

Conditions existing in 1932

8. During the 1932 season the whole situation was sized up, and conditions existing generally were as follows:

British Columbia: On the Pacific coast, waters adjacent to Vancouver Island and the mainland were the scene of great activity by rum vessels engaged in smuggling liquor from Canada into the United States, and also in short-circuiting liquor released from bond in Canada for export, such shipments being relanded on islands off the northern mainland of British Columbia for removal to the larger centres as opportunities arose.

Prairie Provinces: The three Prairie Provinces produced a considerable number of infractions of the Excise Act, the majority of cases covering possession of small pot stills by farmers, or the possession of illicit alcohol manufactured by that means. There was very little smuggling of liquor over the boundary except for a few attempts, which were effectively stamped out. The city of Winnipeg, however, was the rendezvous of gangs operating large stills of commercial capacity.

Ontario: In Ontario a considerable amount of distillation of liquor on a small scale was carried out in the rural districts, and evidence existed of the smuggling of liquor from the United States over the bridges, and by motor-boat in the Niagara and Windsor districts. (At that time the Volstead Act was in force.)

Quebec: In the province of Quebec it was evident that a large and well organized gang was engaged in smuggling alcohol into Canada in the lower St. Lawrence area, and that it was well equipped with vessels and vehicles for transportation, and well protected by means of an espionage system which kept its members posted of the movements of our men in checking their activities.

13. Large illicit stills were in operation in and around the city of Montreal, and smaller stills in the smaller cities and towns and in the rural districts. At this time there was little evidence of smuggling of liquor from the United States.

Maritime Provinces: In the three Maritime Provinces there was great activity in water-borne contraband liquor originating in the West Indies and clearing from St. Pierre-Miquelon for the "high seas," for points off our shores. The vessels so engaged were for the most part of the auxiliary schooner type.

15. In 1928 the Customs Act had been amended to give the right of search and seizure of Canadian owned or registered vessels found hovering with contraband, up to twelve miles from our shores. Seizure of a liquor laden vessel of this type by the former Preventive Service shortly after the amendment became law resulted in appeal proceedings, as a result of which the Supreme Court of Canada ruled that the amendment was ultra vires the Dominion Parliament. In a further appeal by the Crown to the Privy Council the ruling was reversed, it being held that the Dominion Government had full power to legislate for protection of its revenue where its own nationals were involved. From the time we assumed preventive duties, in April, 1932, until the Privy Council judgment was handed down in July of the same year, all vessels were able to hover within three miles of our shores.

Hon. Mr. DANDURAND.

Action Taken by R.C.M.P. Preventive Service

British Columbia: Toward the end of 1932 and during 1933 special attention was given to the situation on the Pacific coast, where there was no vessel which could remain at sea in bad weather. A patrol vessel of the cruiser type was sent from the Atlantic seaboard via the Panama Canal, to replace the motor vessel which up to that time provided the only coastal protection.

17. Arrangements were made whereby a sea-plane, provided and operated by the Royal Canadian Air Force, carried members of the Force as observers, and by co-operation with the cruiser and land forces speedily curbed activities in that area. Our reports indicate that most of the vessels formerly engaged in rum-running off the British Columbia coast have been tied up or are following legitimate lines of trade. This situation exists at the present time.

18. During the same period efforts on the mainland in British Columbia were directed towards an organized gang engaged in illicit distillation of liquor. Several seizures were made and the ring-leaders were convicted under the Excise Act. Reports from our own men and from the provincial and civic authorities indicate that conditions are generally good in that province to-day.

Prairie Provinces: The preventive work carried out by the Force in the Prairie Provinces has been mainly concerning the suppression of small illicit stills and their product. As our detachments are located at all settled parts, a good check is kept on these operations.

20. In the city of Winnipeg several illicit stills of commercial capacity, ranging up to five hundred gallons daily output of alcohol, have been seized, and those connected with the possession or operation of them were prosecuted under the Excise Act. The difficulty in this situation has been the modus operandi of the principals, who pay underlings to house and operate the plants, remaining in the background themselves by arranging to pay fines for their employees if they are convicted, or compensating them for mandatory jail terms.

Quebec: In 1933 members of the Force in the province of Quebec concentrated on the gang referred to on page 4, who operated along the lower St. Lawrence. Raids were made simultaneously at the premises of known bootleggers and disclosed evidence of a conspiracy to defraud the revenue of an amount estimated at \$1,500,000, through the smuggling of liquor.

22. Some sixty persons were indicted for "conspiracy to defraud," and upwards of forty persons were convicted, receiving terms ranging from four years' to three months' imprisonment. In addition, evidence was adduced which justified the seizure of some twelve vessels, which were subsequently forfeited for transporting contraband. The ring had an organization which in some respects was remarkable. The documents seized and evidence obtained revealed that provisions had been made for the support of the dependents of any of their employees who might fall foul of the law and consequently receive terms of imprisonment. A separate account was kept by the concern for such emergencies, and the records would indicate that the fund was used quite frequently.

Disposition of seized vessels: At this time recommendations were made to the Department of National Revenue by this Force, and