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State Dept.

1933-34

C.F.

State

April 1, 1933

Memorandum for Secretary of State:

Do please keep me in daily touch with what Davis is doing. I hear several despatches have come from him showing that Davis is talking debts and economics. That is not his job! Will you and Philips run over and see me this morning?

F. D. R.

CE

Memo. for Secretary of State

Do please keep me
in daily touch with what
Davis is doing - I hear
several dispatches have come
from him showing that Davis
is talking debts & economics
That is not his job!
Will you & Phillips run over
& see me this morning?

L.M.R.

C F
State

JLH

April 24th, 1933.

My dear Mr. Secretary:-

We are returning herewith message
Nos. 176, 175, 99, 177, 178, 92, 166,
174 and 173.

Please notice that there are two
copies of No. 177 being returned.

Very truly yours,

Louis McH. Howe
Secretary to the President.

Hugh S. Cumming, Jr.
Acting Assistant to the Secretary,
Department of State,
Washington, D.C.

LH:IW



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

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April 5, 1933.

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State*

Confidential

My dear Mr. Howe:

In accordance with the Secretary's instructions, I am enclosing for the information of the President a copy of a confidential telegram, No. 129, dated April 5, 1:00 p.m., from Norman Davis.

Sincerely yours,

Hugh S. Cumming, Jr.

Hugh S. Cumming, Jr.,
Acting Assistant to the Secretary.

Enclosure:
Telegram.

Hon. Louis McH. Howe,
Secretary to the President,
The White House.



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

*Recd
4/5/33*

April 5, 1933.

Confidential

My dear Mr. Howe:

In accordance with the Secretary's instructions, I am enclosing for the information of the President a copy of a confidential telegram, No. 133, dated April 5, 4 p.m., from Norman Davis.

As the telegram was transmitted in one of the department's most confidential codes, it would be appreciated if the telegram could be returned to the department at the President's convenience.

Sincerely yours,

Hugh S. Cumming, Jr.

Hugh S. Cumming, Jr.,
Acting Assistant to the Secretary.

Enclosure:
Telegram.

Hon. Louis McH. Howe,
Secretary to the President,
The White House.



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

File

APR 21 1933
April 21, 1933.

C.F.

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Confidential

My dear Mr. Howe:

In accordance with the Secretary's instructions, I am enclosing for the information of the President a copy of a confidential telegram, No. 98, April 20, 1933, 7 p.m., for Mr. Norman Davis.

As the telegram was transmitted in one of the department's most confidential codes, it would be appreciated if the telegram could be returned to the department at the President's convenience.

Sincerely yours,

Hugh S. Cumming, Jr.

Hugh S. Cumming, Jr.,
Acting Assistant to the Secretary.

Enclosure:
Telegram.

Hon. Louis McH. Howe,
Secretary to the President,
The White House.



File

DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

April 21, 1933.

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Confidential.

My dear Mr. Howe:

In accordance with the Secretary's instructions, I am enclosing for the information of the President a copy of a confidential telegram, No. 175, April 21, 1933, 3 p.m., from Mr. Norman Davis.

As the telegram was transmitted in one of the department's most confidential codes, it would be appreciated if the telegram could be returned to the department at the President's convenience.

Sincerely yours,

Hugh S. Cumming, Jr.

Hugh S. Cumming, Jr.,
Acting Assistant to the Secretary.

Enclosure:
Telegram.

Honorable Louis McH. Howe,
Secretary to the President,
The White House.

DELEGATION OF THE UNITED STATES OF AMERICA

August 5, 1933

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My dear Mr. President:

I beg to submit herewith a report of the American Delegation to the Monetary and Economic Conference at London as follows:

SUMMARY OF WORK OF

MONETARY AND ECONOMIC CONFERENCE

Preparation for the Conference

On the initiative of the Powers which participated in the Lausanne Conference, the League of Nations decided to convene a Monetary and Economic Conference to consider the measures necessary to solve the other economic and financial difficulties which are responsible for, and may prolong, the present world crisis. Accordingly, the Council of the League of Nations set up a small Committee for the Organization of the Conference; and a Preparatory Commission of Experts, on which the United States was represented, was appointed to draw up a Draft Annotated Agenda.

On

The President,

The White House.

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On the initiative of the United States a so-called tariff truce (more accurately, a trade barriers truce) was instituted. When the Conference began its work, fourteen states had, subject to various reservations, acceded to the truce, thereby agreeing that they would not, before June 12 nor during the proceedings of the Conference, adopt any new measures which might increase the many difficulties now adversely affecting international trade, subject to the right to withdraw from this agreement after July 31, 1933, on one month's notice. Forty-seven states afterwards acceded to the truce, making a total of sixty-one states, representing nearly 90% of the trade of the world.

The Work of the Conference

The Conference convened on June 12, 1933, with Ramsay MacDonald as its President. Representatives of sixty-four states attended. Serving in an advisory capacity were the International Labor Office, the International Institute of Agriculture, the Bank for International Settlements, and the Economic Committee, the Financial Committee, the Organization for Communications and Transit of the League of Nations.

After seven plenary meetings the Conference established two commissions and various sub-commissions to deal with the subjects on its Agenda. This organization of the Conference is shown below:

MONETARY

MONETARY AND FINANCIAL COMMISSION

Mr. Cox (United States)
President

Sub-Commissions

I. Immediate Measures of
Financial Reconstruction

Credit Policy;
Price Levels;
Limitation of Monetary Fluctuations;
Exchange Control;
Indebtedness;
Resumption of International
Lending.

II. Permanent Measures for the
reestablishment of an inter-
national monetary standard.

Functions of Central Banks;
Coordination of their
policies;
Monetary Reserves;
Silver.

ECONOMIC COMMISSION

Mr. Colijn (Netherlands)
President

Sub-Commissions

I. Commercial Policy.

Return to normal
conditions of trade;
Progressive abolition
of trade restrictions
and foreign exchange
control;
Tariff and Treaty
Policy; including the
regime of the most-
favored-nation clause.

II. Coordination of Pro-
duction and Marketing.

Wheat and other
foodstuffs (sugar,
wine, coffee, etc.);
Raw materials (coal,
timber, etc.);
Industrial and agri-
cultural agreements,
etc.

III. Measures other
than customs
duties and pro-
hibitions.

III-A. Direct and In-
direct Subsidies
(Especially
shipping sub-
sidies.)
III-B. Indirect
protectionism;
Marks of origin;
Veterinary and
phyto-patholog-
ical questions.

There was a general discussion of public works in the
Economic Commission.

The Work of the Monetary and Financial Commission

First Sub-Commission

This Commission was appointed to deal with the existing emergency - depressed price levels, frozen loans abroad, foreign exchange abnormalities, etc. Senator Couzens was our representative upon it.

At the outset the British introduced a resolution urging that monetary action should be employed to raise prices and suggesting in particular open market operations by central banks to this end. The discussion that ensued developed rather definite alignments between the gold standard countries and countries off gold. The former would not emphasize or quite agree as to the efficacy of monetary means alone to raise prices. They suggested that the first essential was confidence, and that to this end budgets should be balanced and reasonably conservative practices followed by central banks.

The British themselves were far from specific in indicating what other factors than an easy central bank policy might be brought to bear to raise prices. Before any conclusion was reached on the British resolution, the discussion was shifted to problems of indebtedness. The discussion was general and again no definite conclusions were reached.

Drafting committees, however, were appointed and proceeded with their undertaking. The differences, however, between the gold standard countries and others, including the United States, delayed and gradually halted the drafting

proceedings. Impartial observers at the Conference, it is fair to say, agreed that the question of temporary stabilization was unduly emphasized and exaggerated, and that a number of topics listed on the agenda might in any event be considered, while still others could have been considered to a provisional extent. As affairs developed, however, it later appeared that the only question within the jurisdiction of the committee with the consideration of which there was general agreement to proceed was that of indebtedness.

In the discussion that took place on this question in the drafting committee there was a sharp line of division between the creditor countries and the debtor countries. Debtor countries were anxious to obtain a final settlement of their obligations on a reduced scale consistent with present economic conditions. Several of the debtor countries went farther and insisted that creditor countries should reduce their tariff walls in order to permit payment of indebtedness in goods and services. The Greek Delegation even proposed special commercial treaties for this purpose in disregard of the most-favored-nation clause. As against this, the creditor countries took the position that debt settlement should not be final, but temporary, pending possible recovery of international trade and prices. They furthermore refused to make any special concessions to debtors in the way of tariff reductions although they were inclined to recognize some obligations to facilitate general recovery

recovery of international trade. All were in favor of stimulating the establishment of creditor organizations to deal with debtors who found themselves in difficulties; but whereas there was some tendency on the part of debtor countries, particularly Rumania, to ask that a system of semi-compulsory arbitration of debts should be set up, the creditor countries took the position that these organizations should operate in a wholly voluntary manner.

The discussion ended in the unanimous adoption of a resolution based upon an original British text and embodying for the most part the position taken by the creditor countries.

Second Sub-Commission

The Second Sub-Commission was created to deal with permanent measures for the reestablishment of an international monetary standard. Our representative on this Commission was Senator Pittman. At the opening meeting on June 19, he submitted a resolution. The resolution dealt with both gold and silver. The gold section urged the return as soon as practicable to an international gold standard, the elimination of gold from circulation, and the freeing of central bank reserves now impounded by law above the ratio of 25 per cent. The clauses calling for a return to the gold standard were immediately adopted by the Commission, with a British amendment adding that time and parity should be for each country to determine. The remaining clauses

together

together with the whole question of an improved operating basis for the future gold standard were turned over to a drafting committee. Another drafting committee was appointed under the chairmanship of Senator Pittman to deal with silver.

Second Sub-Commission - First Sub-Committee (Silver)

Senator Pittman's committee produced both a resolution and a signed agreement. The resolution proposed the stabilization of the silver market by stopping government sales of silver not balanced by government purchases. Governments were to refrain from reducing the silver content of their subsidiary coinage, and an agreement was to be sought between silver producing countries and countries holding large stocks of silver with a view to balancing sales and purchases within the group. This agreement was actually signed on July 22. The chief feature of the agreement is that sales of silver by India are not to be greater than certain specified amounts and are to be absorbed by special purchases of silver for coinage purposes by Australia, Canada, the United States, Mexico, and Peru. The limits placed upon sales of silver by India are such as would not have interfered in the slightest with the actual sales of that country in recent years. The special purchases of silver to offset Indian sales are to be made chiefly by the United States. The agreement is to run for four years from January 1, 1934.

Second Sub-Commission - Second Sub-Committee (Gold Standard)

Senator Pittman made Mr. Warburg his representative on this committee. The first business of the committee was those clauses of the gold section of the Pittman resolution that had not already been adopted. The first of these was designed to confine gold to central bank reserves, eliminating it from circulation. All the delegates readily agreed to eliminating gold coin from circulation; for the United States was practically the only country where it circulated. When it came to eliminating gold bullion, however, the French objected. Their present laws require them to redeem their currency in gold bullion; and they were afraid that if their public learned that they were contemplating a standard under which neither gold coin nor gold bullion could be obtained for bank notes, there would be a run to acquire gold while the present laws still held.

The clause of the Pittman resolution calling for the reduction of the legal reserve requirements of central banks to 25 per cent was revised to bring it more into conformity with actually functioning banking systems, but the central idea was retained.

Having gone at least part way toward confining gold to central bank reserves and freeing these reserves for use internationally, the Committee then adopted a resolution designed to widen the network of central banks administering

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the gold standard and to provide for close and continuous cooperation among them. It then turned to an important resolution introduced by Mr. Fraser of the Bank for International Settlements designed to stabilize the operation of the gold standard. The resolution lays down the principle that the primary function of a central bank is to maintain in equilibrium the international balance of payments of its country, thereby avoiding persistent one way international movements of gold. So far as is consistent with the performance of this primary function, however, it is stated that central banks should cooperate in putting into effect a policy designed to moderate the upward and downward swings of general business activity. This resolution was put through without change in the course of one meeting of the committee, with the exception of the United States. Mr. Warburg made a reservation. He stated that he could not accept the resolution definitely until he had submitted it to the Treasury, the Federal Reserve Board, and the Federal Reserve Bank of New York, and had obtained their views upon it. It was at this point that the work of the Committee was interrupted by the reaction of the gold standard countries to President Roosevelt's message of July 3.

Just as work was resumed on July 13, a reply was received to Mr. Warburg's cable of June 30. The reply criticized the substance of the pending resolution, and it

suggested

suggested that such a statement of principle subscribed to by our Government at this time might lead to a misunderstanding of our intention relative to the gold standard. Mr. Warburg was not in London at the time, but Senator Pittman attended the meeting of the Committee and stated that in view of the cable just received from Washington, the American Delegation could not consider further the resolution previously accepted under reserve by Mr. Warburg. His action seemingly caused surprise to the other countries represented on the Committee and they brought about an immediate adjournment of the meeting. Some affected to claim that the American Delegation having been foremost among those insisting that the discussions should continue, should not thus obstruct.

This attitude was considerably allayed when, on the basis of a second cable from Washington, a formula was developed for communicating to the parent Sub-Commission the resolution which the American Delegation was no longer in a position to discuss. The Delegation agreed that it would be proper for the Rapporteur of the Committee to quote in full the text of the resolution, stating that agreement had been reached "by all governments represented on the Sub-Committee on Technical Monetary Problems, except that of the United States, which considered discussion of the question at this time premature, it being understood that the Federal Reserve Banks would be glad to confer at an opportune time with other Central Banks

on questions of this character to the extent that they are compatible with national policies." The resolution was communicated with this explanation to the Sub-Commission at its final meeting on July 20. It was not made the subject of discussion or action at this time.

The drafting committee further stated that it had not been able during the present session to complete its work on the gold exchange standard, methods of economizing gold, and the distribution of monetary reserves. This was merely a way of glossing over the fact that these were questions which the gold standard countries felt they could not safely discuss in view of the present disturbed condition of their public opinion at home. It is probable, too, that the American Delegation would have had to state in regard to a number of the proposals that would have been made under these headings that they were subjects for central banks to discuss rather than for government representatives. Other countries did not find it necessary to make this distinction, either because the heads of their central banks were their representatives on the committee or because most of the questions raised had already been fully discussed by their central bank governors at the monthly meetings of the Bank for International Settlements. Even had Governor Black or Governor Harrison been present in the Committee, however, we should have had to proceed with extreme caution until the

the outlines of our future monetary policy should become clearer. It was as much in the interest of the United States as of the gold standard countries that the work of the Committee at this stage should cease.

The Work of the Economic Commission

On the economic side the Conference agreed to no treaties.

The Sub-Committees, whose reports were all adopted by the Conference, passed certain unanimous resolutions and agreed unanimously on certain principles. As this session of the Conference was cut short, the resolutions took the form of seeking to provide for some continuance of the work. The Sub-Committees considering the coordination of production and marketing* requested certain bodies or governments to take further steps as follows (pages 21, 24-29):**

Product

* Except that on timber, which adjourned until October "as useful negotiations are in progress".

** These and later page references are to the final Report of the Bureau to the Conference.

<u>Product</u>	<u>Request Addressed to</u>	<u>Action Desired</u>
COFFEE	Exporting countries.	To submit proposals to the Secretary General of the Conference with a view to forming an international organization (coffee) or convening a subsequent meeting.
COCOA	Producing countries.	
COPPER	" "	
SUGAR	Bureau of the Conference.	Keep in touch, take steps for continuance of negotiations, and perhaps summon a conference.
WINE	International Wine Office (Economic Committee of the League, International Institute of Agriculture).	To follow the points of the plan drawn up.
COAL	Competent organs of the League.	To follow and consider safeguarding of all interests.
	Council of the League.	To call Conference if six months have brought no results.
TIN	Producing countries not members of International Tin Commission.	To negotiate and join the organizations restricting output.

The Sub-Committee (Conference) adopted a declaration of conditions to which should conform any agreements for coordination of production and marketing, such conditions being designed to make such agreements effective and also fair to consumers (page 19 of Report).

Under the head of indirect protectionism there was recommended a Conference to deal particularly with

customs

customs formalities and a diplomatic conference to continue the work on veterinary measures on the basis of the draft conventions drawn by the Economic Committee of the League. The Bureau of the Conference was requested to provide for the continuance of the work relating to marks of origin (page 32).

On quotas, exchange controls, and other trade restrictions, on tariffs and the most-favored-nation clause, and on bounties and subsidies, the Conference was just passing the stage at which each delegation stated its position and just entering the stage of detailed examination, negotiation, and compromise. It is, therefore, difficult to estimate the chances of any success. In general, each country advocated the abolition or reduction of all barriers to its commerce (including shipping and other subsidies granted by other countries), except of kinds which it is itself practicing to such a degree that it is estopped from urging the case; and, in general, each country either defended its own practices as just or as necessary, or indicated its willingness to abandon such practices provided other countries did this, that, and the other either before or simultaneously. Undoubtedly, there was a wide desire to diminish barriers to commerce, but, on the other hand, the statements indicated many points on which apparently no

no concessions were likely to be made and there is danger that the refusal of concessions in various countries will prevent any significant progress from being made. Great Britain was the most insistent on the reduction of quotas, "excessive" tariffs, and shipping subsidies, but showed no willingness to make concessions of her own and, after the presentation of the last American proposal, indicated an intention of increasing rather than diminishing her tariff. But uncompromising statements doubtless were to some extent made to establish good bargaining positions.

The only views which the Report designates as unanimous were (1) that "excessive" tariffs should be lowered, and (2) that, in principle, quotas (quantitative limitations on the importation of merchandise) and exchange controls should be gradually abolished. But this agreement of views was little more than verbal, the essential differences and difficulties being roughly as follows:

The agreement "in principle" to abolish trade restrictions (as distinguished from tariffs) was so limited by interlocking reservations that progress must be very difficult. In addition to stabilization of currencies as a pre-requisite, the proposed abolition of quotas was hedged with reservations relating to agriculture (France, Great Britain), manufactured articles as long as agricultural products are restricted (eight Eastern European states), and all products as long as tariffs are not reduced

(Switzerland,

(Switzerland, Belgium, Czechoslovakia, France). Great Britain led the attack on quotas, reserving her own, and was generally supported by countries not using such restrictions; but several countries defended quotas as less bad than tariffs because they are transitory, and for other reasons.

Similarly, the unanimous opinion that "excessive" tariffs should be reduced indicates no easy advance toward the elimination even of the latest additions to tariff structures. The British led in the attack on excessive tariffs, but took the position that their own tariff structure is still in the making and should be raised while excessive tariffs are being lowered (Chamberlain's closing speech). The British and some countries argued against any uniform percentage cut in all tariffs, alleging, without analysis of the point, that such a cut would require greater "sacrifices" from "low tariff" countries. The British proposed resolutions condemning the fallacy of the "favorable balance of trade", and various countries pointed to the necessity of creditor countries relaxing restrictions so as to receive payment in goods.

In the Sub-Committee on bounties and subsidies there was in general the same effort on the part of countries not granting bounties to have other countries abolish them while the other countries stood pat or defended the practice in whole or in part. The British were successful in having

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the Sub-Committee take up shipping subsidies first, but even in regard to this the Sub-Committee was only getting down to detailed consideration when the Conference closed.

While many of us thought that having sought the Conference and indicated beforehand a disposition to join in a substantial way in carrying out the professed objects and purposes of the Conference, that the British would within a few days after its meeting offer a more or less comprehensive and basic proposal. It was disappointing to observe, as the Conference proceeded, that neither the British nor any other delegation made any substantial proposal to the Conference that would contemplate a program of any particular breadth or depth. It is true, in this connection, that the Cubans and certain other delegations from small countries offered different sorts of limited proposals, but they had such defects in one way or another that they did not attract any general or favorable comment.

