

G.F. Board of War Communications

Box 7

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By W. J. Stewart Date FEB 2 1972

COPY

THE WHITE HOUSE

*B.F.*

WASHINGTON

*Board of War Communications*

July 15, 1942.

CONFIDENTIAL

MEMORANDUM FOR THE

- Secretary of War x25
- Secretary of the Navy x18
- Secretary of Commerce x3
- Postmaster General x19

Please read enclosed memorandum from the Secretary of State, dated June 29th, and let me have your confidential opinions.

Please note the Secretary of State's suggestion of entire secrecy.

I wish also that you would consider the possibility of a worldwide communication system by radio which would be owned or controlled by no single government, but rather by a worldwide corporation owned by all governments and administered by an international board of trustees for the equal benefit of all nations.

*x136-Misc*

F.D.R.

*x20*

Original memorandum from the Secretary of State, 6/29/42, for the President, in re provision of a unified American system of world-wide communication under certain conditions, with attached papers, sent to the Secretary of War. Copies of the President's memorandum and of the enclosures sent to the Secretary of the Navy, the Secretary of Commerce and the Postmaster General.

DEPARTMENT OF STATE

THE SECRETARY

June 29, 1942

MEMORANDUM FOR THE PRESIDENT

Returned herewith is the note from the Chairman of the War Communications Board (formerly D.C.B.) quoting a resolution of that Board to provide a unified American system of world-wide communication under certain conditions.

The matter has been very carefully studied in the Department in so far as are concerned the foreign policies of the United States Government. There is an intimate relationship between the means of communication and the execution of American foreign policies. In addition, there is the fact that other governments have adopted national policies which they are applying in foreign fields in regard to their own communicating systems.

The memorandum expressing the thought of the Department is attached.

In so far as it relates to foreign policy it has my endorsement. Other branches of the Government may be directly interested in it even as regards the foreign aspects of the matter. The Secretary of Commerce has

many

many interests in the communicating system and might have in a communications policy because of the relationship between American industry and foreign markets.

The Postmaster General may have a definite interest because of mails and the similarity of telecommunication to mail in that they both carry intelligence abroad as well as being competitors of one another.

It is probable that you may care to obtain the advice of the Secretary of Commerce and of the Postmaster General, and because of the existence of the state of war and present military control over telecommunications you may desire to obtain the thought of the Secretary of War and of the Secretary of the Navy.

The approval of the Chairman of the War Communications Board is manifest from his letter.

May I add that while I endorse the formulation of a policy along the lines suggested in the resolution I have not attempted to cover the manner in which that policy should be executed, i.e., through Government ownership, Government control of a private corporation, Government control of a public corporation, Government control of a number of American corporations, Government membership on a Board of Directors, or otherwise. Those matters would seem to remain for future determination if you should approve the proposed objective.

You

You probably will care to suggest to the persons with whom you consult that the matter ought to be kept entirely secret until such time after the determination of policy as you may care to let the matter be known.

"C. H."

Enclosures:

From James Lawrence Fly,  
Chairman,  
War Communications Board,  
May 14, 1942.  
Memorandum.

[REDACTED]

American system of world-wide  
communications.

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The establishment of a unified American system for world-wide communications under such degree of Government control as to insure that it will be operated in the national interest contemplates the establishment of a national communications policy.

In considering the advisability of establishing a national policy it seems pertinent to include the post-war period along with the present, and to incorporate economic factors in connection with political ones.

Before the war each of the principal governments of the world had developed systems of international communication which controlled the instruments of communication—radio, land wires crossing their borders and cables

touching

touching their shores. Their respective control was exclusive over those instruments, transmitters, keys, the physical ends (if not the entire length) of wires and cables.

Through control of these instrumentalities each of these governments controlled the messages entering or transiting their respective jurisdictions and became intimately advised of the intelligence contained in the texts of the messages. Equally they could use these facilities for the transmission or interruption of intelligence to serve the national purpose.

England, France, Germany, Italy, Russia and Japan each in varying degree exercised control of the character indicated, and each used that control to further its own ideas of temporary or long-range policy, political, economic or military.

This condition having existed for many years before the present war, before even the First World War, and having gradually developed during a long period into a pattern of more definite and intricate design, it seems highly improbable that a different condition would develop suddenly at the close of the present hostilities. Consequently it seems we should anticipate no diminution in degree of national control over international communications but might even look for an intensification of effort

effort along that line.

Consequently, it is fairly deducible that in the future, as in the present, we will face a world in which the instrumentalities of international communication will be exclusively controlled and used to carry out commercial, industrial, political and other national policies in the special interest of the controlling power whether or not that may be in harmony with the rights, interests or policies of the United States.

This national expression of authority is not always confined to control over the instrumentalities within the jurisdiction of the single government. You will immediately recall the very definite efforts we have made since we became a belligerent to bring to an end direct radio-telegraphic communications between Berlin, Rome and Tokyo respectively with Buenos Aires and Santiago. Fortunately, those efforts now seem to be nearing fruition, but the situation serves to elucidate the point that political or commercial causes may permit a national controlled system to find contacts abroad which effectually extend the field of operations of the system to our detriment.

This national control is single. It may be and sometimes is control over several units but the control itself is single in that it is centralized in one authority

acting

acting for the government.

In the United States the situation is quite different. During the history of telecommunications, in which, incidentally, Americans have been the leaders, the instruments and systems of international communication have been developed in an entire absence of governmental control.

In consequence twelve American companies compete for international radio and cable business. There is no single controlled pool of all facilities nor any unified flexible organization available to the nation's constantly changing needs.

If cable facilities were at any time overburdened, and radio were not, a single authority could reroute excess traffic to radio or vice versa.

If a cable is severed or when atmospheric conditions cause long fadeouts in a radio channel, traffic could be easily shuttled to the other.

As the map changes under the impact of war, the necessary rearrangement of communication, the establishment of immediate radio connections after bombings, and the setting up of new direct circuits could all be more easily and effectively accomplished by a single authority.

In peace time as well as in war a single authority could operate far more effectively and could translate

into

into action our national interest. With twelve different companies establishing connections abroad each is at a disadvantage in dealing with the foreign unified systems they encounter. The typical foreign company is either administered directly by the foreign government, or is a monopoly strongly backed by the government. This single foreign interest exploits American disunity to foreign advantage in all the areas of competition. This process involves playing one American company against the other in competition for a circuit, and works to decrease the over-all American participation in world-wide communications. So long as this condition continues, American participation can never be equal to America's aggregate contribution and strength.

An important economic factor becomes necessary in the consideration. The development of the communication systems of the world has demonstrated that in the long range view the comparison, in terms of utility, between cables and radio is solved in favor of the radiotelegraph and against the cable. Compared to radio the cable is inflexible (it travels only from a given fixed point to a given fixed point), it is expensive to manufacture, to lay, to maintain and to operate. By comparison the radiotelegraph makes for flexibility and is inexpensive to manufacture and to operate.

Cables,

Cables, however, do exist and are important means of communication. They furnish needed traffic capacity, offer secrecy in transmission and because they are less susceptible to electrical interference offer a high degree of stability.

It seems appropriate to mention here that because of the cost of establishment and operation of cables the rates are necessarily high. Conversely, the rates of the radiotelegraph can be low. However, they compete one against the other, and in the effort of the cable to meet the traffic rate of the radio the economic consequences are dire and must eventually result either in a loss of profit or in a very substantial loss of business.

A unified control over radiotelegraph and cable communications would seem to offer interchangeability between the two; and elimination of the disadvantage at which individual companies work when competing against one another with a foreign national unit for extension of circuits; a fixation of rates which would preserve the cable system and conserve the physical equipment of cables for needed traffic; and would permit the further extension of our international communication system to the point it would be complete in the service of our national purpose and become an instrumentality capable of protecting and advancing the economic interests of the country and the political

political objectives of the Government.

In these considerations no allusion is intended to censorship in peace time nor is any thought directed at the communication systems and facilities of the military and naval establishments. Each of these subjects is excluded.

With them excluded, looking at the complicated situation in the world around us and ahead of us and having in mind the political, economic and social objectives of the United States, it is the conclusion that a strong, comprehensive, and unified system of world-wide communication under such degree of Government control as to insure that it will be operated in the national interest would be advantageous for the United States.

4128

THE WHITE HOUSE  
WASHINGTON

May 18, 1942.

MEMORANDUM FOR THE  
SECRETARY OF STATE: 430

What do you think?

F.D.R.

# Letter from Hon. James Lawrence Fly, Chairman, Defense Communications Board, 5/14/42, to the President, submitting resolution adopted by the Board favoring the early establishment of a unified American system for world-wide communications under such degree of Government control as to insure that it will be operated in the national interest. Asks the President to advise the Board as to his approval or disapproval of this policy.

DEFENSE COMMUNICATIONS BOARD  
WASHINGTON, D. C.

MEMBERS

JAMES LAWRENCE FLY, CHAIRMAN  
DAWSON OLMSTEAD  
JOSEPH R. REDMAN  
BRECKINRIDGE LONG  
HERBERT E. GASTON, SECRETARY

May 14, 1942

Dear Mr. President

I think the enclosed recommendation to be of substantial significance as a policy to aim at for the years ahead. We feel that an effective and comprehensive world-wide scheme of communications under American control is essential to our welfare in the days lying ahead. There should be a single coordinated system under close Government control, if not ownership; it should be comprehensive, reaching out to all shipping routes, trade areas, and to all points important from the governmental, political and cultural point of view; it should be wholly American owned; it should be virile, efficient and resourceful, avoiding wasteful duplication and intra-American competition. It should have the strength to bargain on at least equal terms and to do battle, if necessary, with the various communications monopolies in the foreign countries in order to establish ample and appropriate foreign connections under proper conditions. x3//

Government control should be adequate to bring about the accomplishment of all of these purposes. The operation ought to be a profitable one for private ownership, but it is more important that the system be thoroughly comprehensive and efficacious, and that the rates be low enough that communications will flow to and from America to the various points of the globe. If these considerations require direct Government participation then, in any event, and by whatever means, the result ought to be accomplished.

I do not ask you to endorse all I have said here, but I do think it would be a splendid idea if at this time you might feel free to say something along this line, possibly at your press conference, thus giving the general idea a public boost. We hope that one step can be taken in the none-too-distant future by combining all international carriers into one organization at the same time that the domestic properties are to be separated from the international and merged into one domestic telegraph monopoly. x14//

I think now an appropriate time for you to say a word publicly along these

The President

May 14, 1942

lines, if you endorse the idea as I very much believe you do. I shall hope to have the opportunity of talking further with you about the matter at an early date.

With all kind regards,

Sincerely yours

*James Lawrence Fly*  
James Lawrence Fly  
Chairman

x4128

Enclosure

The President  
The White House

DEFENSE COMMUNICATIONS BOARD

Washington, D.C.

May 14, 1942

Dear Mr. President

The Defense Communications Board today unanimously adopted the following resolutions:

"The Defense Communications Board favors the early establishment of a unified American system for world-wide communications under such degree of Government control as to insure that it will be operated in the national interest."

We shall much appreciate your advising the Board as to your approval or disapproval of this policy.

Very sincerely yours,

(Signed) JAMES LAWRENCE FLY

James Lawrence Fly  
Chairman

The President  
The White House

THE WHITE HOUSE  
WASHINGTON

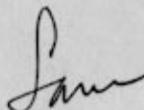
November 14, 1942

MEMORANDUM FOR

RUDOLPH FORSTER

To my utter shame and complete humiliation, I find this file in my basket, and for the life of me I cannot remember why you gave it to me.

I shall be ashamed to face you on Thursday.



SAMUEL I. ROSENMAN

x 99764

Mr. Latta says  
file "Confidential"

THE WHITE HOUSE  
WASHINGTON

July 30, 1942.

MEMORANDUM FOR

R.F.

*x161* Put all of this together with  
the proposed executive order and let  
me have it when I sign it -- or do  
whatever is necessary -- perhaps first  
a letter to Fly.

*x4128*

F.D.R.



THE SECRETARY OF COMMERCE  
WASHINGTON

*pick up -*

July 25, 1942.

Dear Mr. President:-

With reference to your memorandum of July 15th, both the Weather Bureau and the Civil Aeronautics Administration believe that the proposal for a unified American system of world-wide communication would be of tremendous assistance to this country after the war.

*x1-73  
x2955*

We must look forward to greatly expanded use of air, both as a means of travel and transport.

The safety and efficiency of American air lines operating beyond our own borders will depend upon a communication system over which we have either complete control or some degree of authority.

Sincerely yours,

*James Jones*  
Secretary of Commerce.

The President,  
The White House.

*file*

THE POSTMASTER GENERAL

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

I have studied the President's confidential memorandum of July 15, 1942, with its enclosures which discussed a proposed unified American system of world-wide communication under certain conditions. I am fully in accord with the views expressed by the Secretary of State in his memorandum on this subject.

As to the possibility of a world-wide communication system by radio to be owned and controlled by no single government, but rather by a world-wide corporation owned by all governments and administered by an international board of trustees for the equal benefit of all nations, it is my view that the first step, and the basic problem, is the unification of the American system.

Respectfully,

*Frank Owen*

Postmaster General.

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THE WHITE HOUSE

WASHINGTON

August 5, 1942.

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By Deputy Archivist of the U.S.

MEMORANDUM FOR

By W. J. Stewart Date

FEB 2 1972

CHAIRMAN FLY: x4128

FOR YOUR ~~CONFIDENTIAL~~ INFORMATION  
AND RETURN FOR OUR FILES.

F.D.R.

x141

x136-Misc.

Secret memorandum from the Secretary of the Navy, 7/25/42, for the President, stating that since the merger of cable and radio under government control by the British in 1928 and the subsequent injuries to cable business ~~g~~ growing out of radiotelegraph competition as well as the depression, there has been much study given to the question of a similar merger of American commercial communication facilities in the international field.

