his subordinates.

In view of the tendency to evade duties by undervaluation and false classification, the greatest fidelity is required on the part of the appraising officers to prevent loss to the revenue.

That greater care has been exercised by the officers at New York during the past year, as compared with previous years, is shown by the following exhibit of the business transacted during the fiscal years 1885 and 1886:

	1885.	1886.
Number of invoices examined and appraised.....	194, 192	220, 023
Number of invoices advanced in value.....	14, 115	16, 927
Number of invoices advanced over 10 per cent.....	969	1, 587
Number of invoices appealed to reappraisement.....	1, 014	2, 050
Total amount of additions to invoice value.....	\$2, 121, 617	\$3, 352, 037

The additions to value were mostly upon articles subject to high rates of duty, such as crockery, silks, leather gloves, hosiery, wool, woolen goods, cutlery, drugs and chemicals, and provisions. Increased duties on wool and manufactures of wool by changes of classification from November 1, 1885, to October 15, 1886, amounted to \$409,794. The greater proportion of this amount resulted from a change in the classification of wool entered as carpet wool (chiefly what is known as Don-skoi wool) at the lower rate, as costing less than 12 cents per pound, and advanced by the appraiser to over 12 cents, or of wools dutiable as classes 1 or 2, invoiced and entered as of class 3. Included in these are cashmere and other goat hair, mohair noils, cheviot, and other blooded wools, which had been for a long time improperly admitted at New York and other ports as carpet wool. This abuse was corrected under Department decisions of June 27, 1885 (S. S. 6999) and July 22, 1885 (S. S. 7034). The remainder of the above sum resulted from changes in the classification of *woolen cloths* which for years had been improperly admitted at this port as *worsted goods*.

The leading article of importation upon which advances are made by the appraiser is silk goods. The total invoice value of silks imported at New York during the fiscal year 1885 was \$24,849,795, and the advance in value on the same amounted to \$1,636,074, an average of about 6½ per cent. For the fiscal year 1886 the invoice value was \$25,496,192, upon which the advances were \$2,217,241, an average of about 8⅞ per cent.

Important reforms have been accomplished in the division having charge of the classification of sugar. Special attention has been given to the sampling, which is the foundation of the assessment of duties on this article. It is known that a difference may be made of from \$5,000 to \$10,000 in the duties collected on a single cargo of sugar by the sampler if he be careless or dishonest. Formerly many of the samplers employed were unreliable, and the supervision of them was very imperfect. This branch of the service has been thoroughly reorganized, under the immediate direction of the present appraiser, and is believed to be now in good condition as to honesty and efficiency. From computations made by the examiner now in charge of the sugar division, it appears that a more careful and accurate method of sampling has resulted in an increase of duties on sugars during the past year approximating \$600,000.

One of the flagrant abuses brought to the attention of the Department last year was the excessive and improper allowances for damage on imported merchandise at the port of New York, resulting from loose interpretations of the law and corrupt influences brought to bear upon examiners by brokers and importers. These abuses had become scandalous, and were the subject of serious complaint by reputable importers at New York and other ports. Changes in the *personnel* of the damage division, and in the methods of making appraisements for damage, have put an end to the scandals and complaints referred to, and the aggregate amount of allowances for damage has been greatly reduced. Owing to the fact that the final liquidations of entries is more than a year in arrears, we are unable to obtain the figures for a comparison of the allowances for the last fiscal year with those of the year previous. A comparison of the business for four months in 1884 with the same months in 1885, subsequent to the reorganization of this division, shows the following :

	1884, four months.	1885, four months.
Value of merchandise upon which damage was allowed.....	\$964, 511 13	\$607, 762 34
Amount of duties remitted.....	126, 472 18	63, 486 14

Notwithstanding the improvements adopted in the method of making allowances for damage, we are not satisfied that abuses have been entirely corrected, or that it is possible to correct them absolutely so long as such allowances are authorized by law.

A vicious practice was reported last year, which had grown up during previous years, of recalling invoices for the purpose of reducing values after the appraisement had been reported to the collector. It was then shown that 1,707 invoices had been recalled in 1884, and that in a large number of them the values first reported had been reduced. During the past year only 397 invoices were recalled by the appraiser, in none of which was any change made in the values first reported, such recalls having been made for proper and legitimate purposes only.

While the foregoing shows gratifying progress in the management of the appraiser's department at the port of New York during the past year, there still remains much room for improvement. Neither full rates of duty nor the "true market value" is in all cases reported by the appraising officers. The vexatious question of packing and coverings has within the past few months largely unsettled the rules and methods

by which appraising officers were guided in determining values, and has made it almost impossible for them to make correct appraisals.

So long as high ad valorem duties are maintained it will be impossible to secure uniform and just appraisements in all cases. Under that system inequalities and successful evasions will occur in spite of the utmost vigilance of efficient officers. The obvious remedy for these troubles in appraisements is the adoption either of purely specific duties or of specific rates combined with low ad valorem rates, as was suggested in the letter of Assistant Secretary Fairchild of June 14 last, to the chairman of the Committee on Ways and Means.

A serious obstacle to the adoption of systematic business methods in the appraiser's department at the port of New York is the want of proper facilities for handling examination packages, and for the orderly and prompt dispatch of the immense business of the port. The public stores are wholly inadequate and unfit, both as to size and interior arrangement for this business. The premises occupied were formerly used as a sugar refinery, and the Government, besides the payment of an extravagant rental, has spent large sums in efforts to adapt the buildings to their present uses, with but indifferent success. The public interests demand that suitable grounds and buildings, contiguously located, sufficient for the proper transaction of all the customs business of the port of New York, should be owned by the Government.

While, as above shown, a nearer approach than formerly has been made toward the assessment of duties upon proper valuations, it is found that in many cases the labors of the appraising officers have been measurably neutralized by the failure of reappraising boards to sustain advances properly made. Many of the defects and irregularities in reappraisements heretofore reported still exist. The present general appraiser, following the example of his predecessors, gives but a comparatively small portion of his time to his official duties, being in active practice as a lawyer. The few hours daily, for five days in the week only, which he gives to reappraisements are insufficient to enable him properly to investigate the large and increasing number of cases coming before him, and his work is necessarily hurried and often perfunctory. It is sometimes his practice to hear at one time several cases, each with a different merchant appraiser. His general tendency is to be unduly guided by the views and conclusions of the merchant appraiser. The object of the law in providing that a general appraiser shall sit with a merchant appraiser on appeals is without doubt that uniformity of values may be secured, and that one at least of the reappraising board may be familiar with the law and methods which should govern reappraisements. To be properly equipped for this work, the general appraiser should devote his whole time and thoughts to his official duties, and be free from the care of outside business, calculated in its influences to weaken his fidelity to the Government.

With the present system, under which merchants participate in reappraisements, uniformity of values are seldom secured, and unjust and unfair conclusions too often result. There is constant and severe antagonism between those representing foreign importations and those interested in domestic productions; also between the regular importing merchants and the resident agents of foreign shippers. Merchant appraisers are necessarily connected with one or the other of these interests, and are apt to be partisan in their action. It sometimes happens that, either by accident or design, improper persons, or those without even the legal qualifications, are selected as merchant appraisers. For example, a merchant appraiser was appointed in December last to reappraise an important article of merchandise, who was not, at the time

of his selection, a merchant, but was the vice-president of a bank. When the general appraiser conferred with him on the subject they were both to consider, he stated that he was so infirm through age and his head was in such condition that he could not comprehend the law or testimony, and that he would be obliged to be governed in his action by the advice of his friends, the importers in interest. Although this conversation was at once reported to the collector by the general appraiser, the same gentleman was subsequently appointed as merchant appraiser in more than two hundred similar cases, in each of which he sustained the importers, contrary to the views of the general appraiser with whom he acted, and his action was uniformly sustained by the collector. Several hundred thousand dollars of duties were involved in these cases.

When these facts were brought to the attention of the present collector he struck the name of the person referred to from the list of those eligible for appointment as merchant appraisers, and upon investigation it was found that said name had never been certified to the collector by the appraiser.

An effective remedy for the present defective system of reappraisements would be to increase the number of general appraisers, such officers to be selected solely on account of their peculiar fitness and character, and who alone should constitute the appellate boards to hear and finally determine all appeals from local appraisers as to values. Three of these officers should be constantly on duty at New York, the others to dispose of appeals at other ports, and also to supervise the action of the local appraisers with respect both to values and classifications. The proper organization and supervision of such a board, and the establishment of a central bureau of samples, would simplify and methodize the appraisal and classification of imported merchandise, which, under the present irregular and uncertain methods, are so fruitful of trouble to all concerned.

#### WEIGHING AND GAUGING.

The change made in the surveyorship at the port of Boston, within the past year, has secured a more faithful and intelligent supervision of the inspectors, weighers, and gaugers employed at that port. While our general observations warrant us in saying this, we were unable, for want of time, to make a thorough inquiry into the practical workings of the surveyor's department upon which to base a report in detail of the condition of the service with respect to efficiency and economy as compared with previous years.

At Philadelphia the surveyor has, within the last year, reorganized the force of inspectors, weighers, and gaugers, and rearranged their work with marked advantage to the service. The improvements in the weigher's department are the more notable; a largely increased amount of work has been satisfactorily done without an increase of force, and at a relatively reduced expense. The amount of merchandise weighed at Philadelphia during the twelve months ended August 31, 1885, was 670,978 tons, at a cost of 8.7 cents per ton. For the twelve months ended August 31, 1886, the amount weighed was 1,129,982 tons, at a cost of 6 cents per ton.

It is proper to say in this connection that the present collector at Philadelphia has personally directed the reorganization of the customs service under his control, whereby improved methods have been introduced and better results secured, both as to the security of the revenue and the accommodation of the public.

We have been unable to investigate the weigher's and gauger's department at New York. We present, however, the following figures, furnished by the surveyor's office, showing the amount weighed and the cost per ton during the previous and the last fiscal years.