It was during the last days that the American Delegation presented to the Conference a proposal for an agreement among the nations to reduce trade barriers gradually over a period of time, to make the unconditional form of the favored-nation doctrine, with a reasonable exception in favor of broad international efforts for reduction of trade barriers, the universal basis of commercial policy, and to extend the life of the tariff truce to a reasonable period beyond the final adjournment

adjournment of the Conference. This proposal offers a basis upon which a world program might be developed during the course of the recess and the meeting of the Conference to follow.

It is a matter of satisfaction that Mr. Colijn, Chairman of the Economic Commission, delivered two or three addresses in support of the feasibility of this American proposal as a basis for discussion and consideration by the sub-commission on commercial policy. Mr. Bonnet, Mr. Chamberlain, and other heads of delegations from important countries likewise made special reference to this American proposal and indicated that it might afford a suitable basis for the development of a comprehensive policy and plan of the Conference for final and favorable action as the same related to the reduction of trade barriers, the removal of unfair methods and trade practices, and the liberalization of commercial policies generally.

The American Delegation sought three main objectives at the Conference. The first was to keep thoroughly alive and to preserve the integrity of the fundamentals of practical economic international cooperation, the same to be carried out within the range and spirit of the subject matter of the Agenda; secondly, to use all efforts at every stage to keep the Conference going and to effect steady and uniform progress until the chief purposes of its mission had been accomplished; and third, to present a proposal

posal sufficiently broad and with sufficient substance as would fully reaffirm and keep alive the policy of reducing trade barriers to a level of moderation and implementing that policy to the extent of proposing that the nations agree substantially to reduce their respective trade barriers over a period of time. It is believed that in accordance with the numerous favorable expressions of leaders in the Conference, this proposal will in September be made the basis of consideration of what would ultimately comprise a comprehensive program on the economic side.

Thus the American Delegation presented to the Conference all of the draft resolutions embodied in its instructions except that referring to the removal of exchange restrictions.

The future work of the Conference is organized in detail. The Conference has created two permanent continuing agencies, first a Bureau consisting of the sixteen most important and most widely representative nations, and secondly, an Executive Committee consisting of the offices of the Conference and the President, Vice President and rapporteurs of the main Committees. These bodies, one or both, will meet in September with the fullest possible powers to take any action necessary within the scope of the Conference to advance the work of the Conference, whether by calling local or regional or special meetings,

by

by organizing studies, or by reconvening the full session.

Notwithstanding the conservative nature of the foregoing comment on the meeting and proceedings of the Conference thus far, it is my definite opinion that the dominant forces at the Conference representing the principal countries still realize just as keenly as during our conversations with them at Washington during April and May that there must be world economic rehabilitation; that this clearly requires the restoration to a normal extent of international finance and commerce; that all the processes of exchange and distribution are so completely shackled and obstructed by absurdly extreme trade barriers and other economic impediments as to render imperative the reduction or removal by concerted action of the nations of the excessive or unreasonable or indefensible tariff rates, quotas, exchange restrictions, and other conditions that hopelessly break down the processes of exchange and distribution.

Naturally the world economic structure presents infinite complexities dealing with which will tax the patience, the wisdom, and the ingenuity of the statesmen, especially in the important countries of the world. This condition presents all the stronger reason why they should gird themselves for the further prosecution of this difficult but absolutely necessary undertaking. There is general agreement that all the nations should resort to every possible domestic policy

or

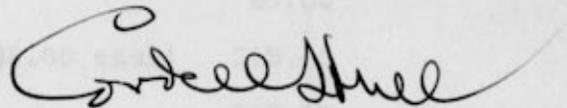
or even temporary expedient to check the ravages of panic and to restore conditions as far in the direction of normal as may be possible. The general view likewise prevails that in addition to and beyond any and all domestic programs, of both an emergency or temporary and permanent nature, there must gradually be restored as a part of the permanent policy, especially of the surplus producing and creditor nations, a basic economic policy of international cooperation, the reasons for which are set forth in the Agenda in a most definite and concrete manner.

It is probable that the entire combined policies of both economic and military disarmament are at present hanging in the balance in the face of the universal assault by the forces of extreme and exclusive nationalism. The reason and the necessity, therefore, are all the stronger for perseverance and persistence by the leading nations of the world to overcome these purely nationalistic efforts to the extent of saving and preserving the most practical and basic phases of both the domestic and international contentions. The economic welfare of 85% of the population of the world hinges on the success of this contest. Its prosecution, therefore, is wise, practical, and most urgent.

I herewith attach the full "Report of the Bureau to the Conference" on the last day of its session which undertakes succinctly to give a substantial account and summing

up of the work, the program, the proceedings, and the progress of the Conference to the date of its recess. A still more elaborate and detailed account of the proceedings of the Conference, especially as it relates to the attitude and action of the American Delegation and the questions considered in the commissions and sub-commissions of which American representatives were members I herewith attach in the individual reports which they kindly prepared at my request. The wheat negotiations were conducted through the Department of Agriculture with the result that I have not been kept advised as to the details of their accomplishment.

Respectfully submitted,

A handwritten signature in cursive script, reading "Cordell Hull". The signature is written in dark ink and is positioned to the right of the typed name "Cordell Hull".

REPORT
ON THE EXPENSES FOR MAINTAINING THE
DELEGATION AT LONDON

The total daily expenditure in London for the Delegation of 53 official members whose expenses were paid from the special appropriation for the Conference was \$1,044.46, divided as follows:

Personal services (salaries)	\$ 67.50
Supplies	6.00
Communication services	85.00
Local transportation	50.00
Per diems (53 persons at \$6.00 each)	318.00
Rent of offices	507.96
Rent of furniture	<u>10.00</u>
	\$1,044.46

This daily rate of expenditure compares with the daily rate for other recent conferences, as follows:

Economic Conference, 1933	\$1,044.46
Disarmament Conference, 1932	1,150.00
London Naval Conference, 1930	2,000.00

The number of personnel in each of the three delegations above referred to was as follows:

Economic Conference	53
Disarmament Conference	43
London Naval Conference	44

It will thus be seen that, though the expenditure at the Economic Conference was approximately 10 per cent less than the Disarmament Conference and considerably less than the London Naval Conference, the Economic Delegation was almost 25 per cent larger in numbers of personnel.

Another point to be noted is that no loss by exchange was sustained by our Government in the main items of expenditure, namely, the per diem allowance for rooms and meals at the hotel in London and the rent of the offices in the same hotel. A contract was made with the hotel to provide rooms and meals and offices at the rate of exchange of \$3.95 to the Pound Sterling and though the rate of exchange went as high as \$4.82 to the Pound our payments were not increased over our contract rate. Furthermore, return trip tickets for all the delegation were purchased before leaving the United States, thus obviating any increased payment for return passage by reason of the lowered value of the dollar in terms of foreign currency.

While the following figures are subject to possible correction when all the expenses have been checked, they will give an approximate estimate of the total expenditure compared with the funds appropriated for the purpose.

Available from first appropriation for the International Monetary Conference	\$ 30,000.00
Available from second appropriation	<u>150,000.00</u>
Total	\$180,000.00
49 days in London from June 8 to July 27 at \$1,044.46 per day	<u>52,178.54</u>
	\$127,821.46
Ocean passage, per diem en route, railway fares between ports and Washington or London, telegraphic communication and other expenses paid by Department at Washington	<u>20,000.00</u>
Balance	\$107,821.46

C. F. State

~~CONFIDENTIAL~~

March 26, 1934.

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My dear Mr. Secretary:

I enclose a copy of a letter which I have just received from the Secretary of State which speaks for itself. I too am concerned over the situation in Panama. I suggest that you detail an officer to confer with a representative of the State Department and a representative of the Navy Department in order to advise us as to whether all practicable measures are being taken and, if not, to make such recommendations as may appear to fit the immediate needs.

If you and the Secretary of State and the Secretary of the Navy will confer on this in a preliminary way, I shall be grateful.

Very sincerely yours,

The Honorable
The Secretary of War
Washington, D. C.

Enclosure.

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x 25 J*

~~CONFIDENTIAL~~

11-7-63
CJD

March 26, 1934.

My dear Mr. Secretary:

I enclose a copy of a letter which I have just received from the Secretary of State which speaks for itself. I too am concerned over the situation in Panama. I suggest that you detail an officer to confer with a representative of the State Department and a representative of the Navy Department in order to advise us as to whether all practicable measures are being taken and, if not, to make such recommendations as may appear to fit the immediate needs.

If you and the Secretary of State and the Secretary of War will confer on this in a preliminary way, I shall be grateful.

Very sincerely yours,

The Honorable
The Secretary of State
The Honorable
The Secretary of the Navy
Washington, D. C.

Enclosure.

dj

March 26, 1934.

My dear Mr. Secretary:

I am enclosing a copy of letters
to the Secretary of War and the Secretary of
the Navy. Will you be good enough to see
that this investigation is promptly started.

Very sincerely yours,

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

Enclosure.

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*Added
3-26
89*

DEPARTMENT OF STATE
WASHINGTON

March 22, 1934.

~~Confidential~~

My dear Mr. President:

Reports have come to me from Minister Gonzalez,⁶²¹ at Panama, indicating that an unusual number of Japanese nationals have recently appeared in Panama, especially in Panamá City, and are residing there under circumstances which give rise to suspicion. It is alleged that some of these persons are known to be closely connected with the Japanese Government and that certain of them are regarded as spies and were, in the year 1910, expelled by the United States Army authorities from the Philippine Islands.

I have also received recently from the Secretary of War, a secret letter expressing his concern at information received in the War Department in regard to indications of the existence of extensive Japanese espionage in Panama adjacent to the Canal Zone and

unauthenticated

The President,

The White House.

unauthenticated reports of Japanese plots to sabotage the Canal. Secretary Dern, in view of this potentially serious situation, invited my comments and suggestions.

In reply I have written him that as it is obviously desirable to have the greatest measure possible of cooperation between our two Departments toward insuring the safety of the Canal, I should be glad to designate a responsible officer of my Department to discuss with a representative of the War Department the information now available in both Departments and ways and means to perfect measures and plans calculated to achieve the purpose of such cooperation.

As this situation seems to raise the question whether all practicable measures are being taken to protect the Canal and whether complete coordination exists in the functioning of the agencies of the Government primarily responsible in connection therewith, I thought that you might care to speak to the Secretary of War in regard to the matter.

Faithfully yours,

Cordell Hull

MAR 22 1934

~~Confidential~~

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Reports have come to me from Minister Gonzales, at Panama, indicating that an unusual number of Japanese nationals have recently appeared in Panama, especially in Panamá City, and are residing there under circumstances which give rise to suspicion. It is alleged that some of these persons are known to be closely connected with the Japanese Government and that certain of them are regarded as spies and were, in the year 1910, expelled by the United States Army authorities from the Philippine Islands.

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The President,
The White House.

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Faithfully yours,

(Sgd) Cordell Hull

May 27, 1933.

FOR THE PRESS

JOINT STATEMENT BY THE PRESIDENT,
VISCOUNT KIKUJIRO ISHII, MEMBER OF
THE JAPANESE PRIVY COUNCIL, AND MR.
HIGO FUKAI, VICE GOVERNOR OF THE BANK
OF JAPAN.

At the conclusion of our conversations, we are happy to note that our views coincide in regard to practical steps which need to be taken toward solving the outstanding economic problems which are now of common interest and concern to all nations.

We concur in the view that economic stability and political tranquillity are complementary essentials to a sound basis for peace; that neither of these can be achieved without the other; and that both economic and military disarmament are needed for their attainment. It is our ardent hope that both may be achieved. We have had, of necessity, to think of the unusual situation which has prevailed in the Far East during the past two years. We hope that the countries of the Far East along with those of the Occident will be able to contribute substantially, in a spirit of cooperation, to the laying of solid foundations for a structure of world peace and prosperity.

We are in complete concurrence in the view that in place of the existing monetary chaos, there should be established, by international effort, an orderly regime and that unreasonable obstacles to the flow of trade and capital where they now exist should be removed and where they do not exist should be adequately safeguarded against.

We consider it highly desirable that the price of silver be reasonably enhanced and that silver exchange be stabilized. With regard to many other measures which need to be adopted in order to establish the conditions of economic and political health throughout the world, we are in close agreement.

We look toward the convening of the World Economic Conference and we observe the work of the Disarmament Conference resolved to contribute to the maximum of our ability, in a spirit of utmost cooperation, to the end that through the instrumentality of sincere and determined efforts on the part of all the nations principles and practices may be agreed upon which will be helpful to each and to all.

PSF

W. G. Stat.

August 31, 1934.

Dear Walton:-

I see no reason why you should not go ahead with the general suggestions in your letter and try to bring the Russian matter to a conclusion. I do not think the coming election presents a valid reason for delay and I am inclined to think that an honorable settlement between us and Russia would help rather than hurt. At all times it should be made very clear, of course, that the credits we extend will result in immediate orders for American goods and thus put American workmen to work.

As a matter of fact, even if we resume the conversations with Troyanovsky, the chances are that no final agreement would be made for a good many weeks.

Always sincerely,

Hon. R. Walton Moore, ^{v. s.}
Assistant Secretary of State,
State Department,
Washington, D. C.

100-100000
100-100000
100-100000

THE WHITE HOUSE
WASHINGTON

December 7th, 1934

State

MEMORANDUM FOR

THE SECRETARY OF STATE *x 20*

After reading the papers of the past three days, I am inclined to think that it would be well to tell Davis, confidentially, something to this effect:

"Now that the effect of denunciation by the Japanese has been made clear to Matsudaira by both the British and ourselves, we think you should do nothing further before December thirty-first, as a result of which the Japanese could use that as a reason or a partial reason for denunciation. In other words, we are in an excellent position at the present time. Even if it involves keeping the confersations going until December thirty-first, it is worthwhile to do it in order that the whole onus of denunciation can be placed on the Japanese without giving them any excuses."

What do you think

FDR.

F. D. R.

Orig to State 12/8/34

THE WHITE HOUSE
WASHINGTON

April 23, 1935.

MEMORANDUM FOR

THE SECRETARY OF STATE:

WHAT DO THE SWEDES WANT REDUCTIONS
IN, IN THEIR EXPORTS TO US?

F. D. R.



DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON

April 20, 1935.

Handwritten: Sec State
4-20-35

Handwritten: G. F. State

MEMORANDUM FOR THE PRESIDENT.

Handwritten:
x 20
x 66
x 614-A
x 61 x 42
x 167

Possibly you may desire to glance over the full list of tariff concessions we proposed to Sweden and those proposed by Sweden to us, before discussing them fully and finally with the State Department. Such lists are hereto attached.

I shall be glad as early as you may find it convenient to go over any phases of these proposals with you, with a view to getting the agreement carried forward before the Swedish Parliament adjourns. I am very desirous that you examine the lists and thoroughly satisfy yourself before final decision.

Handwritten signature: C. Hull

MEMORANDUM

STRICTLY CONFIDENTIAL

Tariff Rate Bindings and Reductions Which Sweden
Has Offered in Our Trade Agreement Negotiations.

1. Assurance Against Increase in Existing Duty or
of Retention on Free List:

Including these items on the schedules will make
it ^{practically} impossible for Sweden to impose quantitative
limitations during the life of the agreement.

Tariff Number	Statistical Number	Article	Present Customs Treatment. Rate of duty (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated
Ex 11	26	Salted pork	12.00
Ex 68	Ex 135	Dried apricots and peaches	Free
Ex 68	Ex 137	Plums, "quetaches" and damsons	Free
Ex 68	Ex 138	Dried pears	Free
Ex 68	Ex 139	Dried apples	Free
Ex 68	Ex 140	Mixed fruits composed of fruits classified under statistical numbers 135 to 139	Free
90	188	Rice groats	2.00
Ex 94	198	Cornstarch	20.00
Ex 103	232	Gum resin and wood resin	Free
	313	Coffee substitutes, cereal	20.00
Ex 160	359	Cottonseed cake	Free
Ex 160	361	Linseed cake	Free
Ex 160	365:1	Copra cake	Free
Ex 160	365:2	Other oil cake	Free

Tariff Number	Statistical Number	Article	Present Customs Treatment. Rate of duty (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated
Ex 162	387	Raw phosphate	Free
	439	Gasoline	0.10 per 100 liters
Ex 177	449	Sulphur	Free
Ex 296	661	Patent leather, in pieces weighing at least 1 kilo	150.00 (ad valorem equivalent about 12%)
Ex 297	664	Patent leather in pieces weighing less than 1 kilo	200.00 "
Ex 328	698	Rubber heels and soles for footwear	50.00
344	767	Manufactures of wood: shovels and oven spades, cramps, cramp-frames and plane stocks, also handles for axes, sledges, hammers, pick-axes, rakes, shovels, spades, forks, hoes, sythes and hay forks	5.00
Ex 227	544	Motion picture films, developed	1580.00 (ad valorem equivalent about 30%)
	901	Cotton, uncarded	Free
Ex 649	1221	Synthetic grindstones, whetstones and polishing stones	25.00
	1242	Abrasive paper	10.00
	1243	Abrasive cloth	35.00
	1480	Hacksaw blades	60.00
Ex 896	1571	Copper, unwrought	Free
Ex 968	1721	Type-setting machines	Free
	1739	Plows	6.00
	1740	Harrows	6.00
	1741	Harvesting machines	6.00
984	1757	Cylinders, slide boxes and pistons, worked, imported separately, for steam engines, motors, refrigerators, pumps, fire engines, and like machines	35.00

Tariff Number	Statistical Number	Article	Present Customs Treatment. Rate of duty (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated
Ex 1056	1907	Passenger automobiles	20% ad valorem
Ex 1056	1911	Chassis for automobiles	20% ad valorem
Ex 1056	1912	Automobile parts, not otherwise specified	15% ad valorem
Ex 1057	1916	Parts and accessories, except chassis and coach work, intended for the assembling of automobiles	14% ad valorem

#

2. Reductions in the Present Rates of Duty Agreed to by the Swedish Representatives:

Tariff Number	Statistical Number	Article	Present Customs Treatment. Rate of duty (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated	Rate Offered by Sweden (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated
Ex 67	Ex 130	Apples, fresh	10.00 Feb. 1-Apr. 30; 20.00 remainder of year	10.00 Feb. 1-June 30; 20.00 remainder of year
Ex 67	Ex 131	Pears, fresh	" "	10.00 Jan. 1-June 30; 20.00 remainder of year
	132	Grapefruit	20.00	Free
Ex 69	Ex 142	Raisins	15.00	Free
	46 & 54	Salmon and salmon trout	20.00	Free
Ex 94	202	Baking powder	40.00	30.00
Ex 134	Ex 307	Prepared breakfast foods	20.00	15.00
Ex 137	Ex 310	Fruit and berries, sweet-preserved	50.00	(Still under discussion.)
Ex 143	Ex 318	Fruits and berries, preserved (canned peaches, pears, apricots, grapefruit, pineapple and mixed fruits)	75.00	50.00

Tariff Number	Statistical Number	Article	Present Customs Treatment. Rate of duty (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated	Rate Offered by Sweden (including duty surtax) in Swedish Crowns. Per 100 Kilos except as indicated
Ex 143	321	Canned soups	75.00	50.00
261	591	Tooth powder and tooth paste	200.00	100.00 (about 10% ad valorem)
Ex 264	595	Shaving soap and shaving cream	100.00	50.00

11
January 14, 1936

G. F.
State

MEMORANDUM FOR THE SECRETARY OF STATE: x20

xpp7297 I am inclined to think that the
Herald Tribune should be officially informed
of Fleisher's statement to Grew that
his cabled resume of Japan's reaction to
the President's message was entirely
fictitious. x204
xpp7164

Please let me have a copy of
the Tribune story of your telegram to Grew
and his reply for my personal files.

