SIR:

A general impression appears to prevail in all the commercial cities, that frauds upon the revenue are committed to a considerable extent, by invoicing merchandize paying an ad valorem duty, which costs less than twenty-five cents the yard, with those which exceed that price, so as to produce an average value above twenty-five cents the yard, and thereby introduce coarse and cheap fabrics without paying the duty contemplated by the tariff. According to the same impression, frauds of a more glaring nature are frequently committed upon the revenue, especially in importations upon consignment, by the introduction of articles not described in the invoices, which, from the imperfect manner in which the inspection of the packages are made, escape with impunity. It is possible that this impression may not be correct to the extent that it has been made, but it is believed that a due regard to public opinion upon this subject, requires that a more rigid inspection than has heretofore been made should now be attempted, with a view to detect the frauds which are supposed to be practised. It is therefore proposed, 1st, that a certain proportion of the packages which contain goods subject to ad valorem duties, shall be selected from each invoice by the collector, which shall be strictly inspected, with a view to detect the frauds which may be attempted by putting in the same invoice goods of greater and less price than twenty-five cents a yard.

2d. That a certain proportion of packages paying specific duties be designated in like manner by the collector, which shall be thoroughly examined, for the purpose of detecting any attempt which may be made to smuggle articles not described in the invoice.

3d. That the proportion of packages to be designated by the collector, on importations upon consignment, be double the number when the person who enters them is the owner and importer.

4th. That in all cases of consignment the packages designated shall be lodged in the public warehouses until the inspection be made.

5th. That every importation shall be deemed to be upon consignment, unless the person who makes the entry shall expressly negative the fact in his oath of entry.

In order that the inspection directed for detecting frauds of the first kind may be skilfully executed, the inspector whose habits and information qualify him for the discharge of that duty, and in whose judgment and fidelity you have most implicit confidence, should be exclusively employed for that purpose.

As it is an object of importance that the revenue system should be rendered as perfect as possible, and that every attempt to evade the provisions of the existing laws should be known, you are requested to communicate to this department every circumstance of that nature, accompanied by suggestions of the provisions necessary to repress the evil.

I am, very respectfully, Sir,

Your obedient servant,
The Secretary of the Treasury was authorized to report to the Congress a commission to examine the state of the public finances, to report on the amount and character of the existing public debt, and to recommend the measures best calculated to prevent the recurrence of similar abuses. The commission was to have the power to take such testimony as was necessary to enable it to perform its duties. The report was to be made to the Congress at the earliest meeting after the close of the fiscal year. The commission was to consist of three members, appointed by the President, with the advice and consent of the Senate. The members were to receive such compensation as the Congress should provide. The report was to be printed and distributed among the members of Congress.

[signature]

W. H. Crawford

GEORGIA HISTORICAL SOCIETY
Collection William Harris Crawford
No. 136 Item No. 1