

8. In approaching the Secretary of State on this subject, His Majesty's Ambassador has been instructed to explain that the measures which His Majesty's Government are prepared to adopt do not constitute a binding engagement, but represent a spontaneous and voluntary offer of assistance on their part which is subject to withdrawal if not found to work satisfactorily in practice.

9. Finally, in the interest of closer co-operation, His Majesty's Government desire to extend an invitation to the United States Government to send a representative or representatives to London for discussion with the competent British authorities, to learn what are the latter's powers and limitations and to acquaint them with the nature of the information and assistance which the United States authorities are in a position to supply. It is felt that such a visit will materially contribute towards a full understanding and the efficient execution of this offer of co-operation, which it is hoped that the United States Government will accept as proof of the desire of His Majesty's Government to render such assistance as it lies within their power to give.

British Embassy, Washington, 27th March, 1926.

No. 2.

Mr. Kellogg to Sir Esmé Howard.

EXCELLENCY,—

Department of State, Washington, 26th April, 1926.

I have the honour to acknowledge the receipt of your *aide-mémoire* of the 27th March, 1926, setting forth the administrative measures which your Government is prepared to adopt to assist the United States in its effort to prevent the smuggling of liquor into the United States from the sea. In the last paragraph of this communication you said that in the interest of closer co-operation His Majesty's Government desire to extend an invitation to the United States to send a representative or representatives to London for a discussion with the competent British authorities to learn what are the latter's powers and limitations and to acquaint them with the nature of the information and assistance which the United States authorities are in a position to supply. It is stated that your Government is of opinion that such a visit would materially contribute towards a full understanding and efficient execution of the offer of co-operation which you request this Government to accept as proof of the desire of His Majesty's Government to give such assistance as it is possible to give in the circumstances.

I desire to express the deep appreciation of this Government for the offer of co-operation contained in the *aide-mémoire* in question. I feel certain that the administrative measures which you set forth will aid greatly in bringing about better enforcement of the laws of the United States prohibiting the importation of intoxicating liquors for beverage use. I have transmitted copies of the *aide-mémoire* to the interested authorities of this Government, and I can assure you that this Government will co-operate fully in assisting your Government in obtaining the necessary evidence on which to prosecute persons who violate British laws on the subjects mentioned. I also accept, on behalf of this Government, the invitation to send representatives to London, and shall at a later date advise you of the names of the persons who will be sent. It would be convenient for the representatives to leave the United States about the 22nd May, which would make it possible to arrive in London on the 28th May. I should be pleased to be informed whether this would be satisfactory to the British authorities.

Accept, &c.,
FRANK B. KELLOGG.

No. 28.

New Zealand, Dominions No. 249.

SIR,—

Downing Street, 7th June, 1926.

With reference to my despatch, Dominions No. 216, of the 11th May, I have the honour to transmit to Your Excellency, for the information of your Ministers, the accompanying copies of a parliamentary paper (Cmd. 2654) containing a memorandum explaining the agreement between the British Government and the Government of the Irish Free State in respect of double income-tax.

I have, &c.,
L. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,
LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

Enclosure.

MEMORANDUM EXPLAINING THE AGREEMENT BETWEEN THE BRITISH GOVERNMENT AND THE GOVERNMENT OF THE IRISH FREE STATE IN RESPECT OF DOUBLE INCOME-TAX.

THE agreement between the British Government and the Government of the Irish Free State in respect of double income-tax (Cmd. Paper 2632) is based on the solution of the double-income-tax problem which is described in the report of a committee of economists to the Economic and Financial Commission of the League of Nations as "the most desirable practical method of avoiding the evils