

**ABOLISH DISTINCTIONS IN PORTS OF ENTRY, &c.**

[To accompany bill H. R. No. 341.]

JANUARY 9, 1838.

Mr. SMITH, from the Committee on Commerce, made the following

**REPORT:**

The Committee on Commerce, to which was referred a resolution of the House of Representatives of the 19th of December last, on the subject of drawback of duties on exportations, find that the Committee on Commerce of the House of Representatives of the last Congress considered the same subject, and reported upon it, in conjunction with a provision for abolishing existing distinctions in ports of entry in relation to certain importations. The report of the former committee is adopted by the present committee, and presents the subject in its appropriate aspect. It is subjoined as a part of this report, and the bill herewith submitted is respectfully recommended for passage by the House.

*Report of the Committee on Commerce, April 20, 1836.*

By the 75th section of the act of the 2d of March, 1799, entitled "An act to regulate the collection of duties on imports and tonnage," it is provided, "that a drawback of duties, as prescribed by law, shall be allowed and paid on all goods, wares, or merchandise, imported into the United States, in respect to all such goods, wares, or merchandise, whereupon the duties shall have been paid, or secured to be paid, as within twelve calendar months after payment made or security given, shall be exported to any foreign port or place other than the dominions of any foreign State immediately adjoining to the United States, either from the district of original importation, or from certain other districts; and all duties, drawbacks, and allowances, which shall be payable, or allowable, on any specific quantity of goods, wares, or merchandise, shall be deemed to apply in proportion to any greater or lesser quantity: *Provided*, That no goods, wares, or merchandise, imported, shall be entitled to a drawback of the duties paid, or to be secured thereon, unless the duties so paid or secured thereon shall amount to fifty dollars at least, nor unless they shall be exported in the original casks, cases, chests, boxes, trunks, or other packages in which they were imported, without diminution or change of the articles which were therein contained at the time of importation, in quantity, quality, or value; necessary or unavoidable wastage or damage only excepted." The act of January 6th, 1829, extended the time within which

goods could be exported for the benefit of drawback to three years from importation.

It is provided in the 18th section of the act of 1799, "that no ship or vessel arriving from the Cape of Good Hope, or from any place beyond the same, shall be admitted to make entry at any other place than the following ports, to wit:"

Portsmouth, Boston and Charlestown, Newburyport, Salem and Beverly, Marblehead, Gloucester, Portland and Falmouth, Newport and Providence, New London and New Haven, New York, Perth Amboy, Philadelphia, Wilmington in Delaware, Baltimore, Annapolis, Georgetown, Alexandria, Norfolk, Portsmouth in Virginia, Wilmington in North Carolina, Newbern, Washington and Edenton, Charleston, Beaufort, Georgetown in South Carolina, Sunbury and Savannah; to these have since been added, by various acts, Saco, Castine, Pensacola, New Orleans, Kennebunk, Middletown, Plymouth, and Nantucket. Vessels, however, were permitted to make entry at the port from which they originally sailed, or at the port where they were really owned.

By the 77th section of the act of 1799, it is provided "that the districts from which goods, wares, or merchandise may be exported subject to drawback, be only the districts of original importation, and those ports at which vessels from the Cape of Good Hope, or from any place beyond the same, are permitted to make entry."

By the 92d section it is provided "that no drawback of any duties on goods, wares, or merchandise, of foreign growth or manufacture, shall be allowed on the exportation thereof from any district of the United States *otherwise than by sea*, and in vessels not less than thirty tons burden."

By the act of the 27th of April, 1816, no drawback is allowed on goods imported in foreign vessels of any foreign Power to and with which our vessels are not permitted to go and trade. By this act no drawback is allowed on foreign dried and pickled fish; and other salted provisions, on fish-oil or playing-cards; and by the act of May 22, 1824, it was not permitted on chain-cables. The act of May 19, 1828, extends this prohibition to sail-duck in less quantities than fifty bolts. By the act of April 20, 1818, wine and spirits are required to be deposited and kept in the public store-houses to be entitled to this privilege. Various provisions are contained in the act of 1799, to prevent frauds upon the revenue. They are too numerous to be recited in this report. It is sufficient to say that they have answered the end for which they were designed. The 77th section provides for shipping goods coastwise.

