October 28, 1940
10:50 a.m.

H. M. Jr.: Hello.
Operator: Wayne Taylor.
H. M. Jr.: Hello.

Wayne Taylor: Hello, Henry.

H. M. Jr.: How are you?
T: I'm fine and I just wanted to tell you how deeply I appreciated your note to me. It was the nicest thing that happened to me.

H. M. Jr.: Good.
T: Yeah.

H. M. Jr.: Well, I hope to see you soon, Wayne.
T: Well, so do I. I've got a lot of things I'd like to tell you about. Some of them are specific and some of them general. Well, any time that's good for you I think would probably be good for me.

H. M. Jr.: Well, either Tuesday or Wednesday. Do you want to say now?
T: Ah, let's see. Either one is all right for me.

H. M. Jr.: Well, I think - how's Wednesday at 11 o'clock?
T: Wednesday at 11 would be fine.

H. M. Jr.: O. K., Wayne.
T: I'll be around then.

H. M. Jr.: Glad to see you.
T: Thank you, Henry.

H. M. Jr.: Good-bye.
Secretary of State,  
Washington.

3547, October 28.
FOR TREASURY.

By two vesting orders announced today the British Treasury acquires some sixty Canadian Railway and Industrial dollar securities and the 4 per cent consolidated debenture (sterling) stock and the Grand Trunk Railway, the latter representing over pounds 24 million.

Of interest is the arrangement for optional payment in sterling, in 2½ per cent "on tap" national war bonds of pounds 100 (pounds 25 in the case of the post office issue of these bonds) or upwards in multiples of a penny, or in 3 per cent baby defense bonds in multiples of pounds 5 (the personal holding limit on baby bonds of pounds 1,000 being maintained). Payment will be made not before November 26, the prices for each security being quoted in the orders and being described as "in the opinion..."
opinion of the Treasury not less than the market values of the securities on the date of the order (October 26)". The prices include gross accrued interest calculated to October 26 in the case of bonds, allowance being made for the fact that one month elapses between the date of the order and the payment. The Grand Trunk sterling issue, however, is priced specifically at pounds 104. 4s. 5d. for pounds 100 stock.

As reported in the Embassy's Nos. 1713 of June 18, 6 p.m., 2887 of July 19 and 3281 of October 1, most of these securities are physically in Montreal though some private holdings remain here. The sixty dollar securities comprise a wide list with two notable exceptions, namely, International Nickel and Canadian Pacific common, in which the market hopes dealings will be resumed shortly in London.

It will be remembered that the two previous British Treasury acquisitions of Canadian securities were made in connection with redemptions of sterling securities as reported in the Embassy's 2060, October 16, 7 p.m. (1939) and 1670 of June 15 (1940). JOHNSON
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE: October 28, 1940

TO: Secretary Morgenthau
FROM: Mr. Cochran

STRICTLY CONFIDENTIAL

Mr. Pinsent telephoned me this noon to the effect that the British Government was today announcing the vesting in it of title to 60 Canadian dollar securities, and also one sterling issue (Grand Trunk). These securities are to be sold in Canada. To date the British Government had vested title in only two securities, which the Canadian Government had undertaken to redeem. There have been some private sales under permit. The British Government had asked Mr. Pinsent to inform Secretary Morgenthau of this operation without delay.

[Signature]

Regraded Unclassified
The Honorable,

The Secretary of State,

Dear Mr. Secretary:

This is in reply to your letter of September 4, 1940, enclosing copy of letter of August 27, 1940, from the Minister of the Netherlands relative to the desire of the Netherlands Indies Government to purchase United States Army light tanks.

The War and the Navy Departments object on the ground of military secrecy in its relation to the national defense to the export sale of Army type M2A1 light tanks at the present time. However, the Departments have no objection to the institution of negotiations with a view to later release of these tanks to the Netherlands Indies Government.

It is requested that the Minister of the Netherlands be informed that an authorized representative of his Government should contact the Clearance Committee, Army and Navy Munitions Board, Munitions Building, which will conduct the necessary negotiations.

Sincerely yours,

HENRY L. STIMSON

Secretary of War.

OCT 28 1940.
DEPARTMENT OF STATE
WASHINGTON

In reply refer to
EA 892.515/1122

October 28, 1940

The Secretary of State presents his compliments to
the Honorable the Secretary of the Treasury, and encloses
herewith copies of the paraphrase of a telegram, dated
October 26, 1940, received from the American Legation at
Bangkok relating to Thailand gold in the United States.

Enclosure:

From Bangkok,
No. 140,
October 26, 1940.
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bangkok, Thailand (Siam)

DATE: October 26, 1940, 2 p.m.

NO.: 140

The British Minister informs me, in the strictest confidence, that the Thai Government has communicated a request to the Thai Minister at Washington to explore the matter of getting out of the United States Thailand's 9,000,000 dollars in gold as well as the possible acquisition of more gold for export to Thailand. It is believed by the British Minister that this effort is connected with the designs in Indochina which are contemplated by Thailand. He stated that Thailand has 10,000,000 pounds in London which, except in sterling areas, they are unable to use.

GRANT

EA: VCL
### Allison Shipments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>164</td>
<td>43</td>
<td>67</td>
<td>52</td>
<td>37</td>
<td>363</td>
<td></td>
</tr>
<tr>
<td>Army</td>
<td>56</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td>11</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>Navy</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>221</td>
<td>49</td>
<td>73</td>
<td>61</td>
<td>48</td>
<td>452</td>
<td></td>
</tr>
</tbody>
</table>

Office of the Secretary of the Treasury,  
Division of Research and Statistics.  
October 28, 1940.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE October 28, 1940

TO Secretary Morgenthau
FROM Mr. Cochran

STRICTLY CONFIDENTIAL

In accordance with the instructions which you gave me by telephone from New York last night, I called at Secretary Hull's office this morning at 9:30 and spent one hour looking over the cabling which had reached the Department of State over the weekend.

A message filed at Athens by American Minister MacVeagh at 3:50 this morning reported that an ultimatum had been handed to the Greek Government by the Italian Minister at 3:00 a.m. While the specific terms were not known, it was understood that Italy was demanding strategic points in Greece. The Greek Government was conferring with the British Legation and a refusal to meet the terms of the ultimatum was anticipated. (On the ticker it is reported that at the end of the three-hour period of the ultimatum, Italy attacked Greece this morning and has bombed Patras).

After returning from Secretary Hull's outer office, I received a telephone call from Mr. Livesey at 10:50 this morning. Livesey stated that Dr. Feis had told him to telephone the Treasury to the effect that Secretary Hull would like to stop the rumor current in regard to our blocking of Greek funds. When I saw Secretary Morgenthau at 11:10 this morning I gave him this message. In answer to the Secretary's inquiry, the date on which the Treasury Group, headed by the Secretary, last discussed with the Department of State the question of extending the area of foreign exchange controls, raised in Secretary Hull's letter of October 2, was October 8. Messrs. Berle and Grady had come to Secretary Morgenthau's office at 10 a.m. October 1, to bring up this question.

At the above hour, I told Secretary Morgenthau that Secretary Hull was to receive the Hungarian Minister at 11:00 this morning. In this connection, the Hungarian Minister telephoned me Saturday requesting the Treasury's decision with respect to the Hungarian proposal for our Stabilization Fund to extend a credit. The cabling which I read at the State Department this morning definitely reported that German troop trains had crossed Hungarian territory.

Cablegrams from Matthews at Vichy indicated that Laval had taken only his physician with him when he went to his meeting with Hitler, and that the other members of the Government knew nothing of the subjects to be discussed. Baudoin, as Foreign Minister, had resented his own exclusion very much from the meeting. After the subsequent meeting of Pétain with Hitler it was reported (upon information obtained by Ralph Heinzen, the Vichy reporter for I.N.S. who is close to Laval) that Laval forced Baudoin, under threat of placing him in custody at Châlons to attend the Cabinet meeting and join in the unanimous vote approving Pétain's joint communiqué with Hitler; Baudoin was then permitted to resign from head of the Foreign Office, but retaining the title of Minister of State at the Presidency. Laval himself will apparently take charge of foreign affairs, but it is not known who is to be his immediate assistant.

Matthews delivered personally to Pétain the message from this Government reminding Pétain of the promise the French had given us not to put their fleet at the
disposal of Germany, and warning that if this is done we will not undertake to help France retain her overseas possessions in any settlement. Matthews found Pétain quite fatigued, but still wanting to be the friend of America. Henri-Haye had sent this same message which Mr. Welles had delivered to him, but it had been softened somewhat in transmission to Pétain. Jules Henry, Rochat and some of the other Foreign Office associates whom Matthews saw when calling on Pétain, seemed to think that the United States was too much concerned over the problem of the fleet; they do not anticipate it being used against Britain.

From the cables it appears, however, that no one other than Laval seems to know the specific terms of the understanding to which Pétain has agreed with Hitler. Among the possible terms the following were listed: (1) Use of French fleet by Axis (or use of naval-air bases with the French to use the fleet “to protect France”); (2) Italy to receive Tunisia, Corsica (?), and part of Algeria; (3) Germany to receive coast of Morocco, including Dakar; (4) Spain to get part of Algeria; (5) Japan to receive Indochina, but the rest of overseas French possessions remaining to France; (6) Alsace to go to Germany, but part of Lorraine to remain French; (7) the Axis to have use of the French Foreign Legion and Near Eastern troops.

One of our military attaches calculated at 1,375 the airplanes still in possession of the French. There are several French war vessels in the port of Casa Blanca and some native troops are being transported from there to Dakar. There is no evidence of German fliers arriving at Dakar.

* * * * * * *

With reference to the possible freezing of Greek assets in the United States, the following tabulation shows the amounts held by the Federal Reserve Bank at New York at the close of business on Saturday, October 26, by the Central Banks of Greece and Turkey:

<table>
<thead>
<tr>
<th></th>
<th>Greece</th>
<th>Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$3,699,000</td>
<td>$4,975,000</td>
</tr>
<tr>
<td>Gold</td>
<td>6,706,000</td>
<td>4,677,000</td>
</tr>
<tr>
<td>Common Stock</td>
<td>4,500</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$15,369,500</td>
<td>$9,652,000</td>
</tr>
</tbody>
</table>
Buenos Aires, October 28, 1940.

No. 1461

Subject: ARGENTINE ECONOMIC POLICY; BRAZILIAN AGREEMENT

1. The pending trade agreement between Argentina and Brazil evidences conflicting aims.

2. Possibility of discrimination against American interests arising from exclusive concessions.

3. Attitude of Minister of Finance; other elements in the Government.

4. Motives of various groups in negotiating the present and similar agreements.

Strictly Confidential

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor, in compliance with the Department's telegram no. 244 of October 19, 3 p.m., to submit the following discussion of Argentina's economic policy with particular reference to the possibility of discrimination against American interests as a result of the exclusive concessions granted to other countries by Argentina in trade agreements such as that contemplated in the accord between the Ministers of Finance of Argentina and Brazil signed at Rio de Janeiro on October 6, 1940.

It is difficult to divine and clarify the motives that underlie the pending agreement with Brazil for the reason that there are opposing forces in the Government itself, which may account for certain apparent inconsistencies, such as the forthright provision in Article II for bilateral balancing which must envisage a managed commerce on the one hand and provisions looking to the liberalization of trade in Articles I, III and VI on the other.

It appears moreover that the concessions granted are not to be generalized to third countries in the absence of similar agreements with such countries, and that the Argentines still have in mind the possibility of special treatment to be reserved for contiguous countries, a policy that came up for discussion during the trade agreement negotiations with the United States last year.
The preliminary memorandum prepared by the Minister of Finance submitted as an enclosure to despatch 1396 of October 2, 1940 referred to the chronic unfavorable balance of Brazil’s trade with Argentina, recognized the need of measures to rectify the situation, foreshadowed the possibility of establishing a free economic zone on the basis of a reasonable compensation between exports and imports to be followed by reciprocal tariff concessions “within the zone of free interchange”, and stated that there are powerful reasons why adjoining countries should make their special concessions not granted third countries. It continued however that if the bilateral character of the proposed agreement should prove a hindrance nothing would impede Argentina from opening the agreement to third countries or to the whole continent. In any event concessions would be exclusively for the agreement countries in a limited form of customs union involving compensation arrangements, which were characterized as persuasive instruments having great psychological value.

Thus the idea of the Minister of Finance with respect to the encouragement of commerce with the American countries and the lowering of barriers are intrinsically interwoven with provisions that intertrench the principles of bilateral balancing, managed economy, and preferential treatment of favored countries which have characterized Argentine policy for the past eight years. It is believed therefore that there is a very real danger that such agreements as those contemplated may well work out to the disadvantage of American interests and policies, even if Dr. Finedo is entirely sincere in saying as he does that such is not his intention.

Whereas the present Minister of Finance was largely responsible for the inauguration of the existing system of exchange control in this country, he has repeatedly expressed himself as genuinely desirous of placing Argentine-American trade relations on a better footing.

Ambassador Caffery reports that the Brazilian Minister of Foreign Affairs stated that in his opinion Dr. Finedo was more genuinely friendly toward the United States than any Argentine official he had met.

It is believed that an influential group of the Minister’s associates are convinced that only by adhering to a strictly bilateral balancing policy and an absolute control of exchange and of imports and exports can Argentina be saved from disaster, and that they are determined not to let anything diminish in the slightest degree the powers they wield.

Whereas the individual members of this group have professed agreement in theory with the multilateral trade policy of the United States, they are completely defeatist with respect to its chances of success, and it is considered significant that the commitments made in recent years including the Brazilian accord have served to involve Argentina more deeply in its system of bilateral agreements based on the principle of compensation trade and preferential treatment of certain countries.
Dr. Pinedo is wholeheartedly and outspokenly pro-democratic in his views, he favors American solidarity, and would like to have his credit constructive accomplishments improving Argentine-American relations. He is hampered by the factors already discussed and the habits of thought here with regard to the United States, but he stated before his appointment that he would only accept the Finance portfolio on the condition that he should be given a free hand in carrying out his ideas, and he has indicated on more than one occasion that he is prepared to brave political criticism to get results. He thinks rapidly, is extremely energetic and is capable of quick decisions, but at the same time he is quick-tempered and impatient. He is easily irritated by delay, and as will be seen from the enclosed memorandum he is at present extremely disappointed over having been unable to conclude some definite arrangements during Mr. Pierson's recent visit to Buenos Aires. It is believed that his impatience is due in part to his wish to get results quickly, and that another factor may be a feeling of uncertainty with respect to his tenure of office, since it is reported that President Ortiz is determined to resume power, possibly within a few months, and that in such an event Dr. Pinedo would not be got to remain in office. In any case he is reported as feeling that opportunities are being lost for both countries while time is passing, lessening his chances of realizing what is believed to be a very genuine ambition on his part, viz., the reaching of a mutually satisfactory accord with the United States.

The chief interest of the politically potent agricultural interests in the Brazilian accord is the provision designed to safeguard the market in Brazil for Argentine wheat, and the principal political opposition comes from domestic manufacturers who feel their business may be adversely affected by the concessions granted. The remainder of the draft agreement is largely an expression of policy relating to the future and represents an attempt by the Minister of Finance to give expression to some of his ideas for the liberalization of trade within the framework of Argentina's existing system. Some see in this agreement the first step toward creating an economic bloc comprising Brazil, Chile, Bolivia and the River Plate countries under the hegemony of Argentina, to be effected by means of bilateral agreements. Dr. Pinedo has been at some pains to declare that this is decidedly not his object, but unfortunately such a plan has a strong appeal to Argentine pride and prejudice, it fits in with the objectives and ambitions of the group referred to above, and is certain to receive the support of pro-totalitarian influences.

Reference is made in this connection to a plan discussed some time ago for a regional economic conference of representatives from this group of countries. It was to have been held in October but was postponed until the beginning of next year. (1) According to articles in the press the conference was called for the purpose of considering inter alia a preferential economic regime for the countries bordering on the La Plata River which would grant each other benefits,

Note (1): See despatch no. 1366 of October 9, 1940 and the special fortnightly report no. 193 of October 8, 1940 by Vice Consul William F. Russer.
including "exchange privileges", not to be generalized to other nations. As already intimated there is little question but that the idea of creating a special zone of economic influence with Argentina the leading participant would have a strong appeal and that plans of this nature unfortunately are attractive to many elements in the Government as well as the public, which explains in part the political hazard run by officials who wish to improve relations with the United States.

Dr. Walter F. Schuck stated in a recent issue of his "Argentine Financial Service" (October 25, 1940) that the same section of opinion that regards Argentine rearmament as unnecessary insists upon what they regard as economic rearmament through the formation of a South American triangle-bloc comprising the countries named above. After referring to the futility of similar blocs in Europe in the face of the totalitarian advance, Dr. Schuck says that the proponents of this plan urge that such a bloc would be in a position to deal more efficiently in foreign commerce than an individual country would, the implication being that the bloc might be used against a totalitarian Europe, the British Empire or the United States. The program would call for the reduction of the difficulties of war economy through cooperation between the member nations and confront the victor of the European war with a group that could not be intimidated by economic pressure.

In conclusion it may be stated that Dr. Pinedo wishes to give Argentine economic policy a new orientation, and says that the improvement of relations with the United States figures prominently in his plans. Judging by his pronouncements on the subject he would regard such improvement to be for the good of his country and a personal triumph for himself as well. Thus it is considered reasonable to believe that he does not regard the move to make agreements with nearby countries as directed against the United States, but rather as an activity in the right direction while awaiting developments of greater importance. This does not mean however that others associated with him may not see in this initiative an opportunity to work against American policies and interests by involving Argentina more irretrievably in commitments incompatible with complete economic cooperation with the United States under the principles of multilateral trade and unconditional most favored-nation treatment. It is considered important therefore that as much support as possible be given Dr. Pinedo at such times and in such a way as will serve to strengthen his position in his attempts to do something constructive, but that a clear understanding with respect to the treatment to be accorded American trade by the Argentine Government should be reached in advance of extending substantial assistance.

Respectfully yours,

Norman Armour

Enclosure:
Memorandum
Copy to Embassy at Rio. Copy:ct

QN.
631
HBD: cne
Buenos Aires, October 25, 1940.

MEMORANDUM

TO: S. Pinkney Tuck, Charge d'Affaires a.i.
FROM: Monnett E. Davis, First Secretary of Embassy.
SUBJECT: Argentine-American Trade Relations; Opinions Expressed with Regard to the Visit of Warren Lee Pierson, President of the Export Import Bank of Washington.

Dr. Oscar Muller, local representative of the First of Boston International Corporation, who has long been close to Dr. Pinedo and the Argentine Ministry of Finance, told a member of the Embassy staff in confidence that he had found the Minister in a rather bad mood induced he thought by disappointment over the lack of progress in relations with the United States. He explained that Dr. Pinedo was by nature a very impatient man and that he believed this trait was being accentuated at present by a feeling of uncertainty with respect to his tenure as Minister of Finance, since persons close to President Ortiz say he is determined to resume active charge and direction of the Government within a few months and that the chances of Dr. Pinedo’s continuing in office in such an event are regarded as very slight. Accordingly he feels that time is passing and that he may not be able to realize what he has often stated as his principal reason for wishing to return to office, and that is to give Argentine commercial policy a new orientation involving closer cooperation with the American Republic and, most important of all, improve relations with the United States.

According to Dr. Muller the Minister of Finance expressed himself as very dissatisfied over the conversations that took place during the recent visit to Buenos Aires of Mr. Pierson, saying that he had hoped to discuss Argentina’s problem and arrive at some solution but that Mr. Pierson obviously had not been authorized to make any commitments whatsoever. He seemed discouraged for some reason over the prospect of getting any further assistance from the United States and seemed also to be suffering in some degree from hurt pride. It was thought he had been twittered about the announcement of credits approved for Brazil and had been stung by assertions that the United States was treating Argentine as it would Haiti or Nicaragua.

Dr. Pinedo is reported as saying that Argentina could not have two Ministers more desirous of effecting closer relations with the United States than Dr. Boc and himself, both of whom he said were even willing to brave political criticism to get results in this connection, and yet the initiatives taken thus far have not been productive of any tangible result. It is evident that he expected much of Mr. Pierson’s visit, having been given to understand it was to take the place of the special mission originally designated to come to Argentina.

(1)
Dr. Muller says that he reminded the Minister that the exchange control authorities must have created a bad impression by announcing a measure affecting American business adversely on the eve of Mr. Pierson's arrival and that Dr. Pinedo had indicated that he thought the announcement was unfortunate, that he had not known of the plan until it was completed and that he had accepted it because of its necessity and because he considered it would be better to have its announcement precede Mr. Pierson's arrival rather than come later when it might be interpreted as an unfriendly and ungrateful action. He stated that the lack of dollar exchange was very real and that he saw no way of avoiding the curtailment of imports from the United States in the present circumstances.

The Embassy's informant said that the Minister seemed to have received some information which served to make him very pessimistic with respect to the intentions of the United States Government. He stated, whether for effect or from conviction it would be difficult to determine, that he was not very hopeful of receiving adequate or even substantial help from the United States, and that he was exploring other possibilities. He said that while something might be done toward increasing trade with other Latin American countries the results would be a negligible factor in view of the magnitude of Argentina's problem.

Dr. Ramón Castillo in a conversation with the president of the Automobile Importers Association is reported to have made a similar statement, which was to the general effect that the United States as usual had been ready to assist Brazil but not Argentina. This would seem to indicate that Dr. Pinedo permitted not only himself but other members of the Government to anticipate an early arrangement with the United States with respect to credits.

M. E. D.

ADDENDA

Note (1): See the Department's telegram 180 of October 12, 2 p.m., and the Embassy's telegrams 342 of August 13, 8 p.m., and 391 of September 4, 7 p.m.
TO: Buenos Aires
DATE: October 26, 1940
FROM: Department of State

Refer to your #505, October 25.

Department of Commerce requests indication by cable of extent to which it may give publicity to statement of the Director of the Exchange Control Office.

HULL

RECD OVER PHONE
10/30/40

ch
October 28th, 1940

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Henry Morgenthau, Jr.
United States Treasury,
Washington, D.C.
Telegram received from London
dated October 26th, 1940.

1. Naval. Four more Town class destroyers ex-United States arrived Belfast a.m. October 26th.
   Two of His Majesty’s trawlers have been sunk, one by mine, the other by a near miss bomb along the side of the jetty at Montrose both on October 26th. One casualty in each case.

   H.M.S. Aphra working in conjunction with Royal Air Force successfully bombarded an enemy concentration fifteen miles east Sidi Barrani early on October 26th. Motor transports were destroyed and at a large fuel dump a fire was started.

   Two trawlers were sunk by mines off the entrance of the Humber a.m. on October 26th.

2. Royal Air Force. During night of October 26th/October 26th 92 aircraft successfully attacked following targets: three oil plants, ship yards and docks at Hamburg, Bremen, Krupp Works at Kiel (32 heavy bombers) power station Hamburg, gun emplacements opposite Dover, aerodromes in Holland, Belgium, Northern France. Five medium bombers were also given minelaying task. One heavy bomber has not returned.

3. German Air Force. Night of October 24th/25th. London area: casualties reported are one killed, 51 wounded. Water situation of London has considerably improved and services from all important installations are practically restored to normal.

Outside/
October 26th. Weather fine and daylight. Air force was abnormally active. Five main formations consisting of 90-95 m.u. 109 fighters escorted by 815 m.u. 5 m.u. and split up into four sections. They dropped bombs on London, Farnborough, etc. Result: about 90 dead, 200 wounded, many damaged, some destruction. In London, 200 different industrial establishments were damaged. In central London, damage was caused at New Street station, material loss caused by fires. In business premises, damage caused by fires, but military damage in city is not important and effect on production is negligible.
5 of them was only slight and at 2 only is any mention made of serious damage. Six high explosive and some incendiary bombs fell at Coppins, near Iver, the residence of His Royal Highness the Duke of Kent. There were no casualties. At an aerodrome in Scotland considerable damage was done to one hangar and the officers' mess. Six persons were killed.

4. Summary of air casualties.

<table>
<thead>
<tr>
<th>Enemy</th>
<th>Destroyed</th>
<th>Probable</th>
<th>Damaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>By fighters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fighters</td>
<td>14</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Bombers</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

British: 10 fighters (7 pilots safe).

8 bombers missing.

5. Convoys. Fifteen ships, Halifax convoy, which was heavily attacked on night of October 19th/20th have arrived in harbour; cargoes included 6 iron and steel. Another convoy of 23 ships has arrived safely; cargoes included 8 of oil and 5 of non-ferrous metals.

6. Middle East. On the night of October 24th/25th Benghazi harbour was again attacked by our bombers and fires were caused.

Sudan and Ethiopia. On the night of October 23rd/24th our bombers attacked an Italian aerodrome near Gonder, troop concentrations near Kassala, where violent explosions occurred, and 2 aerodromes near Assmara, at one of which 2 aircraft are believed to have been destroyed on the ground and at the other bursts seen near hangars.

On October 24th 2 enemy aircraft attacked a convoy in the harbour at Port Sudan. Damage was negligible, but 22 native dock labourers were killed.
Mr. Cameron of the Federal Reserve Bank of New York gave us the following information regarding the transfers listed below from German and Italian accounts maintained with the Chase National Bank.

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount Debited</th>
<th>Account Debited</th>
<th>Paid To</th>
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</thead>
<tbody>
<tr>
<td>October 26</td>
<td>$32,455</td>
<td>Deutsche Gold Discount Bank, Berlin</td>
<td>Irving Trust Company, New York, for account of Yongibara</td>
</tr>
<tr>
<td></td>
<td>109,180</td>
<td></td>
<td>Irving Trust Company, New York, for account of Carl Marks and Company, New York</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount Debited</th>
<th>Account Debited</th>
<th>Paid To</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 26</td>
<td>$100,000</td>
<td>Banca Commerciale Italiano, New York</td>
<td>Check drawn by the Banca Commerciale Italiano, New York, in favor of Manufacturers Trust Company</td>
</tr>
</tbody>
</table>
CONFIDENTIAL

Registered sterling transactions of the reporting banks were as follows:

Sold to commercial concerns  £83,000
Purchased from commercial concerns  £27,000

Of the £83,000 sold, £50,000 are being used to cover the importation of whiskey.
The remaining £33,000 are being applied against various imports.

The Federal Reserve Bank sold £15,000 in registered sterling to a non-reporting
bank.

In the open market, sterling had a firm tone, advancing from 4.03 at the opening
to 4.04 at the close. The rise was attributed to a small increase in commercial
buying to meet end-of-month requirements. Transactions of the reporting banks were
as follows:

Sold to commercial concerns  £25,000
Purchased from commercial concerns  £2,000

The Swiss franc moved lower in a quiet market. It closed at .2321-1/2, as
against a final middle rate of .2323-1/4 on Saturday.

The Canadian dollar has experienced a moderate improvement during the past few
days. It closed at a discount of 13% this afternoon, as compared with 13-1/2% a
week ago.

The other currencies closed as follows:

- Swedish krona  .2385
- Reichsmark  .4005
- Mexican peso  .2070
- Argentine peso (free)  .2335
- Brazilian milreis (free)  .0505
- Cuban peso  9% discount
- Lira  .0505

We purchased $300,000 in gold from the earmarked account of the Bank of
Venezuela.
The Federal Reserve Bank of New York reported the following gold engagements:

- $6,096,000 from Japan, representing two shipments by the Yokohama Specie Bank, Kobe, to its San Francisco agency, for sale to the U.S. Mint at San Francisco.
- $42,000 from Canada, shipped by the Royal Bank of Canada, Montreal, for account of Dr. Konrad Bloch, to the Irving Trust Company, New York, for sale to the U.S. Assay Office, New York. The Irving Trust Company advises that Dr. Bloch is a Swiss national.
- $6,138,000 Total

The report from the Federal Reserve Bank of New York listing deposits for the account of Asia as reported by the New York agencies of Japanese banks on October 23, showed that such deposits totaled $93,680,000, a decrease of $4,562,000 since the last report as of October 16. Included in this total were $35,361,000 in deposits with the Yokohama Specie Bank, New York, made by its branches in China, off $239,000 from October 16, and $46,547,000 in deposits made by Japanese banks in Japan and Manchuria, off $4,207,000. Some $1,900,000 of the latter deposits were believed to have been used for the purchase of short-term bills in this market, and about $1,100,000 for payment of maturing Japanese import bills. Loans made to Japanese banks by Yokohama's New York agency totaled $21,731,000, an increase of $2,095,000 over the October 16 figure.

The Bombay gold price was equivalent to $33.72, up 1/8 from Saturday's quotation. According to cable advice received from Bombay, there was a heavy export demand for gold in that centre at the end of last week, with exporters paying as high as the equivalent of $33.93. The silver price in Bombay was unchanged at the equivalent of 45.37/4.

In London, the spot and forward silver prices were fixed at 23-7/16d and 23-3/8d respectively, both off 1/16d from Friday's quotations. The dollar equivalents were 42.56d and 42.44d.

Handy and Hargan's settlement price for foreign silver was unchanged at 34-3/4d. The Treasury's purchase price for foreign silver was also unchanged at 35d.

We made two purchases of silver totaling 100,000 ounces under the Silver Purchase Act, both of which consisted of new production from foreign countries for forward delivery.
TO

Secretary Morgenthau

FROM

Mr. Hazen

Subject: The Business Situation, Week ending October 26, 1940.

Summary

(1) The rise in basic commodity prices continues. Both industrial materials and food prices have reached higher levels during the past week, with the former group showing the larger gains. Increased prices in September were reflected in the BLS all-commodities index, which rose above the levels of the previous three months. The cost of living also shows a slight increase.

(2) Our new orders index during the week ended October 19 rose above the peak reached last June, with marked gains in all three major groups. Reported steel orders were 122 per cent of capacity, and textile orders (particularly for woolen goods) were sharply higher.

(3) With production close to previous top levels in the major industries associated with national defense, the need for a careful survey of capacity limitations to prevent possible material shortages and to absorb the largest volume of the unemployed becomes more urgent. Present capacities available for increased production and employment are now centered largely in the consumer goods industries.

(4) An important danger of capacity shortages may exist in various sectors of the steel industry, where the ability to meet defense requirements without curtailment of civilian uses is in doubt even in the steel trade. Ingot output currently is being increased further only with difficulty, while orders are beginning to increase more rapidly. Pig iron prices were increased by one producer last week, apparently reflecting a tight supply situation.
Commodity prices higher

The advance in basic commodity prices continued through last week, though some reactionary tendencies appeared at the close of the week, chiefly in grain prices. The rise in these more sensitive prices, which has been under way since mid-August, has begun to reflect itself in the broader indexes of commodity prices. The BLS all-commodities index, which had been in a gradually declining trend since last October, rose 0.6 point in September to 78.0. In consequence the cost of living has increased slightly. (See Chart 1, upper part.)

The BLS index of 28 basic commodities shows a more pronounced rise since the August low than the broader index (see Chart 1, lower part) primarily because of considerable increases in the prices of certain basic materials. In Chart 2, upper part, are shown separately the indexes for 12 foodstuffs and 16 raw industrial materials, which together make up the index of 28 basic commodities.

Industrial materials continue to advance faster than foodstuffs, and the leaders in last week's rise -- hides, wool, rosin, and shellac -- were in this group. (See Chart 2, lower section.) Hides, wool, and wheat continue to show the greatest percentage gains from their August low, all three rising more than 25 per cent.

Supply shortages beginning to appear

The recent rise in prices of basic industrial materials has been due, in a number of instances, to rather clearly apparent supply shortages, similar to those which often foreshadow broad advances in commodity prices. The time seems at hand for planned Government action looking toward an expansion in the production of various materials, if price inflation is to be forestalled.

The tight supply situations in zinc and copper have been mentioned in previous reports. The three commodities shown on Chart 2 to have increased most rapidly in price since their August lows -- hides, wool, and wheat -- also reflect supply shortages in varying degrees. Reported domestic stocks of hides at the end of August were the lowest for that month since at least 1922. In the Argentine hide markets, Russia, Japan and the United Kingdom, in
addition to the United States, have recently been buying heavily. The orders from the Army for some 4,000,000 pairs of shoes, and recent heavy buying of sole leather in this country by Russia have contributed to a tight supply. The situation might be improved by a reduction in the 10 per cent import duty.

The wool market is dominated by (1) heavy Army orders for cloth and blankets, and (2) control by Great Britain of most of the stock of fine wools outside the United States. When pending contracts are awarded, involving mostly fine wools, the Army will have absorbed one-third or more of this year's domestic clip. The price outlook thus depends partly upon Great Britain's willingness to dispose of her stock of fine wools. Increased utilization of the medium and coarse wools from Argentina and Uruguay, reduction of the 25 cent (approximate) import duty, and enforced mixtures of other textile fibers in certain fabrics, are possible methods of relieving the supply situation.

Wheat prices also higher

The sharp rise in wheat prices is credited chiefly to the Government loan program, which has withdrawn a substantial amount of wheat from the supply available for domestic millers -- 218,000,000 bushels of this year's crop being reported under loan on October 15. Wheat does not yet present a real supply problem, however, since (1) an ample domestic supply is available, and (2) the automatic reduction in new loans and increase in repossession of wheat by growers at higher price levels tends to put a ceiling on the price advance. Heavier selling by growers was a factor causing a sharp decline in wheat prices last Saturday, which weakened other grain prices.

Weekly new orders sharply higher

Our weekly new orders index showed a sharp increase in the week ended October 19 to 187.5, which exceeded the June high by 7.6 points. (See Chart 3.) Orders for defense materials were apparently an important influence. The increase in new orders was distributed among all components. Steel orders represented 122 per cent of capacity, the highest since August 22, and 19 points above the preceding week. The textile
component increased to 44.5 from 23.8 in the preceding week. Although the major increase occurred in woolen goods, cottons also registered an advance. The New York Cotton Exchange Service reports that sales of unfinished cotton goods in that week were about double current production, while sales of finished goods were well in excess of output.

Defense industries approaching capacity

A survey of present production in the major industrial groups (see Chart 4) shows production in the industries associated with national defense to be close to the previous peak levels reached in 1929 and in the 1937-1939 period, if not already exceeding them. In iron and steel, non-ferrous metals, textiles, rubber, and chemicals, production in September was at or near previous peaks, while in the machinery and stone, clay, and glass products industries, production exceeded the highest previous levels. For automobiles, a special adjustment was made because the September 1940 index is unduly low on account of seasonal influences. The estimate for October 1940 here shown is still considerably below former peaks.

Judging from this comparison, present capacities for increased production and employment are chiefly to be found in the consumer goods industries. The nearness of the defense industries to previous peak levels indicates the need of careful surveys of capacity limitations, in order to avoid shortages of materials and to absorb the largest number of the unemployed.

Capacity may be limited in the steel industry

Evidence from the steel industry bears out the indications derived from the F.R.E indexes that steel production is very near capacity at the present time. Chart 5 shows that many of the districts which were already near capacity have been unable to increase their output in recent weeks. Even the important Pittsburgh district, which has for some time been the only district showing any important excess of capacity, is now approaching its limit of output.

From leaders in the steel industry itself come contradictory statements about the industry's ability to meet the requirements of defense without curtailment of civilian uses.
Mr. Tom M. Girdler, Chairman of the Board of Republic Steel, said last week that the steel industry has adequate productive capacity for both national defense and normal commercial needs. He estimated productive capacity at 83 million tons, and foresaw possible requirements of 82 million tons of steel. The editor of the American Metal Market, on the other hand, mentioned 73 to 78 million tons as the practical capacity of the industry, asserting that any increase in steel output above that level would have to be produced entirely from steel scrap, owing to the pig iron furnaces being already at virtually peak production.

Production last week reached 94.9 per cent of capacity, the highest level since June 1929, and an actual tonnage well in excess of the best levels of 1929. The increase for the week, however, was only 0.5 point over the preceding week. (See Chart 6, upper part.) Orders, as reported by the U. S. Steel Corporation, however, were 122 per cent of capacity, an increase from 103 per cent in the preceding week. Since the U. S. Steel Corporation and independent companies are now operating at approximately the same level of capacity (see Chart 6, lower part), there is reason to assume that U. S. Steel orders are roughly representative of the industry. According to reports from the industry, the preponderance of orders now being received is still for non-military purposes, as a lack of detailed specifications in many instances is holding up defense orders. Hence the problem of assuring adequate capacity for defense purposes is particularly acute.

Reflecting the tight supply situation in pig iron, where production is near the practical limit of capacity, the Pittsburgh Coke and Iron Company last week raised its pig iron prices $1.50 to $2.00 a ton, effective at once. The new prices will be $24.50 and $25.00 a ton.

**Employment sharply higher in September**

The September gains in factory employment and payrolls represented, with but few exceptions, the largest aggregate increases in any single month since 1919. Total non-agricultural employment increased by 600,000 between August and September to 36,600,000. In addition to this total, 2,242,000 were employed by the CCC, WPA, and NYA. Total non-agricultural employment has been increasing since February
SECRETARY MORGENTHAU - 6

at an average rate of 285,700 a month. The September increase is not only larger than the previous monthly average increase, but is far larger than the usual seasonal increase; in fact, it is one of the largest ever recorded. The major part of the September increase was due to the rise in factory employment, which was about half again as great as the usual seasonal increase.

Exports lower in September

Exports in September did not contribute to the increase in industrial production, as United States exports of domestic merchandise in that month actually declined $54,000,000 or 16 per cent from the previous month. As a result, the month's total stood at $283,000,000, the lowest figure since last November. (See Chart 7.) While at first glance this decline might appear to be partly attributable to the shorter month, actually exports normally expand during September as a result of increased shipments of agricultural products.

As a matter of fact, agricultural exports fell to a new low level despite a slight recovery in cotton exports from the previous month's extremely low figure. By September of this year, agricultural exports had declined to such an extent that they comprised only 3 per cent of our total export trade as compared with 26 per cent in September 1939.

The most important factor in the decline was a drop of $14,500,000 in aircraft exports, according to the Department of Commerce classification, as compared with the previous month's record figure. Substantial declines also occurred in shipments of copper, iron and steel scrap, and petroleum products. Iron and steel exports exclusive of scrap showed only a trifling decline from August's figure, when nearly 23 per cent of our finished steel production was exported. Total machinery exports dropped 7 per cent below the high August figure, but exports of metal-working machinery actually showed a slight advance.

Weekly business indexes

With all but two components showing gains, the New York Times index of business activity made a further slight advance during the week ended October 19, rising to 108.4 from 108.2 (revised) in the previous week.
The principal factors contributing to the rise were a moderate contra-seasonal increase in steel ingot production and a greater than seasonal rise in cotton mill activity. The adjusted indexes of freight car loadings and lumber production showed smaller advances.

These gains were largely offset by a further substantial decline in the adjusted index of automobile production, despite a rise in actual production of 6,000 units over the previous week. The index of electric power production declined slightly despite a rise in actual electric power output to the highest figure on record.

Barron's index of business activity for the week ended October 19 rose at a faster rate than the Times index, advancing to 116.7 from 115.7 in the previous week.

Preliminary data for the week ended October 26 reveal a slight contra-seasonal rise in steel ingot production to a new high operating rate since 1929. Automobile production also reached a new high for the year as a result of an increase of 2,000 units. Nevertheless, the adjusted index will show a further substantial decline due to the distortion which has occurred this year in the normal seasonal pattern of automobile production, as pointed out in previous memoranda.

Steel operations for the current week are scheduled at 95.7 per cent of capacity, as compared with 94.9 per cent last week, according to the American Iron and Steel estimate released this morning.
MOVEMENT OF BASIC COMMODITY PRICES
August 1939 = 100

Weekly Average

16 Raw Industrial Materials
12 Foodstuffs

Daily

16 Raw Industrial Materials
12 Foodstuffs

Percentage Change for Individual Commodities, August Low to October 18, and to October 25, 1940

16 Raw Industrial Materials
12 Foodstuff

Office of the Secretary of the Treasury
Division of Research and Statistics
TO
Secretary Morgenthau

FROM
Mr. Haag

Work Projects Administration employment for the week ended October 16, 1940 increased to 1,768,000 persons from the 1,762,000 reported during the week ended October 9, 1940.

Attachments
## WORK PROJECTS ADMINISTRATION
### Number of Workers Employed - Weekly
#### United States

<table>
<thead>
<tr>
<th>Week ending</th>
<th>Number of Workers (In thousands)</th>
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<td>1940 March 13</td>
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<td>1940 October 9</td>
<td>1,762</td>
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<td>1940 October 16</td>
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Source: Work Projects Administration.
### WORK PROJECTS ADMINISTRATION

#### Number of Workers Employed - Monthly

**United States**

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<th>Month</th>
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**Source:** Work Projects Administration

Monthly figures are weekly figures for the latest week of the month. They include certified and noncertified workers.
## Deliveries of Airplane Engines

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<th>Actual</th>
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<tr>
<td></td>
<td>February</td>
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Office of the Secretary of the Treasury, Division of Research and Statistics. October 28, 1940.
October 28, 1940.

MEMORANDUM

TO: Secretary Morgenthau
FROM: Mr. Gaston

Supplementing my previous memoranda, the following charter of vessels of the United States to aliens is considered of interest:

Tanker CHINA ARROW (Official No. 220680) - Application filed by Socony Vacuum Oil Company, Inc., New York, N. Y., for approval of charter to Vsesoyuznoe Obedinenie "Soyuznafteexport", agency of the U. S. Soviet Government, for two voyages with a cargo of motor gasoline, from a port or ports in California to Vladivostok, U. S. S. R., loading on or about October 23, 1940. Approval of Maritime Commission for one voyage only granted 22 October, 1940.

Tanker AURORA (Official No. 219954) - Application filed by Socony Vacuum Oil Company, Inc., New York, N. Y., for approval of charter to Vsesoyuznoe Obedinenie "Soyuznafteexport", agency of the U. S. Soviet Government, for two voyages with a cargo of motor gasoline, from a port of ports in California to Vladivostok, U. S. S. R. Approval of Maritime Commission for one voyage only granted 22 October, 1940.
FOR TREASURY FROM HEATH AND FOR THE DEPARTMENT'S INFORMATION.

The total taxable revenues of the Reich Central Government during the period from July 1st to September 30th of this year were 7,351,000,000 marks as compared with 3,067,000,000 marks in the June quarter and 6,178,000,000 marks in the September 1939 quarter. Of this total 5,982,000,000 marks were derived from income property and trade taxes (including war surtaxes) as compared with 4,896,000,000 marks in the June quarter and 4,732,000,000 marks in the September 1939 quarter and 1,369,000,000 marks from consumption taxes and customs as compared with 1,812,000,000 marks in the June quarter and 1,447,000,000 marks in the September 1939 quarter. In both the fiscal years 1938-39 and 1939-40 the September tax collections were more than 900,000,000 marks greater than the June quarter collections. While this last increase seems unusually
LAR-3-4482, October 28, 10 a.m. from Berlin.

unusuallY large it is probably explainable by the fact of the addition of the former Polish territories to the Reich tax system and the wartime tax increases. There was probably also some increase in the number of persons employed in the September quarter compared with the June quarter since a considerable number of men were released from the army after the conclusion of the western campaign and there was probably also an increase in the number of employed women.

From the figures now at hand and comparison with the quarterly distribution of tax revenues in previous years it seems likely that total tax revenues for the fiscal year 1940-41 will reach 27,000,000,000 marks. If this turns out to be true ordinary tax revenues (not including war surtax) will not be much less during the present fiscal year than the 22,000,000,000 marks originally estimated for the fiscal year 1939-40 indicating that the present rate of national money income contrary to earlier expectations is not appreciably smaller than before the war now that the initial effects of the shift to a war economy have been overcome.

MORRIS

TFV
PARAPHRASE OF TELEGRAM SENT

TO: American Embassy, Berlin, Germany
DATE: October 28, 1940, 7 p.m.
NO.: 2864

On the New York market for the past few weeks there have been taking place heavy purchases of German dollar securities of all kinds. It is known that some of these transactions are for the account of the Reichsbank. Others are known to be by Swiss principals, including A. Hofmann cie, Zurich, and are believed to be for the same account. On direct order from the Reichsbank, deliveries have been made to Mexico and South America, and are being made through South America now. For payment of the securities purchased, dollar credits are made available here.

Included in the purchases have been substantial amounts of industrial and municipal issues, as well as of Dawes and Young loan and other German Government issues. There has been a material increase in prices for these securities.

Delivery to Lisbon is called for in certain orders which apparently are for Swiss account. Delivery to Stockholm, with or without attached coupons, is called for in certain orders for Swedish account. However, it would appear that the bulk of the orders is for the account of the Germans, and for delivery to South America.

Any further information on this buying campaign and any explanation you may have would be greatly appreciated by the Department.

SAME TO Bern, as No. 196. HULL (A.A.B.)
This was an outline of a proposed speech for the President. The Speech was to be given October 28, 1940. It was, but he didn't use the speech as written over her.

You will probably remember that the Secretary had Messrs. White and Cairns get up the material. Mr. Cairns wrote the speech and then when finished he went to New York with his draft and the material and Raymond Gram Swing worked one out (Secretary didn't like it). The draft of the speech would be dated 10/22/40 and would begin "I want to speak to you tonight about a problem which I believe is more important to every individual American than any other problem which has arisen in the U.S. during this Administration."

Mc

MR. FOLEY
What Was Done to Safeguard Against War.


To remedy practices that were popularly regarded as having brought us into the war in 1917 and to curtail practices which might result in international disturbances.

B Neutrality Act of 1939.

Rigid enforcement of this Act. Pittman's statement: Business practices must conform with the peace policy of the Government.

C How the President used his discretionary power to prevent involvement.

1. Proclamation of general neutrality.

2. Closing of various combat areas to American shipping.

3. Evacuation of Americans from Europe.

4. Control of the international trade in munitions.


a. Declaration of Panama defining neutrality zones around Western Hemisphere.

b. Resolution by the various republics to take steps which would preserve the neutrality of the Western Hemisphere.

D Making America strong.

1. Strengthening of defense forces including conscription.

2. Export control of munitions and other strategic materials.

3. Acquisition of Atlantic bases.

4. Good neighbor policy.
JOINT RESOLUTION

Providing for the prohibition of the export of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the outbreak or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States, or possessions of the United States, to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country.

The President, by proclamation, shall definitely enumerate the arms, ammunition, or implements of war, the export of which is prohibited by this Act.

The President may, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war.

Whoever, in violation of any of the provisions of this section, shall export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from the United States, or any of its possessions, shall be fined not more than $10,000 or imprisoned not more than five years, or both, and the property, vessel, or vehicle containing the same shall be subject to the provisions of sections 1 to 8, inclusive, title 6, chapter 30, of the Act approved June 15, 1917 (40 Stat. 223-225; U. S. C., title 22, secs. 238-245).

In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this Act, no public or private sale shall be required; but such arms, ammunition, or implements of war shall be delivered to the Secretary of War for such use or disposal thereof as shall be approved by the President of the United States.

When in the judgment of the President the conditions which have caused him to issue his proclamation have ceased to exist he shall revoke the same and the provisions hereof shall thereupon cease to apply.

Except with respect to prosecutions committed or forfeitures incurred prior to March 1, 1936, this section and all proclamations issued thereunder shall not be effective after February 29, 1936.

Sec. 2. That for the purposes of this Act—
(a) The term "Board" means the National Munitions Control Board which is hereby established to carry out the provisions of this
Act. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board; the Secretary of the Treasury; the Secretary of War; the Secretary of the Navy; and the Secretary of Commerce. Except as otherwise provided in this Act, or by other law, the administration of this Act is vested in the Department of State:

(b) The term "United States," when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia.

c) "Person" includes a partnership, company, association, or corporation, as well as a natural person.

Within ninety days after the effective date of this Act, or upon first engaging in business, every person who engages in the business of manufacturing, exporting, or importing any of the arms, ammunition, and implements of war referred to in this Act, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, and implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an original certificate of registration, fee of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $500, and upon receipt of such fee the Secretary of State shall issue a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment of each renewal of a fee of $500.