F. D. R.

ad

x197
x358

FS
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (A)

Tokyo

Dated January 7, 1936

Rec'd 6:42 a. m.

Secretary of State,
Washington.

4, January 7, 2 p. m.

One. STRICTLY CONFIDENTIAL.

Fleisher informs me that the resume of Japanese reaction to the President's message to Congress which he cabled to the HERALD TRIBUNE was entirely fictitious having been compiled only from his own ideas of what the Japanese would think. He has been unable to obtain any opinion from Japanese sources and the Foreign Office officials take refuge in the statement that they have not read the message.

Two. There has been no editorial comment whatever in the Japanese press in regard to the message except an editorial in the JAPAN TIMES AND MAIL (Japanese owned English language newspaper) of January 6 which criticizes the bold wording of the message but points out that the message was intended primarily for domestic consumption with a view to insuring the passage of further neutrality legislation.

CSB

GREW

PSK Confidential File
State Dept.

7 4/15/36

March 21, 1936.

C. F.
State

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE x20

x 20
x C. F. Navy
x 66
x 47
x 203
x 1817
x 18
x 50.13
x 29

In the Naval Treaty I hope one point is perfectly clear:

If, for example, the Treaty should be ratified by July 1, 1937, and if during the intervening period Great Britain or another power should actually lay down a number of light cruisers, and if during the same period our Congress did not authorize or appropriate for a similar number of cruisers -- in such an event, would we later on - say in 1938 - have the right to authorize or appropriate for the number of cruisers we had fallen behind during this coming interim period?

In other words, the United States should have the right at any future date to make up for deficiencies occurring during the interim period.

F. D. R.

DEPARTMENT OF STATE
WASHINGTON

March 19, 1936

My dear Mr. President:

We have just received from the delegation in London the complete draft of the naval treaty, copy of which I am enclosing herewith.

Of course, most of the clauses have come to your attention as the work of the Conference has progressed, and it remains only for a final check to be given to the complete treaty by the Navy Department and by this Department, provided it meets with your approval. The clauses which have not come to your attention before are particularly articles 23, 24 and 25, which are the escape clauses to be resorted to in the event of one of the parties to the treaty becoming involved in a war or in the event of excessive building by nations not parties to the treaty. As far as I can see at the moment, the treaty is acceptable to us. Of course, as I said before, I would want to have a final check on this draft made by the Navy Department, in order to make certain that it is acceptable to the Navy.

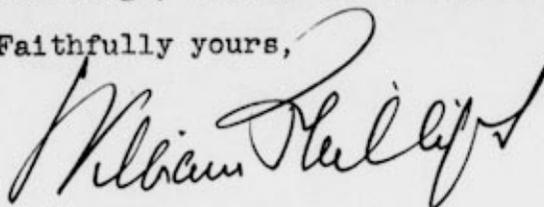
Norman

The President,

The White House.

Norman Davis has informed us that it is now anticipated that the text of the treaty will be approved by the First Committee tomorrow and that a plenary session will be held on Tuesday, March 24, to proceed with the signature of the treaty. I would be very grateful, therefore, if we could have your comment on the text as it now stands as soon as convenient, in order that we may accordingly notify the delegation.

Faithfully yours,

A handwritten signature in cursive script, appearing to read "William Phillips". The signature is written in dark ink and is positioned below the typed name "William Phillips".

Enclosure:
Text of naval treaty.

Department of State

BUREAU | WE
DIVISION | -----

ENCLOSURE

TO

Letter drafted March 19, 1936

ADDRESSED TO

The President

DRAFT OF NAVAL TREATY

The President of the United States of America,
the President of the French Republic and His Majesty
the King of Great Britain, Ireland and the British
Dominions beyond the seas, Emperor of India; desiring
to prevent the dangers and reduce the burdens imminent
in competitive naval armaments; desiring in view of the
forthcoming expiration of the Treaty for the Limitation
of Naval Armament signed at Washington on February 6,
1922, and of the Treaty for the Limitation and Reduction
of Naval Armament signed at London on April 22, 1930,
(save for part four thereof) to make provision for the
limitation of naval armament and for the mutual exchange
of information concerning naval construction; have re-
solved to conclude a treaty for these purposes and have
appointed as their plenipotentiaries: the President of
the United States of America, the President of the French
Republic, His Majesty the King of Great Britain, Ireland
and the British Dominions beyond the seas, Emperor of
India

India for Great Britain and Northern Ireland and all parts of the British Empire which are not separate members of the League of Nations, for the Dominion of Canada, for the Commonwealth of Australia, for the Dominion of New Zealand, for the Union of South Africa, for India, who having communicated to one another their full powers found in good and due form have agreed as follows:

PART I - Definitions.

Article one.

For the purposes of the present Treaty the following expressions are to be understood in the sense hereinafter defined.

A. Standard Displacement.

(1) The standard displacement of a surface vessel is the displacement of the vessel completely fully manned, engined and equipped ready for sea including all armament and ammunition equipment outfit provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war but without fuel or

reserve

reserve feed water on board.

(2) The standard displacement of a submarine is the surface displacement of the vessel complete (exclusive of the water in nonwatertight structure) fully manned, engined and equipped ready for sea including all armament and ammunition equipment outfit provisions for crew, miscellaneous stores and implements of every description that are intended to be carried in war but without fuel, lubricating oil, fresh water or ballast water of any kind on board.

(3) The word "ton" except in the expression "metric tons" shall be understood to be the ton of 2240 pounds (1016 kilos).

B. Categories.

(1) Capital ships are surface vessels of war belonging to one of the two following subcategories:

(a). Surface vessels of war other than aircraft carriers or capital ships of subcategory "B" the standard displacement of which exceeds 10,000 tons (10160 metric tons) or which carry a gun with a calibre exceeding

eight inches (203 MM). (b) Surface vessels of war other than aircraft carriers the standard displacement of which does not exceed 8,000 tons (8128 metric tons) and which carry a gun with a calibre exceeding eight inches (203 MM).

(2) Aircraft carriers are surface vessels of war whatever their displacement designed or adapted primarily for the purpose of carrying and operating aircraft at sea. The fitting of a landing-on or flying-off deck on any vessel of war provided such vessel has not been designed or adapted primarily for the purpose of carrying and operating aircraft at sea shall not cause any vessel so fitted to be classified in the category of aircraft carriers. The category of aircraft carriers is divided into two subcategories as follows: (a). Vessels fitted with a flight deck from which aircraft can take off or on which aircraft can land from the air. (b). Vessels not fitted with a flight deck as described in (a) above.

(3). Light surface vessels are surface vessels of

war other than aircraft carriers or minor war vessels the standard displacement of which exceeds 100 tons (102 metric tons) and does not exceed 10,000 tons (10160 metric tons) and which do not carry a gun with a calibre exceeding eight inches (203 MM). The category of light surface vessels is divided into three subcategories as follows: (a). Vessels which carry a gun with a calibre exceeding six point one inches (155 MM). (b). Vessels which do not carry a gun with a calibre exceeding six point one inch (155 MM) and the standard displacement of which exceeds 3000 tons (3048 metric tons). (c). Vessels which do not carry a gun with a calibre exceeding six point one inch (155 MM) and the standard displacement of which does not exceed 3000 tons (3048 metric tons).

(4). Submarines are all vessels designed to operate below the surface of the sea.

(5). Minor war vessels are surface vessels of war the standard displacement of which exceeds 100 tons

(102 metric

✓ (102 metric tons) and does not exceed 2000 tons (1032 metric tons) provided they have none of the following characteristics: (1). Mount a gun with a calibre exceeding six point one inch (155 MM). (2). Are designed or fitted to launch torpedoes. (3). Are designed for a speed greater than twenty knots.

(6) Auxiliary vessels are naval surface vessels the standard displacement of which exceeds 100 tons (102 metric tons) which are normally employed on fleet duties or as troop transports or in some other way than as fighting ships and which are not specifically built as fighting ships provided they have none of the following characteristics: (1). Mount a gun with a calibre exceeding six point one inch (155 MM). (2). Mount more than eight guns with a calibre exceeding three inch (76 MM). (3). Are designed or fitted to launch torpedoes. (4) Are designed for protection by armour plate. (5). Are designed for a speed greater than 28 knots. (6). Are designed or adapted primarily for operating aircraft at sea. (7). Mount more than two aircraft launching apparatus.

(7). Small

(7) Small craft are naval surface vessels the standard displacement of which does not exceed 100 tons (102 metric tons).

C. Overage vessels.

The following categories shall be deemed to be "overage" when the undermentioned number of years have elapsed since completion: (a). Capital ships 26 years. (b). Aircraft carriers 20 years. (c). Light surface vessels subcategories (a) and (b). (1) If laid down before first January, 1920, sixteen years. (2) If laid down after 31st December, 1919, twenty years. (d). Light surface vessels subcategory (c) 16 years. (e). Submarines 13 years.

D. The word "month" in the present Treaty with reference to a period of time shall denote the month of 30 days.

PART II - Limitation.

Article two.

After the coming into force of the present Treaty no vessel exceeding the limitations as to displacement or armament prescribed by this part of the present treaty shall be acquired by any high contracting party or constructed by,
for

for or within the jurisdiction of that high contracting party.

Article three.

No vessel which at the date of the coming into force of the present Treaty carries guns with a calibre exceeding the limits prescribed by this part of the present Treaty shall if reconstructed or modernized be rearmed with guns of a greater calibre than those previously carried by her.

Article four.

(1). No capital ship shall exceed 35,000 tons (35560 metric tons) standard displacement.

(2). No capital ship shall carry a gun with a calibre exceeding 14 inches (356 MM) provided however that if any of the parties to the Treaty for the Limitation of Naval Armaments signed at Washington on sixth February, 1922, should fail to enter into an agreement to conform to this provision prior to the coming into force of the present Treaty the maximum calibre for guns carried by capital ships shall be 16 inches (406 MM).

(3). No

(3). No capital ship of subcategory (A) the standard displacement of which is less than 17,500 tons (17780 metric tons) shall be laid down or acquired prior to first January, 1943.

(4). No capital ship the main armament of which consists of guns of less than ten inches (254 MM) calibre shall be laid down or acquired prior to first January, 1943.

Article five.

(1). No aircraft carrier shall exceed 23,000 tons (23368 metric tons) standard displacement or carry a gun with a calibre exceeding six point one inch (155 MM).

(2). If the armament carried includes guns exceeding five point twenty-five inch (134 MM) in calibre the total number of guns carried which exceed that calibre shall not be more than ten.

Article six.

(1). No light surface vessel of subcategory (b) exceeding 8000 tons (8128 metric tons) standard displacement and no light surface vessel of subcategory (A) shall be laid down or acquired prior to first January 1943.

(2). Neither

? (2). Neither the provisions of the preceding para-
graph nor those of part three are without prejudice to
? the right of any high contracting party in the event of
loss or accidental destruction of a light surface vessel
of subcategory (b) exceeding 8000 tons (8128 metric tons)
standard displacement or of a light surface vessel of sub-
category (a) before the vessel in question has become over-
age to replace such vessel by a light surface vessel of
the same subcategory of any standard displacement immediately
upon communicating to the other high contracting parties
the particulars of the new vessel mentioned in Article 12 (B).

(3). Notwithstanding the provisions of paragraph (1)
above if the requirements of the national security of any
high contracting party are in the opinion of that party
materially affected by the actual or authorised amount of
construction by any power of light surface vessels sub-
category (b) or the construction of light surface vessels
not conforming to the restrictions of paragraph (1) above
such high contracting party shall upon notifying the other

high

high contracting parties of his intentions and the reasons therefor have the right to lay down or acquire light surface vessels of any standard displacement or armament subject to the observance of the provisions of part three of the present treaty each of the other high contracting parties shall thereupon be entitled to exercise the same right.

(4). It is understood that the provisions of paragraph (1) above constitute no undertaking expressed or implied to continue the restriction therein prescribed after the year 1942.

Article seven.

No submarine shall exceed 2000 tons (2032 metric tons) standard displacement or carry a gun exceeding five point one inch (130 MM) in calibre.

Article eight.

Every vessel shall be rated at its standard displacement as defined in Article 1 of the present Treaty.

Article nine.

No preparations shall be made in merchant ships in time of peace for the installation of warlike armaments for the purpose of converting such ships into vessels of war other than the necessary stiffening of decks for the mounting of guns not exceeding six point one inch (155 MM) in calibre.

Article ten.

Vessels which were laid down before the date of the coming into force of the present Treaty whose standard displacement or armament exceeds the limitations prescribed in this part of the present Treaty for their category or vessels which before that date were converted to target use exclusively or retained exclusively for experimental or training purposes under the provisions of previous treaties shall retain the category or designation which applied to them before the said date.

PART III - Advance notification and exchange of information.

Article shown:

(1) Each of the high contracting parties shall communicate every year to each of the other high contracting parties information as hereinafter provided

regarding

regarding his annual programme for the construction or acquisition of all vessels of the categories and sub-categories mentioned in Article 12 (A) and periodical information giving details of such vessels and of any alterations to vessels of the said categories or sub-categories already completed whether or not the vessels concerned are constructed within his own jurisdiction.

(2) For the purposes of this part of the Treaty information shall be deemed to have reached a high contracting party on the date upon which such information is communicated to his diplomatic representatives accredited to the high contracting party by whom the information is given.

(3) This information shall be treated as confidential until published by the high contracting party supplying it.

Article twelve.

The information to be furnished under the preceding Article in respect of vessels constructed by or for a high contracting party shall be given as follows and so as to reach the other high contracting parties within

the

the periods or at the times mentioned; (A) Within the first four months of each calendar year the annual programme of construction or acquisition of all vessels of the following categories and subcategories stating the number of vessels of each category and subcategory and the calibre of the largest guns. The categories and subcategories in question are: Capital ships subcategory (a) subcategory (b) aircraft carriers subcategory (a) subcategory (b) light surface vessels subcategory (a) subcategory (b) subcategory (c) submarines. (B) Not less than four months before the date of the laying of the keel the following particulars in respect of each such vessel: Name or designation, category and subcategory, standard displacement in tons and metric tons, length at waterline at standard displacement, extreme beam at or below waterline at standard displacement, mean draught at standard displacement, designed horse power, designed speed type of machinery, type of fuel, number and calibre of all guns of three inch (76 MM) calibre and above, approximate number of guns of less than three inch (76 MM) calibre, number of torpedo

torpedo tubes; whether designed to lay mines; approximate number of aircraft for which provision is to be made. (C) As soon as possible after the laying down of the keel of each such vessel the date on which it is laid. (D) Within one month after the date of completion of each such vessel the date of completion together with all the particulars specified in paragraph (B) above relating to the vessel on completion. (E) Annually during the month of January in respect of vessels belonging to the categories and sub-categories mentioned in paragraph (A) above: (1) Information as to any important alterations which it may have proved necessary to make before the first January in vessels under construction in so far as these alterations affect the particulars mentioned in paragraph (B) above. (2) Information as to any important alterations made in vessels previously completed in so far as these alterations affect the particulars mentioned in paragraph (B) above. (3) Information concerning vessels which may have been scrapped or otherwise disposed of. If such vessels are not scrapped sufficient

sufficient information shall be given to enable their new status and condition to be determined. (F) Not less than four months before undertaking such alterations as would cause a vessel coming within the categories or sub-categories mentioned in paragraph (A) above to change her category: Information as to her intended characteristics as specified in paragraph (B) above.

Article thirteen.

Each high contracting party shall give lists of all his minor war vessels and auxiliary vessels with their characteristics as enumerated in Article 12 (B) and information as to the particular service for which they are intended so as to reach the other high contracting parties within one month after the coming into force of the present Treaty and so as to reach the other high contracting parties within the month of January in each subsequent year any amendments in the lists and changes in the information.

Article

Article fourteen.

If a completed or partially completed vessel coming within the categories or subcategories mentioned in Article 12 (a) should be acquired by a high contracting party the particulars mentioned in Article 12 (B) shall be furnished so as to reach the other high contracting parties within one month from the date on which the contract for the acquisition of such vessel is signed. The particulars mentioned in Article 12 (D) (E) and (F) shall be given as there prescribed together with the date at which the keel was laid. No such vessel shall be acquired until four months after the annual programme in which the vessel is declared has reached all the other high contracting parties. In such case the information given under Article 12 (A) shall be accompanied by such of the particulars mentioned in Article 12 (B) (C) and (D) as are then available.

Article fifteen.

If before the keel of any vessel coming within the
categories

categories or subcategories mentioned in Article 12 (A) is laid any important modification is made in the particulars regarding her which have been communicated under Article 12 (B) information concerning this modification shall be given and the laying of the keel shall be deferred until at least four months after this information has reached all the other high contracting parties.

Article sixteen.

The number of vessels in any category or subcategory mentioned in Article 12 (A) which a high contracting party may lay down or acquire during the period covered by the declaration of an annual programme shall not exceed the number of vessels shown for that category or subcategory in the declaration in addition to any vessels included in previous annual declarations which have not yet been laid down or acquired but which it is the intention to lay down or acquire during the current year.

Article seventeen.

No vessel coming within the categories or subcategories mentioned in Article 12 (A) shall be laid down by

any

any high contracting party until after the lapse of a period of four months from the date on which particulars of that vessel under Article 12 (A) have reached all the other high contracting parties.

Article eighteen.

If the construction of any vessel coming within the categories or subcategories mentioned in Article 12 (A), which is not for the order of a high contracting party, is undertaken within the jurisdiction of any of the high contracting parties such party shall promptly inform the other high contracting parties of the date of the signing of the contract and shall also give all the information specified in Article 12 (B) (C) and (D).

Article nineteen.

At the time of making the annual declaration prescribed by Article 12 (A) each high contracting party shall inform each of the other high contracting parties of all vessels included in the previous annual declaration that have not yet been laid down or acquired but which it is the intention to lay down or acquire during the current year.

Article twenty.

(1). If the present Treaty should not come into force before the first May, 1937, the annual programme of construction or acquisition to be declared under Article 12 (A) shall be communicated so as to reach the other high contracting parties within one month after the coming into force of the present Treaty.

(2). At the time of making his annual declaration for 1937 as prescribed by Article 12 (A) or by the preceding paragraph each high contracting party shall inform each of the other high contracting parties of any vessels previously authorized which have not been laid down or acquired but which it is the intention to lay down or acquire in the current year.

(3). Nothing in Part III of the present Treaty shall prevent the laying down or acquisition at any time during the four months following the date of coming into force of the present Treaty of any vessel declared or to be declared in 1937 or previously authorized provided that the information prescribed by Article 12 (B) concerning each vessel shall be communicated so as to reach the other high contracting parties within one month after the date of the coming into force of the present Treaty.

Article twenty-one.

Each of the high contracting parties shall communicate to each of the other high contracting parties so as to reach the latter within one month after the coming into force of the present Treaty particulars as provided in Article 12 (B) of all vessels of the categories or subcategories mentioned in Article 12 (A) which are then under construction for him whether or not such vessels are being constructed within his own jurisdiction together with similar particulars relating to any such vessels then under construction within his own jurisdiction for a power not a party to the present Treaty.

PART IV - General and Safeguarding Clauses.

Article twenty-two.

No high contracting party shall by gift, sale or any mode of transfer, dispose of any surface vessel of war or of any submarine in such a manner that such vessel may become a vessel of war or a submarine in any foreign navy. This provision shall not apply to auxiliary vessels.

Article twenty-three.

(1) If

(1) If any high contracting party should become engaged in war such high contracting party may if he considers the naval requirements of his defence are materially affected suspend in so far as he is concerned any or all of the obligations of the present Treaty provided that such high contracting party shall immediately notify the other high contracting parties that the circumstances require such suspension and shall specify the obligations it is considered necessary to suspend.