The 79th section shows the privileges granted to five ports therein mentioned, to wit:

"That all goods, wares, and merchandise, duly imported into either of the districts of Philadelphia, New York, and Baltimore, or into the ports of Boston and Providence, which shall be transported, in part by water and in part by land conveyance, from the port of Philadelphia by way of Burlington, Bordentown, Lambertton, or New Brunswick and South Amboy, to New York; or from the port of New York, by way of South Amboy, New Brunswick, or Lambertton, or Bordentown, or Burlington, to Philadelphia; or from the port of Philadelphia, by way of Wilmington, Newport, Christiana bridge, Newcastle, Port Penn, or Appoquinimink and Elkton, Frenchtown, or Bohemia, to Baltimore; or from the port of Baltimore, by way of Elkton, Bohemia, or Frenchtown, and Port

Penn, Appoquinimink, Newcastle, Christiana bridge, Newport, or Wilmington, to Philadelphia; and which being imported into Philadelphia, shall be exported from Baltimore or New York, or, being imported into Baltimore or New York, shall be exported from Philadelphia; or shall be transported by land conveyance from Boston to Providence by the post-road, or from Providence to Boston by the same road, and which being imported into Boston shall be exported from Providence, or, being imported into Providence, shall be exported from Boston; shall be entitled to the benefit of a drawback of the duties, upon exportation to any foreign port or place, under the same provisions, regulations, restrictions, and limitations, as if the said goods, wares, and merchandise were transported coastwise from one to another of the said districts.

Special enactments to guard against the possibility of defrauding the Government follow this provision. There is little probability of a violation of these provisions; they are too well adapted to the object intended to admit of it. Thirty-seven years' experience has fully tested the sufficiency of these provisions in guarding the interests of the Government.

The special provisions contained in the seventy-ninth section of the act of 1799, in favor of Boston, Providence, New York, Philadelphia, and Baltimore, are extended by the law of March 3d, 1804, which provides as follows: "That all goods, wares, or merchandise, duly imported into either the districts of Boston and Charlestown, Salem and Beverly, Newburyport, Ipswich, or Marblehead, in the State of Massachusetts, which shall be transported by inland conveyance, along the turnpike or other main road, into another of the said districts, and be therefrom exported to any foreign port or place, shall be entitled to the benefit of a drawback of the duties, upon such exportation, under the same provisions, regulations, restrictions, and limitations, as if the goods, wares, and merchandise were transported coastwise from one to another of the said districts; and, also, upon the conditions specified in the seventy-ninth section of the act entitled "An act to regulate the collection of duties on imports and tonnage."

Sec. 2. That all goods, wares, and merchandise, duly imported into the district of Delaware, may be transported to the same places, in the same manner, and upon the same conditions, with goods, wares, and merchandise duly imported into the districts of New York, Philadelphia, and Baltimore: and shall, in like manner, be entitled to the benefit of a drawback of the duties thereon, upon the exportation to any foreign port or place, agreeably to the provisions contained in the seventy-ninth section of an act entitled "An act to regulate collection of duties on imports and tonnage;" and that all goods, wares, and merchandise, which, being duly imported into the districts of Philadelphia, New York, or Baltimore, shall be exported from the district of Delaware, shall also be entitled to the benefit of a drawback of the duties on the same, in the same manner and on the same conditions which are prescribed by the said seventy-ninth section of the act aforesaid, for goods, wares, and merchandise, which, being duly imported into Baltimore or New York, shall be exported from Philadelphia.

By the act of the 25th of April, 1810, it is further provided "that all goods, wares, and merchandise, duly imported into either the ports of Boston and Newport, which shall be transported by land conveyance from the port of Newport, by the way of Rhode Island bridge and Taunton,

to Boston, or from Boston, by the same route, to Newport; and which, being imported into Newport, shall be exported from Boston, or which, being imported into Boston, shall be exported from Newport, shall be entitled to a benefit of a drawback of the duties, upon exportation to any foreign port or place, under the same provisions, regulations, restrictions, and limitations, as if the said goods, wares, and merchandise were transported coastwise from one to another of the said districts, and on the *proviso* that all the provisions, regulations, and restrictions, existing in the case of goods, wares, and merchandise, transported by any of the routes mentioned in the seventy-ninth section of the act entitled 'An act to regulate the collection of duties on imports and tonnage,' passed March 2, 1799, shall be duly observed."

By the act of February 6, 1818, it is provided "that all goods, wares, and merchandise, duly imported into either of the ports of Bristol and Boston, which shall be transported by land conveyance from the port of Bristol, by way of Dighton and Taunton, to Boston, or from Boston on the same route to Bristol; and which being imported into Bristol shall be exported from Boston, or, being imported into Boston, shall be exported from Bristol, shall be entitled to the benefit of the drawback of the duties thereof, upon exportation to any foreign port or place, under the same provisions, regulations, restrictions, and limitations, as if the said goods, wares, and merchandise were transported coastwise from one to another of said districts; and on the proviso, that all provisions, regulations, limitations, and restrictions, existing in the case of goods, wares, and merchandise transported by any of the routes mentioned in the seventy-ninth section of the act of 1799, shall be fully observed."