It shall be unlawful for any person to export, or attempt to export, from the United States any of the arms, ammunition, or implements of war referred to in this Act to any other country or to import, or attempt to import, to the United States from any other country any of the arms, ammunition, or implements of war referred to in this Act without first having obtained a license therefor.

All persons required to register under this section shall maintain, subject to the inspection of the Board, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Board shall prescribe.

Licenses shall be issued to persons who have registered as provided for. Except in cases of export or import licenses where exportation of arms, ammunition, or implements of war would be in violation of this Act or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued.

The Board shall be called by the Chairman and shall hold at least one meeting a year.

No purchase of arms, ammunition, and implements of war shall be made on behalf of the United States by any officer, executive

department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this Act.

The Board shall make an annual report to Congress, copies of which shall be distributed as any other report transmitted to Congress. Such report shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war. It shall include a list of all persons required to register under the provisions of this Act, and full information concerning the licenses issued hereunder.

The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions.

The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section.

This section shall take effect on the thirtieth day after the date of its enactment.

Sec. 3. Whenever the President shall issue the proclamation provided for in section 1 of this Act, thereafter it shall be unlawful for any American vessel to carry any arms, ammunition, or implements of war to any port of the belligerent countries named in such proclamation as being at war, or to any neutral port for transhipment to, or for the use of, a belligerent country.

Whenever, in violation of the provisions of this section, shall take, attempt to take, or shall authorize, hire, or solicit another to take any such vessel carrying such cargo out of port or from the jurisdiction of the United States shall be fined not more than $10,000 or imprisoned not more than five years, and, in addition, each vessel, her tackle, apparel, furniture, equipment, and the arms, ammunition, and implements of war on board shall be forfeited to the United States.

When the President finds the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation, and the provisions of this section shall thereupon cease to apply.

Sec. 4. Whenever, during any war in which the United States is neutral, the President, or any person therein authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or any of its possession, men or fuel, arms, ammunition, implements of war, or other supplies to any warship, tender, or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the Act approved June 15, 1917, (40 Stat. 215; U. S. C., title 18, sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall have the power and it shall be his duty to require the owner, master, or
person in command thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or the cargo, or any part thereof, to any warship, tender, or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such port during such war and delivered its cargo or any part thereof, or a warship, tender, or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the duration of the war.

Sec. 5. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States, or of its possessions, by the submarine or foreign nation will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine to enter a port or the territorial waters of the United States or any of its possessions, or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

Sec. 6. Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that the American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk, unless in accordance with such rules and regulations as the President shall prescribe: Provided, however, that the provisions of this section shall not apply to a citizen traveling on the vessel of a belligerent whose voyage was begun in advance of the date of the President's proclamation, and who had no opportunity to discontinue his voyage after that date: And provided further, that they shall not apply under ninety days after the date of the President's proclamation to a citizen returning from a foreign country to the United States or to any of its possessions. When, in the President's judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

Sec. 7. In every case of the violation of any of the provisions of this Act where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Sec. 8. If any of the provisions of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Sec. 9. The sum of $25,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended by the Secretary of State in administering this Act. Approved, August 31, 1935.
[PUBLIC RESOLUTION—No. 74—74TH CONGRESS]
[H. J. Res. 401]

JOINT RESOLUTION

Extending and amending the joint resolution (Public Resolution Numbered 67, Seventy-fourth Congress), approved August 31, 1935.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the joint resolution (Public Resolution Numbered 67, Seventy-fourth Congress) approved August 31, 1935, be, and the same hereby is, amended by striking out in the first section, on the second line, after the word "assembled" the following words: "That upon the outbreak or during the progress of war between"; and inserting therefor the words: "Whenever the President shall find that there exists a state of war between"; and by striking out the word "may" after the word "President" and before the word "from" in the twelfth line, and inserting in lieu thereof the word "shall"; and by substituting for the last paragraph of said section the following paragraph: "except with respect to offenses committed, or forfeitures incurred prior to May 1, 1937, this section and all proclamations issued thereunder shall not be effective after May 1, 1937."

SEC. 2. There are hereby added to said joint resolution two new sections, to be known as sections 1a and 1b, reading as follows:

"SEC. 1a. Whenever the President shall have issued his proclamation as provided for in section 1 of this Act, it shall thereafter during the period of the war be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any belligerent country, or of any political subdivision thereof, or of any person acting for or on behalf of such government, issued after the date of such proclamation, or to make any loan or extend any credit to any such government or person; Provided, That if the President shall find that such action will serve to protect the commercial or other interests of the United States or its nationals, he may, in his discretion, and to such extent and under such regulation as he may prescribe, except from the operation of this section ordinary commercial credits and short-time obligations in aid of legal transactions and of a character customarily used in normal peace-time commercial transactions.

"The provisions of this section shall not apply to a renewal or adjustment of such indebtedness as may exist on the date of the President's proclamation.

"Whoever shall violate the provisions of this section or of any regulations issued hereunder shall, upon conviction thereof, be fined not more than $50,000 or imprisoned for not more than five years, or both. Should the violation be by a corporation, organization, or association, each officer or agent thereof participating in the violation may be liable to the penalty herein prescribed."
When the President shall have revoked his proclamation as provided for in section 1 of this Act, the provisions of this section and of any regulations issued by the President hereunder shall thereupon cease to apply.

"Sec. 1b. This Act shall not apply to an American republic or republics engaged in war against a non-American state or states, provided the American republic is not cooperating with a non-American state or states in such war."

Sec. 3. Section 9 of said joint resolution is amended to read as follows:

"There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act."

Approved, February 29, 1936.

[Public Resolution—No. 27—75th Congress]
[Chapter 146—1st Session]
[S. J. Res. 51]

JOINT RESOLUTION

To amend the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, as amended, is amended to read as follows:

"Export of Arms, Ammunition, and Implements of War

Section 1. (a) Whenever the President shall find that there exists a state of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation, or to any neutral state for transshipment to, or for the use of, any such belligerent state.

(b) The President shall, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war.

(c) Whenever the President shall find that a state of civil strife exists in a foreign state and that such civil strife is of a magnitude or is being conducted under such conditions that the export of arms, ammunition, or implements of war from the United States to such foreign state would threaten or endanger the peace of the United States, the President shall proclaim such fact, and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from any place in the United States to such foreign state, or to any neutral state for transshipment to, or for the use of, such foreign state.

(d) The President shall, from time to time by proclamation, definitely enumerate the arms, ammunition, and implements of war,
the export of which is prohibited by this section. The arms, ammunition, and implements of war so enumerated shall include those enumerated in the President's proclamation Numbered 2108, of April 10, 1917, but shall not include raw materials or any other articles or materials not of the same general character as those enumerated in the said proclamation, and in the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva June 17, 1925.

"(a)Whenever, in violation of any of the provisions of this Act, shall export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from the United States shall be fined not more than $10,000, or imprisoned not more than five years, or both; and the property, vessel, or vehicle containing the same shall be subject to the provisions of sections 1 to 8, inclusive, title 6, chapter 80, of the Act approved June 15, 1917 (40 Stat. 221-225; U. S. C. 1934 ed., title 22, secs. 231-235)."

"(f) In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this Act, no public or private sale shall be required; but such arms, ammunition, or implements of war shall be delivered to the Secretary of War for such use or disposal thereof as shall be approved by the President of the United States.

"(g) Whenever, in the judgment of the President, the conditions which have caused him to issue any proclamation under the authority of this section have ceased to exist, he shall revoke the same, and the provisions of this section shall thereupon cease to apply with respect to the state or states named in such proclamation, except with respect to offenses committed, or forfeitures incurred, prior to such revocation.

"EXPORT OF OTHER ARTICLES AND MATERIALS

"SEC. 2. (a) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act and he shall thereafter find that the placing of restrictions on the shipment of certain articles or materials in addition to arms, ammunition, and implements of war from the United States to belligerent states, or to a state wherein civil strife exists, is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, he shall so proclaim, and it shall thereafter be unlawful, except under such limitations and exceptions as the President may prescribe as to lakes, rivers, and inland waters bordering on the United States, and as to transportation on or over land bordering on the United States, to export, or attempt to export, or cause to be exported or transported, from the United States to any belligerent state, or to any state wherein civil strife exists, as such proclamation issued under the authority of section 1 of this Act, or to any neutral state for transshipment to, or for the use of, any such belligerent state or any such state wherein civil strife exists, any articles or materials whatever.

"(b) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act and he shall thereafter find that the placing of restrictions on the export of articles or materials from the United States to belligerent states, or to a state wherein civil strife exists, is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, he shall so proclaim, and it shall thereafter be unlawful, except under such limitations and exceptions as the President may prescribe, as to lakes, rivers, and inland waters bordering on the United States, and as to transportation on or over land bordering on the United States, to export, or attempt to export, or cause to be exported or transported, from the United States to any belligerent state, or to any state wherein civil strife exists, as such proclamation issued under the authority of section 1 of this Act, or to any neutral state for transshipment to, or for the use of, any such belligerent state or any such state wherein civil strife exists, any articles or materials whatever.

"(c) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act, it shall thereafter be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any belligerent state or of any state wherein civil strife exists, as such proclamation, or any political subdivision of any such state, or of any person acting for or on behalf of the government of any such state, or of any faction or asserted government within any such state wherein civil strife exists, or of

"FINANCIAL TRANSACTIONS

"SEC. 3. (a) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act, it shall thereafter be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any belligerent state or of any state wherein civil strife exists, as such proclamation, or any political subdivision of any such state, or of any person acting for or on behalf of the government of any such state, or of any faction or asserted government within any such state wherein civil strife exists, or of
any person acting for or on behalf of any faction or asserted government within any such state wherein civil strife exists, issued after the date of such proclamation, or to make any loan or extend any credit to any such government, political subdivision, faction, armed government, or person, or to solicit or receive any contribution for any such government, political subdivision, faction, armed government, or person: Provided, That if the President shall find that such action will serve to protect the commercial or other interests of the United States or its citizens, he may, in his discretion, and to such extent and under such regulations as he may prescribe, except from the operation of this section ordinary commercial credits and short-time obligations in aid of legal transactions and of a character customarily used in normal peacetime commercial transactions. Nothing in this subsection shall be construed to prohibit the solicitation or collection of funds to be used for medical aid and assistance, or for food and clothing to relieve human suffering, when such solicitation or collection of funds is made on behalf of and for use by any person or organization which is not acting for or on behalf of any such government, political subdivision, faction, or armed government, but all such solicitations and collections of funds shall be subject to the approval of the President and shall be made under such rules and regulations as he shall prescribe.

"(b) The provisions of this section shall not apply to a renewal or adjustment of such indebtedness as may exist on the date of the President’s proclamation.

"(c) Whoever shall violate the provisions of this section or of any regulations issued hereunder shall, upon conviction thereof, be fined not more than $50,000 or imprisoned for not more than five years, or both. Should the violation be by a corporation, organization, or association, each officer or agent thereof participating in the violation may be liable to the penalty herein prescribed.

"(d) Whenever the President shall have revoked any such proclamation issued under the authority of section 1 of this Act, the provisions of this section and of any regulations issued by the President hereunder shall thereupon cease to apply with respect to the state or states named in such proclamation, except with respect to offenses committed prior to such revocation.

"EXCEPTIONS—AMERICAN REPUBLICS

"Sec. 4. This Act shall not apply to an American republic or republics engaged in war against a non-American state or states, provided the American republic is not cooperating with a non-American state or states in such war.

"NATIONAL MunITIONS CONTROL BOARD

"Sec. 5. (a) There is hereby established a National Munitions Control Board (hereinafter referred to as the ‘Board’) to carry out the provisions of this Act. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. Except as otherwise provided in this Act, or by other law, the administration of this Act

is vested in the Department of State. The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out the provisions. The Board shall be convened by the chairman and shall hold at least one meeting a year.

"(b) Every person who engages in the business of manufacturing, exporting, or importing any of the arms, ammunition, or implements of war referred to in this Act, whether as an exporter, importer, or manufacturer, or dealer, shall register with the Secretary of State, in the name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $500, unless he manufactured, exported, or imported arms, ammunition, and implements of war to a total sales value of less than $80,000 during the twelve months immediately preceding his registration, in which case he shall pay a registration fee of $100. Upon receipt of the required registration fee, the Secretary of State shall issue a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment for each renewal of a fee of $500 in the case of persons who manufactured, exported, or imported arms, ammunition, and implements of war to a total sales value of more than $20,000 manufactured, or dealer, shall register with the Secretary of State, in the name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactured, imports, or exports.

"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war referred to in this Act, whether as an exporter, importer, or manufacturer, or dealer, shall register with the Secretary of State, in the name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war referred to in this Act, whether as an exporter, importer, or manufacturer, or dealer, shall register with the Secretary of State, in the name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war referred to in this Act, whether as an exporter, importer, or manufacturer, or dealer, shall register with the Secretary of State, in the name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

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"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war referred to in this Act, whether as an exporter, importer, or manufacturer, or dealer, shall register with the Secretary of State, in the name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.
"(f) Licenses shall be issued to persons who have registered as herein provided for, except in cases of export or import licenses where the export of arms, ammunition, or implements of war would be in violation of this Act or any other law of the United States, or of a treaty to which the United States is a party, in which case such licenses shall not be issued.

"(g) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act, all licenses therefore issued under this Act shall ipso facto and immediately upon the issuance of such proclamation, cease to grant authority to export arms, ammunition, or implements of war from any place in the United States to any belligerent state, or to any state wherein civil strife exists, named in such proclamation, or to any neutral state for transshipment to, or for the use of, any such belligerent state or any such state wherein civil strife exists; and said licenses, so far as the grant of authority to export to the state or states named in such proclamation is concerned, shall be null and void.

"(h) No purchase of arms, ammunition, or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this Act.


"(j) The Board shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war. The Board shall include in such reports a list of all persons required to register under the provisions of this Act, and full information concerning the licenses issued hereunder.

"(k) The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section.

"American vessels prohibited from carrying arms to belligerent states

"Sec. 6. (a) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act, it shall thereafter be unlawful, until such proclamation is revoked, for any American vessel to carry any arms, ammunition, or implements of war to any belligerent state, or to any state wherein civil strife exists, named in such proclamation, or to any neutral state for transshipment to, or for the use of, any such belligerent state or any such state wherein civil strife exists.

"(b) Whoever, in violation of the provisions of this section, shall take, or attempt to take, or shall authorize, hire, or solicit another to take, any American vessel carrying such cargo out of port or from the jurisdiction of the United States shall be fined not more than $10,000, or imprisoned not more than five years, or both; and, in addition, such vessel, and her tackle, apparel, furniture, and equipment, and the arms, ammunition, and implements of war on board, shall be forfeited to the United States.

"Use of American ports as base of supply

"Sec. 7. (a) Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, fuel, men, arms, ammunition, implements of war, or other supplies to any warship, tender, or supply ship of a belligerent state, the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title 1, chapter 30, of the Act approved June 15, 1917 (40 Stat. 211, 221; U. S. C., 1934 ed., title 18, sec. 31), and if, in the President’s judgment, such action will serve to maintain peace between the United States and foreign states, or to protect the commercial interests of the United States and its citizens, or to promote the security or neutrality of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port of the United States, to give a bond to the United States, sufficient to secure, in such amount as he shall deem proper, conditioned that the vessel will not deliver the arms, or any part of the cargo, to any warship, tender, or supply ship of a belligerent state.

"(b) If the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, has previously cleared from a port of the United States during such war and delivered its cargo or any part thereof or to a warship, tender, or supply ship of a belligerent state, he may prohibit the departure of such vessel during the duration of the war.

"Submarines and armed merchant vessels

"Sec. 8. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States by the President of any foreign state, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any submarine or armed merchant vessel to enter any port or territorial waters of the United States or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. Whenever, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

"Travel on vessels of belligerent states

"Sec. 9. Whenever the President shall have issued a proclamation under the authority of section 1 of this Act it shall thereafter be
unlawful for any citizen of the United States to travel on any vessel of the state or states named in such proclamation, except in accordance with such rules and regulations as the President shall prescribe. 
Provided, however, That the provisions of this section shall not apply to a citizen of the United States traveling on a vessel whose voyage was begun in advance of the date of the President's proclamation, and who had no opportunity to discontinue his voyage after that date: And provided further, That they shall not apply under ninety days after the date of the President's proclamation to a citizen of the United States returning from a foreign state to the United States. Whenever, in the President's judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply with respect to the state or states named in such proclamation, except with respect to offenses committed prior to such revocation.

**ARMING OF AMERICAN MERCHANT VESSELS PROHIBITED**

"Sec. 10. Whenever the President shall have issued a proclamation under the authority of section 1, it shall thereafter be unlawful, until such proclamation is revoked, for any American vessel engaged in commerce with any belligerent state, or any state wherein civil strife exists, named in such proclamation, to be armed or to carry any armament, arms, ammunition, or implements of war, except small arms and ammunition therefor which the President may deem necessary and shall publicly designate for the preservation of discipline aboard such vessels.

**REGULATIONS**

"Sec. 11. The President may, from time to time, promulgate such rules and regulations, not inconsistent with law, as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such officer or officers, or agency or agencies, as he shall direct.

**GENERAL PENALTY PROVISION**

"Sec. 12. In every case of the violation of any of the provisions of this Act or of any rule or regulation issued pursuant thereto where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000, or imprisoned not more than five years, or, both.

**DEFINITIONS**

"Sec. 13. For the purposes of this Act—

"(a) The term 'United States', when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia.

"(b) The term 'person' includes a partnership, company, association, or corporation, as well as a natural person.

"(c) The term 'vessel' means every description of watercraft (including aircraft) or other contrivance used, or capable of being used, as a means of transportation on, under, or over water.

"(d) The term 'American vessel' means any vessel (including aircraft) documented under the laws of the United States.

"(e) The term 'vehicle' means every description of contrivance (including aircraft) or other contrivance used, or capable of being used, as a means of transportation on or over land.

"(f) The term 'state' shall include nation, government, and country.

**SEPARABILITY OF PROVISIONS**

"Sec. 14. If any of the provisions of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

**APPROPRIATIONS**

"Sec. 15. There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act."

Approved, May 1, 1937, 6:30 p.m., Central Standard Time.
[Public Resolution—No. 54—76th Congress]
[Chapter 2—2d Session]
[H. J. Res. 366]
JOINT RESOLUTION

To preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests.

Whereas the United States, desiring to preserve its neutrality in wars between foreign states and desiring also to avoid involvement therein, voluntarily imposes upon its nationals by domestic legislation the restrictions set out in this joint resolution; and

Whereas by so doing the United States waives none of its own rights or privileges, or those of any of its nationals, under international law, and expressly reserves all the rights and privileges to which it and its nationals are entitled under the law of nations; and

Whereas the United States hereby expressly reserves the right to repeal, change or modify this joint resolution or any other domestic legislation in the interests of the peace, security or welfare of the United States and its people: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

PROCLAMATION OF A STATE OF WAR BETWEEN FOREIGN STATES

Section 1. (a) That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states, and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, the President shall issue a proclamation naming the states involved; and he shall, from time to time, by proclamation, name other states as and when they may become involved in the war.

(b) Whenever the state of war which shall have caused the President to issue any proclamation under the authority of this section shall have ceased to exist with respect to any state named in such proclamation, he shall revoke such proclamation with respect to such state.

COMMERCIAL TRANSACTIONS WITH STATES ENGAGED IN ARMED CONFLICT

Sec. 2. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful for any American vessel to carry any passengers or any articles or materials to any state named in such proclamation.

(b) Whoever shall violate any of the provisions of subsection (a) of this section or of any regulations issued thereunder shall, upon conviction thereof, be fined not more than $50,000 or imprisoned for not more than five years, or both. Should the violation be by a
corporation, organization, or association, each officer or director thereof participating in the violation shall be liable to the penalty herein prescribed.

(c) Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful to export or transport, or attempt to export or transport, or cause to be exported or transported, from the United States to any state or nation in such proclamation, any articles or materials (except copyrighted articles or materials) until all right, title, and interest therein shall have been transferred to some foreign government, agency, institution, association, partnership, corporation, or national. Issuance of a bill of lading under which title to the articles or materials to be exported or transported passes to a foreign purchaser unconditionally upon the delivery of such articles or materials to a carrier shall constitute a transfer of all right, title, and interest therein within the meaning of this subsection. The shipper of such articles or materials shall be required to file with the collector of the port from or through which they are to be exported a declaration under oath that he has complied with the requirements of this subsection with respect to transfer of right, title, and interest in such articles or materials, and that he will comply with such rules and regulations as shall be promulgated from time to time. Any such declaration so filed shall be conclusive estoppel against any claim of any citizen of the United States of right, title, or interest in such articles or materials, if such citizen had knowledge of such violation. No loss incurred by any such citizen (1) in connection with the sale or transfer of right, title, and interest in such articles or materials or (2) in connection with the exportation or transportation of any such copyrighted articles or materials shall be made the basis of any claim put forward by the Government of the United States.

(d) Insurance written by underwriters on articles or materials included in shipments which are subject to restrictions under the provisions of this joint resolution, and on vessels carrying such shipments shall not be deemed an American interest therein, and no insurance policy issued on such articles or materials, or vessels, and no loss incurred thereunder or by the owners of such vessels, shall be made the basis of any claim put forward by the Government of the United States.

(e) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

(f) The provisions of subsection (a) of this section shall not apply to transportation by American vessels on or over lakes, rivers, and inland waters bordering on the United States, or to transportation by aircraft on or over lands bordering on the United States; and the provisions of subsection (c) of this section shall not apply (1) to such transportation of any articles or materials other than articles listed in a proclamation referred to in or issued under the authority of section 12 (1), or (2) to any other transportation on or over lands bordering on the United States of any articles or materials other than articles listed in a proclamation referred to in or issued under the authority of section 12 (1); and the provisions of subsections (a) and (c) of this section shall not apply to the transportation referred to in this subsection and subsections (g) and (h) of any articles or materials listed in a proclamation referred to in or issued under the authority of section 12 (1) if the articles or materials so listed are to be used exclusively by American vessels, aircraft, or other vehicles in connection with their operation and maintenance.

(g) The provisions of subsections (a) and (c) of this section shall not apply to transportation by American vessels (other than aircraft) of mail, passengers, or any articles or materials (except articles or materials listed in a proclamation referred to in or issued under the authority of section 12 (1)) (1) to any port in the Western Hemisphere south of thirty-five degrees north latitude, (2) to any port in the Western Hemisphere north of thirty-five degrees north latitude and west of sixty-six degrees west longitude, (3) to any port on the Pacific or Indian Ocean, including the China Sea, the Tsushima, or the Arabian Sea, and any other dependent waters of either of such oceans, seas, or bays, or (4) to any port on the Atlantic Ocean or its dependent waters south of thirty degrees north latitude. The exceptions contained in this subsection shall not apply to any articles or materials listed in a proclamation within a combat area as defined in section 3 which applies to such vessels.

(h) The provisions of subsections (a) and (c) of this section shall not apply to transportation by aircraft of mail, passengers, or any articles or materials (except articles or materials listed in a proclamation referred to in or issued under the authority of section 12 (1)) (1) to any port in the Western Hemisphere, or (2) to any port on the Pacific or Indian Ocean, including the China Sea, the Tsushima, or the Arabian Sea, and any other dependent waters of either of such oceans, seas, or bays. The exceptions contained in this subsection shall not apply to any such port which is included within a combat area as defined in section 3 which applies to such aircraft.

(i) Every American vessel to which the provisions of subsections (g) and (h) apply, and every neutral vessel to which the provisions of subsection (g) apply, shall, before departing from a port or from the jurisdiction of the United States, file with the collector of customs of the port of departure, or if there is no such collector at such port then with the nearest collector of customs, a sworn statement (1) containing a complete list of all the articles and materials carried as cargo by such vessel, and the names and addresses of all the consignees of all such articles and materials, and (2) stating the ports at which such articles and materials are to be unloaded and the ports of call of such vessel. All transportation referred to in subsections (f), (g), (h), and (i) of this section shall be subject to such restrictions, rules, and regulations as the President shall prescribe; but no loss incurred in connection with any transportation excepted under the provisions of subsections (g), (h), and (i) of this section shall be
made the basis of any claim put forward by the Government of the United States.

(j) Whenever all proclamations issued under the authority of section 1 (a) shall have been revoked, the provisions of subsections (f), (g), (h), (i), and (l) of this section shall expire.

(k) The provisions of this section shall not apply to the current voyage of any American vessel which has cleared for a foreign port and has departed from a port or from the jurisdiction of the United States in advance of (1) the date of enactment of this joint resolution, or (2) any proclamation issued after such date under the authority of section 1 (a) of this joint resolution; and any such vessel shall proceed at its own risk after either of such dates, and no less insured, in connection with any such vessel or its cargo after either of such dates shall be the basis of any claim put forward by the Government of the United States.

(l) The provisions of subsection (c) of this section shall not apply to the transportation by a neutral vessel to any port referred to in subsection (g) of this section of any articles or materials (except articles or materials listed in a proclamation referred to in or issued under the authority of section 12 (i)); so long as such port is not included within a combat area as defined in section 3 which applies to American vessels.

COMBAT AREAS

Sec. 3. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), and he shall thereafter find that the protection of citizens of the United States so requires, he shall, by proclamation, define combat areas, and 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. The combat areas so defined may be made to apply to surface vessels or aircraft, or both.

(b) In case of the violation of any of the provisions of this section by any American vessel, or any owner or officer thereof, such vessel, owner, or officer shall be fined not more than $50,000 or imprisoned not for more than five years, or both. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinabove prescribed. In case of the violation of this section by any citizen traveling as a passenger, such passenger may be fined not more than $10,000 or imprisoned not for more than two years, or both.

(c) The President may from time to time modify or extend any proclamation issued under the authority of this section, and when the conditions which shall have caused him to issue any such proclamation shall have ceased to exist he shall revoke such proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

AMERICAN RED CROSS

Sec. 4. The provisions of section 2 (a) shall not prohibit the transportation by vessels under charter or other direction and control of the American Red Cross, proceeding under safe conduct granted by states named in any proclamation issued under the authority of section 1 (a), of officers and American Red Cross personnel, medical supplies, food, and clothing, for the relief of human suffering.

TRAVEL ON VESSELS OF BELLOUGENT STATES

Sec. 5. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a) it shall thereafter be unlawful for any citizen of the United States to travel on any vessel of any state named in such proclamation, except in accordance with such rules and regulations as may be prescribed.

(b) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

ARMING OF AMERICAN MERCHANT VESSELS PROHIBITED

Sec. 6. Whenever the President shall have issued a proclamation under the authority of section 1 (a), it shall thereafter be unlawful, until such proclamation is revoked, for any American vessel, engaged in commerce with any foreign state to be armed, except with small arms and ammunition therefor, which vessel the President may deem necessary and shall publicly designate for the preservation of discipline aboard any such vessel.

FINANCIAL TRANSACTIONS

Sec. 7. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), it shall thereafter be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any state named in such proclamation, or of any political subdivision of any such state, of any person acting for or on behalf of the government of any such state, or political subdivision thereof, issued after the date of such proclamation, or to make any loan or extend any credit (other than necessary credits accruing in connection with the transmission of telegraph, cable, wireless and telephone services) to any such government, political subdivision, or person. The provisions of this subsection shall also apply to the sale by any person within the United States to any person within a state named in any such proclamation of any articles or materials listed in a proclamation referred to in or issued under the authority of section 12 (i).

(b) The provisions of this section shall not apply to a renewal or adjustment of such indebtedness as may exist on the date of such proclamation.

(c) Whoever shall knowingly violate any of the provisions of this section or of any regulations issued thereunder, and upon conviction thereof, be fined not more than $50,000 and imprisoned for not more than five years, or both. Should the violation be by a corporation, organization, or association, each officer or director thereof participating in the violation shall be liable to the penalty herein prescribed.
(d) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

SOLICITATION AND COLLECTION OF FUNDS AND CONTRIBUTIONS

Sec. 8. (a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), it shall thereafter be unlawful for any person within the United States to solicit or receive any contribution for or on behalf of the government of any state named in such proclamation or for or on behalf of any agent or instrumentality of any such state.

(b) Nothing in this section shall be construed to prohibit the solicitation or collection of funds and contributions to be used for medical aid and assistance, or for food and clothing to relieve human suffering, when such solicitation or collection of funds and contributions is made on behalf of and for use by any person or organization which is not acting for or on behalf of any such government, but all such solicitations and collections of funds and contributions shall be in accordance with and subject to such rules and regulations as may be prescribed.

(c) Whenever any proclamation issued under the authority of section 1 (a) shall have been revoked with respect to any state the provisions of this section shall thereupon cease to apply with respect to such state, except as to offenses committed prior to such revocation.

AMERICAN REPUBLICS

Sec. 9. This joint resolution (except section 12) shall not apply to any American republic engaged in war against a non-American state or states, provided the American republic is not cooperating with a non-American state or states in such war.

RESTRICTIONS ON USE OF AMERICAN FORCES

Sec. 10. (a) Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port or from the jurisdiction of the United States, fuel, men, arms, ammunition, implements of war, supplies, dispatches, or information to any warship, tender, or supply ship of a state named in a proclamation issued under the authority of section 1 (a), but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the Act approved June 15, 1917 (40 Stat. 217, 221; U. S. C., 1934 edition, title 18, sec. 311), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign states, or to protect the commercial interests of the United States and its citizens, or to promote the security or neutrality of the United States, he shall have the power, and it shall be his duty, to require the owner, master, or person in command thereof, before departing from a port or from the jurisdiction of the United States, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or any fuel, supplies, dispatches, information, or any part of the cargo, to any warship, tender, or supply ship of a state named in a proclamation issued under the authority of section 1 (a).

(b) If the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, has previously departed from a port or from the jurisdiction of the United States during such war and delivered men, fuel, supplies, dispatches, information, or any part of its cargo to a warship, tender, or supply ship of a state named in a proclamation issued under the authority of section 1 (a), he may prohibit the departure of such vessel during the duration of the war.

(c) Whenever the President shall have issued a proclamation under section 1 (a) he may, while such proclamation is in effect, require any citizen, or to entice any alien, or any person in command of any vessel, foreign or domestic, before departing from the United States, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that no alien seaman who arrived on such vessel shall remain in the United States for a longer period than that permitted under the regulations, as amended from time to time, issued pursuant to section 23 of the Immigration Act of February 5, 1917 (U. S. C., title 8, sec. 168). Notwithstanding the provisions of this section, the President may issue such regulations with respect to the landing of such seamen as he deems necessary to insure their departure either on such vessel or another vessel at the expense of such owner, master, or person in command.

SUBMARINES AND ARMED MERCHANT VESSELS

Sec. 11. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States by the submarines or armed merchant vessels of a foreign state will serve to maintain peace between the United States and foreign states, or to protect the commercial interests of the United States and its citizens, or to promote the security or neutrality of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any submarine or armed merchant vessel to enter a port or the territorial waters of the United States or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. Whenever, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

NATIONAL MUNITIONS CONTROL BOARD

Sec. 12. (a) There is hereby established a National Munitions Control Board (hereinafter referred to as the "Board"). The Board shall consist of the Secretary of State, who shall be chairman, and the executive officer of the Board, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. Except as otherwise provided in this section, or by other law, the administration of this section is vested in the Secretary of State.
The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions. The Board shall be convened by the chairman and shall hold at least one meeting a year.

(b) Every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war listed in a proclamation referred to in or issued under the authority of subsection (i) of this section, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war which he exports, imports, or manufactures, and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $100. Upon receipt of the required registration fee, the Secretary of State shall issue a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment for each renewal of a fee of $100; but valid certificates of registration (including amended certificates) issued under the authority of section 2 of the joint resolution of August 31, 1933, as amended, shall, without payment of any additional registration fee, be considered to be valid certificates of registration issued under this subsection, and shall remain valid for the same period as if this joint resolution had not been enacted.

(d) It shall be unlawful for any person to export, or attempt to export, from the United States to any other state, any arms, ammunition, or implements of war listed in a proclamation referred to in or issued under the authority of subsection (i) of this section, whether as an exporter, importer, or to import, or attempt to import, to the United States from any other state, any of the arms, ammunition, or implements of war listed in such proclamation, without first having submitted to the Secretary of State the name of the purchaser and the terms of sale and having obtained a license therefor.

(e) All persons required to register under this section shall maintain, subject to the inspection of the Secretary of State, or any person or persons designated by him, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Secretary of State shall prescribe.

(f) Licenses shall be issued by the Secretary of State to persons who have registered as herein provided for, except in cases of export or import licenses where the export of arms, ammunition, or implements of war would be in violation of this joint resolution or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued; but a valid license issued under the authority of section 2 of the joint resolution of August 31, 1933, as amended, shall be considered to be a valid license issued under this subsection, and shall remain valid for the same period as if this joint resolution had not been enacted.

(g) No purchase of arms, ammunition, or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this joint resolution.

(h) The Board shall make a report to Congress on January 3 and July 3 of each year, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war, including the name of the purchaser and the terms of sale made under any such license. The Board shall include in such reports a list of all persons required to register under the provisions of this joint resolution, and full information concerning the licenses issued hereunder, including the name of the purchaser and the terms of sale made under any such license.

(i) The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section; but the proclamation Numbered 2297, of May 1, 1937 (50 Stat. 1584), defining the term “arms, ammunition, and implements of war” shall, until it is revoked, have full force and effect as if issued under the authority of this subsection.

**REGULATIONS**

SEC. 13. The President may, from time to time, promulgate such rules and regulations, not inconsistent with law, as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct.

**UNLAWFUL USE OF THE AMERICAN FLAG**

SEC. 14. (a) It shall be unlawful for any vessel belonging to or operating under the jurisdiction of any foreign state to use the flag of the United States thereon, or to make use of any distinctive signs or markings, indicating that the same is an American vessel.

(b) Any vessel violating the provisions of subsection (a) of this section shall be denied for a period of three months the right to enter the ports or territorial waters of the United States except in cases of force majeure.

**GENERAL PENALTY PROVISION**

SEC. 15. In every case of the violation of any of the provisions of this joint resolution or of any rule or regulation issued pursuant thereto where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000, or imprisoned not more than two years, or both.
DEFINITIONS

Sec. 16. For the purposes of this joint resolution—
(a) The term “United States”, when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia.
(b) The term “person” includes a partnership, company, association, or corporation, as well as a natural person.
(c) The term “vessel” means every description of watercraft and aircraft capable of being used as a means of transportation on, under, or over water.
(d) The term “American vessel” means any vessel documented, and any aircraft registered or licensed, under the laws of the United States.
(e) The term “state” shall include nation, government, and country.
(f) The term “citizen” shall include any individual owing allegiance to the United States, a partnership, company, or association composed in whole or in part of citizens of the United States, and any corporation organized and existing under the laws of the United States as defined in subsection (a) of this section.

SEPARABILITY OF PROVISIONS

Sec. 17. If any of the provisions of this joint resolution, or the application thereof to any person or circumstance, is held invalid, the remainder of the joint resolution, and the application of such provision to other persons or circumstances, shall not be affected thereby.

APPROPRIATIONS

Sec. 18. There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this joint resolution.

REPEALS

Sec. 19. The joint resolution of August 31, 1935, as amended, and the joint resolution of January 8, 1937, are hereby repealed; but offenses committed and penalties, forfeitures, or liabilities incurred under either of such joint resolutions prior to the date of enactment of this joint resolution may be prosecuted and punished, and suits and proceedings for violations of either of such joint resolutions or of any rule or regulation issued pursuant thereto may be commenced and prosecuted, in the same manner and with the same effect as if such joint resolutions had not been repealed.

SHORT TITLE

Sec. 20. This joint resolution may be cited as the “Neutrality Act of 1939”.

Approved, November 4, 1939, 12:04 p.m.
On November 30, 1939, a conference was held in the office of Judge Moore, Counselor of the Department of State. Senator Kay Pittman, Chairman of the Foreign Relations Committee of the Senate was present at this meeting. The others present were: Mr. Backwards, Solicitor of the Department of State; Mr. Savage of the Department of State; Mr. Trinkle, Solicitor of the Department of Commerce; Capt. Scott of the Department of Commerce; Judge Townsend, Acting Solicitor General; Mr. Feidler of the General Counsel's office, Treasury Department; and Mr. Gaitsch, Assistant General Counsel for the Department of the Treasury. The conference resulted from a suggestion by Judge Moore that it would be wise to secure Senator Pittman's views on various questions which were being considered by the various departments represented. On Judge Moore's invitation, Senator Pittman was present. The following questions were put, and the answers given thereon, as shown below, were agreed upon by all those present:

1. May goods consigned and waybilled to a neutral be carried via a belligerent port other than one excepted by 2(g) (whether to be there unloaded and transhipped or not) without transfer of title under 2(c)?

ANS: No.

2. May goods consigned and waybilled to a belligerent be carried to a neutral port to be there unloaded and transhipped without transfer of title under 2(c)?

ANS: No, except as permitted by 2(g) and 2(h).

3. May American ships carry goods or passengers to a neutral port via a belligerent port other than one excepted by 2(g) if no unloading or disembarking is to be done in the belligerent port?

ANS: No.
4. May goods consigned and waybilled to a neutral be carried by an American ship to a belligerent port other than one exempted by 2(a) to be there unloaded and transshipped?

ANS: No.

5. May arms and ammunition waybilled and consigned to a neutral be carried by an American vessel to any belligerent port to be there unloaded and transshipped?

ANS: No.

6. May goods consigned and waybilled to a belligerent be carried by an American ship to a neutral port not in a combat area to be there unloaded and transshipped?

ANS: No, unless the goods are consigned to a 2(a) area. (Judge Townsend of the Department of Justice said that he did believe, however, that goods consigned to Great Britain might be carried by American vessels from American ports on the Great Lakes to Canadian ports on the Great Lakes.)

Judge Townsend stated that he would send a memorandum to the Treasury Department, Department of Commerce, and the Department of State, stating the questions and giving the answers as agreed upon, and that he would state in that memorandum that the answers represented the views of the Department of Justice.

Senator Pittsman stated that the word "carry" used in section 2(a) of the Neutrality Act of 1939 and the word "transport" used in section 2(a) were synonymous. He stated that the only reason for using different language was that in one case the Foreign Relations Committee had in mind particularly passengers while in the other case they had in mind particularly goods. He stated that in common parlance one usually refers to the carriage of passengers but to the transportation of goods.
On the questions whether there was a transportation or carriage to a belligerent country when a ship merely put in at a port of a belligerent country without unloading cargo or letting off passengers, Senator Pittman was emphatically of the opinion that there was such carriage or transportation. He pointed out that the passengers and goods were as likely to be in danger in the case where they were not let off the vessel in the belligerent port as where they were let off.

Senator Pittman said that in any place in the Act where any doubt might appear as to the intention of the Congress, the policy of interpretation should be to apply the test of what interpretation was the least likely to get the United States involved in the war. He stated that the policy of the Congress was to enact a law which would forestall any situation arising in which the United States would have to make strong representations to any belligerent or as a result of which public opinion in the United States might be aroused.

With regard to shipments consigned to persons in belligerent countries, he took the position that no United States vessel should carry such goods to any port, neutral or belligerent. He put the case of goods carried in an American vessel from New York to the Panama Canal Zone but consigned to England, the goods to be picked up by a British merchantman in the Canal Zone. He stated that it was his opinion that such carriage by an American vessel was prohibited by section 2(a) of the Neutrality Act of 1939.
With regard to giving advice on the application of the Neutrality Act of 1939 to private persons, Senator Pittman expressed himself as being vigorously opposed to the executive departments giving such advice. He said that most of the persons affected by the Neutrality Act of 1939 were in a position to employ eminent counsel to ascertain the meaning of the Act. He said that as far as possible the whole Act should be left to interpretation by the courts.

Senator Pittman pointed out that the Neutrality Act of 1939 was passed in the interests of peace, that at the time of its passage the Congress realized that it would mean great interference with our normal trade and commercial relations, and that the Congress was willing to sacrifice such commerce and trade in the interests of peace. He pointed out that as originally drafted, the Neutrality Act of 1939 was much more rigorous than as finally passed. He said that the exceptions which were made were as far as the Congress intended to go in making exceptions. Senator Pittman said that he had little or no sympathy with business men who were unwilling to bend their trade practices to the peace policy of the Congress and that he thought it would be a great mistake for the executive departments to bend the peace policy of the Congress in an attempt to appease business men and shippers. Judge Hoare of the State Department said that he definitely agreed with Senator Pittman on this point. He pointed out that it was ridiculous to worry about the loss of a few dollars to some business men when the stake involved was the peace and security of the United
States. He said that involvement in the war in Europe would mean
infinitely greater loss to both Government and business men than the
few dollars that might be lost by strict conformance to the Neutrality
Act of 1939 and by causing business men to bend to the peace policy
of the Congress.

Judge Townsend said that the Attorney General of the United
States had told him that in all cases where the statute required any
interpretation, he should err on the side of safety.
Washington, Wednesday, September 6, 1939

The President

Proclaiming the Neutrality of the United States in the War Between Germany and France; Poland; and the United Kingdom, India, Australia, and New Zealand

Proclamation

Whereas a state of war unhappily exists between Germany and France; Poland; and the United Kingdom, India, Australia, and New Zealand; and

Whereas the United States is on terms of friendship and amity with the contending powers, and with the persons inhabiting their several dominions; and

Whereas there are nationals of the United States residing within the territories of the said belligerents, and carrying on commerce, trade, or other business or pursuits therein; and

Whereas there are nationals of each of the said belligerents residing within the territory or jurisdiction of the United States, and carrying on commerce, trade, or other business or pursuits therein; and

Whereas the laws and treaties of the United States, without interfering with the free expression of opinion and sympathy, nevertheless impose upon all persons who may be within their territory or jurisdiction the duty of an impartial neutrality during the existence of the contest; and

Whereas it is the duty of a neutral government not to permit or suffer the making of its territory or territorial waters subservient to the purposes of war;

Now, Therefore, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in order to preserve the neutrality of the United States and of its citizens and of persons within its territory and jurisdiction, and to enforce its laws and treaties, and in order that all persons, being warned of the general tenor of the laws and treaties of the United States in this behalf, and of the

law of nations, may thus be prevented from any violation of the same, do hereby declare and proclaim that by certain provisions of the act approved on the 4th day of March, A.D. 1909, commonly known as the "Penal Code of the United States" and of the act approved on the 15th day of June, A.D. 1917, the following acts are forbidden to be done, under severe penalties, within the territory and jurisdiction of the United States, to wit:

1. Accepting and exercising a commission to serve one of the said belligerents by land or by sea against an opposing belligerent.
2. Entering or entering into the service of a belligerent as a soldier, or as a marine, or seaman on board of any ship of war, letter of marque, or privateer.
3. Hiring or retaining another person to enlist or enter himself in the service of a belligerent as a soldier, or as a marine, or seaman on board of any ship of war, letter of marque, or privateer.
4. Hiring another person to go beyond the limits or jurisdiction of the United States with intent to be enlisted as aforesaid.
5. Hiring another person to go beyond the limits or jurisdiction of the United States with intent to be entered into service as aforesaid.
6. Retaining another person to go beyond the limits or jurisdiction of the United States with intent to be enlisted as aforesaid.
7. Retaining another person to go beyond the limits or jurisdiction of the United States with intent to be entered into service as aforesaid. (But the said act of the 4th day of March, A.D. 1909, as amended by the act of the 15th day of June, A.D. 1917, is not to be construed to extend to a citizen or subject of a belligerent who, being transfixed within the jurisdiction of the United States, shall, on board of any ship of war, which, at the time of its arrival within the jurisdiction of the United States, was fitted and equipped as such ship of war, enlist or enter himself or hire or retain another subject or citizen of the same belligerent, who is transfixed within the jurisdiction of the United States, to enlist or enter himself to serve such belligerent on board

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10. Increasing or augmenting, or procuring to be increased or augmented, or knowingly being concerned in increasing or augmenting, the force, or any ship of war, cruiser, or other armed vessel, which has at the time of her arrival within the jurisdiction of the United States, a ship of any such belligerent nation as a mercantile vessel, or any vessel, domestic or foreign, other than one which has entered the jurisdiction of the United States as a public vessel, which is to be employed to cruise against or commit or attempt to commit hostilities upon the subjects, citizens, or property of a belligerent nation, or which will be sold or delivered to a belligerent nation, or to an agent, officer, or citizen thereof, within the jurisdiction of the United States, or, having left that jurisdiction, upon the high seas.

14. Disputing the United States, or any place subject to the jurisdiction thereof, any vessel built, armed, or equipped as a ship of war, or converted from a private vessel into a ship of war, that shall be employed in the service of one of the said belligerents, or commit hostilities against the subjects, citizens, or property of any belligerent nation.

15. Failing or delivering a commission within the territory or jurisdiction of the United States, for any ship or vessel to the intent that she may be employed as aforesaid.
and, unless within the preceding twenty-four hours a vessel, whether of war or not, belonging to any opposing belligerent, shall have departed from, or in which case the time limited for the departure of such ship or war shall be extended as far as may be necessary to secure an interval of not less than twenty-four hours between such departure and that of any ship of war or merchant ship of an opposing belligerent which may have previously quit the same port, harbor, roadstead, or waters.

Vessels used exclusively for scientific, religious, or philanthropic purposes are exempted from the foregoing provisions as to the length of time ships of war may remain in the ports, harbors, roadsteads, or waters subject to the jurisdiction of the United States.

The maximum number of ships of war belonging to a belligerent and its allies which may be in any of the ports, harbors, or roadsteads subject to the jurisdiction of the United States simultaneously shall be four.

When ships of war of opposing belligerents are present simultaneously in the same port, harbor, roadstead, or waters, subject to the jurisdiction of the United States, the one entering first shall depart first, unless she is in such condition as to warrant extending her stay.

In case the ship which arrived later has the right to remain but is not sufficient to carry such vessel, if without any sail power, to the nearest port of her own country; or in case a vessel is ringed to go under sail, and may also be propelled by machinery, then half the quantity of fuel, lubricants, and feed water which she would be entitled to have on board, if dependent upon propelling machinery alone, and no fuel, lubricants, or feed water shall be again supplied to any such ship of war in the same or any other port, harbor, roadstead, or waters subject to the jurisdiction of the United States until after the expiration of three months from the time when such fuel, lubricants, and feed water may have been last supplied to her within waters subject to the jurisdiction of the United States.

The amounts of fuel, lubricants, and feed water allowable under the provisions of this section shall be based on the economical speed of the vessel, plus an allowance of thirty per cent for emergencies.

No ship of war of a belligerent shall be permitted to depart more than forty- eight hours after the time of arrival is granted, the termination of the cause of delay will be considered the time of arrival in deciding the right of priority in departing from the port, harbor, roadstead, or waters.

Vessels of a belligerent shall not be permitted to depart immediately from any port, harbor, roadstead, or waters subject to the jurisdiction of the United States at such intervals as will delay the departure of a ship of war of an opposing belligerent from such ports, harbors, roadsteads, or waters for more than twenty-four hours beyond the desired time of sailing. If, however, the departure of several ships of war and merchant ships of opposing belligerents from the same port, harbor, roadstead, or waters is involved, the order of their departure shall be so arranged as to allow the opportunity of leaving safely to the vessels of the opposing belligerents, and to cause the least possible disturbance with the objects of this proclamation.

All belligerent vessels shall refrain from the use of their radio and signal apparatus while in the harbors, ports, roadsteads, or waters subject to the jurisdiction of the United States, except for calls of distress and communications connected with navigational arrangements for the arrival of such vessel or war within, or departure from, such ports, harbors, roadsteads, or waters, or passage through such waters; provided that such communications will not be of direct material aid to the belligerents in the conduct of military operations against an opposing belligerent. The radio of belligerent merchant vessels may be sealed by the authorities of the United States, and such seals shall not be broken within the jurisdiction of the United States except by proper authority of the United States.