(2) The other high contracting parties shall in such case promptly consult together through the diplomatic channel and shall examine the situation thus presented with a view to agreeing as to the obligations of the present Treaty, if any, which each of the said high contracting parties may suspend. Should such consultation not produce agreement any of the said high contracting parties may suspend in so far as he is concerned any or all of the obligations of the present Treaty provided that he shall give notice to the other high contracting parties of the obligations which it is considered necessary to suspend.

(3). On

(3) On the cessation of hostilities the high contracting parties shall consult together with a view to settling a date upon which the obligations of the Treaty which have been suspended shall again become operative or to agreeing upon any amendments in the present Treaty which may be considered necessary.

Article twenty-four.

(1) In the event of vessels not in conformity with the limitations and restrictions as to standard displacement and armament prescribed by Articles four, five and seven of the present Treaty being authorized, constructed or acquired by a power not a party to the present Treaty each high contracting party reserves the right to depart from the limitations and restrictions in Articles four, five, six and seven during the remaining period of the Treaty and during the current year from his declared programmes of construction or acquisition if and to the extent to which he considers such departures necessary in order to meet the requirements of his national security. This right shall be exercised in accordance with the following provisions:

(2) Any

(2) Any high contracting party who considers it necessary that such right should be exercised shall notify the other high contracting parties to that effect stating precisely the nature and extent of the proposed departures and the reasons therefor.

(3) The high contracting parties shall thereupon consult together and endeavour to reach an agreement with a view to reducing to a minimum the extent of the departures which may be made.

(4) On the expiration of a period of three months from the date of the first of any notifications which may have been given under paragraph (2) above each of the high contracting parties shall subject to any agreement which may have been reached to the contrary be entitled to depart during the remaining period of the present Treaty from the limitations and restrictions prescribed in Articles four, five, six and seven thereof.

(5) On the expiration of the period mentioned in the preceding paragraph any high contracting party shall be at liberty, subject to any agreement which may have been

reached

reached during the consultations provided for in paragraph (3) above and on informing all the other high contracting parties, to depart from his declared programs and to alter the characteristics of any vessels building or already declared by him.

(6) No delay in the acquisition, the laying of the keel or the construction of any vessel altered or added to the programmes under the provisions of the preceding paragraph shall be necessary by reason of any of the provisions of Part III of the present Treaty. The particulars mentioned in Article twelve (B) shall, however, be communicated to all the other high contracting parties before the keels of any such vessels are laid. In the case of acquisition, information relating to the vessel shall be given under the provisions of Article fourteen.

Article twenty-five.

(1) Should the national security of any high contracting party be materially affected in the opinion of that party by any change of circumstances other than those pro-

vided

vided for in Articles six (3), twenty-three and twenty-four of the present Treaty such high contracting party shall have the right to depart for the current year from his declared programmes of construction or acquisition. The amount of construction by any party to the treaty within the limitations and restrictions thereof shall not however constitute a change of circumstances for the purposes of the present article. The above-mentioned right shall be exercised in accordance with the following provisions.

(2). Such high contracting party shall if he desires to exercise the above-mentioned right notify the other high contracting parties to that effect stating in what respects he proposes to depart from his declared programmes and giving reasons for the proposed departure.

(3). The high contracting parties will thereupon consult together with a view to agreement as to whether any departures are necessary in order to meet the situation.

(4). On the expiration of a period of three months from the date of the first of any notifications which may have been given under paragraph 2 above each of the high

contracting

contracting parties shall subject to any agreement which may have been reached to the contrary be entitled to depart from his declared programmes provided notification is immediately given to the other high contracting parties stating precisely the nature and extent of the proposed departure.

(5). No delay in the acquisition, the laying of the keel or the constructions of any vessel altered or added to the programmes under the provisions of the preceding paragraph shall be necessary by reason of any of the provisions of Part III of the present Treaty. The particulars mentioned in Article twelve (8) shall, however, be communicated to all the other high contracting parties before the keels of any such vessels are laid. In the case of acquisition information relating to the vessel shall be given under the provisions of Article fourteen.

Part V - Final Clauses.

Article 26.

The Present Treaty shall remain in force until the 31st December, 1942.

Article 27.

(1) His Majesty's Government in the United Kingdom will during the last quarter of 1940 initiate through the diplomatic channel a consultation between the Governments of the parties to the Treaty with a view to holding a conference in order to frame a new Treaty for the reduction and limitation of naval armaments. This conference shall take place in 1941 unless the preliminary consultations should have shown that the holding of such a conference at that time would be neither desirable nor practicable.

(2) In the course of the consultation referred to in the preceding paragraph views shall be exchanged in order to determine whether in the light of circumstances then prevailing and the experience gained in the interval

in

in the design and construction of capital ships it may be possible to agree upon a reduction in the standard displacement or calibre of guns of capital ships to be acquired or laid down in accordance with future annual programmes of construction or acquisition and thus if possible to bring about a reduction in the cost of capital ships.

Article 28.

None of the provisions of the present Treaty shall constitute a precedent for any future treaty.

Article 29.

(1) The present Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional methods and the instruments of ratification shall be deposited as soon as possible with His Majesty's Government in the United Kingdom which will transmit a certified copy thereof to the Governments of the High Contracting Parties and of any country on behalf of which accession has been made in accordance with the provisions of Article 30.

(2) The Treaty shall come into force on the first January, 1937, provided that by that date the instruments of ratification of the President of the United States of America, of the President of the French Republic and of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the seas, Emperor of India shall have been deposited. If all the above-mentioned instruments of ratification have not been deposited by the first January, 1937, the Treaty shall come into force as soon thereafter as these are all received.

Article 30.

(1) The present Treaty shall at any time after this day's date be open to accession on behalf of any country for which the Treaty for the Limitation and Reduction of Naval Armament was signed at London on April 22, 1930, but for which the present Treaty has not been signed. The instrument of accession shall be deposited with His Majesty's Government in the United Kingdom which will transmit a certified copy thereof to the Governments of

the

the High Contracting Parties and of any other country on behalf of which accession has been made.

(2) Accessions if made prior to the date of the coming into force of the Treaty shall take effect on that date. If made afterwards they shall take effect immediately.

Article 31.

The present Treaty of which the French and English texts shall both be equally authentic shall be deposited in the archives of His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland which will transmit certified copies thereof to the Governments of the High Contracting Parties.

In faith whereof the above named plenipotentiaries have signed the present Treaty and have affixed thereto their seals. Done in London theday of March nineteen hundred and thirty-six.

Additional protocol. The undersigned on behalf of
their

their respective Governments express the hope that the system of advance notification and exchange of information will be continued by international agreement after the expiration of the present Treaty and that it may be possible in any future treaty to achieve some further measure of reduction in naval armament.



DEPARTMENT OF STATE
WASHINGTON

November 13, 1936.

My dear Mr. President:

I enclose a signed translation of a letter to you,
dated September 8, 1936, from the President of Guatemala,
requesting the good offices of this Government in connection
with questions that have arisen between the Governments of
Guatemala and Great Britain relative to the interpretation
of Article VII of the Boundary Treaty of April 30, 1859,
between those countries.

x66

There is attached a draft of a letter from you to the
President of Guatemala for your consideration, and for your
signature if it has your approval. It seems to me that
this is the sort of letter that should be sent, in view of
the understanding here that the method of dealing with the
Guatemalan request is to be deferred until the return of
Mr. Sumner Welles.

In case you sign the suggested letter to President
Ubico, I will thank you to cause it to be returned to me for
transmittal through the usual diplomatic channels.

Yours very sincerely,

R. W. [Signature]
Acting Secretary.

x20

Enclosures:
Signed translation;
Letter to President Ubico.

The President,
The White House.

videation, and I shall be pleased to address a further
communication on the subject to Your Excellency at a

CONFIDENTIAL

My dear Mr. President:

I have received Your Excellency's courteous confidential communication of September 8, 1936, requesting the good offices of my Government in connection with the difficulties which the illustrious Governments of Guatemala and Great Britain are experiencing with reference to the interpretation of Article VII of the Boundary Treaty of April 30, 1859, between the two countries.

I am grateful for the kind phrases with which you refer to the Government of the United States and am appreciative of the thought which prompted your communication to me. Your Excellency's request for the good offices of my Government is having attentive consideration

His Excellency

General Jorge Ubico,

Constitutional President of the
Republic of Guatemala.

sideration, and I shall be pleased to address a further communication on the subject to Your Excellency at a later date.

With the expression of my warm regards, believe me, my dear Mr. President,

Sincerely yours,

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
WASHINGTON

CF
State
February 18, 1937.

MEMORANDUM FOR

THE SECRETARY OF STATE x20

x50-9
How do you think we should handle this? Please note memorandum from Colonel Watson which arrived the same day as your letter. I do not think we can refuse debt discussions but at the same time you and I know perfectly well that Belgium, in all probability, cannot offer any debt settlement which any of us can accept.

van Zeeland is a real friend of ours and has, as you know, copied "The New Deal."

F. D. R.

x14

x212

Letter from Secty State enclosing
Memorandum of Conversation
between Naval Attache of Am.
Embassy in Brussels & Mr Paul
Van Zeeland, Prime Minister
of Belgium * x

Memorandum to Pres from
Col. S. M. Watson submitting
similar memorandum sent
to ~~him~~ Thos William Hallam
Tuck * x

Re visit of the Prime Minister
to America to receive degree
from Princeton University - &
his desire to discuss debt settlement.

C.F.
State

C.A.
OK
FDR
3-5-37

March 2 1937

My dear Mr. President:

I am returning herewith the pertinent correspondence with regard to the desire of Mr. Paul van Zeeland, Prime Minister of Belgium, to know whether a visit to Washington in June would be agreeable to you. It appears from the informal approach the Prime Minister has made to us in the matter that he would desire during his visit to discuss the feasibility of negotiating a settlement of the Belgian war debt to the United States.

x20
x14

I might add that since receiving the informal approach in this regard through our Embassy in Brussels we have received a visit from the Belgian Chargé d'Affaires here acting upon instructions from his Government to ascertain your wishes with regard to the Prime Minister's proposed visit.

After careful consideration of this matter I am of the opinion that it would be entirely appropriate to inform the Prime Minister that his proposed visit would be agreeable to you and that, while you have no authority

The President, from

The White House.

from Congress to make any arrangements with respect to the existing war debt agreements, you would be ready to have him bring up in his conversations with you these or any other matters which he would deem to be of mutual interest to Belgium and the United States. I would consider it advisable, when this response was made to the Prime Minister's proposal, to suggest to him that in making plans for his visit to Washington they be arranged in such a manner as not to give rise to any conjecture that the debt question is to be touched upon during the conversations he might have while here; that any discussion of the question while in Washington be treated in the same manner; and that for this reason it might be desirable that he not be accompanied by officials whose positions in the Belgian Government might indicate that the war debt would be a topic of conversation.

If you approve of responding to the Prime Minister's proposal in this manner I should be very glad to take the necessary steps to convey your reply in that sense.

Faithfully yours,

Cordell Hull

Enclosures:

- Copy of letter dated February 16, 1937;
- Memorandum of Conversation with Prime Minister van Zeeland, dated January 13, 1937;
- Statement by Prime Minister, February 2, 1937;
- Memorandum for President dated February 17, 1937.

WF:JCD/

THE WHITE HOUSE
WASHINGTON

February 17, 1937.

MEMORANDUM FOR THE PRESIDENT:

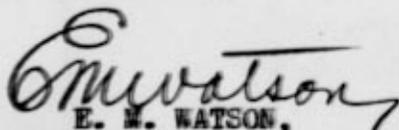
The following information is respectfully submitted:

Prime Minister Paul van Zeeland, Belgium, has transmitted to me confidentially, through my friend William Hallam Tuck, two memoranda. A copy of each is attached hereto.

Mr. Tuck is arriving tomorrow in Washington to visit me for one day as he usually does, being a very old friend of mine. Tuck is a graduate of Princeton of 1912, and van Zeeland is a graduate of about the same time. In consequence, Tuck and van Zeeland are great friends. Tuck, I believe, was instrumental in having Mr. van Zeeland head the list to receive Honorary Doctor's degree at Princeton University in June.

This, and the fact that Tuck was known to be sailing for America on the tenth, accounts for the fact that van Zeeland asked Tuck to submit this information to you before it was officially transmitted through the State Department. Mr. Morris, American Ambassador in Brussels, and Tuck were present when the Prime Minister made the statements recorded herein. No one has seen these memoranda except my secretary and Mr. Tuck.

Very respectfully,



E. M. WATSON,
Lieut. Colonel, F. A.
Military Aide to The President.

*These 2 raised
separately of course but they
are on the same subject -
Cottrell to
Hess, June
22/37*

I. STATEMENT BY PRIME MINISTER PAUL van ZEELAND --

February 2nd, 1937.

(Present: J.A. Grade and P.M.)

"I wish to talk to you in the strictest confidence and on a matter I have not mentioned to any one as yet, as my mind is not entirely made up.

"I have taken it up in a preliminary way with His Majesty.

"I have long felt, with my sympathies for America, that the two countries should be brought closer together and that one of the most valuable assets of Belgium today is the feeling of genuine affection which your great country has for mine. I do not believe it is merely a sentimental legacy of the War and what you did for us then, but it is something more than that. I should like not only to retain it but to develop it, and for that purpose I have thought of the following:

"Princeton University has kindly informed me of its intention to confer an Honorary Degree upon me at its Commencement next June.

"I should like to go to America and to make my visit an official one during which I am planning an intimate talk with President Roosevelt.

"During my visit I should like to be present at the opening of an Exhibition of the finest specimens procurable of old Flemish tapestries and paintings of our great Flemish masters, similar to Vander Weyden, Van Eyck, etc. These I should have collected and the opening of the Exhibition would be either in New York or Washington while I am there.

Statement by Prime Minister van Zeeland -- page 2.

"I have long felt that nothing would attract American eyes more sympathetically towards Belgium than the fact that we might possibly prove the first country to negotiate a debt settlement with the United States.

"I have very much at heart to bring about and discuss the feasibility of it with President Roosevelt.

"I naturally do not know what chances The President might have of putting through Congress a settlement which would be within the financial possibilities of my little country under the circumstances.

"My going would naturally depend upon European conditions at the time in question. I should be accompanied by several Belgian gentlemen who would each one be fitted to take up particular phases of the problems in my mind for America."

II. During a second Conference with the Prime Minister (February 7th) in which the American Ambassador and William Hallam Tuck participated, the Prime Minister requested Mr. Tuck to act as follows:

Upon reaching Washington (on February 18th), Mr. Tuck will inform his friend and host, Colonel Watson, that Mr. van Zeeland is considering coming to the United States to receive an Honorary Degree from Princeton on June 20th/21st.

If it is agreeable to The President, Mr. van Zeeland would, simultaneously with this personal and private errand, also come officially and would call on The President "to discuss topics of mutual Belgian-American interest".

Colonel Watson will be requested by Mr. Tuck to obtain the views of The President.

If The President cares to receive an official Belgian Mission, Mr. Tuck will at once communicate with the Belgian Ambassador, Count van der Straten, and wire Com. Gade who will again get in touch with the Prime Minister.

If The President feels the official visit unnecessary, Mr. van Zeeland will not come at all, as the Cabinet will not deem his personal Princeton visit a sufficient reason for a Prime Minister's trip.

If Mr. van Zeeland does come, he will return via the Congo.

Copy to
President 3/2
JAD/ALD



DEPARTMENT OF STATE
WASHINGTON

February 16, 1937.

~~Strictly Confidential~~

My dear Mr. President:

I am enclosing herewith a copy of a memorandum of conversation between the Naval Attaché of the American Embassy in Brussels and Mr. Paul van Zeeland, Prime Minister of Belgium. As you will see, the Prime Minister said that he had been invited to receive a degree at Princeton University next June and that he would like to come to the United States and to make his visit here official. While in this country, he would like very much to have an intimate talk with you to discuss, among other things, whether it might be possible to arrive at a settlement of the Belgian debt to this country within the financial possibilities of what Belgium would be able to pay in the present circumstances.

Would you be good enough to inform me whether you would be prepared to receive Mr. van Zeeland for the purpose of discussing this matter?

Faithfully yours,

Enclosure:
Memorandum.

The President,
The White House.

*Copy to
President
3/2
JCA/H*

Still Confidential

January 13, 1937

Subject: Conversation with Prime Minister Van Zeeland

SECRET

The Naval Attaché and his wife lunched alone with
the Prime Minister and his wife. After luncheon Mr. Van
Zeeland stated:

"I wish to talk to you in strictest confidence
and on a matter I have not mentioned, as yet, to
your Ambassador, as my mind is not entirely made up.

"I have taken it up in a preliminary manner with
His Majesty. I have long felt with my sympathies
for America, the two countries should be brought
closer together and that one of the most valuable
assets of Belgium today is the feeling of genuine
affection which your great country has for mine. I
do not believe it is merely a sentimental legacy of
the War and what you did for us then, but it is some-
thing more than that. I should like not only to re-
tain it, but to develop it; and for that purpose I
have thought of the following:

"Princeton University has kindly informed me of
its intention to confer an honorary degree upon me
at its commencement next June. I should like to go
to America and to make my visit an official one, dur-
ing which I am planning an intimate talk with Presi-
dent Roosevelt. During my visit I should like to be
present at the opening of an exhibition of the finest
specimens procurable of old Flemish tapestries and
paintings of our great Flemish masters, similar to
Vander Weyden, Van Eyck, etc. These I should have
collected and the opening of the exhibition would be
either in New York or Washington while I am there.

"I have long felt that nothing would attract American
eyes more sympathetically towards Belgium than the fact
that we might possibly prove the first country to ne-
gotiate a debt settlement with the United States. I
have very much at heart to bring about and to discuss
the feasibility of it with President Roosevelt. I
naturally do not know what chances the President might
have of putting through Congress a settlement which
would be within the financial possibilities of my
little country under the present circumstances.

"When I go over, I should like to inform your Amba-
sador that I should appreciate your personally being
attached to me and request the same of your Government.
My going would naturally entirely depend upon European
conditions at the time in question. I should be accom-
panied by several Belgian gentlemen who would each one
be fitted to take up particular phases of the problems
in my mind for America."

Signed: John A. Gade

Franklin D. Roosevelt Library
DECLASSIFIED

Date-
Signature

5/29/45
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RECEIVED
DEPARTMENT OF STATE

CH
UK
LHR

DEPARTMENT OF STATE
WASHINGTON

March 2, 1937

MAR 12 AM 10 51

DIVISION OF
COMMUNICATIONS
RECORDS

File confidential file

MAR 28 1937

*Belgian Charge d'Affaires
informed in the name of
orally by Mr. March 5 at 9:37*

My dear Mr. President:

I am returning herewith the pertinent correspondence with regard to the desire of Mr. Paul van Zeeland, Prime Minister of Belgium, to know whether a visit to Washington in June would be agreeable to you. It appears from the informal approach the Prime Minister has made to us in the matter that he would desire during his visit to discuss the feasibility of negotiating a settlement of the Belgian war debt to the United States.

I might add that since receiving the informal approach in this regard through our Embassy in Brussels we have received a visit from the Belgian Chargé d'Affaires here acting upon instructions from his Government to ascertain your wishes with regard to the Prime Minister's proposed visit.

After careful consideration of this matter I am of the opinion that it would be entirely appropriate to inform the Prime Minister that his proposed visit would be agreeable to you and that, while you have no authority

from

The President,

The White House.