On the 20th of May, 1826, the following proviso was made: "That any goods, wares, and merchandise, which lawfully might be transported to or from the cities of Philadelphia and Baltimore, by way of Elkton, Bohemia, or Frenchtown, and Port Penn, Appoquinimink, Newcastle, Christiana bridge, Newport, or Wilmington, or to or from the cities of Philadelphia and Baltimore, by way of Appoquinimink and Sassafras river, shall and may be lawfully transported to and from the cities of Philadelphia and Baltimore, by way of Lancaster and York, or by the mail route, and shall be entitled to the benefits and advantages, and shall be subject to all the provisions, regulations, limitations, and restrictions, existing in the case of goods, wares, and merchandise transported by any of the routes before mentioned."

The ninety-second section of the act of 1799, provides, "that except into the districts hereinbefore described on the northern, northwestern, and western boundaries of the United States, adjoining the dominions of Great Britain in Upper and Lower Canada, and the districts on the Ohio and Mississippi, no goods, wares, or merchandise, of foreign growth or manufacture, subject to payment of duties, shall be brought into the United States from any foreign port or place, in any other manner than by sea, nor in a ship or vessel of less than thirty tons burden, agreeably to the admeasurement hereby directed for ascertaining the tonnage of ships and vessels; nor shall be landed or unladen at any other port than is directed by this act, under penalty of seizure and forfeiture of all such ships or vessels, and of the goods, wares, and merchandise imported therein, laden or unladen in any other manner. And no drawback of any duties on goods, wares, or merchandise of any foreign growth or manu-

facture, shall be allowed on the exportation thereof from any district of the United States, otherwise than *by the sea*, and in vessels not less than thirty tons burden."

On the 20th of February, 1804, an act was passed concerning the collection of duties in the Territory of Louisiana, then recently ceded from France to the United States. The sixth section of that act provides, "that foreign ships or vessels shall be admitted to unlade at the port of New Orleans, and at no other port within the district of Mississippi, [Louisiana formed one district by that name;] and ships or vessels belonging to citizens of the United States coming directly from France or Spain or any of their colonies, shall not be admitted to unlade at any port within the district of Mississippi other than the port of New Orleans; and ships or vessels arriving from the Cape of Good Hope, or from any place beyond the same, shall be permitted to make entry at the port of New Orleans, and at no other port within the district of Mississippi: *Provided, however,* That nothing in this act contained shall authorize the allowing of drawbacks on the exportation of any goods, wares, or merchandise, from the said port of New Orleans, other than on those which shall have been exported directly into the same, from any foreign port or place."

The act of January 5, 1805, provides that so much of the act above recited "as prohibits the allowance of drawbacks of duties on goods, wares, and merchandise, exported from the port of New Orleans, other than those imported into the same place directly from a foreign port or place, should be, and the same is hereby, repealed."

Sec. 2. "That any goods, wares, or merchandise, which shall be exported from the United States, or the district of Mississippi, in the manner prescribed by law, to any foreign port or place situated to the westward or southward of Louisiana, shall be deemed and taken to be entitled to such drawback of duties as would be allowable thereon when exported to any other foreign port or place, any thing in the act entitled 'An act to regulate the collection of duties on imports and tonnage,' to the contrary notwithstanding."

The construction of this act at the Treasury Department has not been uniform. Prior to 1824, no traces of a Treasury construction can be found; but in that year it was construed that goods, to be entitled to drawback, must be shipped to a place as far southwest as Rio Grande; but in 1830 that decision, on the opinion of Mr. Berrien, Attorney General, was reversed, and the act has been since literally construed, and goods exported to any foreign ports or places situated to the westward or southward of Louisiana are entitled to the benefit of drawback.

These extracts will give an understanding of the general provisions of the law concerning importations, and the drawback of duties; and also the exceptions to those provisions. From these it appears,

1st. That only a limited number of our ports of entry are open for the reception of goods from the Cape of Good Hope and places beyond there.

2d. That those ports which are open to goods from all parts of the world enjoy greater privileges, in relation to the exportation of goods, for the benefit of drawback, than other ports.