	1885.	1886.
Number of tons weighed.....	2,064,040	2,021,989
Cost per ton.....	15.3 cents.	15.8 cents.

The difference of more than *nine cents per ton* between New York and Philadelphia is surprising, and will be a subject of further investigation.

A reorganization of the gauger's department at New York was made some four months ago, by which the expenses have been somewhat reduced, probably to the extent of \$5,000 per annum.

The surveyor's department at New York needs, we are satisfied, a thorough overhauling and reorganization.

WAREHOUSING.

At Boston, so far as our observations extended, the warehousing business appeared to be conducted generally in accordance with the law and regulations. We have no improvements, however, to note within the past year.

At Philadelphia this branch of the customs service has been for some years well managed, and no special improvements or reforms appear to have been made or required during the past year.

At New York irregularities were discovered by the present collector in the delivery without permit of dutiable merchandise from one of the warehouses by an unfaithful storekeeper at the instance of a dishonest firm. The duties on the goods so delivered were collected at once, the officer was promptly dismissed, and is now under indictment and awaiting trial. The investigation of this matter showed that this practice was one of long standing with that officer, and led to the suspicion that it might have extended to others. As a measure of precaution, therefore, the collector ordered a general transfer of storekeepers from one warehouse to another, which the regulations require shall be done at least once a year, but which regulation had not been observed at this port.

A needed reform in this branch of the service would be to discontinue by law the present system of requiring proprietors of bonded warehouses to pay the salaries of storekeepers, and in lieu thereof to add a small percentage to the duties collected on warehoused goods, to reimburse the Government for salaries and other expenses incident to warehousing. The tendency of the present method is to affect the independence of the storekeeper as an officer, and make him subservient to the man by whom his compensation is paid, and upon whose prosperity in business his employment and tenure more or less depend. He thus becomes identified with the interests of the proprietor rather than with those of the Government, and is apt to be lax in the enforcement of the regulations in order to accommodate the patrons of the warehouse.

PROTESTS, APPEALS, AND SUITS.

The effect of the Department's order of March 13th last, in regard to the filing and examination of protests and reports thereon by the collector and naval officer, has been salutary. It has caused greater care

and watchfulness on the part of these officers and has promoted harmony of action between them, especially at New York. It will, without doubt, prevent much unnecessary litigation, and relieve the Department from needless labor and correspondence.

Since the 1st of January, 1886, 1,059 suits have been begun at New York for recovery of duties claimed to have been erroneously exacted, and 206 suits have been disposed of, as follows:

By discontinuance .....	168
Consolidation .....	24
Satisfaction of judgments .....	14

We are informed that the collector at New York is preparing a full report in regard to pending suits, showing the issues involved, the amounts claimed, and other particulars in relation thereto, and we have not therefore undertaken to enter fully into this inquiry.

To ascertain fully in what particulars the customs administration at New York is defective, and to suggest remedies therefor, will require months of diligent investigation of the several departments.

The information and suggestions contained in this report with respect to New York, as well as the other ports mentioned, are derived from such personal inquiry as we were able to make within the limited time allowed us and in connection with other duties with which we were charged.

Special Agent B. H. Hinds, who was assigned with us to make these inquiries, assisted us materially in the early part of the investigation, but on account of sickness for the past two weeks we have been deprived of his aid, and he is unable to join us in this report.

Respectfully, yours,

A. K. TINGLE,  
GEO. C. TICHENOR,  
JAMES A. JEWELL,  
*Special Agents.*

[Enclosure No. 1.]

L. G. M.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., March 30, 1886.*

The Honorable the SECRETARY OF STATE:

SIR: I have the honor to invite your attention to the copies of correspondence herewith inclosed, viz:

- (1) Letter dated Paris, November 25, 1885, from Jules Kahn to M. J. Newmark, United States consul at Lyons.
- (2) Letter dated Lyons, November 27, 1885, from Consul Newmark to Jules Kahn.
- (3) Letter dated Lyons, December 3, 1885, from Consul Newmark (with addendum by Mark Percy Peixotto, deputy United States consul at Lyons) to the United States consul-general at Paris.
- (4) Letter dated Paris, December 9, 1885, from the United States consul-general at Paris to the collector of customs at San Francisco.

I am informed by the collector of customs at San Francisco that the originals of the two first-mentioned letters were submitted to his inspection, and are now in the possession of Messrs. Kahn Brothers, Bine & Co., of that city, of which firm Mr. Jules Kahn is a member. The collector also informs me that it has for a long time been suspected by merchants in the importing trade of San Francisco that a systematized undervaluation of invoices of merchandise shipped from France to the United States was being practiced, and that fabrics of Lyons manufacture can be bought in the open market in New York at lower prices than they can be imported by merchants at San Francisco. It appears from official reports on file in this Department that invoices of goods consigned from France by Gombrich & Fils to Mr. Kahn's firm at San Francisco were found to be undervalued as early as in 1884.

It is disclosed by the accompanying correspondence that, following a protracted interview which took place at the United States consulate at Lyons between Mr. Kahn

and Consul Newmark, the latter furnished the former a form or draft of a certificate or affidavit designed to be serviceable in establishing the integrity of invoices of merchandise consigned from France to Mr. Kahn's house in the United States, and concerning which disputes had probably occurred or were apprehended at the custom-house.

For this service the consul charged 500 francs—about \$100—which Mr. Kahn refused to pay; whereupon the consul renewed his demand for payment thereof, claiming that he acted in the matter as Mr. Kahn's attorney, and not in his official capacity of consul, and he says he has in several instances rendered a like service for other parties, who have not questioned his charges therefor. It thus appears that Consul Newmark considers himself privileged to do business as an attorney, and has engaged in the transaction of such business within the limits of his consular district, at his consular office, and in behalf of persons the integrity of whose invoices of merchandise shipped from his own district, and elsewhere in France, to the United States, was matter of serious question by our customs officers. In thus engaging in business as an attorney, I am led to believe that the consul has not acted without precedent in our consular service; therefore in bringing his case to your notice I desire to invite attention to a practice the manifest tendency of which is detrimental to the public revenues. If consular officers may avail themselves of the opportunities afforded by their official positions and duties to do business as attorneys, their clientage will naturally include, as in the case at Lyons, persons interested in the shipment to the United States of merchandise subject to ad valorem duties, the correctness of the invoice values whereof these same consuls may be called upon to certify to and investigate. Is it not probable that the *attorney's* fidelity to his client in such cases would be incompatible with the *officer's* faithful discharge of his duty to the Government? While the prohibitive and penal provisions of sections 1699, 1700, and 1701 of the Revised Statutes refer to the transaction by a consular officer whose salary exceeds \$1,000 a year of "any business as merchant, factor, broker, or other trader," &c., within the limits of his consular jurisdiction, and do not in terms exclude such officer from doing business as an attorney, I do not believe it was intended that these officers should engage in such pursuits, or in the transaction of *any* private business, except to perform such notarial acts as are contemplated by section 1750, Revised Statutes.

I apprehend it was considered that at a consulate where the business was of such importance as to justify the allowance to the officer of a salary exceeding \$1,000 a year, the transaction of any private business by such officer would interfere with the faithful and efficient discharge of his official duties.

The care, vigilance, and promptitude which the letter of Consul Newmark and Deputy Peixotto to the consul-general at Paris shows those officers displayed with respect to the invoices of A. Gombrich & Fils would reflect more credit upon them had the same not followed so closely the business transaction at the Lyons consulate between the consul and Mr. Kahn, and especially the refusal of the latter to pay the former his attorney's fee of 500 francs. The query naturally arises, Would such care and vigilance have been shown, and would the false invoice have been discovered and reported, if the fee demanded had been paid?

Invoices of Lyons goods from A. Gombrich & Fils to Mr. Kahn's house had been found undervalued as early as 1884, a fact which I assume was within the knowledge of Consul Newmark when he engaged to act as Mr. Kahn's attorney. Certainly it should have been known to Deputy Consul Peixotto, who has been deputy consul at Lyons and actively connected with the work of the Government's silk experts at that consulate since early in 1884.

It appears from the correspondence herewith that Messrs. Kahn Brothers, Bine & Co., and A. Gombrich & Fils have a branch house or agency at Lyons. In his letter to Consul Newmark, Mr. Kahn says: "I had come to visit you at your office, upon your invitation, to introduce our agent at Lyons to you and have an understanding as to how to proceed to have manufacturers verify before you to the price sold and market value of their bills." Nevertheless, it is seen that, coincident with Consul Newmark's demand upon Mr. Kahn for his fee of 500 francs, an invoice of Lyons goods from Gombrich & Fils to Kahn Brothers, Bine & Co. was authenticated at the Paris consulate-general. This invoice comprised goods of Lyons manufacture, procured direct from houses at Lyons, and presumably shipped thence to the United States. It should have been authenticated at the Lyons consulate, where, as you are aware, the Government has experts specially employed to ascertain the cost and value of such goods.

The attention of this Department has repeatedly been called to the fact that invoices authenticated at the Paris consulate frequently comprise goods produced and procured in other consular districts in France and elsewhere on the continent. The absence of any advices from the Paris consulate of the undervaluation of such goods—while they are often found by our appraisers to have been undervalued, and have been so frequently reported by our consular officers in the districts where produced—

goes to show the need for a more strict observance of the regulations with respect to the authentication of invoices than has hitherto obtained at the Paris consulate. The unchallenged acceptance and authentication of the false invoice of Lyons goods illustrates the importance of increased care and vigilance at that office in the inspection of invoices. The interest of the customs revenue require that all our consular officers shall scrutinize with the utmost care and fidelity the invoices of merchandise presented to them for authentication. It seems to me entirely inconsistent with the proper discharge of this duty for them to be interested, either directly or indirectly, in merchandise shipped from their consular districts to the United States, or to act as attorneys or agents for persons engaged or interested in such business.