MAR 12 1937

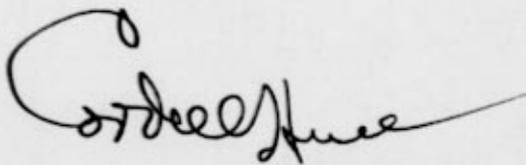
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300.51 W 89 BELGIUM/287

from Congress to make any arrangements with respect to the existing war debt agreements, you would be ready to have him bring up in his conversations with you these or any other matters which he would deem to be of mutual interest to Belgium and the United States. I would consider it advisable, when this response was made to the Prime Minister's proposal, to suggest to him that in making plans for his visit to Washington they be arranged in such a manner as not to give rise to any conjecture that the debt question is to be touched upon during the conversations he might have while here; that any discussion of the question while in Washington be treated in the same manner; and that for this reason it might be desirable that he not be accompanied by officials whose positions in the Belgian Government might indicate that the war debt would be a topic of conversation.

If you approve of responding to the Prime Minister's proposal in this manner I should be very glad to take the necessary steps to convey your reply in that sense.

Faithfully yours,



Enclosures:

- Copy of letter dated February 16, 1937;
- Memorandum of Conversation with Prime Minister van Zeeland, dated January 13, 1937;
- Statement by Prime Minister, February 2, 1937;
- Memorandum for President dated February 17, 1937.

C. F. State

File

In White House files

This was apparently handed
to the President about Mch. 11/
Original was returned to Dept
of State on Mch 11 endorsed

CH OK FOR

File

My dear Mr. President:

The Government of Mexico has requested this Government to conclude a treaty with it providing for the abrogation of Article VIII of the Gadsden Treaty of December 30, 1853.

- For your reference, I enclose a copy of Article VIII of the Gadsden Treaty and a translation of the new treaty proposed by the Mexican Government.

The provisions of the article in the Gadsden Treaty which it is now proposed to abrogate, I am informed, have never been operative, and the article would seem to be obsolete. Its retention is objectionable to the Mexican Government primarily because of the penultimate paragraph, which provides for the transit of troops and munitions of the United States across the Isthmus of Tehuantepec and the Mexican Ambassador has informed me that General Cárdenas is particularly anxious to obtain a prompt consummation of the proposed treaty for domestic and political reasons.

The President,

The White House.

x66
x146

As you will see from the translation of the proposed new treaty, which I enclose, the suggested preamble would appear to be entirely satisfactory, and the sole article other than the usual ratification article is limited to the abrogation of Article VIII of the Gadsden Treaty.

I consequently recommend your approval of the proposed treaty as suggested by the Mexican Government. My recommendation to you in this regard is concurred in by the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce, whom I have consulted in this regard. May I have your instructions in the matter?

Believe me

Faithfully yours,

Cordell Hull

x 20

Enclosures:

Copy of Article VIII
Copy of translation

a copy sent

x 25
x 6
x 3

TREATY OF BOUNDARY, CESSION OF TERRITORY, TRANSIT OF
ISTHMUS OF TEHUANTEPEC, ETC. (GADSDEN TREATY)

ARTICLE VIII

The Mexican Government having on the 5th of February, 1853, authorized the early construction of a plank and rail road across the isthmus of Tehuantepec, and, to secure the stable benefits of said transit way to the persons and merchandise of the citizens of Mexico and the United States, it is stipulated that neither Government will interpose any obstacle to the transit of persons and merchandise of both nations; and at no time shall higher charges be made on the transit of persons and property of citizens of the United States than may be made on the persons and property of other foreign nations, nor shall any interest in said transit way, nor in the proceeds thereof, be transferred to any foreign government.

The United States, by its agents, shall have the right to transport across the isthmus, in closed bags, the mails of the United States not intended for distribution along the line of communication; also the effects of the United States Government and its citizens, which may be intended for transit, and not for distribution on the isthmus, free of custom-house or other charges by the Mexican Government. Neither passports nor letters of security will be required of persons crossing the isthmus and not remaining in the country.

When the construction of the railroad shall be completed, the Mexican Government agrees to open a port of entry in addition to the port of Vera Cruz, at or near the terminus of said road on the Gulf of Mexico.

The two Governments will enter into arrangements for the prompt transit of troops and munitions of the United States, which that Government may have occasion to send from one part of its territory to another, lying on opposite sides of the continent.

The Mexican Government having agreed to protect with its whole power the prosecution, preservation, and security of the work, the United States may extend its protection as it shall judge wise to it when it may feel sanctioned and warranted by the public or international law.

TREATY
BETWEEN
THE UNITED MEXICAN STATES AND THE UNITED STATES OF
AMERICA WHEREBY ARTICLE VIII OF THE BOUNDARY TREATY,
CONCLUDED BETWEEN THE TWO COUNTRIES, IN THE CITY OF
MEXICO, DECEMBER 30, 1853, IS TERMINATED.

- -

The Governments of the United Mexican States and the United States of America, desirous of manifesting the mutual and enduring respect which they have for their independence; desirous also of eliminating all obstacles that may arise to the good relations which happily exist between them; and deeming that Article VIII of the Boundary Treaty which they concluded in the City of Mexico December 30, 1853, was agreed upon in the light of a certain state of affairs which has (fortunately) disappeared, have agreed to conclude a treaty in which the said Article VIII is declared to be terminated, and for this purpose, have appointed as their Plenipotentiaries:

The President of the United Mexican States

and

The President of the United States of America.....

Who, after having shown to each other their respective Full Powers, found to be in good and due form, have agreed upon the following articles:

ARTICLE I

Article VIII of the Boundary Treaty concluded between the United Mexican States and the United States of America in the City of Mexico, December 30, 1853, is ^{hereby} terminated.

ARTICLE II

The present Treaty shall be ratified by the High Contracting Parties in accordance with their constitutional ^{methods} provisions, and the ratifications shall be exchanged, as soon as possible, in the City of

The Treaty shall go into effect on the day when the ratifications are exchanged.

Done in duplicate, in Spanish and English, in the City of ON

[CF: State]

3/16/37

MHM

nick
rmb

To call Sumner Welles
tonight or in the morning

~~366~~

THE WHITE HOUSE
WASHINGTON

3/14/37

MEMORANDUM FOR THE PRESIDENT

Henry talked with me about this and
I asked him to give me a memorandum on it.

I think there is lots in what he says.
Is there anything you want me to do about it?

MHM

*MHM
Telephone this to
Sumner Welles*

I am fully acquainted with Sumner Welles' arguments for going ahead with the Argentine matter at this time. The reasons are good. It is all a question of which you want most. My own advice is to center on the court fight at the moment.

Sincerely yours

Stawallan

Secretary

DEPARTMENT OF STATE

THE SECRETARY

July 7, 1937

C. J. State

MEMORANDUM FOR THE SECRETARY OF STATE

MEMORANDUM FOR

These are both discouraging letters from the point of view of the future. Bingham's report of what Hertzog said confirms the impression that the British Tories are still Tories and in spite of Eden's denial, want peace at a great price.

x20
x48
x 100/120

F. D. R.

fdr/tmb

Enclosures

Lets. to Secy. of State from:
ROBERT W. BINGHAM, London, 6/16/37 x491
WM. E. DODD, 6/21/37 x523
re current European situation: Italy-Abyssinia; Spain; Germany.
233 547-A 422-6 198

DEPARTMENT OF STATE

THE SECRETARY

June 29, 1937.

MEMORANDUM FOR
THE PRESIDENT.

I herewith enclose letter
of June 16 from Bingham, and
letter of June 21 from Dodd.

CH

THE WHITE HOUSE
WASHINGTON

July 7, 1937.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY. ^{x21}

FOR YOUR CONFIDENTIAL INFORMATION.

M. H. M.

Let. from SUMNER WELLES, ^{x20} 7/6/37, to MHM, encl. Eduardo
dispatch from ROBERT H. HEMPHILL, associate of Grenas,
his arrival at Habana and attendant publicity. ^{x21}
Let. to President from Robert H. Hemphill, Wash., DC,
7/6/37, with memo. "Points of View"; newspaper article.

x2808
x340
x159-A

C.F.
State

July 8, 1937.

Personal

Dear Marvin:

By chance, after you spoke to me on the phone this morning with regard to Robert H. Hemphill, a despatch came in from our Embassy in Habana regarding his recent visit to Cuba. I send this despatch to you so that you may see the sort of publicity he has given himself in the Cuban press.

If you want any information with regard to the activities of Grenas and his associates, with whom Mr. Hemphill is apparently identified, I can give you a rather full report or you can get it from Wayne Taylor in the Treasury Department, whom I have kept in close touch with the activities of these people.

Please return this despatch to me for our files when you are done with it.

Believe me

Yours very sincerely,

C.F.

Should be "Design"
The Honorable
Marvin H. McIntyre,
Secretary to the President,
The White House.

Prepared for MEM's signature by

Summer Welles.

July 13, 1937

E. F. State

My dear Mr. Hemphill:

In response to your letter to the President of July sixth, the President has asked me to let you know that, in accordance with its established policy, this Government will only discuss Cuban finances with accredited representatives of the Cuban Government.

x 159
x 159-A
x 229
x 21
x 20

Sincerely yours,

M. H. McINTYRE
Secretary to the President

Robert H. Hemphill, Esq., *2808*
Dodge Hotel,
Washington, D. C.

rmh

THE UNDER SECRETARY OF STATE
WASHINGTON

Personal

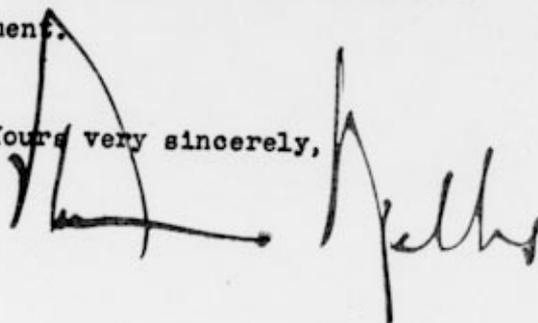
July 12, 1937.

Dear Marvin:

Referring to our telephone conversation of July 6, I am enclosing for your consideration a letter which you may care to send to Mr. Robert H. Hemphill in response to his communication to the President on the subject of the finances of the Cuban Government.

Believe me

Yours very sincerely,

A handwritten signature in dark ink, appearing to read "R. H. Hemphill". The signature is written in a cursive style with a large initial "R" and a long horizontal stroke extending to the right.

Enclosure:
Draft letter to
Mr. Hemphill.

The Honorable
Marvin H. McIntyre,
Secretary to the President,
The White House.

THE WHITE HOUSE
WASHINGTON

My dear Mr. Hemphill:

In response to your letter to the President dated July 6, 1937, the President has asked me to let you know that, in accordance with its established policy, this Government will only discuss Cuban finances with accredited representatives of the Cuban Government.

Sincerely yours,

Mr. Robert H. Hemphill,
Dodge Hotel,
Washington, D. C.

FROM: MR. McREYNOLDS' OFFICE

TO: Col. McIntyre

The Secy asked me
to put this in your
hands. It is to
be considered as
his views

McReynolds

7 July 37

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE July 7, 1937

TO Secretary Morgenthau

FROM Mr. Taylor

Referring to the memorandum from Mr. McIntyre dated July 7 and the various enclosures, for a period extending for more than a year a Colombian promoter by the name of Grenas has been actively organizing in this country and in Cuba a rather unfortunate scheme for rehabilitating the finances of Cuba with the backing of various people in this country and certain members of the Cuban Legislature.

In reply to many questions on this subject the Treasury has consistently taken the position that it would discuss Cuba's monetary situation only with accredited representatives of the Cuban Treasury and that we would be very glad to take these matters up with the Cuban Treasury if it so desired.

This spring the Cuban Government sent Mr. Durruthy here with the purpose of exploring the possibilities. After a series of conversations with Mr. Durruthy, he returned to Cuba with the recommendation that Cuba send a monetary mission to this country to explore the question in more detail. This mission came to Washington on June 9th and has been working intensively since that time studying, in particular, the experience of the Farm Credit Administration. It will next take up our central banking experience and it is hoped that the mission will produce a comprehensive plan for reorganizing Cuban financing.

Mr. Hemphill's letter indicates that he is interested in the Grenas

plan. It would be my recommendation that the President maintain the
policy of the Treasury and the State Department by indicating that
this Government will only discuss Cuban finances with accredited
representatives of the Cuban Government.

W.S.

THE WHITE HOUSE
WASHINGTON

July 7, 1937.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY.

FOR YOUR CONFIDENTIAL INFORMATION.

M. H. M.

THE UNDER SECRETARY OF STATE
WASHINGTON

July 6, 1937.

Personal

Dear Marvin:

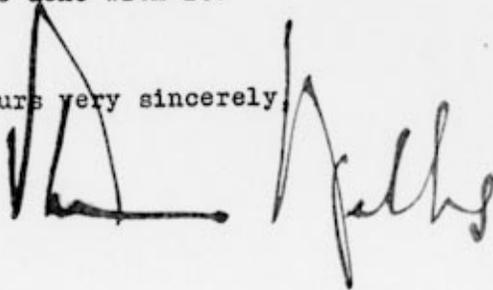
By chance, after you spoke to me on the phone this morning with regard to Robert H. Hemphill, a despatch came in from our Embassy in Habana regarding his recent visit to Cuba. I send this despatch to you so that you may see the sort of publicity he has given himself in the Cuban press.

If you want any information with regard to the activities of Greñas and his associates, with whom Mr. Hemphill is apparently identified, I can give you a rather full report or you can get it from Wayne Taylor in the Treasury Department, whom I have kept in close touch with the activities of these people.

Please return this despatch to me for our files when you are done with it.

Believe me

Yours very sincerely,



The Honorable
Marvin H. McIntyre,
Secretary to the President,
The White House.

Should be "design".

The President,
The Hon. Franklin D. Roosevelt,
White House,
Washington, D. C.

Mr. President:

I have been in Cuba to assist in organizing a central banking system and came to Washington to present these following matters to you.

Cuba has outstanding an issue of approximately \$80,000,000 of what are known as "public works" bonds and notes, all of which except 15 or 20 million were distributed by the Chase National Bank. Cuba also owes to its citizens, principally employees of the government, teachers, veterans, and persons of small income, \$50,000,000, totally unsecured.

They are also greatly in need of an increase in currency, there being at the present time in circulation in both American and Cuban money not more than ten dollars per capita.

The public works bonds above referred to have been the subject of very considerable controversy and investigation by various American and Cuban commissions. The whole affair connected with the original issue of bonds and the prior financing has been severely criticized and it is quite probable that there is just cause for criticism. The net result of all this is that all service on the bonds has been discontinued and the revenues which were pledged are now going into the general funds of the Cuban Treasury.

A group of patriotic citizens, which includes many ex officials of high standing and present officials in Cuba, have proposed a plan which is embodied in legislation now before the Cuban Congress. The plan proposes to:

1. Restore to good standing the discredited public works bonds by issuing new bonds at 3-3/4% for the entire principal of the present issue. The bill also

contains provision for special taxes which will cover the interest and amortization features.

2. Coin 100,000,000 silver pesos and out of the seigniorage to pay the internal \$50,000,000 above described.

3. Organize a central bank of issue and reserve which will thereafter be the monetary power in Cuba to maintain the parity of its money with that of the United States and to place the Cuban Government in possession of its own monetary affairs.

You no doubt are aware that the Cuban financial situation is almost entirely in the hands of branches of large foreign banks. Very naturally these banks seek to promote interests with which they are most in sympathy, if not directly interested in, and they could hardly be expected to exert themselves or assume risks for the development of the Cuban internal economy. They are, however, jealous of their financial control of Cuba and invariably oppose any movement for the development of a central banking system in Cuba, which will, of course, be beyond their control. In so far as the preceding statements are concerned there is perhaps no criticism of these foreign banks beyond the criticism that banks generally are disposed to ignore any social obligation.

In the present instance, however, the American banks in Cuba, and particularly the Chase National Bank, have come in for widespread criticism because of methods which it is claimed these banks have resorted to and which it is said amounts at times to very marked prostitution of government officials in Cuba. It is also generally stated in Cuba, and has been commented on by many writers and investigators, that American diplomatic representatives in Cuba have invariably been unduly influenced by these foreign banks, and particularly by the Chase Bank, so that the development of the independence of Cuba is and has been seriously retarded.

The most influential and thoughtful Cubans are fully sensible of a large social and economic obligation to the United States and the wishes of its diplomatic representatives when expressed in favor of any movement not conducive to Cuban independence are invariably sufficient to successfully defeat those who are seriously and patriotically attempting to establish Cuban economic and social independence.

The plan for rehabilitation which is first mentioned has the support of a sufficient majority in Congress and among the officials who control the Cuban

situation to effect it only if the United States and its local diplomatic representatives sincerely refrain from political interference and confine their activities strictly to the boundaries of your expressed good neighbor policies.

At the present moment the opposition which centers in the foreign banks, and particularly in Chase National Bank, to the plan herein first outlined is extremely active, and it is freely stated in Cuba that this opposition has the full and active support of your diplomatic representatives.

The Chase National Bank has continuously demanded the restoration of the status of the public works bonds and their immediate payment, which is impossible, and they profess to have secured the hearty cooperation of the diplomatic representatives of the United States who, it is stated by many apparently authoritative sources, have added the weight of their demands to those of the Chase National Bank, and are recently reported to have stated that in the event the plan for the organization of a central bank and the refunding of these public works bonds upon a lower interest rate basis is abandoned, they will prevail upon the United States Government to lend Cuba \$300,000,000 at a very low interest rate and for a long period. In support of this I am attaching hereto an official translation of an article appearing in "La Discussion" of June 30, 1937. I am also attaching the original from which the translation was made.

Mr. President, without meaning to be immoderately critical, the American banks have shamelessly exploited Cuba. I presume they would resent this statement and reply that they have conducted their institutions in Cuba as conservative bankers and that the present distress in Cuba is no fault of their own. I have to say, however, that in any country whose entire financial machinery is in the hands of foreign bankers there is no such thing as economic independence and can be very little social independence, because of the well known attitude of the banker that he is entitled to all the traffic will bear and that whatever happens to the country indirectly from his selfish attitude is just too bad but not at all his fault.

I believe now and have always believed in the complete sincerity of your "good neighbor" policy toward the Latin American countries and I cannot believe that you are completely aware of the very evident close association between your diplomatic representatives and the American banks who control and manipulate Cuba's financial structure.

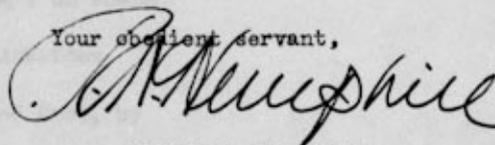
The purpose of my visit here is to obtain from you some assurance that the statement which has been made that the United States will demand under all circumstances

the pound of flesh for the American banks, that is to say the immediate payment of the principal and interest and commissions and other charges, legitimate or illegitimate, which are said to be involved in the public works bond issue, whether such payment or the attempt to make such payment would be completely destructive of Cuba's weak economic situation or not, is untrue. And because the matter is now before the Cuban Congress, with every effort being made to push it through by employing every possible pressure, a further expression from you that the United States has no intention of offering to lend to Cuba \$300,000,000 or any other substantial sum of money is absolutely necessary to counteract the very unfavorable impression which is being created by the rumors.

I would like to say to you, Mr. President, that in my opinion, after a very extended investigation, Cuba does not need outside assistance in the way of further loans. I think that would be the worst thing which could happen to Cuba at this time. Cuba has some strong and patriotic men in the saddle and they are disposed to marshal their own assets, which are considerable, and to work out their own situation along sound lines, and they will do so if no overpowering influence to protect grasping private interests is brought to bear in the situation, and I think that the plan first referred to in this letter, which covers all of the pressing items in the situation, should have your full sympathy and support.

Please believe me to be always

Your obedient servant,



Robert H. Hemphill

Washington, D. C.
July 6, 1937.

Days Hotel

EMBASSY OF THE
UNITED STATES OF AMERICA

Habana, June 30, 1937.