No ship of war of a belligerent shall be permitted, while in any port, harbor, roadstead, or waters subject to the jurisdiction of the United States, to take in any supplies except provisions and such other things as may be requisite for the subsistence of her crew in amounts necessary to carry such supplies to her peace standard, and except such fuel, lubricants, and feed water only as may be sufficient, with that already on board, to carry such vessel, if without any sail power, to the nearest port of her own country; or in case a vessel is ringed to go under sail, and may also be propelled by machinery, then half the quantity of fuel, lubricants, and feed water which she would be entitled to have on board, if dependent upon propelling machinery alone, and no fuel, lubricants, or feed water shall be again supplied to any such ship of war in the same or any other port, harbor, roadstead, or waters subject to the jurisdiction of the United States, until after the expiration of three months from the time when such fuel, lubricants, and feed water may have been last supplied to her within waters subject to the jurisdiction of the United States.

The amounts of fuel, lubricants, and feed water allowable under the provisions of this section shall be based on the economical speed of the vessel, plus an allowance of thirty per cent for emergencies.

No ship of war of a belligerent shall be permitted, while in any port, harbor, roadstead, or waters subject to the jurisdiction of the United States, to make repairs beyond those that are essential to render the vessel seaworthy and which in no degree constitute an increase in her military strength. Repairs shall be made without delay. Damages which any vessel having been produced by the enemy’s fire shall in no case be repaired.

No ship of war of a belligerent shall effect repairs or receive fuel, lubricants, feed water, or provisions within the jurisdiction of the United States without written authorization of the proper authorities of the United States. Before such authorization will be issued, the commanding officer of the vessel shall furnish to such authorities a written declaration, duly signed by such commander, stating the date, port, and amount of supplies last received in the jurisdiction of the United States, the amounts of fuel, lubricants, feed water, and provisions on board, the time to which the vessel is proceeding, the economical speed of the vessel, the rate of consumption of fuel, lubricants, and feed water at such speed, and the amount of each class of supplies on board. When requested, a similar declaration shall be furnished stating the cause of the damage and the nature of the repairs. In either case, a certificate shall be included to the effect that the desired services are in accord with the rules of the United States in that behalf.

No agency of the United States Government shall, directly or indirectly, provide supplies or effect repairs to a belligerent ship of war.

No vessel of a belligerent shall exercise the right of search within the jurisdiction of the United States, nor shall prizes be taken by belligerent vessels within such waters. Subject to any applicable treaty, rule or custom, in force, prizes captured by belligerent vessels shall not enter any port, harbor, roadstead, or waters under the jurisdiction of the United States, unless on account of unserviceability, stress of weather, or want of fuel or provisions; when the cause has disappeared, the prize must leave immediately, and if a prize captured by a belligerent vessel enters any port, harbor, roadstead, or waters subject to the jurisdiction of the United States for any other reason than on account of unserviceability, stress of weather, or want of fuel or provisions, or fails to leave so soon as the circumstances which justified the interference are at an end, the prize with its officers and crew will be released and the prize crew will be interned. A belligerent prize court cannot be set up on territory subject to the jurisdiction of the United States or on a vessel in the ports, harbors, roadsteads, or waters subject to the jurisdiction of the United States.

The provisions of this proclamation pertaining to ships of war shall apply equally to any vessel operating under public control for hostile or military purposes.

AND I do further declare and proclaim that the statutes and the treaties of the United States and the laws of nations alike require that no person, within the territory and jurisdiction of the United States, shall take part, directly or indirectly, in the said war, but that as alleged with all the belligerents, and shall maintain a strict and impartial neutrality.

AND I do further declare and proclaim that the provisions of this proclamation shall apply to the Canal Zone except in so far as such provisions may be specifically modified by a proclamation or proclamations, issued for the Canal Zone.
AND I do hereby enjoin all nationals of the United States, and all persons residing or being within the territory or jurisdiction of the United States, to observe the law thereof, and to commit no act contrary to the provisions of the said statutes or treaties, or the violation of the law of nations in that behalf.

AND I do hereby give notice that all nationals of the United States and other who may claim the protection of this government, who may misbehave themselves in the premises, will do so at their peril, and that they can in no wise obtain any protection from the government of the United States against the consequences of their misconduct.

This proclamation, shall continue in full force and effect unless and until modified, revoked or otherwise terminated, pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the city of Washington this thirty-ninth day of September in the year of our Lord nineteen hundred and thirty-nine.

FRANKLIN D ROOSEVELT

By the President:

CORELL HILL
Secretary of State.

(No. 2648)

[FR Doc. 30-2549; Filed, September 9, 1939; 3:54 p.m.]

EXECUTIVE ORDER

CONTROL OF THE PANAMA CANAL AND THE CANAL ZONE

By virtue of the power and authority vested in and conferred upon me by section 9 of title 2 of the Canal Zone Code, approved June 19, 1924 (48 Stat. 1112), and as President of the United States, it is hereby ordered that the Officer of the Army commanding the United States Troops stationed in the Canal Zone shall, until otherwise ordered, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all its adjuncts, appendants, and appurtenances, including the entire control and government of the Canal Zone; and, while this order is in force, the Governor of the Panama Canal shall, in all respects and particulars as to the operation of the Panama Canal and all duties, matters and transactions affecting the Canal Zone, be subject to the order and direction of the Officer of the Army herein designated.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE
September 3, 1939.

(No. 82321)

[FR Doc. 30-2645; Filed, September 3, 1939; 5:07 p.m.]

TITLE 14—CIVIL AVIATION

CIVIL AVIATION

CIVIL AIRCRAFTS AUTHORITY

(Amendment No. 29 of the Civil Air Regulations,

REVISING AERIAL TRAFFIC CONTROL AREA

DESIGNATION, AMBER CIVIL AIRWAY

No. 1)

At a session of the Civil Aeronautics Authority held at its office in Washington, D. C., on the 1st day of September, 1939.

Acting pursuant to the authority vested in it by the Civil Aeronautics Act of 1938, particularly sections 205 (a) and 209 (a) of said Act, and finding that its action is desirable in the public interest and is necessary to carry out the provisions of, and to carry out and perform its powers and duties under said Act, the Civil Aeronautics Authority hereby amends the Civil Air Regulations as follows:

Section 60.2410 of the Civil Air Regulations is amended to read as follows:

"60.2410 Aerial civil airway No. 1. From the intersection of the center line of the south shore of the San Diego, Calif., radio range and the U.S.-Mexican border (San Ysidro, Calif.) to a point 23 miles south of the Medford, Ore., radio range station."

This amendment shall become effective on and after 12:01 A.M. E.S.T., October 1, 1939.

By the Authority.

(EBAL) PAUL J. PETRELLI
Secretary.

(No. 29-2649; Filed, September 9, 1939; 10:51 a.m.)

TITLE 16—COMMERCIAL PRACTICES

FEDERAL TRADE COMMISSION

[DOCKET 5604]

IN THE MATTER OF THE JOSEPH DE NOON CRUZ DE CRUZ COMPANY, ET AL.

§ 327 (d) Combining or conspiring—To enhance, maintain or unify prices

By agreement or combination, and in connection with the offer, sale or distribution of wood-case lead pencils in commerce between and among the various states and in the District of Columbia, (1) fixing or maintaining uniform prices, terms or conditions for the sale of comparable wood-case lead pencils; or (2) changing simultaneously the prices at which comparable wood-case lead pencils are to be sold or are sold; or (3) adopting, fixing or determining uniform schedules of quantity or annual cumulative discounts on comparable wood-case lead pencils; or (4) fixing or determining uniform prices of wood-case lead pencils known in the trade as "blank", for example, pencils upon which neither name nor brand of manufacturer appears, and offering uniform bids comparable wood-case lead pencils for prospective purchasers thereof; or (5) in the purpose of effectuating any agreement or combination to fix or maintain uniform prices in the United States for the sale of comparable wood-case lead pencils, (a) investigating or consulting with such person or persons with respect to a stabilization program having as its objective the limitation of the supply, grades or qualities of wood-case lead pencils manufactured and offered for sale by any of the respondents, or any of them, the Lead Pencil Association, Inc., its successors or assigns, or any other association of lead pencil manufacturers, or to make recommendations to said association, or (b) obtaining and maintaining an agreement or understanding with lead pencil manufacturers, or to make recommendations to said association, or (c) employing any person, firm, or corporation to make recommendations to said association, or (d) the Lead Pencil Association, Inc., its successors or assigns, or any other association of lead pencil manufacturers, or to make recommendations to said association, or the members thereof industry totals with the individual percentage of any member such association, (e) classifying the members of The Lead Pencil Association, Inc., its successors or assigns, or any other association of lead pencil manufacturers, or different classes according to the amount of business done by each member thereof annually, (f) having the Lead Pencil Association, Inc., its successors or assigns, or any other association of lead pencil manufacturers, or to make recommendations to said association, or any other party, prohibited; subject to the proviso that nothing in this order shall be construed to prevent the respondents, or any of them, from investigating or consulting with one another, for the purpose of attempting to work out a simplification program for the pencil industry, who thereby investigate or consult in good faith in the course of such investigation or consultation shall not be for the purpose of effectuating any agreement or combination or (g) the purpose of effectuating any agreement or combination or (h) the purpose of effectuating any agreement or combination or (i) the purpose of effectuating any agreement or combination or (j) the purpose of effectuating any agreement or combination.
The President

Proclaiming a National Emergency in Connection with the Observance, Safeguarding, and Enforcement of Neutrality and the Strengthening of the National Defense Within the Limits of Peace-Time Authorizations

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a proclamation issued by me on September 5, 1939, proclaimed the neutrality of the United States in the war now unhappily existing between certain nations; and

WHEREAS the state of war imposes on the United States certain duties with respect to the proper observance, safeguarding, and enforcement of such neutrality, and the strengthening of the national defense within the limits of peace-time authorizations; and

WHEREAS measures required at this time call for the exercise of only a limited number of the powers granted in a national emergency;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, do proclaim that a national emergency exists in connection with and to the extent necessary for the proper observance, safeguarding, and enforcing of the neutrality of the United States and the strengthening of our national defense within the limits of peace-time authorizations. Specific directions and authorizations will be given from time to time for carrying out these powers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this eighth day of September, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States thirty-nine.

FRANKLIN D. ROOSEVELT

Proclamation of the President of the United States of America on September 5, 1939,

[Proclamation text]

Washington, Saturday, September 9, 1939

Washington, Saturday, September 9, 1939

The President

Proclaiming the Neutrality of the United States in the War Between Germany, on the One Hand, and the Union of South Africa, on the Other Hand

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a state of war unhappily exists between Germany, on the one hand, and the Union of South Africa, on the other hand;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in order to preserve the neutrality of the United States and of its citizens and of persons within its territory and jurisdiction, and to enforce its laws and treaties, and in order that all persons, being warned of the general tenor of the laws and treaties of the United States in this behalf, and of the law of nations, may thus be prevented from any violation of the same, do hereby declare and proclaim that all of the provisions of my proclamation of September 5, 1939, proclaiming the neutrality of the United States in a war between Germany and France; Poland; and the United Kingdom, India, Australia and New Zealand apply equally in respect to the Union of South Africa.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this eighth day of September, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States thirty-nine.

FRANKLIN D. ROOSEVELT

Proclamation of the President of the United States of America on September 5, 1939,
America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT
By the President:

CORNELL HULL
Secretary of State.

[No. 2353]


EXPORT OF ARMS, AMMUNITION, AND IMPLEMENTS OF WAR TO THE UNION OF SOUTH AFRICA

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS section 1 of the joint resolution of Congress approved May 1, 1937, amending the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessel of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, as amended February 28, 1936, provides in part as follows:

"Whenever the President shall find that there exists a state of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation, or to any neutral state for transshipment to, or for the use of, any such belligerent state."

AND WHEREAS it is further provided by section 1 of the said joint resolution that:

"The President shall, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred upon me by the said joint resolution, do hereby proclaim that all of the provisions of my proclamation of September 5, 1939, in regard to the export of arms, ammunition, and implements of war to France, the German Empire, the United Kingdom, India, Australia, and New Zealand, hereby apply to the Union of South Africa.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution, and the said proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the power to exercise any powers vested by or conferred upon me by the said joint resolution, as made effective by this my proclamation issued thereunder, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the city of Washington this 8th day of September, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

CORNELL HULL
Secretary of State.

[No. 2354]


REGULATION CONCERNING CREDITS TO BELLIGERENTS

Section 3 of the joint resolution of Congress approved May 1, 1937, reads in part as follows:

"Sec. 3. (a) Whenever the President shall have issued a proclamation under the authority of section 1 of this Act, it shall thereafter be unlawful for any person within the United States to purchase, sell, or exchange bonds, securities, or other obligations of the government of any belligerent state or of any state wherein civil strife exists, named in such proclamation, or of any political subdivision of any such state, or of any person acting for or on behalf of the government of any such state, or of any faction or armed government within any such state wherein civil strife exists, issued after the date of such proclamation, or to make any loan or extend any credit to any such government, political subdivision, faction, armed government, or person; Provided, That if the President shall find that such action will serve to protect the commercial or other interests of the United States or its citizens, he may, in his discretion, and to such extent and under such regulations as he may prescribe, except from the operation of this section any ordinary commercial credits and short-time obligations in aid of legal transactions and of a character customarily used in normal peacetime commercial transactions. Nothing in this subsection shall be construed to prohibit the use of medical aid and assistance, or for food and clothing to relieve human suffering, when such solicitation for or on behalf of and for use by any person or organization which is not acting for or on behalf of any such government, political subdivision, faction, armed government, but all such solicitations and collections of funds shall be subject to the approval of the President and shall be invested in bonds or obligations of the United States, and regulations as he shall prescribe.

"(b) The provisions of this section shall not apply to a renewal or adjustment of such indebtedness as may exist on the date of the President's proclamation.

"(c) Whoever shall violate the provisions of this section or of any regulations issued hereunder, or cause or aid or abet such violations, or cause or permit the said acts, or cause or aid or abet the commission thereof, be fined not more than $50,000 or imprisoned for not more than five years, or both. Should the violation be by a corporation, organization, association, or similar body, each officer or agent thereof participating in the violation
The President

Proclaiming the Neutrality of the United States in the War Between Germany, on the One Hand, and Canada, on the Other Hand

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a state of war unhappily exists between Germany, on the one hand, and Canada, on the other hand;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in order to preserve the neutrality of the United States and of its citizens and of persons within its territory and jurisdiction, and to enforce its laws and treaties, and in order that all persons, being warned of the illegal tenor of the laws and treaties of the United States in this behalf, and of the law of nations, may thus be prevented from any violation of the same, do hereby declare and proclaim that all of the provisions of my proclamation of September 5, 1939, proclaiming the neutrality of the United States in a war between Germany and France; Poland; and the United Kingdom, India, Australia, and New Zealand apply equally in respect to Canada.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this 10th day of September, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-sixth.

FRANKLIN D. ROOSEVELT

By the President:

CORDEL HULL

Secretary of State.

[No. 3359]

[149th Cong., 2nd Sess., S. Res. 349, September 11, 1939.
P. 507, p. 54.]

Export of Arms, Ammunition, and Implemenes of War to Canada

By the President of the United States of America

A PROCLAMATION

WHEREAS section 1 of the joint resolution of Congress approved May 1, 1937, amending the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1936, amended February 29, 1936, provides in part as follows:

"Whenever the President shall find that there exists a state of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation, or to any neutral state for transhipment to, or for the use of, any such belligerent state."

AND WHEREAS it is further provided by section 1 of the said joint resolution that

"The President shall, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred upon me by the said joint resolution, do hereby proclaim that all of the provisions of my

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proclamation of September 5, 1939, in regard to the export of arms, ammunition, and implements of war to France, Germany, Poland, and the United Kingdom, India, Australia, and New Zealand, thereupon apply to Canada.

And I hereby join all officers of the United States charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution, and this my proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I hereby delegate to the Secretary of State the power to exercise any power or authority conferred on me by the said joint resolution, as made effective by this my proclamation issued thereunder, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this 10th day of September, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

C. RUSSELL HULL

Secretary of State.

[No. 2360]

[FR Doc. 23-8526; Filed, September 11, 1939; 12:27 p. m.]

* * * * *
The President

Proclamation of a State of War Between Germany and France; Poland; and the United Kingdom, India, Australia, Canada, New Zealand and the Union of South Africa

By the President of the United States of America

A PROCLAMATION

WHEREAS section 1 of the joint resolution of Congress approved November 4, 1939, provides in part as follows:

"That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states, and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, the President shall issue a proclamation naming the states involved; and he shall, from time to time, by proclamation, name other states as and when they may become involved in the war."

AND WHEREAS it is further provided by section 13 of the said joint resolution that

"The President may, from time to time, promulgate such rules and regulations, not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by the said joint resolution, do hereby proclaim that a state of war unhappily exists between Germany and France; Poland; and the United Kingdom, India, Australia, Canada, New Zealand and the Union of South Africa, and that it is necessary to promote the security and preserve the peace of the United States and to protect the lives of citizens of the United States.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the power to exercise any power or authority conferred on me by the said joint resolution, as made effective by this my proclamation issued thereunder, which is not specifically delegated by Executive order to some other officer or agency of this Government, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

And I do hereby revoke my proclamations nos. 2249, 2304 and 2360 issued on September 5, 8, and 10, 1939, respectively, in regard to the export of arms, ammunition, and implements of war to France; Germany; Poland; and the United Kingdom, India, Australia, and New Zealand; to the Union of South Africa; and to Canada.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this fourth day of November, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth, at 12:04 p.m.

FRANKLIN D. ROOSEVELT

By the President:

CORNELIUS HILL

Secretary of State.

[No. 2274]

[F. R. Doc. 59-6600, Filed, November 6, 1939; 8:25 p.m.]

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USE OF PORTS OR TERRITORIAL WATERS OF THE UNITED STATES BY SUBMARINES OF FOREIGN Belligerent States

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

WHEREAS section 11 of the Joint Resolution approved November 4, 1939, provides:

"Whenever, during any war in which the United States is neutral, the President shall find that special restrictions should be placed on the use of the ports and territorial waters of the United States by the submarines or armed merchant vessels of a neutral state, the President shall produce a proclamation of such restriction, and be unlawful for any such submarine or armed merchant vessel to enter a port or territorial waters of the United States or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe.

WHEREAS there exists a state of war between Germany and France; Poland; and the United Kingdom, India, Australia, Canada, New Zealand, and the Union of South Africa;

WHEREAS the United States of America is neutral in such war;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority vested in me by the foregoing provision of section 11 of the Joint Resolution approved November 4, 1939, do hereby proclaim and find that special restrictions placed on the use of the ports and territorial waters of the United States, exclusive of the Canal Zone, to the submarines of a foreign belligerent state, both commercial submarines and submarines which, in time of war, will serve to maintain peace between the United States and foreign states, to protect the commercial interests of the United States and its citizens, and to promote the security of the United States;

AND I do hereby declare and proclaim that it shall henceforth be unlawful for any submarine of France, Germany, Poland; or the United Kingdom, India, Australia, Canada, New Zealand, or the Union of South Africa, to enter ports or territorial waters of the United States, exclusive of the Canal Zone, except submarines of the said belligerent states which are forced into such ports or territorial waters of the United States while running on the surface with coming tower and superstructure above water and flying the flags of the foreign belligerent states of which they are vessels. Such submarines may depart from ports or territorial waters of the United States only while running on the surface with coming tower and superstructure above water and flying the flags of the foreign belligerent states of which they are vessels.

AND I do hereby enjoin upon all officials of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution, and in bringing to trial and punishment any offenders against the same.

AND I do hereby revoke my Proclamation, No. 2371 issued by me on October 19, 1939, in regard to the use of ports or territorial waters of the United States by submarines of foreign belligerent states.

This proclamation shall continue in full force and effect unless and until modified, revoked, or otherwise terminated, pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this fourth day of November, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-four, at 12:04 p.m.

FRANKLIN D. ROOSEVELT
By the President:
CORDELL HULL
Secretary of State.

No. 2371

(P. R. Doc. 95—4513; Filed, November 4, 1939; 5:33 p. m.)

14 P. R. 4507 CF.
The President

PROCLAMATION OF A STATE OF WAR BETWEEN GERMANY AND NORWAY

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS section 1 of the joint resolution of Congress approved November 4, 1939, provides in part as follows:

"That whenever the President, or the Congress by concurrent resolution, shall and that there exists a state of war between foreign states, and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, the President shall issue a proclamation naming the states involved; the shall, from time to time, by proclamation, name other states as and when they may become involved in the war."

AND WHEREAS it is further provided by section 12 of the said joint resolution that

"The President may, from time to time, promulgate such rules and regulations, not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by the said joint resolution, do hereby proclaim that a state of war exists between Germany and Norway, and that it is necessary to promote the security and preserve the peace of the United States and to protect the lives of citizens of the United States.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the power to exercise any power or authority conferred on me by the said joint resolution, as made effective by this my proclamation issued hereunder, which is not specifically delegated by Executive order to some other officer or agency of this Government, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 25th day of April, in the year of our Lord nineteen hundred and forty, and

[seal] of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

CONRAD HULL
Secretary of State.

(No. 23981)

[F. R. Doc. 40-1940; Filed, April 25, 1940; 10:11 p.m.]

PROCLAMATING THE NEUTRALITY OF THE UNITED STATES IN THE WAR BETWEEN GERMANY, ON THE ONE HAND, AND NORWAY, ON THE OTHER HAND

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a state of war unhappily exists between Germany, on the one hand, and Norway, on the other hand;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in order to preserve the neutrality of the United States and of its citizens and of persons within its territory and jurisdiction, and to enforce its laws, treaties, and in order that all persons, being warned of the general tenor of the laws and treaties of the United States in this behalf, and of the

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law of nations, may thus be prevented from any violation of the same, do hereby declare and proclaim that all of the provisions of my proclamation of September 5, 1939, proclaiming the neutrality of the United States in a war between Germany and France; Poland; and the United Kingdom, India, Australia, and New Zealand apply equally in respect to Norway.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 29th day of April, in the year of our Lord nineteen hundred and forty, and

ISRAEL, and of the Independence of the United States of America the one hundred and sixty-fourth,

FRANKLIN D. ROOSEVELT

By the President:

Cordell Hull

Secretary of State.

[No. 2399]

[FR. Doc. 40-1981; Filed April 29, 1940, 11:01 p.m.]

USE OF PORTS OR TERRITORIAL WATERS OF THE UNITED STATES BY SUBMARINES OR ARMED MERCHANT VESSELS OF FOREIGN NATIONS

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS section 11 of the Joint Resolution approved November 4, 1939, provides:

"Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States by the 15 submarine or armed merchant vessels of a foreign state, will serve to maintain peace between the United States and foreign states, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine or armed merchant vessel to enter a port or the territorial waters of the United States or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. Whenever, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

WHEREAS there exists a state of war between Germany and Norway;

WHEREAS the United States of America is neutral in such war;

WHEREAS by my proclamation of November 4, 1939, issued pursuant to the provision of law quoted above, I placed special restrictions on the use of ports and territorial waters of the United States by the submarine or armed merchant vessels of Germany; Poland; and the United Kingdom, India, Australia, Canada, New Zealand, and the Union of South Africa;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and virtue of the authority vested in me by the foregoing provision of section 11 of the Joint Resolution approved November 4, 1939, do by this proclamation declare and proclaim that the provisions of my proclamation of November 4, 1939, in regard to the use of the ports and territorial waters of the United States, exclusive of the Canal Zone, by the submarines of France, Germany; Poland; and the United Kingdom, India, Australia, Canada, New Zealand, and the Union of South Africa, shall not apply to the use of the ports and territorial waters of the United States, exclusive of the Canal Zone, by the submarines of Norway.

AND I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violation of the said Joint Resolution, and my proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 29th day of April, in the year of our Lord nineteen hundred and forty, and

ISRAEL, and of the Independence of the United States of America the one hundred and sixty-fourth,

FRANKLIN D. ROOSEVELT

By the President:

Cordell Hull

Secretary of State.

[No. 2400]

[FR. Doc. 40-1982; Filed April 29, 40, 11:01 p.m.]

EXECUTIVE ORDER

PRESCRIBING REGULATIONS GOVERNING THE ENFORCEMENT OF THE NEUTRALITY OF THE UNITED STATES

WHEREAS, under the treaties of the United States and the law of nations it is the duty of the United States, in any war in which the United States is not involved, to prohibit the commission of any unauthorized acts within the jurisdiction of the United States;

AND WHEREAS, a proclamation was issued by me on the 20th day of April, declaring the neutrality of the United States of America in the war now existing between Germany, on the one hand, and Norway, on the other hand;

NOW, THEREFORE, in order to make more effective the enforcement of the provisions of said treaties, law of nations, and proclamation, I hereby prescribe that the provisions of Executive
The President

Proclamation of a State of War Between Germany, on the One Hand, and Belgium, Luxembourg, and the Netherlands, on the Other Hand

By the President of the United States of America

A PROCLAMATION

WHEREAS section 1 of the Joint Resolution of Congress approved November 4, 1939, provides in part as follows:

"That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states, and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States, the President shall issue a proclamation naming the states involved;... and he shall, from time to time, by proclamation, name other states as and when they may become involved in the war."

AND WHEREAS it is further provided by section 13 of the said joint resolution that

"The President may, from time to time, promulgate such rules and regulations, not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by the said joint resolution, do hereby proclaim that a state of war unhappily exists between Germany, on the one hand, and Belgium, Luxembourg, and the Netherlands, on the other hand; and that it is necessary to promote the security and preserve the peace of the United States and to protect the lives of citizens of the United States.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the power to exercise any power or authority conferred upon him by the said joint resolution, as made effective by this my proclamation issued thereunder, which is not specifically delegated by Executive order to some other officer or agency of this Government, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this eleventh day of May, in the year of our Lord nineteen hundred and forty, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

CORELLI BERNAL
Secretary of State.

[No. 2404]

[5 p. D. Doc. 46-1929; Filed, May 11, 1940; 5:17 p. m.]

Proclaiming the Neutrality of the United States in the War Between Germany, on the One Hand, and Belgium, Luxembourg, and the Netherlands, on the Other Hand

By the President of the United States of America

A PROCLAMATION

WHEREAS a state of war unhappily exists between Germany, on the one hand, and Belgium, Luxembourg, and the Netherlands, on the other hand:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in order to preserve the neutrality of the United States and of

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, section 11 of the Joint Resolution approved November 4, 1939, provides:

"Whenever, during any war in which the United States is neutral, the Presi-
dent shall find that special restrictions placed on the use of the ports and terri-
torial waters of the United States by the submarines or armed merchant vessel of a foreign state, will serve to maintain peace between the United States and foreign states, or to protect the com-
mercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall therefor be unlawful for any such submarine or armed merchant vessel to enter a port or the territorial waters of the United States or to depart therefrom, except under such conditions and for such li-
mitations as the President may prescribe. Whenever, in his judgment, the condi-
tions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses com-
mitted prior to such revocation."

WHEREAS there exists a state of war between Germany on the one hand and Belgium and the Netherlands on the other hand:

WHEREAS the United States of America is neutral in such war:

WHEREAS by my proclamation of November 4, 1939, issued pursuant to the pro-
vision of law quoted above, I placed special restrictions on ports and territorial waters of the United States by the submarines of France; Germany; Poland; and the United Kingdom, India, Australia and New Zealand apply equally in respect to Bel-
gium, Luxembourg, and the Netherlands.

IN WITNESS WHEREOF, I have here-
unto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this eleventh day of May, in the year of our Lord nineteen hundred and forty, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

CORNELL HOLL
Secretary of State.

(No. 3405)

(F. R. Doc. 40-1932; Filed, May 11, 1940; 5:17 p. m.)

Regraded Unclassified
The President

PROCLAMATION OF A STATE OF WAR BETWEEN ITALY, ON THE ONE HAND, AND FRANCE AND THE UNITED KINGDOM, ON THE OTHER HAND

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS section 1 of the Joint resolution of Congress approved November 3, 1939, provides in part as follows:

"That whenever the President, or the Congress by concurrent resolution, shall find that there exists a state of war between foreign states, and that it is necessary to promote the security or preserve the peace of the United States, or to protect the lives of citizens of the United States, the President shall issue a proclamation naming the states involved; and he shall, from time to time, by proclamation, name other states as and when they may become involved in the war."

AND WHEREAS it is further provided by section 13 of the said joint resolution that

"The President may, from time to time, promulgate such rules and regulations, not inconsistent with law, as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by the said joint resolution, do hereby proclaim that a state of war unhappily exists between Italy, on the one hand, and France and the United Kingdom, on the other hand, and that it is necessary to promote the security and preserve the peace of the United States and to protect the lives of citizens of the United States.

AND I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence to prevent committing violations of the said joint resolution and in bringing to trial and punishment any offenders against the same.

AND I do hereby delegate to the Secretary of State the power to exercise any authority or power conferred on me by the said joint resolution, as made effective by this my proclamation issued thereunder, which is not specifically delegated by Executive order to some other officer or agency of this Government, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this tenth day of June, in the year of our Lord nineteen hundred and forty, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

Cordell Hull
Secretary of State.

(No. 24071)

[FR Doc. 39-2664; Filed, June 11, 1940; 11:30 a.m.]

PROCLAIMING THE NEUTRALITY OF THE UNITED STATES IN THE WAR BETWEEN ITALY, ON THE ONE HAND, AND FRANCE AND THE UNITED KINGDOM, ON THE OTHER HAND

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a state of war unhappily exists between Italy, on the one hand, and France and the United Kingdom, on the other hand;
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NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in order to preserve the neutrality of the United States and of its citizens and of persons within its territory and jurisdiction, and to enforce its laws and treaties, and in order that all persons, both friendly and neutral bared of the general tenor of the laws and treaties of the United States in this behalf, and of the law of nations, may thus be prevented from any violation of the same, do hereby declare and proclaim that all of the provisions of my proclamation of September 3, 1939, proclaiming the neutrality of the United States in a war between Germany and France; Poland, and the United Kingdom, India, Australia and New Zealand, apply equally in respect to Italy.

IN WITNESS WHEREOF, I have hereunto set my hand, and caused to be sealed the Great Seal of the United States of America to be affixed.

DONE at the City of Washington this tenth day of June, in the year of our Lord nineteen hundred and forty, and of the Independence of the United States of America one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT

By the President:

CORNELL HULB

Secretary of State

[No. 3481]

[F. R. Doc. 45-2382; Filed June 11, 1940; 11:58 a.m.]

USE OF PORTS OR TERRITORIAL WATERS OF THE UNITED STATES BY SUBMARINES OR ARMED MERCHANT VESSELS OF A FOREIGN STATE, OR TO DEPART THEREFROM, EXCEPT UNDER SUCH CONDITIONS AND SUBJECT TO SUCH LIMITATIONS AS THE President MAY PROVIDE.

WHEREAS there exists a state of war between Italy, on the one hand, and France and the United Kingdom, on the other hand;

WHEREAS the United States of America is neutral in such war;

WHEREAS by my proclamation of November 4, 1939, issued pursuant to the law of congress as above, I place upon the United States of America the same restrictions of neutral policy as applied to those states which were belligerents prior to the outbreak of war:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under authority vested in me by the foregoing provision of section 11 of the joint resolution approved November 4, 1939, do by this proclamation declare and proclaim that the provisions of said proclamation of November 4, 1939, in respect to the use of the ports and territorial waters of the United States, exclusive of the Canal Zone, by the submarines of France, Germany, or the United Kingdom, India, Australia, Canada, New Zealand, and the Union of South Africa, shall also apply to the use of the ports and territorial waters of the United States, exclusive of the Canal Zone, by the submarines of Italy.

AND I do hereby enjoin upon all officers of the United States, charged with the enforcement of the laws thereof, the utmost diligence in preventing violations of said joint resolution, and this my proclamation issued thereunder, and that all attempts to try and punish any offenders against the same.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be sealed the Great Seal of the United States of America to be affixed.
DEFINITION OF COMBAT AREAS
BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA
A PROCLAMATION
WHEREAS section 3 of the joint resolution of Congress approved November 4, 1939, provides as follows:
"(a) Whenever the President shall have issued a proclamation under the authority of section 1 (e), and he shall thereafter find that the protection of citizens of the United States so requires, he shall, by proclamation, define combat areas, and 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. The combat areas so defined may be made to apply to surface vessels or aircraft, or both.

In case of the violation of any of the provisions of this section by any American vessel, or any owner or officer thereof, such vessel, owner, or officer shall be fined not more than $500,000 or imprisoned for not more than five years, or both. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinbefore prescribed. In case of the violation of this section by any citizen traveling as a passenger, such passenger may be fined not more than $1,000 or imprisoned for not more than two years, or both.

(c) The President may from time to time modify or extend any proclamation issued under the authority of this section, and when the conditions which shall have caused him to issue any such proclamation shall have ceased to exist, he shall revoke such proclamation and the provisions of this section shall thereupon cease to apply, except as to offenses committed prior to such revocation.

AND WHEREAS it is further provided by section 13 of the said joint resolution that:
"The President may, from time to time, promulgate such rules and regulations, not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution, and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct.

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by the said joint resolution, do hereby find that the protection of citizens of the United States requires that there be defined a combat area through or into which 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, whether a surface vessel or an aircraft, to proceed.

AND I do hereby define such combat areas as follows:

All the navigable waters within the limits set forth hereafter.

Beginning at the intersection of the North Coast of Spain with the meridian of 3°45' longitude west of Greenwich;

Thence due north to a point in 42°54' north latitude;

Thence by rhumb line to a point in 45°00' north latitude; 20°00' west longitude;

Thence due north to 58°08' north latitude;

Thence by a rhumb line to latitude 62° north, longitude 2° east;

Thence by rhumb line to latitude 80° north, longitude 5° east;

Thence due east to the mainland of Norway;

Thence along the coastline of Norway, Sweden, the Baltic Sea and dependent waters thereof, Germany, Denmark, the Netherlands, Belgium, France and Spain to the point of beginning.

AND I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in the enforcement of the said joint resolution and in bringing to trial and punishment any offenders against the same.

AND I do hereby delegate to the Secretary of State the power to exercise any power or authority conferred on me by the said joint resolution as made effective by this my proclamation issued hereunder, which is not specifically delegated by Executive order to some other officer or agency of this Government, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONALD at the city of Washington this fourth day of November, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth, at 3 p.m.

FRANKLIN D. ROOSEVELT
By the President:
Cordell Hull
Secretary of State.

[No. 2376]

[F. D. Doc. 55-4602: Filed, November 4, 1939; 6:32 p.m.]

FEDERAL REGISTR, Tuesday, November 7, 1939

Rules, Regulations, Orders

TITLe 1—AGRICULTURE

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

[Title 1; B.E.R., Vol. 49, Part 1, 1939]

ADMINISTRATIVE INSTRUCTIONS TO INSPECTORS ON THE TREATMENT OF NURSERY PRODUCTS, FRUITS, VEGETABLES, AND SOIL, FOR THE JAPANESE BEETLE

Experiments recently completed with methyl bromide have shown that all living larvae of the Japanese beetle will be killed in 14-inch pots or soil balls when the treatment, dosage, and temperature required in circular B.E.R. 495, (1), (5), (11), issued June 8, 1939, are applied.

The paragraph headed "Preparation of plants" on page 14 of the above circular (Himasthlas) is hereby amended to read as follows:

Preparation of plants. The treatment is to be applied only to plants with bare roots or to 14-inch pots or smaller, or in soil balls not larger than 12 inches in diameter or thicker than 12 inches when not spherical. The soil should not be packed or saturated. With wet material, drying for a period of 12 hours is advisable before treatment. The plants should be shackled on racks or separated so that the gas can have access to both top and bottom surfaces of pots or soil balls. While not essential that the balls be completely separated from each other, they should not be jammed tightly together.

Cited under Sec. 301.48; B.E.R. 495, Supplement No. 1, November 4, 1939.

[1115-0-9]

LEE A. STONG
Chief
November 4, 1939.

[F. D. Doc. 55-4607: Filed, November 6, 1939; 10:08 a.m.]

FEDERAL SURPLUS COMMODITIES CORPORATION

DESIGNATION OF AREAS UNDER SURPLUS FOOD STAMP PROGRAM

Pursuant to the applicable regulations and conditions prescribed by Henry A. Wallace, Secretary of Agriculture of the United States of America, the following areas are hereby designated as areas in which food order stamps may be used in which the agricultural commodities and products listed in Surplus Commodities Bulletin No. 3, approved by the Sec-
rotary of Agriculture, September 25, 1939, shall be considered surplus foods:

The area within the city limits of Madison, Wisconsin, and the immediate environs thereof as defined by the local representative of the Federal Surplus Commodities Corporation.

The area within the county limits of Ramsey County, Minnesota.

The area within the city limits of Minneapolis, Minnesota, and the immediate environs thereof as defined by the local representative of the Federal Surplus Commodities Corporation.

The posting of the definition of "the immediate environs" in the office of the local representative of the Federal Surplus Commodities Corporation for the respective areas shall constitute due notice thereof.

The effective dates for the above areas shall be announced by the local representative of the Federal Surplus Commodities Corporation for the respective areas in local newspapers of general circulation.

October 30, 1939.

MILO PERKINS,
President Federal Surplus Commodities Corporation.

Attent,
EARL J. SMITH,
Secretary.

(P.R. Doc. 88-4069, Pined, November 6, 1939, 10:04 a.m.)

[ACP-1939-29]

AGRICULTURAL ADJUSTMENT ADMINISTRATION

PART 701—1939 AGRICULTURAL CONSERVATION PROGRAM BULLETIN

SUPPLEMENT NO. 23

Pursuant to the authority vested in the Secretary of Agriculture under Section 9 of the Soil Conservation and Domestic Allotment Act, as amended, the 1939 Agricultural Conservation Program Bulletin, as amended by Supplements 1 to 23, is hereby further amended as follows:

The first paragraph of Section 701.9 is hereby amended to read as follows:

"Payments computed for any farm under the provisions of section 701.8 shall be subject to all of the following deductions which are applicable to the farm: Provided, That in any case where, through error in a county or State office, the producer was officially notified in writing, prior to completion of planting, of an acreage allotment for a commodity larger than the finally approved acreage allotment for that commodity and was not notified of the finally approved acreage allotment until after planting was completed, and the county committee held that the producer, setting solely upon information contained in the erroneous notice, planted an acreage to the commodity in excess of the finally approved acreage allotment, the producer will not be considered to have exceeded the acreage allotment for such commodity unless he planted an acreage to the commodity in excess of the allotment erroneously issued, and the deduction for excess acreage will be made only with respect to the acreage in excess of the allotment erroneously issued."

Done at Washington, D.C., this 4th day of November, 1939.

WILLIAM D. WALLACE,
Secretary of Agriculture.

(P.R. Doc. 88-4069, Pined, November 6, 1939, 10:04 a.m.)

[ACP-1939-29]

AGRICULTURAL ADJUSTMENT ADMINISTRATION

PART 728—PROCEDURE FOR THE DETERMINATION OF BURLEY TOBACCO ACREAGE ALLOTMENTS FOR 1940

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1974.211 Definitions.
1974.212 Tenancy calculations and rule of fractions.
1974.213 Instructions for forms.
1974.216 Determination of normal acreage for new farms.
1974.217 Determination of normal acreage for old farms.
1974.218 Determination of average yields.
1974.219 Time for filing application.

GENERAL:

§ 1974.211 Definitions. As used in this procedure and in all instructions, forms, and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them, unless the context or subject-matter otherwise requires.

(a) Burley allotment procedure for 1940 means this Form 40-Tob-12.

(b) Local committee means the county and community committee utilized under the Act. "County Committee" or "Community Committee" shall have corresponding meanings in the connection in which they are used.

(c) New farm means a farm on which tobacco has never been produced in any of the five years 1935 to 1939, but on which tobacco will be produced in 1940.

(d) Old farm means a farm on which tobacco was produced in one or more of the five years 1935 to 1939.

(e) Operator means the person who, as owner, landlord, or tenant, is in charge of the operation and the annual share of the farming operations on the farm.

(f) State committee means the state of any farm to designate within the State in the administration of the State in the State of the Act.

(g) Tobacco means tobacco classified in Service and Region Announcement Number 118 of the Bureau of Agricultural Economics of the United States Department of Agriculture, as type 31 and known as Burley tobacco.

§ 1974.212 Exten calculations and rule of fractions. (a) All percentages shall be calculated to the nearest whole number. Fractions of more than fifty-hundredths of an acre shall be rounded upward, and fractions of fifty-hundredths of an acre or less shall be dropped. For example, 86.61% would become 87% and 87.50% would become 88%.

(b) All acreage shall be calculated to the nearest one-tenth of an acre. Fractions of more than fifty thousandths of an acre shall be rounded upward, and fractions of fifty thousandths of an acre or less shall be dropped. For example, 1,051 would become 1,051.0 and 1,050 would become 1,050.

§ 1974.213 Instructions for forms. The Administrator of the Agricultural Adjustment Administration of the United States Department of Agriculture shall cause to be prepared and issued with his approval such instructions and such forms as may be necessary or expedient for carrying out this procedure.

§ 1974.214 Applicability of procedure. This Burley Allotment Bulletin for 1940 shall relate to, and be effective for, the establishment of farm acreage allotments for Burley tobacco for the year 1940.

ESTABLISHMENT OF ALLOTMENTS FOR NEW FARMS

§ 1974.215 Acreage allotments for old farms. The farm acreage allotment for an old farm shall be that percentage of the normal acreage for the farm which the State acreage allotment is less than the normal acreages for all old farms in the State. Provided, That the acreage allotment so determined for any farm except a farm operated, controlled, or directed by a person who also operates, controls, or directs another farm on which tobacco is produced is less than that acreage with which, with the normal yield for the farm, would produce 4,000 pounds of tobacco, then such acreage allotment shall be increased to the smaller of (a) 150 per cent thereof or, (b) the amount with which the normal yield for the farm, would produce 4,000 pounds of tobacco.

§ 1974.216 Determination of normal acreage. (a) Acreage allotment for an old tobacco farm. The normal acreage for an old tobacco farm shall be the adjusted 1939 normal acreage for the farm subject to such adjustments as the local committee may determine. Provided, That the local committee shall be permitted to obtain a normal acreage for the farm which is fair and reasonable in relation to the adjusted 1939 normal acreage for other farms in the
The President

DEFINITION OF A COMBAT AREA

AT THE PRESIDENT OF THE UNITED STATES
OF AMERICA

A PROCLAMATION

WHEREAS section 3 of the joint resolution of Congress approved November 4, 1939, provides as follows:

"(a) Whenever the President shall have issued a proclamation under the authority of section 1 (a), and he shall thereafter find that the protection of citizens of the United States so requires, he shall, by proclamation, define combat areas, and 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. The combat areas so defined may be made to apply to surface vessels or aircraft, or both.

(b) In case of the violation of any of the provisions of this section by any American vessel, or any owner or officer thereof, such vessel, owner, or officer shall be fined not more than $50,000 or imprisoned for not more than five years, or both. Should the owner of such vessel be a corporation, organization, or association, such officer or director participating in the violation shall be liable to the penalty hereinafter prescribed. In case of the violation of this section by any citizen traveling as a passenger, such passenger may be fined not more than $10,000 or imprisoned for not more than two years, or both.

(c) The President may from time to time modify or extend any proclamation issued under the authority of this section, and when the conditions which shall have caused him to issue any such proclamation shall have ceased to exist he shall revoke such proclamation and the provisions of this section shall thereafter cease to apply, except as to offenses committed prior to such revocation."

AND WHEREAS it is further provided by section 13 of the said joint resolution that

"The President may, from time to time, promulgate such rules and regulations, not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution, and he may exercise any power or authority conferred on him by this joint resolution through such officer, or officers, or agency or agencies, as he shall direct."

AND WHEREAS on November 4, 1939, I issued a proclamation in accordance with the provision of law quoted above defining a combat area,

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by section 3 of the joint resolution of Congress approved November 4, 1939, do hereby find that the protection of citizens of the United States requires that there be an extension of the combat area defined in my proclamation of November 4, 1939, through or into which extended combat area 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, whether a surface vessel or an aircraft, to proceed.

AND I do hereby define the extended combat area as follows:

All the navigable waters within the limits set forth hereafter.

Beginning at the intersection of the North Coast of Spain with the meridian of 2° 45' longitude west of Greenwich, Thence due north to a point in 43° 34' north latitude;

Thence by a rhumb line to a point in 45° north latitude, 20° west longitude;

Thence due north to 58° north latitude;

Thence by a rhumb line to a point in 76° 30' north latitude, 16° 35' east longitude;

4 P.M. 4493.
FEDERAL REGISTER, Friday, April 12, 1940

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West Penn Power Co., effectiveness of declaration. 

EXECUTIVE ORDER

AMENDMENT OF EXECUTIVE ORDER NO. 8086, DATED JANUARY 6, 1939, REGULATING TRANSACTIONS IN FOREIGN EXCHANGE, TRANSFERS OF CREDIT, AND THE EXPORT OF COIN AND CURRENCY

By virtue of the authority vested in me by section 5(b) of the Act of October 6, 1917 (40 Stat. 511), as amended by section 2 of the Act of March 4, 1933 (48 Stat. 1), and by virtue of all other authority vested in me, I, FRANKLIN D. ROOSEVELT, PRESIDENT OF THE UNITED STATES OF AMERICA, do hereby amend Executive Order No. 6060, dated January 15, 1934, regulating transactions in foreign exchange, transfers of credit, and the export of coin and currency by adding the following sections after section 6 thereof:

"Section 9. Notwithstanding any of the provisions of sections 1 to 8, inclusive, of this Order, all of the following transactions are prohibited, except as specifically authorized in that order or by licenses issued by the Secretary of the Treasury pursuant to this Order, if involving property in which Norway or Denmark or any national thereof has at any time on or since April 8, 1940, had any interest of any nature whatsoever, direct or indirect:

"A. All transfers of credit between any banking institution within the United States; and all transfers of credit between any banking institution within the United States and any banking institution outside the United States (including any principal agent, home office, branch, or correspondent outside of the United States) and the currency institution within the United States."

"B. All payments by any banking institution within the United States; and the currency institution within the United States, or any person within the United States, of gold or silver coin or bullion or currency by any person within the United States; and all transfers of credit between any banking institution within the United States and any banking institution outside the United States (including any principal agent, home office, branch, or correspondent outside of the United States) and the currency institution within the United States.

"C. Any transaction for the purpose of which has the effect of evading or avoiding the foregoing prohibitions."

"Section 10. Additional Reports. A. Reports under oath shall be filed, on such forms at such time or times and in such manner as the Secretary of the Treasury shall prescribe, as to properties and transactions which, as provided in regulations prescribed by the Secretary of the Treasury, with respect to all property of any nature whatsoever of which Norway or Denmark or any national thereof has or has had an interest of any nature whatsoever, direct or indirect, and with respect to transactions comprising the acquisition, transfer, disposition, or any other dealing in such property."

"B. The Secretary of the Treasury may request the furnishing under oath of additional and supplemental information, including the production of books of account, contracts, letters or other papers with respect to such transactions, and such reports are required to be filed under this Section.

"Section 11. Additional Definitions. In addition to the definitions contained in Section 7, the following definitions are prescribed:

"A. The term "Norway" and "Denmark," respectively, mean the State and the Government of Norway and Denmark on April 8, 1940, and any political subdivisions, agencies and instrumentalities thereof, including territorial dependencies and possessions, and all persons acting or purporting to act directly or indirectly for the benefit or on behalf of the foregoing. The term "Norway" and "Denmark," respectively, shall also include any and all other governments (including political subdivisions, agencies, and instrumentalities thereof) and persons acting on behalf of any of the foregoing."