Sections 1700 and 1752, Revised Statutes, appear to give the President authority to prescribe such regulations and make such orders as will meet the cases herein presented, and in order that he may be advised in the premises I have thought it advisable that he be furnished a copy of this letter.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

[Enclosure No. 2.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., April 8, 1886.*

The Honorable, the SECRETARY OF STATE:

SIR: I have the honor to acknowledge the receipt of your letter of the 13th ultimo, inclosing copy of a dispatch from the consul at Antwerp dated the 18th of February last, in relation to a report made to this Department by Mr. W. H. Osborn in regard to the authentication at the Antwerp consulate of invoices of merchandise shipped to the United States from Germauy by way of Antwerp.

The law and the consular regulations explicitly require that invoices must be produced to and authenticated by the consular officer nearest the place of shipment for the United States. The place of shipment is defined by the regulations to be the place where the merchandise has been manufactured, finished, or finally prepared for exportation, and where the journey to the United States commences, and not necessarily the place where it is put on board ship.

The consul at Antwerp appears to have construed the regulations as authorizing him to consider Antwerp the place of shipment for goods purchased in other places and countries and sent to Antwerp to be forwarded to the United States, in cases where such goods are stored at Antwerp awaiting transportation.

The manifest purpose of the law is to require the authentication of invoices to be made by the consular officers located in the districts where the merchandise is manufactured and sold, so that evasions of the tariff by undervaluations may be checked or prevented.

The consul is required to certify that the actual market value or wholesale prices of the merchandise described in the invoice, in the principal markets of the country and at the time of exportation, are correct and true, excepting as changed by him and set forth in the column of consular corrections.

The merchandise mentioned by the consul seems neither to have been manufactured nor sold at Antwerp, but simply stored there awaiting shipment.

It is especially desirable that consuls shall be impressed with the full import and meaning of their official functions with respect to the customs revenue.

Respectfully, yours,

C. S. FAIRCHILD,  
*Acting Secretary.*

[Enclosure No. 3.]

L. G. M.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., January 16, 1886.*

The Honorable, The SECRETARY OF STATE:

SIR: I have the honor to acknowledge the receipt of your letter of date the 8th instant, inclosing copy of a dispatch, dated the 17th of November last, from the United States consul-general at London, in relation to a charge of sixteen shillings and sixpence for the authentication of invoices of Messrs. Joseph C. Grubb & Co., of Philadelphia.

The consul-general explains that the one shilling and sixpence exacted at London in excess of the amount paid by Messrs. Grubb & Co. for like service at Birmingham was charged by the commissioner for the oath and certificate to the fourth or quadruplicate invoice, required when the merchandise is intended to be entered for immediate transportation without appraisement at port of first arrival, which charge, he states, is in accordance with paragraph 467 of the Consular Regulations.

The consul-general further states he supposed this was the uniform charge in such cases throughout his jurisdiction, until he learned, on November 17th last, that at Birmingham the commissioner did not, on quadruplicate invoices, charge for the fourth copy. And he adds that he will undertake to have all commissioners follow the example of the one at Birmingham if your Department shall express a desire to have him do so.

Paragraph 467 of the Consular Regulations of 1881, referring to oaths to invoice declarations administered by notarial officers in Great Britain, reads:

"It is understood that the legal fee for the service is one shilling and sixpence for each of the triplicate or quadruplicate copies of the invoice. That rate will be acceptable to the Department," &c.

Paragraph 641 of the same regulations prescribes that, "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."

Whether an invoice be made out in triplicate or quadruplicate, the several copies constitute but *one invoice*, and the declaration attached thereto relates to and forms but *one complete instrument*.

*Only one oath* is actually administered or required, in any case; therefore, if the legal or usual fee charged by commissioners or other notarial officers in the United Kingdom for administering an oath is one shilling and sixpence, that amount is all that should, in my opinion, be charged for the oath to an invoice declaration whether made out in triplicate or quadruplicate.

Shippers are supplied by the Government with printed forms of invoice declarations, and it is understood that in the United Kingdom the form of the notarial officer's jurat thereto is also generally printed or stamped on such declarations, so that the officer administering the oath has only to insert the date and affix his signature. The service, therefore, is simple, and considering that 25 cents is the more customary charge for similar acts done by notarial officers in this country, it would seem that one shilling and sixpence is ample compensation therefor, and in any event as much as should be sanctioned by the Government.

Respectfully, yours,

D. MANNING,  
*Secretary.*

[Enclosure No. 4.—Circular.]

OATHS TO INVOICES.

DEPARTMENT OF STATE,  
Washington, January 27, 1886.

To the Consular officers of the United States in Great Britain:

GENTLEMEN: In regard to the administration of oaths to invoices in Great Britain you are now informed that in the opinion of this and the Treasury Department the services of the British commissioners in connection with each invoice, whether in triplicate or quadruplicate, constitute but one act, for which but one fee of 1s. 6d. should be charged. This principle, according to law, governs in the collection of consular fees, and should extend to the charge of the commissioners.

If, however, the commissioners are unwilling to act in accordance with this view, you are hereby instructed to have the oath, in those cases where it is thought necessary to require it, attached only to the copy of the invoice retained by you, for which service no more than 1s. 6d. should be exacted. The object in view is to relieve shippers of an unnecessary burden.

I am, gentlemen, your obedient servant,

JAS. D. PORTER,  
*Assistant Secretary.*

H. Ex. 2—VOL II—18

J. R. L.]

No. 2.

TREASURY DEPARTMENT,  
October, 30, 1886.Hon. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I have the honor to acknowledge the receipt of your communication of the 15th instant, requesting certain information for use in the preparation of your annual report concerning customs legislation proposed to the present Congress, and the customs business at the port of New York.

With regard to the information desired in the first four paragraphs of your letter, I have to say that I am not familiar enough with the subject to give you any details.

I understand, however, that Special Agent Tichenor, who was in daily communication during the last session of Congress with Mr. Hewitt, the author of H. R. 5010, which is embodied in H. R. 7652, the bill reported from the Ways and Means Committee to "reduce tariff taxes, and to modify the laws in relation to the collection of the revenue," is now preparing a full detailed statement for your consideration.

With regard to the fifth paragraph of your letter, I have to say that the chief cases of complaint to the Department made by importers, other than by protests and appeals, are as follows:

First. Of delays in the delivery of packages sent to the appraisers' stores for examination.

Second. Delays in the delivery of examination packages at the appraisers' stores from the steamship dock.

Third. That appraisement and reappraisement of imported merchandise are, in many instances, higher than the market values of the merchandise covered thereby.

Fourth. That the present general appraiser at New York fails to properly sustain the United States appraiser in advancing the entered values of imported merchandise; and, lastly, of delays in the settlement of suits against collectors, the reliquidation of entries covered thereby, and the repayment of the excessive duties exacted.

This last complaint principally comes from importers at New York, and is owing to the want of a sufficient number of expert liquidating clerks to promptly reliquidate entries and make settlement of the large number of suits covered by the decision in the Oberteuffer case.

As to the subject of your inquiry contained in the sixth paragraph, I will state that so far as my observation goes there has been a decided improvement in the customs administration at the several ports during the present year as compared with that of 1885. This is owing, in great measure, to the fact that many new officials that were appointed in 1885 have now become familiar with their duties.

The improvement is more marked in the ascertainment and liquidation of duties and the delivery of imported merchandise.

As to your seventh inquiry, I would state that in my opinion the customs administration at New York is now principally defective in matters relating to reappraisements of imported merchandise.

The number of reappraisements has largely increased, and to such an extent that the present general appraiser is unable to dispose of the current business.

It has been found necessary to detail as assistants to him, in closing up reappraisements, one or two of the general appraisers from other

ports, notably Mr. Combs from Baltimore and Mr. Heyl from Philadelphia, but even with the assistance of those officers it seems to be impracticable to keep the business well in hand.

As to your eighth inquiry, I have to say that the practical effect of your order of March 13, 1886, concerning the filing of protests, &c., has been of much benefit to the service.

Under that order many protests which are lodged by importers do not reach the Department, inasmuch as they are promptly disposed of by the collector and naval officer.

The protests which reach the Department in connection with appeals made to the Secretary under section 2931, Revised Statutes, are generally accompanied by reports, as well from the collector as the naval officer, thereby enabling the Department to fully comprehend and decide the questions involved.

Respectfully submitted.

J. G. MACGREGOR,  
*Chief of Customs Division.*

## APPENDIX J.

### LEVY OF DUTIES ON ARTICLES COMING IN MAIL-BAGS.

No. 1.

M. B. M.]

DEPARTMENT OF JUSTICE,  
Washington, April 10, 1885.

The SECRETARY OF THE TREASURY:

SIR: I have considered the question presented in yours of the 7th, *i. e.*, whether the act of 1883, ch. 121 (22 Stat., 488), changed the provisions of that of 1879, ch. 180 (20 Stat., 360), in regard to duties upon *printed matter*.

*Postage* is of course compensation for mere transportation, whilst *customs duties* are exacted upon other grounds. Therefore, satisfaction of what is due for the former ordinarily leaves accounts growing out of the latter unsettled.

The act of 1879, however, conformed the customs duties theretofore exacted upon *printed matter*, to some extent at least, to the agreement as to rates of postage made by an International Postal Union in 1878. It seems, nevertheless, that such legislation left this subject-matter to whatever effect subsequent customs-duty legislation might have thereupon.

Upon the whole matter, I advise that the duty upon the *chromolithographs* of which you speak is governed by provisions in the act of 1883.

Very respectfully,

A. H. GARLAND,  
*Attorney-General.*

Inclosure herewith returned.

No. 2.

[Circular.—Duties on printed matter imported through the mails.—1885, Department No. 49, Division of Customs.]

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., April 15, 1885.

To COLLECTORS AND OTHER OFFICERS OF THE CUSTOMS:

The act of March 3, 1879, section 17 (20 Stats., 359), provides that printed matter, other than books, received in the mails from foreign countries, only under the provisions of postal treaties or conventions, shall be free of customs duties, and section 19 of that act provides as follows:

That "printed matter," within the intendment of this act, is defined to be the reproduction upon paper, by any process except that of handwriting, of any words, letters, characters, figures, or images, or of any combination thereof, not having the character of an actual and personal correspondence.

