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UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

DEC 19 1940

FOREIGN TARIFF DIV.

December 18, 1940.

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DEC 19 1940		
BUREAU OF FOREIGN AND DOMESTIC COMMERCE		
INDEXED		531
FILE No.		

AIR MAIL

To: Division of Foreign Tariffs
 From: Detroit District Office
 Subject: Import Restriction on Motor Vehicles in Hong Kong

China
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 DEC 21 1940
 Motor Products Division

Mr. Karl R. Siebenhaar, Customs Department, Chrysler Export Corporation, informs us that their distributor in Hong Kong has asked that they invoice trucks, that is complete units to be shipped knocked down, as truck parts on account of the prohibition on trucks. The Chrysler Corporation, of course, does not countenance procedures of this kind in an attempt to evade regulations of foreign countries. Mr. Siebenhaar is accordingly desirous of ascertaining whether an embargo now actually exists on trucks in Hong Kong or whether the distributor's request is based on the fact that he has been unable to obtain the necessary import license or wishes to evade the payment of the 15 percent import license fee on motor vehicles. He therefore asks that we check with your Division for any further information you may be able to furnish.

Our contact also asks that the details furnished herewith as to the distributor's request be kept confidential.

As shipment is to go forward shortly, may we have your reply by return mail via air mail?

RD-79

Richard Stephenson
 Richard Stephenson
 District Manager

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DEPARTMENT OF COMMERCE
UNITED STATES

GOVERNMENT PRINTING OFFICE
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Detroit Office
December 19, 1940

burden of proof of the December 19, 1940 proposal falls upon the distributor in Hong Kong.

Airmail

32-BO

To: Detroit District Office
From: Division of Foreign Tariffs
Subject: Import Restrictions on Motor Vehicles in Hong Kong

Reference is made to your letter of December 18, requesting, on behalf of Mr. Karl R. Siebenhaar of the Chrysler Export Corporation, information as to whether trucks are prohibited importation into Hong Kong. It is noted that their distributor in Hong Kong has asked that the trucks be shipped in knocked-down units and invoiced as truck parts.

As announced in COMMERCE REPORTS of May 11, 1940, motor vehicles, including separate engines and chassis, are subject to import license requirements in Hong Kong. While we have not received definite word that licenses are being refused for trucks, there have been some indications that imports in general were to be curtailed as much as possible. In our opinion, shipments of complete trucks merely knocked down and invoiced as parts would still be subject to license as far as engines and chassis are concerned. Furthermore, this method of shipment would not enable the purchaser to evade payment of the registration fee of 15 percent, which is payable upon initial registration.

In view of the world wide business of the Chrysler Corporation and the importance of their Empire sales, they would be well advised to follow the policy of full compliance with British wartime trade control regulations, which is, we know, their policy. There is the further consideration that, between exchange control and the import license requirements, it would seem to be almost impossible to make out the required commercial invoices without the importer's running considerable risk of severe penalties, and perhaps even repercussions on Chrysler's Empire business.

In other words, we heartily agree that Mr. Siebenhaar's reluctance to comply with this request is fully justified and that the full

December 19, 1940

Detroit Office
December 19, 1940

burden of proof of the legality of the proposal falls upon the dis-
tributor in Hong Kong.

Mr. [faded]
Chief, [faded]

Perry J. Stevenson,
Assistant Chief,
Division of Foreign Tariffs

Forwarded:

Robert Sevey, Chief,
District Office Division

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MBS