

THE BRITISH EMBASSY,
WASHINGTON, D. C.,

December 22nd, 1939.

No. 1439

My Lord,

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With reference to my despatches Nos. 1045 of September 12th and 1280 of November 17th I have the honour to transmit to Your Lordship herewith a copy of a press release from the Department of State dated December 7th, 1939 stating that in general military aircraft purchased by belligerent governments in this country cannot be delivered to the purchaser by air. The State Department has however ruled that military aircraft the title of which has not passed to a belligerent government can be flown out of the United States in accordance with regulations 33 and 34 of Part III of the pamphlet "International Traffic in Arms" enclosed in my despatch No. 1045 under reference. This means inter alia that military aircraft belonging to United States firms may be flown to Canada for testing or demonstration purposes.

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The Right Honourable

The Viscount Halifax, K.G.,

etc., etc., etc.,

2. It seems to me that the legal correctness of the last sentence of the State Department's statement is open to some doubt since it would seem that such temporary navigation outside the United States would constitute "transportation" of aircraft which is forbidden by Section 2 (f) of the Neutrality Act of November 4th, 1939. It does not of course constitute "exportation" which is all that was forbidden previously.

3. As the present interpretation allows American planes to be flown to Canada to be tested or demonstrated, it would obviously not be to our advantage to question such a ruling. Such a case in fact arose last month when arrangements were made to allow a North American Company's aircraft to be flown to Canada to be tested by a member of the United Kingdom Air Mission.

4. As regards the delivery of military aircraft which have been ordered in this country by His Majesty's Government, provisional arrangements have been made by the manufacturers, after consultation with the Air Attaché and with the consent of the State Department and the Canadian authorities concerned, whereby the aircraft are flown to Sweetgrass, Montana for delivery to Canadian pilots. Here there is a vast natural landing ground adjoining the frontier, and it stretches/

stretches into Canadian territory at Coutts, Alberta. On landing at Sweetgrass, the engines of the aircraft are stopped. The planes are then hauled across an imaginary frontier line on to Canadian soil, where they are handed over to Canadian pilots and flown away. This arrangement appears reasonably satisfactory for a considerable part of the year, but now that heavy snow has fallen in the district, which is at an altitude of 3500 feet, conditions are not so favourable. The principle of this procedure is, however, to be adopted at another frontier point yet to be selected, and a similar procedure will also be followed in the case of flying boats, which will be taken out to sea and handed over to Canadian pilots beyond the three-mile limit

I have the honour to be,

with the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(SGD) LOTHIAN

P.S. I am sending a copy of this despatch to the High Commissioner for the United Kingdom in Canada.