Recommends that the Board of War Communications be advised by the President that he is withholding approval or disapproval of the May 14 policy pending a more definitive view of post-war conditions, and that the whole question of a national communications policy be solved, if then possible, as a part of the peace treaty. The Secretary of the Navy in his memorandum refers to the President's joint memorandum

(over)

of 7/15/42 to the Secretary of War, the Secretary of the Navy, the Secretary of Commerce and the Postmaster General, in regard to this matter. Attached is mimeographed copy of memorandum from The Joint Planning Committee, The Joint Board, 6/29/42, to the Joint Board, in re Consolidation or Merger of American Communications Facilities, and attached to which is mimeographed memorandum dated 6/30/42, in re above.

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By Deputy Assistant Secretary of the U.S.

FEB 2 1943

x 25  
x 3  
x 19

MEMORANDUM FOR

By W. J. ... Date

CHAIRMAN FILE:

FOR YOUR INFORMATION  
AND RETURN FOR OUR FILES

W. J. ...

Secret memoranda from the Secretary of the Navy, 7/25/42, for the President, stating that since the merger of cable and radio under Government control by the British in 1928 and the subsequent inroads to cable business are growing out of radio-telegraph competition, as well as the question of there has been much study given to the question of a similar merger of American commercial communication facilities in the international field. It is recommended that the Board of War Communications be advised by the President that he is withdrawing approval or disapproval of the War Policy regarding a more definitive view of post-war conditions, and that the whole question of a national communication policy be solved, if then possible, as a part of the peace treaty. The Secretary of the Navy in his memorandum referring to the President's joint memorandum

(over)

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THE SECRETARY OF THE NAVY  
WASHINGTON

Date- 2-5-59

JUL 25 1942  
Signature: cld

MEMORANDUM FOR THE PRESIDENT:

Since the merger of cable and radio under government control by the British in 1928 and the subsequent injuries to cable business growing out of radiotelegraph competition as well as the depression, there has been much study given to the question of a similar merger of American commercial communication facilities in the international field.

The Navy Department has always had deep interest in this question. Telecommunications are essential to the administration of a Navy and radiocommunications are vital to naval operations. Security, reliability, and comprehensiveness of communications are the very essence of modern warfare. It is possible to state with reason that good radiocommunication is the most important weapon in the naval arsenal, that improper radiocommunication might be the fatal weakness.

The interests of the Navy have repeatedly been stated, particularly in testimony before congressional committees having legislation before them. Prior to the present war, those interests have been stated to be:

1. That the security of naval communications would be imperiled by any merger which would bring into American companies any foreign influence whatsoever.
2. That the reliability of naval communications would be imperiled by any merger which would encourage or permit management to advance, economically or technically, the progress of either cable or radio at the expense of the other.
3. That the comprehensiveness of naval communications would be imperiled by any merger that would weaken private enterprise and expansion in the field.

These considerations have always assumed (a) the continuance of private

**SECRET**

ownership, (b) reliance upon that ownership for advancement of communications systems during peace, and (c) the availability of such systems to the Armed Services in war.

The peacetime planning has, with the coming of war, proven effective for the safeguarding of the interests of the Navy. Those interests are concurred in by the Army. However, with the continuance of demands from commercial and regulatory sources for mergers in the international field, notwithstanding the existence of war, the military interests have been studied by the Army and Navy Joint Board. They are stated in the attached report and memorandum signed by Admiral King and General Marshall on July 1, 1942, approved by the Secretary of War on July 4, 1942, and by the Secretary of the Navy on July 8, 1942.

In summary, the Army and Navy joint policy concerning consolidation of American communication facilities in the international field is:

1. That the present international communication facilities are adequate to provide contemplated military communications.
2. That in view of the disturbed international situation it would be difficult, if not impossible, to write a prescription for the protection of military interests.
3. That it cannot be effectuated without disturbing military communications.

The joint policy looks toward the suspension of all legislative activity with regard to telecommunications mergers in the international field so as to maintain such communications in their present status subject only to modifications required for the prosecution of the war.

Because of the pendency of legislation which would have authorized mergers, the Board of War Communications (formerly the Defense Communications Board) gave some consideration to the general question involved. This consideration did not

Date- 2-5-59  
Signature- [Signature]

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relate to any specific merger or type of merger of facilities. The Board on May 14, 1942, adopted a resolution stating a general policy or objective favoring "the early establishment of a unified American system for world-wide communications under such degree of government control as to insure that it will be operated in the national interest." The Navy Member of the Board concurred in this expression of proposed national policy. After the adjournment of the meeting, two members of the Board remained to suggest to the Chairman that a copy be forwarded to the President, and on the same day the Chairman did forward a copy with the request that the President advise the Board of his approval or disapproval.

The President referred the matter to the Secretary of State for study. On June 29, 1942, the Secretary of State reported his endorsement of the proposal in so far as it relates to foreign policy, pointing out that there is an intimate relationship between the means of communication and the execution of American foreign policies and drawing attention to the integrations of communications and national policies in other countries. Attached to the report of the Secretary is a memorandum supporting it wherein it is said, in substance: all principal countries except the United States have unified and exclusive control over telecommunications within their borders including their termini of international circuits; they will retain and strengthen that control after the war; the control is used, and sometimes extended abroad, to advance national policies and interests; in order best to advance those interests and most effectively to use the technical advantages of different media, the control must be unified and must be correlated with the national plan; without all this, the United States is at a disadvantage "in the service of our national purpose" and in "protecting and advancing the economic interests of the country and the political objectives of the government."

Particular attention must be drawn to one common principle that underlies

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all expressions summarized above, namely, the B.W.C. policy, the Navy peacetime views, and the Joint Army and Navy Policy for war. That principle may be stated: Use of American-owned international telecommunications systems, in competition with all systems owned abroad, for the best advancement of strictly American interests,--military, economic, diplomatic, and political. It is a preliminary necessity that these classifications of American interests are integrated into one national political philosophy capable of being advanced through association with American communications systems.

The President on July 15, 1942, sent the memorandum of the Secretary of State to the Secretaries of War, the Navy, and Commerce, and to the Postmaster General for their confidential opinions. His memorandum further states: "I wish also that you would consider the possibility of a worldwide communication system by radio which would be owned or controlled by no single government, but rather by a worldwide corporation owned by all governments and administered by an international board of trustees for the equal benefit of all nations."

In concept and purpose, the President's suggestion is directly opposite to the established American philosophy as expressed in the B.W.C. expression of May 14. The President's suggestion is one of planning for a post-war world by the victorious United Nations. It gives effect to the concepts of the Atlantic Charter and the opportunities for peace, welfare, and security which that Charter holds out to defeated and victor alike.

The B.W.C. policy is entirely nationalistic and is drawn for the present world of conflicting national aims.

Only the victorious outcome of the present conflict will bring about conditions making it possible to establish the President's suggestion, and the choice of

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philosophies must await that outcome.

When victory has been achieved, the President's suggestion could be effectuated, not as a proposal for communications only, but as part of a full charter of world interest covering economic and cultural relations among the nations of the world, wherein communications would naturally assume their proper perspective and relationships.

The plan involves American relationships not only with neutrals and our allies but also with enemy governments. Therefore, the degree to which the plan can be effectuated and the manner thereof must await final outcome of the war. For identical reasons, there being no military necessity for any merger now, the question whether or not to pursue the policy expressed by the B.W.C. must be deferred until the end of the war.

It is accordingly recommended (1) that the Board of War Communications be advised by the President that he is withholding approval or disapproval of the May 14 policy pending a more definitive view of post-war conditions, and (2) that the whole question of a national communications policy be solved, if then possible, as a part of the peace treaty.

*Frank Knox*

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Date-

*2/5/59*

Signature-

*Carl L. Spicer*

*L. F.*

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

*Board of Nav  
Communications*

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RECEIVED  
THE WHITE HOUSE

JAMES LAWRENCE FLY  
CHAIRMAN

August 18, 1942

Noted, and herewith returned for the  
White House Files.

JLF

Mr. President:

You asked me to get all the correspondence on this subject.

Is there anybody special you want to refer it to, or does it just file?

Filed  
by mm. Brady  
G.  
9/16/42.

file

THE WHITE HOUSE  
WASHINGTON

August 12, 1942

MEMORANDUM -

On July 6, 1942 the President sent a joint memorandum to Chairman Fly and Under Secretary Welles asking "What about terminating all telephone communications outside this hemisphere?"

July 10, 1942, Chairman Fly replied. The President on July 13th acknowledged receipt and suggested that he take up with Board of War Communications.

Copy of letter from Secretary Welles, July 13th, acknowledging the receipt of the President's memorandum of July 6th, suggesting the possible advisability of terminating all telephone communications outside of this Hemisphere, with copy of the President's memorandum of July 16th sent to Mr. Welles re his letter of the 13th. Secretary Welles replied under date of July 24th.

M. C. L.

THE WHITE HOUSE  
WASHINGTON

August 12, 1942

MEMORANDUM -

November 14, 1941, Mr. Fly, Chairman, Defense Communications Board, sent to General Watson his memorandum of same date to the President, advising that the Board had completed a plan, which was ready for actual operations to carry the entire traffic load between the United States and Great Britain by radio in the event the cables were severed, which he states the President approved.

On April 7, 1942, in a memorandum to the President, he refers to his memorandum of November 14th, concerning the long range policy to develop a thorough-going American scheme of international radio communications whereby American commercial radio traffic might flow directly to various points in the world without funneling through Great Britain, and advised that the Board and Commission with the cooperation of the Department of State had made considerable progress in that direction. A file card indicates that on May 14th Chairman Fly, Defense Communications Board, wrote to the President, submitting resolution adopted by the Board favoring the early establishment of a unified American system for world wide communications under such degree of Government control as to insure that it will be operated in the National interest.

The files indicate that on July 15, 1942, the President sent a joint memorandum to the Secretary of War, the Secretary of the Navy, the Secretary of Commerce and the Postmaster General, enclosing a memorandum from the Secretary of State, dated June 29, 1942, which dealt with the subject of a unified American system for world wide communication. ~~(The carbon of the joint memorandum to the four Cabinet Officers is charged out to Miss Tully on July 29th).~~

Attached is a letter, dated August 5th, from the Secretary of War, in response to this memorandum of July 15th, commenting on July 15, 1942. On August 5th the President sent the Secretary of the Navy's secret memorandum on the subject, dated July 25th, to Chairman Fly for his confidential information and return for our files.

In a memorandum from Chairman Fly, dated August 7th, he states that he has noted the President's suggestion of a world wide communication system controlled by a corporation owned by all governments and administered for the equal benefit of all Nations.

M. C. L.

THE JOINT BOARD  
Joint Planning Committee  
Washington

J.B. No. 319-1  
(Serial 750)

June 29, 1942.

From: The Joint Planning Committee.  
To: The Joint Board.  
Subject: Consolidation or Merger of American  
Communications Facilities.  
Enclosure: (A) Proposed report of The Joint  
Board on Consolidation or Merger  
of American Communications Facilities.  
(B) Memorandum in support of proposed  
report of The Joint Board.

The Joint Planning Committee submits  
herewith and recommends approval of the report (En-  
closure (A)) on consolidation or merger of American  
Communications facilities.

(Sgd) T. T. Handy  
T. T. HANDY,  
Brig. Gen., U.S. Army.

(Sgd) C. H. Cooke  
C. H. COOKE, JR.  
Rear Admiral, U.S. Navy.

APPROVED FOR THE JOINT BOARD  
July 1, 1942.

(Sgd) E. J. King  
E. J. KING,  
Admiral, U.S. Navy.

(Sgd) G. C. Marshall  
G. C. MARSHALL  
General, U.S. Army.

MEMORANDUM FOR RECORD: July 8, 1942.

This report was approved by the Secretary of  
War on July 4, 1942 and by the Secretary of the Navy  
on July 8, 1942.

/s/ W.B. Smith  
Secretary.

J.B. No. 319-1  
(Serial 750)

June 30, 1942

To: The Secretary of War  
The Secretary of the Navy

Subject: Consolidation or Merger of American  
Communications Facilities.

- Reference: (a) Letter from the Secretary of the Navy, (SC)A3-1(7), Serial 0245820, dated May 26, 1942.
- (b) Joint Board No. 319 (Serial No. 516) of July 13, 1933, Joint Effectiveness of Army and Navy Communications Systems.
  - (c) Joint Board No. 319 (Serial No. 522) of January 19, 1934, American Commercial Systems in their relation to the National Defense.
  - (d) S. 2445, 77th Congress, 2nd Session, a Bill to amend the Communications Act of 1934, as amended, to permit consolidations or mergers of telegraph operations, and for other purposes.
  - (e) S. 2598, 77th Congress, 2nd Session, a Bill to amend the Communications Act of 1934, as amended, to permit consolidations and mergers of domestic telegraph carriers, and for other purposes, introduced June 16, 1942.
  - (f) Report No. 1490, 77th Congress, 2nd Session, from the Committee on Interstate Commerce, United States Senate, dated June 16, 1942, "Telegraph Merger Act of 1942", to accompany S. 2598.

1. In references (b) and (c) the Joint Board established the policies of the War and Navy Departments with reference to the American commercial communication systems in their relation to the National Defense, including the policy with reference to the consolidation or mergers of these systems. Paragraph 2 (m) of reference (c) stated:

"(m) In case of a proposed merger of communication companies, the Army and Navy should reserve judgment on such merger until they have had an opportunity to study the effect of such merger on national defense."

2. Representatives of the War and Navy Departments have testified in connection with hearings on reference (d) that the policies of the Army and the Navy are not in opposition to proposals for

merger of telegraph systems in the domestic field.

3. The Secretary of the Navy in reference (a) stated to the Joint Board that a merger of international communications might affect the adequacy, security, and efficiency of military communications during war and might be found to be in conflict with present Joint Policy of the War and Navy Departments. In view of this, the existence of war, and the fact that legislation then pending in Congress, reference (d), would authorize consolidation or merger of international communications which might have serious effect upon the war effort; the Secretary of the Navy submitted this matter to the Joint Board for study to the end that a clearly defined Army and Navy Joint Policy be established in the light of present circumstances.

4. At the time the Secretary of the Navy submitted these matters to the Joint Board, the legislation then pending was S. 2445, reference (d), which proposed to authorize the approval of telecommunications mergers in both the domestic and international fields.

5. Thereafter, the Committee on Interstate Commerce of the United States Senate, upon consideration of the subject matter, proposed a substitute bill, S. 2598, reference (e), which substitute bill does not contain proposals for the authorization of mergers or consolidations in the international field but is restricted to such authorization in the domestic field.

