

Harbour-master, who informed him his vessel could remain in port for twenty-four hours without entering, and that he had no intention of violating the Customs Regulations, this statement was reported to the Minister of Customs at Ottawa, when the vessel was at once allowed to proceed to sea, and that no evidence is given of any desire or intention of denying to the captain of the "Everett Steele" any Treaty privileges he was entitled to enjoy.

The Committee, concurring in the above, respectfully recommend that your Excellency be moved to transmit a copy of this Minute, if approved, to the Right Honourable the Secretary of State for the Colonies.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. MCGEE, Clerk, Privy Council.

Inclosure 3 in No. 13.

The Marquis of Lansdowne to Mr. Stanhope.

Sir, *Government House, Ottawa, November 29, 1886.*

WITH reference to your telegraphic message of the 6th instant, asking to be furnished with a Report in the case of the "Pearl Nelson" and "Everett Steele," I have the honour to transmit herewith a copy of an approved Minute of the Privy Council of Canada embodying a Report of my Minister of Marine and Fisheries, to which is appended a copy of the correspondence which has passed between the Commissioner of Customs for Canada and the United States' Consul-General at Halifax relating to the case of the American schooner "Pearl Nelson."

I have, &c.
(Signed) LANSDOWNE.

Inclosure 4 in No. 13.

Report of a Committee of the Honourable the Privy Council for Canada, approved by His Excellency the Governor-General in Council on the 18th November, 1886.

THE Committee of the Privy Council are in receipt of a telegram from the Right Honourable the Secretary of State for the Colonies in the words:—

"United States' Government protest against proceedings of Canadian authorities in case of 'Pearl Nelson' and 'Everett Steele,' said to have put into Arichat and Shelburne respectively for purposes sanctioned by Convention. Particulars by post. Send Report soon as possible."

The Minister of Marine and Fisheries, to whom the telegram was referred, submits a copy of a letter addressed by the Commissioner of Customs for Canada to the Consul-General of the United States at Halifax, and also a copy of Mr. Phelan's reply thereto.

The Minister submits that it is clear, from Captain Kempt's affidavit, that he was guilty of an infraction of the Customs Regulations in allowing men to land from his vessel before she had been reported, and the Minister of Customs having favourably considered Captain Kempt's representations as to his ignorance of the Customs Regulations requiring that vessels should be reported before landing either men or cargo therefrom has remitted the fine of 200 dollars which had been imposed in the case of the American schooner "Pearl Nelson."

The Minister further submits that it would appear from the Collector of Customs' Report that his remark that "he would seize the vessel," had reference solely to her violation of the Customs Law, and that no evidence is given of any desire or intention of denying to the captain of the "Pearl Nelson" any Treaty privileges he was entitled to enjoy.

The Committee, concurring in the above, respectfully recommend that your Excellency be moved to transmit a copy of this Minute, if approved, to the Right Honourable the Secretary of State for the Colonies.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. MCGEE, Clerk, Privy Council, Canada.