

advantages to be gained from such measures, were of the opinion that they could not properly be made the subject of discussions during the conference but should be submitted formally to the Canadian Government for consideration. The representatives of Canada also referred to the provisions of Chapter 39 of the laws of Canada, which is the Act to amend the Customs Act passed by the Canadian Parliament and assented to on June 27, 1925, which enacts penalties for violations of Canadian custom laws. Reference was also made to the provisions of Section 7 of the Act entitled "An Act to Amend the Criminal Code", passed by the Canadian Parliament and assented to on June 27, 1925, providing penalties for persons guilty of knowingly falsifying documents relating to shipments or assisting in such falsification.

I am informed that in the course of the Conference the Canadian representatives stated that the Government of Canada desired to transport intoxicating liquor for beverage purposes upon the Stickine River, through Alaska, to British Columbia for sale at Telegraph Creek, where mining interests have recently been developed. Consideration of the provisions of Article VII of the Convention of June 6, 1924, made it evident that the proposed transportation across Alaska could not legally be carried on under the provisions of this Article and it seemed advisable to make provision that no penalties or forfeiture would attach to such transportation when the cargo was under guard and under seal, as provided in Article VII with respect to transit of alcoholic liquors through the territorial waters of the United States to Skagway, Alaska, and thence by the shortest route, via the White Pass and Yukon Railway, to Canadian territory.

In the circumstances I suggest that a convention, supplementary to the convention dated June 6, 1924, be concluded between the United States and Canada, containing two articles, the first of which shall provide for refusal of clearances to ships and read in substance as follows:

The High Contracting Parties agree that clearance of shipments of merchandise by water, air or land from any of the ports of either country to a port of entrance of the other country shall be denied if such shipment comprises articles the introduction of which is prohibited or restricted for whatever cause in the country to which such shipment is destined, provided, however, that such clearance shall not be denied on shipments of restricted merchandise when there has been complete compliance with the conditions of the laws of both countries.

The second of the articles in the convention, supplementary to the convention of June 6, 1924, would deal with the transportation of liquor across Alaska and it is suggested that this article might read as follows:

No penalty or forfeiture under the laws of the United States shall be applicable or attached to alcoholic liquors or to vessels, vehicles or persons by reason of the carriage of such liquors when they are in transit under guard by Canadian authorities through the territorial waters of the United States and through the Stickine River by the shortest route to Canadian territory, and such transit shall be as now provided by law with respect to the transit of alcoholic liquors through the Panama Canal or on the Panama Railroad, provided that such liquors shall be kept under seal continuously while the vessel or vehicle on which they are carried remains within the United States, its territories or possessions, and that no part of such liquors shall at any time or place be unladen within the United States, its territories or possessions.