

to get fraudulent registration from these men, by these American owners. Will the hon. Minister of Customs, or the hon. Minister of Marine stand up and say that the profits from that boat did not go to the American owners? Will they say that the Canadian in whose name that boat is registered, has anything more than a pittance of interest in it? The boat is still an American boat, owned by Americans, and they get the advantage of it. That statement has been made by the counsel acting for the other line, and when the inspector, Mr. McMichael went there, he never investigated that matter at all. He might very well have been expected to inquire into these things; but in a report which he makes to the Minister of Customs, there is not a single word as to the national question at all. He never inquired into it; and so we had the statement made by Belcourt & McDougal that this is a fraudulent and colourable transaction.

The MINISTER OF MARINE AND FISHERIES. They do not say that.

Mr. MONTAGUE. You will see in their letter the statement that it is a colourable transaction, and they ask to have it investigated: and there are other people who wish to have it investigated. The English Board of Trade has been written to; and Mr. Chamberlain, the Secretary of State for the Colonies, thinks it important enough to communicate to the Governor General, and in order that it may be attended to immediately, he sends a copy of his letter to the Department of Marine and Fisheries and asks that a report be made on the matter. What report does he get? The letter of Mr. Hardie, acting Deputy Minister of Marine and Fisheries, in which he says that there is no evidence, when they did not look for evidence—that there are no facts which have been brought out, while the statement has been made that if they will inquire they will find the facts. But the very kind suggestion is made that Mr. Maitland Kersey, the manager of one of the lines, will be permitted to take the matter up if he will. I am told by my hon. friend, who knows the law, that it is impossible for Mr. Kersey or any other private citizen to take up the matter, that the duty and the power remains in the hands of the government, and that only the government can act in such a matter, according to the Shipping Act of Great Britain, which applies here. That is a legal question, into the discussion of which I shall not enter. But there can be no question that the boat was undervalued. The inspector, when he makes his report, fails to give the evidence on which he comes to the conclusion that it is worth only \$25,000. What object would the hon. member for New Westminster (Mr. Morrison) have in coming into this House and saying that the boat was worth \$50,000 or \$60,000 if that were not the case? He

knows something about shipping. He is not—if I may be permitted to use the word, which I use quite respectfully—fool enough to come into this House and say that a boat is worth \$60,000 if it is worth only \$25,000 or \$10,000. There can be no doubt about the undervaluation, there can be no doubt about the fraud, and, to my mind, there can be no doubt about the fact that Mr. Wade was mixed in it for the purpose of receiving the large fee, and he received that fee while in the pay of the Canadian government as their officer in the Yukon. I want to call the attention of the government to the impudence—and I say it without any stint—of Mr. Wade in his letter of August 16, 1899, which has been read in this House, about paying money under protest and acting for the owners of the *John C. Barr*. What does he say:

This money is paid to you under protest on the following grounds: 1. The steamer 'John C. Barr' was appraised by appraisers duly appointed by you in your capacity of collector of customs prior to the entry thereof in this port. 2. The appraisers appointed by you duly appraised the said steamer prior to the collection of duty thereon, which appraisement was duly ratified and accepted by you as collector of customs for said port.

The MINISTER OF CUSTOMS. It had no legal value.

Mr. MONTAGUE. Mr. Wade the Crown prosecutor, and the government's legal adviser up there, seems to think it has. I put the opinion of Mr. Wade against that of the Minister of Customs.

The MINISTER OF CUSTOMS. Which would you take?

Mr. MONTAGUE. I will take the opinion of Mr. Wade, because I think these men were undoubtedly appointed by Mr. Davis for the purpose of acting as valuers, and because the Minister of Customs seems to show that he does not know where there has been an infraction of the law. Therefore, I do not take his opinion as worth anything on a legal question.

The MINISTER OF CUSTOMS. There was an infraction of the law, and the penalty imposed.

Mr. MONTAGUE. And yet the hon. gentleman says there was no collusion and no fraud. If there was not, why should there be any penalty?

The MINISTER OF CUSTOMS. Because section 8 of the Customs Act provides that if there is undervaluation exceeding 15 per cent, whether there be fraud or not, double duty becomes payable.

Mr. MONTAGUE. Will the minister tell me now whether he thinks there was fraud?

The MINISTER OF CUSTOMS. I think there was undervaluation, and it was punished under section 8 by the chief in-