

not mentioned in the invoice of that package, such goods shall be absolutely forfeited; but the Minister of Customs may, if he sees ground to do so, release the goods from forfeiture upon the payment of the duties and of such a penalty as he may see fit to impose.

This is also done when seizures are released upon the importer showing some extenuating circumstances in the case, that induce the Department to mitigate the severity of the law, by releasing the seizure upon condition that, besides the payment of duties, the offender do pay a stated fine, the amount of which is governed by the facts of the case, and is left to the discretion of the Minister of Customs. The fines in these several cases are uniformly paid, through the Collector, by order of the Department, to the officers through whose diligence enclosures referred to were discovered or the seizure made. As we stated in our previous report, no account of such fines appears in the public accounts. This ought to be amended and all fines and seizures ought to be paid to the Receiver General, and the forfeitures paid to any Customs Officer should be paid by warrant.

Appraising Department.

Under an *ad valorem* Tariff, the examination and appraisal of goods is a branch of the Customs demanding primary consideration. At the large Ports, and especially at Montreal, where nearly one-half of the whole Customs Revenue of the Dominion is collected, the organization of that Department has received particular attention, and there is reason to believe that the scrutiny of goods on importation has been conducted with most satisfactory diligence at those ports generally. All the ports are supplied with the New York Prices Current, and the ports of Quebec and Montreal, as being in direct communication with Europe, with the prices current at Marseilles, Bordeaux and Hamburg. These should also be furnished to Halifax and St. John.

At the minor ports, the law has assigned to the Collectors the duties of appraisers, and it is considered that the amount of the importations at those ports respectively, would not warrant the expense which the appointment of appraisers would entail. The eight ports (Hamilton, Toronto, London, Kingston, Montreal, Quebec, Halifax, and St. John,) at which appraisers are appointed, collect an aggregate of \$8,133,924 out of \$8,817,646 or about 93 $\frac{1}{2}$ per cent. of the whole Customs Revenue of the Dominion, leaving about \$684,000 to be collected at the remaining 172 ports.

It is to be observed that at the three Ports of Montreal, Quebec and Toronto there are certain charges made at the Examining Warehouses, from which part of the cost of the establishment is defrayed. At Montreal in 1867-8 the receipts were \$11,057.83 and the expenses \$14,763, of which the balance of \$3,705.43 only appears in the public accounts. At Toronto the total receipts were \$2,864.95, and the expenses \$2,315.92, and \$400 was paid in to the Receiver General, which is all that appears in the public accounts. At Quebec the receipts also exceeded the expenses in 1866-67 by \$393.22 which was deposited, but no account has been rendered. In all such cases the whole of the receipts should be paid in to the Receiver General, and all the expenses should be paid in the usual way.

It appears, when goods are examined in the Examining Warehouse, and the invoices are sent there to be compared with the goods, that the invoices remain on file in the Examining Warehouse. The quantities and prices are there checked, but in the hurry of passing entries the invoices cannot be sufficiently examined then, and frauds have arisen from this cause. We think that the invoices ought always to be sent back to the Custom House to be checked there with the entries.

Warehouses.

The Regulations under which the existing Customs Warehouses were established, were sanctioned by an Order in Council of the late Province of Canada, 30th March, 1850, under the authority of the 10th and 11th Vict., cap. 31.

These Regulations made the Landing Surveyor and Warehouse Keeper the judge of the sufficiency of the security and fitness of the Warehouse offered for the purpose intended, and the Collector prescribed certain formalities to be complied with by the proprietor or occupant, and the Warehouse was established without reference to the Department. Under the Act referred to, 21 ports were specially named as Warehousing Ports, but many others were subsequently added to the list, by Order in Council.