"B. The term "national" of Norway or Denmark shall include any person who has been or is reasonably believed to have been domiciled in, or a subject, citizen or resident of Norway or Denmark at any time since April 8, 1940, but shall not include any individual domiciled in the United States on April 8, 1940, and shall also include any partnership, association, or other organization, including any corporation organized under the laws of any country, which has its principal place of business in Norway or Denmark or which on or after such date has been controlled by, or a substantial part of the stock, shares, bonds, debentures, or other securities of which has been owned or
Washington, Thursday, June 13, 1940

The President

Definition of a Combat Area

The President of the United States of America

A PROCLAMATION

WHEREAS section 3 of the joint resolution of Congress approved November 4, 1939, provides as follows:

(1) Whenever the President shall have issued a proclamation under the authority of section 1(4), he shall thereafter find that the protection of citizens of the United States so requires, he shall, in proclamation, define combat areas, and 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. The combat areas so defined may be made to apply to surface vessels or aircraft, or both.

(2) In case of the violation of any of the provisions of this section by any American vessel, or by any owner or officer thereof, such vessel, owner, or officer shall be fined not more than $50,000 or imprisoned for not more than five years, or both. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinafore prescribed.

(3) The President may from time to time modify or extend any proclamation issued under the authority of this section, and when the conditions which caused him to issue any such proclamation shall have ceased to exist he shall revoke such proclamation and the provisions of this section shall therefore cease to apply, except as to offenses committed prior to such revocation.

AND WHEREAS it is further provided by section 13 of the said joint resolution that "The President may, from time to time, promulgate such rules and regulations, not inconsistent with law as may be necessary and proper to carry out any of the provisions of this joint resolution; and he may exercise any power or authority conferred on him by this joint resolution through such officer or officers, or agency or agencies, as he shall direct."

AND WHEREAS on April 10, 1940, I issued a proclamation in accordance with the provision of law quoted above defining a combat area.

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred on me by section 3 of the joint resolution of Congress approved November 4, 1939, do hereby find that the protection of citizens of the United States requires that there be defined combat areas in addition to the combat area defined in my proclamation of April 10, 1940, through or into which additional combat areas 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, whether a surface vessel or an aircraft, to proceed.

AND I do hereby define the additional combat areas as follows:

All the navigable waters within the limits set forth hereinafter:

1. Beginning at the intersection of the West Coast of Morocco with the parallel of 33°10' north latitude;
   Thence due west to 20° west longitude;
   Thence due north to 37°05' north latitude;
   Thence due east to the mainland of Portugal;
   Thence along the coastline of Portugal, Spain, Gibraltar, Spain, France, Italy, Yugoslavia, Albania, and Greece to

2 F.R. 1309.

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Thence along the coastline of Turkey, Syria, Palestine, Egypt, Libya, Tunisia, Algeria, and Morocco to the point of beginning.

All the navigable waters within the limits set forth hereafter:

2. Beginning at the intersection of the North Coast of Italian Somaliland with the meridian of 50° longitude east of Greenwich:

Thence due north to the mainland of Arabia;

Thence eastward along the coast of Arabia to the meridian of 61° east longitude:

Thence due south to the mainland of Italian Somaliland;

Thence westward along the coast of Italian Somaliland to the point of beginning.

AND I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said joint resolution and in bringing to trial and punishment any offenders against the same.

AND I do hereby delegate to the Secretary of State the power to execute any power or authority conferred on me by the said joint resolution as made effective by this my proclamation issued thereunder, which is not specifically delegated by Executive order to some other officer or agency of this Government, and the power to promulgate such rules and regulations not inconsistent with law as may be necessary and proper to carry out any of its provisions.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this eleventh day of June, in the year of our Lord nineteen hundred and forty, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D. ROOSEVELT
June 11, 1940, 5:20 p.m., E.S.T.

By the President:

COUNCIL HULL, Secretary of State.

[No. 24101]

EXECUTIVE ORDER

TRANSFERRING THE CONTROL AND JURISDICTION OVER A CERTAIN TRACT OF LAND TO THE FEDERAL WORKS AGENCY FOR USE OF THE BUREAU OF CUSTOMS, TREASURY DEPARTMENT.

EXEMPT:

WHEREAS the hereinbefore-described tract of land, acquired by the United States under the Convention of February 14, 1933, between the United States and Mexico, is now under the control and jurisdiction of the Secretary of State; and...
As you know, the Department of State is the agency which carries out the foreign policy of the United States for the President. At the very outset I would like to state that the primary policy of the United States is to keep out of this war in Europe. Every single act of the Department of State has been directed to that end. That is the policy today, and that has been the policy since the war started late September.

The specific steps taken to effectuate that policy have been numerous. The first was to get American citizens out of the danger zone and to bring back to the United States just as many of them as wanted to come. The regular passenger boats were utilized, and five additional boats were diverted from their regular runs and sent to Europe for them. Approximately 80,000 persons were repatriated in the first 6 weeks of the war.

The second step followed immediately. As soon as the Congress passed the neutrality law the President defined danger zones into which American ships were prohibited to enter. The zone, as first established, ran from a point on the northern coast of Spain well out to sea, then up north of the British Isles and across to the coast of Norway below Bergen.

As other war areas developed, first in Finland and subsequently in Denmark and Norway, the efforts of the Department were directed to getting American citizens out of those danger zones and returning them to the United States. And, as the waters in those regions became infested with naval and air activities, the President enlarged the danger zone to cover the whole coast of Norway, extending as far north as Spitzbergen and down through the Arctic Ocean to the northern coast of Russia.

Complementary to those two steps, in the first days of the war, when it seemed possible that there might be belligerent air activity directed at the centers of population and industry scattered through the countries at war, American citizens, particularly women and children, were advised to leave such centers and to seek places of refuge in smaller towns, pending the time they could be accommodated aboard ship. The object of each of these activities was to guard the...
safety of Americans abroad and to eliminate, as far as possible, political complications which might follow if a number of Americans should be killed or wounded.

Furthermore, in conference at Panama with all the other American republics, a complete understanding was arrived at. It was the unanimous decision of that conference to follow a similar standard of neutral conduct and with the same objective—that is, not only to keep out of the war but to keep the war away from us. With that object a "neutral zone" was declared. Belligerents were requested to keep their naval warfare out of that zone and away from American shores.

The prosecution of the war in Europe between three or four of the most powerful nations has had its repercussions in all parts of the world. Complicated situations have developed not only in Europe but in other continents and in the islands of the seven seas and on the broad highways of the oceans. American interests have received the attention of the Government wherever and whenever they have been involved and whether they have concerned the lives of American citizens or properties of American ownership.

In a brief few minutes it is impossible to give more than a most generalized statement of American foreign policy. That largely concerns political and economic matters. It is these which give rise to complications between nations—these, and the unjustifiable use of force to solve them. As many of these complications have their bases in some injury to our citizens, we have taken steps to have our citizens leave dangerous areas and to prevent others from entering those areas. This does not apply to officers of the Government who are stationed at posts of duty abroad—like those who went through the siege of Warsaw; like those in Finland and Norway; like those in Paris, London, Berlin, and many other points in belligerent territory—who remain at their posts of duty—outposts of our policy of peace and at the same time our first line of defense.

As you have heard from the officers responsible for the activities of the Army and the Navy, the Government is preparing against any possible eventuality. The Department of State is following the paths of peace and the difficult and tortuous course of neutrality. We want to keep out of the war. We are planning to keep out of it. We have surrendered none of the rights of any individual American. However, for the benefit of the country as a whole and in pursuance of the desire of the American people to keep out of the war, we have refrained from
the exercise of certain rights because the exercise of those rights would take American citizens and American property into combat areas.

While the war in Europe is claiming constant public attention and interest, it is important that we do not lose sight of the fact that hostilities are also in progress in the Far East.

In the Far East, as in Europe, this Government has sought by a reasoned approach and by peaceful measures to protect American rights and interests and to uphold fundamental principles of this country's foreign policy—and continues so to do. There, as in Europe, it has acquiesced in certain situations but it has reserved its rights in every instance when they have been challenged.

In this way we hope to prevent incidents from arising which might otherwise lead to complications. However, this waiver of the exercise of rights, and the desire of the United States to keep out of war, should not be misconstrued by any person in this country, or by any government abroad, as a supine acquiescence in the face of any injury to the American people or as supreme indifference to any threat at the freedom and independence of this or any other American republic.

Our voluntary decision not to exercise certain of our rights is predicated on our desire for peace—an orderly, decent peace. It is that kind of a world we desire to live in. An orderly and decent peace presupposes the observance of treaties and international commercial relations on a basis of reciprocity and fair dealing. One of the most important of the Government's functions involves the protection of our foreign trade. But the performance of this function does not require that we proceed by the law of the jungle. On the contrary, in the short run as well as in the long run, our own interests will be best served if we adhere faithfully to a policy of fair dealing in our commercial relations with other countries and, in collaboration rather than in conflict with them, work toward lowering the many obstacles to peaceful trade among nations. The policy of equality of treatment in international commercial relations is traditionally one of the cornerstones of American foreign policy. Upon this foundation we have been building, during the last 6 years, effectuating a commercial program which has as one of its principal objectives the firm establishment of the conditions necessary to a peaceful world.

The relationship of the trade-agreements program to peace and order in the world is simple. Through trade agreements in a peaceful world
nations can increase their commerce with other nations. They can procure the materials they lack in their own country. They may sell the products which they may have in abundance for the things they do not have and provide for the commercial and industrial prosperity of their citizens. When these citizens are happily employed, when commerce thrives, when people are contented, and when governments are using the peaceful processes of orderly commerce to provide for the prosperity of their citizens, then there is less likelihood that those citizens can be led into the snare of delusions of aggressive warfare—either economic or actual.

We deplore the existence of war today and foresee in its trail major difficulties of many kinds if it long continues, if normal trade is further impeded by military activity, if avenues of commerce are continuously disrupted by artificial barriers, if financial structures are more seriously impaired, if discontent is rife, and injustice heavy-handed.

To obviate those consequences so unpleasant to contemplate our foreign policy is—

First, to keep out of war;
Second, to keep alive and preserve all American rights;
Third, to minimize during its course the evil effects of war upon commerce and industry; and—

Fourth, to plan with the hope that after the war conditions will be so stabilized that in peaceful pursuits, established under a broad program of trade agreements, nations will be prosperous, peoples contented, and the causes of war reduced to a minimum.

10. Address by the President Opening the Eighth American Scientific Congress, Washington, May 10, 1940

Fellow Servants of the Americas:

All of the men and women of this Pan American Scientific Congress have come here tonight with heavy hearts. During the past few years we have seen event follow event, each and every one of them a shock to our hopes for the peaceful development of modern civilization. This very day three more independent nations have been cruelly invaded by force of arms.

1 Department of State, Bulletin, II, p. 494.
International Traffic in Arms

LAWS AND REGULATIONS ADMINISTERED BY THE SECRETARY OF STATE GOVERNING THE INTERNATIONAL TRAFFIC IN ARMS, AMMUNITION, AND IMPLEMENTS OF WAR AND OTHER MUNITIONS OF WAR

Seventh Edition
International Traffic in Arms

LAWS AND REGULATIONS
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Seventh Edition

UNITED STATES
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(III)
Introductory Statement

The Secretary of State announces that the regulations contained herein supersede, as of this date, all previous regulations administered by him governing the international traffic in arms, ammunition, and implements of war, and other munitions of war.

November 6, 1939.
International Traffic in Arms

LAWS AND REGULATIONS ADMINISTERED BY THE SECRETARY OF STATE GOVERNING THE INTERNATIONAL TRAFFIC IN ARMS, AMMUNITION, AND IMPLEMENTS OF WAR, AND OTHER MUNITIONS OF WAR

Part I

Sections 12, 15, and 16 of the Joint Resolution Approved by the President November 4, 1939

Section 12 of the joint resolution approved by the President on November 4, 1939, reads as follows:

"Sec. 12 (a) There is hereby established a National Munitions Control Board (hereinafter referred to as the 'Board'). The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. Except as otherwise provided in this section, or by other law, the administration of this section is vested in the Secretary of State. The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions. The Board shall be convened by the chairman and shall hold at least one meeting a year.

"(b) Every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war listed in a proclamation referred to in or issued under the authority of subsection (i) of this section, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

"(c) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, or implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $100. Upon receipt of the required registration fee, the Secretary of State shall issue a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment for each renewal of a fee of $100; but valid certificates of registration (including amended certificates) issued under the authority of section 2 of the joint resolution of August 31, 1935, or section 5 of the joint resolution of August 31, 1935, as amended, shall, without payment of any additional registration fee, be considered to be valid certificates
of registration issued under this subsection, and shall remain valid for the same period as if this joint resolution had not been enacted.

"(d) It shall be unlawful for any person to export, or attempt to export, from the United States or to any other state, any arms, ammunition, or implements of war listed in a proclamation referred to in or issued under the authority of subsection (i) of this section, or to import, or attempt to import, to the United States from any other state, any of the arms, ammunition, or implements of war listed in any such proclamation, without first having submitted to the Secretary of State the name of the purchaser and the terms of sale and having obtained a license therefor.

"(e) All persons required to register under this section shall maintain, subject to the inspection of the Secretary of State, or any person or persons designated by him, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Secretary of State shall prescribe.

"(f) Licenses shall be issued by the Secretary of State to persons who have registered as herein provided, except in cases of export or import licenses where the export of arms, ammunition, or implements of war would be in violation of this joint resolution or any other law of the United States, or of a treaty to which the United States is a party, in which case such licenses shall not be issued; but a valid license issued under the authority of section 2 of the joint resolution of August 31, 1935, or section 5 of the joint resolution of August 31, 1935, as amended, shall be considered to be a valid license issued under this subsection, and shall remain valid for the same period as if this joint resolution had not been enacted.

"(g) No purchase of arms, ammunition, or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this joint resolution.

"(h) The Board shall make a report to Congress on January 3 and July 3 of each year, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war, including the name of the purchaser and the terms of sale made under any such license.

"(i) The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section; but the proclamation Numbered 2237, of May 1, 1937 (50 Stat. 1354), defining the term 'arms, ammunition, and implements of war' shall, until it is revoked, have full force and effect as if issued under the authority of this subsection.

Section 15 of the same joint resolution reads as follows:

"Sec. 15. In every case of the violation of any of the provisions of this joint resolution or of any rule or regulation issued pursuant thereto where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000, or imprisoned not more than two years, or both."

Section 16 of the same joint resolution reads as follows:

"Sec. 16. For the purposes of this joint resolution—
"(a) The term 'United States', when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia.

"(b) The term 'person' includes a partnership, company, association, or corporation, as well as a natural person.

"(c) The term 'vessel' means any description of watercraft and aircraft capable of being used as a means of transportation on, under, or over water.

"(d) The term 'American vessel' means any vessel documented, and any aircraft registered or licensed, under the laws of the United States.

"(e) The term 'state' shall include nation, government, and country.

"(f) The term 'citizen' shall include any individual owing allegiance to the United States, a partnership, company, or association composed in whole or in part of citizens of the United States, and any corporation organized and existing under the laws of the United States as defined in subsection (a) of this section."

Part II

The President's Proclamation of May 1, 1937

The President's Proclamation No. 2237, of May 1, 1937, referred to in section 12 (i) of the joint resolution of Congress approved November 4, 1939, quoted above, reads as follows:

By the President of the United States of America

A PROCLAMATION

Whereas section 5 of the joint resolution of Congress approved May 1, 1937, amending the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, as amended February 29, 1936, provides in part as follows:

"The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section."

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Regraded Unclassified
NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority conferred upon me by the said joint resolution of Congress, and pursuant to the recommendation of the National Munitions Control Board, declare and proclaim that the articles listed below shall, on and after June 1, 1937, be considered arms, ammunition, and implements of war for the purposes of section 5 of the said joint resolution of Congress:

Category I
1. Rifles and carbines using ammunition in excess of caliber .22, and barrels for those weapons;
2. Machine guns, automatic or autoloading rifles, and machine pistols using ammunition in excess of caliber .22, and barrels for those weapons;
3. Guns, howitzers, and mortars of all calibers, their mountings and barrels;
4. Ammunition in excess of caliber .22 for the arms enumerated under (1) and (2) above, and cartridge cases or bullets for such ammunition; filled and unfilled projectiles for the arms enumerated under (3) above;
5. Grenades, bombs, torpedoes, mines and depth charges, filled or unfilled, and apparatus for their use or discharge;
6. Tanks, military armored vehicles, and armored trains.

Category II
Vessels of war of all kinds, including aircraft carriers and submarines, and armor plate for such vessels.

Category III
1. Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, which are designed, adapted, and intended for aerial combat by the use of machine guns or of artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of design or construction are prepared for, any of the appliances referred to in paragraph (2) below;
2. Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo release mechanisms.

Category IV
1. Revolvers and automatic pistols using ammunition in excess of caliber .22;
2. Ammunition in excess of caliber .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

Category V
1. Aircraft, unassembled, assembled or dismantled, both heavier and lighter than air, other than those included in Category III;
2. Propellers or air screws, fuselages, hulls, wings, tail units, and under-carriage units;
3. Aircraft engines, unassembled, assembled, or dismantled.

Category VI
1. Lewis projectors and flame throwers;
2. a. Mustard gas (dichlorethy1 sulphide); b. Lewisite (chlorvinyl dichlorarsine and dichlordivinyl dichlorarsine);
3. a. Ethyldichlorarsine;
4. a. Diphenylechlorarsine;
e. Diphenylcyanarsine;
f. Diphenylaminchlorarsine;
g. Phenylchlorarsine;
h. Ethyldichlorarsine;
i. Phenylidibromarsine;
j. Ethylidibromarsine;
k. Phosgene;
l. Monochloroethylmethy1chlorformate;
m. Trichloromethylchlorformate (diphosgen8);
2. a. Dichlorethylmethyl Ether;
b. Dibromomethyl Ether;
c. Cyano gas Chloride;
d. Ethyl bromacetate;
e. Ethyloacacetate;
f. Bromphenylamine;
g. Brombenzylc1yanide;
h. Bromacetone;
i. Brommethylene ketone.

Category VII
1. Propellant powders;
2. High explosives as follows:
   a. Nitrocellulose having a nitrogen content of more than 12%;
   b. Trinitrotoluene;
   c. Tri1nitroxy1ene;
   d. Tetryl (trinitrophenol methyl nitramine or trinitro methyl nitramine);
   e. Picric acid;
   f. Ammonium picrate;
   g. Trinitroanisole;
   h. Tritononaphthalene;
   i. Tetranitronaphthalene;
   j. Hexanitrodiphenylamine;
   k. Pentacyclotriphthalic acid (Pentrite or Pentrite);
   l. Trimethylene nitromethane (Hexogen or T1);
   m. Potassium nitrate powders (black salt peters powder);
   n. Sodium nitrate powders (black soda powder);
   o. Amatol (mixture of ammonium nitrate and trinitrotoluene);
   p. Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminum, with or without other ingredients);
   q. Schneiderite (mixture of ammonium nitrate and dinitronaphthalene, with or without other ingredients).

This proclamation shall supersede the proclamation of April 10, 1930, entitled “Enumeration of Arms, Ammunition, and Implements of War,” on June 1, 1937.
IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this first day of May, in the year of our Lord nineteen hundred and thirty-seven, and of the [seal] Independence of the United States of America the one hundred and sixty-first.

By the President:
Cordell Hull
Secretary of State.

FRANKLIN D. ROOSEVELT

Part III
GENERAL REGULATIONS

In compliance with that paragraph of section 12 of the joint resolution approved November 4, 1939, which requires the Secretary of State to promulgate such rules and regulations with regard to the enforcement of that section as he may deem necessary to carry out its provisions, the Secretary of State promulgates the following regulations:

(1) All persons engaged in the business of manufacturing, exporting, or importing any of the arms, ammunition, or implements of war enumerated in the President's proclamation of May 1, 1937, shall register with the Secretary of State by duly filling out and transmitting to the Secretary of State an application for registration in the form printed below. The articles manufactured, exported, or imported shall be listed on the application for registration under the same categories and in precisely the same terms in which they are listed in the President's proclamation of May 1, 1937. Applications for registration must be signed and sworn to in the presence of a notary public before they are transmitted to the Secretary of State.

APPLICATION FOR REGISTRATION

United States of America

DEPARTMENT OF STATE

The applicant shall fill in all of the following spaces:

(a) Name of person (the term "person" includes a partnership, company, association, or corporation, as well as a natural person)

(b) Principal place of business:

(c) Other place of business in the United States:

(d) The applicant is engaged in the manufacture, importation of arms, ammunition, or implements of war. (Strike out the designation or designations not applicable to the business of the applicant.)

(e) List of the arms, ammunition, and implements of war manufactured, imported, or exported. (The articles manufactured, imported, or exported shall be listed under the following categories in precisely the same terms in which they are listed in the President's proclamation of May 1, 1937.)

Category I

Category II

Category III

Category IV

Category V

Registration Number

(Not to be filled in by the applicant)
United States of America

DEPARTMENT OF STATE

CERTIFICATE OF REGISTRATION

Persons Engaged in the Business of Manufacturing, Exporting, or Importing
Arms, Ammunition, or Implements of War, Pursuant to Section 12 of the
Joint Resolution of Congress Approved by the President November 4, 1939

(The applicant shall fill in all of the following spaces)

(1) Name of person (the term "person" includes a partnership, company, association, or corporation, as well as a natural person):

(2) Principal place of business:

(3) Other places of business in the United States:

(4) The applicant is engaged in the importation of arms, ammunition, or implements of war. (Strike except) on the designation of dismantled not applicable to the business of the applicant.

(5) List of the arms, ammunition, and implements of war manufactured, imported, or exported. (The article manufactured, imported, or exported shall be listed under the following categories in precisely the same terms in which they are listed in the President's proclamation of May 1, 1937.)

Category I

Category II

Category III

Category IV

Category V

Category VI

Category VII

(These spaces are not to be filled in by the applicant)

This certificate that the person named above has registered in compliance with the provisions of the joint resolution of Congress approved November 4, 1939, and has paid the required registration fee of $100. This certificate is valid for a period of 6 years from...

For the Secretary of State: ________________________________

( Seal )

By ________________________________

( Signature )

(2) Applications for registration transmitted to the Secretary of State must be accompanied by a registration fee of $100 in the form of a money order or a certified check.

(3) Upon receipt of an application for registration and the appended certificate of registration duly filled out and accompanied by a registration fee of $100, the Secretary of State will return to the applicant, as a receipt, the certificate of registration, duly signed
and sealed. This certificate of registration must be conspicuously displayed at the principal place of business of the person registered.

(4) Every person registered shall notify the Secretary of State of any change in the information set forth in his certificate of registration. If the change involves a revision of the list of arms, ammunition, and implements of war which he manufactures, exports or imports, or a change of name, such registered person shall submit, on the form described in paragraph (1) above, an application for an amended certificate of registration, including this information. Upon the receipt of a duly executed application therefor, the Secretary of State will issue to such person, free of charge, an amended certificate of registration which will remain valid until the date of the expiration of his original certificate.

(5) Manufacturers, exporters, and importers of component parts of the articles or units enumerated in the President's proclamation of May 1, 1937, but not of a complete article or unit listed in that proclamation, are not required to register under the joint resolution. Aircraft wheels and aircraft propeller blades are, however, considered as constituting to such an unusual degree the main body of aircraft under-carryage units and aircraft propellers that the manufacture, export, or import of such wheels or blades alone is held to subject the manufacturer, exporter, or importer to the requirement of registration.

(6) Forgings, castings, and machined bodies for any of the arms, ammunition, or implements of war enumerated in the President's proclamation of May 1, 1937, which have reached such a stage in manufacture that they are clearly identifiable as forgings, castings, or machined bodies for arms, ammunition, and implements of war, are considered as constituting arms, ammunition, and implements of war for the purposes of section 12 of the joint resolution.

(7) Club propellers, cut away models of aircraft engines and mock-ups or models of arms, ammunition, and implements of war which by reason of design or construction are incapable of being used or of being adapted for use in flight or for military or naval purposes will not be considered as arms, ammunition, or implements of war within the meaning of section 12 of the joint resolution.

(8) The production for experimental or scientific purposes, when such production is not followed by sale, of the appliances and substances included in category VI, or of single units of other arms, ammunition, and implements of war, is not considered as manufacture for the purposes of section 12 of the joint resolution.

(9) Persons who are not engaged in the business of exporting or importing arms, ammunition, or implements of war, but who, either for their own personal use or as forwarding agents for persons who are engaged in this business, or in exceptional circumstances, in other capacities, may make or receive occasional shipments of such articles, will not be considered as exporters or importers of arms, ammunition, and implements of war within the meaning of section 12 of the joint resolution. Licenses for such shipments may be obtained in accordance with the provisions of paragraph (24) below.

(10) The provisions of these regulations shall be considered as binding in addition to, and not in lieu of, those established under the act known as the National Firearms Act (26 U.S.C. 1132-1132b incl.; Supp. IV 1132-1132b incl.), approved by the President June 26, 1934, as amended; and under the Federal Firearms Act (15 U.S.C. Supp. IV 901-909 incl.), approved by the President June 30, 1938. The National Firearms Act imposes certain taxes upon manufacturers, importers, and dealers in certain firearms and taxes upon transfers of certain firearms. The term "firearm" as used in this act includes "a shotgun or rifle having a barrel of less than eighteen inches in length, or any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive if such weapon is capable of being concealed on the person, or a machine gun, and includes a muzzle or silencer for any firearm whether or not such firearm is included within the foregoing definition, but does not include any rifle which is within the foregoing provisions solely by reason of the length of its barrel if the caliber of such rifle is .22 or smaller and if its barrel is sixteen inches or more in length." The Federal Firearms Act applies to manufacturers and dealers who are engaged in interstate or foreign commerce in firearms and ammunition. The term "firearm" as used in this act means "any weapon, by whatever name known, which is designed to expel a projectile or projectiles by the action of an explosive and a firearm muzzle or firearm silencer, or any part or parts of such weapon," and the term "ammunition" includes "all pistol or revolver ammunition except .22-caliber rim-fire ammunition." Rules and regulations for the enforcement of these acts are prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

(11) No person not registered under section 12 of the joint resolution shall engage in the business of exporting or importing any of the arms, ammunition, or implements of war listed in the President's proclamation of May 1, 1937. All persons registered shall obtain from the Secretary of State a license to cover each shipment exported or imported. Blank forms of application for license similar to those printed below will be furnished by the Secretary of State upon request.
APPLICATION FOR LICENSE TO EXPORT ARMS, AMMUNITION, OR IMPLEMENTS OF WAR
(Application to be made in duplicate) ORIGINAL

GENERAL INSTRUCTIONS
(a) One duplicate application should be made for each complete shipment to any one consignee, and may include more than one commodity, but may not include shipments to more than one country.
(b) Applications should be typewritten, with the exception of signature, but will be considered if written legibly in ink.
(c) Commodities appearing under (d) below should be listed under the number of the pertinent category and category subdivision of that Presidential proclamation enumerating arms, ammunition, and implements of war which is in effect on the date the application is submitted. Each commodity listed should be designated clearly and specifically, the type and model designation being included whenever possible.
(d) A separate value should be given under (e) below for each commodity, and for each subdivision of a category, which enters into the shipment covered by the application. Values listed should represent the normal price of the articles exported, and should not include such supplementary costs as packing, freight, etc.
(e) Unsigned applications or applications which omit essential information called for in the numbered spaces will be returned.
(f) When countersigned and impressed with the seal of the Department of State, this application becomes a license.
(g) Any attempt to export a commodity differing in any way from that licensed, or any alteration of a license, except by a duly authorized officer of the Government, is punishable under appropriate acts of Congress. Changes in the information set forth in licenses which have been issued under the seal of the Secretary of State can be effected by amendments which can be made only by the Department of State, or by collectors of customs or postmasters acting under the specific instructions of the Department of State.

DEPARTMENT OF STATE
Washington, D. C.

The undersigned hereby applies for license to export the commodity described below and warrants the truth of all statements and answers herewith made regarding it.

(a) Name of applicant__________________________
(b) By__________________________
(c) Address__________________________
(d) Nationality__________________________
(e) Post Office or Business Location__________________________
(f) Name__________________________
(g) Nationality__________________________
(h) Address__________________________
(i) State of Province__________________________
(j) City__________________________
(k) Nature of business__________________________
(l) Port of exit from the United States from which it is proposed to export the shipment__________________________
(m) Nature of business__________________________
(n) Port of entry in the United States at which the shipment is to enter__________________________
(o) Name__________________________
(p) Address__________________________
(q) City__________________________
(r) State__________________________
(s) Name__________________________
(t) Address__________________________
(u) City__________________________
(v) State__________________________
(w) Nature of business__________________________
(x) Name__________________________
(y) Address__________________________
(z) City__________________________
aa) State__________________________
(b) Nature of business__________________________
(cc) Name__________________________
(dd) Address__________________________
(ee) City__________________________
(ff) State__________________________
(gg) Nature of business__________________________
(hh) Name__________________________
(ii) Address__________________________
(jj) City__________________________
(kk) State__________________________
(ll) Nature of business__________________________

(i) License to be sent to__________________________
(j) Name__________________________
(k) Address__________________________
(l) City__________________________
(m) State__________________________
(n) Nature of business__________________________
(o) License is hereby granted to the applicant mentioned herein to export from the United States of America to__________________________ the commodity as described and in the quantity given,
(p) on the following terms and conditions:
(q) This license is not transferable and is subject to revocation without notice.
(r) License must be filed with the collector of customs at the port from which the shipment is departing from the United States at least 24 hours before the proposed departure and, in the case of shipment by a
(s) vessel, 24 hours before the landing of the vessel.

Regraded Unclassified
FOR COLLECTORS OF CUSTOMS AND POSTMASTERS

This license should be returned to the Secretary of State at the end of the month during which the last article of the shipment described therein was exported, or during which notice has been given that the remaining balance will not be shipped, or during which the license has been revoked or has expired. When the entire shipment has been exported, the license should be marked "COMPLETED"; otherwise the returned license should bear a notation stating the reason for its return and the quantity and value of the articles actually shipped.

Date of license.. . (For official use only)

(When countersigned and impressed with the seal of the Department of State, this application becomes a license.)

By.

(For official use only)

Applicant's registration No.
Applicant's reference No.

Check the terms of sale of the commodities listed under (7) to the purchaser named under (9).

Check:

☐ Full payment on delivery at factory.
☐ Full payment on delivery at port of exit.
☐ Full payment on delivery at final destination.
☐ Full payment within _______ days after delivery at factory.
☐ Full payment within _______ days after delivery at port of exit.
☐ Full payment within _______ days after delivery at final destination.
☐ Partial payment in advance of delivery and full payment on delivery at factory.
☐ Partial payment in advance of delivery and full payment on delivery at port of exit.
☐ Partial payment in advance of delivery and full payment on delivery at final destination.
☐ Partial payment in advance of delivery and full payment within _______ days after delivery at factory.
☐ Partial payment in advance of delivery and full payment within _______ days after delivery at port of exit.
☐ Partial payment in advance of delivery and full payment within _______ days after delivery at final destination.

Other terms: (Explain fully)
DEPARTMENT OF STATE

United States of America

APPLICATION FOR LICENSE TO IMPORT ARMS, AMMUNITION, OR IMPLEMENTS OF WAR

(Application to be made in duplicate) ORIGINAL

APPLICANT'S REGISTRATION NO. (Insert here name of country of origin) LICENSE NO. (For official use only)

GENERAL INSTRUCTIONS

(a) One duplicate application should be made for each complete shipment imported, and may cover more than one commodity, but may not cover shipments from more than one country.

(b) Applications should be typewritten, with the exception of signature, but will be considered if written legibly in ink.

(c) Where exact number of packages, weight, and value cannot be ascertained at the time of application, estimate should be given. Slight variations may be allowed.

(d) Commodities appearing under (g) below should be listed under the number of the pertinent category and category subdivision of the President's proclamation of May 1, 1937. Each commodity listed should be designated clearly and specifically, the type and model designation being included wherever possible.

(e) A separate value should be given under (f) below for each category, and for each subdivision of a category, which enters into the shipment covered by the application. Values listed should comprise the cost of the article imported only, and should not include such supplementary costs as packing, freight, etc.

(f) Unsigned applications or applications which omit essential information shall be returned.

(g) Any attempt to import a commodity differing in any way from that licensed, or any alteration of a license in an attempt to import without a license, is punishable under appropriate acts by Congress.

(h) When countersigned and impressed with the seal of the Department of State, this application becomes a license.

DEPARTMENT OF STATE.
Washington, D. C.

(1) Date of application

(2) Applicant's reference No.

The undersigned hereby applies for license to import the commodity described below and warrants the truth of all statements and answers herewith made regarding it.

(i) Name of applicant

(To be signed in ink)

(j) Consignee in foreign country

(k) Seller in foreign country

Regraded Unclassified
(6) Commodity and quantity thereof (to be listed as indicated under instruction (4))

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Number of articles</th>
<th>Value</th>
<th>Port of entry</th>
<th>Date</th>
<th>Name of officer</th>
</tr>
</thead>
</table>

(10) State the specific purpose for which the material is required:

(11) License to be sent to: 
Name: 
Address: Street, City, State

(12) Consignee in United States: 
Name: 
Address: Street, City, State
Nature of business

(13) Port of entry in the United States through which it is proposed to import the shipment:

License is hereby granted to the applicant mentioned herein to import into the United States of America the commodity as described and in the quantity given, on the following terms and conditions:

This license is not transferable and is subject to revocation without notice.

Shipment must be received at the port of entry within 1 year from date of this license as given below under the seal of the Department.

After all of the articles or commodities listed under (6) above have been imported, the collector of customs should write the word "COMPLETED" under that paragraph and return the license to the Secretary of State. Should the license expire or be revoked before the shipment has been completed, or should the importer state that he does not desire to complete the shipment, the collector should note, in the space immediately above, the articles which have been imported under the license and should then return it to the Secretary of State.

Date of license: 
(For official use only)

Applieant's registration No.
Applicant's reference No.
Name of purchaser in the United States.

Check the terms of sale of the commodity listed under (6) to the purchaser in the United States.

[ ] Full payment on delivery at factory.
[ ] Full payment on delivery at port of exit.
[ ] Full payment on delivery at final destination.
[ ] Full payment within ...... days after delivery at factory.
[ ] Full payment within ...... days after delivery at port of exit.
[ ] Full payment within ...... days after delivery at final destination.
[ ] Partial payment on delivery and full payment on delivery at factory.
[ ] Partial payment in advance of delivery and full payment on delivery at port of exit.
[ ] Partial payment in advance of delivery and full payment on delivery at final destination.
[ ] Partial payment in advance of delivery and full payment within ...... days after delivery at factory.
[ ] Partial payment in advance of delivery and full payment within ...... days after delivery at port of exit.
[ ] Partial payment in advance of delivery and full payment within ...... days after delivery at final destination.

Other terms: (Explain fully)
(12) The Secretary of State will issue import licenses to all registered applicants who have duly filled out an application for license, provided that, in case the articles to be imported are firearms as enumerated in the National Firearms Act of June 26, 1934, as amended, or firearms or ammunition as enumerated in the Federal Firearms Act of June 30, 1938, both of which acts are referred to under (10) above, the importer has conformed to the pertinent regulations prescribed by the Secretary of the Treasury.

(13) The Secretary of State will issue export licenses to all registered applicants who have duly filled out an application for license, unless the exportation of arms, ammunition, or implements of war for which a license is applied for would be in violation of a law of the United States or of a treaty to which the United States is a party. (See parts V and VI below.)

(14) Export and import licenses are not transferable and are subject to revocation without notice, if the exportation or the importation authorized by the license becomes illegal before the shipment is made. If not revoked, licenses are valid for 1 year from the date of issuance, and shipments thereunder may be made through any port of exit or entry in the United States. The naming of the proposed port of exit under paragraph (12) of the application for export license or the proposed port of entry under paragraph (13) of the application for import license does not preclude shipment through another port if the arrangements made by the exporter or importer are altered subsequent to the issuance of the license.

(15) No alterations may be made except by the Department of State, or by collectors of customs or postmasters acting under the specific instructions of the Department of State, in export or import licenses which have been issued under the seal of the Secretary of State.

(16) Export or import licenses which have been revoked or which have expired must be returned immediately to the Secretary of State.

(17) The country designated on the application for license to export as the country of destination should, in each case, be the country of ultimate destination. If the goods to be exported are consigned to one country, with the intention that they be transshipped thence to another country, the latter country should be named as the country of destination. If the country of ultimate destination cannot be ascertained at the time the application for export license is made, the country of initial destination may be named on the application as the country of destination. In such a case, however, the facts must be clearly explained and the Secretary of State must be informed of the ultimate destination by the exporter as soon as the latter has learned the country of ultimate destination of the shipment. The Secretary of State may refuse to grant an application for an export license until he is informed of the country of ultimate destination in order that he may assure himself that the license may be legally issued.

(18) The shipper’s export declaration (Customs Form 7525) covering arms, ammunition, or implements of war for which an export license is required must contain the same information in regard to the nature and the value of the articles to be exported as that which appears on the application for license. If the person designated on the export declaration as the actual shipper of the goods is not the person to whom the export license has been issued by the Secretary of State, the name of this shipper should appear on the export license as that of the consignor in the United States.

(19) Applications for license to export arms, ammunition, and implements of war should state, whenever possible, the type and model designation of the article to be exported in order that the Secretary of State may determine, before issuing the license, that the provisions of Part V of these regulations would not be violated by the exportation of the article in question. If an application is submitted in which the articles to be exported are inadequately designated, it will be returned to the applicant for completion in this respect.

(20) The originals of licenses for the export and the import of arms, ammunition, and implements of war shall be presented to the collector of customs at the port through which the shipment authorized by the license is being made. Export and import licenses covering arms, ammunition, and implements of war must be filed with the appropriate collector of customs before the exportation or importation is made.

(21) Arms, ammunition, and implements of war covered by an export license must, when exported, be packed separately from all other goods, except when the shipment is too small to make this segregation practical, in which case the exporter should list separately in the application for an export license those other articles which do not require a license but which are being included in the package.

(22) Export and import licenses for arms, ammunition, and implements of war which are shipped by parcel post must be presented to the postmaster at the post office at which the parcel is mailed or received.

(23) Articles entering or leaving a port of the United States, in transit through the territory of the United States to a foreign country, will not be considered as imported or exported within the meaning of section 12 of the joint resolution.

(24) Persons who are registered as exporters or importers of arms, ammunition, or implements of war under section 12 of the joint resolution may make application for export or import licenses on behalf
of persons who are not required to register under the joint resolution but who may, in accordance with the provisions of paragraph (9) above, desire to make or receive occasional shipments of arms, ammunition, or implements of war.

(25) Arms, ammunition, and implements of war which are more than 100 years old will not be considered as arms, ammunition, or implements of war within the meaning of section 12 of the joint resolution. Evidence in support of exemptions claimed hereunder should be submitted to the collector of customs at the port of entry or exit, as the case may be.

(26) Rifles, carbines, revolvers, and pistols entering the United States in single units for the individual use of the person to whom consigned will not be considered as imported within the meaning of section 12 of the joint resolution. (This does not relieve the consignee from the obligation to comply with such of the regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, under the National Firearms Act of June 26, 1934, as amended, and the Federal Firearms Act of June 30, 1938, referred to in (10) above, as may be applicable in the premises.)

(27) Arms and ammunition intended exclusively for sporting or scientific purposes or for personal protection, when entering or leaving the United States, while on the person of an individual or in his baggage, will not be considered as imported or exported within the meaning of section 12 of the joint resolution.

(28) The Government of the United States and its agencies are not "persons" within the meaning of that term as used in section 12 of the joint resolution and therefore no license is required for arms, ammunition, or implements of war imported or exported by them.

(29) Arms and implements of war which have been legally exported from the United States, and which are returned to the United States, will be considered as imported within the meaning of section 12 of the joint resolution. An export license must be obtained, however, before such articles are reexported. Evidence in support of exemptions claimed hereunder should be submitted to the collector of customs at the port of entry.

(30) Licenses are required under the provisions of section 12 of the joint resolution for the export or import of those articles only which are specifically mentioned in the President's proclamation of May 1, 1937. No license is required for the export or import of the component parts of the articles or units enumerated in that proclamation, except in cases where the export or import of such parts may reasonably be considered as involving, in fact, the export or import of a substantially complete article or unit in unassembled form. Aircraft wheels and aircraft propeller blades are, however, considered as constituting to such an unusual degree the main body of aircraft under- carriage units and aircraft propellers that a license is required for the export or the import of wheels and propeller blades, even when they are shipped alone.

(31) A license is required for the export of all articles listed in subsection (5) of category I of the President's proclamation of May 1, 1937, which are intended or adapted for war purposes. The fact that such an article, when exported, is filled with a nonlethal gas or fluid having a common nonmilitary use will be considered prima-facie evidence that the article is not intended for war purposes. No license is required for the export of articles listed under subsection (5), even if exported empty, which are adapted and intended solely for nonmilitary use. Articles listed in subsection (5) will be considered ipso facto as intended or adapted for war purposes, unless when exported they either contain a nonlethal gas or fluid or can be proven to be adapted and intended solely for a specific nonmilitary use.

(32) The terms "propellant powders," as used in paragraph (1) of category VII of the President's proclamation of May 1, 1937, and "potassium nitrate powders" and "sodium nitrate powders," as used in paragraph (2) of that category, apply to those powders in bulk form. They do not apply to such powders when enclosed in cartridges of types not enumerated in the proclamation, in pyrotechnics, in safety fuse, or in other similar devices. Licenses will not, therefore, be required for the export or import of such cartridges or devices, even though they may contain one of these powders.

(33) Aircraft flown or shipped from the United States for a temporary sojourn abroad, of not to exceed 6 months' duration, will not be considered as exported within the meaning of section 12 of the joint resolution when it is the intention of their owners that they shall remain under United States registry and shall be operated by a United States licensed pilot (except during demonstration flights) during the entire period of their sojourn abroad, and further, when there is no intention on the part of their owners to dispose of them or any of their essential parts listed in the President's proclamation of May 1, 1937, in any foreign country. It should be noted that the United States registry of an aircraft which is sold to an alien either in the United States or abroad is canceled automatically at the time of the sale under the Civil Air Regulations of the Civil Aeronautics Authority. Should the owners, after the departure of an aircraft flown or shipped from the United States without an export license, propose to place the aircraft under foreign registry or to have it operated by a pilot not holding a United States license (except during demonstration flights), or to dispose of the aircraft or any of the essential parts referred to in any foreign country, the aircraft, or the part in question, must be returned to the United States and a license obtained for its export to the coun-
try concerned. Aircraft of United States registry returning to the United States from foreign countries will not be considered as imported within the meaning of section 12 of the joint resolution. Aircraft of foreign registry entering the United States for a temporary sojourn or leaving the United States after such a sojourn will not be considered as imported or exported within the meaning of section 12 of the joint resolution.

(34) Aircraft flown or shipped for temporary sojourn under the provisions of paragraph (33) above shall not be so flown or shipped until customs clearance has been obtained. Evidence in support of claim for exemption from the requirement of an import or export license should be submitted to the appropriate collector of customs. Aircraft flown into the United States should be cleared through the customs authorities at the airport of entry where first landing is made or at such other airport or base where advance permission to land has been obtained from the Commissioner of Customs. In case of forced landings of aircraft arriving in the United States clearance should be obtained at the port of entry or custom house nearest to the place where such forced landing is made. Aircraft flown out of the United States should be cleared through the customs authorities at the customs port of entry nearest to the place of departure, or at the airport of departure if such airport has been designated as an airport of entry. Before an aircraft of United States registry leaves the United States for a temporary sojourn abroad, the customs authorities at the port of exit through which the aircraft is cleared should be informed of the approximate date of return of the aircraft and the port of entry through which it is proposed to return the aircraft to the United States. Persons planning to make flights outside the United States are advised, moreover, to communicate with the Civil Aeronautics Authority with regard to its requirements. The requirements set forth herein have no application to civil aircraft operated by commercial air lines on regular schedules between the United States and foreign countries under certificates of public convenience and necessity or foreign air carrier permits issued by the Civil Aeronautics Authority. The provisions of this paragraph shall be considered as binding in addition to, and not in lieu of, the customs regulations.

Part IV

Records of Manufacture, Export, and Import

The Secretary of State prescribes that all persons required to register under section 12 of the joint resolution approved November 4, 1939, shall maintain, subject to the inspection of the duly authorized agents of the Secretary of State or of any other enforcement agency of the Government of the United States, and distinct from all other records, special permanent records in which shall be recorded the amounts and estimated values of the arms, ammunition, and implements of war manufactured by them for export, and similar records of all arms, ammunition, and implements of war imported or exported by them. The records of articles imported shall, in addition, contain information as to the consignors of articles imported and the port of origin of each shipment. The records of articles exported shall, in addition, contain information as to the consignees and the destination of each shipment.

Part V

Special Provisions in Regard to Military Secrets

Title I of the Espionage Act, approved June 15, 1917, reads in part as follows:

"Whoever, with intent or reason to believe that it is to be used to the injury of the United States or to the advantage of a foreign nation, communicates, delivers, or transmits, or attempts to, or aids or induces another to, communicate, deliver, or transmit, to any foreign government, or to any faction or party or military or naval force within a foreign country, whether recognized or unrecognized by the United States, or to any representative, officer, agent, employee, subject, or citizen thereof, either directly or indirectly, any document, writing, code book, signal book, sketch, photograph, photographic negative, blue print, plan, map, model, note, instrument, appliance, or information relating to the national defense, shall be punished by imprisonment for not more than twenty years . . ."

The Secretary of State will not issue a license authorizing the exportation of any arms, ammunition, or implements of war considered by the Secretary of War or by the Secretary of the Navy as instruments or appliances included among the articles covered by those terms as used in this act if, in their opinion, they involve military secrets of interest to the national defense. The articles which may be so considered are articles falling within one of the following categories:

"(a) Articles, the whole or any features of which have been or are being developed or manufactured by or for the War Department or the Navy Department or with the participation of either of those Departments; and

"(b) Articles, the whole or any features of which have been used or are being used by the War Department or the Navy Department or which either Department has contracted to procure."

Included among articles developed by or for the War Department or the Navy Department are articles the development of which has been contracted for by either of those departments, or which have been developed in accordance with Army or Navy specifications and submitted to either department for evaluation for procurement.
Prospective exporters of articles falling within the above categories which may possibly involve military secrets of interest to the national defense, or persons desirous of transmitting abroad information concerning such articles, should communicate with the Secretary of State in advance of the proposed transaction in order that he may be in a position to ascertain for the interested person whether or not military secrets are, in fact, involved therein. The articles upon which a determination is requested should be designated clearly and specifically, and the type and model designations being included. Where applicable, Army or Navy drawing numbers should be given, or detailed plans and specifications submitted.

Part VI

SPECIAL PROVISIONS IN REGARD TO EXPORTATION TO CHINA, CUBA, HONDURAS, AND NICARAGUA

A joint resolution of Congress approved January 31, 1922, reads in part as follows:

"... That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

"Sec. 2. Whoever exports any arms or munitions of war in violation of section 1 shall, on conviction, be punished by fine not exceeding $10,000, or by imprisonment not exceeding two years, or both."

A convention between the United States of America and other American republics in regard to the duties and rights of states in the event of civil strife, signed at Habana, February 20, 1928, and ratified by the United States on May 21, 1930, reads in part as follows:

"ARTICLE 1

The contracting states bind themselves to observe the following rules with regard to civil strife in another one of them:

"3. To forbid the traffic in arms and war material, except when intended for the government, while the belligerency of the rebels has not been recognized, in which latter case the rules of neutrality shall be applied."

Pursuant to the authority conferred by the joint resolution of January 31, 1922, a Presidential proclamation, which is still in effect, was issued on March 4, 1922, in respect to China, as follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, Section 1 of a Joint Resolution of Congress, entitled a "Joint Resolution To prohibit the exportation of arms or munitions of war from the United States to certain countries, and for other purposes," approved January 31, 1922, provides as follows:

"That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

And whereas, it is provided by Section II of the said Joint Resolution that "Whoever exports any arms or munitions of war in violation of section 1 shall on conviction, be punished by fine not exceeding $10,000, or by imprisonment not exceeding two years, or both."