3d. Goods can only be carried coastwise, *by sea*, and shipped with the privilege of drawback.

4th. But there are exceptions to this rule in favor of Baltimore, Wilmington, (Delaware,) Philadelphia, New York, Providence, Newport,

Bristol, Boston, Salem, Newburyport, Ipswich, and Marblehead, which authorize goods to be carried on certain routes by land, or partly by land and partly by water, to and from one or more of these ports to one or more ports, and be exported with the privilege of drawback.

5th. Goods exported for the benefit of drawback must be shipped to a foreign place, other than the dominions of a foreign State immediately adjoining the United States, except to "any foreign place situated to the westward or southward of Louisiana."

6th. That there are no ports of entry in the States of Alabama and Mississippi at which goods, coming from the Cape of Good Hope or places beyond there, can be entered. States whose only ports are on the lakes do not participate in this privilege.

7th. That on the lakes goods cannot be *exported* for the benefit of drawback, but that they must be shipped *by sea*, and in vessels of not less than thirty tons burden.

8th. That, except on the northern and northwestern frontier, it is not lawful to *import* any goods, the growth or manufacture of any foreign country, otherwise than *by sea*, in vessels of not less than thirty tons burden.

The necessity and policy of some of these provisions are not very obvious. We will proceed to examine them. It may be asked why all ports may not rightfully and properly be open to all vessels from all parts of the world. Mobile, Key West, Richmond, Tappahannock, Sag Harbor, Wiscasset, Machias, Dighton, and other similar places, are equally entitled to enjoy the protection and privileges of our Government with Plymouth, Saco, Perth Amboy, Annapolis, Georgetown, Pensacola, and other places: which are open to commerce from all parts of the world. The ninth section of the first article of the constitution says, "No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another." We would ask, are there not preferences given to one port over another? Should not all the ports be upon an equal footing? It is true that, originally, each *Atlantic* State was provided with one or more ports open to trade from beyond the Cape of Good Hope. In the State of Massachusetts, eight out of nine ports are entitled to that privilege. Since the admission of Louisiana, she has had one port placed upon the broadest footing. But the interior States of Vermont, Ohio, Illinois, Indiana, Kentucky, Tennessee, and Missouri, and the Territories of Michigan and Wisconsin have no such equal privileges. These advantages have not been extended to the important ports in Alabama and Mississippi. It is not a compliance with the spirit of the constitution, that each State has *one* port open to all foreign commerce. Why should Maine, with her extensive seacoast and twelve ports of entry, have but five open to importations from the Cape of Good Hope, or places beyond there, while Massachusetts, with but nine ports, has eight, and Rhode Island but three, all enjoying this privilege? All should be placed on the same basis. Trade should be allowed to seek its natural channels; and if our commercial men prefer to enter a cargo of East India goods at Wiscasset, Sag Harbor, Richmond, Beaufort, (North Carolina,) Brunswick, (Georgia,) and Mobile, in preference to Saco, Perth Amboy, Annapolis, Alexandria, Beaufort, (South Carolina,) or Pensacola, they should enjoy that privilege. And if they wish to carry goods, coastwise, from any one port to another, to export for the benefit of the drawback, that privilege, to the fullest extent, should be extended to them.

The port that is most favored by laws, all other things being equal, will, of course, have an advantage over all others. The preference given to the ports of Massachusetts and Rhode Island furnishes evidence of the truth of this remark. Equal privileges should be extended to all; then success will depend upon natural local advantages and personal enterprise. If Baltimore were the sole port at which East India products could be entered, she would enjoy an unwarrantable advantage. All other ports would be compelled to send to that city for such products, and in that way they would pay tribute to her, and be put to unnecessary expense. This would burden the other ports for her advantage. It would be giving a preference, by a regulation of commerce, to the ports of one State over those of another. This distinction cannot have for its basis any supposed want of capacity in officers of the customs, for it is believed that an East India cargo is not more difficult to enter than one brought from Europe. There can be no justice or propriety in retaining this distinction. In time, it will lead to jealousies and produce unnecessary dissatisfaction, dangerous to the harmony of the Union.