COPY

No. 9255

AIR MAIL

Subject: (Arrival of Mr. Robert H. Hemphill, asso-
(ciate of Grenas, and attendant publicity

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

With reference to the Embassy's previous re-
ports concerning the activities of Eduardo Grenas
and his associates, I have the honor to transmit *
herewith a clipping from this morning's EL MUNDO
reporting the arrival of a "notable American
economist" and associate of Grenas and Hort, by
the name of Robert H. Hemphill. The Department
will observe that in the highly eulogistic bio-
graphy of Mr. Hemphill reported in the clipping
he is given credit for authorship of many of the
policies of our Federal Reserve System and is
reported to have been President of the "Legisla-
tion Commission at the National Monetary Conference
and to have been author of the so-called Cutting Law."

The

The article likewise states that Mr. Hemphill is "generally considered as an adviser of President Roosevelt on monetary questions," in which capacity "his independence of viewpoint is not compromised by the formalities and routine of the Presidential suite".

Respectfully yours,

H. FREEMAN MATTHEWS

Charge d'Affaires ad interim.

Enclosure:

Clipping from El
MUNDO of June 30

HFM/dec
File No.

*(Translation - Original
Editorial attached)*

POINTS OF VIEW

Report on the Spurious Debt
(Article in "La Discussion", July 3, 1937)

The Commission appointed by resolution of the Cabinet on March 30th last to study the so-called "Public Works Debt", that is, the "Spurious Bonds of the Chase", have rendered their report, of which, although it has not been made public, we have learned that it contains the following points:

After filling several pages with secondary prose, the Commissioners propose the following solutions:

1. Recognize the nominal value of the debt claimed, at $4\frac{1}{2}\%$; transferring to the "Floating Debt" the amount of the accrued interests. (That is, that the poor suppliers of the State, now in bankruptcy, will receive "assistance"reversed).

2. The same formula as above; but providing that the outstanding bonds be left in circulation, same being stamped with a notation showing change of period for amortization. (That is to say that the bonds are left in "circulation" and in force.

3. A new issue of \$150,000,000.00 to cover the bonds and pay the floating indebtedness. (That is, a sacred debt is linked to a spurious debt).

4. Complete plan which involves amortizations, incorporations, intereses, recognitions and a million other things which not even the fathers of the creature understand.

And this is called "formulas of solution"!

On the other hand, the Commissioners do not mention the proposition proposed by Senator Nye in name of the authentic bondholders, which has a humane basis and takes into consideration the anguished condition of the country. Although we are stubborn in considering

this entire matter scandalous, because we believe that the Courts of Justice should be given the last word, sending to prison the defrauders, no matter who they are, we believe that the plan of Honorable Senator Nye is more in line with the "Good Neighbor Policy" as it should be practiced from viewpoint of relative equity, rather than in accordance with the custom of its author. Although only for the sake of courtesy, this plan which was officially presented should be mentioned.

But what is more disconcerting (not to use stronger language) in this report is that mention is made of the "satisfaction of the American Embassy" in connection with the proposed plans. That is, that behind out "cross" is always the "devil"...! In other words, that this is not a "Cuban solution" but a new manifestation of the/ ^{accursed} "phantom" which sheds its fatidical influence on this unhappy Republic.

We suppose that after this, it will be proposed to confer on "r. Welles the Gread Cross of Carlos Manuel.....

And once more we are going to open the eyes of the unwary, to whom the "phantom" has offered a loan of the United States in the amount of THREE HUNDRED MILLION DOLLARS, which will be made "after the problem of the bonds is solved", primary objective of the "phantom".....

The iniquity, the infamy consists in the fact that this offer is an iniquitous LIE because in accordance with the "Johnson Act:" IT IS ABSOLUTELY PROHIBITED FOR NORTH AMERICA TO LEND MONEY TO

COUNTRIES WHOSE OBLIGATIONS ARE SUBJECT TO MORATORIUM!

What is desired is to obtain the solemn pledge of Cuba and later allege the existence of his prohibition and again laugh at us.

And, ratifying our opinion: In regard to the espurious debt of the Chase - ZERO.

*(Translation. Photostatic
of Original attached)*

Marcelino Garriga Garay,
Representative in the House
for the Province of Pinar del Rio.

CONFIDENTIAL

Havana, March 12, 1937.

Mr. Eduardo Grenas,
City.

My dear Sir and Friend:

Permit me for the first time in our friendly relations to address you in a manner extremely confidential because the seriousness of the matter which I am going to discuss will not allow of any other method to be followed.

I was speaking during the last few days with the President of the House of Representatives and with the leaders of the political parties in it about the necessity of accelerating the legislative plan which includes the formation of the economic program necessary in order to solve present and future difficult problems of the people of Cuba, assuring it definitely political peace, social tranquility, and general welfare which depend on it. In discussing more restrictedly our relations with our great friends, the Americans, I was informed by Dr. Marino Lopez Blanco, leader of the National Union Party in the House, and Dr. Antonio Martinez Fraga, President of this body, of the impossibility of carrying forward our legislation because of the opposition to it by the illustrious Assistant Secretary of War of the United States, Dr. Sumner Welles. Surprised by this interesting information from my companions I ascertained the source from which it was obtained, they

acknowledging that this had been verified in a personal letter which the same Doctor Welles had addressed to the Cuban Senator, Dr. Santiago Verdeja, which confirmed the impression which was personally transmitted to me by Senator Pedro Goderich, my most worthy friend, in relation to the activities of Dr. Welles in his resolute economic reprisal against Cuba.

As you will understand, this situation will have dire results for my country and places me, as well as the leaders of the aforesaid legislation, and as President of the Commission of Hacienda and Presupuestos of the House, in a most difficult position since this obstructs my labor of bringing together the political contending groups in the House and blinds completely the land holding and economical adjustments advised by the Commission over which I preside.

Notwithstanding the importance and the gravity of this information, I have thought fortunately of the opportunity of addressing you in order to acknowledge with thanks in the name of my country if you would intercede in some manner with Senator Pittman or some other friend of Mr. Welles in order that the latter, who is perhaps badly informed, will not continue in this homicidal labor against Cuba since, on the contrary, we, goaded on by impiety and desperation, will be left no other remedy than to attempt the matter before Congress, even though this will mark our definitive ruin.

You know me and know of my work for harmony as well as my loyal and noble gratitude to the American people and especially to that extraordinary man who today directs its destinies, but it is necessary to emphasize the importance

that this matter has and the great difficulties that can be created for us in the confusion of our political economy. For these very reasons I reiterate the importance of this matter in order that in a manner most rapid you can obtain an interview with Senator Pittman or with Mr. Welles in person and place before him in all truth that to which I refer and to the falsities of the information which has been transmitted to them by elements interested in Cuba with respect to our political state which, although it has suffered moments of agitation, is no less certain of reaching a life of serenity through my own effort and those of my other companions in the Congress.

Many thanks for the good you have done in regard to the welfare of my country and in defense of the justice which it merits because of its loyal conduct toward the American people.

Your sincere friend,

(Signed) M. Garriga
Presidente de la Comision de
Hacienda y Presupuestos.

X

Manuel Antonio Sanguinetti
1937

CONFIDENCIAL

Habana, marzo 12 de 1937.-

Dr. Eusebio Brenas
Ciudad.-

Muy señor mío y amigo:

Permítame que por primera vez en nuestras relaciones de amistad me dirija a usted en un tono estrictamente confidencial pero la seriedad del asunto que voy a tratarle me aconseja otra forma de hacerlo.-

Hablando en estos días pasados con el Sr. Presidente de la Cámara de Representantes y con los líderes de los partidos políticos en la misma, sobre la necesidad de apresurar el plan legislativo en que se plasma el programa económico necesario para resolver los difíciles problemas presentes y futuros del pueblo de Cuba, asegurando definitivamente la paz política, la tranquilidad social y otros bienes que del mismo dependen, en estrecha conexión de relaciones con nuestros grandes amigos, los americanos, fui informado por los doctores Marino López Blanco, líder del Partido Unión Nacionalista en la Cámara y el Dr. Antonio Martínez Peña, Presidente de dicho Cuerpo, de la imposibilidad de llevar adelante nuestra legislación, en virtud de oponerse a la misma el ilustre señor Subsecretario de Estado americano Dr. Sumner Welles.-

Sorprendido por esta noticia interesé de mis compañeros la fuente de donde obtuvieron, confesándome estos que la habían comprobado en una carta particular que el propio Dr. Welles le había dirigido al senador cubano, Dr. Santiago Viera, lo que confirmó la impresión que personalmente me transmitió a mí el senador señor Joverich, mi excelente amigo, en relación con las actividades del doctor Welles al su firme adhesión a favor de Cuba.-

Yo a estas comprendo esta situación política extremadamente dolorosa para mi patria y le coloco a usted, como legislador de la próxima legislación y como presidente de la Comisión de Hacienda y Presupuestos de la Cámara, en una delicadísima situación, en que debe obtener el favor de su gobierno para que los grupos políticos pertenecientes a la Cámara y a favor de los cuales las orientaciones ascensionistas y económicas se dirigen por la Comisión que preside.-

Martino Santiago Guay

Representante a la Cámara de Diputados

de Puerto Rico

No obstante la importancia o gravedad de esta noticia, yo he pensado serenamente en la conveniencia de dirigirme a usted para agradecerle, en nombre de mi país, que si usted puede interceder de alguna manera con el "honorable Senador Mr. Pitman o con algun otro amigo de Mr. Welles, para que éste, quizas mal informado no continúe en esa labor homicida contra Cuba; pues de lo contrario, nosotros aguijoneados por la impiedad y la desesperación, no nos quedaría otro remedio que plantear el asunto en el Congreso, aún cuando esto signifique nuestra perdición definitiva.-

Usted que me conoce y sabe de mi labor armonizadora, así como de mi reconocimiento leal y noble al pueblo americano, y especialmente a ese hombre extraordinario que hoy rige sus destinos, pero debe sopesar la importancia que este asunto tiene y las grandes dificultades que puede crearlos en el desenvolvimiento de nuestra política económica.-

Por todas estas razones le reitero el ruego para que lo mas rápido que sea posible, procure entrevistarse con el Senador Pitman o con Mr. Welles en persona imponiéndole de toda la verdad, en lo que se refiere a las falsedades de las informaciones que se les transmiten por elementos interesados de Cuba con respecto a nuestro estado político, que si bien ha sufrido momentos de agitacion, no es menos cierto que está arribando a una vida de serenidad por mi propia gestión y la de otros compañeros del Congreso.-

Muchas gracias por cuanto usted haga en bien de mi país y en defensa de la justicia que este merece por su leal comportamiento con el pueblo americano.-

Atte. suyo y afmo. amigo,

Martino
Presidente de la Comisión de
Asesores y Propuestas.-

O. K.

F. D. R.

THE COUNSELLOR OF THE DEPARTMENT OF STATE
WASHINGTON

August 6, 1937.

PSF
C. J. State

Dear Mr. President:

There is attached a letter from the Secretary for your consideration. In the event you approve the memorandum proposed to be handed the British Ambassador, we will ask him to come to the Department for the purpose of discussing the matter in question and take that opportunity to furnish him the memorandum. We are very anxious to handle the matter with the British Ambassador as speedily as possible so that he may have no ground to assume that we acquiesce in the position taken by his government.

I enclose a statement relative to the Canton Island that has just been compiled. While I understand there is additional information that may be obtained, I think the statement sufficiently shows that the British claim can not be very strongly supported.

There is now being completed a map ⁷⁷³ showing all of the Pacific Islands, the ownership of which is any way doubtful and this I will take over to you on your return from Hyde Park.

Yours very sincerely,

R. WALTON MOORE

Enclosures.

Memo on Canton
Island; letter Aug. 6.

The President

The White House.

[Original filed in DF6-V]

CA
OIC PR
7-8-37
8-6-37

August 6 1937

U.S. State
C-7
State

mf: Aug 10/37

My dear Mr. President:

With reference to your memorandum of August 4 with regard to the matter of Canton Island and other islands in the Pacific, I enclose a draft of a note which, if you approve, may be handed to the British Ambassador by Judge Moore in reply to the Ambassador's notes of July 16 and July 23, 1937.

Before proceeding, I should very much like to have a further instruction from you, indicating that the course which is outlined therein is wholly satisfactory to you.

Faithfully yours,

Cordell Hull

Enclosure:

Draft note.

The President,

The White House.

[Original filed in OF6-V]

78/23/57

NAVAL MESSAGE

RECEIVED AT NAVY DEPARTMENT

PSF

B. F. State
Sino-Japanese War

NPG 415 (COPY 13)

FROM: CINCAF

ACTION: OPNAV
13

0021 MARINE GUARD OF TEN MEN REMOVED YESTERDAY FROM DOLLAR LINE
GODOWN ON POOTUNG SIDE THREE MILES UP RIVER PERIOD ONLY OTHER
OUTSIDE GUARD IS SACRAMENTO MARINES OF OFFICER AND THIRTY MEN
AT SHANGHAI POWER COMPANY YANGTSEPUG ROAD PERIOD PARROTT AT
TEXACO DOCK GOUGH ISLAND EDSALL AT SOCONY DOCK OPPOSITE POWER
COMPANY ALL OTHER VESSELS AT NAVAL BUOYS OFF BUND 1331

0319 AM 21 AUG MX

ACTION 13(4)

05 15A 11 16(5) 19 20 38 MARCORPS

STATE CWO PX

Capt. Basten

*26.7.57
26.7.57
B. F. State*

NAVAL MESSAGE

RECEIVED AT NAVY DEPARTMENT

NPG 6201

FROM: COMSUDRON 5

ACTION: CINCAF-OPNAV

INFO: COMDESRON 5 - FOURTH MARINES

AMBASSY NANKING- ALUSNA PEIPING

PI

0021 TSINGTAO SITUATION UNCHANGED EXCEPT HAVE BEEN RELIABLY
INFORMED THAT JAPANESE HAVE FACILITIES AT HAND TO INSURE CONTINUED
OPERATION OF ONE OF THE TWO LOCAL ELECTRIC LIGHT PLANTS 1025

0337 AM MX 21 AUG

ACTION 13(4)

05 15A 11 16(6) 19 20 38 MARCORPS STATE

CWO PX

NPG 5982

NAVAL MESSAGE

RECEIVED AT NAVY DEPARTMENT

FROM: CINCAF

1937

ACTION: MARCORPS

RESTRICTED

ROUTINE

0020 CONSIDER ADVISABLE EQUIPMENT YOUR 1551 OF 17TH INCLUDE
GAS MASKS 2245

TOR IN COE RM 1510 20 AUG 1937

DISTRIBUTION:-

MARCORPS.....ACTION

05 10A 11 13⁽⁴⁾ 16(3) 19 23 BUCON 38 FILE BUORD

~~RESTRICTED~~

Capt. Bastelo

CLS

10-18-66

NPG 6107

FROM CINCAF
ACTION OPNAV
INFO COMSUBRON 5-COMDESRON 5-COMYANGPAT-FOURTH MARINES-
AMEM NANKING-ALUSNA PEIPING GL

0020 MILITARY SITUATION SHANGHAI UNCHANGED PERIOD JAPANESE BOMBERS CONCENTRATED ON KIANGWAN CHAPEI LUNGHWA AND RAILROAD WEST OF SETTLEMENT NEAR TOYODA MILL PERIOD RELIABLE REPORT THAT JAPANESE HAVE REINFORCED LANDING FORCE BY FOUR THOUSAND MEN SINCE WEDNESDAY PERIOD OCCUPATION THUNGMING AND SADDLE ISLANDS CONTINUES WITH PARKER ISLAND BEING FORTIFIED PERIOD NO FURTHER REPORTS OF JAPANESE ARMY UNITS BELIEVED TO HAVE LANDED AT LIUHO AND WOOSUNG PERIOD CHINESE HAVE MADE MINOR GAINS IN YANG-TZEPOO IN WHICH SEVERAL LARGE FIRES NOW BURNING PERIOD CHINESE BOMBERS MADE TWO ATTACKS FIRST ON NORTH HONGKEW AND SECOND ON JAPANESE CONSULATE AREA PERIOD EVACUATION EIGHT HUNDRED AMERICANS VIA HOOVER COMPLETED WITHOUT INCIDENT 2030

13 ACTION (4)

05 10A 11 16(5) 19 20 38 MARCORPS PX CWO STATE

2202 AG MX 20 AIR

NPG 6009

FROM COMDESRON 5
ACTION CINCAF-OPNAV
INFO COMSUBRON 5-COMYANGPAT-COMSOPAT

NITE AG

1420 JAPANESE CONSUL AND STAFF HAULED DOWN FLAG CLOSED OFFICES AND
DEPARTED FOR DAIREN TODAY BELIEVE ONE JAPANESE WOMAN REMAINING CHEFOO
INTENDING DEPART TOMORROW 1624

13 ACTION (4)

05 10A 11 16 19 20 MARCORPS SD CWO 38 PX

1639 AG MX 20 AUG

NAVAL MESSAGE

RECEIVED AT NAVY DEPARTMENT

NPG 61771 (COPY 1J)

FROM: COMSOPAT
ACTION: OPNAV
INFO: COMSUBRON FIVE-COMDESRON FIVE-COMYANGPAT
FOURTH MARINES-AMEMBASSY HANKING
NITE 1J

U. S. GOVERNMENT PRINTING OFFICE 4-7142a

Ø12Ø AT FOOCHOW JAPANESE COMMUNITY COMPLETED EVACUATION YESTERDAY CONSUL
GENERAL LEAVING TODAY AT SWATOW NO CHANGE AT CANTON POPULACE
MORE QUIET WHEN EXPECTED AIR RAID DID NOT MATERIALIZE 123Ø

Ø11Ø AD MX 21 AUG

ACTION 13(4)

Ø5 1ØA 11 16(6) 19 2Ø MARCORPS
STATE (2) CWO 38 PX

NPG 6061

RECEIVED 38

1937

FROM: NAVAL ATTACHE PEIPING

ROUTINE

TO: NAVY DEPARTMENT

RESTRICTED

INFO: COMSUBRON 5 COMDESRON 5 CINCAF COMYANGPAT FOURTH MARINES
AMERICAN EMBASSY NANKING

0020 JAPANESE SPOKESMAN STATED ARRIVAL THREE ADDITIONAL CHINESE DIVISIONS LIULIHO AREA SOUTH PEIPING PORTEND POSSIBLE ATTACK LOFAHSIANG WHERE JAPS HAVE APPROXIMATELY TWELVE TRIPLE ZERO EXPRESS LITTLE CONCERN OVER PROBLEM GETTING REINFORCEMENTS THERE IF NECESSARY OR OF OUT COME SAID NANKOU EFFORT WAS INCIDENTAL NIPPONESE NOW ABOUT ONE LEAGUE NORTH NANKOU WITH PROBABLY FIFTEEN THOUSAND AND MEETING RESISTANCE STILL DEPENDING ON ARTILLERY AND BOMBING NIPPONS ADMIT CHINESE CONCENTRATIONS MOVING TOWARD LIHO NORTH TIENTSIN NIPPON PREPARING A DEFENSE AGAINST EXPECTED AIR ATTACK TWENTY TWO THOUSAND TROOPS ARRIVED FOURTEENTH THIRTEENTH FIFTEENTH ALSO EIGHTY DOUBLE NAUGHT

~~RESTRICTED~~

eLS

10-19-66

NPG 6061

PAGE TWO

CONT'D.

YESTERDAY ALL FROM MANCHUKUO ESTIMATE TOTAL NORTH CHINA NINETY THOUSAND OTHER FOREIGN OBSERVERS GIVE UP TO HUNDRED THIRTY FIVE THOUSAND 2100

TOR IN CODE ROOM 2030 20 AUGUST 1937

DISTRIBUTION:

13(4).....ACTION

05 10 11 16(5) 19 20 MARCORPS STATE(2) CWG 38 PX FILE

~~RESTRICTED~~

CLS.