Now, therefore, I, Warren G. Harding, President of the United States of America, acting under and by virtue of the authority conferred in me by the said Joint Resolution of Congress, do hereby declare and proclaim that I have found that there exist in China such conditions of domestic violence which are or may be promoted by the use of arms or munitions of war procured from the United States as contemplated by the said Joint Resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the Joint Resolution above set forth, hereby made applicable to China, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said Joint Resolution and this my Proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the Power of prescribing exceptions and limitations to the application of the said Joint Resolution of January 31, 1922, as made effective by this my Proclamation issued thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this fourth day of March in the year of our Lord one thousand nine hundred and twenty-[seal] two and of the Independence of the United States of America the one hundred and forty-sixth.

By the President:

HENRY P. FLETCHER
Acting Secretary of State.
Similar Presidential proclamations, which are still in effect, were issued on March 22, 1924, in respect of Honduras; on September 15, 1926, in respect of Nicaragua; and on June 29, 1934, in respect of Cuba.

In accordance with the authority conferred upon him in these proclamations, the Secretary of State will permit the exportation to China, Cuba, Honduras, and Nicaragua of the arms, ammunition, and implements of war listed in the President's proclamation of May 1, 1937, only when the Department of State has been informed by the Chinese Embassy in Washington, the Cuban Embassy in Washington, the Honduran Legation in Washington, or the Nicaraguan Legation in Washington, as the case may be, that it is the desire of the government of the country into which the arms, ammunition, or implements of war are to be imported, that the exportation of the shipment be authorized.

The bringing about of notification to the Department of State through the appropriate embassy or legation that the government of an importing state desires that the exportation of a shipment be authorized is a matter with regard to which the initiative and responsibility lie with the importing government and the potential shipper.

In compliance with article II of the convention between the United States and Cuba to suppress smuggling, signed at Habana March 11, 1926, which reads in part as follows:

"The High Contracting Parties agree that clearance of shipments of merchandise by water, air, or land, from any of the ports of either country to a port of entry of the other country, shall be denied when such shipment comprises articles the importation of which is prohibited or restricted in the country to which such shipment is destined, unless in this last case there has been a compliance with the requisites demanded by the laws of both countries."

and in compliance with the laws of Cuba which restrict the importation of arms, ammunition, and implements of war of all kinds by requiring an import permit for each shipment, export licenses for shipments of arms, ammunition, and implements of war to Cuba are required for the articles enumerated below in addition to the articles enumerated in the President's proclamation of May 1, 1937:

(1) Arms and small arms using ammunition of caliber .22 or less, other than those classed as toys.
(2) Spare parts of arms and small arms of all kinds and calibers, other than those classed as toys, and of guns and machine guns.
(3) Ammunition for the arms and small arms under (1) above.
(4) Sabers, swords, and military machetes with cross-guard hilts.
(5) Explosives as follows: explosive powders of all kinds for all purposes; nitrocellulose having a nitrogen content of 12 percent or less; diphenylamine; dynamite of all kinds; nitroglycerine; alkaline nitrates (ammonium, potassium, and sodium nitrate); nitric acid; nitrobenzene (essence or oil of mintane); sulphur; sulphuric acid; chlorate of potash; and acetones.
(6) Tear gas \( \text{(CH}_2\text{COCH}_2\text{Cl}) \) and other similar nontoxic gases and apparatus designed for the storage or the projection of such gases.

The Secretary of State will permit the exportation to Cuba of the articles listed above only when the Department of State has been informed by the Cuban Embassy in Washington that it is the desire of the Cuban Government that the exportation of the shipment be authorized.

No export licenses will be issued for shipments destined to China, Cuba, Honduras, or Nicaragua of the appliances and substances listed under category VI in the President's proclamation of May 1, 1937.

In the case of shipments of arms, ammunition, or implements of war from the United States not ostensibly destined to China, Cuba, Honduras, or Nicaragua, the Secretary of State may require exporters to present convincing evidence that they are not destined to any of those countries and may refuse to issue an export license for the same until such convincing evidence has been presented to him.

Part VII

SPECIAL PROVISIONS IN REGARD TO THE EXPORTATION OF TIN-PLATE SCRAP

The act of Congress approved February 15, 1936, entitled "AN ACT To provide for the protection and preservation of domestic sources of tin" reads as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the interest of national defense, it is hereby declared to be the policy of Congress and the purpose and intent of this Act to protect, preserve, and develop domestic sources of tin, to restrain the depletion of domestic reserves of tin-bearing materials, and to lessen the present costly and dangerously dependent position of the United States with respect to resources of tin.

"SEC. 2. There shall not be exported from the United States after the expiration of sixty days from the enactment of this Act any tin-plate scrap, except upon license issued by the President of the United States. The President is authorized to grant licenses upon such conditions and regulations as he may find necessary to assure in the public interest fair and equitable consideration to all producers of this commodity.

"SEC. 3. Any violation of the provisions of this Act shall be a misdemeanor and shall be punished by a fine of not more than $500 or by imprisonment of not more than one year, or by both such fine and imprisonment."
On February 16, 1936, the President issued an Executive order as follows:

EXECUTIVE ORDER
(No. 7297)

TO PROVIDE FOR THE PROTECTION AND PRESERVATION OF THE DOMESTIC SOURCES OF TIN

WHEREAS section 2 of an act of Congress approved February 15, 1936, entitled "AN ACT To provide for the protection and preservation of the domestic sources of tin," provides:

"There shall not be exported from the United States after the expiration of sixty days from the enactment of this Act any tin-plate scrap, except upon license issued by the President of the United States. The President is authorized to grant licenses upon such conditions and regulations as he may find necessary to assure in the public interest fair and equitable consideration to all producers of this commodity."

NOW, THEREFORE, I, FRANKLIN DELANO ROOSEVELT, President of the United States, acting under and by virtue of the authority vested in me by the aforesaid act, do hereby delegate to the Secretary of State as Chairman of the National Munitions Control Board the power to grant licenses for the exportation of tin-plate scrap upon such conditions and under such regulations as he may find necessary to assure in the public interest fair and equitable consideration to all producers of this commodity, and as he may prescribe by and with the advice and consent of the Board.

THE WHITE HOUSE,
February 16, 1936.

In virtue of the authority vested in him by the Executive order of February 16, 1936, the Secretary of State by and with the advice and consent of the National Munitions Control Board prescribed on December 7, 1936, the following regulations:

"(1) For the purpose of the act the term 'tin-plate scrap' is construed, provisionally, to mean tin-plate clippings, cuttings, stampings, trimmings, skeleton sheets, and all other miscellaneous pieces of discarded tin plate, which result from (1) the manufacture of tin plate, or (2) the manufacture of tin-bearing articles from tin plate. As thus defined, the term 'tin-plate scrap' does not include tin-plate waste, tin-plate circles, tin-plate strips, tin-plate cobbles, and tin-plate scroll shear butts, when packed separately and sold as such, and when not intermingled with tin-plate scrap.

"(2) Blank forms of application for export licenses similar to that printed below will be furnished by the Secretary of State on request.
License is hereby granted to the applicant mentioned herein to export from the United States of America the commodity as described and in the quantity given, on the following terms and conditions:

The license is not transferable and is subject to revocation without notice.

This license remains valid, unless revoked, for shipments from port of exit at any time during the calendar year in which issued. All licenses expire automatically at the close of the calendar year in which issued.

Date of license. (For official use only)

FOR THE RECIPIENT OF STATE:

By. ....................................................

(For official use only)

"(3) The Secretary of State will issue export licenses to cover proposed shipments of tin-plate scrap to applicants who have duly filled out the above form, when in the opinion of the National Munitions Control Board the issuance of such licenses may be consistent with the purposes of the act. Copies of the statement of the procedure adopted by the Board to govern the issuance of licenses may be obtained from the Secretary of State.

"(4) The shipper's export declaration (Customs Form 7525) must contain the same information in regard to the nature and the value of the tin-plate scrap to be exported as that which appears on the application for license.

"(5) Export licenses and export declarations covering tin-plate scrap must be filed with the appropriate collector of customs at least 24 hours before the proposed departure of the shipment from the United States, and, in the case of a shipment by a sea-going vessel, 24 hours before the lading of the vessel."
Part VIII

Special Provisions in Regard to the Exportation of Helium Gas

Section 3 of the act of September 1, 1937 (50 Stat. 885), entitled "An Act Authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes," provides in part as follows:

"(b) That helium not needed for Government use may be produced and sold upon payment in advance in quantities and under regulations approved by the President, for medical, scientific, and commercial use, except that helium may be sold for the inflation of only such airships as operate in or between the United States and its Territories and possessions, or between the United States or its territories and possessions and foreign countries: Provided, That no helium shall be sold for the inflation of any airship operating between two foreign countries notwithstanding such airship may also touch at some point in the United States..."

Section 4 of the act provides as follows:

"Sec. 4. No helium shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State and a license authorizing said exportation has been obtained from him on the joint recommendation of all of the members of the National Munitions Control Board and the Secretary of the Interior: Provided, That under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State without such specific recommendation. Such regulations shall not permit accumulations of helium in quantities of military importance in any foreign country, nor the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act of May 1, 1937 (Public Resolution Numbered 27 of the Seventy-Fifth Congress) while such proclamations are in effect, and shall require exporters to submit a sworn statement to the Secretary of State showing the quantity, destination, consignee, and intended use of each proposed exportation.

"Any person violating any of the provisions of this section or of the regulations made pursuant hereto, shall be guilty of a misdemeanor and shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or by both such fine and imprisonment; and the Federal courts of the United States are hereby granted jurisdiction to try and determine all questions arising under this section.

1 Repealed November 4, 1939.

"The National Munitions Control Board shall include in its Annual Report to the Congress full information concerning the licenses issued hereunder, together with such information and data collected by the Board as may be considered of value in the determination of questions related to the exportation of helium gas."

In view of the above-mentioned provisions of law and under the authority of and pursuant to the provisions in section 4 thereof, the Secretary of State prescribed and promulgated on May 23, 1939, with the approval of the National Munitions Control Board and the Secretary of the Interior, the following regulations governing the export of helium gas:

"(1) Wherever the word helium is used in these regulations, it shall be understood to mean 'contained helium' at standard atmospheric pressure (14.7 pounds per square inch) and 70° Fahrenheit. The expression 'contained helium' means the actual quantity of the element helium (i.e., 100 percent pure helium) present in a mixture of helium and other gases. Purity determinations shall be made by usually recognized methods.

"(2) Applications for licenses to export helium gas shall be submitted to the Secretary of State on forms similar to that printed below, copies of which will be furnished by the Secretary of State on request. Each application must be signed and sworn to (or affirmed) in the presence of a notary public before it is transmitted to the Secretary of State. All applications must be submitted in duplicate.

DEPARTMENT OF STATE

United States of America

APPLICATION FOR LICENSE TO EXPORT HELIUM GAS

(Application to be made in duplicate) ORIGINAL

(In the name and country of destination) (For official use only)

GENERAL INSTRUCTIONS
(a) One duplicate application should be made for each complete shipment to any one consignee.
(b) Applications should be typewritten, with the exception of signature which should be written in ink.
(c) War surplus materials, weights, and values cannot be ascertained at the time of application. Estimates should be given. Minor variations may be allowed.
(d) Applications should be in terms of cubic feet.
(e) Applications not accompanied by the required information requested in the numbered spaces hereon or otherwise required, will be returned.
(f) Any attempt to export a commodity differing in any way from that licensed, or any alteration of a license is an attempt to export without a license, is punishable under appropriate Acts of Congress.
(g) When countersigned and endorsed with the seal of the Department of State, this application becomes a license.

DEPARTMENT OF STATE,

Washington, D.C.

(1) Date of application

(2) Application’s reference No.

The undersigned hereby applies for license to export the commodity described below and swears to (or affirm) the truth of all statements and answers herein set forth.

(3) Name of applicant

(4) Address

Regraded Unclassified
(3) Licenses authorizing export shipments of helium gas for medical, scientific, and commercial use will be issued by the Secretary of State for quantities not to exceed, during any one year, to the ultimate consignees or purchasers within any one country, 500,000 cubic feet.

(4) Quantities of helium gas that are not of military importance, within the meaning of the term as used in section 4 of the act of September 1, 1937 (50 Stat. 885), are defined to be quantities of helium gas not exceeding 500,000 cubic feet.

(5) Applicants for license to export helium gas under paragraph (3) hereof may be required to submit with their applications evidence to show that the helium gas to be exported will be used for only the purposes indicated therein and that subsequent disposition of the helium gas will not in any way violate provisions of the act of September 1, 1937 (50 Stat. 885), or regulations promulgated thereunder. The Secretary of State may refuse to issue a license if such evidence is not deemed sufficient.

(6) All applications for license to export helium gas shall be accompanied by evidence to show that reasonable safeguards have been adopted to insure that there shall be no unnecessary waste of the helium gas desired.

(7) No license will be issued under these regulations to authorize the exportation of helium gas to a foreign country if it appears that the issuance of such a license would permit the accumulation in that country of helium gas in quantities of military importance. The Secretary of State may, in the case of applicants who have already obtained one license, require that succeeding applications for license to export helium gas be accompanied by information indicating the manner of disposal of the helium gas exported under licenses preceding that applied for. No license will be issued under these regulations if the amount of helium gas authorized for export under such license, taken in conjunction with the amount of helium gas already accumulated within the country of destination and any further amount already licensed for export to such country but not actually delivered would be in excess of 500,000 cubic feet.

(8) No licenses will be issued by the Secretary of State for the exportation of helium gas to any country named in a proclamation issued by the President pursuant to section 1 (a) or (c) of the Neutrality Act of May 1, 1937 (50 Stat. 121),1 while such proclamation is in effect.

(9) Licenses which have been issued under these regulations authorizing the exportation of helium gas to a country which is subsequently named in a proclamation issued by the President pursuant to the provisions of law referred to in paragraph (8) hereof, shall automatically become null and void and further shipment thereunder shall be considered in violation of these regulations.

1 Repealed November 4, 1939.

(10) Licenses authorizing the exportation of helium gas are not transferable and are subject to revocation without notice. If not revoked, such licenses are valid until the date of expiration indicated on the face thereof.

(11) No alterations may be made except by the Department of State, or by collectors of customs or postmasters acting under the specific instructions of the Department of State, in licenses which have been issued under the seal of the Secretary of State.

(12) Licenses which have been revoked or which have expired must be returned immediately to the Secretary of State.

(13) The country of destination and the consignee named in the application for license to export helium gas must, in each case, be the country of ultimate destination and the ultimate consignee, respectively.

(14) The shipper's export declaration (Customs Form 7525) or such other document as the Bureau of Customs may require must contain the same information in regard to the quantity and value of the helium gas as that which appears on the application for license. If the person designated on the export declaration as the actual shipper of the goods is not the person to whom the export license has been issued by the Secretary of State, the name of this shipper should appear on the export license as that of the consignor in the United States.

(15) The originals of licenses authorizing the exportation of helium gas must be presented to the collector of customs at the port through which the shipment authorized by the license is being made. Export licenses and export declarations, or other documents required by the Bureau of Customs, concerning helium gas must be filed with the appropriate collector of customs at least 24 hours before the proposed departure of the shipment from the United States, and, in the case of a shipment by a seagoing vessel, 24 hours before the lading of the vessel.

(16) Licenses authorizing the exportation of helium gas which is being shipped by parcel post must be presented to the postmaster at the post office at which the parcel is mailed.

(17) Helium gas leaving the United States when used for or intended for the inflation of an aircraft under American registry will not be considered as exported within the meaning of section 4 of the act when it is the intention of the owner of the aircraft that it shall remain under American registry and shall be commanded by a duly certificated United States airman during the entire period of its sojourn abroad, and when there is no intention on the part of the owner of the aircraft to dispose of the helium gas in any foreign country.
CONSULTATIVE MEETING OF FOREIGN MINISTERS OF THE AMERICAN REPUBLICS

Final Act of the Meeting

CUBA
His Excellency Dr. Miguel Angel Campa, Secretary of State
His Excellency Amadeo Lopez Castro
His Excellency Dr. Pedro Martinez Fraga
His Excellency Dr. Emilio Nunez Portuondo
Dr. Ramiro Guerra, Technical Adviser
Dr. Gonzalo Guell, Secretary General
Mr. A. Bolet y Tremoleta, Attaché
Mr. Leandro Garcia, Press Officer
Mr. Francisco C. Bedrini, Attaché
Mr. Valentín Riva Patterson, Attaché

COSTA RICA
His Excellency Tobias Zuniga Montufar, Secretary of Foreign Affairs
His Excellency Enrique Fonseca Zuniga
His Excellency Raúl Guadian
His Excellency Modesto Martinez
Hon. Alvaro Zuniga Quijano, Private Secretary to the Secretary of Foreign Affairs

PERU
His Excellency Dr. Enrique Goytisolo Bolognesi, Minister of Foreign Affairs
Mr. Fernando Fuchs, Financial Adviser
Dr. Luis Alvarado, Legal Adviser
Mr. Juan Chavez Dartnell, Commercial Adviser
Miss Rosina Vega Castro, Secretary
PARAGUAY

His Excellency Dr. Juto Prieto, Minister of Foreign Affairs
Dr. Jose Brito, Jr., Secretary

Uruguay

His Excellency Dr. Pedro Manini Roze, Representative of the Minister of Foreign Affairs
His Excellency Dr. Hugo V. de Poeta
Dr. Juan A. Moro Otero, Adviser

Honduras

His Excellency Dr. Jesus Maria Rodriguez, Jr., Representative of the Secretary of Foreign Affairs
Mr. Jose Augusto Pudilla, Secretary

Chile

His Excellency Manuel Bianchi, Representative of the Minister of Foreign Affairs
His Excellency Jose de la Maza, Delegate
His Excellency Benjamin Cohen, Delegate
His Excellency Cayetano Vigar, Delegate
His Excellency Luis Malaquias Cueva, Adviser
Mr. Rodrigo Gonzalez, Adviser
Mr. Javier Urrutia, Assistant Secretary

Colombia

His Excellency Dr. Luis Lopez de Messe, Minister of Foreign Affairs
His Excellency Dr. Esteban Jaramillo, Delegate
His Excellency Alberto Bayon, Economic Adviser
Dr. Guillermo Torres Garcia, Commercial Adviser
Dr. Gayosio Betancourt, Legal Adviser
Mr. Daniel Jaramillo, Secretary

Venezuela

His Excellency Dr. Santiago Key Ayala, Representative of the Minister of Foreign Affairs
His Excellency Dr. Mario Brizeno Iragorry, Delegate

DEPARTMENT OF STATE BULLETIN

Mr. Felip E. Pena, Secretary
Dr. Victor Manuel Rivas, Secretary

Argentina

His Excellency Dr. Leopoldo Melo, Representative of the Minister of Foreign Affairs
His Excellency Dr. Luis A. Portes, Delegate
Dr. Luis Mariano Zubeldia, Secretary General
Dr. Mario Lassaga, Secretary
Mr. Juan Carlos Guayanes, Secretary

Guatemala

His Excellency Carlos Salazar, Secretary of Foreign Affairs
His Excellency Alfonso Carrillo

Panama

His Excellency Dr. Narciso Garay, Secretary of Foreign Affairs and Communications
His Excellency Dr. E. Fernandez Juce, Financial Adviser
His Excellency Ernesto Mendoza, Economic Adviser
His Excellency Dr. Augusto S. Boyd, Adviser
His Excellency Belisario Forras, Jr., Adviser
Dr. Eduardo Chaviri, Legal Adviser
Mr. Tomas H. Jacome, Economic Adviser
Mr. Octavio A. Vallarino, Economic Adviser
Mr. Pedro Moreno Cervantes, Secretary

Nicaragua

His Excellency Dr. Manuel Cardon, Representative of the Secretary of State
His Excellency Dr. Jose Jesus Saez, Delegate
His Excellency Adolfo Altamirano Benitez, Delegate
Mr. Emilfo Ortega, Secretary

Dominican Republic

His Excellency Jose Ramon Rodriguez, Representative of the Secretary of Foreign Affairs
Mr. Nissani Vega, Economic Adviser

Brazil

His Excellency Carlos Martins, Representative of the Minister of Foreign Affairs

Bolivia

His Excellency Dr. Alberto Oteri Gutierrez, Minister of Foreign Affairs
His Excellency Luis F. Giassalli
Franklin Arteaga, Financial Adviser
Gustavo Mendez Quezada, Secretary

United States of America

His Excellency Mr. Charles E. Weller, Representative of the Secretary of State
His Excellency Mr. C. Wilson, Adviser
His Excellency Herbert J. Feis, Adviser
His Excellency Mr. W. Kelshner, Adviser and Secretary
His Excellency Mr. C. M. Whitman, Legal Adviser
His Excellency Mr. B. Q. Thomas, Press Officer
His Excellency Mr. J. Daniels, Private Secretary to the Representative of the Secretary of State
His Excellency Mr. A. C. Clarke, Assistant to the Representative of the Secretary of State

Haiti

His Excellency Leon Laba, Secretary of Foreign Affairs and Public Works
His Excellency Mr. Laba, Adviser
Mr. H. Dowsbee, Secretary
Mr. M. J. Castellon

El Salvador

His Excellency Mr. Patricio Guzman Trigueros, Representative of the Minister of Foreign Affairs
Mr. Jorge Argentina Ces, Secretary

The President of the Republic of Panama, His Excellency Dr. Juan Demostenes Arosemena, officially inaugurated the meeting at a plenary session held on September 29, 1939, at 5:00 p.m. in the National Institute. The Secretary of Foreign Affairs and Communications of Panama, His Excellency Dr. Narciso Garay, acted as provisional president, and Mr. Jeptha B. Duncan acted as secretary general.

His Excellency Dr. Narciso Garay was elected permanent president of the meeting at the plenary session held on September 29, 1939. The regulations of the meeting were approved at a preliminary session held on September 28, 1939.

In accordance with the regulations, a committee on credentials was appointed composed of His Excellency Dr. Carlos Salazar (Guatemala) as Chairman, His Excellency Dr. Alberto Oteri Gutierrez (Bolivia) and His Excellency Mr. Patricio Guzman Trigueros (El Salvador).

A committee on coordination was also appointed composed of His Excellency Mr. Manuel Cesar de Goes Monteiro (Brazil), His Excellency Mr. Julio Tobal Dunzo (Ecuador), His Excellency Mr. Leopoldo Laba (Haiti) and the Honorable Mr. Stephen Weller (United States of America).

The program of the meeting was approved by the Governing Board of the Pan American Union on September 12, 1939.

As a result of the consultations, the meeting of Foreign Ministers of the American Republics approved the following declarations and resolutions:

I

TEXTS OF DECREES AND RESOLUTIONS ON NEUTRALITY

For the purpose of keeping each other fully informed regarding the measures of neutrality taken by the American Republics during the continuance of the existing European conflict, the Meeting of the Foreign Ministers of the American Republics approved the following declarations and resolutions:

Resolutions:

To recommend that the Governments of the American Republics transmit to the Pan American Union the texts of all the decrees and
regulations approved by each country relative to its neutrality in the present conflict in order that the Union may communicate copies of these documents to the various governments for their information. (Approved October 3, 1939).

II

TRIBUTE TO THE LIBERATOR

WHEREAS:
The place of meeting of the First Pan-American Congress of 1826 is close to the monument erected to the glory of the Liberator, by the gratitude of the 21 Republics represented at this Consultative Meeting; and
For reasons, the enumeration of which are superfluous, it is fitting that there be held a joint public manifestation of respect by this Meeting in memory of Simon Bolivar.
The Meeting of the Foreign Ministers of the American Republics

Resolves:
To go in a body to the statue of the Liberator, immediately after the closing session of the Meeting, to deposit a floral wreath as an expression of the sentiment of gratitude of the 21 Republics of our Continent. Those attending shall be invited afterwards to visit the Sala Capitolar where the First Pan-American Congress, convened by the Liberator, was held. (Approved, October 3, 1939).

III

ECONOMIC COOPERATION

The Meeting of the Foreign Ministers of the American Republics

Resolves:
1. In view of the present circumstances, to declare that today it is more desirable and necessary than ever to establish a close and sincere cooperation between the American Republics in order that they may protect their economic and financial structure, maintain their fiscal equilibrium, safeguard the stability of their currencies, promote and expand their industries, intensify their agriculture and develop their commerce.

2. To create an Inter-American Finance and Economic Advisory Committee consisting of twenty-one (21) experts in economic problems, one for each of the American Republics, which shall be installed in Washington, D.C. not later than November 15, 1939, and which shall have the following functions:
(a) To consider any problem of monetary relationships, foreign exchange management or balance of international payment situations, which may be presented to it by the Government of any of the American Republics, and offer to that Government, whatever recommendations it deems desirable.
(b) To study the most practical and satisfactory means of obtaining the stability of their monetary and commercial relationships between the American Republics.
(c) To provide, with the cooperation of the Pan-American Union, the means for the interchange of information between the Governments of the American Republics with reference to the matters mentioned in the two preceding subparagraphs, as well as for the exchange of production, foreign trade, financial and monetary statistics, custom legislation and other reports on inter-American commerce.
(d) To study and propose to the Governments the most effective measures for mutual cooperation to lessen or offset any dislocation which may arise in the trade of the American Republics and to maintain trade among themselves, and as far as possible, their trade with the rest of the world, which may be affected by the present war, on the basis of those liberal principles of international trade approved at the Seventh and Eighth International Conferences of American States and the Inter-American Conference for the Maintenance of Peace. These principles shall be retained as the goal of their long-term commercial policies in order that the world shall not lack a basis of world-wide international
trade in which all may participate after world order and peace may be restored.

3. To recommend to the Governments of the American Republics:

(a) To take measures in accordance with their own respective legislation, with a view to avoiding increases of rates or premiums to an extent not justified by the special expenses and risks incurred because of the present state of war, by shipping companies which maintain transportation services between the countries of the Continent, and marine insurance companies operating in their territories.

(b) To promote the negotiation of bilateral or multilateral agreements for the organization and maintenance of regular and connected steamship services between the countries of the Continent in order to facilitate the direct traffic of passengers and cargoes. These agreements are to make special provisions for traveling salesmen and commercial samples.

(c) To study the possibility of reducing to a minimum consular fees on manifests of vessels in the above-mentioned services, as to make possible the shipment of reduced quantities of commodities which require rapid and special transportation.

(d) To study the possibility, in accordance with their legislation, of reducing to a minimum port, sanitary and other formalities applied to the traffic of merchandise between the American Republics.

4. To recommend to the Governments that they do everything possible to abolish obstacles to the free inter-American movement of capital.

5. To recommend to the Governments that, when deemed necessary, they negotiate agreements in accordance with the circumstances and legislation of each country, with a view to the establishment of bases that would make feasible and secure the granting of inter-American credits which may serve to intensify the interchange of products as well as for the development of natural resources.

6. To request the governments of the most industrialized countries of the Continent to do whatever is possible, within their legal faculties and circumstances, to prevent excessive and unjustified increases in the prices of manufactured articles destined for export.
7. To recommend that the American Governments promote the negotiation of arrangements, in accordance with their legislation and within their possibilities, with a view to obtaining ample facilities with regard to the treatment of disembarkation of merchandise sold or acquired by American citizens, or of American vessels, at present on board merchant vessels of countries at war which are unable to transport it to its original destination.

8. To recommend to the respective Governments that they preserve in a peaceful and generous form the legitimate principles of freedom of communications and transit through the ports and territories of the American nations, in accordance with the legislation and international agreements in force.

9. To recommend that countries bordering on each other hold, among themselves, meetings of their Ministers of Foreign Affairs, or of their Ministers of Finance, or of special plenipotentiaries, in the capital of one of them, in order to arrive at agreements for solving common problems of a financial, fiscal, or economic character, in conformity with the relevant general principles of commercial policy approved at recent Inter-American Conferences.

10. To make every effort in order to complete their respective sections of the Pan American Highway and to recommend to the countries which have ratified the Buenos Aires Convention that they designate, as soon as possible, one or more experts to expedite the fulfillment of the recommendations of the Third Pan American Highway Congress. (Approved, October 3, 1929.)

IV

Joint Declaration of Continental Solidarity

The Governments of the American Republics, represented at the first meeting of their Foreign Ministers, on February 29, 1932,

Firmly united by the democratic spirit which is the basis of their institutions,

Desires of strengthening on this occasion the solidarity which is the outgrowth of that spirit, and

Desires of preserving peace in the American Continent and of promoting its dissemination throughout the world,

 Declare

1. That they reaffirm the declaration of solidarity among the nations of this Hemisphere, proclaimed at the Eighth International Conference of American States at Lima in 1919.

2. That they will endeavor with all the appropriate spiritual and material means at their disposal to maintain and strengthen peace and harmony among the American Republics, as an indispensable requirement to the effective fulfillment of the duty that devolves upon them in the world-wide historical development of civilization and culture.

3. That these principles are free from a selfish purpose of isolation, and are rather inspired by a deep sense of universal cooperation, which impels these nations to express the universal wishes for the cessation of the deplored state of war which today exists in some parts of the world, to the grave danger of the most cherished spiritual, moral, and economic interests of humanity, and for the establishment of peace throughout the world—a peace not based on violence, but on justice and law. (Adopted September 3, 1932.)

V

General Declaration of Neutrality of the American Republics

Whereas:

As proclaimed in the Declaration of Lima, "The peoples of America have achieved spiritual unity through the similarity of their public institutions, their unbreakable will to peace, their profound sentiment of humanity and tolerance, and through their absolute adherence to the principles of international law, of the equal sovereignty of States and of individual liberty without religious or racial prejudices";

This acknowledged spiritual unity possesses common and solidarities with reference to situations of force, which, in the case of the present European war, may threaten the security of the sovereign rights of the American Republics;

And whereas:

The attitude assumed by the American Republics has served to demonstrate that it is their manifest intention not to become involved in the European conflict; and

It is desirable to state the standards of conduct which, in conformity with international practice and their respective internal legislation, the American Republics propose to follow, in order to maintain their status as neutral states and fulfill their neutral duties, as well as require the enforcement of the rights inherent in such status.

The Meeting of the Foreign Ministers of the American Republics

Resolves

1. To reaffirm the status of general neutrality of the American Republics, it being left to each of them to regulate, in their individual and sovereign capacities, the manner in which they wish to give it concrete application.

2. To have their rights and status as neutral fully respected and observed by all belligerents and by all persons who may be acting for or on behalf of or in the interest of the belligerents.

3. To declare that, with regard to the status of neutrals, there exist certain standards recognized by the American Republics applying in these circumstances and that in accordance with them they:

(a) Shall prevent their respective territories, maritime, and aerial territories from being utilized as bases of belligerent operations.

(b) Shall prevent, in accordance with their internal legislation, the inhabitants of their territories from engaging in activities capable of affecting the neutral status of the American Republics.

(c) Shall prevent on their respective territories the enlistment of persons to serve in the army, navy, or air forces of the belligerents; the retaining or inducing of persons to exceed their respective spheres for the purpose of taking part in belligerent operations; the setting on foot of any military, naval, or air expedition in the interests of the belligerents; the fitting out, arming, or augmenting of the forces or armament of any ship or vessel to be employed in the service of one of the belligerents, or to commit hostilities against another belligerent, or in neutral or international waters or property; the establishment by the belligerents or their agents of radio stations in the territorial or maritime territory of the American Republics, or the utilization of such stations to communicate with the governments or armed forces of the belligerents.

4. To determine, with regard to belligerent warships, that not more than three at a time be admitted in their own ports or waters and in any case they shall not be allowed to remain for more than twenty-four hours. Vessels engaged exclusively in scientific, religious or philanthropic missions may be exempted from this provision, as well as those which arrive in distress.

5. Shall require all belligerent vessels and aircraft to seek the hospitality of areas under their jurisdiction and control to respect strictly their neutral status and to observe the respective laws and regulations and the rules of international law pertaining to the rights and duties of neutrals and belligerents; and, in the event that difficulties are experienced in enforcing the observance of and respect for their rights, the case, if so requested, shall thereupon become a subject of consultation between them.

(f) Shall regard as a contravention of their neutrality any flight by the military aircraft of a belligerent state over their own territory. With respect to nonmilitary aircraft, they shall adopt the following measures: such aircraft shall fly only with the permission of the competent authority; all aircraft, regardless of nationality, shall follow routes determined by the said authorities; their controllers or pilots shall declare the place of departure, the stops to be made and their destination; they shall be allowed to use radiotelegraphy only if the purpose for which they are using it is clear and in accordance with the rules and regulations of the said authorities. The competent authorities may require aircraft to carry co-pilots or a radio operator.
for purposes of control. Belligerent military aircraft transported on board warships shall not leave these vessels while in the waters of the American Republics; belligerent military aircraft landing in the territory of an American Republic shall be interned with their crews until the cessation of hostilities, except in cases in which the landing is made because of proven distress. There shall be exempted from the application of these rules cases in which there exist conventions to the contrary.

(g) May submit belligerent merchant vessels, as well as their passengers, documents and cargo, to inspection in their own ports; the respective consular agent shall certify as to the ports of call and destination as well as to the fact that the voyage is undertaken solely for purposes of commercial interchange. They may also supply fuel to such vessels in amounts sufficient for the voyage to a port of supply and call in another American Republic, except in the case of a direct voyage to another continent, in which circumstance they may supply the necessary amount of fuel. Should it be proven that these vessels have supplied belligerent warships with fuel, they shall be considered as auxiliary transports.

(h) May concentrate and place a guard on board belligerent merchant vessels which have sought asylum in their waters, and may intern those which have made false declarations as to their destinations, as well as those which have taken an unjustified or excessive time in their voyage, or have adopted the distinctive signs of warships.

(i) Shall consider as lawful the transfer of the flag of a merchant vessel to that of any American Republic provided such transfer is made in good faith, without agreement for resale to the vendor, and that it takes place in the waters of an American Republic.

(j) Shall not assimilate to warships belligerent armed merchant vessels if they do not carry more than four six-inch guns mounted on the stern, and their lateral decks are not reinforced, and if, in the judgment of the local authorities, there do not exist other circumstances which reveal that the merchant vessels can be used for offensive purposes. They may require of the said vessels, in order to enter their ports, to deposit explosives and munitions in such places as the local authorities may determine.

(k) May exclude belligerent submarines from the waters adjacent to their territories or admit them under the condition that they conform to the regulations which each country may prescribe.

4. In the spirit of this declaration, the Governments of the American Republics shall maintain close contact with a view to making uniform so far as possible, the enforcement of their neutrality and to safeguarding it in defense of their fundamental rights.

5. With a view to studying and formulating recommendations with respect to the problems of neutrality, in the light of experience and changing circumstances, there shall be established, for the duration of the European war, an Inter-American Neutrality Committee, composed of seven experts in international law, who shall be designated by the Governing Board of the Pan American Union before November 1, 1939. The recommendations of the Committee shall be transmitted, through the Pan American Union, to the Governments of the American Republics. (Approved October 3, 1939.)

VI

HUMANIZATION OF WAR

WHEREAS:
The American nations have unanimously condemned war as a means of settling international controversies;
These states have adhered to non-American pacts and have signed agreements in the various International Conferences of American States with a view to mitigating the unnecessary horrors of war and prescribing the methods by which they are occasioned; and
The peoples of the American Republics have given traditional proof of their humanitarian feelings, lending effective aid to the victims of war and disaster,
The Meeting of the Foreign Ministers of the American Republics

Resolves

1. To make a fervent appeal to the European countries now in conflict to arrive at a settlement of their controversies through peaceful means, on the essential basis of justice and law and not on the dictates of force; and that they abstain from:

(a) The use of poisonous gases and other chemical methods of warfare which produce irreparable and permanent injuries;
(b) Bombarding open cities, objects and places without military value, whether from land, sea or air;
(c) Employing inflammable liquids;
(d) Poisoning waters and disseminating bacteria;
(e) Employing offensive weapons which increase the suffering of the wounded;
(f) Imposing unnecessarily rigorous measures upon civilian populations;
(g) Sinking merchant vessels without having first placed the passengers, crew and ship's papers in a place of safety.

2. To condemn in all armed conflict the unrestricted application of measures causing unnecessary and inhuman suffering in injuring the enemy.

3. To express the hope that the National Red Cross Societies in the American Republics broaden the scope of their humanitarian work for the relief of the victims of the present European war, and that the Governments lend every faculty and support to their respective Red Cross Societies in carrying forward this work. (Approved October 3, 1939).

VII

CONTRABAND OF WAR

Whereas:

The Convention on Maritime Neutrality, signed at Habana on February 20, 1929, recites in the preamble thereof that "international solidarity requires that the liberty of commerce should be always respected, avoiding as far as possible unnecessary burdens for the neutrals";

Article 16 of the same Convention stipulates that "Credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials" are not included within the prohibition contained in that article against the granting of loans or the opening of credits to a belligerent by a neutral state during the duration of war;

The American Republics cannot remain indifferent to measures that restrict their normal commerce with belligerents in foodstuffs, clothing and raw materials for peace-time industries; Elemental humanitarian considerations impel the American Republics to deplore the deprivation of civilian populations of the normal means of subsistence;

The American Republics, in accordance with a lofty conception of neutrality, consider unjustified the limitations which may be placed upon their legitimate commerce and trade with the neutral countries of other continents; and

The American Republics consider that it is indispensable to avoid, in accordance with their domestic laws, the effects of measures within their respective territories and in detriment to their sovereignty, which the belligerent governments may take to restrict the freedom of trade of their nationals in neutral countries.

The Meeting of the Foreign Ministers of the American Republics

Resolves:

1. To register its opposition to the placing of foodstuffs and clothing intended for civilian populations, not destined directly or indirectly for the use of a belligerent government or its armed forces, on lists of contraband.

2. To declare that they do not consider contrary to neutrality the granting of credits to belligerents for the acquisition of merchandise mentioned in the foregoing paragraph, whenever permitted by the domestic legislation of the neutral countries.

3. That the Neutrality Committee, established by another agreement of this Meeting, shall undertake the immediate study of what-
ever concerns the commercial situation of raw materials, minerals, plant or animal, produced by the American Republics, and shall recommend such individual or collective action that should be taken by the governments for the purpose of reducing the unfavorable effects on the free movement of these commodities, of contraband declarations and other economic measures of the belligerent countries. (Approved October 3, 1939).

VIII

COORDINATION OF POLICE AND JUDICIAL MEASURES FOR THE MAINTENANCE OF NEUTRALITY

WHEREAS:

In order better to safeguard the neutrality of the American Republics to whatever extent it may be affected by unlawful activities undertaken by individuals, whether nationals or aliens, residing therein, with the purpose of benefiting any foreign belligerent State, it is desirable to coordinate the preventive or repressive action of the police and judicial authorities, especially with respect to the rapid and frequent interchange of information, as well as the surveillance, apprehension and custody of suspected individuals;

On February 29, 1930, there was signed in Buenos Aires an agreement between various American Republics, for the purpose of coordinating police activity, in so far as it relates, in a general way, to common crimes; and

The procedure of extradition, complementing the objective in the judicial and repressive aspect, should be strengthened among the American Republics through adequate rules and by extending it to all of them,

The Meeting of Foreign Ministers of the American Republics

Resolved:

1. That action be taken, as soon as possible, through an exchange of views between the Foreign Offices, or through an Inter-American conference, for the formulation between themselves of coordinated rules and procedure of a useful, opportune and effective manner, that

will facilitate the action of the police and judicial authorities of the respective countries in preventing or repressing unlawful activities that individuals, whether they be nationals or aliens, may attempt in favor of a foreign belligerent State.

2. That the necessary steps be taken for ratification, as soon as possible, of the Convention on Extradition signed at the Seventh International Conference of American States, held at Montevideo in 1933. (Approved October 3, 1939).

IX

MAINTENANCE OF INTERNATIONAL ACTIVITIES IN ACCORDANCE WITH CHRISTIAN MORALITY

The Governments of the American Republics, represented at the First Meeting of the Foreign Ministers of the American Republics

Declare

1. That they reaffirm their faith in the principles of Christian civilization, and their confidence that, in the light of these principles, the influence of international law will be strengthened among nations;

2. That they condemn attempts to place international relations and the conduct of warfare outside the realm of morality;

3. That they reject all methods for the solution of controversies between nations based on force, on the violation of treaties, or on their unilateral abrogation;

4. That they consider the violation of the neutrality or the invasion of weaker nations as an unjustifiable measure in the conduct and success of war; and

5. That they undertake to protest against any warlike act which does not conform to international law and the dictates of justice. (Approved, October 8, 1939)

X

RECOMMENDATION TO THE INTERNATIONAL CONFERENCE OF JURISTS

WHEREAS:

The project of convention for the creation of an Association of American Nations, presented
I will critically analyze the given text from a historical perspective. The text seems to be a historical document discussing international relations and the maintenance of peace. It mentions the Eighth International Conference of American States and refers to the 1930s, a time of global political tensions. The text contains several resolutions and whereas clauses, indicating decisions made by foreign ministers of the Americas. The resolutions address issues such as the protection of the inter-American ideal against subversive ideologies and the organization of economic advisory committees. The text reflects the concerns and actions of the inter-American community during a period of international conflict.
in the conflict and their distance from the scene of events, should not be hurried with its fatal and painful consequences.

During the World War of 1914–1918 the Governments of Argentina, Brazil, Chile, Colombia, Ecuador and Peru advised, or supported, individual proposals providing in principle a declaration by the American Republics that the belligerent nations must refrain from committing hostile acts within a reasonable distance from their shores.

The nature of the present configuration, in spite of its already lamentable proportions, would not justify any interference to inter-American communications, nor endanger the interests of any of the American nations, and the present status of relations between the countries of America.

It is essential to adopt immediately provisions based on the above-mentioned precedents for the safeguarding of such interests, in order to avoid a repetition of the damages and suffering sustained by the American nations and by their citizens during the war of 1914–1918.

There is no doubt that the Governments of the American Republics must foresee the dangers and advance measures of self-protection to maintain the waters to a reasonable distance from their coasts shall remain free from the commission of hostile acts and from the undertaking of belligerent activities by nations engaged in a war in which they have been engaged.

For these reasons the Governments of the American Republics RESOLVE AND HEREBY DECLARE:

1. As a measure of continental self-protection, the American Republics, so long as they maintain their neutrality, are as of inherent right entitled to have those waters adjacent to the American continent, which they regard as of primary concern and direct utility in their relations, free from the commission of any hostile act by any non-American belligerent nation, whether such hostile act be attempted or made from land, sea or air.

Such waters shall be defined as follows: All waters comprised within the limits set forth hereinafter from the territorial waters of the United States and of the undisputed colonies and possessions of European countries within these limits:

Beginning at the terminus of the United States–Canada boundary in Baffin Island, in 64°6'10" north latitude, and 66°4'11" west longitude;

Then due east along the parallel 44°6'20" to a point 60° west of Greenwich;

Then due south to a point in 20° north latitude;

Then by a straight line to a point in 30° south latitude, 75° west longitude;

Then due south to a point in 20° south latitude;

Then by a straight line to a point in 10° south latitude, 57° west longitude;

Then due west to a point in 80° west longitude;

Then by a straight line to a point on the equator in 97° west longitude;

Then by a straight line in 1.2° north latitude, 120° west longitude;

Then by a straight line to a point in 48°29'28" north latitude, 120° west longitude;

Then due east to the Pacific terminus of the United States–Canada boundary in the Strait of Juan de Fuca.

2. The Governments of the American Republics declares that they will endeavor, through joint representation to such belligerents as may exist or in the future be engaged in hostilities, to secure the compliance by them with the provisions of this Declaration, without prejudice to the exercise of the individual rights of each State in their sovereignty.

3. The Governments of the American Republics further declare that whenever they consider it necessary they will consult together to determine upon the measures which they may individually or collectively undertake in order to secure the observance of the provisions of this Declaration.

The Argentine Republic declares that it will voluntarily comply with this Declaration.

The declaration and reservation of His Excellency, Dr. Molo, of Argentina, impel us to...
present, on behalf of Guatemala, a like declaration and reservation, because the controversy of Guatemala with the British Empire is similar and my silence might be interpreted as an abandonment of the legitimate rights now under discussion.

XV

TRANSMISSION OF DECLARATION OF PANAMA

The Meeting of the Foreign Ministers of the American Republics

Resolves

To request the President of the Republic of Panama, His Excellency Dr. Juan Demóstenes Arosemena, to transmit, in the name of all the Republics of America, the Declaration of Panama to the belligerent governments involved in the European war. (Approved October 3, 1939).

XVI

TRANSFER OF SOVEREIGNTY OF GEOGRAPHIC REGIONS OF THE AMERICAS HELD BY NON-AMERICAN STATES

The Meeting of the Foreign Ministers of the American Republics

Resolves

1. That in case any geographic region of America subject to the jurisdiction of any new American state should be obliged to change its sovereignty and there should result from a danger to the security of the American Continent, a consultative meeting such as the one now being held will be convened with the urgency that the case may require.

2. It is understood that this resolution shall not apply to a change of status resulting from the settlement of questions now pending between non-American states and states of the Continent. (Approved October 3, 1939.)

In witness whereof the following Ministers of Foreign Affairs or their Representatives sign the present Final Act, and hereunto affix their respective Seals.

Done at Panama on the 3rd day of October, 1939, in the English, Spanish, Portuguese and French languages, the respective texts to be deposited in the archives of the Pan American Union. The Secretary General of the Meeting shall hand these texts to the Ministry of Foreign Affairs of Panama for transmittal to the Pan American Union.

Radio Address by Under Secretary Welles

Radio Address by Under Secretary Welles

The Meeting of Foreign Ministers of the American Republics for Consultation held its first plenary session in Panama on September 25. It has now, 8 days later, brought its work to a close.

This meeting took place because the governments of the American republics shared the belief that the outbreak of war in Europe brought into existence a state of affairs which might well menace the peace and security of the American Continent. They met together to consult concerning those peaceful, practical, and effective measures which they might adopt to safeguard their national interests and the collective interests of the American republics. Specifically, their purposes were to strengthen and safeguard their position as neutrals, to lessen the dislocations produced on their economic systems by the European war, and finally, to insure the maintenance of peace on the American Continent.

Let us see how these purposes have been fulfilled. In the first place you might be interested in hearing how this consultation meti
To provide for the common defense by increasing the personnel of the armed forces of the United States and providing for its training.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby declares that it is imperative to increase and train the personnel of the armed forces of the United States.

(b) The Congress further declares that in a free society the obligations and privileges of military training and service should be shared generally in accordance with a fair and just system of selective compulsory military training and service.

(c) The Congress further declares, in accordance with our traditional military policy as expressed in the National Defense Act of 1916, as amended, that it is essential that the strength and organization of the National Guard, as an integral part of the first-line defenses of this Nation, be at all times maintained and assured. To this end, it is the intent of the Congress that whenever the Congress shall determine that troops are needed for the national security in excess of those of the Regular Army and those in active training and service under section 3 (b), the National Guard of the United States, or such part thereof as may be necessary, shall be ordered to active Federal service and continued therein so long as such necessity exists.

Sec. 2. Except as otherwise provided in this Act, it shall be the duty of every male citizen of the United States, and of every male alien residing in the United States, who, on the first or any subsequent registration, is between the ages of twenty-one and thirty-six, to present himself for and submit to registration at such time or times and place or places, and in such manner and in such age group or groups, as shall be determined by rules and regulations prescribed hereunder.