Under the authority of this provision of law, parties have imported, in packages not exceeding 4 pounds in weight, large quantities of chromolithographs and other articles, for sale as merchandise, which come within the definition of "printed matter," and, as allowed by the act specified, have obtained delivery of the same free of customs duties.

The act of March 3, 1883, however, imposes a duty of 25 per cent. *ad valorem* on all printed matter not therein otherwise provided for, without regard to mode of importation.

The Attorney-General, to whom the matter was referred for an opinion, states that the legislation found in the act of 1879 "left this subject-matter to whatever effect subsequent customs-duty legislation might have thereupon," and he advises that the importation of printed matter under the circumstances stated is to be governed by the provisions in the act of 1883, and therefore subject to the regular duty of 25 per cent. ad valorem. I concur in this view.

This rule will not apply to printed matter imported in the mails for personal use, or in quantities which suggest that the articles are for personal use or not for sale as merchandise, or to newspapers or periodicals which are free of duty by the act of March 3, 1883.

DANIEL MANNING,  
*Secretary.*

No. 3.

NEW YORK, *March 17, 1886.*

The customs bureau at the post-office is under the general supervision of the seventh division of the collector's office. It has the charge and custody of all books, &c., arriving by foreign mails until the same are examined and appraised and entry (Art. 313, Reg. 1884) is made for delivery or payment of duties.

Such books as are addressed to New York are delivered at the bureau, where duties are collected—notice being sent to the addresses immediately that the duties are ascertained.

Such as are addressed to other post-offices are transmitted to the postmasters at such offices with statement and entry (Art. 313, C. R.) for the collection of duties.

This bureau during the 12 months ending December 31, 1885, received, examined, entered, and delivered 67,761 packages which averaged 2 books each, besides 369 packages of unaddressed books from the inquiry department of the New York post-office.

These books were disposed of as follows:

Delivered at customs bureau (city) .....	17,495
Delivered to postmaster for mailing inland.....	50,266
Delivered to seventh division (unaddressed) .....	369
<b>Total packages handled .....</b>	<b>68,130</b>

The correspondence growing out of this service is very large and is all done in the seventh division.

During the year stated, 933 letters of instruction and explanation to postmasters and importers throughout the country, and over 200 notices and circulars, were sent out, all signed by the deputy collector, besides a large number of letters and reports to the Department.

The unclaimed and unaddressed books are at the expiration of 30 days sent to the seventh division, where complete lists are kept, and if not claimed within one year are sold as other unclaimed merchandise.

The records of colleges, public libraries, &c., which have furnished the proof required (Art. 312, C. R., 1884), to entitle them to privileges granted by the "Free-list," is also kept at the seventh division. All of this work is now performed by the correspondence clerk of the seventh division, who has the partial assistance of a messenger—the messenger generally keeping the records and acting as copyist.

The duties on books collected at the bureau are paid to the auditor at the custom house, who also receives the duties transmitted by postmasters at inland cities.

The record of entries of books, of receipts and abstracts of duties,

and notices to delinquent postmasters require the constant labor of two clerks in the auditor's office. To perform this somewhat scattered work it now requires :

1 clerk in charge at post-office.....	\$1,600 00
2 clerks, at \$1,200, at post-office.....	2,400 00
1 appraiser's examiner at post-office.....	1,800 00
2 appraiser's openers and packers at post-office, at \$840.....	1,680 00
<b>Total at post-office.....</b>	<b>7,480 00</b>
1 correspondence clerk at seventh division.....	1,400 00
Messenger at seventh division.....	840 00
<b>Total at seventh division.....</b>	<b>2,240 00</b>
<b>Gross forward.....</b>	<b>9,720 00</b>
1 clerk, auditor's office.....	1,000 00
1 messenger, auditor's office.....	840 00
<b>Total at auditor's office.....</b>	<b>1,840 00</b>
<b>Grand total expense.....</b>	<b>11,560 00</b>
During the year 1885 duties were collected by the bureau at post-office...	4,934 63
And by the auditor from postmasters (not all returned at close) about....	10,000 00
<b>Or, say, total in round numbers.....</b>	<b>15,000 00</b>

The work of the bureau at the post-office is steadily increasing, and during nine months of the year it requires the closest attention of the force now employed there (the mid-summer months affording a slight respite).

If the work now performed at the seventh division and the auditor's office, relating to the business of the bureau at the post-office, were transferred to that bureau, and *it* made a separate and distinct department, to report to the collector direct, a more efficient service would be secured, and, as a natural sequence, less complaint would be made.

Many questions arise with the average postmaster and importer, to reply to which requires a knowledge of the law and a familiarity with the regulations and decisions of the department, in regard to the importation of books, &c., by mail.

All the work now performed at the custom-house that relates to this branch could be transferred to the bureau at the post-office, and better results secured with the following force:

<b>Collector's office:</b>	
1 superintendent (acting deputy collector).....	\$2,500
2 clerks, at \$1,200.....	2,400
1 messenger, at \$840.....	840
<b>Appraiser's department:</b>	
1 appraiser's examiner.....	1,800
2 appraiser's openers and packers, at \$840.....	1,680
	<b>9,220</b>

The superintendent should be an acting deputy collector, in order to sign current letters and notices. He should make all reports to the collector, and, besides the general oversight of the work, he should attend to all the correspondence, receive all duties collected on books, &c., and have the supervision of the registered foreign mail so far as packages containing, and supposed to contain, dutiable articles are concerned, with power to make seizure of all merchandise illegally imported through the channel, and, instead of reporting and paying duties collected to the auditor, make such reports and payments to the cashier at the custom-house, who is the proper officer to represent the collector in the receipt of such moneys.

By such organization all the work would be done at the bureau, and the service now performed by the special agent's inspector at the post-office could be dispensed with.

While the correspondence desk at the seventh division could not be dispensed with, by relieving it of the large correspondence in regard to mail matters, the services of the messenger could be.

The present cost of the work, as now performed at the post-office and at the custom-house, leaving out the correspondence clerk, is..... \$10,160  
 To which add the salary of the special agent's inspector at post-office..... 1,460

And a total sum is shown of..... 11,620  
 By the transfer of all the work to the bureau at the post-office, as herein proposed, the total cost would be..... 9,220

And a saving to the Government per annum of..... 2,400

Under the present system delays are necessarily entailed, which are constant sources of complaint, and it is believed that with the proposed plan of reorganization, properly carried out, complaints will be rare, the service much improved, and great saving of expense attained.

L. M. MONTGOMERY,  
*Special Agent.*

No. 4.

TREASURY DEPARTMENT,  
 OFFICE OF THE SECRETARY,  
 Washington, D. C., November 13, 1886.

SIR: Please prepare for me, at your earliest convenience, a statement showing the number of seizures of articles imported through the mails at the several ports in the United States during the fiscal year 1885-'86, the value thereof, the number and value of such articles released upon payment of fines equivalent to the duties, and the amounts collected thereby, and the number and value of such articles, if any, which were released without the payment of fines or duties.

Respectfully, yours,

DANIEL MANNING,  
*Secretary,*

Mr. D. LYMAN,  
*Chief M. M. and I. R. Bureau.*

No. 5.

TREASURY DEPARTMENT,  
 OFFICE OF THE SECRETARY,  
 Washington, D. C., November 17, 1886.

HON. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: I have the honor to acknowledge receipt of the Secretary's note of the 13th instant, in which I am requested to report as follows:

(1) The number of seizures of articles imported through the mails at the several ports in the United States during the fiscal year extending from June 30, 1885, to June 30, 1886.

(2) The number of such articles released on payment of fines equivalent to duties.

(3) The value of articles so released.

(4) The duties on such articles.

(5) The number and value of said articles released without payment of fines or duties.

I beg to submit in reply a tabular statement of the seizures and releases of articles imported at all the ports of the United States during the period in question, with a statement of the values of such seizures, so far as reported, to the office of the Secretary of the Treasury. But full reports of these values are not reported to this office by collectors in such away that seizures for importations by mail can be discriminated from seizures for other causes. For example, a seizure may be made for violation of section 3061 or 3082, Revised Statutes, either for importation by mail or for smuggling, or for some technical violation of those sections. The returns to the Commissioner of Customs by collectors exhibit their total values and the fines equal to duties collected thereon, but likewise fail to discriminate the seizures for importation by mail from such as are made for other causes.

The office of the Secretary is concerned with these seizures only in so far as they are entitled or not entitled to remission. Their value or the amount of fines exacted thereon is not a question of importance to this office, except so far as to determine whether a release should be granted without sending the case to a United States district court for a judicial finding of facts.

I am of the opinion that all of the seizures of this character were reported by the collectors, and that none were released except by the authority of the Department.

The total value of the seizures reported and released was \$15,556.12. The number of seizures was 563, or something more than one per every official day of the fiscal year.

Respectfully submitted.

D. LYMAN,  
Chief of the Mercantile Marine and Internal  
Revenue Division, Office of the Secretary.

[Enclosure No. 1.]

*Report of remissions of forfeiture of articles imported by mail in violation of postal treaty stipulations and sections 3061 or 3082, Revised Statutes, for the fiscal year ending June 30, 1886.*

[Remitted on payment of fine equal to duty.]