The mercantile community in Vermont, northern New York, Ohio, and on the Western lakes, can see no justice in refusing to permit them to enter goods with as large and full privileges as are enjoyed by the small cities and villages on the Atlantic, and on the rivers emptying into it. By the laws of Great Britain, (such are our laws,) foreign nations are prohibited from engaging in her coasting trade. That privilege is reserved to her citizens and her own vessels. This gives the Canadians great advantages over our shippers on the lakes and the St. Lawrence. All shipping business between the St. Mary's and Montreal, on the Canada side, is esteemed coasting trade, and we cannot participate in it; while the Canadians come to our side, and take cargoes for any place in Canada. This is a foreign voyage. They bring from Montreal return cargoes for the lake country, which we cannot do for the Canada side, and consequently they make more money upon the same voyage than we can. Hence they can underbid us, and control the business on those waters. Were we permitted to enter goods brought from Montreal, for the benefit of drawback, and subsequently ship them to the upper country, it would place us on a more equal and just footing. Then the frontier ports would not complain that a preference was given, by a regulation of commerce or revenue, of the ports of one State over those of another. But until these ports are placed on a par with the Atlantic, they will complain, and that, too, with just cause. By the present law, goods, to be entitled to the benefit of drawback, must be *shipped and by sea*.

If, in 1799, there were reasons for the adoption of this rule, they no longer exist to any considerable extent. At that period the whole shipping operations of the Union were confined to the *sea*. Commerce on the lakes was unknown. Northern and western New York, northern Pennsylvania, Ohio, Indiana, Illinois, Missouri, and Michigan, were almost an entire unbroken forest; except a few waning military posts, and Indian trading and fur establishments, the savages and wild beasts were the only tenants of this vast territory, which is now represented in this House by some sixty members. That these lakes should ever rival in business the old settlements on the Atlantic was not then anticipated. Few expected that an extensive commerce would ever spring up there. Hence the laws were especially adapted to the seaboard. The country has undergone a change—

almost a magical change. Even on the seaboard, places that were especially considered as places of future greatness, have now become quite unimportant; while places not then having a name, have taken a high rank as places of commercial importance. It was then little anticipated that large cities were to spring up on our lakes. These lakes, which were then only traversed from point to point by the Indian canoe, are now covered with steamboats and schooners, laden with the products of industry, to the amount of many millions per annum. They form one of the great highways of the continent, over which countless thousands pass to and from the inviting regions of the West. Products of the value of many millions of dollars find their way on these waters, either through the rivers and canals to the Atlantic cities, or down the St. Lawrence to the Canadian markets. The return trade ought to be placed on as good a footing as practicable. There is no good reason why commerce, *by sea*, should have a preference over that on other waters. Our laws ought to be equal for all parts of the country, so that all can participate, when practicable, in the benefits to be derived from their operation. This is required by the demands of strict justice.

It will be perceived that in order to entitle goods to be exported for the benefit of drawback, they must be shipped in the original packages. The details of these provisions are so well adjusted, that there is hardly a possibility of smuggling, or otherwise defrauding the revenue. This is a good and valuable provision, and ought to be retained.

It will be further perceived that the present law prohibits the transportation of goods coastwise, to be exported for the benefit of drawback, except at twelve ports, unless it is done *by sea*. The wisdom of this provision might have been very apparent at the time of its origin, but it is not very prominently so at this time. A parallel drawn between transactions on salt and fresh water will not result to the disadvantage of the latter. It is presumed the security of the revenue was the prominent cause of this provision, but it is not perceived how there is, at this time, more security on the one coast than there is on the other. The population is quite as dense on the lakes as on the Atlantic; and no one will hazard the assertion that they are less actuated by motives of patriotism, and obedience to the laws and spirit of our institutions, than their brethren on the Atlantic.

Whatever causes may have controlled the councils that made this provision, it is confidently believed that they no longer exist in a sufficient degree to authorize its continuance. There is no justice or equity in withholding privileges from one part of the country that are accorded to another, when both can advantageously enjoy them.

This same law makes another distinction, the justice of which is not very palpable. It allows goods to be transported by land, and partly by land and partly by water, over certain routes from the cities of Boston, Salem, Newburyport, Ipswich, Marblehead, Newport, Providence, Bristol, New York, Philadelphia, Wilmington, (Delaware,) and Baltimore, to one or more of these places, and be shipped from thence for the benefit of drawback. This privilege is not granted to any other ports in the Union. Why Portland, Portsmouth, Richmond, Charleston, Savannah, Mobile, and New Orleans, and some seventy or eighty other ports, should be denied the privilege granted these, is not easily understood. Certainly the size of the place, the amount of business, or the wishes of the people, could not have made this distinction. If the interests of the revenue will permit

goods to be transported by land to Boston from seven other cities, and from Boston to each of those places, to be exported for the benefit of drawback, it is not very apparent why they may not equally well go from Portland to Portsmouth, and from Charleston to Savannah, and from Pensacola to New Orleans, by the same mode of conveyance, and be entitled to the same privilege. No reason has ever been assigned why one class of these ports should enjoy privileges which are withheld from the other.