Sec. 3. (a) Except as otherwise provided in this Act, every male citizen of the United States, and every male alien residing in the United States who has declared his intention to become such a citizen, between the ages of twenty-one and thirty-six at the time fixed for his registration, shall be liable for training and service in the land or naval forces of the United States. The President is authorized from time to time, whether or not a state of war exists, to select and induct into the land and naval forces of the United States for training and service, in the manner provided in this Act, such number of men as in his judgment is required for such forces in the national interest; Provided, That within the limits of the quota determined under section 4 (b) for the subdivision in which he resides, any person, regardless of race or color, between the ages of eighteen and thirty-six, shall be afforded an opportunity to volunteer for induction into the land or naval forces of the United States for the training and service prescribed in subsection (b),
but no person who so volunteers shall be inducted for such training and service so long as he is deferred after classification: Provided further, That no man shall be inducted for training and service under this Act unless and until he is acceptable to the land or naval forces for such training and service and his physical and mental fitness for such training and service has been satisfactorily determined: Provided further, That no man shall be inducted for such training and service until adequate provision shall have been made for such shelter, sanitary facilities, water supplies, heating and lighting arrangements, medical care, and hospital accommodations, for such men, as may be determined by the Secretary of War or the Secretary of the Navy, as the case may be, to be essential to public and personal health: Provided further, That except in time of war there shall not be in active training or service in the land forces of the United States at any one time under subsection (b) more than nine hundred thousand men inducted under the provisions of this Act. The men inducted into the land or naval forces for training and service under this Act shall be assigned to camps or units of such forces.

(b) Each man inducted under the provisions of subsection (a) shall serve for a training and service period of twelve consecutive months, unless sooner discharged, except that whenever Congress has declared that the national interest is imperiled, such twelve-month period may be extended by the President to such time as may be necessary in the interests of national defense.

(c) Each such man, after the completion of his period of training and service under subsection (b), shall be transferred to a reserve component of the land or naval forces of the United States, until he attain the age of forty-five, or until the expiration of a period of ten years after such transfer, or until he is discharged from such reserve component, whichever occurs first, he shall be deemed to be a member of such reserve component and shall be subject to such additional training and service as may be prescribed by law: Provided, That any man who completes at least twelve months' training and service in the land forces under subsection (b), and who thereafter serves satisfactorily in the Regular Army or in the active National Guard for a period of at least two years, shall, in time of peace, be relieved from any liability to serve in any reserve component of the land or naval forces of the United States and from further liability for the training and service under subsection (b), but nothing in this subsection shall be construed to prevent any such man, while in a reserve component of such forces, from being ordered, and so to active duty in such forces.

(d) With respect to the men inducted for training and service under this Act there shall be paid, allowed, and extended the same pay, allowances, pensions, disability and death compensation, and other benefits as are provided by law in the case of other enlisted men of like grades and length of service of that component of the land or naval forces to which they are assigned, and after transfer to a reserve component of the land or naval forces as provided in subsection (c) there shall be paid, allowed, and extended with respect to them the same benefits as are provided by law in like cases with respect to other members of such reserve component. Men in such training and service and men who have been so transferred to reserve components shall have an opportunity to qualify for promotion.

(e) Persons inducted into the land forces of the United States under this Act shall not be employed beyond the limits of the Western Hemisphere except in the Territories and possessions of the United States, including the Philippine Islands.

(f) Nothing contained in this or any other Act shall be construed as forbidding the payment of compensation by any person, firm, or corporation to persons inducted into the land or naval forces of the United States for training and service under this Act, or to members of the reserve components of such forces now or hereafter on any type of active duty, who, prior to their induction or commencement of active duty, were receiving compensation from such person, firm, or corporation.

Sec. 4. (a) The selection of men for training and service under section 2 (other than those who are voluntarily inducted pursuant to this Act) shall be made in an impartial manner, under such rules and regulations as the President may prescribe, from the men who are liable for such training and service and who at the time of selection are registered and classified but not deferred or exempted: Provided, That in the selection and training of men under this Act, and in the interpretation and execution of the provisions of this Act, there shall be no discrimination against any person on account of race or color.

(b) Quotas of men to be inducted for training and service under this Act shall be determined for each State, Territory, and the District of Columbia, and for subdivisions thereof, on the basis of the actual number of men in the several States, Territories, and the District of Columbia, and the subdivisions thereof, who are liable for such training and service but who are not deferred after classification, except that credits shall be given in fixing such quotas for residents of such subdivisions who are in the land and naval forces of the United States on the date fixed for determining such quotas. After such quotas are fixed, credits shall be given in filling such quotas for residents of such subdivisions who subsequently become members of such forces. Until the actual numbers necessary for determining the quotas are known, the quotas may be based on estimates, and subsequent adjustments shall be made when such actual numbers are known. All computations under this subsection shall be made in accordance with such rules and regulations as the President may prescribe.

Sec. 5. (a) Commissioned officers, warrant officers, pay clerks, and enlisted men of the Regular Army, the Navy, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey, the Public Health Service, the Federally recognized active National Guard, the Officers' Reserve Corps, the Regular Army Reserve, the Enlisted Reserve Corps, the Naval Reserve, and the Marine Corps Reserve; cadets, United States Military Academy; midshipmen, United States Naval Academy; cadets, United States Coast Guard Academy; men who have been accepted for admittance, or the United States Military Academy as cadets, to the United States Naval Academy as midshipmen, or to the United States Coast Guard Academy as cadets, but who have not yet been so admitted; men who have been so transferred to reserve components shall have an opportunity to qualify for promotion. Men in such training and service and men who have been so transferred to reserve components shall have an opportunity to qualify for promotion.
The President is authorized, under such rules and regulations as he may prescribe, to provide for the deferment from training and service under this Act in the land and naval forces of the United States of those men whose employment in industry, agriculture, or other occupations or employment, or whose activity in other endeavors, is found in accordance with section 10 (a) (2) to be necessary to the maintenance of the national health, safety, or interest. The President is also authorized, under such rules and regulations as he may prescribe, to provide for the deferment from training and service under this Act in the land and naval forces of the United States, of those men in a status with respect to persons dependent upon them for sustenance in life, or by whom such men are substantially supported, who are physically or mentally unable or defective. No deferment from such training and service shall be made in the case of any individual except upon the basis of the status of such individual, and no such deferment shall be made of individuals by occupational groups or of groups of individuals in any plant or institution.

(f) Any person who, during the year 1940, entered upon attendance for the academic year 1940-1941—

(1) at any college or university which grants a degree in arts or science, to pursue a course of instruction satisfactory completion of which is prescribed by such college or university as a prerequisite to either of such degrees; or

(2) at any university described in paragraph (1), to pursue a course of instruction to the pursuit of which a degree in arts or science prescribed by such college or university, is selected for training and service under this Act, prior to the end of such academic year, or prior to July 1, 1941, whichever occurs first, shall, upon his request, be deferred from induction into the land or naval forces for such training and service until the end of such academic year, but in no event later than July 1, 1941.

(g) Any person who is engaged in training in this Act shall be considered to require any person to be subject to combat training and service in the land or naval forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participation in war in any form. Any such person claiming such exemption from combat training and service because of such conscientious objections whose claim is sustained by the local board, shall, if he is placed in the land or naval forces under this Act, be assigned to noncombatant service as defined by the President, or shall, if he is found to be conscientiously opposed to participation in such noncombatant service, in lieu of such induction, be assigned to work of national importance under civilian direction. Any such person claiming such exemption from combat training and service because of such conscientious objections shall, if such claim is not sustained by the local board, be entitled to an appeal to the appropriate appeal board provided for in section 10 (a) (2). Upon the filing of such appeal with the appeal board, the appeal board shall forthwith refer the matter to the Department of Justice for inquiry and hearing by the Department or the proper agency thereof. After appropriate inquiry by such agency, a hearing shall be held by the Department of Justice with respect to the character and good faith of the object-
tions of the person concerned, and such person shall be notified of the time and place of such hearing. The Department shall, after such hearing, if the objections are found to be sustained, recommend to the appeal board (1) that if the objector is inducted into the land or naval forces under this Act, he shall be assigned to noncombatant service as defined by the President, or (2) that if the objector is found to be conscientiously opposed to participation in such noncombatant service, he shall in lieu of such induction be assigned to work of national importance under civilian direction. If after such hearing the Department finds that his objections are not sustained, it shall recommend to the appeal board that such objections be not sustained. The appeal board shall give consideration to but shall not be bound to follow the recommendation of the Department of Justice together with the record on appeal from the local board in making its decision. Each person whose claim for exemption from combatant training and service because of conscientious objections is sustained shall be listed by the local board on a register of conscientious objectors.

(b) No exception from registration, or exemption or deferment from training and service, under this Act, shall continue after the cause therefor ceases to exist.

Sec. 6. The President shall have authority to induct into the land and naval forces of the United States under this Act no greater number of men than the Congress shall hereafter make specific appropriation for from time to time.

Sec. 7. No bounty shall be paid to induce any person to enlist in or be inducted into the land or naval forces of the United States: Provided, That the clothing or enlistment allowances authorized by law shall not be regarded as bounties within the meaning of this section. No person liable for service in such forces shall be permitted or allowed to furnish a substitute for such service; no substitute as such shall be received, enlisted, enrolled, or inducted into the land or naval forces of the United States; and no person liable for training and service in such forces under section 3 shall be permitted to escape such training and service or be discharged therefrom prior to the expiration of his period of such training and service by the payment of money or any other valuable thing whatsoever as consideration for his release from such training and service or liability therefor.

Sec. 8. (a) Any person inducted into the land or naval forces under this Act for training and service, who, in the judgment of those in authority over him, satisfactorily completes his period of training and service under section 3 (b) shall be entitled to a certificate that effect upon the completion of such period of training and service, which shall include a record of any special proficiency or merit attained. In addition, each such person who is inducted into the land or naval forces under this Act for training and service shall be given a physical examination at the beginning of such training and service and a medical statement showing any physical defects noted upon such examination; and upon the completion of his period of training and service under section 3 (b), such person shall be given another physical examination and shall be given a medical statement showing any injuries, illnesses or disabilities suffered by him during such period of training and service.

(b) In the case of any such person who, in order to perform such training and service, has left or leaves a position, other than a temporary position, in the employ of any employer and who (1) receives certain qualifications to perform the duties of such position, and (2) makes application for reemployment within forty days after he is relieved from such training and service—

(A) if such position was in the employ of the United States Government, its Territories or possessions, or the District of Columbia, such person shall be restored to such position or to a position of like seniority, status, and pay;

(B) if such position was in the employ of a private employer, such employer shall restore such person to such position or to a position of like seniority, status, and pay unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so;

(C) if such position was in the employ of any State or political subdivision thereof, it is hereby declared to be the sense of the Congress that such person should be restored to such position or to a position of like seniority, status, and pay.

(c) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) shall be considered as having been on furlough or leave of absence during his period of training and service in the land or naval forces, and shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

(d) Section 3 (c) of the joint resolution entitled “Joint Resolution to strengthen the common defense and to authorize the President to order members and units of reserve components and retired personnel of the Regular Army into active military service”, approved August 27, 1940, is amended to read as follows:

“Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) shall be considered as having been on furlough or leave of absence during his period of active military service, and shall be restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was ordered into such service, and shall not be discharged from such position without cause within one year after such restoration.”

(e) In case any private employer fails or refuses to comply with the provisions of subsection (b) or subsection (c), the district court of the United States for the district in which such private employer maintains a place of business shall have power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, to specifically require such employer to comply with such provisions, and, as an incident thereto, to compensate such person for any loss of wages or benefits suffered by reason of such employer's
unlawful action. The court shall order a speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States district attorney or comparable official in the district in which such private employer maintains a place of business, by any person claiming to be entitled to the benefits of such provisions, such United States district attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof to specifically require such employer to comply with such provisions: Provided, That no fees or court costs shall be taxed against the person so applying for such benefits.

(f) Section 3 (d) of the joint resolution entitled "Joint Resolution to strengthen the common defense and to authorize the President to order members and units of reserve components and retired personnel of the Regular Army into active military service", approved August 27, 1940, is amended by inserting before the period at the end of the first sentence the following: "and, as an incident thereto, to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action.

(g) The Director of Selective Service herein provided for shall establish a Personnel Division with adequate facilities to render aid in the replacement in their former positions of, or in securing positions for, members of the reserve components of the land and naval forces of the United States who have satisfactorily completed any period of active duty, and persons who have satisfactorily completed any period of their training and service under this Act.

(h) Any person inducted into the land or naval forces for training and service under this Act shall, during the period of such training and service, be permitted to vote in person or by absentee ballot in any general, special, or primary election occurring in the State of which he is a resident, whether he is in any other State at the time of such election, if under the laws of such State he is entitled so to vote in such election; but nothing in this subsection shall be construed to require granting to any such person a leave of absence for longer than one day in order to permit him to vote in person in any such election.

(i) It is the expressed policy of the Congress that whenever a vacancy is caused in the employment rolls of any business or industry by reason of induction into the service of the United States of an employee pursuant to the provisions of this Act such vacancy shall not be filled by any person who is a member of the Communist Party or the German-American Bund.

Sec. 9. The President is empowered, through the head of the War Department or the Navy Department of the Government, in addition to the present authorized methods of purchase or procurement, to place an order with any individual, firm, company, association, corporation, or organized manufacturing industry for such product or material as may be required, and which is of the nature and kind usually produced or capable of being produced by such individual, firm, company, association, corporation, or organized manufacturing industry.

Compliance with all such orders for products or material shall be obligatory on any individual, firm, company, association, corporation, or organized manufacturing industry or the responsible head or heads thereof and shall take precedence over all other orders and contracts therefore placed with such individual, firm, company, association, corporation, or organized manufacturing industry, and any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any plant equipped for the manufacture of arms or ammunition or parts of ammunition, or other necessary supplies or equipment for the Army or Navy, and any individual, firm, association, company, corporation, or organized manufacturing industry or the responsible head or heads thereof owning or operating any manufacturing plant, which, in the opinion of the Secretary of War or the Secretary of the Navy shall be capable of being readily transformed into a plant for the manufacture of arms or ammunition, or parts thereof, or other necessary supplies or equipment, who shall refuse to give to the United States such preference in the matter of the execution of orders, or who shall refuse to manufacture the kind, quantity, or quality of arms or ammunition, or parts thereof, or any necessary supplies or equipment, as ordered by the Secretary of War or the Secretary of the Navy, or who shall refuse to furnish such arms, ammunition, or parts of ammunition, or other supplies or equipment, at a reasonable price as determined by the Secretary of War or the Secretary of the Navy, shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment for not more than three years and a fine not exceeding $50,000.

The compensation to be paid to any individual, firm, company, association, corporation, or organized manufacturing industry for its products or material, or as rental for use of any manufacturing plant while used by the United States, shall be fair and just: Provided, That nothing herein shall be deemed to render inapplicable existing State or Federal laws concerning the health, safety, security, and employment standards of the employees in such plant.

The first and second provisions in section 8 (b) of the Act entitled "An Act to expedite national defense, and for other purposes", approved June 28, 1940 (Public Act Numbered 671, Seventy-sixth Congress), are hereby repealed.

Sec. 10. (a) The President is authorized—

1) to prescribe the necessary rules and regulations to carry out the provisions of this Act;

2) to create and establish a Selective Service System, and shall provide for the classification of registrants and of persons who volunteer for induction under this Act on the basis of availability for training and service, and shall establish within the
Selective Service System civilian local boards and such other agencies, including appeal boards and agencies of appeal, as may be necessary to carry out the provisions of this Act. There shall be created one or more local boards in each county or political subdivision corresponding thereto of each State, Territory, and the District of Columbia. Each local board shall consist of three or more members to be appointed by the President, from recommendations made by the respective Governors or comparable executive officials. No member of any such local board shall be a member of the land or naval forces of the United States, but each member of any such local board shall be a civilian who is a citizen of the United States residing in the county or political subdivision corresponding thereto in which such local board has jurisdiction under rules and regulations prescribed by the President. Such local boards, under rules and regulations prescribed by the President, shall have power within their respective jurisdictions to hear and determine, subject to the right of appeal to the appeal boards herein authorized, all questions or claims with respect to inclusion for, or exemption from, or deferment from, training and service under this Act of all individuals within the jurisdiction of such local boards. The decisions of such local boards shall be final except where an appeal is authorized in accordance with such rules and regulations as the President may prescribe.

Appeal boards and agencies of appeal within the Selective Service System shall be composed of civilians who are citizens of the United States. No person who is an officer, member, agent, or employee of the Selective Service System, or of any such local or appeal board or other agency, shall be excepted from registration, or deferred from training and service, as provided for in this Act, by reason of his status as such officer, member, agent, or employee;

(5) to appoint by and with the advice and consent of the Senate, and fix the compensation at a rate not in excess of $10,000 per annum, of a Director of Selective Service who shall be directly responsible to and to appoint and fix the compensation of such other officers, agents, and employees as he may deem necessary to carry out the provisions of this Act: Provided, That any officer on the active or retired list of the Army, Navy, Marine Corps, or Coast Guard, or of any reserve component thereof or any officer or employee of any department or agency of the United States who may be assigned or detailed to any office or position to carry out the provisions of this Act (except to offices or positions on local boards, appeal boards, or agencies of appeal established or created pursuant to section 10 (a)), (2)), may serve in and perform the functions of such office or position without loss of or prejudice to his status as such officer in the Army, Navy, Marine Corps, or Coast Guard or reserve component thereof, or as such officer or employee in any department or agency of the United States: Provided further, That the President may appoint necessary clerical and stenographic employees for local boards and fix their compensation without regard to the Classification Act of 1923, as amended, and without regard to the provisions of civil-service laws.

(4) to utilize the services of any or all departments and any and all officers or agents of the United States and to accept the services of such officers or agents of the several States, Territories, and the District of Columbia and subdivisions thereof in the execution of this Act; and

(5) to purchase such printing, binding, and blander work from public, commercial, or private printing establishments or binderies upon orders placed by the Public Printer or upon waivers issued in accordance with section 19 of the Printing Act approved January 19, 1895, as amended by the Act of July 8, 1935 (49 Stat. 476), and to obtain by purchase, loan, or gift such equipment and supplies for the Selective Service System as he may deem necessary to carry out the provisions of this Act, with or without advertising or formal contract; and

(6) to prescribe eligibility, rules, and regulations governing the parole, for service in the land or naval forces, or for any other special service established pursuant to this Act, of any person convicted of a violation of any of the provisions of this Act.

(b) The President is further authorized, under such rules and regulations as he may prescribe, to delegate and provide for the delegation of any authority vested in him under this Act to such officers, agents, or persons as he may designate or appoint for such purpose or as may be designated or appointed for such purpose pursuant to such rules and regulations as he may prescribe.

(c) In the administration of this Act, voluntary services may be accepted. Correspondence necessary in the execution of this Act may be carried in official penalty envelopes.

(d) The Chief of Finance, United States Army, is hereby designated, empowered, and directed to act as the fiscal disbursing, and accounting agent of the Director of Selective Service in carrying out the provisions of this Act.

Sec. 11. Any person charged as herein provided with the duty of carrying out any of the provisions of this Act, or the rules or regulations made or directions given thereunder, who shall knowingly fail or neglect to perform such duty, and any person charged with such duty, or having and exercising any authority under said Act, rules, regulations, or directions who shall knowingly make, or be party to the making of any false, improper, or incorrect registration, classification, physical or mental examination, deferment, induction, enrollment, or muster, and any person who shall knowingly make, or be party to the making of, any false statement or certificate as to the fitness or unfitness or liability or nonliability of himself or any other person for service under the provisions of this Act, or rules, regulations, or directions made pursuant thereto, or who otherwise evades registration or service in the land or naval forces or any of the requirements of this Act, or who knowingly counsels, aids, or abets another to evade registration or service in the land or naval forces or any of the requirements of this Act, or of said rules, regulations, or directions, or who in any manner shall knowingly fail or neglect to perform any duty required
of him under or in the execution of this Act, or any person or persons who shall knowingly hinder or interfere in any way by force or violence with the administration of this Act or the rules or regulations made pursuant thereto, or conspire to do so, shall, upon conviction in the district court of the United States having jurisdiction thereof, be punished by imprisonment for not more than five years or a fine of not more than $10,000, or by both such fine and imprisonment, or if subject to military or naval law may be tried by court martial, and, on conviction, shall suffer such punishment as a court martial may direct. No person shall be tried by any military or naval court martial in any case arising under this Act unless such person has been actually inducted for the training and service prescribed under this Act or unless he is subject to trial by court martial under laws in force prior to the enactment of this Act. Precedence shall be given by courts to the trial of cases arising under this Act.

Sec. 12. (a) The monthly base pay of enlisted men of the Army and the Marine Corps shall be as follows: Enlisted men of the first grade, $126; enlisted men of the second grade, $84; enlisted men of the third grade, $72; enlisted men of the fourth grade, $60; enlisted men of the fifth grade, $54; enlisted men of the sixth grade, $60; enlisted men of the seventh grade, $60; except that the monthly base pay of enlisted men with less than four months' service during their first enlistment period and of enlisted men of the seventh grade whose inefficiency or other unfitness has been determined under regulations prescribed by the Secretary of War, and the Secretary of the Navy, respectively, shall be $24. The pay for specialists' ratings, which shall be in addition to monthly base pay, shall be as follows: First class, $20; second class, $25; third class, $30; fourth class, $35; fifth class, $40; sixth class, $45. Enlisted men of the Army and the Marine Corps shall receive, as a permanent addition to their pay, an increase of ten per centum of their base pay and pay for specialists' ratings upon completion of the first four years of service, and an additional increase of five per centum of such base pay and pay for specialists' ratings for each four years of service thereafter, but the total of such increases shall not exceed 25 per centum. Enlisted men of the Navy shall be entitled to receive at least the same pay and allowances as are provided for enlisted men in similar grades in the Army and Marine Corps.

(b) The pay for specialists' rating received by an enlisted man of the Army or the Marine Corps at the time of his retirement shall be included in the computation of his retired pay.

(c) The pay of enlisted men of the sixth grade of the National Guard for each army drill period, and for each day of participation in exercises under sections 94, 97, and 99 of the National Defense Act, shall be $1.30.

(d) No back pay or allowances shall accrue by reason of this Act for any period prior to October 1, 1940.

(e) Nothing in this Act shall be construed to reduce the pay now being received by any retired enlisted man.

(f) The provisions of this section shall be effective on and after October 1, 1940. Thereafter all laws and parts of laws insofar as the same are inconsistent herewith or in conflict with the provisions hereof are hereby repealed.

Sec. 13. (a) The benefits of the Soldiers and Sailors Civil Relief Act, approved March 8, 1918, are hereby extended to all persons inducted into the land or naval forces under this Act, and to all members of any reserve component of such forces now or hereafter on active duty for a period of more than one month; and, except as hereinafter provided, the provisions of such Act of March 8, 1918, shall be effective for such purposes.

(b) For the purposes of this section—

(1) the following provisions of such Act of March 8, 1918, shall be inoperative: Section 100; paragraphs (1), (2), and (3) of section 101; article 4; article 5; paragraph (2) of section 601; and section 603;

(2) the term "persons in military service", when used in such Act of March 8, 1918, shall be deemed to mean persons inducted into the land or naval forces under this Act and all members of any reserve component of such forces now or hereafter on active duty for a period of more than one month;

(3) the term "period of military service", when used in such Act of March 8, 1918, when applicable with respect to any such person, shall be deemed to mean the period beginning with the date of enlistment of such person under this Act or the date on which such person is inducted into such forces under this Act for any period of training and service or is ordered to such active duty, whichever is the later, and ending sixty days after the date on which such period of training and service or active duty terminates;

(4) the term "date of approval of this Act", when used in such Act of March 8, 1918, shall be deemed to mean the date of enactment of the Selective Training and Service Act of 1917.

(c) Article III of such Act of March 8, 1918, is amended by adding at the end thereof the following new section:

"Sec. 303. Nothing contained in section 301 shall prevent the termination or cancellation of a contract referred to in such section, or the repossession or retention of property purchased or received under such contract, pursuant to a mutual agreement of the parties thereto, or their assigns, if such agreement is executed in writing subsequent to the making of such contract and during the period of military service of the person concerned."

Sec. 14. (a) Every person shall be deemed to have notice of the requirements of this Act upon publication by the President of a proclamation or other public notice fixing a time for any registration under section 2.

(b) If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

(c) Nothing contained in this Act shall be construed to repeal, amend, or suspend the laws now in force authorizing voluntary enlistment or reenlistment in the land and naval forces of the United States, including the reserve components thereof.

Sec. 15. When used in this Act—

(a) The term "between the ages of twenty-one and thirty-six" shall refer to men who have attained the twenty-first anniversary of the day of their birth and who have not attained the thirty-sixth anniversary of
the day of their birth; and other terms designating different age groups shall be construed in a similar manner.

(b) The term "United States", when used in a geographical sense, shall be deemed to mean the several States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

c) The term "dependent" when used with respect to a person registered under the provisions of this Act includes only an individual (1) who is dependent in fact on such person for support in a reasonable manner, and (2) whose support in such a manner depends on income earned by such person in a business, occupation, or employment.

d) The terms "land or naval forces" and "land and naval forces" shall be deemed to include aviation units of such forces.

e) The term "district court of the United States" shall be deemed to include the courts of the United States for the Territories and the possessions of the United States.

Sec. 16. (a) Except as provided in this Act, all laws and parts of laws in conflict with the provisions of this Act are hereby suspended to the extent of such conflict for the period in which this Act shall be in force.

(b) All the provisions of this Act, except the provisions of sections 3 (e), 3 (d), 3 (g), and 12, shall become inoperative and cease to apply on and after Apr. 15, 1945, except as to offenses committed prior to such date, unless this Act is continued in effect by the Congress.

c) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

Sec. 17. This Act shall take effect immediately.

Sec. 15. This Act may be cited as the "Selective Training and Service Act of 19405."

Approved, September 16, 1940, 3:00 p. m., E. S. T.
Registration Day

EXTENSION OF REMARKS

OF HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, October 17 (legislative day of Wednesday, September 18), 1940

ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Record the address delivered by the President and broadcast over a Nation-wide hook-up on registration day, yesterday, October 15, 1940, with reference to the draft.

There being no objection, the address was ordered to be printed in the Record, as follows:

On this day more than 16,000,000 young Americans are serving the 300-year-old American custom of the muster. They are obeying that first duty of free citizenship by which from the earliest colonial times every able-bodied citizen was subject to the call for service in the national defense.

It is a day of deep and purposeful meaning in the lives of all of us. For on this day we Americans proclaim the validity of our values, the singleness of our will, and the unity of our Nation.

We prepare to keep the peace in this New World which Freemen have built for Freemen to live in. The United States, a Nation of 130,000,000 people, has today only about 500,000—half a million—others in the Army and National Guard. Other nations, smaller in population, have four and five and six million trained men in their armies. Our present program will train 800,000 additional men this coming year, and somewhat less than 1,000,000 men each succeeding year.

It is a program obviously of defensive preparation and of defensive preparation only. Only, without fear and without hysteria, but with clear determination, we are building guns and planes and tanks and ships, and all the other tools which modern defense requires. We are mobilizing our citizenship, for we are calling on men and women and property and money to join in making our defense effective. Today's registration for training and service is the keystone in the arch of our national defense.

In the days when our forefathers laid the foundation of our democracy every American family had to have its gun and know how to use it. Today we live under threats—threats of aggression from abroad—which call again for the same readiness, the same vigilance. Our most once again be the spirit of those who were prepared to defend as they built, to defend as they worked, to defend as they minded.

The duty of this day has been imposed upon us from without. Those who have dared to threaten the whole world with war—those who have created the name and deed of total war—have imposed upon us and upon all free peoples the necessity of preparation for total defense.

But this day not only imposes a duty; it provides also an opportunity—an opportunity for united action in the cause of liberty; an opportunity for the continuing creation on this continent of a country where the people alone shall be master, where the people shall be truly free.

To the 16,000,000 young men who register today I say that democracy is your cause—the cause of youth.

Democracy is the one form of society which guarantees to every new generation of men the right to imagine and to attempt to bring to pass a better world. Under the dictatorship the imagination of a better world and the achievement of liberty are alike forbidden.

Your act today affirms not only your loyalty to your country but your will to build your future for yourselves.

We of today, with God's help, can transmit to Americans of tomorrow a nation in which the wells of liberty and justice will never dry and be secure. Shall a nation thus be devoted to the cause of peace. And it is for that cause that America arms itself.

It is to that cause—the cause of peace—that we Americans today give our national will and our national spirit and our national strength.
The New Deal and National Defense

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, September 19 (legislative day of Wednesday, September 18), 1940

ADDRESS BY HON. HAROLD L. ICES, SECRETARY OF THE INTERIOR

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the Recess a radio address delivered on September 15, 1940, by the Secretary of the Interior, Hon. Harold L. Ices, on the subject of the New Deal and national defense.

There being no objection, the address was ordered to be printed in the Record, as follows:

AMERICAN FRONT IN THE AIR
SUBJECT: THE NEW DEAL AND NATIONAL DEFENSE

(Remarks of Secretary of the Interior Harold L. Ices, in discussion with Senator Styles Bridges and others.

Mr. Chairman, I am delighted to assist in bringing, at long last, the distinguished senator from the Hampshires, the official spokesman for Wendell Willkie, and the Republican National Committee, before the microphone tonight. Recently I made a radio speech, and Mr. Willkie and Senator Quayle, and Senator Brackett and Senator Banks, or the Republican National Committee, for him, promptly issued a supporting statement—

"Mr. Willkie truly left his "Ramus" burning behind him.

The subject that we have agreed to discuss is The New Deal and National Defense. On this subject there is much misinformation abroad in the land. The Republican platform, as viewed with the New Deal record on defense, and Candidate Willkie, the refuge from Wall Street, did not local his speech back on the fact. He is barred from truth, but a declaration of truth can be made to 'supporting.'

"Roosevelt slept as Germany armed. With $9,000,000,000,000 or blank checks, he could have paid all his own debts. He built with these funds not one battleship, not one, but an antiballistic gun, not a single tank.

"You will note that the Senator's criticism is directed at the 7 years prior to 1940. It has nothing to do with the present defense program, on which you are all so well informed that I could add little.

"Fortunately, I can help the Senator tonight to clear away whatever confusion and misinformation he may have caused. I am sure that he will welcome my efforts in this behalf. I can do this readily, because as Federal Public Works Administrator for 5 years I am personally familiar with the record.

"First, let us take the statement that the President did not build a plane with these funds. I am sure, Senator, that as a patriotic American citizen you will be glad to be told that this is a total error, as you might have ascertained from detailed reports made to Congress and to the public.

"For instance, Mr. Willkie's utilities are protected tonight by these very planes, while utilities in other lands, however owned, are being bombed.

"It is possible, Senator, that your chief, Mr. Willkie, who often "travels" in "trains," is, after all, not in a position to say that these planes are yours. The Senator, of course, knows that.
Why I Am for Roosevelt

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, September 19 legislative day of Week

STATEMENT BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA

Mr. GUFFEY. Mr. President, I ask unanimous consent that the Hays statement recently made in setting forth why I am for Roosevelt.

There being no objection, the statement was printed in the Record, as follows:

I am for Roosevelt because he saved American democracy from internal destruction and is now leading the nation in foreign aggression.

In tobacco abroad, economic class existed in temporarily, as was saved from the same had, and carried forward by President Roosevelt.

As the European dictatorial programs moved toward complete extinction of European liberalism, Roosevelt was warned that we were in danger.

He saw, slowly, that the conflict should not only be a war of nations, but a revolution not only against massing of opposition political and social forces.

While the rest of the world was rebuilt to its former dignity, Roosevelt was building the machinery of future strength—laying down new navies, modernizing forces.

A great man, and the dynamite force, he rescued us from the strain, and I doubt that there is any man anywhere in Europe to fight against Roosevelt.
Millions
FOR DEFENSE

EMERGENCY EXPENDITURES FOR NATIONAL DEFENSE 1933-1940
FEDERAL WORKS AGENCY, WASHINGTON : 1940
Administrator's Foreword

The musket on the cabin wall was defense enough for Davy Crockett, Daniel Boone, and other American pioneers. Defense in modern times has become more complex. Machines and morale win today's victories. In mechanized warfare the man with the musket is almost as far behind the times as the man with the crossbow.

Our national defense policies recognize the vital importance of having modern machines, trained men to operate them, and sound national morale. In a very real sense, preparedness in a democracy does not stop with the Army and the Navy. It depends upon the preservation of the skill and the spirit of its people. These do not thrive upon hunger and enforced idleness. Against the forces at work in the world today only a strong, united nation can successfully defend itself against cruel, mechanized aggression.

That is why, during the emergency work programs of the past 7 years, over one billion dollars of emergency funds has been spent for projects directly related to national defense. That is why additional billions of emergency funds have been spent to maintain skills and create highways, hospitals, power plants, and scores of other types of public works of military and civil importance. And that is why we have a strong Nation today—a Nation capable of mobilizing quickly and effectively behind an unprecedented program of national defense. ★ ★ JOHN M. CARMODY, Federal Works Administrator.
Over a billion dollars of emergency funds has been spent for direct national defense purposes in the past 7 years. Additional billions of emergency funds have been spent for roads, bridges, railroad electrification, streamlined trains, power plants, warehouses, docks, and other facilities which are indispensable to total defense and will be invaluable in furnishing energy for manufacturing defense materials, providing facilities for the swift transport of men and supplies, and creating needed storage space.

More could have been spent to build up the strength of our armed forces, but when the $1,880,000,000 Public Works Bill of 1935 was under consideration, an amendment on the floor of the Senate took away the discretion vested in the President in respect to these funds which had previously permitted him to allocate substantial sums for munitions, warships, and military and naval matériel from emergency funds made available in 1933 and 1934. This ban made it impossible for the President to provide in 1935 alone approximately $600,000,000 for defense purposes which the Army and Navy had requested, thereby retarding defense preparation. Subsequent legislation in substance continued this prohibition except for $15,000,000 of new money in 1938. Since 1935, therefore, the President has been unable to allot emergency funds for such national defense purposes.

For many months now our Army and Navy pilots have been flying planes built with PWA funds, landing on airports constructed by WPA labor and on the decks of aircraft carriers financed by emergency relief allocations. No other nation in the Western Hemisphere has a fleet as large as our "PWA Fleet" of aircraft carriers, cruisers, and destroyers built since 1933 with emergency funds. Other ships are now coming out of navy yards rehabilitated by emergency funds, and outfitted in new navy bases which have been modernized by these funds. Motorized elements of the Army's new "streamlined divisions" ride in equipment financed by PWA funds, over modern highways and bridges built as emergency relief projects. Ordnance factories have benefitted by new construction and new machinery financed by relief allocations. The Coast Guard has been supplied with many new cutters and dozens of new planes, the National Guard strengthened by the construction of new armories, camps, and facilities throughout the Nation.

This booklet shows only a few of the hundreds of ways in which our national defense has been strengthened by emergency spending during the past 7 years. During these years the strength of our armed forces has been further augmented by increasingly large appropriations to our War and Navy Departments. None of these Army and Navy projects, however, carried out with their own funds, is shown here. Illustrations are confined wholly to projects and types constructed with funds appropriated to meet emergency and relief needs.
More than 100 military planes of various types, complete with spare engines, parts, and radio, as well as with the necessary armament, were purchased by the Army Air Corps out of a PWA allocation of $7,197,612. Training, pursuit, and bombing types were included. At the time of the grant this resulted in a substantial increase in the combat air strength of the Army.

Armed wings against the sky today mean far more than a solitary observation flight, or a formation of ships off to engage an enemy force. They form an important auxiliary to almost every operation and may be employed for spotting artillery fire, protecting the flanks of fast-moving mechanized columns, troop transportation, aerial photography, various types of bombing operations, and numerous other special uses in addition to observation, bombing, and fighting enemy planes. Our air force has been primarily engaged in developing the best types of planes which can be employed in these various missions, and creating a corps of trained fliers and other personnel technically capable of carrying them out satisfactorily. The PWA assistance, coming as it did in a period of air corps expansion, was especially useful to help in pilot training, and to assist in the development of new types of military aircraft.
Military Airports

Both the number of Army and Navy airports and their capacity in planes have been enlarged as the result of many construction programs undertaken with emergency funds. WPA alone worked on more than 50 military airports throughout the Nation. At McChord Field, a typical WPA project prepared the landing area, paved and asphalted 110,000 square yards of runways, and built warming aprons, streets, electric and heating systems, and did other work. Many fields have been built or improved for the Navy, and at Sand Point, near Seattle, WPA labor erected nearly all of the existing 35 buildings, including 5 hangars, an administration building, a new south wing to the barracks, and new officers' quarters. PWA operations at Corry Field, near Pensacola, Fla., have created major facilities for primary training, fighter plane, and glider training. Four hangars for land planes, barracks, administration buildings, roads and runways, and other incidental buildings and equipment were constructed by the expenditure of over one million dollars.

The cumulative expenditure of Federal emergency funds for military airports has exceeded $22,000,000, in addition to substantial contributions by sponsors. The Public Works Administration has also allotted $1,910,000 to the Quartermaster Corps to purchase livestock for air depots and buses.

AN ARMY AIRPORT IN CALIFORNIA

Hamilton Field, where Public Works Administration funds built hangars, barracks, officers' quarters, administration, and other buildings.
From PWA grants of $7,496,923 for naval aeronautics, 130 new planes have been built for the Navy. These have added materially to our naval and air power. At the time of the PWA grant the planes so purchased amounted to about one-fifth of the total first-line combat planes of the Navy. From the same funds the Navy purchased new instruments, radio equipment, engine improvements, and handling devices at naval airports, and made structural improvements to existing aircraft already in service.

The planes are of different types, ranging from little bullet-like fighters to the majestic flying-boat patrols. Fighting planes are single seaters, usually based on carriers, and are armed with machine guns and often with light bombs. Their primary mission is to engage and knock down hostile aircraft; such operations are usually accomplished by combat in well-disciplined tactical formations. The patrol squadron, operating twin-engined ships capable of speeds approaching 200 miles an hour while carrying bomb loads up to 3 tons, constitute a striking force unequaled in any other fleet. These and many other types of planes help give the Navy the world’s strongest naval air force.

PWA assistance and WPA improvements to shore bases not only added to the basic power of the naval air force, but facilitated the naval pilot-training program so vital to the enlarged Navy.
The aircraft carrier frees the naval plane from its bases ashore and permits it to operate as an integral part of the fleet wherever it goes. Two large modern aircraft carriers were built by the Navy from funds advanced by the Public Works Administration. They are the latest type of carrier in commission. These floating airports, the Yorktown and the Enterprise, were laid down in the summer of 1934, launched in April and October of 1936, and commissioned shortly afterward. Fast, long-range ships, each are able to stow and handle 100 aircraft. They cost $19,000,000 apiece without armament. The standard tonnage of the two ships is 19,900, and their over-all length is 899 feet 6 inches. Each powered with turbines totaling 120,000 horsepower, with quadruple screws, they are capable of rated speeds of 34 knots. Their main batteries are composed of eight 5-inch guns, and sixteen 1.1-inch anti-aircraft guns. They carry crews of 1,788 men.

Aircraft carriers are primarily used as bases for the units assigned to them. They are not heavily armored, relying for their defense upon other fleet elements, their speed, and the inherent protection afforded by the planes carried. Because of our peculiar defense requirements our Navy has pioneered in the development of aircraft carriers and the design of special types of high-speed, carrier-based planes: fighters, scout and dive bombers, and the heavier torpedo planes.
Aeronautical Research

Few modern machines are as precisely designed, built, and operated as the airplane. The difference of a few miles an hour in speed spells life or death in aerial combat; the difference of a few miles more or less in cruising radius determines whether or not a particular plane design will meet the strict requirements of military service; the steadiness and maneuverability of a plane will determine whether it can be landed safely on an aircraft carrier or hold its own in an aerial dog fight. For these reasons millions of dollars are being spent in our rapidly expanding aeronautical research program, and the main laboratory for all military as well as civil aviation is that of the National Advisory Committee for Aeronautics at Langley Field, Va.

The NACA conducts basic aeronautical research and tests all types of new planes and new designs. Several of its laboratory buildings have been built by PWA funds. The basic wind tunnel for testing models and full-scale parts at speeds up to 500 miles an hour; the free-spinning wind tunnel which determines the control characteristics which enable planes to get out of spins; the high-speed wind tunnel which produces velocities equal to the speed of sound—these are some of the essential equipment for modern aeronautical research produced with PWA funds.
New York’s metropolitan air terminal, constructed almost wholly by WPA, is one of hundreds of airports constructed or improved with emergency funds.
Most of the important strides in airport design and construction have been made with Federal aid. The PWA has financed the construction of nearly five million dollars worth of hangars—over 50 buildings. The WPA has built or improved 9 out of 10 airports where the airlines stop, and worked on hundreds of smaller airports and landing fields.

Civil aviation is vitally connected with national defense. As commercial and private flying increases, the plane-producing capacity of the Nation expands, the facilities for landing and servicing aircraft increase, and the number of pilots increases. All of these results are invaluable to military aviation. Many civil airports have been specially designated as having military significance and their design has been altered to meet military requirements.

Civil aviation would have been seriously handicapped without the substantial Federal assistance of the last few years. In 1933, airports were falling into disuse all over the country. Very few airports had paved runways, adequate drainage systems, or the necessary lighting equipment for night operations. Today, all this is changed. Over 300 miles of first-class runway have been laid by WPA projects, enough to reach from Washington, D. C., to Hartford, Conn. More than 10,000 landing and boundary lights have been installed, and hundreds of new airport buildings erected.
Naval Construction

The "PWA Fleet" is the second largest in the Western Hemisphere, exceeded only by the U. S. Navy itself! In 1933, the Public Works Administration allocated $25,000,000 to the Navy for the construction of naval vessels. From this fund the Navy built: 2 aircraft carriers, 4 cruisers, 4 heavy destroyers (1,850 tons), 16 destroyers (1,500 tons), 4 submarines (1,310 tons), 2 gunboats (2,000 tons).

Together with the Navy aircraft obtained with PWA assistance this makes a very strong naval force that would do credit to any but the principal naval powers. The total personnel of the "Fleet" would exceed 10,000 men.

The cruisers Vincennes, Philadelphia, Savannah, and Nashville were all ordered in 1935 and commissioned in 1937 and 1938. The Vincennes is a heavy cruiser with a standard tonnage of 9,400 and an over-all length of 585 feet. It is equipped with eight 5-inch anti-aircraft batteries, four planes and two catapults, and carries a crew of 551 men. Its main armament is nine 5-inch guns. The other three ships are square-sterned light cruisers with a standard tonnage of 10,000 and over-all lengths of 614 feet. They also are equipped with eight 5-inch anti-aircraft batteries, carry four planes, and crews of 565 men. Their main armament is sixteen 6-inch guns. All these cruisers have a long cruising radius and a rated speed of 32 knots or better.
One of twenty destroyers built with PWA funds. The Selfridge assisted in the evacuation of Americans from Europe at the outbreak of the war.
The twenty destroyers of the "PWA Fleet" are of two classes. Four, the Porter, Selfridge, McDougal, and Winslow, are squadron leaders, commissioned in 1936 and 1937. They have a speed in excess of 35 knots, and are armed with eight 5-inch guns, four 1.57-inch anti-aircraft batteries, and eight 21-inch torpedo tubes. They have quarters available for 210 officers and men and are among the heaviest destroyers in the Navy. The remaining sixteen destroyers comprise one of the Navy's largest groups of new destroyers. Some ships in this class have bettered 40 knots. They are all armed with twelve 21-inch torpedo tubes, quadrupled, five 5-inch guns, and anti-aircraft batteries.

The submarines constructed are equipped with six 21-inch torpedo tubes, guns, mines, and crews of 50 men each. Their surface displacement is a little over 1,300 tons and their over-all length about 300 feet.

The two gunboats, the Charleston and Erie, are now serving in Central American waters. At the time of their construction they were the largest gunboats permitted by the naval treaties and were the model for the heaviest type of new Coast Guard cutters mentioned on page 41 of this pamphlet. The gunboats are armed with four 6-inch guns, ten small anti-aircraft guns, and carry crews of 201 men.
Naval Bases

The Navy Department, in 1937, issued two complete and well-illustrated bulletins, Nos. 38 and 39, in its series “Public Works of the Navy,” in which the Bureau of Yards and Docks describes the operations undertaken with the assistance of the Work Projects Administration and the Public Works Administration. These works, ranging from Pearl Harbor, Hawaii, to Portsmouth, N. H., cover almost every type of shore works from the construction of docks and wharves to the erection of quarters, shops, and miscellaneous buildings. Subsequent to the work reported in 1937, other emergency funds and assistance have been made available to the Navy for the improvement of navy yards and bases.

With the PWA allocations totaling $61,821,876, the Navy undertook heavy permanent construction. WPA projects were employed for lighter, more miscellaneous assignments requiring large amounts of labor. In many cases both types of work were carefully allotted their share in planned construction programs. The types of projects carried out with PWA funds included hangars and air stations, recreation buildings, industrial and shop buildings, waterfront developments, piers, dikes, bulkheads and causeways, electrical distribution systems including switchboards, boilers, compressors, machine shops, gas plants, cranes, timber shipways, transmitter buildings, storehouses, and similar structures.
**Shipyards and Docks**

* Constant improvements to navy yards, docks, and bases are necessary to keep our fleet and its armament in first-class operating condition. In addition to the large amounts of construction previously described, PWA funds were used by the Navy to rehabilitate and improve its construction facilities, and to provide machine tools and shop equipment at navy yards, air stations, and on naval vessels. In this way, with the aid of emergency funds, the shore establishment is keeping pace with the growing Navy. Apart from the sums allocated for construction, an additional sum of $2,402,318 was allocated to the Navy for machine tools and shop equipment.

Such improvement to naval facilities was essential not only to routine operations but to accommodate the increased naval construction program that resulted from the decision to build the Navy up to existing treaty limitations. The existence of such facilities is obviously of continued value in a period of further naval expansion.
Naval Facilities

Sailors, as well as their ships, require shore accommodations and facilities. Barracks, mess halls, hospitals, and many other types of construction are necessary for the training and maintenance of the Navy's shore forces. In addition, highways and other transportation facilities must be provided and arrangements made for the proper care of equipment and personnel.

The variety of projects executed by the Navy with Work Projects Administration funds and personnel have included road improvements, railway extensions, signal stations, storehouses, gatehouses, administration buildings, paving, powerhouses, paint, sheet metal, pipe and other types of shops, bakeries, laundries, dispensaries, rifle, pistol, and target ranges, mess halls, hangars, piers and pier sheds, boathouses, athletic fields and recreational buildings, drill halls, new roofing, boilerhouses, breakwaters, sewage-disposal plants, firehouses, improved shipways, heating tunnels, ammunition buildings, and other essential works.

These diverse activities suggest not only the magnitude of the work performed under the emergency work programs, but the variety of operations necessary to maintain the large modern Navy, its ships, its equipment, and its personnel.
Basic and long-needed improvements to Army posts were made from the allocation of $129,935,862 to the Quartermaster General from the Public Works Administration. In addition, many hundreds of WPA projects on military reservations and Army posts were set up by State WPA administrators. With aid from these sources a great program has been carried through to improve the buildings, equipment, roads, and grounds of Army posts throughout the country.

In this way the equivalent of 1 man in every 8 enlisted men was given new quarters, more than 21,000 men having been housed in new barracks. Officers' quarters for 333 families were built. Quarters have been provided for 660 noncommissioned officers. These improvements have been limited almost entirely to the 32 Army posts recognized as permanent.

A typical project under this program was the improvement of the Aberdeen Proving Grounds, Md. Much new housing was constructed to take the place of temporary wooden buildings erected in 1917 and 1918. New barracks were erected. With the assistance of WPA extensive improvements were made to grounds, roads, and facilities. PWA funds built a new officers' school and adjacent quarters.
Both Army and Navy hospitals have been built with PWA funds. Out of the allocation to the Quartermaster General, new hospitals have been built with a capacity of 717 beds, and quarters have been provided for 72 nurses.

