

# Calendar No. 679.

64TH CONGRESS, }  
*1st Session.* }

SENATE.

} REPORT  
No. 739.

## ILLINOIS CENTRAL RAILROAD CO.

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JULY 25, 1916.—Ordered to be printed.

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

### REPORT.

[To accompany H. R. 10546.]

The Committee on Finance, to which was referred the bill (H. R. 10546) for the relief of the Illinois Central Railroad Co., and for other purposes, having considered the same, report thereon with the recommendation that it do pass.

The bill proposes to refund a fine of \$100 imposed upon the above company for failure, in accordance with its contract, to clear a shipment of household goods originating in Habana, Cuba, destined Edmonton, Alberta, Canada, through the United States customs at Portal, N. Dak.

It was subsequently shown that the shipment was duly cleared through the United States and that no customs duties were collected.

The carrier (railroad company) failed to make application for refund at the time, and now has no other way by which to be reimbursed except by an act of Congress.

The House committee recommends its passage, as will be shown by the following report:

[House Report No. 481, Sixty-fourth Congress, first session.]

The Committee on Claims, to whom was referred the bill (H. R. 10546) for the relief of the Illinois Central Railroad Co., and for other purposes, having considered the same, report thereon with a recommendation that it do pass for the reasons set forth in the letter from Hon. B. R. Newton, Acting Secretary of the Treasury, to Hon. Edward W. Pou, chairman of the committee, under date of March 6, 1916, which letter is hereto attached and made a part of this report.

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TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, March 6, 1916.

Hon. EDWARD W. POU,  
*Chairman Committee on Claims, House of Representatives.*

SIR: I have the honor to acknowledge receipt of your request of the 15th ultimo for an expression of my opinion relative to the merits of H. R. 10546, for the relief of the Illinois Central Railroad Co.

In this case a certain shipment of household effects was delivered to the Illinois Central Railroad Co. at New Orleans for transportation to Portal, N. Dak., from which port it was to be exported. This shipment, which was forwarded under transportation and exportation entry, was delivered to the carrier under its bond, which provides that if delivery is not made to the customs officers at the port named, it will pay to the Government, as liquidated damages, an amount equal to the duty which, under the law, would have accrued on such merchandise.

From the record in this case it appears that the seven packages of household goods comprising the shipment were delivered to the carrier at New Orleans on August 1, 1912; that the customs officers at Portal, N. Dak., the port of exit named in the papers, reported on February 11, 1914, that the carrier had failed to deliver the shipment at that port; that the department, therefore, called upon the carrier under the terms of its bond to pay liquidated damages in the sum of \$100; that this amount was paid on May 27, 1914, 60 days after the demand, and that it was duly covered into the Treasury of the United States.

It was subsequently shown that the shipment had been exported at the port of Noyes, Minn., and, although not exported at the port of export named, and in disregard of the conditions of the bond, the department would, nevertheless, have withdrawn the demand had the evidence of exportation been submitted before such damages had been paid, or have refunded the amount collected if it had not been covered into the Treasury. Having been covered into the Treasury, there is no provision of law under which it could be withdrawn.

However, in view of the long interval which elapsed from the time that this shipment was delivered to the carrier and the demand for the payment of the liquidated damages, and also the lapse of 60 days between the demand and the date of payment, I can not say that the claim contains any great merit.

Very truly, yours,

B. R. NEWTON, *Acting Secretary.*

