

Export Act—Mr. Bennett

which took place at the anti-smuggling conference at Ottawa in January last.

In the above communication you were good enough to state that in order to cooperate with and further assist my government in the effective enforcement of its laws the Canadian government was prepared to permit United States officers to be stationed on the Canadian side of the border, at ports of clearance, to be determined, in order to enable the United States officials themselves to transmit immediately to the appropriate authorities in their country information concerning clearances of all vessels carrying liquor cargoes to the United States.

I now have the honour, under instructions of my government to inform you that it is the view of its competent authorities that the proposed arrangement would not be a solution of the problem.

Article one of the convention of June 6, 1924, between the United States and Canada for the suppression of smuggling operations provides for the exchange of information between the appropriate officers of the respective governments concerning clearances of vessels to any ports when there is ground to suspect that the cargo is intended for smuggling into the territory of either country. Such information has been promptly furnished by the Canadian officials to the designated American authorities, except in a very few cases which were speedily adjusted by the Canadian government as soon as its attention was called to the matter. But the necessary information to identify the vessels engaged in liquor smuggling has not been available because the data furnished to the Canadian authorities and transmitted to the American officials, were in most cases fictitious.

Canadian officials have faithfully discharged their duties under the convention, and there is no reason to believe that the information would be more accurate or more helpful if transmitted through American officials stationed on the Canadian side of the border.

While the government of the United States appreciates the gracious offer of the Canadian government to permit American officials to transmit information of this kind from Canadian soil, it remains convinced that the only effective means of dealing with the smuggling problem along the border is the conclusion of a treaty amending the convention of June 6, 1924, to the end that clearance be denied to shipments of commodities from either country when their importation is prohibited in the other.

I avail myself of the occasion to renew to you, sir, the assurances of my highest consideration.

William Phillips.

The Right Honourable
William Lyon Mackenzie King,
C.M.G., LL.B., LL.D.,
Secretary of State for External Affairs,
Ottawa.

It will be recalled—I say this merely to refresh the memory of the right hon. gentleman—that in the address which the Prime Minister delivered the other day to this house he indicated that as early as May of last year he had concluded that it was desirable to pass this legislation, and in August he made that decision known. The despatch of Mr.

[Mr. Bennett.]

Phillips is dated April 20, and if within that short interval until August of that year the right hon. Prime Minister was desirous of giving effect to views which he has since expressed, why was not a treaty negotiated before this? Why was not a treaty negotiated between then and now? That seems to be a reasonable question and is one which the Prime Minister will probably answer. Not only were no steps taken in that regard, but when this legislation was introduced the other day it was then found that it was not reciprocal in character and referred only to one commodity, namely, liquor, which might be exported to the United States of America. Without looking at the record it cannot be said, from the statements of the right hon. gentleman, that he or his government was endeavouring to include commodities other than liquor. This suggestion came from Mr. Kellogg himself, and is included in the despatch he sent to his minister, the contents of which were communicated to the government of the right hon. gentleman before the conference was held in Ottawa during the spring of 1929, and which suggestion was refused by the right hon. gentleman in the despatch forwarded under date of March, 1929, which was replied to under date of April 20, 1929.

Let there be no misunderstanding regarding this matter, because the question is not an academic one. What was the right hon. gentleman doing from May, 1929, till March, 1930, and why did he have on Monday, March 24, this sudden conversion as to the necessity of a treaty? Why is it we did not hear about a treaty the other day, or any other day? He now comes to the house and says, "We are about to negotiate a treaty."

Mr. LAPOINTE: He did not say it in that way.

Mr. BENNETT: Perhaps not that way—with more suavity, more adroitness, but with less conviction. I do not think this is an unreasonable question for the Canadian people to ask, because the difference between the legislation now before the house and the offer made by the United States of America is very, very great. I will say frankly that I was somewhat surprised when I discovered that the United States had made so generous an offer. Their offer included not only liquor but all commodities, and it would have been of invaluable use to this country at the present time when commodity prices are falling as they are, and where there is an incentive among certain traders and dealers to smuggle cigarettes, silks and other small bulk goods into this country.