10-19-66

2
//

FROM: FOURTH MARINES
ACTION: CINCAF
INFO: COMSUBRON 5 - COMDESRON 5 - COMYANGPAT - COMSOPAT
OPNAV - AMEMBASSY NANKING - ALUSNA PEIPING

KD

0621 DIGEST SATURDAY PRESS LOCAL PRESS REPORTS JAPANESE EMBASSY
SPOKESMAN 20 AUGUST STATED CHINESE TROOPS WERE PUSHED BACK BEYOND
SETTLEMENT BOUNDARY DURING NIGHT 19 20 AUGUST AND DENIED CHINESE CLAIMS
CAPTURE OF ~~XXXXXX~~ WAYSIDE WHARF PERIOD ACCORDING JAPANESE NAVAL
ATTACHES OFFICE TRAFFIC ALONG BROADWAY AND YANGTZEPOO ROADS IS SAFE
SINCE CLEANING (50) UP CHINESE SNIPERS AND REGULARS FROM KUNPING
ROAD AREA PERIOD CHINESE TROOPS SUPPORTED BY 4 TANKS 20 AUGUST DROVE
INTO JAPANESE LINES AS FAR AS KUNPING AND TONGSHAN ROADS PERIOD JAPAN-
ESE CLAIM THEIR TANKS AND ARTILLERY PUSHED CHINESE BACK OVER ONE
HALF MILE PERIOD ACCORDING JAPANESE REPORTS HEAVY FIGHTING IN (100)

PROGRESS AT 2000 NEAR EASTERN SECTION HONGKEW CREEK THERE JAPANESE
MAKING DETERMINED STAND PERIOD CHINESE REPORTS STATE FOLLOWING JAPANESE
ASSAULT ON PATSCHIAO CHINESE TROOPS COUNTERATTACKED AND ADVANCED TO
ABOUT 100 METERS FROM KIANGWAN BARRACKS PERIOD JAPANESE WARSHIPS 20
AUGUST CONTINUED SHELLING POOTUNG PERIOD INDEPENDENT SOURCES STATE
JAPANESE UNABLE SEND REINFORCEMENTS (150) AT LIUHO CHAPOO AND PADSHAN
OWING STAFF CHINESE RESISTANCE PERIOD AERIAL ACTIVITY GREATEST SINCE
BEGINNING HOSTILITIES RESULTING IN TREMENDOUS FIRES YANGTZEPOO AND
POOTUNG PERIOD 12 CHINESE PLANES BOMBED KIANGWAN BARRACKS 0800 LATER
JAPANESE PLANES BOMBED KIANGWAN COMMA SOUTH STATION COMMA KASHING
COMMA CHENJU AND CHINESE POSITIONS NEAR SETTLEMENT PERIOD JAPANESE (20)

NPO 472 SHEET 3

PLANES AT 1630 BOMBED KIANGWAN AREA AND AT 1700 CHINESE AGAIN ATTACKED HONGKEW AREA PERIOD IN ATTEMPT BOMB IDZUMO CHINESE PILOTS DROPPED BOMBS ON BUILDINGS IN POOTUNG OTHER BOMBS FALLING IN AREA HONGKEW CREEK AND YANGTZEPOO PERIOD 1 CHINESE AND ONE JAPANESE PLANE SHOT DOWN DURING AFTERNOON PERIOD OFFICIAL CHINESE (50) REPORT STATES 40 JAPANESE AND 7 CHINESE PLANES DESTROYED SINCE BEGINNING HOSTILITIES REUTER NANKING REPORTS 6 JAPANESE BOMBERS AND 6 PURSUIT PLANES BOMBED KWANGTEH AIRDOME BUT CAUSED NO DAMAGE PERIOD REPORTED 1 JAPANESE PURSUIT PLANE SHOT DOWN BY CHINESE PLANE PERIOD OWNERS EWO BREWERY COMPANY BRITISH CONCERN DENY REPORTS THEIR (300)

PLANT OCCUPIED BY JAPANESE TROOPS BUT STATE JAPANESE SENTIRES PICKETING PLANT PERIOD JAPANESE DENY REPORTS THAT THEIR TROOPS OCCUPIED BROADWAY MANSIONS BRITISH OWNED BUILDING PERIOD 1 SEAMAN KILLED 18 INJURED EVENING 20 AUGUST ABOARD USS AUGUST WHEN SHELL FELL ON DECK AND EXPLODED PERIOD 1 PRIVATE BRITISH LOYAL REGIMENT WOUNDED (350) BY BURSTING SHELL WHILE ON DUTY NEAR TOYODA MILL PERIOD LIGHT CALIBER SHELL FELL ON WARD ROAD JAIL INJURING 9 PERSONS PERIOD 1 BATTALION SVC ATTACHED TO POLICE TO CHECK POSSIBLE RIOTS AMONG HUNGRY CHINESE REFUGEES PERIOD THROUGH ARRANGEMENTS MADE BY MUNICIPAL COUNCIL 8000 CHINESE WILL BE EVACUATED TO NINGPO (400)

NPO 472 SHEET 5

DAILY REUTER NANKING REPORTS CHINESE AUTHORITIES 19 AUGUST ASKED FOREIGN WAR AND MERCHANT SHIPS SHANGHAI MOVE AT LEAST 5 MILES FROM JAPANESE WARSHIPS FAILING WHICH CHINESE WILL ASK POWERS CONCERNED CAUSE JAPANESE WAR VESSELS MAKE SAME MOVE OTHERWISE CHINESE GOVERNMENT WILL DISCLAIM RESPONSIBILITY FOR DAMAGE CAUSED BY GUNFIRE OR AERIAL (45Ø) BOMBING DOMEI TOKYO REPORTS BRITISH AND AMERICAN NAVAL AUTHORITIES INFORMED CHINESE X EARLY MORNING 2Ø AUGUST NO WARSHIPS WOULD BE MOVED WHILE SINGLE NATIONAL REMAINS SHANGHAI LOCAL PRESS REPORTS NO REPLY YET RECEIVED BY CHINESE CENTRAL NANKING REPORTS CHINESE FORCES BEGAN GENERAL OFFENSIVE IN TIENTSIN AREA PERIOD SEVERE FIGHTING REPORTED 17 (5ØØ) AND 18 AUGUST AND CHINESE SAIL ADVANCED TO HSIAOCHAN NEAR TIENTSIN PERIOD ON PEIPING SUIYUAN FRONT CHINESE FORCES ARE ADVANCING TOWARD SHAHO CENTRAL KWEIHUA REPORTS FOLLOWING 24 HOUR LULL FIGHTING RESUMED NANKOW PASS PERIOD CHINESE ~~XXX~~ DEFENDERS STRENGTHENED BY REINFORCEMENTS SAID REPULSED JAPANESE ATTACKS CENTRAL TSINGTAO REPORTS TENSE SITUATION BECOMING WORSE (55Ø) SINCE SINOJAPANESE NEGOTIATIONS FOR SETTLEMENT RECENT INCIDENT HAVE REACHED DEADLOCK PERIOD OBSERVERS BELIEVE JAPANESE PLAYING FOR TIME UNTIL ARRIVAL REINFORCEMENTS DOMEI TOKYO REPORTS ACCORDING PERSISTENT RUMORS GENERAL PAI CHUNG HSI KWANGSI LEADER IMPRISONED FOLLOWING MILITARY UPRISING LOCAL PRESS REPORTS GENERALS SUNG CHEH YUAN AND CHIN TEH CHUN EXPECTED ARRIVE NANKING (6ØØ) NEXT WEEK FOR REPORT ON REORGANIZATION TWENTY NINTH Ø948

16 (4) ..ACTION

Ø519 AH 21 AUG MX RB.

1ØA 11 12 13(4) 19 2Ø 2ØGY

M. I. D.

FROM; 4 TH MARINES
ACTION; CINCAF
INFO ; COMSUBRON 5, COMDESRON 5, COMYANGPAT, COMSOPAT
OPNAV, AMEMBASSY NANKING, CHINA, ALUSNA PEIPING

8620 DIGEST FRIDAY PRESS LOCAL PRESS REPORTS CHINESE TROOPS BROKE THROUGH
JAPANESE LINES AT YANGTZEPOO BOUNDARY NEAR PAOTING AND ALCOCK ROADS THEN
ATTACKED IN WARD ROAD JAIL AREA PERIOD ALONG NORTHERN FRONT BEYOND KIANGYL
ROAD BARRACKS CHINESE LINES CONTINUED HOLD DESPITE REPEATED JAPANESE ASSAU-
LTS PERIOD REPORTED CHINESE HAVE DRIVEN WEDGE TO WITHIN THREE BLOCKS
WHANGPOO RIVER IN CENTER EASTERN FRONT PERIOD CHINESE CLAIMED LATE 19
AUGUST TO HAVE CAPTURED WAYSIDE WHARF PERIOD JAPANESE ADMIT CHINESE ADVANCED
TO SEWARD ROAD BUT CLAIM TANKS AND ARMORED CARS DROVE THEM BACK PERIOD
JAPANESE COMMUNIQUE STATES FRONT LINES EASTERN AREA ARE SEVERAL KILOMETERS
BEYOND (100)

SHANGHAI UNIVERSITY TOWARD JUKONG WHARF AND THAT JAPANESE FORCES CONTINUE
ADVANCE PERIOD BELIEVED THAT JAPANESE AGAIN ATTEMPTED LAND TROOPS POOTUNG
SINCE STREET FIGHTING OBSERVED THERE PERIOD JAPANESE WARSHIPS NEAR WOOSUNG
SHELLED POOTUNG CHINESE ARTILLERY RETURNED FIRE PERIOD JAPANESE PLANES DURI-
NG DAY ~~XXXXXX~~ BOMBED AMERICAN SOUTHERN BAPTIST MISSION CAUSING PROPERTY
DAMAGE COMMA (150) KASHING ROAD AREA COMMA LUNGWA AIRROME COMMA NAN-
ZIANG AND CHENJU PERIOD JAPANESE AUTHORITIES CLAIM THEIR PLANES BOMBED NANK-
ING 19 AUGUST DESTROYING AMMUNITION DUMP OUTSIDE CITY AND WHEN RETURNING
SHOT DOWN CHINESE NORTHROP BOMBER ACCORDING CHINESE OFFICIAL SOURCES
JAPANESE PLANES WHICH ATTACKED KIANGYIN MORNING 19 AUGUST DROPPED POISON
GAS BOMBS PERIOD (200)

JAPANESE CLAIM THEY HAVE DESTROYED HENLI BRIDGE SHANGHAI NANKING RAILWAY
PERIOD ANNOUNCED 19 AUGUST THAT PLANE WHICH DROPPED INCENDIARY BOMBS 18
AUGUST AT NORTH KIANGSE AND HAINING ROADS WAS CHINESE PERIOD REPORT THAT
UNIDENTIFIED PLANE LANDED JESSFIELD PARK EVENING 18 AUGUST UNCONFIRMED PERIOD
JAPANESE SPOKESMAN 19 AUGUST DENIED RUMORS JAPANESE ARMY TROOPS HAVE ARRIVED
SHANGHAI ALTHOUGH FOREIGN OBSERVERS STATE SOLDIERS LANDED AT OSK WHARF
PERIOD CENTRAL NEWS AGENCY REPORTS 3 ARMY DIVISIONS ENROUTE FROM JAPAN
EXPECTED LAND LIUHO PERIOD JAPANESE ADMIT CASUALTIES 30 KILLED 60 WOUNDED
PERIOD CHINESE SHIP MOVEMENTS WHANGPOO RIVER PROHIBITED BETWEEN 1900 AND
0500 FOREIGN SHIP OWNERS WARNED (300)

NPG 5997 SHEET FOUR

GIVE JAPANESE DUE NOTICE SHIP MOVEMENTS PERIOD OVER 3000 FOREIGN RESIDENTS
EVACUATED SHANGHAI 19 AUGUST PERIOD WELSH FUSILIERS 19 AUGUST TOOK OVER WEST
HONGKEW AREA FROM SVC PERIOD FIRST BATTALLION MIDDLESEX REGIMENT LEFT
SINGAPORE FOR HONGKONG ENROUTE SHANGHAI 19 AUGUST CENTRAL NANKING REPORTS
JAPANESE PLANES BOMBED NANKING EVENING 19 AUGUST DROPPING ALL BOMBS OUTSIDE
SOUTHEAST GATE PERIOD JAPANESE BOMBERS WHICH FLEW INTO INTERIOR MET BY CHIN-
ESE PURSUIT PLANES AFTERNOON 19 AUGUST AND 3 OF 6 BOMBERS SHOT DOWN PERIOD 1
CHINESE PLANES SAID HAVE SHOT DOWN 2 OF 8 JAPANESE BOMBERS AT KWANGTEH
ANHWEI 19 AUGUST PERIOD ANNOUNCED THAT CHINESE BOMBERS (400)

NPG 5997 SHEET FIVE

MADE DIRECT HIT ON STERN JAPANESE AIRCRAFT CARRIER OFF WOOSUNG 19 AUGUST
CHICAGO NEWS PEIPING REPORTS CHINESE FORCES DESTROYING MILITARY ROADS
IMPEDING JAPANESE PREPARATIONS FOR REOPENING OFFENSIVE AGAINST NANKOW PASS
PERIOD JAPANESE TROOPS HAVE ADVANCED ONLY 4 OR 5 MILES NORTH NANKOW STATION
PERIOD HOPEI CHAHAR POLITICAL COUNCIL CEASED EXIST FOLLOWING APPOINTMENT
CHINAG CHAO CHUNG AS MAYOR PEIPING PERIOD AREA TO BE GOVERNED BY PEACE MAIN-
TENANCE COMMISSIONS WITH AID JAPANESE MILITARY 0904

16 ACTION

10A 11 12 13 19 20 20GY

1606 AG MX 20 AUG

C. F. State

Hyde Park, N. Y.,
September 13, 1937.

Confidential

Dear Otis:-

I am glad you are going on that trip and I hope especially that you will go to the State of Washington and personally look into the question of the salmon fisheries out there and along the Alaska coast. Confidentially, as you know, we are about to start some form of negotiations with Japan, and I want you to be completely familiar with the whole subject.

I hope you will have a delightful trip.

Always sincerely,

Honorable S. D. Bland, X1PP 4652
House of Representatives,
Washington, D. C.

x2905
x197-a
x400 Alaska
x C. F. State
x66

SEVENTY-FIFTH CONGRESS

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JAMES W. SULICK, JR., CLERK
ROYCE L. GIVENS, ASSISTANT CLERK

House of Representatives U. S.

Committee on

Merchant Marine and Fisheries

Washington, D. C.

THE WHITE HOUSE

SEP 10 8 57 AM '37

RECEIVED

September 9, 1937.

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

Dear Mr. President:

On September 21st, 1937, I expect to leave Washington for a visit to the West Coast and to the Hawaiian Islands, from which I hope to return around November 10th. I expect particularly on my trip to study matters pertaining to the merchant marine and fisheries.

I believe in cooperation between all branches of the Government, and if I can be of any assistance to you in the consideration of any problem or study of any matter, it will be my pleasure for you to call on me.

Yours very sincerely,

CCB.

S. O. Klaus

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 VINCENT F. HARRINGTON, IOWA

JAMES W. GULICK, JR., CLERK
 ROYCE L. GIVENS, ASSISTANT CLERK

House of Representatives U. S.
 Committee on
 Merchant Marine and Fisheries
 Washington, D. C.

THE WHITE HOUSE
 SEP 17 9 07 AM '37
 RECEIVED

[Handwritten mark]

September 16, 1937.

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

Dear Mr. President:

On my return to Washington
 I found your kind letter of September 13th,
 1937. It will be a pleasure to collect all
 the information I can on the subjects mention-
 ed.

I thank you for writing me.

Yours very sincerely,

CCB.

[Handwritten signature: S. O. Bland]



DEPARTMENT OF STATE
WASHINGTON

Hull Folder, 1937

C.F. State

file
Confidential

Telegram dated November 21.

November 24, 1937

In reply refer to
FE

It is suggested that you may care to bring this
message to the President's attention.

Sincerely yours,

My dear Mr. McIntyre:

In connection with Dr. Hu Shih's call on the
President on October 12, an officer of the Department
has just received from Dr. Hu a letter requesting that
a message which he has received from General Chiang
Kai-shek be transmitted to the President and to the
Secretary of State. The telegram is as follows:

"Our army must fight till the very end and
we will not yield to the enemy. Even if the
Capital City falls, we must of necessity fight
on, not only 'over the winter', but for a very
long time to come. Please inform the American
Government of this determination."

Dr. Hu explains that at the time of his call the
President inquired whether China could fight on through
the winter and that he had replied in the affirmative,
but that, being alarmed by recent news, he had asked

Nanking

The Honorable

Marvin H. McIntyre,

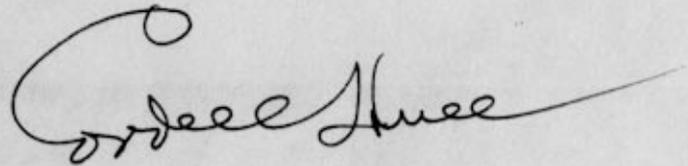
Secretary to the President,

The White House.

Ranking for information and had received in reply the above-quoted telegram dated November 21.

It is suggested that you may care to bring this message to the President's attention.

Sincerely yours,

A handwritten signature in cursive script, reading "Cordell Hull". The signature is written in dark ink and is positioned to the right of the typed text "Sincerely yours,".

812
November 24, 1937.

PRE
C. J. State

My dear Mr. Stimson:

I have read with the deepest interest and sympathy your letter of November 15th. It states and underlines considerations which are ever present in my thoughts, and in those of Mr. Hull as well. As for the answer, frankly, we have not found it.

Before we were even invited to the Brussels Conference, before it had been suggested to us even, the States of the League had made it plain, by their avoidance of the obligations of the Covenant, and still more by their private conversations, that they were excluding all consideration of measures of pressure.

Norman Davis went to Brussels with this

x29

x2981

The Honorable
Henry L. Stimson, xpp720
32 Liberty Street,
New York, New York.

x20

x150-b

x150-A

knowledge, and while it developed that some of the others said they were willing to follow us, their attitude was predicated on such obvious leadership on our part that I am sure neither the people of this country nor Congress would have supported it.

As to what we may be able to do to shape the final settlement, the future alone will show, but the thoughts you express will be my thoughts if occasion presents itself to shape events.

Let me tell you how glad I was to hear from you.

Very sincerely yours,

DEPARTMENT OF STATE

THE SECRETARY

November 24, 1937.

~~CONFIDENTIAL~~

MEMORANDUM FOR MISS LEHAND.

With reference to the President's confidential memorandum of November twenty-second and the letter attached thereto, Secretary Hull is pleased to submit herewith a draft reply for the President's consideration.

THE WHITE HOUSE
WASHINGTON

*Hull -
Dinner 1-37*

~~CONFIDENTIAL~~

November 22, 1937.

MEMORANDUM FOR

THE SECRETARY OF STATE

Would you give me a suggestion for a reply to Harry Stimson? You and I will agree with him wholly but we still have not got the answer.

F. D. R.

See C.F. State, 1937 (open)

THIRTY-TWO LIBERTY STREET
NEW YORK

THE WHITE HOUSE

Nov 16 9 04 AM '37

NOV 15 1937
RECEIVED

Hon. Franklin D. Roosevelt,
The White House,
Washington, D. C.

My dear Mr. President:

I have keen recollections of the times in the past when you have consulted me as to foreign problems. That fact impels me to write you today when my mind is full of foreboding as to what seems to me in the Far East one of the very gravest crises that have confronted us during my lifetime.