It will be further noticed that goods cannot be exported from any of the ports of the United States, with the right of debenture to a foreign place immediately adjoining the United States, except to the south and west of Louisiana. Whether this provision had its origin in a desire to extend our sea voyages, to avoid the possibility of frauds upon the revenue, or both, or some other cause, is not now easily ascertained. There are but three points to which this provision applies, to wit: to the west and southwest of Louisiana, the Canadas, and New Brunswick and Nova Scotia. The trade to the Canadas was prohibited in the clause requiring the exportation to be *by sea*. But this reason did not extend to the other northern British possessions; and why the people of Maine should not enjoy to the full extent the trade open to her in Nova Scotia and New Brunswick, as well as that to the southward and westward of Louisiana, is what is not apparent to your committee. Why not permit that State and all others to export to the north and south, as they choose, with the right of drawback? There is nothing in the state of society, or course of trade, that should give one of these points a preference over the other in this respect.

It is not contended that the privileges extended to the business which naturally flows to the south and west of Louisiana ought to be curtailed, but, on the contrary, that like privileges should be extended to all parts of the world. Trade to the north and east ought to be placed on the same footing as that in the south and west. There can be no reasonable objection to this, and strict justice requires it. If the reason of this preference was to prevent smuggling, it does not apply, because there is no more probability of smuggling at the north and east than at the south and west. There is nothing in the character of the population in the latter quarter to give them a preference over the former. By a decision at the Treasury Department, the privilege of shipping to Halifax is not permitted, because it is a port of a foreign state, adjoining the United States. What possible reason can there be for this restriction? None of these distinctions have for their basis justice or sound policy, and should be speedily abrogated.

The provisions to which we object, for whatever cause adopted, ought to be altered. The reasons against them are too strong to be controlled by those which cannot now be ascertained, or which are no longer applicable. Our laws should so far change with the changes in surrounding circumstances, as to adapt themselves to our actual situation, and partake of the enlightened liberality and policy of our free institutions. Legislative distinctions between different places, equally favorably situated, partake too strongly of that spirit which accords greater personal privileges to one freeman than to another. These things are unworthy the age in which we live and the people we represent.

Your committee propose to alter the present laws, so far as to place all ports on an equal footing, and to allow goods to be carried to any port by land or otherwise, to be exported in original packages to any foreign port in American vessels of not less than thirty tons burden, with the full benefit of drawback of the duties.

The reasons for placing all ports on the same footing we have already given. We will now proceed to give those in favor of extending this privilege to goods carried from one part of the country to another.

The constitution has placed the guardianship of commerce in the hands of Congress. The execution of the trust thus confided should be regulated by the ends designed to be accomplished. If it is desired to limit the amount of commercial transactions, a multiplicity of useless forms and burdensome restrictions will aid in that result. If it is desired to make it the instrument of jealousies and disaffection towards our Government, and injury to the Union, giving unreasonable preferences to one port or one State over another, it will be sure to accomplish that purpose. If, on the contrary, the object sought is to increase our commerce, make it the medium of exchanging our surplus commodities for such of other countries as they produce cheaper than we can, to cultivate a nursery of seamen for our navy, and to strengthen and perpetuate the bands of our Union, then the true mode to produce these results is to destroy all needless forms and restrictions, open all suitable channels for its increase, and finally give all necessary protection for its preservation from foreign foes.

We now appropriate millions every year to build, equip, and man ships of war, to protect our commerce wherever enterprise may direct our merchant vessels. We send diplomatic agents abroad to attend to our interests, growing principally out of our commerce. We also survey our coasts, build light-houses, deepen the channels of rivers, and construct harbors and breakwaters—all to aid, protect, and preserve our commerce. We even pay a bounty to our fishing vessels, to increase the number of those whose maritime experience will qualify them to man our national armed ships. These things indicate, with unerring certainty, that it is the design to increase our commercial transactions. Hence, whatever tends to foster that interest should receive proper consideration in our legislative councils. Our protecting tariff clearly proves that our mechanical and agricultural operations were designed to be favored by our legislation. The remission of duties on certain articles connected with the construction and use of railroads, establishes the fact that such improvements are viewed with a liberal partiality by the Government.