6. In the report of the Committee, reference (f), the reasons for this change are stated:

"A number of reasons dictated this change. Chief of these was the objection of the Navy Department, which is principally concerned with international communications, to legislative authorization for mergers or consolidations of American international telegraph carriers at this time, while the Nation is at war. While the committee is satisfied that international carriers would not, in any event, have been able at this time to take advantage of permissive merger privileges, it agreed with high Navy Department officials that the question of international mergers or consolidations might better be re-examined after the war, and a legislative decision be based on the facts at that time."

7. In view of reference (a) and the possibility of the recurrence of suggestions for approval of mergers or consolidations of international telecommunications, the Joint Board recommends the following considerations as governing the solution of

J.B. NO. 319-1  
(Serial 750)

the problem of consolidations or mergers of American communications facilities in the international field:

- (a) It is of first importance to the Army and Navy that international telecommunication facilities be comprehensive, secure, and entirely under American control, and that they shall have attained the highest technical utility which ingenuity can achieve within the limitations of the art.
- (b) It is of vital interest that nothing be done which may disturb world-wide communications in the international field. The consolidation or merger of international telecommunication systems might expose these facilities to such possibility, and elaborate precautions would be necessary to guard against this possibility.
- (c) There is no present military or naval need for consolidation or merger of telecommunications in the international field. All arrangements for international communication circuits which are found necessary for war needs are being accomplished under military procedures.
- (d) At a later time, further studies will be required bearing upon a world-wide integrated system, having in mind the effect upon the national defense and upon various applicable communication, diplomatic, commercial, and financial requirements.
- (e) However, in view of the foregoing and in view of the many precautions which would be required from the military standpoint and the elaborate administrative studies which would now be required, there should be no consolidation or merger of telecommunications in the international field at this time.
- (f) Any permissive legislation authorizing merger or consolidation of telecommunications in the international field would at this time likewise require elaborate precautions and studies. Time cannot be spared by those in the Army and Navy who must devote their attention to vital military problems in furtherance of the war effort. Accordingly, no such permissive legislation should now be enacted.

8. In view of the foregoing, the Joint Board adopts the following policies as a guide to the Army and Navy on the subject of consolidations or mergers of American communications facilities in the international field:

J.B. No. 319-1  
(Serial 750)

- (a) The policies set forth in reference (c) have been re-examined and the Joint Board adheres to them, particularly paragraph 2(m), which states: "In case of a proposed merger of communications companies, the Army and Navy should reserve judgment on such merger until they have had an opportunity to study the effect of such merger on national defense."
- (b) Legislation authorizing consolidations or mergers of American communications facilities in the international field should not be enacted at the present time unless military and naval demands so require.
- (c) If enacted, permissive legislation on the subject of consolidations or mergers of American communications facilities in the international field should provide that no specific proposed merger shall be effectuated unless, after study, the War and Navy Departments shall find that such proposed merger does not adversely affect the national defense.

(Sgd) E.J. King

E. J. KING,  
Admiral, U. S. Navy

(Sgd) G. C. Marshall

G. C. MARSHALL  
General, U. S. Army

MEMORANDUM IN SUPPORT OF PROPOSED  
REPORT OF THE JOINT BOARD ON CONSOLIDATION  
OR MERGER OF AMERICAN COMMUNICATIONS FACILITIES

-- -- --

1. The Secretary of the Navy referred to the Joint Board, for study in view of the then-pendency of S. 2445 (which would have authorized both domestic and international telecommunications mergers), the question of the policy of the Army and Navy as regards possible international mergers at this time. It was generally agreed that domestic merger was desirable.

2. Since the foregoing reference, the Senate Committee on Interstate Commerce has published its report on the Bill. The Committee states that it had not expected, in any event, that there would be any international merger until after the war; it now feels that there is no point to legislating for any such merger until post-war conditions are known.

3. Accordingly, the Committee withdrew that part of the legislation which relates to international mergers and proposed a substitute bill (S. 2598) restricted to domestic mergers. This bill appears unobjectionable to the Army and Navy.

4. While this action of the Committee has altered the immediacy of the problem, it nevertheless appears that the pressure for at least permissive legislation in the international field may persist. It is necessary that some disposition of this problem be made which will relieve the personnel of the Army and Navy from the necessity of constant touch with the legislative problem and constant studies of the basic questions, a day to day administrative problem which has become extremely onerous.

5. If the Joint Board is required to come to a final opinion on the whole question of international mergers, or if the Army and Navy personnel must continue their studies, the following investigations must be continued or instituted in order that the policy of the Joint Board may be definitive or the information of the personnel may be complete and current:

(a) Military traffic and circuit problems which may grow out of operation under the merger, through

1. The rearrangement of circuits, discontinuance of parallel circuits, establishment of new circuits.

2. The relocation, transfer and release of trained personnel and the relocation and use of critical materiel.

(b) What negotiations will be necessary with the governments and companies of foreign countries, both allied and neutral, for adjustment of traffic agreements, landing licenses, and their own international communications termini, to take advantage of the proposed merger.

(c) The current financial and economic status of the affected companies, because:

1. Figures heretofore published are now inapplicable due to complete changes since the war commenced.

2. It is necessary to determine whether or not the merger will be susceptible to partial breakdown if necessary because of the terms of the peace.

3. It is necessary that the Army and Navy be fully advised as to the possibility of overemphasis, out of capital or income considerations, of radio or cable service in the merged operation.

4. The merger is proposed principally to save the cable companies from insolvency and thus prevent government subsidy or ownership; there may be reason to expect that due to the war, with the closing of some circuits and increased traffic on those remaining, this problem no longer exists. It is also necessary, in this connection, to determine what causes, in addition to competition, may have been responsible for the imminent collapse of the cable structure prior to the declaration of war.

5. It is necessary to determine the extent to which the air mail and the transoceanic telephone may be competitors of the merged system so as to endanger it and thus require still further mergers on the same theory.

(d) It being necessary, contemporaneously with the execution of the merger, to establish government controls adequate to safeguard the public interest; what are the Army and Navy formulae as to the manner in which their interests are to have regulatory protection?

6. For the performance of these studies, several procedures are necessary:

(a) The establishment by the Joint Board of committees to study the various groups of problems.

(b) The assignment of personnel to these committees.

(c) The preparation of reports to the Joint Board from these committees and action by the Joint Board upon these reports.

(d) The organization of a staff to work with the civilian regulatory body in testing the applications for merger and the examination of the various company proposals.

(e) The participation by the Army and Navy in the actual hearings upon the merger applications to be decided by the civilian regulatory authority.

7. The considerations above suggested are indicative rather than inclusive. This drain upon the time and energies of the Army and Navy personnel should not be required unless justifiable from the standpoint of winning the war. From no quarter has it been suggested that complete or even partial mergers in the international field are necessary for the winning of the war. Generally, the considerations urged are more particularly applicable to peacetime conditions. In fact, all rearrangements of traffic and circuits necessary for the war effort are being accomplished through ordinary military procedures.

8. The proposed action of the Joint Board looks toward the suspension of all legislative activity with regard to telecommunications mergers in the international field. This would maintain such communications in their present status subject only to modifications required for the prosecution of the war.

JAMES LAWRENCE FLY, CHAIRMAN  
PAUL A. WALKER  
NORMAN S. CASE  
GEORGE HENRY PAYNE  
T. A. M. CRAVEN  
RAY C. WAKEFIELD  
C. J. DURR

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D. C.

T. J. BLOWIE, SECRETARY

August 7, 1942

*Get the rest  
of this correspondence*

MEMORANDUM TO THE PRESIDENT

RE: MERGER OF INTERNATIONAL COMMUNICATIONS

I have noted your suggestion of a worldwide communica- x 859  
tion system controlled by a corporation owned by all governments and  
administered for the equal benefit of all nations. It seems clear  
that the unification of our own international communications carriers  
is an absolutely essential preliminary if that goal is to be achieved  
and at the same time a sine qua non to the protection of our national  
interests in any event.

1. An American merger is a necessary preliminary to a  
world system of communications in the post-war era. The establish-  
ment of a world system of communications under unified control can-  
not be successfully sponsored by the United States unless this  
country first achieves a unified international communication system  
of its own. Strong American support and active American leadership  
will be required. But with its present puny, divided, and dependent  
over-seas communications companies engaged in mutually  
destructive competition, this country will not have the

FOR DEFENSE



BUY  
UNITED  
STATES  
SAVINGS  
BONDS  
AND STAMPS

The President

August 7, 1942

means for support nor the resources and prestige to lead the way. We must first set our own house in order by combining the present twelve separate and ineffectual companies into a single, strong company, so that we will carry weight in the field of international communications, and so that our proposals will get recognition and consideration by other countries commensurate with our importance in world affairs.

A unification in this country, moreover, like that already accomplished in other countries, is essential before the organization of a system embracing all countries would be feasible. .

2. Consideration of this proposal cannot be postponed until the end of the war. This is clear, because a unified and powerful American system of international communications must be established before the war ends, and must be in substantial operation at the time of peace treaty. Otherwise we will be in no position to sponsor a single world communications system.

It will take time to work out the business details involved in a unification of the American companies; probably it will take some time merely to enact the legislation necessary to authorize such a unification. We cannot afford to be embroiled in these matters at the time of the peace treaty and for a year or more thereafter.

At the very time of negotiation of a peace treaty is the

The President

August 7, 1942

very time when our own international communications will be most vital to us. A widespread and free flow of communications is, in a measure, basic to the four freedoms themselves.

As the Secretary of State pointed out in his memorandum to you of June 29, 1942, the close of the present hostilities will probably witness an intensification of each nation's efforts to control and expand its own international communications. We will be utterly unable to combat this tendency unless we ourselves are among the strong in the international communications field by that time. Indeed, we can establish circuits now which may not be possible in peace time.

Finally, a prompt unification of our international communications companies will assist in bringing the war to a successful conclusion. I am not speaking of purely military and naval requirements. The sum total of the nation's effectiveness in war cannot be gauged by these criteria alone. Diplomatic and commercial considerations are important in time of war as in peace. The national benefits which we may expect from a unification of our own international companies were developed in the Secretary of State's memorandum to you, referred to above. At present, the powerful, government-backed monopolies abroad play the separate American companies off, one against the other, to the very great detriment of our national interest. With appropriate government control and backing, unification will tend to

The President

August 7, 1942

preserve our cables from destruction by competition from radio; to integrate our facilities and the routing of our traffic in the interests of efficiency and flexibility; to maintain a rational and fair rate structure; and to expedite the establishment of new channels of communication to meet the shifting demands of the times. A unified system could accommodate our total communications resources, quickly and flexibly, to the changing requirements of the war effort, unimpeded by the conflicting interests of the separate companies. At the same time we should be left with a respectable system come what may on the larger objective.

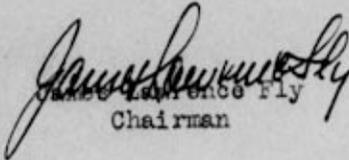
We can frame the necessary provision so that no impediment is placed against the next forward step. I am sure that the civilian regulatory authorities can do the spade work and can relieve the military and naval establishments of the detailed supervision of the business end of such a unification, giving full and adequate consideration to the needs of the military and naval establishments as expressed by them. We shall fully undertake to do this work. The sands of time are running and we ought to get moving.

With the companies in unanimous agreement we are in a position to take two significant steps; 1. Encourage legislation to permit, but not require, the merger; 2. That accomplished, get the business end of the consolidation agreed upon.

The President

August 7, 1942

Under the foregoing safeguards, may I have authority to  
note your approval of these steps?

  
James Lawrence Fly  
Chairman x1059

~~SECRET~~

SECRET

BY AUTHORITY OF THE  
CHIEF SIGNAL OFFICER  
INITIALS DATE

*Jed* 8/3/42

WAR DEPARTMENT

From WASHINGTON Field Library

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DOB 5800.9 (9/27/88) AUG 5 1942

The President,  
The White House.

Date- 2-5-59

Signature- *PLS*

Dear Mr. President:

*x20*

The memorandum from the Secretary of State, dated June 29, which you referred to me on July 15, 1942 and which dealt with the subject of a unified American system for world-wide communication, has been carefully studied in the War Department insofar as military considerations are concerned.

I am in full agreement with the comments contained in the memorandum transmitted by Mr. Hull. World-wide military operations require a strong comprehensive international communications system under complete national control and direction, one capable of providing means for the rapid and secure transmission of military intelligence and orders throughout the world and a nucleus for military communications expansion in local theatres whenever required.

As pointed out in the State Department memorandum, there are many factors involved in the development of a satisfactory unified system; including questions of the protection of free enterprise, extent and means of Government control, and the character of relationships with governments controlling the foreign terminals of such a unified system.

I am in complete accord with the opinion of the Secretary of State that this matter should be treated with entire secrecy and carefully considered from all angles before any definite policy is announced. In a recent joint action the War and Navy Departments recognized these points in agreeing to withhold any comment or judgment whatever on propositions looking toward a merger of American communications facilities in the international field pending a thorough study of all aspects of the proposals.

In considering the possibility of a world-wide communications system owned by all governments and operated by an international board of trustees for the equal benefit of all nations, it is assumed the President's suggestion is one for long range planning in a post-war world controlled by the United Nations and including in its scope the present enemy nations. Such a system would greatly benefit the peoples

*x141*  
*x136-Misc*  
*x G. F. War*

~~SECRET~~

~~SECRET~~

of all nations, would assist in the perpetuation of peace, promote mutual understanding between nations, discourage selfish national motives, assist all nations in the development of world commerce, and serve as a secure communications network for the post-war world peace enforcement unit. Authority for its establishment would have to be included in the terms of the Peace.

It is recommended:

1. That all effort to amend Senate Bill Number 2598 to include the highly controversial question of permitting mergers of American communications facilities in the international field, be discontinued. This Bill provides for the merger of domestic telegraph carriers only and its early passage is of military urgency.

2. That in view of the all-important international political, social and economic aspects of any unification of international communication systems, the Secretary of State coordinate studies looking toward the early establishment of a national policy in this connection.

