

all had the advantage of legal training and might be able to offer some valuable advice on how we should proceed in this matter.

The CHAIRMAN: Thank you for your suggestion, Mr. Thomas. I think it would be in order that these three gentlemen—Mr. Baldwin, Mr. Flemming and Mr. Bigg—make a complete study of this and be prepared to cross-question the witnesses when we have them before the Committee. We will detail those three to have this well in hand. Before we leave it, I think Mr. McLean has a question, then Mr. Noble and then Mr. Muir.

Mr. McLEAN (*Charlotte*): It seems to me it all revolves around responsibility. Was it the collector's responsibility to enter the vessel and take it on his own responsibility?

Mr. HENDERSON: The responsibility was assumed, from the outset, by the headquarters of the Department of National Revenue, with the collector being instructed to issue the permit. The collector issued the permit only to find that as a result of having carried out instructions, he subjected himself to the penalty provided by section 235(1) of the act and exposed himself to a penalty of \$50,391.

Mr. McLEAN (*Charlotte*): Then the responsibility lies with the department, not with the collector?

Mr. HENDERSON: Yes. I would not think there was any question of that at all.

Mr. NOBLE: The collector exposed himself to a penalty for what head office did.

Mr. HENDERSON: Yes; for what head office did.

Mr. NOBLE: Mr. Chairman, would it be fair for the Committee to ask who the owner of the ship is?

Mr. HENDERSON: I cannot see any objections to that. Mr. Long will have it in the file here. Mr. H. W. C. Gillett.

Mr. FORBES: How big a boat is this and what form of trade was it carrying on, passenger, freight, express?

Mr. HENDERSON: I do not believe we have the precise specifications, Mr. Forbes. It was a small boat destined for the coastal trade up and down the outports of Newfoundland and involving, I assume, passengers and gear of various descriptions.

Mr. FORBES: Then it is not a fishing vessel?

Mr. HENDERSON: No, sir. It is described as a coastal trading vessel.

Mr. FORBES: I did not understand that.

Mr. MUIR (*Lisgar*): I would just like to ask the Auditor General if we can assume that the duty has now been paid?

Mr. HENDERSON: Yes, I believe the post-dated cheques have all been cashed and paid by the state.

Mr. MUIR (*Lisgar*): The other question is, the collector, having been instructed to allow this discrepancy to happen, had he refused, would he have jeopardized his job?