

3. For its part, my Government will ask the Canadian Government to agree:—

(a) To acquire rights of way for the road in Canada (including the settlement of all local claims in this connection), the title to remain in the Crown in the right of Canada or of the Province of British Columbia as appears more convenient;

(b) To waive import duties, transit or similar charges on shipments originating in the United States and to be transported over the highway to Alaska, or originating in Alaska and to be transported over the highway to the United States;

(c) To waive import duties, sales taxes, licence fees or other similar charges on all equipment and supplies to be used in the construction or maintenance of the road by the United States and on personal effects of the construction personnel;

(d) To remit income tax on the income of persons (including corporations) resident in the United States who are employed on the construction or maintenance of the highway;

(e) To take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed on the construction or maintenance of the highway, it being understood that the United States will undertake to repatriate at its expense any such persons if the contractors fail to do so;

(f) To permit those in charge of the construction of the road to obtain timber, gravel and rock where such occurs on Crown lands in the neighbourhood of the right of way, providing that the timber required shall be cut in accordance with the directions of the appropriate Department of the Government of the Province in which it is located, or, in the case of Dominion lands, in accordance with directions of the appropriate Department of the Canadian Government.

4. If the Government of Canada agrees to this proposal it is suggested that the practical details involved in its execution be arranged directly between the appropriate governmental agencies subject, when desirable, to confirmation by subsequent exchange of notes.

Accept, Sir, the renewed assurances of my highest consideration.

PIERREPONT MOFFAT

*American Minister.*