

am wrong—for a vessel to obtain low appraisal, for instance, to be entered by the owners for the purpose of customs, and in connection with this change of flag at an undervaluation—for such fraudulent undervaluation and false representations in that connection, confiscation of the vessel is among the punishments that may be inflicted.

There is another clause under which, it seems, in this case, the Inspector of Customs acted, and that is under clause 8, of the Customs Act, where an additional duty is provided for in case the true value for duty of goods as finally determined has not been stated. In section 172, the penalty of forfeiture is provided in connection with the offence of making false statements or in any way attempting to defraud the revenue or to evade the payment of the duty or any part of it. It would be ridiculous to suppose of course, in the stringent provisions of the Customs Act, there was any doubt of the power to confiscate a vessel where that vessel has been fraudulently entered at a lower valuation than was proper. Bearing in mind these provisions of the law and the general statements in the House of Commons as well as the statements made by the parties interested, we come to the first statement I made. And, as some evidence of favouritism to this company, I may say that it is a matter of general belief in many parts of this country that Mr. Healy, the general manager of the American Trading and Transportation Company, that Mr. Walsh, and Mr. Sifton the Minister of the Interior, were formerly very intimate and close friends, and by the Auditor General's Report we find that this company supplies an enormous quantity of goods to the department presided over by the Minister of the Interior. Each report contains an account. In the last report of the Auditor General at page H-38, we find that \$10,305.60 was paid to this corporation by the Department of the Interior. Among some papers brought down this session, I find mention of an application that Mr. Healy is making—and he or his company will be found making a considerable number of applications in connection not merely with the patronage of the department, but in connection with timber limits and mill sites and things of that kind. In connection with that, the following letter speaks for itself, and while it does not corroborate the statement of the close connection, there is no doubt as to the knowledge of the Department of the Interior of an acquaintanceship between the minister and Mr. Healy :

January 14, 1899.

Hon. Clifford Sifton,
Minister of the Interior.

Sir.—I send inclosed a copy of an application by Mr. J. J. Healy for a mill site on an island near the mouth of the Klondike. As you know, he is manager of the North American Trading and Transportation Company, and already has

Sir CHARLES HIBBERT TUPPER.

a mill site on the island. I would ask you to hold the documents without acting on them until such time as I can report to you more fully.

It may be asked: Why do you bring in, in connection with a matter relating to the Marine Department and the Customs Department, this reference to a charge of partiality and favouritism toward that trading corporation by the Minister of the Interior? I frankly answer that question by saying that after reading the papers that have been brought down, I can come to no other conclusion than that the partiality shown and the violation of the law committed in this case can only be due to some such reason. I can imagine no other reason that would account for these things being done and the manner in which they have been passed over. In the correspondence that has been brought down and that is now on the Table, we find some points worthy of notice. For the sequence of the statement I had better refer to the charge that was made by me which reference is as follows:—

That official favouritism and partiality had been shown and intended to the representatives and interests of the North American Trading Company, of Chicago and Seattle, in the Yukon district.

That grave and scandalous abuses have occurred in the Department of Customs in the Yukon district, United States vessels having been admitted to the Canadian registry in the said district upon fraudulent undervaluation, as in the case of the steamer 'John C. Barr,' which was worth at least \$60,000, but was allowed to be passed at the customs at a valuation of \$10,000.

We find that the Customs Department sent *Hansard* of May 12, and I think, of another date, to Mr. Ogilvie, the commissioner of the Yukon, who was also an inspector of the Customs Department, with the request to investigate the valuations. Now, I stop just for a moment to call attention to the peculiar instructions given. The instructions are limited to ascertaining and reporting on the subject of valuation. On May 28, Mr. Kersey, the representative of a very energetic and active company there, a gentleman of great experience, who has been the manager of the White Star Line of steamships between New York and Liverpool, for many years and who is manager of this company, writes on May 28, 1899, to the inspector of steamboats at Dawson. In this letter he refers to the *John C. Barr*, being owned by the North American Trading and Transportation Company of Chicago and Seattle. On June 8, 1900, we find from Mr. Ogilvie a report or letter. And I may say that around these reports and letters there seems to have been a mystery. It took nearly all this session to find out exactly what was Mr. Ogilvie's report and what he did under the instructions of May 16. This is all he says in this report to the customs:

There is another boat entered by the North American Trading and Transportation Company,