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63D CONGRESS, 3d Session. | SENATE. | REPORT No. 1023.

REPEAL OF PENALTIES ON FOREIGN-BUILT VESSELS OWNED BY AMERICANS.

FEBRUARY 19 (calendar day, FEBRUARY 23), 1915.—Ordered to be printed.

Mr. WILLIAMS, from the Committee on Finance, submitted the following

REPORT.

[To accompany H. R. 18685.]

The Committee on Finance, to whom was referred the bill (H. R. 18685) to repeal penalties on foreign-built vessels owned by Americans, having considered the same, report thereon with a recommendation that it do pass with the following amendment:

On page 2, line 11, after the word "remitted," strike out the period, insert a semicolon, and insert the following:

Provided, however, That the provisions of this bill shall apply only in case that any vessel of the character above described after entering an American port shall, before leaving the same, be registered as a vessel of the United States.

The report of the House Committee on the Merchant Marine and Fisheries is appended hereto and made a part hereof.

The Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 18685) to repeal the penalties on foreign-built vessels owned by Americans, having considered the same, report it to the House with the recommendation that the bill do pass.

The purpose of the bill is to repeal so much of sections 4219 and 4225 of the Revised Statutes as imposes tonnage duties of 50 cents per ton and light money of 50 cents per ton on vessels owned by citizens of the United States, but not vessels of the United States; and so much of section 4J, subsection 1, of the act of October 3, 1913, entitled "An act to reduce tariff duties, and to provide revenue for the United States, and for other purposes," as imposes a discriminating duty of 10 per cent ad valorem on all goods, wares, or merchandise imported in vessels owned by citizens of the United States, but not vessels of the United States; and so much of section 4J, subsection 2, of the act aforesaid as provides for the forfeiture of any vessel owned by citizens of the United States, but not vessels of the United States, together with her cargo, tackle, apparel, and furniture. The bill also provides that any such tonnage duties, light money, or discriminating duties, collected since the passage of the act of August 18, 1914, shall be refunded and forfeitures incurred shall be remitted.

The necessity and the reason for this act will be found in the letter of Acting Secretary of Commerce E. F. Sweet to Chairman Alexander and the statement of Mr. Chamberlain, Commissioner of Navigation, made before the committee. Both this letter and statement will be found in the printed hearings on this bill.

The ship-registry act of August 18, 1914, removes the distinction between vessels built at home and those built abroad owned by American citizens, so far as the prosecution of foreign trade is concerned. The purposes for which penalties were imposed on foreign-built vessels owned by Americans, not having been attained, the laws imposing these penalties should be repealed. One of the purposes of the registry law of December 31, 1792, was to promote the building of merchant vessels in the United States. To this end heavy penalties were imposed on foreign-built vessels, owned by American citizens, whenever they came within the jurisdiction of the United States. In addition the cargoes of these vessels were discriminated against.

To be a vessel of the United States, up to the passage of the Panama act, and the amendment of August 18, 1914, four qualifications were generally necessary: First, that the vessel be built in the United States. Second, that it belong to American citizens. Third, that the master and other officers be American citizens. Fourth, that the vessel be over 15 tons. To these requirements there were occasional exceptions.

The total penalties on foreign-built vessels owned by Americans and entering a port of the United States, whether in ballast or in cargo, was $1 a net ton, the items in this aggregate being a tonnage tax of 50 cents per ton and a duty of 50 cents per ton, denominated light money. The reasons for the penalties no longer exist. No vessels subject to them have entered American ports since August 18, so far as known, but such vessels will return to the United States for registry, and the penalty provision of the laws should be repealed. Since the passage of the ship registry act of August, 1914, ships that would be entitled to register under this statute can not secure a full register abroad. Such a register will not be afforded until the vessel comes to the United States.

For instance, if an American purchased a vessel abroad, say, at Valparaiso, the consul would give it a certificate, not a register. On its return to this country this vessel could secure a full register, but before reaching the proper official it would be necessary to enter some American port, thereby incurring the penalties which have been mentioned. Of course, it is within the power of the Secretary of Commerce to remit these penalties, but why subject the vessel owners to the annoyance of suffering penalties, with the consequent application to the Secretary of Commerce for relief, when the public policy which imposed these penalties in the first instance has resulted in entire failure? Ratione cessante, cessat ipsa lex. It is no longer intended to impose these penalties. Hence, the laws imposing them cumber the statute books.

Your committee is fully of the opinion that the interests of commerce justify the prompt passage of H. R. 18685.

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