

any document I never read. Mr. Kersey cannot take any proceedings; he has not the right to take any step. This is the official letter which was not only sent to Belcourt & McDougal, but practically the answer that was sent to the board of trade by the Department of Marine and Fisheries:

If Mr. Maitland Kersey can obtain evidence which he considers would justify him in taking proceedings, I am not aware that there is any legal objection to his doing so.

Here, they are given the strongest *prima facie* evidences of fraud in that connection that can be produced. It is shown by the firm and the record supports the statement, that the president of the company transfers to some British subject in Dawson, a miner, the title on the registry that the appraisal is allowed by the collector to be made by this man who is the party interested and his captain, and that after the transfer is made that vessel flies the flag of the company of which Mr. Weare, a foreigner, is president. The letter of Belcourt & McDougal, at least should have been investigated. Their circumstantial statements are of the most important character. Mr. Kersey had done all that he could; he had retained these solicitors and asked them to report the facts to the proper department. They report these facts to the Department of Marine and Fisheries, they are turned down in the end with not a particle of investigation and with the statement that if he:

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There is no court in Christendom where he could take proceedings; there is no court under the sun where Mr. Kersey could enter and produce his evidence. The place for him to submit his case was the Department of Marine and Fisheries, and he did submit it to the Department of Marine and Fisheries. As my hon. friend (Mr. Montague) says, the statements made by these people on the customs side had been shown to have foundation, it had been shown that there had been gross violation and fraud perpetrated on the Customs Department, and with these facts before the department and after the right hon. Prime Minister had pledged himself to probe these matters to the bottom that there should not be any suspicion on the shoulders of these men, we find how they treated the matter. Mr. McMichael, on the 28th of September reports, and what does he say? The case was so bad that it was impossible for him to attempt to whitewash this matter and to report that the vessel had not been undervalued. But, Mr. McMichael's report is remarkable in this respect that it does not give any sufficient reason; it does not even state the manner of the examination which he made or the manner in which he managed to content his conscience after raising

the valuation from \$10,000 to \$25,000. That vessel was, according to reliable information, which can be corroborated by the hon. member for New Westminster (Mr. Morrison) who was up there and saw it, worth \$60,000 at Dawson City. But, Mr. McMichael has been able to report that the vessel is worth, at any rate, \$25,000. He does not pretend that he went into a thorough examination in order to see whether there was any foundation for the statements that had been made and pressed in this House. Shipping men will understand something as to what that vessel was worth, leaving aside that under the Customs Act the value is to be considered not what she actually cost to build at a port where ships can be built cheaply, but the law requires that the value shall be the value in the market where she is being entered and not in the market at the time where she was built. Take from Mr. McMichael the different items in regard to this vessel:

The steamer 'John C. Barr,' a stern wheel river steamer, 144 feet 6 inches long, 28 feet 2 inches beam, and 4 feet 8 inches depth in hold, of 546.89 gross tonnage and 315.70 registered tonnage, was entered at customs at the port of Dawson, per entry No. 270, October 6, 1898, by John Steinhoff, as owner, at an appraised valuation made by Ely E. Weare, president of the North American Transportation and Trading Company, J. M. Gilhan, master of the steamer 'John C. Barr,' and J. E. Nansan, licensed master, of \$10,000, subscribed as follows, namely: hull, \$7,000; machinery and fixtures, \$3,000, and the duty to the amount of \$1,450, was paid on such valuation as per copy of entry inclosed.

It appearing to me, in connection with this entry, that the steamer had been erroneously appraised, and allowed entry at an erroneous valuation by the collector of customs at Dawson, I examined the steamer and made careful inquiry and investigation respecting her. I learned that the hull of the steamer was rebuilt in Unalaska, Alaska, in 1898, that her engines were built by J. Reiss & Son, of Pittsburg, Pa., in 1894, and her boilers by Moran Bros., of Seattle, Wash., in 1897; that she was entered at customs at the port of Dawson as above stated for the purpose of obtaining Canadian register; and that she was registered at the port of Dawson as a British vessel on June 2, 1899, in the name of John Steinhoff, a British subject, as owner.

This was an investigation, the details of which he does not report, but which we were entitled to in every sense, in view of the attention that had been given to this question in this parliament. At all events, he reports that after investigation of the hull and appurtenances, and the boilers, machinery and engines, he placed the valuation at \$25,000. Thus, he lets these favoured people off with this valuation of a vessel which is really worth \$60,000 by charging the regular duty on a \$25,000 vessel, and doubling that, and imposing a small fine. There was no suggestion of punishment for false declaration, or for the fraudulent statements that were made in regard to either the flag or the undervaluation. Then, we have a part of the secret of this extra-