No.	Date.	Port.	Article.	Value.
1885.				
1	July 1	Boston	6 packages hosiery	\$2 00
2	July 1	Philadelphia	Satin apron	6 00
3	July 1	Baltimore	Watch chain	2 00
4	July 2	New York	Writing paper	Not reported.
5	July 3	Philadelphia	Smoking-jacket	8 00
6	July 3	New York	Unset stones	Not reported.
7	July 3	Boston	Photographs	25 00
8	July 3	do	do	17 00
9	July 7	Middletown, Conn.	Jewelry and precious stones	Not reported.
10	July 7	Boston	Music	4 00
11	July 7	New York	Velvet	Not reported.
12	July 8	do	Music	Do.
13	July 11	do	Brass watch	2 50
14	July 11	Philadelphia	Pair of spectacles	2 50
15	July 11	do	Parasol cover, silk	5 00
16	July 13	Saint Louis	4 scarf pins	4 00
17	July 14	New York	Printed matter	Not reported.
18	July 14	do	Pictures	Do.
19	July 19	do	Photographs	Do.
20	July 20	do	13 packages music	Do.
21	July 21	Saint Louis, Mo.	Gold locket and 1 pair gold ear-rings	6 00
22	July 22	San Francisco, Cal.	2 packages eye-glasses	Not reported.
23	July 22	New York	1 package photographs	Do.
24	July 24	Saint Louis, Mo.	Jewelry	4 00
25	July 24	New York	Photographs	Not reported.
26	July 25	do	1 package lace	Do.
27	July 29	Boston	Photographs	15 00
28	July 29	do	Engravings	5 00

Report of remissions of forfeiture of articles imported by mail, &c.—Continued.

No.	Date.	Port.	Articles.	Value.
	1885.			
29	July 29	Boston	31 photographs	\$3 00
30	July 30	do	Embroidery silk	9 00
81	July 31	do	Scarf pin	Not reported.
82	July 31	New York	Silk caps, diamonds, and sapphires	Do.
33	Aug. 5	do	Package of diamonds	Do.
34	Aug. 6	do	Printed matter and music	Do.
35	Aug. 7	Chicago	Silver watch	4 00
36	Aug. 7	New York	13 packages printed matter	Not reported.
37	Aug. 7	Georgetown, D. C.	Eye-glass	Do.
38	Aug. 11	New York	Cut diamonds	Do.
39	Aug. 15	do	Package diamonds	Do.
40	Aug. 19	Philadelphia	Silk scarfs, &c.	30 50
41	Aug. 19	New York	2 packages (contents not given)	Not reported.
42	Aug. 20	do	Watch jewels and pictures	Do.
43	Aug. 22	Boston	Photographs	15 00
44	Aug. 25	Philadelphia	6 dental valves, \$3.75; smokers' articles, \$4.50	8 25
45	Aug. 25	New York	Sample watch-spring	Not reported.
46	Aug. 27	Boston	Photographs	28 00
47	Aug. 28	New York	Sample pictures	Not reported.
48	Aug. 29	San Francisco	Signet ring	Do.
49	Aug. 31	New York	Gold pen and pencil	Do.
50	Sept. 1	do	Chromos and kid gloves	2 50
51	Sept. 2	do	Photographs	2 50
52	Sept. 2	Baltimore	Silk and cotton lace	3 00
53	Sept. 3	do	1 wig	3 00
54	Sept. 5	Philadelphia	2 silk handkerchiefs	5 00
55	Sept. 7	Saint Louis	2 artificial eyes	5 00
56	Sept. 7	New York	Printed music	1 00
57	Sept. 8	Boston	Photographs	6 00
58	Sept. 8	Philadelphia	(2) Kid gloves, \$12; cutlery, \$3.25	15 25
59	Sept. 8	New York	6 packages engravings	1 00
60	Sept. 9	Boston	Photographs	11 25
61	Sept. 9	New York	Meerschaum pipes	4 90
62	Sept. 11	do	Engravings	31 25
63	Sept. 11	do	Photographs	2 50
64	Sept. 11	do	5 packages printed music	5 50
65	Sept. 11	do	Engravings	Not reported.
66	Sept. 11	do	Music	Do.
67	Sept. 11	do	do	Do.
68	Sept. 11	do	Lithographs and pictures	Do.
69	Sept. 11	Baltimore	Silver watch and chain	5 00
70	Sept. 12	Boston	Printed music	8 00
71	Sept. 14	Philadelphia	(2) Kid gloves	12 00
72	Sept. 15	New York	Photographs	22 50
73	Sept. 15	Boston	6 packages music	Not reported.
74	Sept. 15	Milwaukee	Woolen jacket	1 00
75	Sept. 15	Chicago	Cameo stones	Not reported.
76	Sept. 16	Boston	Photographs	16 00
77	Sept. 17	New York	(2) Cards and lace	Not reported.
78	Sept. 17	do	5 photographs	6 25
79	Sept. 18	Saint Louis	Jewelry	3 00
80	Sept. 19	New York	Engravings	Not reported.
81	Sept. 21	do	Packages	Do.
82	Sept. 24	do	Cheap jewelry	25 00
83	Sept. 28	Philadelphia	2 lenses	3 50
84	Sept. 28	New York	Printed matter	Not reported.
85	Sept. 28	Boston	Photographs	22 00
86	Sept. 29	San Francisco	Pongee silk	Not reported.
87	Sept. 29	Saint Louis	Cotton lace collar	2 00
88	Sept. 29	Chicago	58 bloodstones	7 60
89	Sept. 29	do	Stones	2 00
90	Sept. 30	New York	Chromo lithographs	Not reported.
91	Oct. 1	do	Photographs	Do.
92	Oct. 1	do	Music	Do.
93	Oct. 1	do	Precious stones	Do.
94	Oct. 2	New York	Pamphlets	Do.
95	Oct. 5	do	Printed matter	Do.
96	Oct. 5	Baltimore	Silk handkerchiefs	2 00
97	Oct. 6	New York	Engravings and lithographs	Not reported.
98	Oct. 6	Boston	6 packages photographs	9 33
99	Oct. 7	New York	(2) Precious stones and printed matter	Not reported.
100	Oct. 7	do	Printed matter	Do.
101	Oct. 8	Philadelphia	2 handkerchiefs	2 00
102	Oct. 9	do	2 tidies	4 25
103	Oct. 10	Boston	3 packages of photographs	14 00
104	Oct. 10	do	do	14 00
105	Oct. 10	New York	Silk tassels	Not reported.
106	Oct. 10	do	Watch materials	Do.
107	Oct. 10	do	(14 seiz.) Sample scarfs	Do.
108	Oct. 10	Chicago	Meerschaum pipe	Do.

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Report of remissions of forfeiture of articles imported by mail, &c.—Continued.

No.	Date.	Port.	Article.	Value.
	1885.			
109	Oct. 12	Chicago	Bog-oak ornaments	Not reported.
110	Oct. 13	do	Bronze medals	Do.
111	Oct. 13	New York	Pictures	Do.
112	Oct. 15	Philadelphia	Microscopic slides	\$3 00
113	Oct. 15	do	Engraving tools	7 50
114	Oct. 15	New York	Diamonds	Not reported.
115	Oct. 16	Chicago	Clothing	1 00
116	Oct. 16	do	Gold watch	8 00
117	Oct. 16	Boston	Photographs	12 00
119	Oct. 16	Milwaukee	2 glass eyes	1 38
120	Oct. 17	New York	Package pictures	Not reported.
121	Oct. 19	Boston	Photographs	12 00
122	Oct. 19	New York	Printed music	Not reported.
123	Oct. 19	Boston	6 scarfs	Do.
124	Oct. 20	Saint Louis	1 diamond	790 00
125	Oct. 20	Chicago	Jewelry	6 00
126	Oct. 21	New York	2 handkerchiefs	Not reported.
127	Oct. 21	Boston	Photographs	14 00
128	Oct. 21	New York	Precious stones	Not reported.
129	Oct. 23	Baltimore	1 wig	5 00
130	Oct. 23	Boston	(2 seiz.) Silk handkerchiefs and scarfs	57 00
131	Oct. 24	Chicago	Philosophical instruments	3 00
132	Oct. 24	Boston	Photographs	37 00
133	Oct. 26	Philadelphia	Fan, paper-cutter, and tassels	8 50
134	Oct. 26	Saint Louis	Jewelry	3 50
135	Oct. 26	Boston	(2 seiz.) Printed music and photographs	20 00
136	Oct. 27	Chicago	Gloves, &c	6 00
137	Oct. 27	New York	Sheet music	Not reported.
138	Oct. 30	do	12 packages of pictures	Do.
139	Oct. 30	Milwaukee	1 1/2 yards silk cr�pe.	Do.
140	Oct. 30	Saint Louis	Pearls	70 00
141	Oct. 31	New York	Engravings	Not reported.
142	Nov. 2	do	Printed matter	Do.
143	Nov. 3	Boston	Photographs	24 00
144	Nov. 5	Philadelphia	Gloves and scarfs	4 95
145	Nov. 5	New York	Printed music	Not reported.
146	Nov. 5	do	do	Do.
147	Nov. 6	do	Precious stones	Do.
148	Nov. 7	Boston	Sheet music	4 00
149	Nov. 7	New York	Pictures and lithographs	Not reported.
150	Nov. 7	Philadelphia	(2) Embroidery materials, \$2.85; tidies, \$13	15 85
151	Nov. 10	Chicago	Silver bracelets	Not reported.
152	Nov. 10	Philadelphia	Toilet mats	6 00
153	Nov. 11	do	Child's cap	1 50
154	Nov. 11	Chicago	Precious stones	8 00
155	Nov. 12	Boston	Photographs	12 00
156	Nov. 13	New York	6 packages engravings	Not reported.
157	Nov. 13	do	3 packages printed music	Do.
158	Nov. 14	Boston	5 packages tarrettes	15 00
159	Nov. 14	do	Photographs	40 00
160	Nov. 16	Philadelphia	Dutiable articles	22 50
161	Nov. 17	Chicago	Package ornaments	Not reported.
162	Nov. 17	New York	Jewelry samples	Do.
163	Nov. 17	San Francisco	Infant attire	Do.
164	Nov. 17	Philadelphia	2 dozen doylies	15 00
165	Nov. 18	do	Jewelry	7 50
166	Nov. 18	do	4 microscopic slides	3 00
167	Nov. 18	do	Silver spoons	2 50
168	Nov. 18	New York	Chromos	Not reported.
169	Nov. 18	do	Printed matter	Do.
170	Nov. 19	do	Diamonds	Do.
171	Nov. 20	Georgetown, D. C.	do	Do.
172	Nov. 20	Baltimore	Gold ring and locket	8 00
173	Nov. 21	New York	Photograph album	Not reported.
174	Nov. 21	do	3 small parcels of music	Do.
175	Nov. 21	do	2 packages printed music	Do.
176	Nov. 23	do	Engravings	Do.
177	Nov. 23	Boston	Photographs	12 00
178	Nov. 23	Philadelphia	Box of cigars	3 00
179	Nov. 24	New York	Sample cards	Not reported.
180	Nov. 24	Chicago	Gold watch, chain, and key	22 00
181	Nov. 25	New York	Etchings and jewelry	Not reported.
182	Nov. 25	do	Easter cards	Do.
183	Nov. 25	Philadelphia	Gold scarf-pin	5 00
184	Nov. 27	New York	Photographs	Not reported.
185	Nov. 27	do	Holiday cards	Do.
186	Nov. 30	do	Diamonds	Do.
187	Dec. 2	do	7 packages, contents unknown	Do.
188	Dec. 2	Boston	Photographs	10 00
189	Dec. 2	Saint Louis	1 precious stone	30 00

Report of remissions of forfeiture of articles imported by mail, &c.—Continued.