It is provided by the act of the 30th of April, 1816, that a drawback shall be allowed of five cents per pound on all refined sugar, manufactured from imported sugar, which shall be exported from the United States. By the same law, a drawback of duties of six cents per gallon on spirits manufactured from molasses imported from a foreign country, is allowed, when exported to the dominions of a foreign state not adjoining the United States. This provision was for the advantage of both the commercial and manufacturing interests.

But what marks of special favor have been given to those who navigate our rivers and canals, and whose interests are connected with them? Are they not meritorious citizens, and entitled to all such aids in the increase of their business as can be created without endangering any other interest? It is presumed that this interest is not by design omitted in the efforts to aid the honest industry of our fellow-citizens. Indeed, a few years since, this interest had scarcely an existence. It has rapidly sprung up, while our laws remain adapted only to the former state of things. They should now be so changed as to afford to our internal navigation all the advantages consistent with the powers possessed by Congress, and a due appre-

ciation of the other great interests of the country. Let us place all on a par, so far as is constitutional and practicable.

Having established these premises, we proceed to consider the means of giving the aid to internal business which we think would prove salutary and advantageous. It cannot be unknown to any one, that on our northern and northwestern border lies a vast country, having a large and a rapidly increasing population, and principally settled in a fertile and productive region. The Canadas produce a large surplus of agricultural products, some manufactures, and large quantities of lumber, including masts, square oak and pine, boards, plank, and staves. A portion of the three latter articles may well be used in the British West Indies. Nearly all their agricultural products are needed in the colonial market. The present outlet of these productions is through the lakes, the river and gulf of the St. Lawrence, and such as are suitable for the West India market find their way there, and enjoy the privileges incident to their being British property. Our country usually supplies the deficiency. In return, the Canadas receive from thence all the products of the British Provinces, such as sugar, molasses, salt, rum, and coffee, which they need. They also receive, principally from England, in return for their masts, square timber, and other lumber, and pot and pearl ashes, and furs, all such articles of merchandise as are needed by their inhabitants. The amount, in quantity and value, of the various articles carried each way, is very great. The value must be many millions of dollars, and gives employment to a very large number of vessels.

It is also generally known that the passage out of the gulf and around the capes is at all times a hazardous one, and one which is open but a portion of the year. This causes transportation to be high. Lower Canada lies icebound some four months of the year, and communication by way of the gulf may be said to be closed for that period at least. Hence any channel of transportation that shall be opened, by which the people of that country can speedily and cheaply reach the place of destination, and that, too, at periods when all communication otherwise is cut off, will be certain to be used. Goods designed for Canada can reach that place many weeks earlier by being carried across our country, than if brought by the spring fleet through the gulf; and productions can be carried from thence to the West Indies or Europe at a much earlier as well as later period than by the gulf. Hence much property would cross the country, if permitted to do so. It may be further remarked, that it is now common, in consequence of the late period at which vessels arrive at Montreal in the spring, for wholesale merchants to purchase in the fall such goods as the country will call for in the spring before the arrival of vessels from England. This occasions an enhancement of prices by at least the interest, storage, and insurance. To avoid this, would be an additional inducement for them to bring their goods to our ports, and enter for the benefit of drawback, or purchase those already there entitled to that privilege, and carry them to the frontier, and export them from thence to Canada. Hence, but for the duties, our people would become the carriers both ways. This would increase the business on our navigable rivers, on our canals and railroads, and multiply our commercial operations, and also build up our commercial marine.

What objection can there be to this? We think none. But before this can be done, our navigation act, which does not accord to the lakes the

same privileges that it does to other places, must be altered. The lake ports must be put on an equal footing with the most favored of the Atlantic ports. The people there must be allowed to export not only from all districts to the adjacent kingdoms, but they must be permitted to carry goods by water, or partly by land and partly by water, to other ports, and export with the benefit of drawback. It is now permitted to ship from Boston and other places heretofore enumerated, partly by land and partly by water, to at least one other of those places, with the right to ship with the benefit of drawback. It will thus be seen that it is not sought to introduce new principles, but to extend and apply those which have long existed in practice and are sanctioned by law. There can be no more danger of frauds in shipping from Cleaveland, Chicago, or Oswego, to Canada, than from New Orleans to Mexico; and no more hazard in transporting goods from New Orleans up the Mississippi, across to Chicago or Maumee, or from Philadelphia and Baltimore to Cleaveland, or from New York to Buffalo, Rochester, Oswego, and Plattsburg, or from Portland to the lines, than there is in carrying from New York, Philadelphia, and such other places as is permitted by the present law. Any person who will examine the present laws on this subject, will perceive that the guards which are thrown around our interests render them perfectly secure.

