

BRITISH EMBASSY,  
WASHINGTON D.C.

No. 1262.

November 11th, 1939.

My Lord,

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I have the honour with reference to my telegram No. 754 of November 10th to transmit to Your Lordship herewith an extract from today's "New York Times" stating that the Secretary of State has issued regulations specifying that the "transfer of title" provisions of Section 2 of the Neutrality Act should not apply to certain categories of goods exported from this country. These exempted categories include the personal effects of United States citizens, materials exported for relief purposes by the American Red Cross or other authorized organizations and articles the shipment of which originated outside the geographical United States and which are shipped through the United States in bond or arrive at a United States port as an incident of transit between two foreign ports, provided the shipper is resident outside the United States and is not a citizen or the agent of a citizen of the United States.

2. Two extracts from the "Journal of Commerce" for November 8th regarding the operating of the transfer of title provisions are also enclosed, together with an extract from to-day's "New York Times" regarding a statement issued by the Merchants Association on the subject. It will be seen that in this statement which is said to have been prepared

"after/

The Right Honourable

HOC:FRHM:MS

The Viscount Halifax, K.G.,

etc., etc., etc.

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"after careful consultation with authoritative sources" it is stated that

"The issuance of a consignee's straight bill of lading, regardless of the method of payment, is recognized as constituting definite transfer of title as required by the act. Such bill of lading must be consigned to a foreign individual, partnership or corporation. The fact that the foreign corporation may not be a subsidiary of the American shipper does not affect such transfer.

"Shipments under a 'To Order' bill of lading do not constitute transfer of title. No transfer of title occurs in the case of shipments to branches or affiliates of American companies unless such branches are foreign corporations.

"No ruling is yet available as to whether or not this declaration is to be required for freight shipments less than \$25 value, mail, parcel post shipments or air express shipments, for which shippers' export declarations are not required. The act specifically exempts rail and inland waterway shipments to Canada.

"At the time of making oath there must be no American lien or claim on the articles exported."

I have the honour to be,

with the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(for the Ambassador)

(SGD) ~~F. R. BOYER HILLAR~~

C. Brannell