No.	Date.	Port.	Article.	Value.
	1885.			
190	Dec. 2	New York	Printed matter	Not reported.
191	Dec. 3	do	Package etchings	Do.
192	Dec. 3	Boston	3 packages photographs	\$159 00
193	Dec. 3	do	2 packages photographs	16 00
194	Dec. 3	do	1 package photographs	19 90
195	Dec. 3	Georgetown, D. C.	3 packages wearing apparel	Not reported.
196	Dec. 3	Chicago	1 bracelet	5 00
197	Dec. 4	New York	3 packages sheet music	Not reported.
198	Dec. 4	Chicago	Lances and sleeve-buttons	5 25
199	Dec. 4	Philadelphia	Jewelry	5 00
200	Dec. 4	do	Artificial flies	5 25
201	Dec. 4	New York	40 packages printed matter	Not reported.
202	Dec. 4	San Francisco	Meerscham pipe and pouch	Do.
203	Dec. 5	New York	19 and 11 packages	Do.
204	Dec. 7	San Francisco	Curios	Do.
205	Dec. 7	New York	6 packages music	22 50
206	Dec. 8	do	Packages contents unknown	Not reported.
207	Dec. 8	Baltimore	5 packages cards	Do.
208	Dec. 8	Boston	Photographs	6 00
209	Dec. 9	do	1 package gloves	16 00
210	Dec. 10	Philadelphia	(2) Opera cap, \$3.50; lantern, \$1.50	5 00
211	Dec. 10	Boston	Dentist teeth	10 00
212	Dec. 10	do	3 packages photographs	16 00
213	Dec. 11	New York	5 packages, contents not given	Not reported.
214	Dec. 12	Philadelphia	Serge	2 10
215	Dec. 12	New York	3 packages, contents unknown	Not reported.
216	Dec. 12	Chicago	9 silk handkerchiefs	1 00
217	Dec. 15	New York	5 packages religious cards	Not reported.
218	Dec. 15	Boston	2 boxes razors	11 90
219	Dec. 15	Chicago	1 meerscham cigar-holder	Not reported.
220	Dec. 15	Saint Louis	Watch chain	5 00
221	Dec. 16	Philadelphia	8 pieces silk embroideries	5 25
222	Dec. 16	New York	1 package pictures	12 50
223	Dec. 17	Saint Louis	1 tidy	2 00
224	Dec. 17	Baltimore	Hair watch-chain	2 00
225	Dec. 17	Chicago	Woolen vest	Not reported.
226	Dec. 17	Philadelphia	1 diamond brooch	535 30
227	Dec. 17	do	4 silver muffineers	36 50
228	Dec. 18	New York	1 diamond ring	Not reported.
229	Dec. 18	Boston	2 packages photographs	116 00
230	Dec. 19	Baltimore	9 silk and crepe handkerchiefs	2 00
231	Dec. 21	Philadelphia	1 pair gold ear-rings, gold sleeve-buttons, 1 gold medallion	6 25
232	Dec. 21	do	Jewelry and coins	9 50
233	Dec. 21	do	1 gold watch	12 50
234	Dec. 21	do	Fur cap and meerscham	6 50
235	Dec. 21	do	Cork hat tips	4 75
236	Dec. 21	Baltimore	8 silk handkerchiefs	4 00
237	Dec. 21	Saint Louis	Gold ring	5 00
238	Dec. 21	Detroit	2 diamond rings	100 00
239	Dec. 21	New York	2 packages, contents unknown	Not reported.
240	Dec. 22	San Francisco	Baby's dress	Do.
241	Dec. 22	St. Louis	Gold ring	5 00
242	Dec. 22	Newark, N. J.	1 silk shawl and two silk handkerchiefs	Not reported.
243	Dec. 22	Chicago	Amber jewelry	Do.
244	Dec. 22	Philadelphia	3 pairs gloves	3 00
245	Dec. 22	Boston	Gold and diamond ring and ivory puff	225 50
246	Dec. 23	New York	2 packages precious stones	Not reported.
247	Dec. 23	do	7 packages printed matter	Do.
248	Dec. 24	Baltimore	Pongee scarf	1 50
249	Dec. 26	Atlanta, Ga.	(1 gold brooch, one silver breast-pin, two gold bracelets, two pairs eardrops, one pair cuff-buttons	88 25
250	Dec. 26	St. Louis	1 pair earrings, one brooch	5 00
251	Dec. 26	New York	9 packages, contents unknown	Not reported.
252	Dec. 26	do	2 packages engravings	Do.
253	Dec. 26	do	Samples of lithographs	Do.
254	Dec. 28	St. Louis	4 pairs kid gloves	3 00
255	Dec. 28	Boston	Photographs	69 00
256	Dec. 28	do	do	4 00
257	Dec. 28	Georgetown, D. C.	2 parcels of fancy goods	Not reported.
258	Dec. 28	Detroit	Silver watch and chain	5 00
259	Dec. 29	St. Louis	2 gold rings	2 00
260	Dec. 29	Philadelphia	4 handkerchiefs	5 40
261	Dec. 29	do	1 watch	10 00
262	Dec. 29	do	4 handkerchiefs	5 50
263	Dec. 29	do	Turkish tidy	1 75
264	Dec. 29	do	Silk fan	2 50
265	Dec. 29	do	Silk lace fichu	3 75
266	Dec. 30	do	2 bracelets and 1 scarf-pin	15 00

## Report of remissions of forfeiture of articles imported by mail, &amp;c.—Continued.

No.	Date.	Port.	Article.	Value.
	1885.			
267	Dec. 31 1886.	Detroit	Samples of chemicals	\$48 00
268	Jan. 2	New York	3 packages printed matter	Not reported.
269	Jan. 2	Chicago	Fur cap and pair of gloves	Do.
270	Jan. 2	do	34 cameos	4 00
271	Jan. 2	New York	Printed music	Not reported.
272	Jan. 4	Boston	Moonstone jewelry	125 00
273	Jan. 4	do	100 red ruby slabs	67 00
274	Jan. 4	Saint Louis	Coral necklace	3 00
275	Jan. 4	Chicago	1 tidy	1 50
276	Jan. 4	do	Fur gloves	2 00
277	Jan. 4	do	20 artificial eyes	6 00
278	Jan. 4	do	1 package, contents not given	7 50
279	Jan. 4	New York	6 packages, contents not given	Not reported.
280	Jan. 5	Philadelphia	1 diamond ring, lace cuffs	33 50
281	Jan. 5	New York	Garnet goods	Not reported.
282	Jan. 5	Philadelphia	Handkerchiefs	5 25
283	Jan. 5	do	3 gold studs	6 00
284	Jan. 5	do	6 pairs kid gloves; 4 silk scarfs	14 25
285	Jan. 5	do	Jewelry	12 50
286	Jan. 5	do	Gloves	4 75
287	Jan. 5	do	Watch-chain; 1 locket	9 50
288	Jan. 5	do	Silver casket	6 00
289	Jan. 6	New York	Diamonds	Not reported.
290	Jan. 6	New York	Turkish stones	Do.
291	Jan. 6	do	Jewelry	Do.
292	Jan. 7	do	4 packages printed matter	Do.
293	Jan. 7	Baltimore	1 breastpin	15 00
294	Jan. 7	Boston	2 packages photographs	12 00
295	Jan. 8	do	2 packages photographs	21 00
296	Jan. 8	Detroit	1 diamond ring	10 00
297	Jan. 9	New York	5 packages engravings	Not reported.
298	Jan. 9	Boston	4 packages photographs	24 00
299	Jan. 11	New York	5 packages, contents not given	Not reported.
300	Jan. 12	Boston	6 packages photographs	53 00
301	Jan. 12	do	33 photographs	9 00
302	Jan. 13	New Orleans	Pearl necklace	62 50
303	Jan. 13	San Francisco	Dress goods	8 10
304	Jan. 13	Philadelphia	Gold watch	18 75
305	Jan. 13	New York	9 packages music	53 75
306	Jan. 14	do	5 packages engravings	90 00
307	Jan. 14	Saint Vincent	Christmas cards	75
308	Jan. 15	New York	3 packages engravings	60 00
309	Jan. 15	Saint Vincent	Christmas cards	75
310	Jan. 18	Baltimore	Handkerchief, necktie, and 3 gold rings	5 00
311	Jan. 19	Boston	1 water-color painting	151 00
312	Jan. 20	New York	Eardrops and scarf-pin	Not reported.
313	Jan. 20	Baltimore	1 gold breastpin	8 50
314	Jan. 21	New York	Cocaine	300 00
315	Jan. 22	New York	Opals	1,474 00
316	Jan. 23	Chicago	1 gold chain, key, and chain	5 06
317	Jan. 25	Newport, R. I.	8 pairs kid gloves	8 50
318	Jan. 25	Saint Louis	2 bracelets and 1 small ring	3 00
319	Jan. 26	Philadelphia	2 finger rings	11 75
320	Jan. 26	do	Silk apron	8 00
321	Jan. 28	New York	1 gold watch and one gold ring	47 50
322	Jan. 29	Boston	1 package gloves	8 00
323	Feb. 1	do	Gold jewelry	295 00
324	Feb. 3	Philadelphia	Gold ring	2 00
325	Feb. 6	Saint Louis	Beaded dress front	2 00
326	Feb. 6	do	Silk shawl and scarf-pin	6 00
327	Feb. 6	Philadelphia	Watch materials	20 41
328	Feb. 6	New York	1 package etchings	52 50
329	Feb. 8	Philadelphia	2 watch-chains and two finger-rings	10 25
330	Feb. 8	Boston	Package photographs	8 00
331	Feb. 9	New York	Metal cloak clasps	14 50
332	Feb. 11	Boston	Package jewelry	24 00
333	Feb. 15	Chicago	4 pairs gloves	6 00
334	Feb. 16	Norfolk, Va.	2 gold bracelets, set with stones	105 00
335	Feb. 17	Baltimore	Parcel of breast-pins	3 00
336	Feb. 17	New York	16 packages electric plates	6 25
337	Feb. 17	do	5 packages Christmas cards	6 25
338	Feb. 17	do	Articles unnamed	14 63
339	Feb. 17	Philadelphia	Silver watch, with extra crystal and spring	18 75
340	Feb. 18	Philadelphia	2 yards lace	6 00
341	Feb. 19	New York	5 glass eyes	36 25
342	Feb. 19	Boston	Package photographs	12 00
343	Feb. 20	New York	1 package precious stones	854 70
344	Feb. 20	Philadelphia	2 clarinet reeds	33 75