An example of this type of work was the Army hospital at Fort Sam Houston, Tex. This hospital serves not only Fort Sam Houston but Kelley Field, Duncan Field, Brooks Field, Randolph Field, Camp Normoyle, Headquarters of the 8th Corps Area and some outlying sections along the Texas border. Prior to the PWA allotment of $1,933,468 for a new hospital, the existing hospital consisted of makeshift and temporary buildings, flimsy in character and dilapidated through age and hard use, many of them hurriedly thrown up during the Mexican border disturbances in 1914–1916. These wooden structures, with pasteboard partitions and oiled floors were extremely hazardous, especially considering the large number of crippled cases in this area. The new hospital is a model of modern construction, and will meet the needs of the enormous concentration of military aviation in this area.
Army Machine Shop Facilities

Very little money had been available in the period following the World War for the fundamental improvement of our manufacturing arsenals, which are vital experimental laboratories and sources of munitions. Most of the arsenals and proving grounds were maintained as inexpensively as possible on a stand-by basis. Ammunition and guns were stored away in sheds. But the science of war and the materials of war were not standing still. They marched on, and in the light of this progress it appeared that much of our stored matériel and arms-producing machinery had become obsolete.

At this point $8,768,450 was allocated to the Army by the Public Works Administration for the manufacture, renovation, and preservation of ammunition, and the modernization of ordnance and the improvement of arsenals. With these funds the Army was able to make basic improvements in the equipment of its arsenals and ordnance-production facilities, replacing old and worn-out machinery with new equipment, and introducing improved work methods based on the new equipment provided. The use of new machinery in the manufacture of munitions often broke new ground and made important contributions to industrial technique. Thus, at the Rock Island Arsenal the hand-polishing of piston rods used in connection with recoil cylinders was supplanted in 1936 by a successful mechanical process, a method since widely adopted in private industry.
The famous French 75's which composed the principal field artillery of the World War are still unsurpassed as general-purpose artillery for our Army. Thousands of these guns have been in storage at our arsenals and proving grounds for the last 20 years. To use them in modern warfare, however, the guns themselves must be reconditioned, and equipped with modern high-speed carriages and pneumatic tires. Without these essential changes they are as modern as a substantial colonial house without plumbing, electricity, and central heat.

PWA grants to Army ordnance have been used in this modernization program, as well as for the renovation of stored ammunition and the modernization of other types of ordnance.
THE NEW MOTORIZED ARMY

The mobility and striking power of the Army have increased by hundreds of trucks, command cars, motorcycles, and other equipment purchased with funds advanced by the PWA.

Army Motorization

Ten million dollars of PWA allocations has been used for the motorization and mechanization of our Army. These funds were used to purchase passenger and reconnaissance cars, motorcycles, light and medium cargo trucks, tractors, trailers, special signal and engineer facilities, scout cars, and similar equipment. This was the first extensive Army motorization program and it laid the foundation for the fast-moving, hard-hitting motorized divisions of our Army today.

The first steps were to motorize the traditionally mobile units, including certain cavalry and field artillery units and supply trains. Newly powered by gasoline, characteristics of high mobility, fire-power, and shock, plus armored protection of these units have been enhanced. Provision was also made for reconnaissance units, for truck transportation of infantry, for command cars, and similar items. This piece-by-piece experimental motorization program has been extended in the Army reorganization to embrace the idea of the completely independent mechanized force of tanks, motorized infantry, artillery, and sometimes aviation, similar to the famous German Panzer divisions which in recent months proved to have tremendous striking power.
Public Roads

American roads are vital to industrial mobilization. They are also indispensable to a more completely mechanized Army. For this reason the Army has established a network of 74,000 miles of strategic highways. This network was worked out with highway officials, and nearly all of the interregional network of the Public Roads Administration is included in the strategic national defense system.

The creation of our national highway system, virtually the work of the last 20 years, has been achieved in too short a time to eliminate completely every section of horse-and-buggy highway and every bridge incapable of carrying modern tanks and heavy military loads. There are still minor bottlenecks of this sort, but these are being rapidly eliminated. Highway construction made necessary by defense needs will expedite this work.

The major part of the billion dollars of emergency funds spent by the Public Roads Administration has been spent for improvements within the strategic network, and much of the highway work accomplished by WPA projects has resulted in improvements of great military significance. In addition to main highway improvements, secondary roads have been improved, and many metropolitan traffic bottlenecks have been eliminated. The highway system, taken as a whole from the standpoint of defense, is years in advance of the point it would have normally reached without the aid of emergency funds.
Bridges and Underpasses

Because the design of military equipment has been coordinated with highway requirements for wheel loads and axle spacings, all of our modern highways naturally are well suited to military loads. Our modern bridges, likewise, are easily able to bear military loads which in most cases are less than the heaviest commercial trucks now using the highways. Almost every new highway bridge and railway grade-crossing separation is suited to any military need it may be called upon to meet. The volume of such work that has been done in the last 7 years with emergency funds is enormous.

The billion dollars of emergency funds used for roads and highways produced about 3,000 grade-crossing separations and literally scores of major bridges. WPA projects constructed or reconditioned more than 15,000 bridges of steel or masonry construction. As our highway engineers and military authorities examine the national highway system and find that some of our old bridges are the weakest link, it is worth reflecting on the situation as it would have been without the extensive work already accomplished with the aid of emergency funds.
The Coast Guard was enabled to construct a flotilla of new cutters and patrol boats from the $27,439,627 allocated from PWA funds. The work included building 18 cruising cutters, varying from 110 to 327 feet in length, and 9 patrol boats 165 feet in length. Twenty-eight patrol planes of various types were also procured from these funds.

In time of war or national emergency, the Coast Guard becomes part of the Navy. Its larger cutters are built to the exact model of our Navy’s gunboats, and are useful for patrol, policing, and work in close waters, as well as the rescue and patrol duties usually assigned to them. The Coast Guard’s fast picket boats and smaller craft are speedy auxiliaries and can be readily converted for duty under naval orders in wartime.

In addition to the veritable fleet of Coast Guard vessels and airplanes, millions of dollars of PWA and WPA funds have been spent to strengthen and improve Coast Guard bases and shore facilities along our coasts, and to enlarge the famous Coast Guard Academy at New London, Conn.
National Guard Armories

National Guard armories have been constructed and extensively improved through assistance from emergency funds. In some States, such as Pennsylvania and Oklahoma, state-wide programs have almost completely rehoused activities of the Guard. PWA has financed the construction of 13 new armories in cities throughout the country, and has aided in extending and improving 10 others. Over two hundred new armories have been constructed by WPA and hundreds more improved and enlarged.

These armories are, of course, the drill halls and training quarters for the various state National Guard units, but they are also buildings which are used by the entire community for a great variety of purposes. A typical armory in one of the smaller towns is at Elizabethtown, Pa., the headquarters of Company F, 103d Medical Regiment of the Pennsylvania National Guard. The brick building includes a drill hall, quartermaster's supply room, troop room, orderly room, officers' rooms, and garage. An armory characteristic of larger cities is at Minneapolis, Minn. The new armory provides quarters for 16 artillery, infantry, and naval units of the National Guard and Naval Militia.

The new armories erected and enlarged by emergency funds are the centers of the enlarged National Guard enlistment and training programs now in progress.
In addition to the construction of armories, much emergency money has been spent by the National Guard to improve camps and rifle ranges. PWA allocated the sum of $2,227,157 for camps and camp improvements at 62 locations. The largest part of the $38,000,000 worth of WPA projects for National Guard work has gone into camp improvements. In consequence new roads, water and sewer systems, electrical-distribution systems, tent floors, kitchens, warehouses, drill fields, rifle ranges, bathhouses and latrines, and many other improvements have been made to National Guard camps throughout the Nation. Whether in summer camp or in their armories, the National Guard is now operating under vastly improved conditions which result in more efficient training and improved morale.

Both PWA and WPA have completed millions of dollars worth of improvements in National Guard camps, including the construction of buildings, roads, and sanitary facilities.
Photographs From:

4 Army Air Corps.
6 Public Works Administration, Architectural Survey.
8 Navy Department, Bureau of Aeronautics.
10 Navy Department.
12 National Advisory Committee for Aeronautics.
14 American Airlines.
16 Wide World Photos.
18 Navy Department.
20 Navy Department, Bureau of Yards and Docks.
22 Navy Department, Bureau of Yards and Docks.
24 Navy Department, Bureau of Yards and Docks.

26 Public Works Administration, Architectural Survey.
28 Public Works Administration, Architectural Survey.
30 War Department, Ordnance Corps.
32 War Department, Ordnance Corps.
34 War Department, Signal Corps.
36 War Department, Signal Corps.
38 Wide World Photos.
40 U. S. Coast Guard.
42 Public Works Administration, Architectural Survey.
44 War Department, Signal Corps.

The photograph on the title page is from Wide World Photos.
[PUBLIC—No. 703—76th CONGRESS]
[CHAPTER 508—3d SESSION]
[H. R. 9850]
AN ACT
To expedite the strengthening of the national defense.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to expedite the use of the cost-plus of the national defense, the Secretary of War is authorized, out of the moneys appropriated for the War Department for national-defense purposes for the fiscal year ending June 30, 1941, with or without advertising: (1) to provide for the necessary construction, rehabilitation, conversion, and installation at military posts, depots, stations, or other localities, of plants, buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities at privately owned plants and the expansion of such plants, and the acquisition of such land, and the purchase or lease of such structures, as may be necessary), for the development, manufacture, maintenance, and storage of military equipment, munitions, and supplies, and for shelter; (2) to provide for the development, purchase, manufacture, shipment, maintenance, and storage of military equipment, munitions, and supplies, and for shelter, at such places and under such conditions as he may deem necessary; and (3) to enter into such contracts (including contracts for educational orders, and for the exchange of deteriorated, unserviceable, obsolete, or surplus military equipment, munitions, and supplies for other military equipment, munitions, and supplies of which there is a shortage), and to amend or supplement such existing contracts, as he may deem necessary to carry out the purposes specified in this section.

(b) The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and...
section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when he deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the Act of June 30, 1939 (47 Stat. 419).

(c) Whenever, prior to July 1, 1942, the Secretary of War deems it necessary in the interest of the national defense, he is authorized, from appropriations available therefor, to advance payments to contractors for supplies or construction for the War Department in amounts not exceeding 50 per centum of the contract price of such supplies or construction. Such advances shall be made upon such terms and conditions and with such adequate security as the Secretary of War shall prescribe.

Sec. 2. (a) During the fiscal year 1941, all existing limitations with respect to the number of flying cadets in the Army Air Corps, and with respect to the number and rank of Reserve Air Corps officers who may be ordered to extended active duty with the Air Corps, shall be suspended.

(b) The President may, during the fiscal year 1941, assign officers and enlisted men to the various branches of the Army in such numbers as he considers necessary, irrespective of the limitations on the strength of any particular branch of the Army set forth in the National Defense Act of June 3, 1916, as amended: Provided, That no Negro, because of race, shall be excluded from enlistment in the Army for service with colored military units now organized or to be organized for such service.

Sec. 3. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1941.

Sec. 4. (a) The Secretary of War is further authorized to employ such additional personnel at the seat of government and elsewhere, and to provide for such printing and binding, communication service, supplies, and travel expenses, as he may deem necessary to carry out the purposes of this Act: Provided, That until December 31, 1941, the Secretary of War may, if he finds it to be necessary for national-defense purposes, authorize the employment of supervising or construction engineers without regard to the requirements of civil-service laws, rules, or regulations: Provided further, That notwithstanding the provisions of section 6 of the Act of August 24, 1912 (37 Stat. 555; U. S. C. title 5, sec. 653), the Secretary of War may remove from the classified civil service of the United States any employee of the Military Establishment forthwith upon a finding that such person has been guilty of conduct inimical to the public interest in the defense program of the United States and upon the giving of notice to such person of such charges: And provided further, That within thirty days after such removal such person shall have an opportunity personally to answer such charges in writing and to submit affidavits in support of such answer.

(b) Notwithstanding the provisions of any other law, the regular working hours of laborers and mechanics employed by the War Department, who are engaged in the manufacture or production of military equipment, munitions, or supplies shall be eight hours per day or forty hours per week during the period of any national emergency declared by the President to exist: Provided, That under such regulations as the Secretary of War may prescribe, such hours may be exceeded, but compensation for employment in excess of forty hours in any workweek, computed at a rate not less than one and one-half times the regular rate, shall be paid to such laborers and mechanics.

Sec. 5. The President is authorized, with or without advertising, through the appropriate agencies of the Government (1) to provide for emergencies affecting the national security and defense and for each and every purpose connected therewith, including all of the objects and purposes specified under any appropriation available or to be made available to the War Department for the fiscal years 1940 and 1941; (2) to provide for the furnishing of Government-owned facilities at privately owned plants; (3) to provide for the procurement and training of civilian personnel necessary in connection with the protection of critical and essential items of equipment and material and the use or operation thereof; and (4) to provide for the procurement of strategic and critical materials in accordance with the Act of June 7, 1939, but the aggregate amount to be used by the President for all such purposes shall not exceed $66,000,000. The President is further authorized, through such agencies, to enter into contracts for such purposes in an aggregate amount not exceeding $66,000,000. An account shall be kept of all expenditures made or authorized under this section, and a report thereon shall be submitted to the Congress at the beginning of each session subsequent to the third session of the Seventy-sixth Congress: Provided, That no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 33-45), shall be exempt from the provisions of such Act solely because of being entered into without advertising pursuant to the provisions of this section.

Sec. 6. Whenever the President determines that it is necessary in the interest of national defense to prohibit or curtail the exportation of any military equipment or munitions, or component parts thereof, or machinery, tools, or material, or supplies necessary for the manufacture, servicing, or operation thereof, he may by proclamation prohibit or curtail such exportation, except under such rules and regulations as he shall prescribe. Any such proclamation shall describe the articles or materials included in the prohibition or curtailment contained therein. In case of the violation of any provision of any proclamation, or of any rule or regulation, issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than two years, or by both such fine and imprisonment. The authority granted in this section shall terminate June 30, 1942, unless the Congress shall otherwise provide.

Approved, July 2, 1940, 10:55 a. m., E. S. T.
[Public—No. 829—76th Congress]
[Chapter 536—3rd Session]
[H. R. 10339]

AN ACT

To authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever the President determines that it is necessary in the interest of national defense to requisition and take over for the use or operation by the United States or in its interest any military or naval equipment or munitions, or component parts thereof, or machinery, tools, or materials, or supplies necessary for the manufacture, servicing, or operation thereof, ordered, manufactured, procured, or possessed for export purposes, the exportation of which has been denied in accordance with the provisions of section 6 of the Act approved July 2, 1940 (Public Numbered 703, Seventy-sixth Congress), he is hereby authorized and empowered to requisition and take over for the said use or operation by the United States, or in its interest, any of the foregoing articles or materials, and to sell or otherwise dispose of any such articles or materials, or any portion thereof, to a person or a corporation of the United States whenever he shall determine such action to be in the public interest. Any moneys received by the United States as the proceeds of any such sale or other disposition of any such articles or materials or any portion thereof shall be deposited to the credit of that appropriation out of which was paid the cost to the Government of the property thus sold or disposed of, and the same shall immediately become available for the purposes named in the original appropriation: Provided, however, That nothing in this section shall modify or repeal section 14 of Public Law Numbered 671, 76th Congress, approved June 28, 1940.

Sec. 2. Whenever the President shall requisition and take over any article or material pursuant to the provisions of this Act, the owner thereof shall be paid as compensation therefor such sum as the President shall determine to be fair and just. If any such owner is unwilling to accept, as full and complete compensation for such article or material, the sum so determined by the President, such owner shall be paid 50 per centum of the sum so determined by the President and shall be entitled to sue the United States for such additional sum as, when added to the sum already received by such owner, such owner may consider fair and just compensation for such article or material, in the manner provided by sections 41 (20) and 250, title 28, of the Code of Laws of the United States of America: Provided, That recovery shall be confined to the fair market value of such article or material, without any allowance for prospective profits, punitive or other damages.

Sec. 3. The authority granted in this Act shall terminate June 30, 1942, unless the Congress shall otherwise provide.

Approved, October 10, 1940.
EXECUTIVE ORDER

PROVIDING FOR THE ADMINISTRATION OF THE ACT ENTITLED "AN ACT TO AUTHORIZE THE PRESIDENT TO REQUISITION CERTAIN ARTICLES AND MATERIALS FOR THE USE OF THE UNITED STATES, AND FOR OTHER PURPOSES".

Under and by virtue of the authority vested in me by the act of Congress entitled "AN ACT To authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes", approved October 10, 1940, and as President of the United States, it is hereby ordered as follows:

(1) The Secretary of War and the Secretary of the Navy, acting jointly through the Army and Navy Munitions Board, shall make determination as to the necessity of requisitioning and taking over in the interest of national defense for the use or operation by the United States or in its interest any military or naval equipment or munitions, or component parts thereof, or machinery, tools, or materials, or supplies necessary for the manufacture, servicing, or operation thereof, within the purview of the said act of October 10, 1940.

(2) The provisions of the said act of October 10, 1940, relating to the sale or other disposition of any articles or materials requisitioned and taken over pursuant to the said act and to the determination whether the sale or disposition of any such articles or materials is in the public interest shall be administered
by the Secretary of War and the Secretary of the Navy acting jointly through the Army and Navy Munitions Board.

(3) The provisions of the said act of October 10, 1940, other than those mentioned in paragraphs (1) and (2) hereof shall be administered by the Administrator of Export Control under regulations to be prescribed from time to time by the President in the interest of national defense.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

October 15, 1940.
REGULATIONS GOVERNING THE REQUISITIONING AND 
TAKING OVER FOR THE USE OR OPERATION BY THE 
UNITED STATES OR IN ITS INTEREST OF CERTAIN 
ARTICLES AND MATERIALS ISSUED PURSUANT TO 
THE PROVISIONS OF THE ACT OF CONGRESS 
APPROVED OCTOBER 10, 1940

Pursuant to the authority vested in me by the provisions of 
the Act of Congress entitled "AN ACT To authorize the President to 
requisition certain articles and materials for the use of the 
United States and for other purposes", approved October 10, 1940, 
and as President of the United States, I hereby prescribe the fol-
lowing regulations to govern the requisitioning and taking over for 
the use or operation by the United States or in its interest, of 
articles and materials ordered, manufactured, procured, or possessed 
for export purposes, the exportation of which has been denied in 
accordance with the provisions of section 6 of the Act of Congress, 
approved July 2, 1940 (Public, No. 703, 76th Congress):

1. When the Secretary of War and the Secretary of the Navy, 
acting jointly through the Army and Navy Munitions Board, notify 
the Administrator of Export Control that it has been determined 
that it is necessary in the interest of national defense to requi-
sition and take over for the use or operation by the United States 
or in its interest any article or material ordered, manufactured, 
procured, or possessed for export purposes the exportation of which 
has been denied in accordance with the provisions of section 6 of 
the act approved July 2, 1940 (Public, No. 703, 76th Congress), the
Administrator of Export Control shall cause to be served a requisition for the said article or material by an officer, agent, or employee of the United States which officer, agent, or employee shall take possession of the article or material for and in behalf of the United States and shall issue a receipt therefor.

2. The Administrator of Export Control shall hold or cause to be held whatever hearings may be necessary to determine the fair and just value of such property, at which hearings the owner of the property, his duly authorized agent or representative, or other person claiming an interest therein, may present evidence orally or in writing regarding the fair and just value of the article or material requisitioned and taken over. Upon conclusion of such hearings the Administrator of Export Control shall report to the President his finding and recommendation in regard thereto.

3. Upon determination by the President of the amount of the fair and just compensation for the article or material so requisitioned and taken over by the United States, the Administrator of Export Control shall give written notification to the owner of the property or his duly authorized agent or representative of such determination and of his right to accept or reject the sum awarded.

4. Acceptance of the award of compensation shall be accompanied by a release executed by the owner of the property or his duly authorized agent or representative absolving the United States, its officers, agents, and employees from any and all further claims in connection with the property so requisitioned and taken over.
5. Upon rejection of the award of compensation by the owner of the property or his duly authorized agent or representative, 50 percent of the sum awarded as just and fair compensation shall be paid to the said owner or his duly authorized agent or representative under the provisions of section 2 of the Act of Congress, approved October 10, 1940.

6. When an article or material is requisitioned and taken over in accordance with the provisions of the Act of Congress, approved October 10, 1940, and any Executive order or regulations issued pursuant thereto, payment for the said article or material shall be made from the funds available for such purpose to the department or agency requesting the requisitioning of the article or material.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

October 15, 1940.
ACQUIRING CERTAIN NAVAL AND AIR BASES IN EXCHANGE FOR CERTAIN OVER-AGE DESTROYERS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTES EXCHANGED BETWEEN THE BRITISH AMBASSADOR AT WASHINGTON AND THE SECRETARY OF STATE UNDER WHICH THIS GOVERNMENT HAS ACQUIRED THE RIGHT TO LEASE CERTAIN NAVAL AND AIR BASES, ALSO A COPY OF AN OPINION OF THE ATTORNEY GENERAL DATED AUGUST 27, 1940, REGARDING AUTHORITY TO CONSUMMATE THIS ARRANGEMENT

September 3, 1940.—Referred to the Committee of the Whole House on the State of the Union and ordered to be printed

To the Congress of the United States:

I transmit herewith for the information of the Congress notes exchanged between the British Ambassador at Washington and the Secretary of State on September 2, 1940, under which this Government has acquired the right to lease naval and air bases in Newfoundland, and in the islands of Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad, and Antigua, and in British Guiana; also a copy of an opinion of the Attorney General dated August 27, 1940, regarding my authority to consummate this arrangement.

The right to bases in Newfoundland and Bermuda are gifts generously given and gladly received. The other bases mentioned have been acquired in exchange for 50 of our over-age destroyers.

This is not inconsistent in any sense with our status of peace. Still less is it a threat against any nation. It is an epochal and far-reaching act of preparation for continental defense in the face of grave danger.

Preparation for defense is an inalienable prerogative of a sovereign state. Under present circumstances this exercise of sovereign right is essential to the maintenance of our peace and safety. This is the most important action in the reinforcement of our national defense that has
be taken since the Louisiana Purchase. Thus as now, considerations of safety from overseas attack were fundamental.

The value to the Western Hemisphere of these outposts of security is beyond calculation. Their need has long been recognized by our country, and especially by those primarily charged with the duty of charting and organizing our own naval and military defenses. They are essential to the protection of the Panama Canal, Central America, the northern portion of South America, the Antilles, Canada, Mexico, and our own eastern and Gulf seacoasts. Their consequent importance in hemispheric defense is obvious. For these reasons I have taken such advantage of the present opportunity to acquire them.

Franklin D. Roosevelt.

The White House, September 3, 1940.

British Embassy,
Washington, D. C., September 2, 1940.

The Honourable Cordell Hull,
Secretary of State of the United States,
Washington, D. C.

Sir: I have the honour under instructions from His Majesty's Principal Secretary of State for Foreign Affairs to inform you that in view of the friendly and sympathetic interest of His Majesty's Government in the United Kingdom in the national security of the United States and their desire to strengthen the ability of the United States to cooperate effectively with the other nations of the Americas in the defence of the Western Hemisphere, His Majesty's Government will secure the grant to the Government of the United States, freely and without consideration, of the lease for immediate establishment and use of naval and air bases and facilities for entrance thereto and the operation and protection thereof, on the Avalon Peninsula and on the southern coast of Newfoundland, and on the east coast and on the Great Bay of Bermuda.

Furthermore, in view of the above and in view of the desire of the United States to acquire additional air and naval bases in the Caribbean and in British Guiana, and without endeavouring to place a monetary or commercial value upon the many tangible and intangible rights and properties involved, His Majesty's Government will make available to the United States for immediate establishment and use naval and air bases and facilities for entrance thereto and the operation and protection thereof, on the eastern side of the Bahamas, the southern coast of Jamaica, the western coast of St. Lucia, the west coast of Trinidad in the Gulf of Paria, in the island of Antigua and in British Guiana within fifty miles of Georgetown, in exchange for naval and military equipment and material which the United States Government will transfer to His Majesty's Government.

All the bases and facilities referred to in the preceding paragraphs will be leased to the United States for a period of ninety-nine years, free from all rent and charges other than such compensation to be mutually agreed on to be paid by the United States in order to compensate the owners of private property for loss by expropriation or damage arising out of the establishment of the bases and facilities in question.

His Majesty's Government, in the leases to be agreed upon, will grant to the United States for the period of the leases all the rights, power, and authority within the bases leased, and within the limits of the territorial waters and air spaces adjacent to or in the vicinity of such bases, necessary to provide access to and defence of such bases, and appropriate provisions for their control.

Without prejudice to the above-mentioned rights of the United States authorities and their jurisdiction within the leased areas, the adjustment and reconciliation between the jurisdiction of the authorities of the United States within these areas and the jurisdiction of the authorities of the territories in which these areas are situated, shall be determined by common agreement.

The exact location and bounds of the aforesaid bases, the necessary seaward, coast and antiaircraft defences, the location of sufficient military garrisons, stores, and other necessary auxiliary facilities shall be determined by common agreement.

His Majesty's Government are prepared to designate immediately experts to meet with experts of the United States for these purposes. Should these experts be unable to agree in any particular situation, except in the case of Newfoundland and Bermuda, the matter shall be settled by the Secretary of State of the United States and His Majesty's Secretary of State for Foreign Affairs.

I have the honour to be, with the highest consideration, Sir,
Your most obedient, humble servant,

(Sgd.) Lothan.

Department of State,
Washington, September 3, 1940.

His Excellency The Right Honorable
The Marquess of Lothan, C. H.,
British Ambassador.

Excellency: I have received your note of September 2, 1940, of which the text is as follows:

I have the honour under instructions from His Majesty's Principal Secretary of State for Foreign Affairs to inform you that in view of the friendly and sympathetic interest of His Majesty's Government in the United Kingdom in the national security of the United States and their desire to strengthen the ability of the United States to cooperate effectively with the other nations of the Americas in the defence of the Western Hemisphere, His Majesty's Government will secure the grant to the Government of the United States, freely and without consideration, of the lease for immediate establishment and use of naval and air bases and facilities for entrance thereto and the operation and protection thereof, on the Avalon Peninsula and on the southern coast of Newfoundland, and on the east coast and on the Great Bay of Bermuda.

Furthermore, in view of the above and in view of the desire of the United States to acquire additional air and naval bases in the Caribbean and in British Guiana, and without endeavouring to place a monetary or commercial value upon the many tangible and intangible rights and properties involved, His Majesty's Government will make available to the United States for immediate establishment and use naval and air bases and facilities for entrance thereto and the operation and protection thereof, on the eastern side of the Bahamas, the southern coast of Jamaica, the western coast of St. Lucia, the west coast of Trinidad in the Gulf of Paria, in the island of Antigua and in British Guiana within fifty miles of Georgetown, in exchange for naval and military equipment and material which the United States Government will transfer to His Majesty's Government.

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ACQUIRING CERTAIN NAVAL AND AIR BASES

All the bases and facilities referred to in the preceding paragraphs will be leased to the United States for a period of ninety-nine years, free from all rent and charges other than such compensation to be mutually agreed upon to be paid by the United States in order to compensate the owners of private property for loss by expropriation or damage arising out of the establishment of the bases and facilities in question.

His Majesty's Government, in the leases to be agreed upon, will grant to the United States for the period of the leases all the rights, power, and authority within the leased areas, the adjustment and reconciliation between the jurisdiction of the authorities of the United States within these areas and the jurisdiction of the authorities of the territories in which these areas are situated, shall be determined by common agreement. The exact location and bounds of the aforesaid bases, the necessary seaward, coast and anti-aircraft defenses, the location of sufficient military garrisons, stores, and other necessary auxiliary facilities shall be determined by common agreement.

His Majesty's Government are prepared to designate immediately experts to meet with experts of the United States for these purposes. Should these experts be unable to agree in any particular situation, except in the case of Newfoundland and Bermuda, the matter shall be settled by the Secretary of State of the United States and His Majesty's Secretary of State for Foreign Affairs.

I am directed by the President to reply to your note as follows:

The Government of the United States appreciates the declarations and the generous action of His Majesty's Government as contained in your communication which are destined to enhance the national security of the United States and to greatly to strengthen its ability to cooperate effectively with the other nations of the Americas in the defense of the Western Hemisphere. It therefore gladly accepts the proposals. The Government of the United States will immediately designate experts to meet with experts designated by His Majesty's Government to determine upon the exact location of the naval and air bases mentioned in your communication under acknowledgment.

In consideration of the declarations above referred, the Government of the United States will immediately transfer to His Majesty's Government fifty United States Navy destroyers generally referred to as the twelve-hundred-ton type.

Accept, Excellency, the renewed assurances of my highest consideration.

Cordell Hull

Office of the Attorney General,
Washington, D. C., August 27, 1940.

The President,
The White House.

My DEAR MR. PRESIDENT: In accordance with your request I have considered your constitutional and statutory authority to proceed by Executive agreement with the British Government immediately to acquire for the United States certain off-shore naval and air bases in the Atlantic Ocean without awaiting the inevitable delays which would accompany the conclusion of a formal treaty.

The essential characteristics of the proposal are:

(a) The United States to acquire rights for immediate establishment and use of naval and air bases in Newfoundland, Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad, and British Guiana; such rights to endure for a period of ninety-nine years and to include adequate provisions for access to, and defense of, such bases and appropriate provisions for their control.

(b) In consideration it is proposed to transfer to Great Britain the title and possession of certain over-age ships and obsolete military materials now the property of the United States, and certain other small patrol boats which though nearly completed are already obsolete.

(c) Upon such transfer all obligation of the United States is discharged. The acquisition consists only of rights which the United States may exercise or not at its option, and if exercised may abandon without consent. The privilege of maintaining such bases is subject only to limitations necessary to reconstitute United States use with the sovereignty retained by Great Britain. Our Government assumes no responsibility for civil administration of any territory. It makes no promise to erect structures, or maintain forces at any point. It undertakes no defense of the possessions of any country. In short it acquires optional bases which may be developed as Congress appropriates funds therefor, but the United States does not assume any continuing or future obligation, commitment, or alliance.

The questions of constitutional and statutory authority, with which alone I am concerned, seem to be these:

First. May such an acquisition be concluded by the President under an Executive Agreement or must it be negotiated as a Treaty subject to ratification by the Senate?

Second. Does authority exist in the President to alienate the title to such ships and obsolete materials, and if so, on what conditions?

Third. Do the statutes of the United States limit the right to deliver the so-called mosquito boats now under construction or the over-age destroyers by reason of the belligerent status of Great Britain?

I

There is, of course, no doubt concerning the authority of the President to negotiate with the British Government for the proposed exchange. The only questions that might be raised in connection therewith are (1) whether the arrangement must be put in the form of a treaty and await ratification by the Senate or (2) whether there must be additional legislation by the Congress. Ordinarily (and assuming the absence of enabling legislation) the question whether such an agreement can be concluded under Presidential authority or whether it must await ratification by a two-thirds vote of the United States Senate involves consideration of two powers which the Constitution vests in the President.

One of these is the power of the Commander in Chief of the Army and Navy of the United States, which is conferred upon the President by the Constitution but is not defined or limited. Happily, there has been little occasion in our history for the interpretation of the powers of the President as Commander in Chief of the Army and Navy. I do not find it necessary to rest upon that power alone to sustain the present proposal. But it will hardly be open to controversy that the vesting of such a function in the President also places upon him a responsibility to use all constitutional authority which he may possess to provide adequate bases and stations for the utilization of the naval and air weapons of the United States at their highest efficiency in our
defense. It seems equally beyond doubt that present world conditions forbid him to risk any delay that is constitutionally avoidable.

The second power to be considered is that control of foreign relations which the Constitution vests in the President as a part of the Executive function. The nature and extent of this power has recently been explicitly and authoritatively defined by Mr. Justice Sutherland, writing for the Supreme Court. In 1936, in United States v. Curtiss-Wright Export Corp., et al. (299 U. S. 304), he said:

It is important to bear in mind that we are here dealing not only with an authority vested in the President by an exertion of legislative power, but with such an authority plus the very delicate, plenary, and exclusive power of the President as the sole organ of the Federal Government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress, but which, of course, like every other governmental power, must be exercised in accordance with the constitutional provisions of the Constitution. It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved. Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries, and especially is this true in time of war. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results.

The President's power over foreign relations while "delicate, plenary, and exclusive" is not unlimited. Some negotiations involve commitments as to the future which would carry an obligation to exercise powers vested in the Congress. Such presidential arrangements are customarily submitted for ratification by a two-thirds vote of the Senate before the future legislative power of the country is committed. However, the acquisitions which you are proposing to accept are neither express nor implied promises on the part of the United States to be performed in the future. The consideration, which we later discuss, is completed upon transfer of the specified items. The Executive agreement contains an opportunity to establish naval and air bases for the protection of our coast line, but it imposes no obligation upon the Congress to appropriate money to improve the opportunity. It is not necessary for the Senate to ratify an opportunity that entails no obligation.

There are precedents which might be cited, but not all strictly pertinent. The proposition falls for short in magnitude of the acquisition by President Jefferson of the Louisiana Territory from a belligerent during a European war, the Congress later appropriating the consideration and the Senate later ratifying a treaty embodying the agreement.

I am also reminded that in 1850, Secretary of State Daniel Webster acquired Horse Shoe Reef, at the entrance of Buffalo Harbor, upon condition that the United States would engage to erect a lighthouse and maintain a light but would erect no fortification thereon. This was done without awaiting legislative authority. Subsequently the Congress made appropriations for the lighthouse, which was erected in 1856. Malloy, Treaties and Conventions (vol. 1, p. 685).

It is not believed, however, that it is necessary here to rely exclusively upon your constitutional power. As pointed out hereafter (in discussing the second question), I think there is also ample statutory authority to support the acquisition of these bases, and the President, perhaps most nearly in point are the numerous acquisitions of rights in foreign countries for sites of diplomatic and consular establishments—perhaps also the trade agreements recently negotiated under statutory authority and the acquisition in 1903 of the naval station and naval stations and rights in Cuba under the act of March 2, 1901 (41 Stat. 803, 817, 818). In the last-mentioned case the agreement was subsequently embodied in a treaty but it was only one of a number of undertakings, some clearly of a nature to be dealt with ordinarily by treaty, and the statute had required "that by way of further assurance the Government of Cuba will embody the foregoing provisions in a permanent treaty with the United States."

The transaction now proposed represents only an exchange with no statutory requirement for the embodiment thereof in any treaty and involving no promises or undertakings by the United States that might raise the question of the propriety of incorporation in a treaty. I therefore advise that acquisition by Executive agreement of the rights proposed to be conveyed to the United States by Great Britain will not require ratification by the Senate.

II

The right of the President to dispose of vessels of the Navy and unneeded naval matériel finds clear recognition in at least two enactments of the Congress and a decision of the Supreme Court—and any whereupon that the authority does not exist must assume the burden of establishing that both the Congress and the Supreme Court meant something less than the clear import of seemingly plain language.

By section 5 of the act of March 3, 1883 (c. 141, 22 Stat. 583, 599-600 (U. S. C., title 34, sec. 492)), the Congress placed restrictions upon the methods to be followed by the Secretary of the Navy in disposing of naval vessels, which have been found unfit for further use and stricken from the naval registry, but by the last clause of the section recognized and confirmed such a right in the President free from such limitations. It provides:

But no vessel of the Navy shall hereafter be sold in any other manner than herein provided, or for less than such appraised value, unless the President of the United States shall otherwise direct in writing. [italics supplied.]

In Levinson v. United States (258 U. S. 198, 201), the Supreme Court said of this statute that "the power of the President to direct a departure from the statute is not confined to a sale for less than the appraised value but extends to the manner of the sale," and that "the word 'unless' qualifies both the requirements of the concluding clause."

So far as concerns this statute, in my opinion it leaves the President as Commander in Chief of the Navy free to make such disposition of naval vessels as he finds necessary in the public interest, and I find nothing that would indicate that the Congress has tried to limit the President's plenary powers to vessels already stricken from the naval registry. The President, of course, would exercise his powers only under the high sense of responsibility which follows his rank as Commander in Chief of his Nation's defense forces.

Furthermore, I find in no other statute or in the decisions any attempted limitations upon the plenary powers of the President as
Commander in Chief of the Army and Navy and as the head of the state in its relations with foreign countries to enter into the proposed arrangements for the transfer to the British Government of certain over age destroyers and obsolete military material except the limitations recently imposed by section 14 (a) of the act of June 28, 1940 (Public, No. 671). This section, it will be noted, clearly recognizes the authority to make transfers and seeks only to impose certain restrictions thereon. The section reads as follows:

Sec. 14. (a) Notwithstanding the provision of any other law, no military or naval weapon, ship, boat, aircraft, armament, supplies, or equipment, to which the United States has title, in whole or in part, or which have been constructed for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of in any manner whatsoever unless the Chief of Naval Operations in the case of naval material, and the Chief of Staff of the Army in the case of military material, shall first certify that such material is not essential to the defense of the United States.

Thus to prohibit action by the constitutionally created commander in chief except upon authorization of a statutory officer subordinate in rank is of questionable constitutionality. However, since the statute requires certification only of matters as to which you would wish, irrespective of the statute, to be satisfied, and as the legislative history of the section indicates that no arbitrary restriction is intended, it seems unnecessary to raise the question of constitutionality which such a provision would otherwise invite. I am informed that the destroyers involved here are the survivors of a fleet of over 100 built at about the same time and under the same design. During the year 1930, 38 of these were decommissioned with a view toward scrapping and a corresponding number were recommissioned as replacements. Usable material and equipment from the 38 vessels removed from the service were transferred to the recommissioned vessels to recondition and modernize them, and other usable material and equipment were removed and the vessels stripped. They were then stricken from the Navy Register, and 50 of them were sold as scrap for prices ranging from $2,250 to $6,800 per vessel, and the remaining 38 were used for such purposes as target vessels, experimental construction tests, and temporary barracks. The surviving destroyers now under consideration have been reconditioned and are in service, but all of them are over age, most of them by several years.

In construing this statute in its application to such a situation it is important to note that this subsection as originally proposed in the Senate bill provided that the appropriate staff officer shall first certify that "such material is not essential to and cannot be used in the defense of the United States." Senator Barkley and others objected to the subsection as so worded on the ground that it would prevent the release and exchange of surplus or used planes and other supplies for sale to the British and that it would consequently nullify the provisions of the bill (see sec. 1 of the act of July 2, 1940, H. R. 9580, Public, No. 708) which the Senate had passed several days earlier for that very purpose. Although Senator Walsh stated that he did not think the proposed subsection had that effect, he agreed to strike out the words "and cannot be used." Senator Barkley observed that he thought the modified language provided "a much more elastic term." Senator Walsh further stated that he would bear in mind in conference the views of Senator Barkley and others, and that he had "no desire or purpose to go beyond the present law, but to have some certificate filed as to whether the property is surplus or not." (Congressional Record, June 21, 1940, pp. 13370-13371)

In view of this legislative history it is clear that the Congress did not intend to prevent the certification for transfer, exchange, sale, or disposition of property merely because it is still used or indispensable or of possible value for future use. The statute does not contemplate mere transactions in scrap, yet exchange or sale except as scrap would hardly be possible if confined to material whose usefulness is entirely gone. It need only be certified as not essential, and "essential" usually the equivalent of vital or indispensable, falls short of "used" or "unable."

Moreover, as has been indicated, the congressional authorization is not merely of a sale, which might imply only a cash transaction. It also authorizes equipment to be "transferred," "exchanged," or "otherwise disposed of"; and in connection with material of this kind for which there is no open market value is never absolute but only relative—and chiefly related to what may be had in exchange or replacement.

In view of the character of the transactions contemplated, as well as the legislative history, the conclusion is inescapable that the Congress has not sought by section 14 (a) to impose an arbitrary limitation upon the judgment of the highest staff officers as to whether a transfer, exchange, or other disposition of specific items would impair our essential defenses. Specific items must be weighed in relation to our total defense position before and after an exchange or disposition. Any other construction would be a virtual prohibition of any sale, exchange, or disposition of material or supplies so long as they were capable of use, however ineffective, and such a prohibition obviously was not, and was not intended to be, written into the law.

It is my opinion that in proceeding under section 14 (a) appropriate staff officers may and should consider remaining useful life, strategic importance, obsolescence, and all other factors affecting defense value, not only with respect to what the Government of the United States gives up in any exchange or transfer, but also with respect to what the Government receives. In this situation good business sense is good legal sense.

I therefore advise that the appropriate staff officers may, and should, certify under section 14 (a) that ships and material involved in a sale or exchange are not essential to the defense of the United States if in their judgment the consummation of the transaction does not impair or weaken the total defense of the United States, and certainly so where the consummation of the arrangement will strengthen the total defensive position of the Nation.

With specific reference to the proposed agreement with the Government of Great Britain for the acquisition of naval and air bases, it is my opinion that the Chief of Naval Operations may and should, certify under section 14 (a) that the destroyers involved are not essential to the defense of the United States if in his judgment the exchange of such destroyers for such naval and air bases will strengthen rather than impair the total defense of the United States.

I have previously indicated that in my opinion there is no statutory authority for the acquisition of the naval and air bases in exchange for the vessels and material. The question was not more fully discussed at that point because dependent upon the statutes above
treated and which required consideration in this section of the opinion. It is to be borne in mind that these statutes clearly recognize and deal with the authority to make dispositions by sale, transfer, exchange, or otherwise; that they do not impose any limitations concerning individuals, corporations, or governments to which such dispositions may be made; and that they do not specify or limit in any manner the consideration which may enter into an exchange. There is no reason whatever for holding that sales may not be made or exchanged made with a foreign government or that in such a case a treaty is contemplated. This is emphasized when we consider that the transactions in some cases may be quite unimportant, perhaps only dispositions of scrap, and that a domestic buyer (unless restrained by some authorized contract or embargo) would be quite free to dispose of his purchase as he pleased. Furthermore, section 14 (a) of the act of June 28, 1940, supra, was enacted by the Congress in full contemplation of transfers for ultimate delivery to foreign belligerent nations. Possibly it may be said that the authority for exchange of naval vessels and material presupposes the acquisition of something of value to the Navy or, at least, to the national defense. Certainly I can imply no narrower limitation when the law is wholly silent in this respect. Assuming that there is, however, at least the limitation which I have mentioned, it is fully met in the acquisition of rights to maintain needed bases. And if, as I hold, the statute law authorizes the exchange of vessels and material for other vessels and material or, equally, for the right to establish bases, it is an insuperable corollary that the statute law also authorizes the acquisition of the ships or material or bases which form the consideration for the exchange.

Whether the statutes of the United States prevent the dispatch to Great Britain, a belligerent power, of the so-called mosquito boats now under construction or the over-age destroyers depends upon the interpretation to be placed on section 3 of title V of the act of June 15, 1917 (c. 30, 40 Stat. 217, 222). This section reads:

During a war in which the United States is a neutral nation, it shall be unlawful to send out of the jurisdiction of the United States any vessel, built, armed, or equipped as a vessel of war, or converted from a private vessel into a vessel of war, with any intent or under any agreement or contract, written or oral, that such vessel shall be delivered to a belligerent nation, or to an agent, officer, or citizen of such nation, or with reasonable cause to believe that the said vessel shall or will be employed in the service of any such belligerent nation after its departure from the jurisdiction of the United States.

This section must be read in the light of section 2 of the same act and the rules of international law which Congress states that it was its intention to implement (H. Rept. No. 30, 65th Cong., 1st sess., p. 9). So read, it is clear that it is inapplicable to vessels, like the overage destroyers, which were not built, armed, equipped as, or converted into vessels of war with the intent that they should enter the service of a belligerent. If the section were not so construed, it would render meaningless section 2 of the act which authorizes the President to detain any armed vessel until he is satisfied that it will not engage in hostile operations before it reaches a neutral or belligerent port. The two sections are intelligible and reconcilable only if read in light of the traditional rules of international law. These are clearly stated by Oppenheim in his work on International Law, (6th ed., vol. 2, sec. 534, pp. 574–576):

Whereas a neutral is in no wise obliged by his duty of impartiality to prevent his subjects from selling armed vessels to the belligerents, such armed vessels being merely contraband of war, a neutral is bound to employ the means at his disposal to prevent his subjects from building, fitting out, or arming, to the order of either belligerent, vessels intended to be used as men-of-war, and to prevent the departure from his jurisdiction of any vessel which, by order of either belligerent, has been adapted to warlike use. The difference between selling armed vessels to belligerents and building them to order is usually defined in the following way:

An armed ship, being contraband of war, is in nowise different from other kinds of contraband, provided that she is not manned in a neutral port, so that she can commit hostilities at once after having reached the open sea. A subject of a neutral who builds an armed ship, or arms a merchantman, not to the order of a belligerent, but intending to sell her to a belligerent, does not differ from a neutral who builds an armed ship for the purpose of delivering it to a belligerent. There is nothing to prevent a neutral from allowing his subjects to sell armed vessels, and to deliver them to belligerents, either in a neutral port or in a belligerent port.

On the other hand, if a subject of a neutral builds armed ships to the order of a belligerent, he prepares the means of naval operations, since the ships, or sailing outside the neutral territorial waters and taking in a crew and ammunition, can, at once, commit hostilities. Thus, through the carrying out of the order of the belligerent, the neutral territory has been made the base of naval operations; and as the duty of impartiality includes an obligation to prevent either belligerent from making neutral territory the base of military or naval operations, a neutral violates his neutrality by not preventing his subjects from carrying out an order of a belligerent for the building and fitting out of men-of-war. This distinction, although of course logically correct, is hair-splitting. But as, according to the present law, neutral States need not prevent their subjects from supplying arms and ammunition to belligerents, it will probably continue to be drawn.

Viewed in the light of the above, I am of the opinion that this statute does prohibit the release and transfer to the British Government of the so-called mosquito boats now under construction for the United States Navy. If these boats were released to the British Government, it would be legally impossible for that Government to take them out of this country after their completion, since to the extent of such completion at least they would have been built, armed, or equipped with the intent, or with reasonable cause to believe, that they would enter the service of a belligerent after being sent out of the jurisdiction of the United States.

This will not be true, however, with respect to the overage destroyers, since they were clearly not built, armed, or equipped with any such intent or with reasonable cause to believe that they would ever enter the service of a belligerent.

In this connection it has been noted that during the war between Russia and Japan in 1904 and 1905, the German Government permitted the sale to Russia of torpedo boats and also of overage liners belonging to its auxiliary navy. See Wheaton’s International Law, 8th ed. (Keith), vol. 2, p. 977.

IV

Accordingly, you are respectfully advised:

(a) That the proposed arrangement may be concluded as an Executive agreement, effective without awaiting ratification.

(b) That there is Presidential power to transfer title and possession of the proposed considerations upon certification by appropriate staff officers.
(c) That the dispatch of the so-called "mosquito boats" would constitute a violation of the statute law of the United States, but with that exception there is no legal obstacle to the consummation of the transaction, in accordance, of course, with the applicable provisions of the Neutrality Act as to delivery.

Respectfully submitted.

ROBERT H. JACKSON,
Attorney General.
ordinance, and assuming the absence of enabling legislation, the question remains, whether such a construction is a viola- tion of Presidential authority or whether it must await ratification by the President. The mere fact that the United States Senate involves consideration of two powers which the Constitution reposes in itself is not in itself fatal to the construction. Particularly has it been so with respect to the foreign or instrumentalities, it is not in itself fatal to the construction. Particularly has it been so with respect to the foreign affairs of the United States. In the case of the United States, the Senate has been the exclusive power of the President, and by implication and authority, which he may exercise to provide adequate means and facilities for the promotion of the naval and air services of the United States at their highest efficiency in defense. It seems equally beyond doubt that present conditions forbid him to risk any delay that is constitutionally avoidable.

The second power to be considered is that of foreign relations which the Constitution vests in the President as a part of the Executive function. The nature and extent of this power has recently been explicitly and authoritatively defined by Mr. Justice Sutherland, writing for the Supreme Court. In 1926, in United States v. Curtiss-Wright Export Corp., et al., 299 U.S. 304, he said:

"It is important to bear in mind that we are here dealing not alone with a power vested in the President by an asserted legislative power, but with such an authority plus the very delicate, plenary, and exclusive power of the President as the sole organ of the Government of the United States, and of the Government of any state or territory, which power which does not require by its exercise an act of Congress, but which, of its very nature, in the absence of any such power, must be exercised in subparagraphs to the applicable provisions of the Constitution. It is quite apparent that, if in the maintenance of our international relations the President is to avoid serious embarrassment—and it is to avoid and secure for our nation stability in an international respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results.