Respectfully yours,

*RL P. Pott*  
acting Secretary of War. x25

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DOD DIR. 5200.9 (9/27/88)

Date- 2/5/59

Signature-

*Carl F. Spicer*

~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

*Confidential*

*L. F.*  
*Board of War Communications*

June 1, 1943

My dear Chairman Fly:

I am writing concerning your proposal of March 29 to establish a committee which would study the international communications problem, including the desirability of a merger of American-owned international communications facilities.

x 859

Under arrangements approved by me, numerous matters of international post-war negotiations are being channeled through the Department of State. The Secretary of State is constituting an interdepartmental committee for the purpose of submitting through him to the President recommendations as to the policies and measures which should be adopted by this Government with respect to such matters.

The committee structure which the Secretary of State has instituted affords an excellent pattern for dealing with the international communications problem, and the Secretary has put in motion steps looking toward the early establishment of a committee for the purpose of dealing with that problem. This method will, it seems to me, not only accomplish the objectives which you had in mind but also afford the additional advantage of intimate identification with the department concerned with foreign affairs.

Sincerely yours,

FRANKLIN D. ROOSEVELT

x 141  
x 136 Mic

Hon. James Lawrence Fly, x 4128  
Chairman,  
Board of War Communications

*Copy of this letter sent to Beedger, 6/2/43*  
*hm*

*62*

THE WHITE HOUSE  
WASHINGTON

June 1, 1943

My dear Mr. Secretary:

I am writing concerning your proposal submitted jointly with the Secretary of War April 12 with respect to the establishment of a National Communications Board. I feel that the War and Navy Departments should be assisted and facilitated in every way with respect to military communications. Civilian agencies of the Government should exert every effort to that end. Non-military communications should, on the other hand, be entrusted to civilian agencies except as urgent military necessity imperatively requires otherwise. x

Since the proposal which you transmitted to me would project the War and Navy Departments materially farther into civilian communications than would be permitted under the above criteria, I would be reluctant to create a National Communications Board of the character proposed.

Arrangements are being made to deal with one of the functions which would have been performed by the proposed Board, namely, the study of the international communications problem, including the desirability of a merger of American-owned international communications facilities. Numerous matters of international post-war negotiations are being channeled, with my approval, through the Department of State. The Secretary of State is constituting a number of interdepartmental committees for the purpose of submitting through him to the President recommendations as to the policies and measures which should be adopted by this Government with respect to such matters. The Secretary contemplates the immediate establishment of such a committee for the purpose of studying the international communications problem. x285-6

Sincerely yours,

FRANKLIN D. ROOSEVELT x4351

The Honorable,

The Secretary of the Navy x18

*Copy of this letter sent to Budget 6/2/43  
Lm*

*lv*

THE WHITE HOUSE  
WASHINGTON

June 1, 1943

My dear Mr. Secretary:

I am writing concerning your proposal submitted jointly with the Secretary of the Navy April 12 with respect to the establishment of a National Communications Board. I feel that the War and Navy Departments should be assisted and facilitated in every way with respect to military communications. Civilian agencies of the Government should exert every effort to that end. Non-military communications should, on the other hand, be entrusted to civilian agencies except as urgent military necessity imperatively requires otherwise.

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Sincerely yours,

FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of War

x 25

*Copy of this letter sent to Budget, 6/2/43  
hew*

WR

THE WHITE HOUSE  
WASHINGTON

June 1, 1943

My dear Mr. Secretary:

I am sending you herewith copy of a letter which I have written to Chairman Fly of the Board of War Communications today, relative to the proposed study of the international communications problem. The statements as to the proposed committee are based upon conversation between representatives of the Bureau of the Budget and Assistant Secretary Berle.

Sincerely yours,

FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of State

x20

Enclosure

*Copy of this letter sent to Budget 6/2/43  
hm*

*hm*

~~Mr. Miller:~~

noted  
F. Miller

~~Mr. Forster asked  
me to send this to you  
for your information.~~

Filed by Mr. Miller <sup>hm</sup> 6-3-43. E.B.

MHM

R. F. says he thinks you should see this, if you have not already, since it is your baby.

(Before the letters are mailed, they should be dated June 1, 1943.)

TOI

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON, D. C.

MAY 31 1943

MEMORANDUM FOR THE PRESIDENT

Subject: Study of International Communications

Attached are two somewhat interrelated proposals concerning communications. The first is the proposal transmitted to you March 29 on behalf of the Board of War Communications by Chairman Fly whereby a committee would be constituted to study the international communications problem, including the desirability of a merger of American-owned international communications facilities, such committee to be made up of representatives of State, War, Navy, Treasury, Commerce, and Post Office Departments and the Federal Communications Commission.

It seems fairly clear that need exists for inaugurating a study of the international communications problem. In so doing it is particularly necessary to arrange matters in such manner as to reduce to the minimum the adverse effect of interagency friction in connection with the study. Any committee should be established on neutral ground if possible. Fortunately, the framework of committees which the Secretary of State is constituting for dealing with numerous international post-war problems affords a satisfactory method of dealing with the communications matter. Accordingly, I recommend Chairman Fly be advised that this problem should be handled by a committee which the Secretary of State is about to establish for that purpose.

The other proposal was transmitted to you jointly by the Secretaries of War and the Navy April 12. Under this proposal, a National Communications Board would be created, consisting of the Secretaries of War, Navy, and State, as recommended by the Joint United States Communications Board and approved by the Joint Board. The proposed Board would assume all of the functions of the Board of War Communications, including the allocation of non-military radio and wire facilities; perform the study of the international communications referred to above; and exercise superior authority over the Federal Communications Commission in that it could suspend rules and regulations of the Commission. The Board of War Communications would be converted into an executive committee of the National Communications Board.

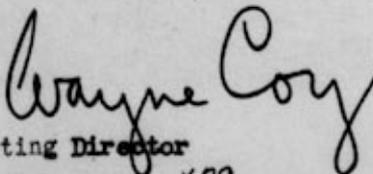
*A signature*

The case made in support of the creation of the National Communications Board is not impressive. Main reliance is based upon points such as these: (a) the subject is primarily military rather than civilian in nature, (b) the Board of War Communications became "an operating agency exercising executive authority directly and substantially relating to the conduct of the war," rather than a planning agency, when the President's wartime communication powers were delegated to it, and (c) control by officers of cabinet rank is essential.

The proposal with respect to the National Communications Board goes altogether too far, in my view, in the direction of military control of non-military communications. The necessity for such control is not established by concrete facts or illustrations. While the Secretary of State expressed sympathetic accord with the objectives sought, he declined, as I understand a letter he wrote to the Secretary of the Navy, to endorse the proposal.

I recommend that the second proposal be not approved. This proposal was not submitted in form for your signature; the draft of Executive order is contained in the attached mimeographed document. For this reason, and since my recommendation is adverse, I have not submitted this matter to the Attorney General.

I attach suggested drafts of letters to Chairman Fly and the Secretaries of the War and the Navy, which would dispose of the two proposals as recommended above. I attach also suggested draft of letter to the Secretary of State, transmitting to him copy of your letter to Chairman Fly.

  
Acting Director  
x79

Enclosures (6)

*F. C. C. folder*

THE WHITE HOUSE  
WASHINGTON

April 13, 1943

~~SECRET~~

PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR: Director of the Budget.

Attached is the complete file in the communications matter which we discussed on the telephone yesterday.

You will note that there has been no acknowledgment to the communication from the Secretaries of War and Navy, nor do I think any is necessary until final decision is reached.

Please note that there are several confidential memoranda in the second half of this file and I trust that you will not let that get in circulation, even in your own department.

I told the President that I was passing this over to you and he said that he hoped that we could get it worked out very expeditiously.

M. H. McINTYRE  
Secretary to the President

Letter dated April 12, 1943 signed by the Secretaries of War and Navy re Joint U. S. Communications Board.

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By Deputy Archivist of the U.S.

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W. J. Stewart Dept.

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WAR DEPARTMENT  
WASHINGTON

April 12, 1943.

Dear Mr. President:

On March 25, 1943, the Secretary of War and Secretary of the Navy transmitted to the Secretary of State a report prepared by the Joint U. S. Communications Board and approved by the Joint Board, dealing with the subject of wartime control of communications.

Among other conclusions stated in this report, were the following:

"It has been necessary and will continue to be necessary in the interests of the national security and defense and for the successful prosecution of the war that the government of the United States take over, operate and have the use or possession of certain radio and wire communication facilities within the jurisdiction of the United States, and to inspect, supervise, control and close certain of such facilities, which functions are now being performed by the Board of War Communications or pursuant to its direction.

"A problem as great or greater than that relating to present uses of and requirements for communication facilities is that of future needs and requirements. To the end that proper provision may be made both for the effective prosecution of the war and for the post-war period, it has now become necessary that adequate consideration be given to the future, as well as to the present, communication needs of the nation and to the determination and preparation of plans for the most effective use of all radio, wire and cable communication facilities within the jurisdiction of the United States, taking into account the relative needs and requirements of the armed forces, of other government agencies, and of industry.

"It appears desirable to combine in a suitably constituted single agency both the long-time function of formulating plans for the ultimate development of domestic and international communications and the present wartime functions of the Board of War Communications so as to insure the proper coordination and correlation of present uses and future requirements."

The President,  
The White House,  
Washington, D. C.

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REF. ACQUISITION  
5200.0 (9/27/58)

Date- 2-5-59  
Signature- [Handwritten Signature]

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~~SECRET~~

Date- 2-5-57

Signature- *CLB*

In the letter of transmittal to the Secretary of State, it was stated that this report had been approved by the Secretary of War and Secretary of the Navy as a basis for consultation between the State, War and Navy Departments to the end of developing and establishing an organization and mode of functioning for a competent communications group which would exercise the executive and planning powers dealt with in the report.

On April 5, 1943, the Secretary of State addressed a communication to the Secretary of War and Secretary of the Navy relative to the subject, in which sympathetic accord was stated with any proposal which would achieve the objectives of the report, which were stated by the Secretary of State to be:

"(1) To provide for the necessary telecommunication facilities for the prosecution of the war;

"(2) To plan for the most effective national and international use of our nonmilitary radio, wire, and communication facilities under the jurisdiction of the United States; and

"(3) To take such action as may be directed by the President for the execution of such plans."

Subsequent to the original communication from the Secretary of War and Secretary of the Navy to the Secretary of State but prior to the response of the Secretary of State with respect thereto, namely, on March 29, 1943, there came to your hand a letter from the Chairman of the Board of War Communications which deals with some, but by no means all, of these problems. Specifically, this communication deals only with the appointment of a committee to investigate and report on the problems relating to the merger or consolidation of American telegraph carriers operating in the international field.

We desire to request that, in connection with your consideration of this matter and before any action is taken, consideration also be given to the other problems dealt with and the reorganization proposals made in the above-mentioned report submitted to the Secretary of State. The proposals

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made in both documents are believed to be wholly consistent and complementary rather than mutually exclusive; moreover, it is believed that consideration of either without reference to the other would not furnish an adequate basis for the desired action with respect to the subject matter. The importance of the action to be taken in this field, both executive and planning, would appear to make necessary the participation of officers of Cabinet rank.

For your further information, there is enclosed herewith the report of the Joint Board as transmitted by the Secretary of War and Secretary of the Navy to the Secretary of State under date of March 25, 1943, and copy of the response from the Secretary of State dated April 5, 1943.

Yours respectfully,

*Henry H. Stimson*

Secretary of War

*Frank Knox*

Secretary of the Navy.

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DOD DIR. 5200.9 (9/27/59)

Date-

2/5/59

Signature-

*Carl L. Spicer*

~~SECRET~~

WAR DEPARTMENT  
WASHINGTON

~~SECRET~~

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March 25, 1943

DOD DIR. 5200.9 (9/27/58)

The Honorable  
Cordell Hull  
Secretary of State  
Washington, D. C.

Date- 2/5/59

COPY

My dear Mr. Secretary

Signature- *Paul L. Spicer*

There is enclosed herewith a report of the Joint Board on the subject of wartime control of communications, which has been approved by us as a basis for consultation between the State, War and Navy Departments to the end of developing and establishing an organization and mode of functioning for a competent communications policy planning group, which can command the respect of the Congress, the military services, the public and the commercial communications organizations.

The enclosed report was prepared pursuant to a request submitted to the Joint Board by the Secretary of the Navy on September 14, 1942. It is the result of a thorough and comprehensive study of the subject by a committee, consisting of representatives of the War and Navy Departments, appointed by the Joint U. S. Communications Board; of a careful consideration by the Joint U. S. Communications Board of the report submitted by the committee so appointed; and of further consideration by the Joint Board. A proposed Executive Order which would implement the determinations and conclusions stated in the report is attached thereto as Annex "A".

Among other conclusions stated by the Joint Board are the following:

It has been necessary and will continue to be necessary in the interests of the national security and defense and for the successful prosecution of the war that the government of the United States take over, operate and have the use or possession of certain radio and wire communication facilities within the jurisdiction of the United States, and to inspect, supervise, control and close certain of such facilities, which functions are now being performed by the Board of War Communications or pursuant to its direction.

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A problem as great or greater than that relating to present uses of and requirements for communication facilities is that of future needs and requirements. To the end that proper provision may be made both for the effective prosecution of the war and for the post-war period, it has now become necessary that adequate consideration be given to the future, as well as to the present, communication needs of the nation and to the determination and preparation of plans for the most effective use of all radio, wire and cable communication facilities within the jurisdiction of the United States, taking into account the relative needs and requirements of the armed forces, of other government agencies, and of industry.

It appears desirable to combine in a suitably constituted single agency both the long-time function of formulating plans for the ultimate development of domestic and international communications and the present wartime functions of the Board of War Communications so as to insure the proper coordination and correlation of present uses and future requirements.

The Joint Board further concluded that, in view of the nature and the great public importance of the questions presented, such a "suitably constituted single agency" should consist of the executive heads of the State, War and Navy Departments.

It is believed that the subject merits prompt and sympathetic consideration by the State, War and Navy Departments due to the urgency of certain problems presented, such as those relating to the merger or consolidation of American telegraph communication facilities in the international field.

