

that he had "seized American fishing schooner 'Granada,' at Port Hood, for smuggling—vessel in the hands of the Custom-house officers, Guysborough."

His telegram was communicated to the Minister of Customs, who telegraphed on the same day to the Collector at Guysborough, to report to him particulars of the seizure.

November 5.—The Honourable H. Blanchard, Halifax, telegraphed to the Minister of Customs, as follows :—

"Schooner 'Granada' seized by Tory—infraction of Customs laws. Had on board molasses, kerosine oil, boxes tobacco, tea, liquor, and other dutiable goods; value about 1,000 dollars."

To which, on the same day, the Minister of Customs replied, as follows :

"Give exact locality where schooner 'Granada' was seized, and how long she had been there."

November 6.—Mr. Blanchard telegraphed to Minister of Customs :—

"Very anxious to hear about schooner 'Granada.' Owners here impatient—season late—moderate fine advisable."

November 7.—The Minister of Customs replied, as follows :—

"Delay deciding on 'Granada' case until receive full information. If captain trading in our ports with 1,000 dollars' worth of goods, must impose penalty equal to exaction on our vessels and merchants—small penalty would not do this."

November 7.—Mr. Blanchard replied to the telegram of the Minister of Customs of the 5th, as follows :—

"Schooner 'Granada' lay about three days in Plaister Cove. Bought butter there—was seized in Port Hood Harbour; had been laying there two or three hours, and fair wind blowing."

November 7.—In reply to the telegram of the Minister of Customs of the 1st instant, the collector at Guysborough* (Mr. Marshall) stated that the American prize schooner "Granada" was delivered to him on the 27th October, by Captain Tory, who reported to him that she was without papers. He inclosed a list of articles found on board of her, and proceeds to say :—"It is very evident she has been trading on the coast as you will see by the articles marked 'N.S.' on the Memorandum.† These articles have been purchased at Nova Scotia. He told me he had purchased some of the articles from Mr. McKeen, Ship Harbour, Straits of Canso, and had paid for them by a draft on his owners. There are lines, leads, and books on board, but do not appear to be prepared for fishing, as they are not put together. The 'Granada' is not at anchor in the Harbour of Guysborough. I have had her dismantled and her sails put in a place of safety. All her cargo is still on board. I think she is perfectly safe."

The following is a copy of the Memorandum of articles referred to by Mr. Marshall :—

Memorandum of Articles on board the Prize Schooner "Granada;" but as the Cargo has not been discharged, a correct Inventory cannot be obtained.

20 barrels flour.
8 small boxes tobacco.
7 nets.
3 chests tea.
1 puncheon molasses.
12 coils rope.
A quantity of small cordage.
1 box rubber boots.
3 casks kerosine oil.
1 cask gin.
A quantity of cotton lines and twines and hooks.
A quantity of salt and a variety of small articles.
A lot of Nova Scotia half-barrels.
3 tubs Nova Scotia butter.
1 ditto lard.
30 bushels potatoes, Nova Scotia.
1 barrel pork.
Lot of other small stores.

(Signed)

JAMES MARSHALL, Collector.

November 7.—The Department of Justice having heard of the case, but having received no instructions from the Customs as to proceedings, referred to know whether proceedings were to be instituted.

November 11.—Received reply from the Minister of Customs, submitting the following telegram from Mr. Blanchard :—

* There is no direct communication by telegraph with Guysborough—hence the delay.

† Presumed the captain of the "Granada" is referred to, although it is not so stated.