

shall be allowed only if the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows or will allow substantially reciprocal privileges in respect of aircraft registered in the United States. The Assistant Secretary of the Treasury states that as soon as he has been advised by the Secretary of Commerce to whom this matter has been referred, that substantially reciprocal privileges are allowed or will be allowed in the United Kingdom in respect of aircraft registered in the United States, the Treasury Department will promptly instruct the collector of customs, New York, N.Y., as to the privileges of free withdrawal which may be granted to aircraft registered in the United Kingdom.

With respect to your further inquiries whether the granting of free withdrawals under section 309 of the Tariff Act, as amended, may be accorded retroactively to aircraft of the Imperial Airways and duties refunded on spare parts and other equipment withdrawn duty-paid by such aircraft in the United States since July 5, 1937, since which time

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it is averred, aircraft of Pan American Airways, Incorporated, operating in international service, would have been allowed the privilege of free withdrawal of spare parts and other equipment in Great Britain, the Assistant Secretary of the Treasury advises that the provisions of section 309 of the Tariff Act, as amended by section 5 (a) of the Customs Administrative Act of 1938, are not retroactive in their application. Furthermore, even as to withdrawals made in the United States on and after June 26, 1938, the effective date of section 5 (a) of the Customs Administrative Act of 1938, the Treasury Department is unable to rule in the absence of facts in the particular case or cases, whether duties paid on such withdrawals of supplies or equipment and articles of maintenance or repair for use on aircraft registered in the United Kingdom may be refunded, although the Secretary of Commerce should find and so advise the Secretary of the Treasury that substantially reciprocal privileges were allowed in the United Kingdom in respect of aircraft registered in the United States at the time such withdrawals were made.

Accept

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

For the Secretary of State:

Walter Moore

611.41246/49