If you agree in principle with our conclusions, it is respectfully requested that representatives of the State Department be designated to meet with the committee of the Joint U. S. Communications Board which made the initial report on this subject, to the end that the views of the three departments with respect to the subject may be determined and correlated.

Very truly yours,

(s) HENRY L. STIMSON

Secretary of War.

(s) FRANK KNOX

Secretary of the Navy.

~~SECRET~~

Date- 2-5-59

Signature- Cold

DEPARTMENT OF STATE  
WASHINGTON

COPY

~~CONFIDENTIAL~~

April 5, 1943

~~STRICTLY CONFIDENTIAL~~

My dear Mr. Secretary:

I have received your communication of March 25, 1943 signed jointly by the Secretary of War which enclosed a report from the Joint U. S. Communications Board on the subject of war-time control of communications which has been approved by you and the Secretary of War as a basis for consultation between the State, War and Navy Departments to the end of developing and establishing an organization and mode of functioning for a competent communications policy planning group. I have given careful consideration to your letter and to the subject matter of the report by the Joint U. S. Communications Board enclosed therewith and I am inclined to be in sympathetic accord with any proposal which would achieve the objectives which you mention, which are:

- (1) To provide for the necessary telecommunication facilities for the prosecution of the war;
- (2) To plan for the most effective national and international use of our nonmilitary radio, wire, and communication facilities under the jurisdiction of the United States; and
- (3) To take such action as may be directed by the President for the execution of such plans.

While I am in accord with the general objectives, I have recently, as you know, committed my Department to a proposal which took the form of a letter from the Chairman

of the

The Honorable  
Frank Knox,  
Secretary of the Navy.

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State Dept. Letter, 1-11-72

By J. Schauble Date FEB 2 1972

of the Board of War Communications to the President which, after relating some of the reasons for taking a position, recommended to the President that he do appoint a committee to study the situation which confronts the United States and with which we are all somewhat familiar, which committee would be different in membership from the present War Communications Board and which would have referred to it a large part of the problem which is presented in your letter and enclosures under reference, and after examination would report to the President a procedure for carrying out a plan which those Departments of the Government interested and responsible for this matter and the public interest which might be translated into definite policy in the form of a definite finding, subject of course to the approval of the President.

In addition to the letter which was addressed to the President by the Chairman of the Board of War Communications and which had my concurrence, I have come in the possession of information which indicates that the private communicating corporations through their principal officers are engaged in conversations looking to a combination or pooling or merger of the activities of those various companies in the international field.

All these three things are correlated. They indicate a wide interest in the responsible officers of the Government to develop a national policy and they indicate as well a sense on the part of the officers of the communicating companies concerned of the need for developing a unified control of communications - particularly in the international field. A comparative unification of control in the domestic field has recently been provided by law.

Under all the circumstances and considering very carefully the subject matter of your letter and the enclosed memorandum, taking into cognizance the meetings of private companies engaged in telecommunications in the international field and the subject matter of the letter to which I gave my concurrence, I am of the opinion that the proposal already laid before the President in the letter will, if approved by him, afford the instrumentality for achieving, if it should prove desirable, the ideas we all seem to have in mind. I am of this opinion because the committee to be appointed by the President would conceivably differ materially from the membership and structure of the Board of War Communications and yet would be representative of the different Departments and agencies of the Government interested in the subject and would

afford

afford an opportunity for that committee to give careful study to the suggestions in your letter and enclosed memorandum, to the considerations which presently move the private companies, to the public interest and to the foreign relations of the United States which are concerned herewith.

Consequently, since the President is understood to have under consideration the letter from the Board of War Communications it would seem meet and proper for you to bring informally to his attention the subject matter discussed in your letter and memorandum with the idea that he might consider in connection with the subject matter already before him the other matters which you touch upon in your communication.

Sincerely yours,

(s) CORDELL HULL

Date- JAN 2 1972

Signature: RAO

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ENCLOSURE A

WARTIME CONTROL OF COMMUNICATIONS

J.B. No. 319 (SERIAL 755)

Reference (a): SecNav Secret 0288120  
Serial of September 14, 1942.

Report by the Joint U.S. Communications Board

STATEMENT OF THE PROBLEM

1. The Secretary of the Navy on September 14, 1942, submitted to the Joint Board a request for a study of the wartime control of communications to determine whether or not from the military standpoint a recommendation should be made to the President:

- (a) That the Board of War Communications be abolished;
- (b) That the executive wartime powers over communications under Section 606 of the Communications Act of 1934 be delegated to the Joint Communications Board;
- (c) That there be constituted a National Communications Board, consisting of the Secretaries of State, War and Navy.

2. The Secretary invited attention to the fact that the Board of War Communications had been set up for the purpose, during peacetime, of planning for use of the communication facilities of this nation should war or emergency arise; that with the coming of war that type of advanced planning is no longer necessary; and that what is now required is the actual prosecution of war in the communications field from the standpoint of military requirements. Furthermore, he invited attention to the fact that the war powers of the President, with reference to communications derived from Section 606 of the Communications Act as amended, had in general

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been delegated to the Board of War Communications; that these in turn had in large part been redelegated to the armed forces; that further activity in the exercise of these powers would likely be either by the armed forces or under their supervision; and that it would appear proper and expeditious to place those powers directly in a military organization such as the Joint Communications Board.

3. The Secretary also pointed out that there was now no agency of the government charged with the task of planning an effective national communications policy for the safeguarding of the interests of this country in this most important field. He suggested a method for the correction of this deficiency through the creation of a National Communications Board of cabinet officers whose function it would be to give consideration to the probable future communication needs of the nation, and to the determination and preparation of plans for the most effective future use of all radio, wire and cable communication facilities within the jurisdiction of the United States, taking into account the relative needs and requirements of the armed forces, of other governmental agencies, and of industry. Specifically, it was suggested that this Board consist of the Secretaries of State, War and Navy, and that it have no connection with or responsibility for the exercise of the war powers of the President derived under Section 606 of the Communications Act of 1934.

4. After the submission of the Secretary's request, the Joint Board, on September 14, 1942, referred it to the Joint Communications Board for investigation and report. The Joint Communications Board, on September 30, 1942, appointed a committee for this purpose. This committee designated some of its members who have made a detailed examination and study of the origin, objects and purposes of the Board of War Communications (formerly the Defense Communications Board), its personnel, functions and

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method of operation from the date of its creation on September 24, 1940, to the present time. Based upon these studies, certain conclusions are stated and recommendations made, which appear later in this report.

PERTINENT FACTS CONCERNING THE WARTIME  
CONTROL OF COMMUNICATIONS

5. The Board of War Communications, the agency now charged with the wartime control of communications, had its origin in action taken by the armed forces. Specifically, it emanated from a study of national and international communication problems jointly conducted by the armed forces in the year 1939 (hereinafter sometimes referred to as the "1939 Study").

6. In this study the entire question of the control of communications was exhaustively dealt with by responsible officers of the Army and Navy. One of the conclusions reached concerned the need for a board of responsible government officials, capable of dealing with communication problems from a national and international standpoint, and so constituted that it could deal not only with the determination and formulation of plans and policies of long-range application and effect but with short-term plans for the implementation and execution of such policies from a technical or operating standpoint.

7. In a document submitted by the Chief Signal Officer on June 13, 1939, the first in a series dealing specifically with this subject, it was proposed that "as a peacetime preparatory measure" there be established an Army-Navy Communications Board or planning agency, consisting of the Secretary of War and the Secretary of the Navy, "whose functions are to determine, coordinate, and prepare plans which will enunciate for the wartime period following 'M' Day." In a proposed executive order accompanying this document, it was stated that "coordinated planning for the most efficient control and use of radio, wire and cable

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communication facilities under the jurisdiction of the United States in time of war involves the consideration of the needs for communication of the armed forces of the United States, of other government departments, of industry, and other civilian activities" and that "such planning must be accomplished prior to the declaration of any war in which the United States may be proclaimed a belligerent."

8. To assist the Board in the performance of its duties and to furnish the technical and operating information essential to its proper functioning, provision was made in this first proposed order for the establishment of a permanent committee to be known as the Technical Committee. This Committee was to consist of the Chief Signal Officer of the Army and the Director of Naval Communications. Before any matter was submitted to the Board for action, it was not only to be reviewed by the Technical Committee but was to be the subject of an intermediate review by the Army-Navy Joint Board. To assist the Technical Committee in the performance of its duties and to provide for continuous studies and for contact with other government agencies and with the civil communications industry, provision was also made for two permanent advisory committees, to be known as the Army-Navy Radio Advisory Subcommittee and the Army-Navy Wire and Cable Advisory Subcommittee.

9. After the submission of this original document and proposed executive order on June 13, 1939, many conferences were held and several documents were exchanged in which the further views of the armed services with respect to the subject were developed. As a result, revised drafts of the original study and executive order were prepared and, on August 24, 1939, forwarded to the Adjutant General. In this redraft of the executive order, the suggested name of the Board remained the same; the suggested personnel of the Board remained the same--the Secretary of War and the Secretary of the Navy; the Technical Committee, consisting of

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the Chief Signal Officer of the Army and Director of Naval Communications, remained the same; and the same provisions relative to Joint Board review of Technical Committee action and to the establishment of subcommittees were retained.

10. On October 13 and 21, 1939, further memoranda were exchanged by the Chief Signal Officer and the Director of Naval Communications, which resulted in a further revision of the plan and of the proposed executive order designed for its establishment. This revision was prepared on October 25, 1939, and introduced the following changes: (a) the name of the proposed agency was changed from Army-Navy Communications Board to Joint Communications Board; (b) the membership on the Board was to be enlarged to include the Secretary of the State, the Secretary of the Treasury and the Chairman of the Federal Communications Commission, in addition to the Secretary of War and the Secretary of the Navy; and (c) the proposed Technical Committee was to be enlarged to include the Chief of the Division of International Communications, the Chief Communications Officer of the Coast Guard and the Chief Engineer of the Federal Communications Commission, as well as the Chief Signal Officer of the Army and the Director of Naval Communications. With these proposed additions to the membership of the Board and of the Technical Committee, it was also proposed to eliminate any intermediate review of Technical Committee action by the Joint Board prior to final consideration and disposition by the Board or ultimate authority.

11. On November 21, 1939, the Joint Planning Committee recommended further changes in the proposed agency, which included: (a) a change in name from Joint Communications Board to Defense Communications Board; (b) a change in personnel so that the Board would consist of "one representative each of State, War, Navy and Treasury Departments and the Federal Communications Commission, to be designated by the head of the respective departments and

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commission"; (c) minor changes in function; and (d) elimination of all reference to a Technical Committee to assist the Board in the performance of its duties.

12. On November 22, 1939, a still further revision in the plan was made. In a draft prepared and furnished to the Joint Planning Committee on that date, the concept of cabinet status for all members of the Board, except one, was re-introduced by the inclusion of a provision to the effect that the Board should consist of the Secretaries of State, War, Navy and Treasury and the Chairman of the Federal Communications Commission. Provision was again made in this draft for the establishment of a permanent Technical Committee. It was then proposed that this Committee was to consist of the Chief of the Division of International Communications, State Department, Chief Signal Officer of the Army, Director of Naval Communications, the Chief Communications Officer, U. S. Coast Guard, and Chief Engineer of the Federal Communications Commission.

13. On February 21, 1940, the Joint Board approved in principle the proposed draft of executive order dated November 22, 1939, and recommended that the Chief Signal Officer of the Army and the Director of Naval Communications be authorized to discuss the same with representatives of the Secretary of State, the Secretary of the Treasury and the Chairman of the Federal Communications Commission. It was further recommended that, if agreement could be reached, the statement of policy and the draft of executive order in accordance therewith be submitted to the Joint Board for its approval. This recommendation was approved on March 8, 1940, and the Chief Signal Officer of the Army and the Director of Naval Communications were directed to proceed as instructed.

14. After this action, the proposed order went through still other revisions. On June 11, 1940, a draft appeared in which a slight change in the name of the agency was proposed and

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its membership was to consist of the Chief Signal Officer of the Army, the Director of Naval Communications, the Chief Engineer of the Federal Communications Commission, the Chief of the Division of International Communications, State Department, and the Chief Communications Officer, U. S. Coast Guard. In this draft all reference to a Technical Committee was eliminated and provision was made that the Chairman of the agency should be either the Chief Signal Officer of the Army or the Director of Naval Communications, whichever might be senior in rank.

15. On June 12, 1940, Chairman Fly of the Federal Communications Commission addressed a communication to the Chief Signal Officer of the Army and the Director of Naval Communications, in which he stated the Commission had "directed that its Chairman shall act as its member of the Committee" and further stated that "the Commission also considered the question of the Chairman of the Committee and concluded that in its view the Chairman of the Commission should act as Chairman of the Communications Committee." A revision embodying these changes was prepared on June 24, 1940, and was signed in substantially that form by the President on September 24, 1940, as Executive Order No. 8546.

16. As the Defense Communications Board came into being on September 24, 1940, it had as its Chairman the Chairman of the Federal Communications Commission and its membership included the Chief Signal Officer of the Army, the Director of Naval Communications, the Assistant Secretary of State in charge of the Division of International Communications, and the Assistant Secretary of the Treasury in charge of the Coast Guard. Its membership included no officers of cabinet rank, such as had been envisioned in the 1939 Study. On the other hand, its membership consisted of officers with the qualifications originally determined to be those necessary for furnishing the technical and operating information essential to the implementation and execution of the Board's policies.

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17. The Board held its initial meeting on September 26, 1940, and immediately thereafter set about to perfect its organization. Many meetings were held and an elaborate structure of subcommittees was established, providing contact with all segments of the communications industry and with all interested agencies of the government. In addition to this, many plans of short-term application and effect were considered and some were tentatively adopted, but prior to the outbreak of war the Board submitted no findings or recommendations to the President as a basis for action by him.

18. On November 1, 1941, the President, by Executive Order No. 8929, directed that, until otherwise ordered, the Coast Guard should operate as a part of the Navy and subject to the orders of the Secretary of the Navy. Thereafter, on December 6, 1941, the President, by Executive Order No. 8960, directed that the representative of the Treasury Department on the Board should be known and designated as the "Assistant Secretary of the Treasury in charge of Treasury Enforcement Activities" rather than the Assistant Secretary of the Treasury in charge of the Coast Guard. This change in status of the Treasury Department and in its representative on the Board had the effect of making the Board civilian in its majority representation as well as its leadership as opposed to an organization which originally had as its majority the representatives of military organizations.

