PENNSYLVANIA—MERCHANTS OF PHILADELPHIA.

MEMORIAL

OF

MERCHANTS OF PHILADELPHIA.

February 1, 1833.

Read, and referred to the Committee of the Whole House to which is committed the *bill* (H. R. No. 633) *to explain and amend the 18th section of "an act to alter and amend the several acts imposing duties on imports;"* approved 14th July, 1832.

To the Senate and House of Representatives of the United States in Congress assembled:

The petition of the subscribers, merchants of the city of Philadelphia, showeth:

That your memorialists are induced to come before you, by a knowledge that some legislative provision is necessary in relation to the act of Congress passed at the last session, "to alter and amend the several acts imposing duties on imports," in order to prevent its being unequal and oppressive upon the merchants and traders. The 18th section of the act referred to has been the subject of Treasury regulation and instruction, and the commercial part of the country, apparently, entertain but one sentiment as to the inconvenience and injury which must result from the law as it is construed by the Treasury, and to be carried into execution under its instruction.

The Secretary of the Treasury considers the right of deposite to be given only to goods, in relation to which, according to the terms of credit allowed by law, any portion or instalment of the duties was payable on or after the 14th July last, the date of the law.

Your memorialists are impressed with the belief that the Legislature intended, by the provisions of the act in question, to effect as equal justice as could be accomplished among all its citizens, so that no particular portion should suffer by reason of the reduction of the duties. Hence it was that the act was so distantly prospective, and that the provision was made for deposite under the 18th section. According to the construction of the Treasury, that, which your memorialists conceived to be the great object of this provision, will not be accomplished. This construction produces at once a discrimination between goods imported from different places, on which, according to the place imported from, the term of credit is different. The

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consequence is, that the merchant, who has an article imported from beyond the Cape of Good Hope, may come within the provision, because his long term of credit for the duty had not expired; when the merchant, who holds the same article imported more recently from a place not beyond the Cape of Good Hope, on which the term of credit had expired, will have no relief.

In relation to all goods entitled to have the benefit of drawback, though the term of credit had expired, the owner may, by exporting them before, and re-importing them after, the 3d of March, have the advantage of reduction of duty. This operation must be attended with expense and loss, and it would seem to be practically wise to save the merchant from that expense and loss. Your memorialists are at a loss to conceive, why goods so situated should not be admitted to the privilege of deposite, as freely as such as are, according to the view of the Treasury, entitled to it. The merchant may, and doubtless will, in nearly all cases, ship his goods to obtain the reduction, and that which is lost or expended in the object, is a plain loss to the country, or he will retain them at home at a great individual loss. But your memorialists extend their views still further on this point, and respectfully submit to your consideration whether the real object of this section will not be better accomplished by placing on the same footing all goods which remain in the original packages, or in a state in which they would, if within the limitation of time, be entitled to have the benefit of drawback, whenever they may have been imported, and whether the terms of credit for duties had expired or not, and thus save the importers or owners of such goods from the serious injury which must, in some cases, otherwise await them. The holders of such goods seem to your memorialists to be entitled to legislative relief. They have imported or purchased upon the then existing scale of duties, which they have paid to Government, upon the faith that no material reduction of duties, no great change of the revenue system would take place, without provision for the goods which have paid the duties. That the goods have been imported a great length of time only aggravates the misfortune of the importer or owner, and renders him more deserving of the consideration of the Legislature. If he cannot have relief, agreeably to the provision of the 18th section, he must suffer unequally, and, indeed, more severely than the importer or owner whose goods arrived the day before the passage of the law. These two classes of owners or importers,—those of goods on which the term of credit had expired, and those of goods on which the term of credit had not expired, appear to your memorialists to stand upon the same footing in point of right, and to be equally deserving of that protection which, according to the construction of the law, is only afforded to the latter.

Your memorialists apprehend no practical difficulty in the extension of the provisions of the 18th section to the case of goods on which the term of credit had expired before the passage of the law. If it be required that they be in the original package, and that the like proof of importation and identity be made, as is required for the benefit of drawback, the revenue will be abundantly secured against fraud.

According to the Treasury construction of the 18th section, goods entitled to deposite can only be deposited by the importer. This construction has arisen upon the letter of the section, which, by the use of the terms, "the person importing *and* depositing," is considered thus to restrict the right. Your memorialists respectfully request a revision of this part of the

law, and submit to your consideration whether the policy of the law or the justice, which is the object of this provision, are promoted by this construction. The owner of goods may not be the importer, and yet have paid, in the price of the goods, the full amount of duties. He is the person who is to suffer by the reduction of duties. He is the person for whom the protection is intended, and if the importer only has the right of deposite, great inequality and injustice must be produced by the law; inasmuch as large transactions have been entered into since the publication of the law, and previously to the instructions of the Treasury Department. Your memorialists are at a loss to conceive the reason why the owner, by purchase, should be excluded from the benefit of this provision, since it will be easy to identify the goods when deposited, even after passing through several hands, in the manner now done in drawback cases.

Your memorialists have observed, with much pleasure, that a bill providing fully for all the subjects of which they complain, has been reported by the Hon. C. C. Cambreleng, the chairman of the Committee on Commerce in the House of Representatives; have anxiously awaited the action of your honorable body thereon; and as the time which has been prescribed for depositing goods, viz. 25th February, is rapidly approaching, they most earnestly and respectfully request your immediate attention to the passage of the same, that they may be relieved from the painful state of suspense in which they are held by the prospect of loss, from which they felt secure under their construction of the law as passed by your honorable body.