

On the 23rd February, Mr. Dustan telegraphed to me as follows :—

“ Letter 19th received. Judging from my investigation at Montreal Custom House, consider attack of the Nova Scotia refinery on the Customs officials there, a baseless—

Pretty strong language—

“ and vile calumny. Writing as to values for duty.

“ GEORGE GORDON DUSTAN.”

On the 24th February, the day after the date of the telegram, he wrote me as follows:—

“ HALIFAX, NOVA SCOTIA,
“ 24th February, 1885.

“ MY DEAR MR. BOWELL,—I am duly in receipt of your valued letter of the 19th inst., asking about the question of sugars imported at Montreal and Halifax, and the thorough investigation made by me at the port of Montreal as to the correctness of the values for duty there. I beg to say in reply that in the autumn of 1883 my attention was directed to an alleged evasion of the payment of a portion of the duties payable upon cargoes of Jamaica sugars, particulars of which were furnished me, amounting to 4,777,046 pounds, of the value of \$139,249, and upon which duty was paid to the amount of \$41,774.70, and that, as compared against the value of seven similar cargoes from the same Island of Jamaica that were entered for duty at the port of Halifax, there was a loss to the revenue of \$7,611.30 upon an undervaluation of \$25,371 ”

These are the charges which, he says, were made, and then continues :

“ I at once proceeded to Ottawa and received from the Department of Customs leave to call upon the appraiser at the port of Montreal and to satisfy myself whether such a state of matters existed, as I had been led to suppose was the case.

“ I was met by the Government in the frankest manner and permitted to make an informal investigation. All the samples of the sugars in question with invoices and entries were in the appraiser's office, and Mr. Moir, the able and efficient grocery appraiser, gave me an opportunity of looking into the matter.

“ I had in my possession advices as to the state of the market during the period covered by these importations and I most positively state that I came to the conclusion that all the duty to which the Government were fairly entitled had been paid upon the sugars in question. I need not state any more significant point in the whole matter than this, viz : The alleged undervaluation was made up from a statistical point of view. One cargo averaged against another. Any one familiar with Jamaica sugar will know that cargoes may be made up of different qualities, and as my informant had never seen the cargoes in question, I was not surprised at the result of my examination.

“ I came away from the port of Montreal convinced that in that particular instance, there was no just ground of complaint against the Customs Department.

“ I have the honor to be,

“ My dear Sir,

“ Your obedient servant,

“ The Hon. MACKENZIE BOWELL, “ GEO. GORDON DUNSTAN,
“ Minister of Customs, Ottawa.”

Mr. VAIL. Who are you reading from ?

Mr. BOWELL. I am reading Mr. Dustan's letter. The committee will see that I took the precaution of writing to the man who certainly has the reputation of knowing not only the value of sugar but has a thorough knowledge of the sugar trade in this country.

Mr. VAIL. He had not knowledge enough to make money out of it.

Mr. BOWELL. That is many a good man's fault. There are many men who, as the hon. gentleman knows, have a thorough knowledge of business, but who do not succeed in it when working on their own account, but who make admirable servants and who make money when they are working for others. We see that in every avocation of life. However, I was well aware that the reports of the officers of the Department and of the Commissioner whose name has been mentioned, would not be satisfactory to those who made these complaints; hence I wrote to the man in whom I believe, every one has confidence in so far as his knowledge of the sugar question is concerned; because Mr. Dustan has been connected with this business for a great number of years, and has devoted much of his time to the study of the whole question. I asked him to inform me as to the result of his investigation and that result I have read to the House. It is much better, I think than a report coming from an inexperienced man, or from any one of our officers. In regard to the general statement with respect to the
Mr. BOWELL.

different importations, I find on going through the return to which the hon. gentleman has referred, and from which he has drawn certain deductions as to one or two importations, that the results of the whole importations for the year 1883 into the ports of Halifax and Montreal do not bear out the statement which the hon. gentleman has made, and the deductions he has drawn from two particular cargoes of sugar. The hon. gentleman ought to know that a merchant may buy sugar in Jamaica or in any other port for export, and that the ruling price of the same quality of sugar may be higher or lower during the same day, and that cargoes may be exported in the morning at one price and in the evening or following day at another price. The sugar market, particularly in regard to raw sugars, varies almost as rapidly as exchange or the stock market. The hon. gentleman does not require to be told that, for no doubt from the thorough knowledge he appears to possess of the whole question he knows the truth of what I have stated. I will be pardoned for occupying a little time in dealing with this question, as I desire more particularly to give information to the importers at the different ports, as this question is constantly cropping up. Montreal complains to the head office that Halifax has an advantage. Halifax merchants declare that Montreal with its large refineries has great influence, and they have gone so far as to say in the newspapers that the weighers and appraisers are under the control of the refiners. I have made a pretty thorough investigation into all these matters, and have yet to learn that there is a scintilla of truth in any of the charges made against our officers in Montreal or Halifax. They have performed to the best of their knowledge their onerous and responsible duties honestly and faithfully. The following is a comparative statement of sugars imported from Jamaica into the ports of Montreal and Halifax direct during the year 1883 :—

Ports and Description of Sugar.	Imported from Jamaica.				Proportion of each grade import'd Per cent.
	Quantity.	Value.	Duty.	Rate of 100 lbs.	
Montreal—	Lbs.	\$	\$ cts.	\$ cts.	Per cent.
Above No. 14.	958,230	31,065	20,455 55	2 13	06.13
From 9 to 14...	6,750,735	211,228	113,998 91	1 69	43.11
Below No. 9....	7,917,096	244,069	112,806 18	1 42	50.76
Total	15,626,111	486,362	247,260 64	1 58	100.00
Halifax—					
Above No. 14.	489	16	10 49	2 14	00.04
From 9 to 14...	2,729,891	89,630	47,363 18	1 73	27.13
Below No. 9....	7,331,047	240,064	108,674 44	1 48	72.83
Total	10,061,427	329,710	156,048 11	1 55	100.00

The above statement reveals the following facts : The sugars from Jamaica in 1883 were graded as follows : In Montreal, 43.11 per cent. between 9 and 14. In Halifax, 27.13 per cent. between 9 and 14. The aggregate or average duty paid on the same was : In Montreal, \$1.58 per 100 lbs. In Halifax, \$1.55 per 100 lbs., a difference in favor of Halifax of 3 cts. per 100 lbs. In regard to the question of weighing. It is charged by the Halifax press, and it was repeated by the hon. member for Digby, that weighing in Halifax was done under the surveillance of the Customs authorities; and that in Montreal the weighing is done by the city weigher, without any check whatever. The hon. gentleman is incorrect in that statement also. The moment I saw that charge I thought it a very serious one, and I at once sent an officer, Mr. Wolff, to make an investigation into the matter, and I will give the result of that investigation. That officer says :

“ CUSTOMS DEPARTMENT, CANADA,
“ SPECIAL AGENT'S BRANCH,
“ MONTREAL, 23rd August, 1884.

“ Sir,—I have the honor to state that two cargoes of sugar were lately landed at Halifax ex *Craigton* and *Ayrshire*.