

It occurs to me that the unusual conditions attaching to this transfer may not have been brought to the attention of the proper Canadian authorities. In view of the important effect which these stipulations might have upon British shipping interests, and the complications which might ensue from any attempt on the part of the United States authorities to enforce the penal provisions of the transfer order, I should be grateful if I might be informed whether, in the opinion of the Dominion Government, it is desirable that transfers to British registry should be accepted under such conditions.

A copy of this despatch is being communicated to His Majesty's Principal Secretary of State for Foreign Affairs.

I have etc.

(For the Ambassador)

H. G. CHILTON

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*Le Gouverneur général à l'ambassadeur aux États-Unis*  
*Governor General to Ambassador in United States*

DESPATCH 5

Ottawa, January 11, 1923

CONFIDENTIAL

Sir,

With reference to Your Excellency's Confidential Despatch No. 323 of the 12th December, referring generally to restrictions which have been attached by the United States Shipping Board to permits granted by the Board to transfer United States vessels to foreign registry, and more particularly to the permit granted for the transfer of the Steamer *Matoa* to Canadian registry, I have the honour to point out that, as the conditions laid down by the United States Shipping Board practically amount to an assertion of continued control of ships which are no longer vessels of the United States, the Department of Marine and Fisheries is not prepared to concede to the Government of the United States the right in any way to exercise jurisdiction over ships which may have come upon the Register Books of British Ships in Canada beyond such jurisdiction as may from time to time be applicable to all vessels of foreign registry while in United States waters.

Instructions, therefore, have been issued to Registrars of Shipping in Canada to refuse all applications to register vessels purchased from United States citizens, where the Order of the United States Shipping Board authorizing the sale and transfer of flag, or where the Bill of Sale contains any provisions restricting the use of the vessel in the manner indicated in the Order authorizing the transfer of the *Matoa*.

I have etc.

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