19. Further radical changes were brought about by the outbreak of war on December 7, 1941, and events which followed immediately thereafter. On December 10, 1941, and March 6, 1942, two amendments were made to Executive Order No. 8546. The first of these (Executive Order No. 8964) conferred upon the Board the President's then existing powers under Section 606 of the Communications Act of 1934 concerning the use, control and closure of radio stations and the preference or priority of certain types of

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wire communications. The second (Executive Order No. 9089) conferred upon the Board additional authority concerning the use, closure or control of facilities for wire and cable communications and followed the amendment on June 26, 1942, of Section 606 of the Communications Act, which conferred additional authority upon the President for use in furtherance of the war effort.

20. The delegation of authority contained in the amendatory orders of December 10, 1941, and March 6, 1942, substantially altered the function of the Board. Whereas planning for a future emergency was, in point of fact, the sole function of the Board as originally established, it became, by virtue of such delegation, an agency whose primary function was executive in nature. Except for the fact that the authority delegated to the Board by these amendatory orders was to be exercised pursuant to rules and regulations which the President prescribed, the power of the Board with respect to the matters therein dealt with was executive and absolute. Instead of a planning agency designed by its recommendations to assist the military with those civilian problems necessarily involved in preparation for and the transition to a state of war, the Board became an agency exercising executive authority directly and substantially relating to the conduct of a war then in progress.

21. Since the amendatory orders of December 10, 1941, and March 6, 1942, the Board has promulgated twenty-eight orders<sup>(1)</sup>,

(1) Tabulation of Orders of the Board of War Communications by purpose (to date)

Class (a): Direct redelegations to the Army or Navy of war powers of the President.

Nos. 1 and 2:	Marine radio - Navy.
No. 3:	Security - Army and Navy.
No. 14:	Alaskan Communications - Army.
No. 23:	Puerto Rican Communications - Army.

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executive in nature and of general or specific application. Generally speaking, these orders can be said to fall in the following categories: (a) direct redelegations to the Army or Navy; (b) closures and removals; (c) obtaining of information by questionnaire and compulsory registration; (d) administrative; and (e) priority and precedence of communications. In addition to the promulgation of these orders, the Board has examined many transactions of a commercial nature with military effects or implications, and has considered and dealt with many other matters and subjects which did not result in the promulgation of a formal order.

Class (b): Closures and Removals.

A. General.

Nos. 15, 17, 18, 19: International telephone.  
 Nos. 11, 16, 21: Point to point agricultural.  
 Nos. 8, 8A and 8B: Domestic radiotelegraph.  
 No. 22: Submarine cables.

B. Specific.

No. 5: Certain brokers' circuits.  
 No. 6: French cable.  
 No. 7: A diathermy machine at Monroe, La.  
 No. 12: Equipment in Puerto Rico and the Virgin Islands.  
 No. 24: Radio Broadcast Stations WRUL, WRUS, and WRUW.

Class (c): Obtaining of information by questionnaire or compulsory registration.

No. 4: Diathermy equipment.  
 No. 10: Abandoned circuits.  
 No. 14: Vacuum tubes.

Class (d): Administrative.

No. 9: Permitting FCC to regulate War Emergency stations.

Class (e): Priority and Precedence (under Sec. 606(a)).

No. 20: Establishing priorities for urgent telephone toll calls.  
 Nos. 25, 25A, 25B, 25C: Regulating speed of service of domestic telegraph carriers.  
 No. 26: Establishing priorities for urgent teletypewriter exchange (TWX) messages.  
 No. 27: Establishing precedence for telegraph messages.  
 No. 28: Curtailing use of franks and deadhead messages and elimination of free-service messages.

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22. Since the amendatory orders of December 10, 1941, and March 6, 1942, there has been no amendment of the basic provisions of Executive Order No. 8546. The original provisions of that order relative to personnel and organization are still in effect. The Board is still civilian in its majority and in its leadership, and includes no members of cabinet rank.

#### DISCUSSION

23. From the date of its creation until the outbreak of war, the activities of the Board of War Communications were concerned with the formulation and preparation of abstract plans. Since the outbreak of war, conditions have changed so radically that the events of that period offer no solution for current problems. During this later period and particularly since the amendatory orders of December 10, 1941, and March 6, 1942, the Board can be said to have performed the following functions:

- (a) It has served as the agency for redelegating to the military such of the President's war powers derived under Section 606 of the Communications Act, as amended, as it has been necessary thus to redelegate.
- (b) It has adopted or promulgated orders relating to communication facilities and to the preference or priority of communications recommended by the military and necessary for the proper prosecution of the war.
- (c) It has served as a forum, by means of which the War and Navy Departments have been able, without individually processing each such matter, to examine commercial communications transactions, and to detect and deal with items of military significance.

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- (d) It has served as a forum for the examination and consideration of such communications matters as have presented claims of a conflicting nature, either between industry and government or between various agencies of the government.

24. There has been a definite need since the outbreak of war for the performance by some agency of the functions which have been performed by the Board of War Communications. The Board has performed a useful and necessary service. For reasons hereinafter dealt with, it has, however, become evident that the Board, as now constituted and functioning, falls short of what is needed in this most important field. As the war has progressed it has become apparent that the Board should be reconstituted for the most effective performance of its present functions. Moreover, additional problems have arisen and will arise concerning national and international communication problems, with which there is now no agency qualified to deal.

- (a) The Board of War Communications as now constituted and functioning.

25. The composition and basic organization of the Board falls short of the requirements set by the 1939 Study. There, in recognition of the fact that the subject to be dealt with was primarily military rather than civilian in nature, it was proposed that authority to deal with the subject be placed with the armed forces. Also in recognition of the fact that the work of any such agency as was then envisioned would be of paramount importance not only to the military but the public generally, it was proposed that the members of the agency exercising ultimate authority in this field be of cabinet rank. The present organization of the Board satisfies neither requirement, even though, since the outbreak of the war and the basic changes in the functions of the

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Board resulting therefrom, the necessity for observing these requirements is greater today than when they were originally given recognition.

26. When civilian representation on the Board was originally determined upon, such action did not result from any diminution of interest in the subject by the armed forces nor did it result from a conviction that the agency was of less military significance than had originally been supposed.<sup>(2)</sup> Instead it

(2) In a memorandum addressed to the senior member of the Joint Planning Committee, the Director of Naval Communications states that the redraft of October 25, 1939, had been prepared by the Chief Signal Officer of the Army, and was concurred in by him. In explaining the basis for the revisions made, the Director of Naval Communications stated that whereas he had concurred in the original draft of June 13, 1939, events since its preparation had convinced him that changes in the plan should be made. He referred specifically to the outbreak of war in Europe and to the aggressive neutrality policy which had been established by the President. He therefore stated that in his judgment the plan should be modified to meet the following requirements:

1. The Army and Navy to have full authority over all military and Naval operations and all materials directly in support thereof.
2. Civil authorities, including the established courts, to continue their control of the civil communications agencies in the continental United States in non-military matters; and
3. The question of the line to be drawn between military and non-military matters to be decided (subject to the approval of the President) by a committee, consisting of the Secretaries of State, War, Navy, and Treasury, and the Chairman of the Federal Communications Commission.

In his memorandum, the Director of Naval Communications further stated that in his opinion these recommendations were required first, on the ground of essential correctness, and second, on the ground of practical expediency. As to essential correctness, he stated a belief "that an attempt by the Army and Navy to extend their control over the civil population of the continental United States is unnecessary, and undesirable, certainly at the beginning of the war" and "that control should be exercised by civil authority and by duly established processes of law and order as long as possible \* \* \*." He further stated that this course of action had the advantage of relieving the military and naval authorities from duties which were not directly contributory to naval and military policies, and that it allowed a wartime setup to be closely pursued through a period of neutrality without requiring a drastic change upon mobilization. As to the question of practical expediency, he stated, in part: "I do not believe that the President will ever, in peacetime, approve the establishment of authority vested solely in the Army and Navy over the civilian population, and I do not believe that the Army and Navy have sufficient political power to advocate, sufficiently, such control. The minimum number of government officers who might successfully advocate the use of such power seems to be the four cabinet officers above-named, all of whom may be said to have a primary interest in the conduct of a war."

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apparently resulted from recognition of the fact that action in the establishment of such an agency could not be longer delayed and that, until a state of war actually existed, most of the action then contemplated must be taken by civilian rather than military authorities. Moreover, the agreement then reached was for a body composed of representatives of the military establishments with the introduction of civilian influence as represented by the Department of State and the Federal Communications Commission. The representative of the Treasury Department was then the representative of a military establishment and was designated as the Assistant Secretary of the Treasury in charge of the Coast Guard. No consent or acquiescence was ever expressed to a proposal whereby, during wartime, the Board would be civilian in its leadership and in its majority.

27. The fact that civilians and representatives of agencies with wholly civilian interests now constitute a majority of the Board is basically unsound in view of the subject matter dealt with and the nature of the determinations required to be made. Notwithstanding the fact that in most, if not all, instances due deference has been given by the civilian majority to military problems and to the military services, the fact remains that the representatives of the military services constitute the minority of an agency which is exercising executive powers in a field of great importance to the military and to the successful conduct of the war. From a military standpoint, such a plan of organization cannot be considered satisfactory.

28. Considered again from a military standpoint, there is another basic defect in the present organization and structure of the Board. The Board is now the final authority in the field allocated to it. It exercises executive power in communication matters of a military nature and which are of paramount importance and significance to the proper handling of other military problems.

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Consistent with recognized principles of military responsibility, the military representatives on this final or ultimate authority should be the responsible heads of their respective military organizations. The very nature of the problems dealt with requires that they be ultimately passed upon by persons of cabinet rank in charge of the military establishments.

29. Likewise, when agreement was reached in June 1940 that the members of the Board need not be of cabinet rank but could consist of officers of the type and qualifications originally considered for the Technical Committee, it was not contemplated that the Board would exercise executive authority. The Board was then designed to act merely as a planning agency, whose recommendations and determinations would receive Presidential approval before they became operative or effective for any purpose. Changes in function brought about by the amendatory orders of December 10, 1941, and March 6, 1942, without corresponding changes in personnel and organization, have resulted in a situation which is unsatisfactory.

30. Viewed from the standpoint of membership and organization, the lapse of time and the pressure of events have been such as to make changes necessary. The status of the Treasury Department, and consequently of its representative on the Board, has been substantially altered since the outbreak of war. When the Board was originally created, the United States Coast Guard operated an extensive communication system and was a part of and subject to the jurisdiction of the Treasury Department. The Coast Guard is now a part of the Navy and will remain so for the duration. The interests of the Treasury Department in the subject matter dealt with are, therefore, no different than that of other executive departments of the government which were omitted from representation on the original Board. Other agencies of the Government, and particularly the Federal Bureau of Investigation, have a much greater interest in the subject matter dealt with

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and preferentially should have representation <sup>signature- RHP</sup>

31. Considered from the standpoint of function, the convening order of the Board is subject to varied constructions and is confusing. Two outstanding instances of such confusion have occurred: First, with respect to the relationship of the Board and its functions to the Interdepartment Radio Advisory Committee; and, second, with respect to the power of the Board to transfer communication facilities between various agencies and departments of the government.

32. Contrary opinions have been expressed both by members of the Interdepartment Radio Advisory Committee and of the Board itself concerning the meaning of paragraph 8 of Executive Order No. 8546. On the one hand, the claim is made that, by the terms of this paragraph of the convening order, the Interdepartment Radio Advisory Committee has, since the outbreak of the war, been entirely subservient to the Board; that it has no power to make interim frequency assignments<sup>(4)</sup> to any government stations, including military stations, without the prior approval or subsequent ratification of

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(3) On the 15th day of October, 1942, the Attorney General submitted a request to the President that the Federal Bureau of Investigation be given representation on the Board. From information submitted with the request and otherwise available, it appears that the Federal Bureau of Investigation not only maintains an extensive communications system but that it is also engaged in the performance of certain duties which are closely related to the conduct of the war. The selection of the Director of the Federal Bureau of Investigation for a place in the scheme of control finally determined upon, vice the Assistant Secretary of the Treasury in charge of Treasury Enforcement Activities would contribute towards the efficiency of such scheme for the wartime control of communications and would constitute a merited recognition of the extent to which certain problems and activities of the military and civilian detection agencies parallel each other since the outbreak of war.

(4) Since 1922 the Interdepartment Radio Advisory Committee, which consists of one technical representative from each of twelve departments and agencies of the government, has performed two major functions. It has prepared for submission to the President executive orders in which the President has made frequency assignments to government stations as provided in Section 305(a) of the Communications Act. In the interval between the promulgation of such orders, the Interdepartment Radio Advisory Committee has made frequency assignments to government stations upon application to it therefor. This function of making "interim" grants is expressly provided for both in Executive Order No. 8193-A, dated July 5, 1939, and in Executive Order No. 9132-A, signed by the President on April 13, 1942, almost eighteen months after the establishment of the Board of War Communications.

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the Board. On the other hand, the claim is made <sup>signature</sup> this agency which, prior to the outbreak of war, was responsible, directly or indirectly, for the making of frequency assignments to all government stations still has certain powers which it can exercise independently of the Board. Doubts concerning the proper relationship and function of two such important agencies should not be permitted to continue. The status of this matter should be clarified and the authority in question reposed in an agency capable of its proper exercise under conditions now existing and foreseeable. As greater demands are made upon the limited numbers of frequencies available for assignment to government stations, it will become necessary to make choices between competing applicants for frequencies or to withdraw frequencies in use by one department or agency of the government and assign them to another. Such authority can properly be exercised only by the President himself or by the delegation of the President's war powers to an agency consisting of members of cabinet rank, with proper representation from a military standpoint.