With the diminution of our duties on foreign goods, the temptation to violate our revenue laws will diminish. We apprehend no danger to the revenue from the proposed change in our laws; no injury has been sustained where it has been tried. The prominent channels which would be opened by the proposed changes would be through the Mississippi, through the Chesapeake and Ohio canal, and on the Maryland and Pennsylvania railroads, through the New York canals, and over the New England railroads, to and from Canada. Many of the canals and railroads projected from the Atlantic to the Mississippi or Ohio, would also participate in these operations. It is believed, when the communications with the lakes are all completed, some of them will be open and unobstructed by ice nearly the whole year. Every ton carried over our railroads or on our canals, will increase their productiveness. And whether carried by road, canal, or river, all will add to the business of the country. Several interests will be much benefited by the proposed change, and none can suffer by it.

It may be asked, are such privileges common? We answer, yes. Without them, the interior Governments of Europe would be deprived of all commerce, and the accumulation of duties on their productions before they could reach the ocean, would render them so dear, that no one would purchase them. The effect would be the same upon goods going into those dominions. Cargoes and parts of cargoes often arrive in this country, which have passed several custom-houses before their arrival, without ever paying duties at all. An inspection of a map of the old world will satisfy any one that many countries which contribute us valuable articles could not do so if the privilege of transit through the dominions of other sovereignties were not in some form allowed. The form in which we propose it, presents it in its best possible shape. It is well known that we, ourselves, claim as a matter of right the free navigation of the St. Lawrence; but as there must be one or more unladings, we should be compelled to submit to some custom-house regulations, in order that the Canadian revenue might be protected against frauds. In what way should this be done? The way usually suggested is to give bonds to land the property out of the

British dominions, or pay duty if landed within them. This certainly is no more effectual in protecting the revenue against frauds than to enter for the benefit of drawback, and have the money returned, or bonds cancelled, on the production of the proper evidence of the goods being actually left in a foreign country.

The committee are of the opinion that no one acquainted with this subject can doubt its importance to the interests of very many of our citizens. None can be injured by the proposed modification of the present law ; it will give no protection to one interest that it withholds from another. It simply gives that preference to our own citizens which other Governments give theirs. Whoever attentively examines the navigation laws of England will find that she has never lost an opportunity to favor the interests of her citizens. She does all she can to increase their business, and multiply their advantages and profits. No one can object to our doing the same thing for our citizens, when not restricted by higher considerations. It accords with our interests and our honor. The committee have prepared and submit a bill, making such changes as they believe the interest and policy of the country require.



QUINCY W. DORRAN

January 8, 1852

Mr. Chairman, from the Committee on Consular, made the following

REPORT:

The Committee on Consular, to which was referred the petition of *James Quincy and William Githens*, report:

That, as to the statement of facts, the Committee agreed with the report of the Committee on Consular, made to the Senate at the first session of the twenty-fourth Congress, which is as follows, viz:

That the petitioners represented themselves as the owners of the brig *Sebastian*, of Barbours, State of Maine, which sailed for Europe in August, 1851, and from thence to Philadelphia, and thence to Boston, with a crew of sixteen men and a boy. At Boston, when she presented for the first time, she discharged her cargo, the collection of duty was declined, and she departed for the coast, as if she had been an American vessel. The petitioners claim that all vessels which are not licensed with a crew, less than of which are American citizens, shall be liable to pay a tonnage duty of fifty cents a ton. The object of this law is to give encouragement to American vessels, but it also operates to the injury of vessels which are not licensed with a crew.

It is the case there to be questioned that the vessel of the name of *Sebastian* was not an American vessel, and was, with the crew, lawfully licensed, therefore, do not claim of her the duty which was paid, was lawfully demanded, they, however, set up what they consider to be an equitable claim in favor of the vessel. It is their representation, that the boy was captured by Smith, of a certain vessel, whereas he was born in Ireland, and was captured by Smith at the age of three or four years. They allege that he had no foreign master, or was living in his possession which, indicated his foreign nature. It is asserted that they considered, as they say, not doubting that he was an American. This also state that he has suddenly appeared, at the present time, the vessel was shown to sail, to take the place of another vessel, and that it had no master.

From the above facts it appears to be very certain that the petitioners had incurred the forfeiture which was exacted of her by the collector, or owner, in such cases, no discretionary power have been given by law. The collector, therefore, was right in making the demand, and insisting that the vessel should retain this penalty. The committee think not. Although the vessel of *Sebastian* could which the penalty was incurred "has been deemed very small, and the

