

and thereupon instructed the collector to call upon the registered owner, John Steinhoff, to pay duty on the re-appraised value, and as such re-appraised value exceeded by 15 per centum or more the value as stated in the bill of entry, additional duty as required by the provisions of section 8 of the Customs Act.

(Sessional Papers No. 63a, 1900, Ref. No. 26.)

That according to the report of Mr. McMichael, of September 28th, 1899, the firm of Mr. F. C. Wade were legal representatives of John Steinhoff, the registered owner.

(Sessional Papers No. 63a, 1900, Ref. No. 26.)

That Mr. F. C. Wade was appointed Crown prosecutor, clerk of the court and acting Dominion lands agent for the district of Yukon on the 26th day of August, 1897, and was subsequently appointed legal adviser of the executive council.

'Hansard,' 1899, p. 1831, April 19.)

That on September 7, 1899, the Department of Marine and Fisheries wrote Messrs. Belcourt & McDougal, as follows:—

Department of Marine and Fisheries,
September 7, 1899.

Gentlemen,—I have to acknowledge receipt of copy of your letter addressed to Mr. Ogilvie, Commissioner, Yukon Territory, dated July 21 last relative to the steamers 'Gov. Pingree,' 'Philip B. Low' and 'John C. Barr.'

I have also been supplied by Her Majesty's Board of Trade with a copy of your letter addressed to the Secretary of the Marine Department, Board of Trade, London, England.

In reply, I have to state as regards the question of valuation of these steamers it is a matter for the Customs Department to deal with.

So far as regards the registry and ownership of these vessel, the department has, so far, no evidence which would warrant it in taking proceedings to have the vessels forfeited to the Crown on account of the ownership being vested virtually in foreign subjects.

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

I am, &c.,

(Sgd.) JOHN HARDIE,

For Deputy Minister of Marine, &c.
Messrs. Belcourt & McDougal,
Dawson City, Yukon Territory.

(Sessional Papers No. 63, 1900, Ref. 26.)

That on March 3, 1900, the following communication was addressed to the Under-Secretary of State for Canada:—

(Copy No. 15947.)

Department of Marine and Fisheries,
Ottawa, March 8, 1900.

Sir,—With further reference to your letter of September 30 last in regard to copy of despatch with Privy Council Reference from the Honourable Mr. Chamberlain to His Excellency in regard to alleged fraudulent transfer of the steamers 'Philip B. Low', 'John C. Barr' and 'Gov. Pingree' registred at Dawson City, I have now the honour to state that no evidence have been furnished the department in any way establishing the allegation made in the case of these vessels, and the department has no evidence which would warrant it in taking proceedings against the vessels on account of the ownership being vested in foreign subjects.

When Dawson City was made a port of registry, the collector of customs, who is the registrar of shipping, was supplied with the Merchant's Shipping Act, a book of instructions to

registrars of shipping, and all the necessary papers and forms to enable him to register a ship, and he was particularly instructed to be careful as to the ownership of foreign vessels alleged to have been purchased by British subjects for the purpose of registering them as British vessels. The department cannot, therefore, do anything more in the matter and as far as I can judge it may now drop. You will, I suppose, as the reference came from you, report back to Council in the matter. At all events, I will assume that you will take that step.

I have the honour to be, &c.,

(Sgd.) JOHN HARDIE,

Acting Dep. Minister of Marine and Fisheries.
Joseph Pope, Esq.,

Under-Secretary of State.

(Sessional Papers No. 63, 1900, Ref. No. 26.)

That this House is of opinion that the conduct of D. W. Davis and Mr. F. C. Wade who were at the times aforesaid and are now in the service of the government, or their connection with the entry to British registry of the said United States vessel, and with the undervaluation of the said steamer for customs purposes called for a prompt and searching inquiry under oath.

That this House is further of opinion that the administration by the government of the laws relating to merchant shipping and to the collection of customs has been lax and ineffective in respect of the matters aforesaid and deserves censure.

The MINISTER OF CUSTOMS (Mr. Paterson). I will take but a very short time in replying to the hon. gentleman. The resolution he has proposed is a very long one. I cannot remember all the points, but I think it is largely taken up with a repetition of documents that have been laid upon the Table, some of which are letters from a leading firm, acting on behalf of a rival line to the one that owns the *John C. Barr*. There is very little to be said further than a mere narration of the facts. The *John C. Barr* had been an American boat, and was transferred to a British subject. He had to pay the customs duty in order to obtain a British register, and the Departments of Customs and Marine were both concerned in this matter. The Department of Customs had to see that the proper duty was levied, and the Department of Marine had to ascertain that the parties to whom the boat was transferred were British subjects.

The hon. gentleman says he has reason to believe that the transaction was not a bona fide one, and that the owners of the boat are not British subjects. But there is no proof of his belief. As far as I was able to follow what the hon. gentleman said, I could not find that he had advanced any evidence whatever. The mere statements of a legal firm that they believed so and so, is not proof, and certainly ought not to form the basis of a resolution calling for a vote of censure upon the government.

With reference to the alleged fraudulent undervaluation, the facts are these. Before the hon. gentleman brought up the case at all, the department had instituted inquiries into the values at which this boat