33. A somewhat different problem but one involving essentially the same considerations, has arisen with respect to the power of the Board, as presently constituted, to transfer communication facilities from one agency or department of the government to another. (5) Notwithstanding the fact that all of the Board's

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(5) On July 15, 1942, the Board (by its Order No. 14), purporting to act by authority of the convening order and the amendatory orders of December 10, 1941, and March 6, 1942, ordered that all non-military stations and facilities for radio or wire communications in the Territory of Alaska be made subject to such use, control, supervision, inspection or closure by the Department of War as the Secretary of War might deem necessary for the national security and defense and the successful conduct of the war. Non-military radio stations then licensed and in operation in the Territory of Alaska included, in addition to those privately owned and operated, and licensed by the FCC, other stations owned and operated by various departments and agencies of the government, including the Department of Interior. On October 16, 1942, the Judge Advocate General of the Navy, upon request of the Secretary, submitted an opinion with reference to the legality of this action, in which it was stated that "The Board of War Communications has not been given the power to prescribe or order the transfer from one department or agency of the Federal Government to another the use or control of government radio stations and, therefore, no such power could be or has been delegated to the War Department." The Law Committee of the Board of War Communications has submitted an informal opinion to the effect that the Board has and can validly exercise this authority.

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executive authority is derived from Section 606 of the Communications Act of 1934, through redelegation by the President, and that this section confers war powers upon the President only with respect to non-government communications and communication facilities the civilian members of the Board as now constituted assert the power of the Board to make such transfers, which include transfers between military departments. While the question has not yet become one of great immediate importance due to the fact that there has not as yet been a demand for many of such transfers, there is no assurance that the situation will remain static. Several departments and agencies of the government have extensive communication facilities. The activities of some are much more directly and intimately connected with the war effort than are those of others. If and when the necessity for choice occurs, there should be no doubt concerning the authority of some properly constituted agency to effect such choice. A proper solution of this problem, like the one just considered concerning the assignment of frequencies to various departments and agencies of the government, involves the exercise of truly executive authority. The President's powers in such matters, derived from Title I, First War Powers Act, 1941, should be exercised by the President himself or by an agency which will meet the standards established by the 1939 Study.

- (b) The proposal of the Secretary relative to the establishment of the National Communications Board.

34. As pointed out by the Secretary of the Navy, in reference (a), the fact is that there is now no agency of the government charged with the task of planning an effective national communications policy. This is believed to constitute a serious defect in the present scheme for control of communications, which, if not remedied, may very well seriously affect the position of the United States in communications in the post-war world.

35. The military services have long recognized the necessit

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for communications planning from a national and international standpoint. Such recognition was one of the basic reasons for the 1939 Study and for the suggestion at that time for the establishment of an agency headed by persons of cabinet rank. The present Board has been instructed to formulate plans for, but not through or beyond, any national emergency. It therefore has no planning function in the sense contemplated by the Secretary of the Navy in reference (a), nor is it so constituted as to permit it to exercise such a function if conferred upon it. The need is not only for conferring such authority but for conferring it on an agency so constituted that it may be exercised in a manner consistent with truly national aims and objectives as was envisioned in the 1939 Study.

36. Legislation and legislative proceedings in the 77th Session of the Congress, relating to the proposed domestic and international merger of American companies engaged as common carriers of communication by telegraph, clearly demonstrated the lack of such a planning authority and the necessity for the speedy establishment of some such authority. <sup>(6)</sup> While it now appears

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(6) The Merger Bill (S. 2598, 77th Congress, Second Session), as passed by the Senate, was limited in its operation to companies within the domestic field or companies wholly within the United States. But this measure was so limited only after extended hearings and after it became evident that there was a clear conflict between various agencies of the government with respect to this subject. It was the definite recommendation of the Federal Communications Commission, made through its Chairman (who then was and now is the Chairman of the Board), that the measure be extended to permit merger and consolidation in the international field. For reasons of military policy, the Navy, while agreeing to domestic merger, took a position opposed to legislation making possible such action in the international field. When the same measure came on for hearing before a House committee, substantially the same differences not only existed but were high-lighted, even though by that time the position of the Navy had been approved and incorporated in a statement by the Joint Board as representing the policy of both military departments. An anomalous situation existed whereby the head of the wartime agency, speaking with unquestioned authority for the peacetime agency, which he also headed, implied, if he did not directly state, that he was also speaking for the wartime agency, even though the military departments for whose benefit the wartime agency had been established asserted a definitely contradictory view.

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certain that telegraph merger legislation will be enacted during the present session of the Congress without the inclusion of the controversial international provisions, it also appears certain that at some future date, perhaps soon, a measure dealing with international merger will be introduced and considered by the Congress. When this occurs, there should no longer be differences of opinion or policy between various agencies of the government concerning a matter so directly affecting not only the war effort but the future military and other policies of the nation. An adequate answer to this and related problems can only be supplied by authorizing some competent agency of the government to prepare and formulate such an answer.

37. Just as it was essential in a period of neutrality to anticipate and prepare for the problems of war, so it is important now that consideration be given to the probable future and post-war, as well as to the present, communication needs of the nation. Such consideration will necessarily include the needs of the military; but it will also include the needs of industry and other government agencies. It must give effect to the economic and diplomatic relations which exist at the termination of the war. The experience of the United Kingdom, with its far-flung and well-integrated communications system, has already demonstrated the advantages which result from such a system from diplomatic, military and commercial standpoints. Considerations similar to those which were given effect in the formulation by Britain of Cable and Wireless, Ltd., must govern this nation in a determination of what its communications policies and structure should be. (7)

(7) Questions concerning the formulation of a national communications policy have already received some attention by the President and by certain cabinet officers. On May 14, 1942, when Congress had before it the question of legislation permitting merger of American companies engaged in national and international telegraph communications, the Board, through its Chairman, addressed a communication to the President in which it was stated that the Board favored the early establishment of a unified American system, under such degree of government control as to insure that it will be operated in the national interest, and requested advice to the Board concerning the President's approval or disapproval of

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38. The establishment of a National Communications Board to exercise the function of long-term planning, as suggested by the Secretary of the Navy in reference (a), would satisfy all requirements. Such an agency, consisting of the Secretaries of State, War and Navy, would not only include in its membership the cabinet heads most intimately and directly concerned with communications problems of national and international significance, but it would also have sufficient dignity and perspective to enable it to speak for all executive agencies of the government, subject, of course, to final Presidential approval. (8)

this policy. Upon reference by the President to the Secretary of State, the Secretary pointed out the intimate relationship between means of communication and the execution of American foreign policies and that other governments had adopted national policies which were being applied in foreign fields in regard to their own communications systems. He stated that while he endorsed the formulation of policy along the lines suggested, he would not attempt to cover the manner in which that policy should be executed, and suggested that the views of other executive department heads, including the Secretary of War and the Secretary of the Navy, be obtained. Upon inquiry by the President to the Secretaries of War and Navy, attention was called to the Joint Board action of July 1, 1942 (JB 319-1; Serial 750), wherein the joint policy of the Army and Navy concerning legislation authorizing the immediate merger of American companies in the international field was stated. There is, however, a vast difference between the enactment of a legislative measure authorizing immediate merger and the formulation of plans for the eventual merger or consolidation of American communication interests. The latter must be done before the former can be accomplished.

(8) Some indication of the nature and extent of the interests of the State, War, and Navy Departments in the subject matter is given by reference to developments after World War I. In State Department reports recently published under the title "Foreign Relations of the United States" and dealing with the Paris Peace Conference, it was pointed out that Assistant Secretary Long on November 25, 1918, a fortnight after the armistice, submitted to Secretary of State Lansing a memorandum on "International Telegraphic Communications." This memorandum had been prepared by a committee headed by Assistant Secretary Long, as the representative of the State Department, and on which Major General Squier, then Chief Signal Officer of the Army, and Captain Todd of the Navy also served. In this memorandum many problems which then confronted nations which were extensive communications users were dealt with, and much attention was given to the establishment of a system whereby then existing barriers would be removed. The solution then suggested was, in effect, the establishment of a world system of communications to be controlled by the League of Nations, and was principally directed at the dominant position of Great Britain in this field. While methods have changed, the end of the present war will present similar problems. To a large degree Great Britain still retains her dominant position in the communications field, and consideration must be given to the position of other nations which are or will be extensive communications users. While the position of the United States in the communications world has become vastly more important, it is still subject to improvement. Now, as then, the responsibility for a proper solution of the problems presented will devolve upon representatives of the State, War, and Navy Departments.

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39. The personnel of the National Communications Board suggested by the Secretary of the Navy as competent and qualified to exercise the function of long-term communications planning fully satisfies all requirements for the final or ultimate authority in the executive field now occupied by the Board of War Communications. Inasmuch as present communication uses and activities must be correlated and coordinated with future requirements and objectives, both the executive and planning functions can be lodged in a single agency such as the National Communications Board suggested by the Secretary of the Navy. Such combination of authority must, of course, be accompanied with appropriate organizational safeguards to insure that the time and attention of the cabinet members involved would not be taken up with matters other than those of basic policy or otherwise of transcendent importance. To this end, a permanent committee, such as that contemplated in the 1939 Study, could be established to assist the members of the superior body in the performance of its duties, this assistance to include the making of investigations and reports and executive action of a limited nature.

#### CONCLUSIONS

40. It has been necessary and will continue to be necessary in the interests of the national security and defense and for the successful prosecution of the war that the government of the United States take over, operate and have the use or possession of certain radio and wire communication facilities within the jurisdiction of the United States, and to inspect, supervise, control and close certain of such facilities, which functions are now being performed by the Board of War Communications or pursuant to its direction.

41. There is doubt that the functions now being performed by the Board of War Communications can be satisfactorily performed by a purely military agency, such as the Joint Communications Board; moreover, there is now no agency in existence other than the Board of War Communications which can appropriately exercise such functions.

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42. A problem as great or greater than that relating to present uses of and requirements for communication facilities is that of future needs and requirements. To the end that proper provision may be made both for the effective prosecution of the war and for the post-war period, it has now become necessary that adequate consideration be given to the future, as well as to the present, communication needs of the nation and to the determination and preparation of plans for the most effective use of all radio, wire and cable communication facilities within the jurisdiction of the United States, taking into account the relative needs and requirements of the armed forces, of other government agencies, and of industry.

43. It appears desirable to combine in a suitably constituted single agency both the long-time function of formulating plans for the ultimate development of domestic and international communications and the present wartime functions of the Board of War Communications so as to insure the proper coordination and correlation of present uses and future requirements.

44. A plan should be adopted whereby final authority in the executive field will be combined with the planning function in a board composed of the Secretaries of State, War and Navy with the present Board of War Communications reconstituted as a permanent committee to assist it in the performance of its duties. Such action would conform with the concepts and philosophy of the 1939 Study and would appear to meet all requirements. It would also preserve and maintain all desirable features of the Board of War Communications as now constituted and functioning and meet the need for long-term planning in accordance with the suggestion of the Secretary of the Navy.

45. If such a plan is adopted, its adoption should be accompanied by a change in the personnel now assigned to the Board of War Communications which, under the plan proposed, would then constitute the permanent committee or initial authority in the

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regulatory structure. The representative of the Treasury Department, which has little concern with the subject matter to be dealt with, should be replaced by a representative of the Federal Bureau of Investigation which has a very definite and direct interest in the subject matter.

46. The adoption of any such plan should also be accompanied by a redefinition and restatement of function so as to eliminate questions concerning the authority of the present Board which have arisen in practice and to make manifestly clear the functions of the agency for wartime control of communications as reconstituted.

#### RECOMMENDATION

47. That the Joint Board forward this report, together with the proposed Executive Order attached as Annex "A", to the Secretaries of War and Navy, recommending their approval as a basis for consultation between the State, War and Navy Departments to the end of developing and establishing an organization and mode of functioning for a competent communication policy planning group which can command the respect of the Congress, the military services, the public and the commercial communications organizations.

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Date- JAN 24 1972

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ANNEX "A"

PROPOSED EXECUTIVE ORDER

WHEREAS, it has been necessary, and will continue to be necessary, in the interests of the national security and defense and for the successful prosecution of the war that the government of the United States take over, operate and have use or possession of certain radio and wire communication facilities within the jurisdiction of the United States, and to inspect, supervise, control and close certain of such facilities, which functions are now being performed by the Board of War Communications, or pursuant to its direction; and

WHEREAS, it has now become necessary that consideration be given to the probable future as well as to the present communication needs of the nation and to the determination and preparation of plans for the most effective future use of all radio, wire and cable communication facilities within the jurisdiction of the United States, taking into account the relative needs and requirements of the armed forces, of other governmental agencies, and of industry; and

WHEREAS, it appears desirable to combine in a single agency the present wartime functions of the Board of War Communications and the long-time function of formulating plans for the ultimate development of domestic and international communications so as to insure the proper coordination and correlation of present uses with future requirements;

NOW, THEREFORE, By virtue of the authority vested in me as President of the United States, by Section 606 of the Communications Act of 1934, as amended, by Title I of the First War Powers Act, 1941, and as Commander-in-Chief of the Army and Navy, it is ordered:

1. There is hereby created a Board to be known and designated as the "National Communications Board," hereinafter called the Board, consisting of the Secretary of State, the Secretary of War and the Secretary of the Navy. The members of the Board shall have power to designate alternates to represent their respective departments in the event of their absence or disability to act upon any matter within the cognizance of the Board.
2. The functions of the Board shall be:
  - (a) to determine, prepare and, to the extent of the authority herein conferred, execute plans for the allocation of such portions of the non-military radio and wire communication facilities of the United States, both government and non-government, as may be required to meet the needs for the successful prosecution of the war;

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- (b) to determine, coordinate and prepare plans of long-range application and effect, designed to accomplish the most effective national and international use of all non-military radio, wire and cable communication facilities under the jurisdiction of the United States, taking into account the future diplomatic, military and economic needs and requirements of the nation; and
- (c) to take such action as may be directed by the President with respect to the execution and implementation of any plans for the future use of the communication facilities of the United States which may be evolved, and take such action within its jurisdiction as may be proper to coordinate and correlate present uses and future requirements in the national and international communications field.
3. To assist the Board in the performance of its functions hereunder, there is hereby created a permanent committee to be known and designated as the "Executive Committee of the National Communications Board," hereinafter called the Committee, consisting of the Assistant Secretary of State in charge of the Division of International Communications; the Chief of Signal Officer of the Army; the Director of Naval Communications; the Chairman of the Federal Communications Commission; and the Director of the Federal Bureau of Investigation, Department of Justice. In the absence of any regularly designated member, the department or agency, which he represents, may be represented by an alternate from that department or agency, designated by the head thereof.
4. The functions of the Committee shall be:
- (a) To conduct such investigations and studies and to make such recommendations and reports to the Board as may be directed by the Board.
- (b) To conduct such investigations and studies and to make such recommendations and reports to the Board as may be determined by the Committee to be of assistance to the Board in the performance of its functions, and
- (c) With the limitations hereinafter stated, to take such action and make and promulgate such orders or directives as the Board may direct.

