

Enclosure.

CORRESPONDENCE BETWEEN HIS MAJESTY'S GOVERNMENT AND THE UNITED STATES GOVERNMENT REGARDING ADMINISTRATIVE MEASURES TO BE TAKEN BY BRITISH AUTHORITIES IN ORDER TO ASSIST THE UNITED STATES GOVERNMENT IN THE PREVENTION OF LIQUOR-SMUGGLING FROM THE SEA.

[Washington, 27th March, 26th April, 1926.]

No. 1.

Aide-mémoire handed to Mr. Kellogg by Sir Esmé Howard.

HIS Majesty's Government had already for some months been devoting the most careful consideration to the question of adopting active administrative measures to assist the United States Government in their efforts to prevent the smuggling of liquor into the United States from the sea, and the suggestions put forward by the United States Government as a result of the conference between His Majesty's Ambassador and representatives of the United States Department of State, the United States Treasury, and the Department of Justice, which took place on the 2nd December last, later received sympathetic attention.

2. His Majesty's Ambassador has now been instructed to notify the Secretary of State of the decisions arrived at by His Majesty's Government in this matter, which include the adoption of the following administrative measures :—

3. In the first place, in order to co-operate with the United States Government in the prevention of liquor-smuggling from the Bahamas, His Majesty's Government are prepared, on account of the nature of the duties of the United States Coastguard and the difficulties in the way of giving notice, through the usual official channels, of the intended visits of revenue patrol vessels to Gun Cay and the adjacent islands, to permit specified United States cutters to enter British territorial waters at Gun Cay and the islands contiguous thereto without strict compliance with the Admiralty regulations governing visits of foreign armed vessels to British overseas ports. The only formality which His Majesty's Government desire to see observed in this connection is that the cutters in question should first call at Bimini to inform the Bahamas Commissioner of their intentions, and that it should be understood that they will thereafter maintain a correct attitude and not use their lights to the danger of navigation. This concession is furthermore made on the condition that it be confined as to area to the Bahamas, and that it be limited in duration to a period of one year, at the end of which time His Majesty's Government will be prepared to entertain a request for the continuance of the arrangement, should the United States Government then deem this necessary.

4. Secondly, as regards administrative measures of more general application, His Majesty's Government have called upon Registrars of Shipping in the West Indies to take especial care to prevent transfers to the British flag of vessels intended for the smuggling trade, instructing them to make the most searching inquiries before permitting any vessel to be placed on the British register, and to refuse to register a vessel unless they are completely satisfied as to the *bona fides* of the application. The attention of the overseas Governments concerned has been drawn to the above-mentioned instructions, and they have been requested to accord to the local Registrars concerned the fullest measure of support which the law allows in the event of the latter's action being challenged in any individual case.

5. As an instance of the helpful and correct attitude of the Colonial Governments concerned, which it is felt will be as welcome to the United States Government as it is to His Majesty's Government, His Majesty's Ambassador has been instructed to bring to the notice of the Secretary of State two cases of recent occurrence in the Bahamas where the British-registered owners of rum-schooners seized by the United States preventive authorities refused to provide bail for the crews on the ground that they had previously sold their vessels to United States citizens. When requested by the Bahamian authorities to explain why they had failed to record the sale of their vessels, the owners in question pleaded ignorance of the law, notwithstanding which fact, and although both men are prominent Nassau merchants, the Governor of the colony has ordered legal proceedings to be instituted against them for an infraction of the Merchant Shipping Act.

6. The recent case of the "General Serret" provides another instance of the methods employed by the administrative officers of His Majesty's Government to hamper vessels engaged in liquor-smuggling. Reports having been received that this vessel, whose provisional certificate was due to expire in four days, had loaded a cargo of whisky at Antwerp and was bound for Halifax for orders, the competent authorities of His Majesty's Government, upon her arrival at Dover, insisted upon compliance with the requirements of the Merchant Shipping Acts before the voyage could be continued. These requirements included dry-docking for inspection of draught—a formality normally postponed in the case of vessels with cargo on board; no such postponement was permitted the "General Serret," and, there being no dry dock at Dover, the vessel was brought to London and there detained, her cargo of whisky being landed.

7. His Majesty's Government are also prepared to take administrative action to prosecute masters for infraction of the Customs Act when reasonable grounds of suspicion are available to believe them guilty of making false declarations in regard to their destinations. In this connection, His Majesty's Government rely upon the United States Government to co-operate by supplying them, in any individual case, with sufficient incriminating evidence to enable legal proceedings to be instituted with a reasonable prospect of conviction; so, too, His Majesty's Government are willing to take steps to remove liquor-smugglers from the British register upon production by the United States authorities of reasonably good evidence that the vessel concerned is really owned or controlled in America.