Report of remissions of forfeiture of articles imported by mail, &c.—Continued.

No.	Date.	Port.	Articles.	Value.
	1886.			
345	Feb. 23	Philadelphia	Jewelry	\$37 50
346	Feb. 23	do	Silk floss	2 50
347	Feb. 24	New Haven, Conn	Gold ring	12 50
348	Feb. 24	Boston	Photograph	24 00
349	Feb. 24	New York	Printed matter	Not reported.
350	Feb. 24	do	Silk scarfs	7 50
351	Feb. 24	do	Engravings	Not reported.
352	Feb. 25	do	Parcel of music	12 50
353	Feb. 25	Boston	Photographs	Not reported.
354	Feb. 26	Hartford	Diamonds	348 00
355	Feb. 27	Philadelphia	Lava brooch	6 25
356	Feb. 27	do	7 pairs of gloves	5 25
357	Mar. 1	do	Finger ring	7 00
358	Mar. 2	Boston	Package photographs	6 00
359	Mar. 2	New York	5 packages pictures	25 00
360	Mar. 3	Philadelphia	Silk handkerchiefs	7 50
361	Mar. 3	Baltimore	Jewelry	4 00
361	Mar. 3	Philadelphia	Articles unnamed	10 75
362	Mar. 4	Chicago	Watch and jewelry	11 25
363	Mar. 4	New York	Sheet music	12 50
364	Mar. 9	Milwaukee	Hair goods	127 07
365	Mar. 9	New York	7 packages music	17 50
366	Mar. 9	do	6 packages chromo-lithographs	20 00
367	Mar. 9	Boston	Water-color and other sketches	635 00
368	Mar. 9	Corpus Christi	Meerschaum pipe	25 00
369	Mar. 10	Philadelphia	3 pairs stockings	6 28
370	Mar. 12	Chicago	Gloves and lace	5 80
371	Mar. 12	Philadelphia	Hair-chain and one scarf-pin	11 50
372	Mar. 12	do	Gold-mounted hair watch-guard	5 00
373	Mar. 12	do	Silk	8 75
374	Mar. 12	New York	Meerschaum pipe	6 80
375	Mar. 12	Boston	Package hair goods	19 00
376	Mar. 12	do	Silk braid	10 00
377	Mar. 13	Baltimore	Jewelry (heirlooms)	20 00
378	Mar. 13	Boston	2 packages photographs	10 00
379	Mar. 13	New York	Package rubies	789 80
380	Mar. 15	Philadelphia	6 silk handkerchiefs	11 00
381	Mar. 15	do	Package watch material	6 00
382	Mar. 15	Chicago	1 watch	26 00
383	Mar. 16	New York	Silk scarfs	18 00
384	Mar. 16	Philadelphia	1 stereotype and one copper-plate	30 50
385	Mar. 16	do	1 brooch and 3 scarf-pins	25 00
386	Mar. 17	Chicago	Bag of gold-dust	45 00
387	Mar. 17	New York	Portraits, engravings, &c.	25 00
388	Mar. 18	do	Package of sheet music	25 00
389	Mar. 19	Portland, Oreg	4 ounces ginseng root	8 00
390	Mar. 22	Boston	Package of engravings	21 00
391	Mar. 22	do	do	24 00
392	Mar. 22	Philadelphia	Watch-spring gauge	4 25
393	Mar. 22	New York	1 package	789 80
394	Mar. 23	Chicago	Gold watch and chain	15 00
395	Mar. 23	Saint Louis	12 packs playing cards	3 00
396	Mar. 23	New York	Chromo-lithographs	25 06
397	Mar. 27	Milwaukee	6 silver-plated spoons	25
398	Mar. 27	New York	1 brooch	18 75
399	Mar. 29	Baltimore	Gold rings	7 00
400	Mar. 29	Philadelphia	1 ring and two scarf-pins	58 00
401	Mar. 31	Baltimore	Watch and chain	75 00
402	Apr. 1	Saint Vincent	2 infant's dresses	Not reported.
403	Apr. 1	New York	8 packages photographs	100 00
404	Apr. 2	Philadelphia	2 scarf-pins	9 00
405	Apr. 2	do	10 crests for harness	14 00
406	Apr. 2	Boston	1 gold necklace	62 50
407	Apr. 2	do	Watch materials	29 00
408	Apr. 2	do	1 meerschaum pipe	5 00
409	Apr. 3	Georgetown, D. C	1 package lace	31 00
410	Apr. 5	Boston	12 packages bulbs and seeds	13 00
411	Apr. 5	Philadelphia	1 silver brooch	6 25
412	Apr. 6	New York	12 hymn-books	18 75
413	Apr. 6	do	Lace goods	9 80
414	Apr. 6	Boston	Photographs	5 00
415	Apr. 6	do	do	31 00
416	Apr. 6	New York	Chromo-lithographs	8 05
417	Apr. 7	do	3 packages photographs	37 80
418	Apr. 8	Philadelphia	2 yards plush	2 25
419	Apr. 8	Boston	18 small photographs	Not reported.
420	Apr. 9	do	Photographs	24 00
421	Apr. 9	do	Scarfs, &c	21 00
422	Apr. 12	New York	Samples of stones	105 60

## Report of remissions of forfeiture of articles imported by mail, &amp;c.—Continued.

No.	Date.	Port.	Article.	Value.
	1886.			
423	Apr. 12	Boston	3 packages scarf-pins	\$21 50
424	Apr. 13	Chicago	Gold ring and flower seeds	4 35
425	Apr. 14	Boston	Photographs	15 00
426	Apr. 14	do	do	15 00
427	Apr. 14	New York	Music	18 75
428	Apr. 15	do	Photographs	50 00
429	Apr. 15	Boston	do	12 00
430	Apr. 16	do	Handkerchiefs	Not reported.
431	Apr. 17	New York	Parcel velvet	22 50
432	Apr. 17	Philadelphia	4 woolen shawls	2 25
433	Apr. 17	Milwaukee	Lace goods	27 00
434	Apr. 17	Chicago	36 hair springs	3 00
435	Apr. 17	Boston	Photographs	12 00
436	Apr. 20	New York	Printed matter	7 70
437	Apr. 20	Dubuque	Meerschaum pipe	15 00
438	Apr. 20	New Haven	Ruby pellets	Not reported.
439	Apr. 20	New York	Engravings	22 50
440	Apr. 21	do	Photographs	50 00
441	Apr. 21	do	18 packages lithographs and 6 packages printed matter,	20 00
442	Apr. 21	Boston	Photographs	7 00
443	Apr. 21	New York	Microscopical matter	29 00
444	Apr. 21	Baltimore	Eye-glasses	14 00
445	Apr. 24	New York	Photographs	6 25
446	Apr. 24	Philadelphia	Undergarments	9 00
447	Apr. 24	San Francisco	5 packages raw silk	Not reported.
448	Apr. 29	Boston	Photographs	27 00
449	Apr. 30	Georgetown, D. C.	Cotton embroideries	Not reported.
450	May 1	New York	3 packages silk	27 00
451	May 1	Philadelphia	Scarf-pin	10 00
452	May 3	do	Silk ribbon	1 50
453	May 3	do	Small blanket	2 50
454	May 4	Georgetown, D. C.	Cotton embroideries	4 00
455	May 4	Baltimore	1 silver watch	2 00
456	May 5	San Francisco	1 lace fan	20 25
457	May 6	New York	7 packages printed matter	42 50
458	May 6	Boston	6 pairs kid gloves	11 00
459	May 7	Philadelphia	One mosaic pendant	6 25
460	May 7	Saint Louis	Pin and ear-rings	7 00
461	May 8	Chicago	Handkerchiefs, feathers, &c	5 25
462	May 11	New York	1 pin and 1 medallion	18 75
463	May 11	Philadelphia	One piece of cloth	2 50
464	May 12	New York	Printed matter	12 50
465	May 12	Baltimore	1 cut cameo	100 00
466	May 14	Philadelphia	Necklace and spoons	6 50
467	May 14	New York	Meerschaum pipes	15 30
468	May 14	do	Parasol covers	48 00
469	May 14	Boston	Photographs	24 00
470	May 17	do	16 packages Turkish scarfs	40 00
471	May 17	San Francisco	21 boxes pills	6 60
472	May 18	Chicago	1 watch	3 00
473	May 18	do	5 carbuncles	2 00
474	May 18	New York	1 bracelet	Not reported.
475	May 19	do	Samples of lace	21 00
476	May 19	Philadelphia	Cotton embroidery	3 60
477	May 20	Georgetown, D. C.	1 lace shawl	120 00
478	May 20	Chicago	Jewelry and pocket-books	15 00
479	May 20	New York	5 packages pictures	60 00
480	May 20	Philadelphia	4 silver spoons	10 00
481	May 20	do	3 feathers and 3 scarf-pins	7 00
482	May 21	Boston	Silk hose (4 pairs)	15 00
483	May 21	Chicago	84 zither strings	5 00
484	May 22	San Francisco	1 gold brooch	15 00
485	May 22	Philadelphia	Samples of garnets	13 00
486	May 22	New York	Cotton lace	25 50
487	May 22	Louisville	Package crochet lace	2 50
488	May 25	do	11 yards cotton lace	55 00
489	May 25	Portland, Oreg.	Package violin strings	9 50
490	May 25	Saint Louis	1 thermometer	2 00
491	May 25	New York	8 packages pictures	18 25
492	May 26	Chicago	1 diamond ring	15 00
493	May 26	New York	4 packages printed matter	15 00
494	May 26	do	5 half pairs of shoes	6 75
495	May 27	do	1 diamond	409 20
496	May 28	Chicago	1 bracelet, one pendant	5 00
497	May 28	Boston	100 photographs	12 00
498	May 28	Detroit	1 silver watch and locket	8 00
499	May 28	Philadelphia	1 pair stockings	3 00
500	May 28	do	Neck-chain and pins	2 19
501	May 28	New York	1 silk shawl	22 50