The action of the Committee, in respect of any matter acted upon by it upon direction of the Board, shall be final and shall constitute the action of the Board; Provided, that such action may be reviewed and redetermined by the Board upon request of the President, or upon its own election.

Date: JAN 24 1972

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5. Subject to direction of the Board, the Committee shall appoint such standing or ad hoc committees as may be necessary to assist the Committee in the proper performance of its functions and to maintain proper contact with other governmental agencies and with the civil communications industry and may, from time to time, reconstitute any or all of the committees so appointed, either as to personnel or function.
6. Committees appointed pursuant to paragraph 5 hereof shall have no power to make final disposition of any matter presented for study, but shall express by written report their findings or recommendations. Minority reports may be submitted, if deemed of sufficient importance to warrant further consideration.
7. The Board, the Committee and all committees appointed thereby shall call for consultation such representatives of other government agencies and of the civilian communications industry as may be deemed advisable in obtaining full knowledge of any situation being studied or dealt with. Other governmental officers or agencies are directed to cooperate in providing assistance required by the Board in its studies and as the basis for action thereby.
8. Until otherwise ordered, the Interdepartment Radio Advisory Committee shall act as a committee of the Board and its action with respect to all duties performed by it shall be reported to the Board via the Committee and shall be subject to review and redetermination by the Board.
9. The Board shall exercise the power and authority vested in me by Section 606 of the Communications Act of 1934, as amended, and by Title I of the First War Powers Act, 1941, pursuant to and under the following regulations:
  - (a) The Board shall determine and prepare plans for the allocation of such portions of the non-military radio and wire facilities of the United States, both government and non-government, as may be required to meet the needs of the armed forces, due consideration being given to needs of other governmental agencies, of industry and of civilian activities.
  - (b) The Board shall, if the national security and defense and the successful conduct of the war so demand, designate specific non-military radio and wire communication facilities, both government and non-government, for the use, control, supervision, inspection or closure by the Department of War, Department of the Navy, or other agency of the United States Government designated by the Board.
  - (c) The Board shall, if the national security and defense and the successful conduct of the war so demand, prescribe the classes and types of non-military radio stations and facilities for wire communication, both government and non-government, which shall be subject to the use, control, supervision or closure in accordance with such prescription by the Department of War, Department of the Navy, or other agency of the United States Government designated by the Board.
  - (d) Every department and independent agency of the government shall submit to the Board, at such time and in such manner as the Board may prescribe, full information with respect to all use made or proposed to be made of any radio station or facility, or any facility for wire

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communication, and of any supervision, control, inspection or closure which has been or is proposed to be effected pursuant to the provisions of this order.

- (e) No privately owned radio station, or privately owned facility for wire communication, shall be taken over and operated in whole or in part or subjected to government supervision, control or closure unless such action is essential to national defense and security and the successful conduct of the War. So far as possible, action taken pursuant to this order shall not interfere with the procurement needs of government agencies, the normal functioning of industry or the maintenance of civil morale.
- (f) Until and except so far as the Board shall otherwise provide, the owners, managers, boards of directors, receivers, officers and employees engaged in the operation of non-government radio stations or wire facilities shall continue the operation thereof in the usual and ordinary course of business, in the names of their respective companies, associations, organizations, owners or managers, as the case may be.
- (g) The head of any department or agency which uses or controls any privately owned radio station or any privately owned facility for wire communication pursuant to the terms of this order shall ascertain the just compensation for the use or control of such radio station or facility for wire communication, and recommend such just compensation in each such case to the President for approval and action by him in accordance with the provisions of Section 606 (e) of the Communications Act of 1934, as amended.
- (h) By subsequent order of the Board, the use, control or supervision of any radio station or facility, or class or type thereof, or of any facility for wire communication, or class or type thereof assumed under the provisions of this order may be relinquished in whole or in part to the owners thereof, and any restrictions placed on any radio station or facility or on any facility for wire communication pursuant thereto may be removed in whole or in part.
- (i) The Board is hereby designated, in accordance with the provisions of Section 606 (a) of the Communications Act of 1934, as amended, to make such arrangements as may be necessary in order to insure that communications essential to the national defense and security shall have preference or priority with any carrier, subject to the Communications Act of 1934. The Board may issue any regulations which may be necessary to accomplish this purpose.
- (j) The Board may, if the national defense and security and the successful conduct of the War so demand, suspend any and all rules and regulations prescribed by the Federal Communications Commission and applicable to any non-government radio station or non-government facility for wire communication within the jurisdiction of the United States.
- (k) All terms herein used shall have the meanings ascribed to such terms in Section 3 of the Communications Act of 1934, as amended.

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- (1) All regulations of general applicability issued by the Secretary of War, Secretary of the Navy, or any other governmental agency under these Presidential Regulations shall be published in the Federal Register.
- 10.
- (a) All action taken and all determinations, rules, regulations and directives which have been issued or promulgated by the Defense Communications Board or by the Board of War Communications and which are now in effect shall continue in effect until modified, terminated, superseded or repealed by the Board or by operation of law.
  - (b) Any proceeding or investigation commenced or pending before the Board of War Communications upon the date of this order shall be continued by the Board in the same manner as though originally commenced before the Board.
  - (c) There are hereby transferred to the jurisdiction and control of the Board all records and property under the jurisdiction of the Board of War Communications upon the date of this order.
  - (d) Executive Orders Nos. 8546 of September 24, 1940; 8339 of July 30, 1941; 8960 of December 6, 1941; 8904 of December 10, 1941; 9089 of March 6, 1942; and 9183 of June 15, 1942; and the Administrative Order of January 7, 1941, are hereby rescinded.

Date- JAN 24 1972

Signature- RHP

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ENCLOSURE B

MEMORANDUM FOR: The Secretary of War  
The Secretary of the Navy.

SUBJECT: War-time control of Communications.

ENCLOSURE: (A) Report of the Joint U. S. Communications Board.  
(B) Proposed letter from The Secretary of War and The Secretary of the Navy to The Secretary of State.

1. The Joint Board on \_\_\_\_\_, 1943, approved the report of the Joint U. S. Communications Board (Enclosure A).

2. The Joint Board requests that the Secretary of War and the Secretary of the Navy approve the report, together with the proposed Executive Order attached, and recommends that Enclosure B be sent to the Secretary of State.

G. C. Marshall,  
General, U. S. Army,  
Senior Member.

Date- JAN 24 1972

Signature- *AHG*

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ENCLOSURE C

Suggested Letter from Secretaries of War  
and Navy to Secretary of State:

My dear Mr. Secretary:

There is enclosed herewith a report of the Joint Board on the subject of wartime control of communications, which has been approved by us as a basis for consultation between the State, War and Navy Departments to the end of developing and establishing an organization and mode of functioning for a competent communications policy planning group, which can command the respect of the Congress, the military services, the public and the commercial communications organizations.

The enclosed report was prepared pursuant to a request submitted to the Joint Board by the Secretary of the Navy on September 14, 1942. It is the result of a thorough and comprehensive study of the subject by a committee, consisting of representatives of the War and Navy Departments, appointed by the Joint U. S. Communications Board; of a careful consideration by the Joint U. S. Communications Board of the report submitted by the committee so appointed; and of further consideration by the Joint Board. A proposed Executive Order which would implement the determinations and conclusions stated in the report is attached thereto as Annex "A."

Among other conclusions stated by the Joint Board are the following:

It has been necessary and will continue to be necessary in the interests of the national security and defense and for the successful prosecution of the war that the government of the United States take over, operate and have the use or possession of certain radio and wire communication facilities within the jurisdiction of the United States, and to inspect, supervise, control and close certain of such facilities, which functions are now being performed by the Board of War Communications or pursuant to its direction.

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A problem as great or greater than that relating to present uses of and requirements for communication facilities is that of future needs and requirements. To the end that proper provision may be made both for the effective prosecution of the war and for the post-war period, it has now become necessary that adequate consideration be given to the future, as well as to the present, communication needs of the nation and to the determination and preparation of plans for the most effective use of all radio, wire and cable communication facilities within the jurisdiction of the United States, taking into account the relative needs and requirements of the armed forces, of other government agencies, and of industry.

It appears desirable to combine in a suitably constituted single agency both the long-time function of formulating plans for the ultimate development of domestic and international communications and the present wartime functions of the Board of War Communications so as to insure the proper coordination and correlation of present uses and future requirements.

The Joint Board further concluded that, in view of the nature and the great public importance of the questions presented, such a "suitably constituted single agency" should consist of the executive heads of the State, War and Navy Departments.

It is believed that the subject merits prompt and sympathetic consideration by the State, War and Navy Departments due to the urgency of certain problems presented, such as those relating to the merger or consolidation of American telegraph communication facilities in the international field.

If you agree in principle with our conclusions, it is respectfully requested that representatives of the State Department be designated to meet with the committee of the Joint U. S. Communications Board which made the initial report on this subject, to the end that the views of the three departments with respect to the subject may be determined and correlated.

Very truly yours,

(837)

*Am*

THE WHITE HOUSE

*C. F.*

WASHINGTON

*Board of War Communications*

March 30, 1943.

MEMORANDUM FOR THE

DIRECTOR OF THE BUDGET:

*x79*

Will you speak to me about

this?

F.D.R.

Letter from James Lawrence Fly, Chairman, Board of War Communications, 3/29/43, to the President, marked "Confidential", in re appt. of a committee in re early merger of the American international communications facilities. Attached is a draft of a memorandum for the President's signature in reply to Mr. Fly's letter.

*x4128*

*x141*

*x857*

*x36 [unclear]*

BOARD OF WAR COMMUNICATIONS  
WASHINGTON, D. C.

MEMBERS

JAMES LAWRENCE FLY, CHAIRMAN  
DAWSON OLMSTEAD  
CARL F. HOLDEN  
BRECKINRIDGE LONG  
HERBERT E. GASTON, SECRETARY

~~CONFIDENTIAL~~

March 29, 1943

The President

The White House

My dear Mr. President

The Defense Communications Board, now the Board of War Communications, adopted a recommendation on May 14th of last year and forwarded it to you in the following text:

"The Defense Communications Board favors the early establishment of a unified American system for worldwide communications under such degree of government control as to insure that it will be operated in the national interest."

It is our understanding that the matter was referred to the Secretary of State and that thereafter there were sought the views of the interested government departments.

In view of the importance which is attached to the recommendation by the members of the Board, and considering present developments, it has been deemed appropriate to direct your attention again to the recommendation.

Recent developments in the field of domestic communications have projected an urgency into the picture of international communications. The recently enacted statute providing for the merger of domestic telegraph facilities requires Western Union to divest itself of its cable properties. They constitute a substantial part of the total facilities of American commercial international cable telegraphy. The statute provides: "The Commission requires at the time of the approval of such consolidation or merger that any such party exercise due diligence in bringing about such divestment as promptly as it reasonably can."

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These cables are essentially and exclusively international communication facilities. It now becomes necessary for the Western Union to make prompt disposition of them. The creation of another company will further complicate the already intricate structure of American international communications and the acquisition of these cables by existing companies may unbalance the privately operated American international communications field.

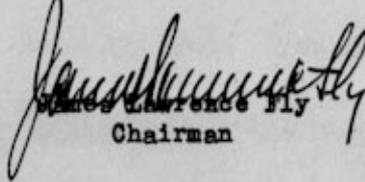
It is possible to envisage that an international cooperation or cooperative agency may, in the post-war period, be able to provide for freedom of communications so that all nations, under technical regulations, may communicate directly by telephone, by radiotelegraphy or by cable to any other geographical area. But to achieve such a result the United States must be able to speak with authority for American stations and policies. This is so because each of the other governments either owns or controls its own system and thereby holds a distinct advantage over each of the individual private American companies in matters of negotiation - and to our national detriment. The result is that we may be at a distinct disadvantage in achieving freedom of communications unless this government is in control of the communications emanating from its own jurisdiction. It might result that the United States would lose that important position it now holds in this field.

The Board of War Communications exists as an instrumentality of the Government to promote the wartime communication activities of the United States. The Board considers that its function may be coterminous with the end of the emergency and that consequently it may not be vested with authority to project its activity into the post-war world. In keeping with this thought it is deemed not inappropriate to recall again to your attention the recommendation from the Board, to mention but not to describe the complicated and enormous field of post-war communications activities and to suggest that you may care to consider the appointment of a special committee to make a thorough study of the situation as it may be foreseen to exist at the termination of the war, with the thought that you might care to refer to that committee the recommendation of the Board and instruct them to lay before you a comprehensive and definitive report which would cover the whole subject.

It is our opinion that such a committee should be governmental in composition. It is to be expected that any such committee will seek the advice and assistance of each of the four different types of international communications, viz.: cables, radiotelegraphy, radiotelephony, and voice broadcast.

I am instructed by the Board to lay these thoughts before you and to state that in its opinion this matter is one of the very important and complicated problems of the future and is inextricably entwined with friendly relations, with the unhindered flow of commerce, and with the free interchange of intelligence, in their international aspects.

Respectfully yours

  
James Lawrence Fly  
Chairman

OPY

MEMORANDUM FOR CHAIRMAN FLY

I approve of the recommendation of the Board of War Communications as set forth in your letter of March 29, 1943. I suggest that you request the Head of each Agency represented on the Board and the Secretary of Commerce and the Postmaster General, each, to appoint a representative on the proposed committee. I have long felt that steps should be taken to provide for the early merger of the international communications facilities under American ownership.

As the practical aspects are being studied by the Committee, I would suggest that you proceed to draft legislation for submission to the Congress after its approval by the Board.