64TH CONGRESS, 1st Session. | SENATE. | REPORT No. 220.

REFUND OF DUTIES.

MARCH 9, 1916.—Ordered to be printed.

Mr. LA FOLLETTE, from the Committee on Finance, submitted the following

REPORT.

[To accompany S. 4398.]

The Committee on Finance, having had under consideration the bill (S. 4398) for the refund of excess duties on steel blooms, report the same with the recommendation that it do pass.

It appears from the records of the Treasury Department that large quantities of steel blooms were imported into the United States by numerous manufacturers of steel from 1879 to 1882, inclusive.

Steel blooms were not named or classified in the tariff laws, and therefore the question presented to the department was whether they were dutiable at 45 per cent ad valorem as manufactured or partially manufactured articles of steel; or at 30 per cent ad valorem as steel in form not otherwise provided for; or at 2¼ cents a pound—equivalent to about 180 per cent ad valorem—as steel in ingots. (Rev. Stats., p. 465, 466.)

The importers contended before the department that steel blooms were not manufactured or partially manufactured articles of steel or steel in ingots, and that the lawful rate of duty was only 30 per cent ad valorem; but the department held otherwise and arbitrarily fixed the duty at 45 per cent ad valorem, and informed numerous importers that it had authority to increase the rate to 2¼ cents per pound by classifying the blooms as ingots of steel.

The attitude of the department intimidated many of the importers and deterred them from protesting against the 45 per cent rate; but the firm of Downing & Co. did protest against and appealed from the action of the department, and in their case against the collector of customs at the port of New York the United States Circuit Court for the Southern District of New York held the lawful rate of duty to be only 30 per cent ad valorem. The Treasury Department accepted that decision as final and adopted it as its rule.

Thereafter many importers persistently sought relief through Congress for the excess of duties paid, and on January 9, 1903, jurisdiction was conferred upon the Court of Claims to hear and determine their claims for relief, notwithstanding the bar of any statute of limitations. (Stat. L., pt. 1, p. 764.) In adjudicating these claims the Court of Claims followed the decision of the circuit court in the Downing case and rendered judgment in favor of the importers, whose claims have since been paid.

On February 24, 1905, Congress referred the like claims of Bates and Despard and the Illinois Steel Co. to the Court of Claims for judgment (33 Stats., pt. 1, p. 809), and the same were subsequently paid.

The only remaining claimants are named in the pending bill. They did not know until the acts of January 9, 1903, and February 24, 1905, became law that such legislation was pending, and consequently they were not named in either act; but they have continued to ask Congress for like relief ever since, and finally, in 1912 and 1914, their claims were referred by resolutions of the Senate to the Court of Claims for findings of fact; and the findings and conclusions of the court are the same in effect as under the acts of January 9, 1903, and February 24, 1905.

The conclusion of the court in each case is as follows:

> Upon the foregoing findings of fact the court concludes that the claim is not a legal one. It is equitable in the sense that the United States exacted of claimant sums in excess of the legal rate of duty under the tariff law, aggregating [here follows the amount in each case, being the sums named in the pending bill].

It is to be noted that the title to the money involved in these claims has never passed from the claimants, but they are without remedy to recover it.

These claims passed the Senate March 3, 1915, and they aggregate $142,552.18, as found by the Court of Claims.

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