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## COLLECTION OF IMPORT DUTIES ON GOODS ENTERING THE VIRGIN ISLANDS

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MAY 9 (calendar day, MAY 25), 1932.--Ordered to be printed

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

### REPORT

[To accompany S. 4367]

The Committee on Finance, to whom was referred the bill (S. 4367) to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail, having considered the same, report thereon with the recommendation that it do pass.

Following is a letter received from the Governor of the Virgin Islands, together with a statement entitled "Justification for legislation enabling the collection of import duties on foreign-made goods entering the Virgin Islands through parcel post mail," and also a letter from the Postmaster General in regard to the above bill:

ST. THOMAS, April 19, 1932.

COMMITTEE ON FINANCE,  
*United States Senate.*

GENTLEMEN: With reference to S. 4367, a bill to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail, I am pleased to submit for your consideration the inclosed copy of justification for such legislation; also copy of letter, dated April 2, 1932, which I have received from the Postmaster General in which he states that there is no objection to the proposed legislation in so far as the Postal Service is concerned.

I wish to state that the language of this bill, S. 4367, is basically the same as that contained in section 3 of the act of Congress approved March 4, 1927, amending the organic act of Puerto Rico.

Sincerely yours,

PAUL M. PEARSON,  
*Governor of the Virgin Islands.*

**JUSTIFICATION FOR LEGISLATION ENABLING THE COLLECTION OF IMPORT DUTIES ON FOREIGN MADE GOODS ENTERING THE VIRGIN ISLANDS THROUGH PARCEL POST MAIL**

The act of Congress of March 3, 1917, entitled "An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the 4th day of August, 1916, and ratified by the Senate of the United States on the 7th day of September, 1916, and for other purposes," provides in section 4 as follows:

"That until Congress shall otherwise provide all laws now imposing taxes in the said West Indian Islands, including the customs laws and regulations, shall, in so far as compatible with the changed sovereignty and not otherwise herein provided, continue in force and effect, except that articles the growth, product, or manufacture of the United States shall be admitted there free of duty."

This section clearly does not exempt goods introduced into the Virgin Islands from the United States which are not the growth, product, or manufacture of the United States. You are informed that a very considerable business is carried on in the Virgin Islands by the large mail-order concerns in goods which are not the growth, product, or manufacture of the United States. At the present time, due to the fact that no provision has been made to permit the local customs officers to inspect parcels introduced into the Virgin Islands by mail if the country of immediate origin is not a foreign country, many dutiable articles are introduced into the Virgin Islands without paying the duty imposed by law. Further, there is a local law in effect in the municipality of St. Croix, Virgin Islands, which is intended to prohibit the importation and ownership of firearms except where license has been given by the government. This law is evaded by the importation of firearms through parcel-post mail.

OFFICE OF THE POSTMASTER GENERAL,  
Washington, D. C., April 2, 1932.

Hon. PAUL M. PEARSON,

*Governor of the Virgin Islands, Interior Building, Washington, D. C.*

MY DEAR MR. PEARSON: Receipt is acknowledged of your communication of March 25, 1932, transmitting a copy of proposed legislation conferring on the Colonial Council of St. Croix and the Colonial Council of St. Thomas and St. John, of the Virgin Islands of the United States, the authority to levy internal revenue taxes.

The proposed legislation is like that of a provision of law embodied in the act of March 4, 1927, with respect to Puerto Rico, and contains a provision for the cooperation of the Postal Service in the examination of parcel-post matter for the purpose of assisting in the collection of such taxes.

There is no objection to the proposed legislation in so far as the Postal Service is concerned.

Very truly yours,

WALTER F. BROWN.