Report of remissions of forfeiture of articles imported by mail, &c.—Continued.

No.	Date.	Port.	Article.	Value.
	1886.			
502	May 28	New York	Certain music	\$17 50
503	May 28	do	Silk mufflers	19 50
504	May 28	Boston	Ladies' scarf pins, &c.	19 00
505	June 1	Baltimore	Foreign stamps	Not reported.
506	June 2	Detroit	2 packages badges	23 00
507	June 2	Chicago	1 silver watch	10 00
508	June 2	New York	Packages silk handkerchiefs	75 00
509	June 4	Saint Louis	6 plated chains	1 00
510	June 4	Boston	Package silk hose	18 00
511	June 4	do	Gold watch and chain	119 00
512	June 5	Saint Louis	2 gold lockets	4 00
513	June 5	New York	5 packages lace samples	30 00
514	June 7	do	6 packages drugs	37 50
515	June 7	do	Meerscham pipes	10 20
516	June 7	do	7 packages scapulas	30 80
517	June 8	Philadelphia	Jewelry and handkerchiefs	25 25
518	June 8	New York	5 packages printed matter	18 75
519	June 8	do	Jewelry	82 50
520	June 9	Baltimore	Canceled foreign stamps	2 00
521	June 9	New York	10 packages music	31 25
522	June 10	Boston	12 pairs kid gloves	15 00
523	June 10	do	do	15 00
524	June 11	New York	Silk handkerchiefs	45 00
525	June 11	do	Package silk	22 50
526	June 11	Detroit	Fancy silk work	3 00
527	June 12	Boston	2 gold rings	19 00
528	June 12	New York	Watch, chain, &c.	750 00
529	June 12	Chicago	11 silk handkerchiefs	2 50
530	June 12	Louisville	6 silk handkerchiefs, &c.	3 50
531	June 16	New York	Certain printed matter	12 65
532	June 16	Georgetown, D. C.	Silver jewelry	8 00
533	June 16	do	Package lace	116 00
534	June 17	Boston	3 packages photographs	33 00
535	June 17	Saint Louis	2 bracelets	4 00
536	June 18	Boston	2 silk undervests	6 00
537	June 18	Philadelphia	1 gold ring, &c.	6 75
538	June 19	New York	Part of microscope	17 40
539	June 19	do	2 dozen handkerchiefs	30 00
540	June 19	Chicago	Watch, chain, &c.	6 00
541	June 19	New York	Packages printed matter	86 25
542	June 19	Newport	3 dozen reeds, and 3 mouth-pieces	5 25
543	June 21	Louisville	Silk handkerchief	2 00
544	June 21	Boston	Package photographs	12 00
545	June 21	Philadelphia	1 diamond ring	22 50
546	June 22	Chicago	Ear-rings and brooch	9 00
547	June 22	Baltimore	Canceled postage-stamps	28 00
548	June 23	New York	Shell combs	24 30
549	June 23	do	Photographs	30 00
550	June 24	Baltimore	Diamonds	106 00
551	June 24	Boston	2 packages silk embroidery	10 00
552	June 24	do	do	10 00
553	June 24	New York	Package pictures and regalia	17 30
554	June 24	do	Printed matter	Not reported.
555	June 25	Baltimore	Gold buttons, &c.	5 00
556	June 25	do	4 silver cuff-buttons	2 00
557	June 26	Saint Louis	1 breast-pin	8 00
558	June 26	New York	4 maps	7 50
559	June 28	Baltimore	Ear-rings, and breast-pin	5 00
560	June 28	Detroit	Lace, velvet, and ribbon	1 40
561	June 29	New York	Music	2 50
562	June 29	do	26 packages printed matter	Not reported
563	June 30	Baltimore	Silk cord	5 00

No. 6.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., November 10, 1886.

SIR: In a report made by you to me on customs business at New York there were some statements relative to the collection of duties on books arriving in the mails. I am desirous of obtaining information as to this class of goods arriving at the ports of Boston, Philadelphia, and Baltimore, as well as to have you supplement the statement you made as to New York with information on the subject brought down to the close of the fiscal year 1885-'86.

In these inquiries I am desirous of bringing out every possible item of cost attendant upon the collection of duties on such articles and every item of duty collected.

I desire to use this information in the preparation of my annual report this year, and would like to be put in possession of it as speedily as possible.

Respectfully, yours,

DANIEL MANNING,  
*Secretary.*

MR. A. K. TINGLE,  
*Special Agent.*

No. 7.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., November 17, 1886.

HON. DANIEL MANNING,  
*Secretary of the Treasury:*

SIR: Respectfully referring to your instructions of the 10th instant, I beg leave to submit the following report respecting importations through the mails at the ports of New York, Boston, Philadelphia, and Baltimore during the fiscal year ended June 30, 1886:

The customs regulations (articles 304-313) governing this class of importations are duly observed at the several ports mentioned. At New York a room in the post-office building has been assigned to the customs officers whose duty it is to examine and appraise books arriving by foreign mails, and to collect the duty thereon. This arrangement saves labor and is a convenience to the public.

At the other ports mentioned, books so arriving are sent to the custom-house for entry, appraisal, and collection of duty.

Merchandise other than books found in the foreign mails is seized by the inspecting officers and delivered to the collector. A large number of such seizures are made of articles such as precious stones, jewelry, watches, watch movements, gloves, fans, handkerchiefs, laces, embroideries, stockings, cutlery, artificial teeth, glass eyes, printed matter, water-colors, engravings, clothing, &c.

These articles are almost invariably released to those to whom they are addressed, by order of the Department, on payment of fine equivalent to duties. They are subjects of constant correspondence with the Department, which might be obviated if a general authority were given

to collectors to deliver articles seized in the mails on payment of a fine equal to the duties, in all cases where they are satisfied that there was no intention to defraud the revenue by the parties concerned, and I respectfully suggest that such a regulation be made, if not inconsistent with law.

The receipts on account of importations through the mails, and the expense of collecting, at the four ports named, for the last fiscal year, were as follows:

NEW YORK.

Duties collected on books .....	\$14,468 28
Fines equivalent to duties on merchandise seized .....	3,429 43
Appraised value of merchandise paid .....	79 15
<b>Total receipts</b> .....	<b>17,976 86</b>
<b>Expenses:</b>	
Salaries of five clerks .....	6,028 60
Salary of one examiner (appraiser) .....	1,800 00
Salaries of two openers and packers .....	1,721 50
One opener and packer for two months during holiday season .....	143 45
One inspector (registered mail) .....	1,460 00
<b>Total expense</b> .....	<b>11,153 55</b>

BOSTON.

Duties collected on books .....	902 00
Fines equal to duties on merchandise seized .....	777 75
Proceeds of sale by auction .....	8 15
<b>Total receipts</b> .....	<b>1,687 90</b>
<b>Expenses:</b>	
One messenger .....	840 00

PHILADELPHIA.

Duties collected on books .....	1,281 42
Fines equal to duties on merchandise seized .....	160 46
<b>Total receipts</b> .....	<b>1,441 88</b>
<b>Expenses:</b>	
One inspector (examiner of foreign mails) .....	1,460 00

BALTIMORE.

Duties collected on books .....	68 03
Fines equal to duties on merchandise seized .....	69 55
<b>Total receipts</b> .....	<b>137 58</b>

The collections at the port last named are made without additional expense to the revenue, the work being done by the regular customs officers in connection with their other official duties. The expenses at New York, Philadelphia, and Boston, above indicated are for salaries of employes exclusively engaged upon this service. The other work connected therewith is performed by the regular officials as a part of their daily duties, and involves no extra expense to the Government.

The reports of the collector at New York upon this subject, under dates of the 13th and 15th instant, exhibit the current expense of this

service, while the figures herein given show the actual expense thereof for the fiscal year.

The total number of books arriving at New York by the foreign mails and examined and appraised during the fiscal year was 144,128, of which number 75,871 were addressed to persons in New York, and delivered to them on payment of duty, and 68,257 were sent to the addressees at other post-offices, the duties being collected in each case by the post-master and remitted to the collector at New York.

The following is a summary of the receipts and expenses for the four ports:

Total duties on books .....	\$16,719 73
Fines equal to duties on merchandise, proceeds of sales, &c.....	4,524 49
<hr/>	
Total receipts .....	21,244 22
Total expenses .....	13,453 55

Respectfully, yours,

A. K. TINGLE,  
*Special Agent.*