The President's power over foreign relations, "plenary, and exclusive" is not unlimited. Some limitations involving commitments to the future which would carry an obligation to exercise powers vested in the Congress. Such Presidential arrangements are customarily submitted for ratification by a power vested in the Senate of the United States, and the acquisition of this country is committed. However, the acquisitions which you are proposing to accept or negotiate are so far from entering the United States that they can only be ratified by the Congress. In the performances for the Senate to ratify an opportunity that entails no obligation. No state or local authority, which we propose to accept, is in any way a state or local affair, but the United States must provide such an opportunity for the Senate to ratify.
Congressional Record - House

September

Regraded Unclassified
Text of letter dated June 4, 1940 from the Secretary of State, Mr. Cordell Hull to the Honorable Sol Bloom, Chairman of the Committee on Foreign Affairs, House of Representatives:

"June 4, 1940

"The Honorable
Sol Bloom,
Chairman, Committee on Foreign Affairs,
House of Representatives.

"My dear Mr. Bloom:

"You have requested my comment on the attached proposed joint resolution regarding possessions in the Western Hemisphere belonging to European states.

"Several European states have had possessions in the Western Hemisphere for long periods of time and this Government has at no time undertaken to interfere with them. However, in keeping with its traditional policy, this Government must necessarily insist that such possessions shall not become the subject of barter or conquest between rival European powers or be made the scene of the settlement of European difficulties.

"The proposed resolution here in question recites (1) that the United States would not recognize any transfer and would not acquiesce in any attempt to transfer any geographic region of the Western Hemisphere from one non-American power to another non-American power and (2) that if such transfer or attempt to transfer should appear likely the United States would, in addition to other measures, immediately consult with the other American Republics to determine upon the steps which should be taken to safeguard their common interests.

"The first part of the resolution is in effect a restatement of the position which this Government has consistently taken for more than a hundred years. The second part of it is a reaffirmation of the policy adopted in recent years of cooperation with the other American Republics in matters of common interest. I enclose for your information copies of (1) the Convention for the Maintenance, Preservation and Reestablishment of Peace signed at Buenos Aires in 1936, to which the United States is a party, providing for consultation between the American Republics in the event that their peace is menaced; (2) the Declaration of the Principles of Solidarity of America signed at Lima in 1938, commonly referred to as the Declaration of Lima; and (3) the resolution adopted at Panama regarding the transfer of sovereignty of geographic regions of the Americas held by non-American states."
"The proposed resolution is based squarely upon the idea of full respect for established sovereignties. It would not interfere in any way with continuance of equality of commerce and trade for all nations of the world in their relations with the countries of the American continents.

"Having in mind the foregoing, I heartily approve the proposed resolution and am glad to be able to recommend its favorable consideration by the Congress.

"Sincerely yours,

"CORDELL HULL"

(Released by the Committee on Foreign Affairs)
The Secretary of State, the Honorable Cordell Hull, today made the following statement:

The American Chargé d'Affaires in Berlin has communicated to the Department the text of a note dated July 1, which he has received from the German Minister of Foreign Affairs.

The note in question refers to the note delivered by the American Chargé d'Affaires under instructions of the Government of the United States on June 18, in which this Government informed the Government of the German Reich that it would not recognize any transfer of a geographical region of the Western Hemisphere from one non-American power to another non-American power, and that it would not acquiesce in any attempt to undertake such transfer.

The German Minister of Foreign Affairs states that the Government of the German Reich is unable to perceive for what reason the Government of the United States of America has addressed this communication to the Reich Government. He states that in contrast with other countries, especially in contrast with England and France, Germany has no territorial possessions in the American continent, and has given no occasion whatever for the assumption that it intends to acquire such possessions and he asserts that thus insofar as Germany is concerned, the communication addressed to the Reich Government is without object.

The German Minister of Foreign Affairs continues by remarking that in this case the interpretation of the Monroe Doctrine implicit in the communication of the Government of the United States would amount to conferring upon some European countries the right to possess territories in the Western Hemisphere and not to other European countries. He states that it is obvious that such an interpretation would be untenable. He concludes by remarking that apart from this, the Reich Government would like to point out again on this occasion that the non-intervention in the affairs of the American continent by European nations which is demanded by the Monroe Doctrine can in principle be legally valid only on condition that the American nations for their part do not interfere in the affairs of the European continent.

The foregoing is the substance of the German note.

I feel that no useful purpose will be served at this time for this Government to undertake to make any further communication to the Government of the German Reich on the subject matter of the communication above quoted.

The fundamental questions involved are entirely clear to all of the peoples of the American Republics, and undoubtedly as well to the majority of the governments and peoples in the rest of the world.
The Monroe Doctrine is solely a policy of self-defense, which is intended to preserve the independence and integrity of the Americas. It was, and is, designed to prevent aggression in this hemisphere on the part of any non-American power, and likewise to make impossible any further extension to this hemisphere of any non-American system of government imposed from without. It contains within it not the slightest vestige of any implication, much less assumption, of hegemony on the part of the United States. It never has resembled, and it does not today resemble, policies which appear to be arising in other geographical areas of the world, which are alleged to be similar to the Monroe Doctrine, but which, instead of resting on the sole policies of self-defense and of respect for existing sovereignties, as does the Monroe Doctrine, would in reality seem to be only the pretext for the carrying out of conquest by the sword, of military occupation, and of complete economic and political domination by certain powers of other free and independent peoples.

The Monroe Doctrine has, of course, not the remotest connection with the fact that certain European nations exercise sovereignty over colonies in the Western Hemisphere and that certain other European nations do not. This situation existed before the Monroe Doctrine was proclaimed. The Doctrine did not undertake to interfere with the existing situation, but did announce that further incursions would not be tolerated. It made clear that the future transfer of existing possessions to another non-American state would be regarded as inimical to the interests of this hemisphere. This has become a basic policy of the Government of the United States. As already stated in the communication addressed to the German Government by this Government under date of June 18, the Government of the United States will neither recognize nor acquiesce in the transfer to a non-American power of geographical regions in this hemisphere now possessed by some other non-American power.

The Government of the United States pursues a policy of non-participation and of non-involvement in the purely political affairs of Europe. It will, however, continue to cooperate, as it has cooperated in the past, with all other nations, whenever the policies of such nations make it possible, and whenever it believes that such efforts are practicable and in its own best interests, for the purpose of promoting economic, commercial, and social rehabilitation, and of advancing the cause of international law and order, of which the entire world stands so tragically in need today.
STATEMENT BY THE SECRETARY OF STATE, THE HONORABLE CORDELL
HULL UPON LEAVING HABANA AT THE CLOSE OF THE SECOND
MEETING OF THE FOREIGN MINISTERS OR THEIR
REPRESENTATIVES OF THE AMERICAN REPUBLICS,
AT HABANA, CUBA, ON JULY 30, 1940.

The Habana Meeting of Foreign Ministers of the American
Republics faced unprecedented problems and conditions. Pos-
sibilities of danger to the peace, security and welfare of
the continent have been increasingly apparent in recent
months and weeks. To meet them successfully it has been
clear that the American nations must strengthen further
their already strong ties of unity and solidarity and
device a constructive program for implementing, through
consultation and cooperative action, effective means of
continental protection and defense.

We are confronted, in this respect, with three sets
of problems and conditions. The first relates to the
possible transfer of sovereignty at any time over certain
islands and regions from one non-American state to another
non-American state. The second involves the threat of sub-
sersive activities in the American nations directed from
outside the continent. The third comprises extremely
grave economic difficulties and dislocations resulting
from war.

With regard to all three of these sets of menacing
conditions, the American Governments have manifested their
full recognition of the dangers which confront them in
common and have created machinery for common action.
Instead of faltering and abandoning the spirit of unity
and concerted steps for safety, they have demonstrated to
the world their unalterable determination to preserve and
strengthen the spirit and the system of continental unity
and solidarity. They have thus cleared the decks for
effective action whenever such action may become necessary.

The situation with respect to possessions in this
hemisphere controlled by European powers for many years
has for the first time become most acute by reason of the
fact that the European territory of some of these powers
is now under military occupation, and there exists the
danger that change in sovereignty or control of any of
these regions might make them objects of barter or a
battleground for the settlement of differences between
European nations. There also exists the danger that
these regions might be used as a base for the carrying
on of activities of a subversive character in the
American countries.

I cannot too strongly emphasize at this point that
at no time has any American nation had the slightest
thought of taking advantage of the European situation
for the purpose of grabbing territory—quite the contrary.
The thought has been to protect the peace and safety of
this continent.

At the beginning of the meeting at Habana there was
some difference of view as to the modus operandi for
achieving the desired end in relation to the island
possessions. In certain quarters there was a feeling that until a transfer of sovereignty or control had actually taken place it would be sufficient to have no more than a general declaration reasserting the principle of solidarity and consultation agreed upon at previous conferences. On the other hand, there was a strong feeling on the part of other delegations, including that of the United States, that having in mind the situation now obtaining in Europe, the fact that a transfer of sovereignty might be made overnight, with or without formality, and that activities in these regions detrimental to the peace and safety of the Americas might be begun momentarily, it was necessary to formulate at this meeting definite methods of procedure to cope with any situation that might thus arise. It was realized that provision should be made for prompt action in any emergency situation and that delay pending later consultation might be disastrous to the maintenance of peace and order in the Western Hemisphere. Happily, such differences of view as at first appeared to exist were reconciled, with the result that the Meeting of the Foreign Ministers has unanimously agreed upon two documents designed to take care of any situation that may arise. These documents consist of (1) a Convention, and (2) a Declaration and Resolution, referred to as the Act of Habana.

The Convention contains definite provisions for the administration of any region which it may be found necessary for the American Republics to administer. It has the twofold purpose of protecting the peace and safety of the American Republics, and of safeguarding and advancing the interests and welfare of the inhabitants of the region.

The administration, which will be under an "Inter-American Commission of Territorial Administration", is to be provisional in character and is to continue only until such time as the region is in a position to govern itself or is restored to its former status—whenever the latter is compatible with the security of the American Republics—whichever of these alternatives shall be found to be the more practicable and just.

The Convention condemns all violence, whether under the form of conquest, of stipulations imposed by belligerents in treaties, or by any other process, and states that no transfer or attempt to transfer or to acquire any interest or right in any such region shall be recognized or accepted by the American Republics, regardless of the form that may be employed to attain such purposes.

Temporary provisions in the Act of Habana are designed primarily to cover situations that may arise prior to the coming into force of the Convention which will require ratification by the various governments. They authorize the creation of an emergency committee composed of a representative of each of the American Republics, which is to be regarded as constituted when two-thirds of the members shall have been appointed. The appointments are to be made promptly. Should the Committee be under the necessity of administering any region before the effective date
date of the Convention, it will utilize the applicable provisions of the Convention.

The Act also recognizes the possibility of emergency situations and the right of any of the American Republics, acting singly or jointly with others, to proceed in any manner required in its own defense or in the defense of the continent. If action is taken as an emergency measure, the matter is to be placed before the committee as soon as practicable in order that it may adopt appropriate measures.

The spirit of unity and solidarity has been likewise strengthened by the action of the conference on projects relating to subversive activities. I refer especially to the attitude toward propaganda designed on the one hand to stir up dissension in the Western Hemisphere by beguiling and misleading the people, and, on the other hand, to intimidate them by express or implied threats of what may happen if the American Republics fail to recognize and to take into account the foreign purposes and policies of certain foreign governments. These activities at times have been in the nature of oral or written representations and at other times in the form of a promiscuous circulation of literature. In pursuing these policies, the personnel of diplomatic and consular missions has been increased out of all proportion to the needs for legitimate functions of such missions. It is well known that members of diplomatic missions have well-recognized functions and that the members of such missions are clothed with special immunities. When they engage in activities foreign to those that are recognized, they abuse their immunities and the government that has received them may well be concerned.

Likewise, the functions of consular officers are generally defined in international law and practice and the officers themselves enjoy certain special consideration by the local authorities. But when such officials engage in activities divorced from the customary consular functions, they abuse the hospitality of the state in which they serve. That situations of the foregoing character have developed in many of the American Republics, has been generally known for some time past.

This Meeting of Ministers of Foreign Affairs has taken cognizance of these matters in several resolutions, particularly the one relating to Activities Directed From Abroad Against Domestic Institutions and that relating to Inter-American Development of Standards on Diplomatic Officers. The first-mentioned resolution recites that the American Republics have equal concern and equal responsibility for the preservation of peace and security of this hemisphere, and that each shall adopt all necessary measures to prevent and suppress activities directed, assisted or abetted by foreign governments or foreign groups or individuals which tend to subvert the domestic institutions or to foment disorder in the internal political life of the Americas. It also provides for immediate consultation in the event that the peace of any of the American Republics is menaced by such activities, and for a full interchange of information regarding subversive activities within their respective jurisdictions.
In a word, there is in the resolution a definite recognition by the American Governments of an intrusion upon their hospitality and a disregard of their desire to live in peace, freed from systems of government and of international policies which are foreign to the precepts of free and liberal institutions upon which the democracies of this hemisphere are based. The Habana Meeting recognized the common interest of all of the American Republics in these matters and showed determination to maintain a solid front against any incursions.

The resolution concerning improper activities of diplomatic and consular agencies sets forth the underlying principles relating to the functions of such missions and calls upon the respective governments to take action to prevent and suppress such activities.

In these as in other matters of a kindred character, discussed and acted upon by the conference, there has been demonstrated not only a desire but a zeal and determination to face movements of a subversive character with a solid and united front. The American Republics have resolved that the political institutions and aggressive practices of other nations shall not be imposed upon the free and independent peoples of this hemisphere.

In the economic field, too, we set out to examine together the dangers and difficulties confronting all of the American nations and to consult as to the best means of meeting them. The task was approached with a strong conviction shared by all that the present state of affairs, as well as the outlook for the future, imperatively call for the creation of instrumentality of economic defense, that must necessarily gain in effectiveness in proportion to the degree of common action and cooperative effort which they represent.

All of our nations are faced today with the distressing consequences of war-created disruption of world trade.

Surpluses of commodities, the exportation of which is essential to the economic life of the American Republics, have accumulated and continue to accumulate because Europe at war is unable to absorb them. Their existence is a matter of serious concern throughout the continent. In addition, we must envisage the possibility that, after the termination of hostilities, many important European markets for these commodities may be directed and controlled by governments which regard international commerce as an instrument of domination rather than as a means of enabling all nations to share fully and on a basis of equality in a mutually beneficial exchange of their surplus products. The resolution on economic cooperation adopted by the Habana meeting is designed to create and set into operation machinery of action to deal with and meet both of these situations.

In that resolution, the twenty-one American Republics reaffirmed their adherence to liberal principles of international trade—those of equal treatment, of fair practices, and of peaceful motives. They declared their determination
to apply these principles in their relations with each other as fully as present circumstances permit, and their readiness to conduct trade in accordance with these principles with any non-American country prepared to do likewise. At the same time, they announced their purpose "to devise and apply appropriate means of effective action to cope with the difficulties, disadvantages and dangers arising from the present disturbed and dislocated world conditions."

It was the unanimous opinion of the Habana meeting that continuing consultation among the American Republics is essential to the attainment of these pressing objectives. Accordingly, it was decided to strengthen and expand the activities of the existing Inter-American Economic and Financial Advisory Committee as an agency of such consultation.

The Habana meeting specifically instructed the Committee to proceed at once with the preparation of detailed plans for cooperative temporary handling and orderly marketing of existing and prospective surpluses; for the development, where feasible, of commodity production and marketing agreements and arrangements; and for the promotion, among the American nations, of mutually beneficial trade. The Committee was also instructed to devise methods of increasing consumption in the American Republics, through relief and in other ways, which would aid in the disposal of surplus commodities. Finally, the Committee was instructed to consider, while these measures and plans are being developed, the possibility of a broader system of Inter-American cooperative organization in matters of trade, credit, money, foreign exchange, etc.

Some of the measures proposed can be put into operation very quickly. Some will require a certain amount of time for the maturing and execution of appropriate plans. Taken in its entirety, the program of action which is envisaged is flexible enough to apply to any emergency, and effective enough to make it possible for each of the American Republics to meet more fully the difficulties resulting from war-disrupted trade and to safeguard itself from possible dangers of economic subordination from abroad.

It is a system of economic defense, under which the American Republics will be prepared to trade with any nation willing to meet them in good faith, in a spirit of friendly and peaceful purpose, and on a plane of frank and fair dealing; and under which they will be fully equipped to protect themselves against any other kind of dealing.
CONFIDENTIAL RELEASE FOR PUBLICATION IN THE AFTERNOON NEWS-
PAPERS OF TUESDAY, AUGUST 6th, 1940, WHICH DO
NOT APPEAR ON THE STREETS BEFORE
9:00 A.M., E.S.T., TUESDAY, AUGUST 6th, 1940.
NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM,
OR USED IN ANY WAY.

STATEMENT BY THE HONORABLE CORDELL HULL, SECRETARY OF STATE.

The strong belief of the representatives of the twenty-
one American nations at the recent Habana Meeting was that
the military and other sinister activities on the part of
some nations in other large areas of the world present real
possibilities of danger to the American Republics. It was
universally recognized that a threat to any important part
of the Americas means a threat to each and all of the
American nations. It was, therefore, agreed that full and
adequate preparations for continental defense could not be
taken too soon if the threatened danger from abroad was to
be checked and terminated. It was also the unanimous view
at Habana that the prompt strengthening of unity and
solidarity for the purpose of continental defense and for
its implementation by concrete programs supported by the
twenty-one nations was indispensable to the safety,
security, peace and welfare of this hemisphere.

There was general agreement that if the peaceful nations of Europe had thus promptly organized themselves for self-defense on the most effective cooperative basis, the chances are that their situation and that of Europe would be vastly different today. Instead, many of those countries complacently relied upon utterances of peaceful purpose and upon their own neutrality to safeguard them against the mighty forces of invasion, conquest, and destruction. Some of them have been overrun and destroyed by the ruthless invader. Their fate should be a tragic lesson to us.

The vast forces of lawlessness, conquest and destruction are still moving across the earth like a savage and dangerous animal at large. By their very nature, those forces will not stop unless and until they recognize that there exists unbreakable resistance.

At Habana we forged new instrumentalities of continental defense. These will be of vast importance to our nation and to every American nation. But there are other and immense tasks still before us.

I would greatly prefer to say that we are safe in this country and in this Hemisphere from outside danger. But I am firmly convinced that what is taking place today in many areas of the earth is a relentless attempt to transform the civilized world as we have known it into a world in which lawlessness, violence and force will reign supreme, as they did a thousand years ago. The people of this country cannot recognize too soon this fact and its overwhelming significance for our national safety and for the maintenance of our national institutions.
The one and only sure way for our nation to avoid being drawn into serious trouble or actual war by the wild and destructive forces now abroad elsewhere in the world, and to command respect for its rights and interests abroad, is for our people to become thoroughly conscious of the possibilities of danger, to make up their minds that we must continue to arm and to arm to such an extent that the forces of conquest and ruin will not dare make an attack on us or on any part of this hemisphere. To this end, each citizen must be ready and willing for real sacrifice of time and of substance, and for hard personal service. In the face of terrific problems and conditions, and until the present serious threats and dangers have disappeared, we cannot pursue complacently the course of our customary normal life.

I feel constrained thus to offer my views in the light of what is already a dangerously widespread movement for world conquest and for the destruction of most of the worthwhile things which civilization has given the human race.
ADDRESS OF THE PRESIDENT DELIVERED
FROM THE PRESIDENT'S TRAIN AT
DAYTON, OHIO, OCTOBER 12, 1940.

My friends of the Americas:

It is no mere coincidence that this radio broadcast to the entire Western Hemisphere — North America, Central America and South America — should take place on the anniversary of Christopher Columbus' discovery of the New World. No day could be more appropriate than this day on which we celebrate the exploits of the bold discoverer.

Today, all of us Americans of North and Central and South America, join with our fellow citizens of Italian descent to do honor to the name of Columbus.

Many and numerous have been the groups of Italians who have come in welcome waves of immigration to this hemisphere. They have been an essential element in the civilisation and make-up of all of the twenty-one Republics. During these centuries Italian names have been high in the list of statesmen in the United States and in the other Republics — and in addition, those who have helped to create the scientific, commercial, professional and artistic life of the New World.

The Americas have excelled in the adventure of many races living together in harmony. In the wake of the discoverers came the first settlers, the first refugees from Europe. They came to plough new fields, build new homes, establish a new society in a new world. Later, they fought for liberty. Men and women of courage, of enterprise, of vision, they knew what they were fighting for; they gained it — and thereby "gave hope to all the world for all future time".

They formed, here in the Western Hemisphere, a new human reservoir, and into it has poured the blood, the culture, the traditions of all the races and peoples of the earth. To the Americas they came — the "races yearning to be free" — "the multitudes brought hither out of many kindreds and tongues", cherishing common aspirations, not for economic betterment alone, but for the personal freedoms and liberties which had been denied to them in the Old World.

They came not to conquer one another but to live with one another. They proudly carried with them their inheritance of culture, but they carefully left behind the burden of prejudice and hatred.

In this New World were transplanted the great cultures of Spain and Portugal. In our own day the fact is that a great part of the Spanish and Portuguese culture of the entire world now comes from the Americas.

It is natural that all American citizens from the many nations of the Old World should kindly remember the lands where their ancestors lived, and the great attributes of the old civilisation in those lands. But in every single one of the American Republics, the first and final allegiance and loyalty of these citizens, almost without exception, is to the Republic in which they live and move and have their being.

For when our forefathers came to these shores, they came with a determination to stay and to become citizens of the new World. As it established its independence, they wanted
to become citizens of America — not an Anglo-Saxon America, nor an Italian, nor a German, nor a Spanish, nor a Portuguese — but just citizens of an independent nation of America.

Here, we do not have any dual citizenship. Here, the descendants of the very same races who had always been forced to fear or hate each other in lands across the ocean, have learned to live in peace and in friendship.

No one group or race in the New World has any desire to subjugate the others. No one nation in this hemisphere has any desire to dominate the others. In the Western Hemisphere no nation is considered a second class nation. And that is something worth remembering.

"We know that efforts have been made — we know that they will continue to be made — to divide these groups within a nation, and to divide these nations among themselves.

There are those in the Old World who persist in believing that here in this new hemisphere the Americas can be torn by the hatreds and fears which have drenched the battle grounds of Europe for so many centuries. Americans as individuals, American Republics as nations, remain on guard against those who seek to break up our unity by preaching ancient race hatreds, by working on old fears, or by holding out glittering promises which they know to be false.

"Divide and conquer" has been the battle-cry of the totalitarian powers in their war against the democracies. It has succeeded on the continent of Europe for the moment. On our continents it will fail.

We are determined to use our energies and our resources to counteract and repel the foreign plots and propaganda — the whole technique of underground warfare originating in Europe and now clearly directed against all the Republics on this side of the ocean.

That propaganda repeats and repeats that democracy is a decadent form of government. They tell us that our old democratic ideal, our old traditions of civil liberties, are things of the past.

We reject this thought. We say that we are the future. We say that the direction in which they would lead us is backward, not forward — backward to the bondage of the Pharaohs, backward to the slavery of the Middle Ages.

The command of the democratic faith has been ever onward and upward. Never have free men been satisfied with the mere maintenance of any status quo, however comfortable or secure it may have seemed at the moment.

We have always held to the hope, the belief, the conviction that there is a better life, a better world, beyond the horizon.

That fire of freedom was in the eyes of Washington, and Bolivar, and San Martin, and artigan, and Juarez, and Bernardo O'Higgins, and all the brave, rugged, ragged men who followed them in the wars of independence.

That fire burns now in the eyes of those who are fighting for freedom in lands across the sea.
On this side of the ocean there is no desire, there will be no effort, on the part of any one race, or people, or nation, to control any other. The only encirclement sought is the encircling bond of good old fashioned neighborly-friendliness. So bound together, we are able to withstand any attack from the east or from the west. Together we are able to ward off any infiltration of alien political and economic ideas which would destroy our freedom and democracy.

When we speak of defending this Western Hemisphere, we are speaking not only of the territory of North, Central and South America and the immediately adjacent islands. We include the right to the peaceful use of the Atlantic and Pacific Oceans. That has been our traditional policy.

It is a fact, for example, that as far back as 1798 the United States found that its peaceful trade and commerce with other parts of the Americas were threatened by armed privateers sent to the West Indies by nations then at war in Europe, because of this threat to peace in this Hemisphere of ours, the United States Ships "Constellation," "Constitution," "United States," and many others were fitted out; and they drove the armed vessels of Europe out of the waters to the south of us, and made commerce between the Americas once more peaceable and possible.

We of the Americas still consider that this defense of these oceans of the Western Hemisphere against acts of aggression is the first factor in the defense and protection of our own territorial integrity. We reaffirm that policy, lest there be any doubt of our intention to maintain it.

There are some in every single one of the twenty-one American Republics who suggest that the course the Americas are following is slowly drawing one or all of us into war with some nation, or nations, beyond the seas.

The clear facts have been stated over and over again. This country wants no war with any nation. This hemisphere wants no war with any nation. The American republics are determined to work in unity for peace just as we work in unity to defend ourselves from attack.

For many long years every ounce of energy I have had has been devoted to keeping this nation and the other Republics at peace with the rest of the world. That is what continues uppermost in my mind today -- the objective for which I hope and work and pray.

We aim to defend ourselves. The strongest reason for that is that it is the strongest guarantee for peace.

The United States of America is mustering its men and resources, arming not only to defend itself, but, in cooperation with the other American Republics, to help defend the whole hemisphere.

We are building a total defense on land and sea and in the air, sufficient to meet total attack from any part of the world. Forewarned by the deliberate attacks of the dictators upon free peoples, the United States, for the first time in its history, has undertaken the maintenance of its men in peace time. Unprecedented dangers have caused the United States to undertake the building of a navy and an air force sufficient to defend all the coasts of the Americas from any combination of hostile powers.

We have asked for, and we have received, the fullest cooperation and assistance of industry and labor. All of us are speeding the preparation of adequate defense.

And we are keeping the nations of this hemisphere fully advised of our defense preparations. We have welcomed the military missions from neighboring republics; and in turn
our own military experts have been welcomed by them. We intend to encourage this frank interchange of information and plans.

We shall be all for one and one for all.

This idea of a defense strong enough and wide enough to cover this half of the world had its beginnings when the Government of the United States announced its policy with respect to South America. It was the policy of the good neighbor, the neighbor who knew how to mind his own business, but was always willing to lend a friendly hand to a friendly nation which sought it, the neighbor who was willing to discuss in all friendship the problems which will always arise between neighbors.

From the day on which that policy was announced, the American Republics have consulted with each other; they have peacefully settled their old problems and disputes; they have grown closer and closer to each other; until at last in 1935 at Lima, their unity and friendship were sealed.

There was then adopted a declaration that the New World proposed to maintain collectively the freedom upon which its strength had been built. It was the culmination of the good neighbor policy, the proof of what was said by that famous Argentinian of Italian birth, Alberdi — "The Americans are a great political system: the parts draw life from the whole; and the whole draws life from its parts".

Through the acquisition of eight naval bases in territories of the British Empire lying within the sphere of the New World, from Newfoundland to Guiana, we have increased the immediate effectiveness of the great navy which we now have and of the greater navy we have under construction. These bases were acquired by the United States; but not for the protection of the United States alone. They were acquired for the protection of the whole Western Hemisphere. The unity of the American Republics was proven to the world, when these naval bases were promptly opened by the United States to the other Republics for cooperative use. In that act was typified the good neighbor conception of hemispheric defense through cooperation by and for all of us.

American radio stations will play their part in the new unity which has been built so solidly between the American nations during the past eight years. They must be effective instruments for the honest exchange and communication of ideas. They must never be used as stations in other lands are used, to send out on the same day one false story to one country, and a different false story to another.

The core of our defense is the faith we have in the institutions we defend. The American will not be scared or threatened into the ways the dictators want us to follow.

No combination of dictator countries of Europe and Asia will halt us in the path we see ahead for ourselves and for democracy.

No combination of dictator countries of Europe and Asia will stop the help we are giving to almost the last free people fighting to hold them at bay.

Our course is clear. Our decision is made. We will continue to pile up our defense and our armaments. We will continue to help those who resist aggression, and who now hold the aggressors far from our shores. Let no American in any part of the American question the possibility of danger from over seas. Why should we
accept assurances that we are immune? History records that not long ago those same assurances were given to the people of Holland and Belgium and Norway.

It can no longer be disputed that forces of evil which are bent on conquest of the world will destroy whomever and whenever they can destroy. We have learned the lessons of recent years. We know now that if we seek to appease them by withholding aid from those who stand in their way, we only hasten the day of their attack upon us.

The people of the United States, the people of all the Americas, reject the doctrine of appeasement. They recognize it for what it is — a major weapon of the aggressor nations.

I speak bluntly. I speak the love the American people have for freedom and liberty and decency and humanity.

That is why we are. Because, I repeat, this nation wants to keep war away from these two continents. Because we all of us are determined to do everything possible to maintain peace on this hemisphere. Because great strength of arms is the practical way of fulfilling our hopes for peace and for staying out of this war or any other war. Because we are determined to muster all our strength so that we may remain free.

The men and women of Britain have shown how free people defend what they know to be right. Their heroic defense will be recorded for all time. It will be perpetual proof that democracy, when put to the test, can show the stuff of which it is made.

I well recall during my recent visit to three great capital cities in South America, the vast throngs which came to express by their cheers their friendship for the United States. I especially remember that above all the cheers I heard one constant cry again and again — one shout above all others: "Viva la Democracia"! — "Long live democracy"!

Those three stirring words cry out the abiding conviction of people in all the democracies that freedom shall rule in the land.

As I salute the peoples of all the nations in the western world, I echo that greeting from our good neighbors of the Americas: "Viva la democracia" — "Long live democracy"!
CONFIDENTIAL RELEASE FOR PUBLICATION WHEN SECRETARY HULL STARTS TO SPEAK IN HABANA, WHICH IS EXPECTED TO BE APPROXIMATELY 4 P.M., E.S.T., MONDAY, JULY 22, 1940. PRESS ASSOCIATIONS WILL FLASH THE MOMENT THE SECRETARY BEGINS TO SPEAK.


Mr. Chairman, Fellow-Representatives of the American Republics:

Permit me, first of all, to express my deep personal pleasure in setting foot once more on the soil of the great nation whose guests we are at this time. Forty years have passed since my first visit to these shores, when I had the honor to serve with my regiment in the cause of Cuba's liberation. I doubly welcome the present opportunity to re-visit this country--both because of the personal gratification which it affords me and because of the vital importance of the purpose which has brought us together in this beautiful city of Havana.

We are here as representatives of the twenty-one free and independent American Republics. We meet when world conditions are perhaps graver than they have ever been before. Our purpose is to devise concrete measures by which a number of pressing problems may be met. Our objective is to safeguard the independence, the peace and the well-being of the American Republics.

For nearly a year now, a new major war has raged, with increasing fury, over important areas of the earth. It came as a culmination of a process of deterioration of international conduct
conduct and international morality, extending over a period of years, during which forces of ruthless conquest were gathering strength in several parts of the world.

These forces, now at work in the world, shrink from no means of attaining their ends. In their contempt for all moral and ethical values, they are bent on uprooting the very foundation of orderly relations among nations and on subverting, undermining and destroying existing social and political institutions within nations. They have already left in their wake formerly sovereign nations with their independence trampled into dust and millions of proud men and women with their liberties destroyed.

Our American Republics had no part in kindling the tragic conflagration which has thus been sweeping across the world. On the contrary, severally and jointly, we did everything in our power to stay its outbreak. Once the conflict had begun, we did everything we could to limit its spreading. But it has been increasingly clear that in the vast tragedy which has befallen large portions of the earth there are dangers to the American nations, as well, which it would be suicidal not to recognize in time and not to prepare to meet fully and decisively.

It has been increasingly clear that our nations must not blind themselves into fatal complacency as so many nations have done to their mortal sorrow--regarding the possibility of attack against them from without or of externally directed attempts from within to undermine their national strength and to subvert their cherished social and political institutions, or both. Too many nations have only recently paid a tragic price for confidently placing reliance for their safety and security solely upon clearly expressed desire to remain at peace, upon unequivocally proclaimed neutrality, upon scrupulous avoidance of provocation. Conquerors, invaders, and destroyers ignore or brush aside reasons such as these.

Looming ominously on our horizon is the danger that attempts may be made to employ, against our nations, too, the same means of subordinating their destinies to control and dictation from abroad that have already been notoriously employed elsewhere against numerous other countries. We must recognize the serious possibility that no effort or method may be spared to achieve, with respect to some of us, economic domination and political penetration, and to sow, among our nations, the seeds of suspicion, disentien and discord--the frequent prelude to even more menacing action.

Lest our nations, too, suffer the fate that has already befallen so many other peace-loving and peace-seeking nations, wisdom and prudence require that we have in our hands adequate means of defense. To that end, in the face of common danger, our nations are already working together, in accordance with their firmly established practice of free consultation among equals and of voluntary co-operation with regard to problems which are of common concern to all of us. It is to examine such
such of these problems as are immediately pressing and to seek for them most effective solutions that the representatives of the twenty-one American Republics have come together at this time.

I.

I should like to consider first the situation which confronts us in the economic sphere.

The war now in progress has brought with it a disruption in the channels of international commerce and a curtailment of foreign markets for the products of the Western Hemisphere. This has meant to many American nations a diminution of foreign exchange resources and a loss of purchasing power sufficiently serious to place severe strains on their national economies. In some cases, stagnant surpluses of commodities, the exportation of which is essential to the economic life of the countries concerned, have accumulated and continue to accumulate. Their existence is a matter of present and future concern to farmers, workers, business men, and governments throughout the continental area.

We must assume that these difficulties will continue certainly as long as the war exists. We must anticipate that these problems, and possibly others, will continue for some time after the war ends.

If the standards of living of the American peoples are to be maintained at levels already achieved, and particularly if they are to be raised in accordance with the legitimate aspirations of these peoples, production and distribution must expand, not only in this Hemisphere, but throughout the world. This same condition is essential to the well-being of all other areas. For no nation or group of nations can hope to become or to remain prosperous when growing poverty stalks the rest of the earth.

Under existing conditions, the problem is singularly pressing. Though war now is in progress, we must contemplate its eventual end. At that time, perhaps 80 millions of people in Europe, and many millions in other parts of the world, who have been entirely engaged in war work, must find a new place for themselves in the economies of peace. At the same time, it is to be assumed that, once the pressures of war are ended, there will be a general demand that reasonable conditions of life may be restored. To effect this transition, and to supply the world with what it then needs, will necessitate a great increase in production, distribution, and exchange of goods. Failure to achieve this can only mean that the tragedy of war would be followed by the still greater horror of disintegration in great areas.

It is plain that international commerce is indispensable if economic rehabilitation is to be achieved. It is also plain that the only available means of doing this
is to resume, as soon as circumstances permit, the normal currents of world trade. I have no doubt that the American Republics are ready and indeed anxious to do their part in bringing this about; though the extent to which we can thus play our part must depend materially on the economic methods and policies pursued by other countries.

We are confronted with two opposite trading methods. Open trade, freed as rapidly as may be practicable from the obstruction and regmentation of excessive restrictions, can accomplish the necessary task. Prosperity for the American Republics or for any part of the world cannot be achieved— even the necessities of the war-torn areas of the earth cannot be met—by regimented or restricted trade, especially directed under a policy of national or regional autarchy. We recognize the need for a transition period; but we are convinced that there can be only one satisfactory permanent policy.

We have long known from experience that international trade inevitably declines in volume and usefulness when it is conducted on a basis of exclusive bilateralism, or is pressed to unfair advantage, or is used to attempt economic domination. Eventually, such methods destroy the trade and the trader alike. In the present situation, they are totally unable to provide that volume and distribution of goods which alone can save great areas from intense distress. Only where equal treatment, fair practices, non-discrimination and peaceful motives lie beneath trade, can it develop to the degree needed to rehabilitate a shattered world and to provide a foundation for further economic progress.

Today, in spite of what has occurred in other parts of the world, the American nations continue to adhere to liberal trade principles and are applying them in their relations with each other as fully as the present state of affairs permits. They should be prepared to resume the conduct of trade with the entire world on this basis as rapidly as other nations are willing to do likewise.

In the meantime, the American nations must and should do everything in their power to strengthen their own economic position, to improve further the trade and other economic relations between and among themselves, and to devise and apply appropriate means of effective action to cope with the difficulties, disadvantages and dangers of the present disturbed and dislocated world conditions. To accomplish these purposes, the nations of the Western Hemisphere should undertake the fullest measure of economic cooperation, so designed and so conducted as to serve the best interests of each nation and to bring injury to none.

Progress has already been made toward the forging of new tools to carry out certain phases of economic cooperation on an inter-American basis. The Inter-American Financial and Economic Advisory Committee, which was established last November pursuant to a resolution of the Panama Meeting, has proven
proven itself to be an efficient body for considering and working out such mechanisms. It has recently created the Inter-American Development Commission to carry out the work of planning and promoting the development of new productive facilities in the American Republics. In addition, it prepared the framework for the establishment of an Inter-American Bank to foster cooperation in the spheres of long-term development and of money and foreign exchange. The Government of the United States is taking steps to implement the Inter-American Bank Convention and urges that the Governments of the other American Republics give their cooperation so that this important institution may be placed into operation as rapidly as possible.

Useful as these organizations can be in the long run, there remains the immediately pressing situation confronting the American Republics as a result of the curtailment and changed character of important foreign markets. Fully realizing that under present disturbed conditions no nation can expect to maintain a normal economic situation, and in order to meet the emergencies which confront their nations, the Governments of the American Republics, it is believed, should give consideration to the following program of immediate cooperative action:

1. Strengthening and expansion of the activities of the Inter-American Financial and Economic Advisory Committee as an instrument for continuing consultation with respect to trade matters, including especially the situation immediately confronting the American Republics as a result of the curtailment and changed character of important foreign markets.

2. Creation of facilities for the temporary handling and orderly marketing of accumulated surpluses of those commodities which are of primary importance to the maintenance of the economic life of the American Republics, whenever such action becomes necessary.

3. Development of commodity agreements with a view to assuring equitable terms of trade for both producers and consumers of the commodities concerned.

4. Consideration of methods for improving the standard of living of the peoples of the Americas, including public health measures, nutrition studies, and suitable organisations for the relief distribution of some part of any surplus commodities.

The Government of the United States of America has already utilized its existing agencies to enter into mutually advantageous cooperative arrangements with a number of American Republics in connection with programs for the development of their national economies and by way of assistance to their central banks in monetary and foreign exchange matters.
It is now taking steps which will make possible the extension of both the volume and character of the operations of such agencies. When these steps have been completed, the Government of the United States of America will be in a position to expand its cooperative efforts with other American nations in the fields of long-term development and of monetary and exchange matters.

It will also be able to participate in immediate joint action with other nations of this Hemisphere to meet pressing trade situations which may arise before the program outlined has come into operation.

Finally, it will be enabled to enter effectively into the cooperative program as it proceeds, assisting in the temporary handling and orderly marketing of the important commodities of the Hemisphere; implementing, on its part, the commodity agreements which are developed; and carrying out other operations involving such export products.

While the proposed measures are being developed, consideration should be given to the desirability of a broader system of inter-American cooperative organization in trade matters to complement inter-American cooperative organizations in the field of long-term economic development and of money and foreign exchange.

By helping each other, by carrying out with vigor, determination and loyalty whatever decisions are reached, the American nations can build a system of economic defense that will enable each of them to safeguard itself from the dangers of economic subordination from abroad and of economic distress at home. It is no part of our thought to obstruct in any way logical and natural trade with Europe or with any other portion of the world, but rather to promote such trade with nations willing to meet us, in good faith, in a spirit of friendly and peaceful purpose, and on a plane of frank and fair dealing. Against any other kind of dealing, we naturally will protect ourselves.

II.

The solution of our economic problems alone is not enough to preserve the peace and security of this Hemisphere. There exist also other problems, which are of an altogether different character but the solution of which is of no less importance to our freedom and independence.

I refer to the threat to our security arising from activities directed from without the Hemisphere but which operate within our respective borders. A new and evil technique has been invented which seeks by devious methods to corrupt the body politic in order to subject it to alien purposes. With cynical effrontery, sanctuary within the generous citadels of free speech and freedom of assembly is demanded by agents whose masters would oblitercate those institutions and foment instead dissension, prejudice, fear, and hatred.
Make no mistake concerning the purposes of this sinister campaign. It is an attempt to acquire domination of the American Republics by foreign governments in their own interest. Already we have seen the tragic results abroad when governmental structures have been undermined and the fabric of established institutions riddled by the termites of alien propaganda.

We long ago recognized the source and extent of this infection and have already taken some steps to eradicate it. At Lima we declared that it was incompatible with the sovereignty of any American Republic that persons or groups within our countries should be controlled by any outside government for its own purposes. It is now urgently incumbent upon us to take decisive remedial action to the end that the independence and political integrity of each of the American Republics may be fully safeguarded.

To this no friendly government can legitimately object. The inter-American system carries no implication of aggression and no threat to any nation. It is based solely on a policy of self-defense, designed to preserve the independence and the integrity of each of the American nations. It implies no hegemony on the part of any member of the inter-American group; but it equally rejects the thesis of hegemony by anyone else. It resembles in no way regional policies recently pursued in other parts of the world, which pretend to invoke our inter-American system as precedent. The difference is that our sole purpose is self-defense, while these other policies seem instead to be pretenses for conquest by the sword, for military occupation and for complete economic and political domination of other free and independent peoples.

III.

There are other pressing political problems arising out of the vast changes which have taken place on the continent of Europe. The principles on which we act with respect to these problems have been forged by the American Republics through years of discussion and practice. They are applied entirely without discrimination, solely for the purpose of assuring that the security of the American Hemisphere shall not be impaired by the repercussions of warfare elsewhere.

Specifically, there is before us the problem of the status of European possessions in this Hemisphere. These geographic regions have not heretofore constituted a menace to the peace of the Americas; their administrations were established, for the most part, many generations ago and, in our time, have acted as congenial neighbors. We have no desire to absorb these possessions or to extend our sovereignty over them, or to include them in any form of sphere of influence.

We could not, however, permit these regions to become a subject of barter in the settlement of European differences, or a battleground for the adjustment of such differences.
Either situation could only be regarded as a threat to the peace and safety of this Hemisphere, as would any indication that they might be used to promote systems alien to the inter-American system. Any effort, therefore, to modify the existing status of these areas—whether by cessation, by transfer, or by any impairment whatsoever in the control heretofore exercised—would be of profound and immediate concern to all the American Republics.

It is accordingly essential that we consider a joint approach to this common problem. We must be in a position to move rapidly and without hesitation.

It has been suggested that our action take the form of the establishment of a collective trusteeship, to be exercised in the name of all of the American Republics. The Government of the United States endorses this suggestion and is prepared to cooperate, should occasion arise, in its execution.

The establishment of a collective trusteeship for any region must not carry with it any thought of the creation of a special interest by any American Republic. The purpose of a collective trusteeship must be to further the interests and security of all of the American nations, as well as the interest of the region in question. Moreover, as soon as conditions permit, the region should be restored to its original sovereign or be declared independent when able to establish and maintain stable self-government.

IV.

Seldom has a meeting of friendly nations opened in an atmosphere of more widespread misconception and more flagrant misrepresentation as to its aims and purposes than have emanated in recent weeks, from responsible and irresponsible quarters, in connection with this meeting.

We have met to consult together regarding our own pressing problems. We covet nothing anywhere in the world. We are free from the spirit of enmity toward any nation. But we cannot fail to be acutely conscious of the dangers which confront us as a result of present world conditions and against which we are taking and intend to take fully adequate measures of defense. National life itself today imposes as an absolute obligation the will to national defense, should national institutions or integrity ever be threatened. Achievement of this requires that we call out anew the endless energy, the complete spirit of sacrifice, the iron will, which characterized the pioneers, the liberators, and the defenders, to whom we owe our present freedom. Let no man say that in the world of today any nation not willing to defend itself is safe. The fortitude and resolution of our forefathers won for us our free institutions. We proudly have inherited them, and proudly are prepared to maintain them.
At the same time, while meeting the imperative needs of emergency conditions we must—and, I am certain, we will—continue our abiding faith that what is happening today is but a temporary interruption in the progress of civilization. Mankind can advance only when human freedom is secure; when the right of self-government is safeguarded; when all nations recognize each other’s right to conduct its internal affairs free from outside interference; when there exist among nations respect for the pledged word, determination to abstain from the use of armed force in pursuit of policy, and willingness to settle controversies by none but peaceful means; when international economic relations are based upon mutual benefit, equality of treatment, and fair dealing.

In 1937, in an attempt to prevent the impending catastrophe of a new war, the Government of the United States addressed a communication to all nations, reciting these basic principles of orderly international relations under the rule of law as the foundation of its foreign policy and inviting comment thereon. More than fifty nations expressed on that occasion their belief in the validity of these principles. At Montevideo, at Buenos Aires, at Lima, at Panama, the twenty-one American Republics proclaimed their acceptance.

I am confident that, sooner or later, the entire world must return to a system of international relations based on these principles. They are the only possible foundation stones of an organized society assured of enduring peace and of sustained prosperity. The price of their abandonment is the chaos of international anarchy and the inexorable impoverishment of nations and individuals, such as we witness today in Europe and in Asia.

In a system of cooperative peace such as we envisage there is no exclusion. Its underlying principles are universal in their applicability; they can be accepted by all nations to the benefit of each and all; they must be accepted by all, if the light of modern civilization is not to be extinguished. Any nation which in good faith accepts and practices them automatically shares in the vast benefits they confer.

At this time, when these principles and these ideals are being widely challenged, when institutions based on them are being crushed by force over large areas of the world, it is doubly essential that our nations keep them alive and re-dedicate themselves to the cause of their preservation.

It is in this spirit, and in this spirit alone, that the Government which I have the honor to represent approaches the tasks that are before our present meeting—in complete confidence that in this vital respect all of the American nations stand today as united as ever.
The Secretary of State yesterday sent the following instruction to Diplomatic Missions of the United States in all the other American Republics:

"It is desired that you formally notify the Government to which you are accredited that the United States has acquired the right to lease naval and air bases in Newfoundland, and in the islands of Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad, and Antigua, and in British Guiana.

"The Government of the United States has taken this step to strengthen its ability not only to defend the United States but in order the more effectively to cooperate with the other American Republics in the common defense of the hemisphere.

"The resulting facilities at these bases will, of course, be made available alike to all American republics on the fullest cooperative basis for the common defense of the hemisphere and in entire harmony with the spirit of the pronouncements made and the understandings reached at the conferences of Lima, Panama, and Habana."

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MEMORANDUM FOR THE SECRETARY.

October 28, 1940.

There have been a few comments on recent statements made by the Secretary and others in connection with the campaign.

A post card (New York State) says, "Expose Willkie's false statements from now until election, and you've got him".

A Doctor in Kentucky sends a photostat of a letter from Norman Thomas stating that while Wendell Willkie never registered as a member of the Socialist Party, he worked for it and was associated with its activities as a young man. The writer says, "It seems to me this is a good campaign argument — Willkie was a Socialist in his 20's, a Democrat in his 30's, a Republican in his 40's — the logical next step, a Dictator".

There are two expressions of disapproval in regard to shipping food and materials, through General Franco, to Spain. A Clergyman in Philadelphia writes, "I learn with pain and astonishment of a movement to assist Franco. Do all in your power to fight this plan". And from New York City a telegram, "The record of the United States in regard to Spain has been sinful from the start; now governed by a puppet of Hitler and Mussolini. Under the name of decency, we should not assist Franco, and through him, the Germans."

A number of letters speak approvingly of giving every possible aid to Great Britain, or thank the Secretary for what he has already done in that connection.