

IN SENATE OF THE UNITED STATES.

DECEMBER 19, 1831.

Read, and ordered to be printed.

Mr. Smith made the following

REPORT:

The Committee on Finance, to which were referred the memorials of the importers and dealers in teas, of New York, Philadelphia, Baltimore, and Pittsburg, report:

That the memorialists pray, that, in case Congress shall contemplate any reduction in the duties on teas, that such reduction may be made to take effect from and after the 31st December of the present year; being the same time at which the act of the 20th May, 1830, entitled "An act to reduce the duties on coffee, tea, and cocoa," will take effect on teas: their object being, that, whatever reduction in the duties on teas may be made, that it may operate simultaneously with the said act of May, 1830.

The committee deemed it proper to consult the Secretary of the Treasury on the subject, and particularly as to the effect an immediate reduction of the duties would have on the finances of the nation. His answer, they ask permission to submit, as part of their report.

The committee are fully aware of the inconvenience which must arise to commercial men, by frequent changes in the duties. They are constrained, however, to report, that it is inexpedient to act on the subject of the memorials at this time.

TREASURY DEPARTMENT,
December 15th, 1831.

SIR: I had the honor to receive yesterday, your letter of the 14th instant, accompanied by a memorial of sundry merchants of New York, praying that any further contemplated reduction in the duties on tea, may take effect on the 1st of January, 1832.

In answer to your request that I would state the effect upon the revenue, of a reduction of the duties on teas, to certain rates which have been proposed by persons engaged in the tea trade, to go into operation at the time above mentioned, I beg leave to state generally, that such a reduction could not be made without materially disturbing the estimates presented in the late annual report from this department on the state of the finances, nor consistently with the views entertained as to the entire payment of the debt on or before the 3d of March, 1833.

Without more precise information than the department possesses of the quantity of tea in store, it is difficult to furnish the details you request. The quantity, however, may be supposed to be greater than it otherwise would be, in consequence of the mutual desire, both of the importer and the retail dealer, to preserve as much as possible of the importation for the benefit of the reduced duties which are to take effect on the 1st of January next.

It will appear from the statement herewith transmitted, that the proposed

reduction would be attended with a probable diminution in the revenue, varying from half a million downwards, according to the quantity of tea which may be found actually in store on the first of January.

It is believed, moreover, that the principal benefits of the proposed reduction would be conferred on the importer rather than the consumer. If, as is understood to be the fact, there is a small quantity of tea in the hands of the retail dealers, it might not follow that the prices either of that now in bond, or of that ordered for importation, would fall in proportion to the reduction; whereas the importer can suffer neither loss nor inconvenience from the operation of a law with a view to which his business has been regulated for more than a year past.

The department is not satisfied—though upon this point, I do not wish to be considered as expressing a positive opinion—that it will be expedient at any time to reduce the duties on teas, materially lower than the rates of January next. These duties will not be sufficiently high to effect, in any sensible degree, the consumption of the article; and though diminished upon an importation equal to that of 1830, from \$2,049,342 02 to \$898,974 46, as will be seen in the accompanying statement, yet they will always be a safe source of revenue. In a general revision of the tariff, Congress will find a great convenience in drawing the revenue from as few articles as may be consistent with the interests of the community, instead of being subjected to the necessity of spreading it over numerous commodities; and there are cogent reasons why any further reduction on teas should await such general revision of the existing duties as the state of the finances and public expenditure may call for. The memorial is herewith returned.

Any further reduction which it may then be found expedient to make, may be readily adapted both in amount and in time, to the interests and convenience of the importers.

I have the honor to be, with great respect,

Your obedient servant,

The Hon. S. SMITH,

LOUIS M'LANE, *Sec. of Treas.*

Chairman of the Committee of Finance, Senate.

A STATEMENT exhibiting the quantity of Tea imported during the year 1830, after deducting that which was exported entitled to drawback, and the Duties thereon, calculated at the present rates, at the rates payable after the 1st January, 1832, and at the rates proposed by certain importers.

	Quantity in 1830.	Present duty.	New duty when imported in American vessels after 1 Jan. 1832.	Duty proposed by certain importers.
Bohea	148,925	12 cts. 17,871 00	4 cts. 5,957 00	2 cts. 2,978 50
Souchong	1,607,222	25 cts. 401,805 50	10 cts. 160,722 20	3 cts. 48,216 66
Hyson skin	1,314,229	28 cts. 367,984 12	12 cts. 157,707 48	4 cts. 52,569 16
Hyson and y ^{ng} hyson	2,812,646	40 cts. 1,125,058 40	18 cts. 506,276 28	6 cts. 168,758 76
Imperial	273,246	50 cts. 136,623 00	25 cts. 68,311 50	10 cts. 27,324 60
	\$6156,268	\$2,049,342 02	\$898,974 46	\$299,847 68