

Memorandum on the transfer of American Ships to Foreign Registry

Background: During the special session of Congress, convened to pass a neutrality act, the Neutrality Act was passed, providing, in part, that after the President issued the necessary proclamations and defined combat areas, "thereafter it shall be unlawful except under such rules and regulations as may be prescribed, for any citizen of the United States or any American vessel to proceed into or through any such combat area."

On the 3rd of November the session adjourned. On the 7th the United States Lines requested permission to transfer 9 ships to the Panamanian registry, to thus circumvent the neutrality laws just enacted and to proceed into European waters and do business with the belligerents. Secretary of State Hull immediately and in no uncertain manner announced his opposition to the proposal. He called it an impairment of the integrity of the Act, and he so informed the Maritime Commission. Nonetheless, the transfers that here began soon were so numerous that within a six-month period they were four times as great as during the preceding year. The Maritime Commission reported that from October 1938 to October 1939 there were but 88 transfers of this nature. This included tugs, barges and yachts. Of these 88 transfers, 15 were oil tankers transferred by Standard Oil subsequent to the outbreak of the European war.

The statistics which follow are for the period beginning October 26, 1939, and ending April 30, 1940.

		Tonnage
Total transfers (not counting 11 that were cancelled)	160	586,758.29
Total to Allies	93	303,779.00
Belgium.....	9	68,677.00
Britain.....	39	151,245.00
Canada.....	24	31,845.00
France.....	19	49,229.00
Newfoundland.....	1	136.00
Norway.....	1	2,647.00

Of these ships 21 were transferred to Panamanian registry, having a total tonnage of 101,738. There were none to Germany. Of all the ships except those which went to Panamanian registry only 45 did not go to the Allies (there was, in addition to those in the table, 1 ship transferred to Honduran registry, which is British. Its weight was but 37 tons so I left it out of the table).

These are the totals, by month. You will note that by far the largest was in February, when 220,200 tons were transferred.

1939

October *	68,215.29	15
November	52,259.00	14
December	87,163.00	20**

1940

January	62,929.00	13
February	220,200.00	41**
March	102,169.00	36
April	91,516.00	38

There are 171 ships listed above. Eleven of the sales were subsequently cancelled.

* Six days
 ** Seven of the 8 ships in the December total duplicate in February under suspicious circumstances. In December they were sold by the United States Lines to Norwegian registry and in February, although sold in December, 7 of these ships are sold by the United States Lines to Belgian registry.