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MERCHANTS ISSUE NEUTRALITY DATA

Interpret Act as it Applies to
Ordinary Shipments to
Belligerents

TITLE TRANSFER DEFINED

Straight Bill of Lading Fills
Legal Requirements,
Bulletin Asserts

In an effort to clear up confusion concerning the requirements of the Neutrality Act with reference to ordinary commercial shipments by exporters to belligerent nations, the Merchants Association yesterday issued a bulletin defining its understanding of the measure. The statement, officials of the group said, "was prepared after careful consultation with authoritative sources."

After reviewing general provisions of the act and its requirements that title must be transferred to the buyer before goods are shipped to a belligerent country, the bulletin added that a declaration of transfer of title is required for the following shipments:

1. All shipments on any vessel to European belligerent countries (Great Britain, France and Germany) and to all French and British colonies and territories on the Mediterranean.

2. Ocean shipments on United States and neutral vessels to Newfoundland and to Canadian ports east of 66 degrees west longitude (includes Halifax).

3. Shipments on belligerent vessels to any belligerent territory, including all parts of the British Empire, Australia, New Zealand, South Africa, Hong Kong, etc., and to all French colonies. (Title need not be transferred if shipped on a United States or neutral vessel to belligerent countries other than those specified in 1 above.)

4. All shipments of arms, ammunition and implements of war to any belligerent territory.

With regard to what constitutes a transfer of title within the meaning of the act the bulletin said:

"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 assigned to a foreign individual, partnership or corporation. The fact that the foreign corporation may 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."

→ May not be a belligerent } J.F. B.H.