As you know, I have a high regard for Secretary Hull and sympathy with and respect for his conduct of our foreign relations. I also appreciate fully the difficulty and weight of the responsibility which rests upon the government at this juncture and do not wish to joggle your elbow in any way during your consideration of that problem. But possibly the following summarized thoughts which I hold may be of some slight assistance to you.

First: China is really fighting our battle for freedom and peace in the Orient today. Her people, representing a peaceful culture almost immemorial, are headed by a government largely influenced by American education and traditions. Her enemy, of a feudal military inheritance and today wholly guided by military purposes, is avowedly seeking to overthrow that

Chinese government and replace it by one more amenable to Japan's own purposes and interests. These purposes today and for as long as Japan's present leadership continues will be inherently hostile to our own culture and national purposes.

Second: That deep-seated struggle for the future of dominant Asiatic policy must be determined by the men of Asia themselves. But the Chinese are temporarily at an enormous disadvantage in preparation and arms. Temporarily they are being beaten in the field and their government may be completely overturned.

Third: For these reasons it seems clear that our national purpose today, in such lines as we are free to act, should be to alleviate the disparity under which China is fighting and, if she is beaten, to leave open to her the chance of coming back. Her national culture has for many centuries proven its tenacity and her soldiers are now demonstrating their individual valor. But the nation's progress in effective organization may be dislocated and set back for many decades and the loyalty of her soldiers may be poisoned and appropriated by the conqueror. That would be a most serious blow to the future interests of the United States.

Fourth: China's lines of communication and intercourse with the western world and particularly with ourselves

should be kept open to the last possible moment during the present hostilities. Under any eventual settlement they should be restored and preserved for the future. This applies not only to arms and munitions but to the access of all intercourse, material and moral. We must anticipate efforts by her conqueror to shut China in to her (Japan's) influence. This again would be most seriously injurious to the future interests of the United States.

A voluntary embargo by us upon China's supplies would not only be a serious present military blow to her but it would psychologically have permanent and damaging effects upon China's faith in us and our civilization. A surrender of principle by us at Belgium today would produce similar psychological damage. In these last respects we stand upon a different basis from any European nation. China has had an historic faith in us which she has given to no other people. I have had exceptional opportunities for appreciating how deep and widespread her loyalty to America can be.

Fifth: Following this summary I shall not go into details of application, for the reasons I first expressed. But in deciding what you may or may not do I only urge you to remember (1) that the influence of the American nation and its President for leadership, moral and material, are great

beyond any computation in the modern international world; (2) that this leadership should be exercised not only with a view to the present aspects of problems but for their long distant solution and fruition, possibly many decades away. No solution of a problem of this magnitude should be left untried merely for a fear of being temporarily "let down". From personal observation and experience I think I can say that the danger of being unnecessarily let down today in certain quarters is not what it was five years ago.

It is true that the problem of peace and national relations in the Far East is today directly connected with the same problems in Europe. But at the same time the task of Great Britain and the other democracies in facing the situation in Europe is very different from that of the United States in facing that in the Far East. In Europe where war has not yet broken out and where the national interests are so many and complex, a temporary solution of expediency may be essential in order to gain time for a proper solution ultimately. But it is hard to see how that can possibly be the case in the Orient. Time in Europe may be running in favor of an ultimately sane and sound adjustment. Time in the Orient is running just the other way. Incalculable harm may be done, by an American failure of principle, to the ultimate decisions of hundreds of millions of minds now in flux.

Such are the landmarks as they present themselves to my mind. My information is necessarily imperfect but the trend of my thoughts on this matter has been unchanged for six years.

Perhaps you will remember the article by Ramsay Muir entitled "Civilisation and Liberty" which I sent to you three years ago at Warm Springs, to which you were kind enough to reply that you had read it through twice with much appreciation. It seems to me that that world crisis of freedom which Muir so eloquently described in his article is trembling in the balance on the fields of China today.

Very sincerely yours,

Henry L. Stimson

State Dept.

PSF

November 26, 1937

SECRET MEMORANDUM FOR

SECRETARY WOODRING x25

C.F.
State
~~_____~~ folder

I fully approve the reports submitted to me November seventeenth of the Committee to study the problem of Japanese activities in Hawaii.

Please inform the other members of the Committee of this and of my request that the measures recommended be put into effect as quickly as possible.

In regard to the proposed legislation, please prepare for my signature letters to the appropriate chairmen of the House and Senate in order that this may confidentially be laid before them.

F. D. R.

fdr/tmb

x B.F. War
x 197
x 400 Hawaii
x 419
x 197-A
x 18
x 20
x 21
x 15
x 10
x 6
x B.F. State

~~SECRET~~

WAR DEPARTMENT
WASHINGTON, D.C.

November 17, 1937.

The President,
The White House.

Dear Mr. President:

Reference is made to your letter of May 20, 1937, designating me as Chairman of a Committee, consisting of the Secretaries of State, Treasury, Labor, Navy, and War and The Attorney General, to study the problem of pernicious activities of Japanese naval and civil personnel in Hawaii. The Secretary of the Interior, also, participated in the deliberations of this Committee.

The Committee considered specifically the following practices and conditions which the War and Navy Departments are particularly desirous of terminating in Hawaii:

a. The practice followed by some Japanese public vessels, when they depart from Hawaiian waters, of leaving surreptitiously, naval and military personnel on the Islands.

b. The illegal or unauthorized presence in the Islands of any member of the Japanese Army or Navy.

c. The presence of any craft in the Islands fitted or designed for illegitimate purposes or with unidentified personnel on board.

d. The securing of military and naval information by means of special photographs.

e. The unauthorized landing from Japanese public vessels and using on shore special cameras and instruments, such as range finders, surveying instruments, etc., adapted to detailed recording and observation.

To correct the foregoing pernicious practices and conditions, the members of the committee designated by you and the Secretary of the Interior have agreed upon the following measures to supplement those now existing:

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR 5200.9 (9/27/58)

-1-

Date - 10-19-66

Signature -

Carl L. Spicer

~~SECRET~~

~~SECRET~~

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/88)

Date- 10-19-66

Signature- *Del L. Spicer*

a. The State Department to consider, in consultation with the Navy Department, withholding from Japanese public vessels permission to visit ports in the Hawaiian Islands, other than Honolulu.

b. Various governmental agencies, particularly the Immigration and National Defense authorities, acting separately, but under the coordination of the Navy Department, unobtrusively to check all individuals leaving and boarding Japanese public vessels visiting Honolulu.

c. Customs authorities to observe carefully Japanese public vessels visiting Hawaii, in order to discover any undue advantages being taken of the courtesies accorded under international practice.

d. The Department of the Interior to sponsor in the Hawaiian legislature legislation designed to gain more effective control over alien-owned and alien-operated fishing boats operating in Hawaiian waters, and over their personnel.

e. The State Department to make representation to the Japanese Government, or to take other suitable action, in case of a violation by a Japanese public vessel of the immigration or customs laws or of international practice.

If the foregoing suggested remedial measures are fully consummated, the Committee believes that the desired objectives will be obtained. However, the Committee also believes that the enforcing agencies should be clothed with more specific authority in order to rectify especially in other important strategical areas pernicious conditions similar to the ones in question. It is therefore recommended that legislation similar in purpose (having due regard for our foreign relations) to that included in the following bill which failed of enactment during the First Session of the 75th Congress and to that in the following amendment to Section 4311, Revised Statutes, proposed by the Bureau of Marine Inspection and Navigation, be given high priority on the President's legislative program in the approaching session of the present Congress:

a. S. 1485, "To prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes." By the enactment of this legislation, it is expected to control more effectively the activities of free lance motion picture

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and still picture operators in vital military and naval installations, where the intent of the photographer is not necessarily so flagrant as that contemplated under Section I, Public No. 24, 65th Congress, "Espionage Act."

b. SEC. 4311. Vessels of twenty net tons and upward, enrolled in pursuance of this Title (R.S. 4311-4390; U.S.C., Title 46, secs. 251 to 356) and having a license in force, or vessels of less than twenty tons but not less than five net tons, which, although not enrolled, have a license in force, as required by this Title, and no others, shall be deemed vessels of the United States entitled to engage in the privileges of vessels employed in the coasting trade or fisheries. Any vessel other than as defined above found engaged in the coasting trade or fisheries shall, together with her tackle, apparel, furniture, and equipment, be forfeited: Provided, That the penalty prescribed by this Section shall not apply to undocumented vessels of less than five net tons, built in and wholly owned by citizens of the United States, and operated by crews at least fifty per centum of which, excluding the person in charge, shall be citizens of the United States; and Provided, That such penalty shall not apply to vessels built in the United States and owned by aliens lawfully admitted as residents therein, which vessels are engaged solely in the fisheries until on and after six years from the date of the approval of this Act; and Provided further, That nothing in this Act shall be construed to affect any existing laws relating to vessels engaged in the coasting trade or whale fisheries.

By amending Section 4311 as above, the effect will be to force eventually all vessels engaged in the fisheries to be owned by citizens of the United States.

Respectfully yours,

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DECLASSIFIED

LUD DIR. 5200.9 (9/27/58)

Date- 14-19-66

Signature- *Carl F. Spicer*

Harry H. Reading

Secretary of War,
Chairman.

~~SECRET~~

1155 Poloma
Dec 1, 1937

Honorable Lister Hill, ^{x Gen}
^{x PPT 3927}
Chairman, Committee on Military Affairs,
House of Representatives.

Dear Mr. Hill:

On February 24, 1937, the Senate passed S.1485, an Act "To prohibit the making of photographs, sketches, or maps of vital Military and Naval defensive installations and equipment, and for other purposes". On February 25, 1937, this act was referred to your Committee for consideration. It is understood that no definite action has subsequently been taken by your Committee on this proposed legislation.

From a national defense viewpoint, it is considered desirable that this legislation, substantially as passed by the Senate, be enacted into law and such action is accordingly, recommended.

Sincerely,

Dec 1, 1937

+ *John*
+ PPT 4252

Honorable Schuyler O. Bland,
Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives.

Dear Mr. Bland:

In order to correct certain pernicious conditions that adversely affect our national defense, I desire to bring to your confidential attention the necessity for amending Section 4311, Revised Statutes, in certain particulars. An amendment similar in purpose to the following, having due regard, however, for our foreign relations, is urgently recommended to accomplish the result desired:

SEC. 4311. Vessels of twenty net tons and upward, enrolled in pursuance of this Title (R.S. 4311-4390; U.S.C., Title 46, secs. 251 to 356) and having a license in force, or vessels of less than twenty tons but not less than five net tons, which, although not enrolled, have a license in force, as required by this Title, and no others, shall be deemed vessels of the United States entitled to engage in the privileges of vessels employed in the coasting trade or fisheries. Any vessel other than as defined above found engaged in the coasting trade or fisheries shall, together with her tackle, apparel, furniture, and equipment, be forfeited; Provided, That the penalty prescribed by this Section shall not apply to unenrolled vessels of less than five net tons, built in and wholly owned by citizens of the United States, and operated by crews at least fifty per centum of which, excluding the person in charge, shall be citizens of the United States; and Provided, That such penalty shall not apply to vessels built in the United States and owned by aliens lawfully admitted as residents therein, which vessels are engaged solely in the fisheries until on and after six years from the date of the approval of this Act; and Provided further, That nothing in this Act shall be construed to affect any existing laws relating to vessels engaged in the coasting trade or whale fisheries.

Sincerely,

SEVENTY-FIFTH CONGRESS

LISTER HILL, ALA., CHAIRMAN
 ANDREW J. MAY, KY.
 R. EWING THOMASON, TEX.
 DOW W. HARTER, OHIO
 CHARLES I. FADDIS, PA.
 CLARENCE W. TURNER, TENN.
 ANDREW EDMISTON, W. VA.
 EDWIN M. SCHAEFER, ILL.
 J. JOSEPH SMITH, CONN.
 MATTHEW J. MERRITT, N. Y.
 MAURY MAVERICK, TEX.
 FRANK J. G. DORSKY, PA.
 JOHN M. COSTELLO, CALIF.
 J. MARK WILCOX, FLA.
 G. HEYWARD MAHON, JR., S. C.
 C. ARTHUR ANDERSON, MO.
 STEPHEN FACE, GA.
 OVERTON BROOKS, LA.

WALTER G. ANDREWS, N. Y.
 DEWEY SHORT, MO.
 LESLIE C. ARENDS, ILL.
 CHARLES R. CLASON, MASE.
 ALBERT G. RUTHERFORD, PA.
 J. PARNELL THOMAS, N. J.
 SAMUEL W. KING, HAWAII

PAUL J. KYALE, MINN.
 KENNETH ANDERSON, CLERK

HOUSE OF REPRESENTATIVES
 COMMITTEE ON MILITARY AFFAIRS
 WASHINGTON, D. C.

December 3, 1937

THE WHITE HOUSE

DEC 3 2 03 PM '37

RECEIVED

then file

Mac + J.P. for their information

F

Hon. Franklin D. Roosevelt,
 The White House,
 Washington, D. C.

My dear Mr. President:

In reply to your letter
 of December 1 with reference to securing action
 on S. 1485, I am happy to advise you that the
 Committee on Military Affairs of the House this
 morning reported the bill favorably to the House.
 I shall do all I can to secure the enactment of
 the bill into law at the earliest possible date.

With all good wishes, I am,

Very sincerely,

Robert H. Taft

2 of

C. F. State

December 10, 1937 *Japan folder*

Honorable Schuyler O. Bland, ^{*x 185*} ^{*x 1974852*}
Chairman, Committee on Merchant
Marine and Fisheries,
House of Representatives.

Dear Mr. Bland:

Reference is made to your letter of December 2, 1937, concerning a proposed revision of Section 4311 of the Revised Statutes of the United States. Brigadier General Walter Krueger, Assistant Chief of Staff, War Plans Division, War Department General Staff, is thoroughly familiar with the details of this proposed legislation and will be pleased to furnish you such information on this subject as you may request.

x257

Sincerely yours,

*Copy of this letter sent to John Madyn,
War Dept 12/10/37 hm*

WAR DEPARTMENT
WASHINGTON D C.

December 9, 1937.

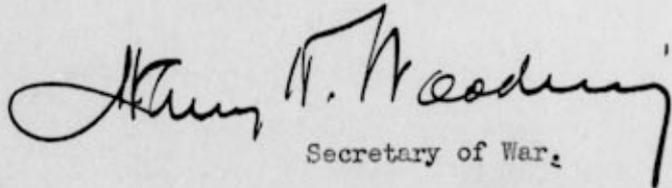
The President,

The White House.

Dear Mr. President:

With reference to the memorandum of December 3, 1937, from Honorable M. H. McIntyre, Secretary to the President, to the Secretary of War, transmitting the attached letter from Honorable S. O. Bland, House of Representatives, there is enclosed herewith a draft of an appropriate reply to Mr. Bland.

Respectfully yours,


Secretary of War.

Enclosures:

Letter from Honorable
S. O. Bland, December 2,
1937, and draft of reply
thereto.

December 3, 1937

MEMORANDUM FOR THE SECRETARY OF WAR: ¹²⁵

With the return of the enclosed letter from Representative S. O. Bland, will you please let us have draft of appropriate reply for the President's signature.

M. H. McINTYRE
Secretary to the President

hm

Letter from Rep. S. O. Bland, Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, 12/2/37 to the President. in reference to President's letter of 12/1 enclosing for the Congressman's confidential attention a proposed revision of section 4311 of the Revised Statutes of the United States. Would like to discuss the proposed amendments with witnesses who would appear in support of the amendment.

SEVENTY-FIFTH CONGRESS

SCHUYLER OTIS BLAND, VA., CHAIRMAN
WILLIAM I. SIROVICH, N. Y.
ROBERT RAMSPECK, GA.
AMBROSE J. KENNEDY, MD.
CHARLES H. CROSSBY, PA.
MONRAD C. WALLGREN, WASH.
JOSEPH J. MANSFIELD, TEX.
LINDSAY C. WARREN, N. C.
EUGENE B. CROWE, IND.
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FRANK W. BOYKIN, ALA.
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JACK NICHOLS, OKLA.
VINCENT F. HARRINGTON, IOWA

JAMES W. GULICK, III, CLERK
ROYCE L. GIVENS, ASSISTANT CLERK

House of Representatives U. S.

Committee on
Merchant Marine and Fisheries
Washington, D. C.

THE WHITE HOUSE

DEC 3 9 06 AM '37

RECEIVED

December 2, 1937 B

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

Dear Mr. President:

Receipt is acknowledged of your letter of December 1st enclosing for my confidential attention a proposed revision of section 4311 of the Revised Statutes of the United States.

If it can be arranged, I would like to discuss the proposed amendments with witnesses who would appear in support of the amendment and I shall be glad to have any one who, in your opinion, can give me complete information, discuss the matter with me in detail at such person's convenience.

With high regards, I am

Yours very sincerely,

S. O. Bland,
Chairman

JWG

BUREAU OF THE BUDGET

WASHINGTON

CONFIDENTIAL

JAN 29 1938

MEMORANDUM FOR THE PRESIDENT:

I am returning herewith a letter, with its enclosures, addressed to you by Chairman Bland of the House Committee on Merchant Marine and Fisheries, dated January 12, 1938, concerning bills H. R. 8778 and 8906 "To amend Section 4311 of the Revised Statutes" together with draft of reply for your signature, if it meets with your approval, as directed in your memorandum to me of January 13.

I find that H. R. 8778 and its companion S. 3083 were introduced pursuant to letters drafted at your request by the Secretary of War for your signature and transmitted by you to Senator Copeland and Congressman Bland on December 1, 1937, which letters recommended revision of Section 4311 of the Revised Statutes and contained a draft of suggested legislation identical with the text of these bills. Mr. Bland has since introduced H. R. 8906, slightly modifying H. R. 8778 and including an additional section defining the term "citizen."

Your letters of December 1, 1937, to Senator Copeland and Congressman Bland were the outcome of your letter of May 20, 1937, to the Secretary of War, designating him as Chairman of a Committee consisting of the Secretaries of State, Treasury, Labor, Navy, and War and The Attorney General, to study the problem of pernicious activities of Japanese naval and civil personnel in Hawaii; the report to you of this Committee, dated November 17, 1937; and your memorandum of November 26th to the Secretary of War approving that report and requesting the preparation for your signature of letters to the appropriate chairmen of the House and Senate to confidentially lay the matter before them.

I now have for my consideration drafts of contemplated reports of the Secretaries of State, War, and Commerce to the House and Senate Committees on H. R. 8778 and S. 3083.

The proposed report of the War Department would recommend enactment of H. R. 8778, or preferably H. R. 8906.

The proposed report of the Department of Commerce is confined to H. R. 8778 and, subject to suggested changes not affecting the objective of the bill, would recommend its enactment. H. R. 8906 provides the more important changes of H. R. 8778 suggested by Commerce.

The proposed report of the Secretary of State would probably prevent enactment of either of the three bills H. R. 8778, H. R. 8096, and S. 3083, as it expresses a doubt that some of the restrictions contained in the bill would be in harmony with some of our treaties giving nationals of foreign countries the right to engage in trade and commerce on an equal footing with nationals of this country, and states that he feels he should refrain from expressing an opinion on the advisability of enactment of the bill until he secures information, which he is taking steps to obtain, as to the practices of some of these countries concerning rights accorded our nationals with respect to fishing operations from their ports.

I understand the pertinent treaty referred to by the Secretary of State is that of 1911 with Japan of which the following are extracts:

Article I. The citizens or subjects of each of the high contracting parties shall have liberty * * * in the territories of the other to carry on trade * * * and generally to do anything incident to or necessary for trade upon the same terms as native citizens or subjects * * *

Article IV. There shall be between the territories of the two High Contracting Parties reciprocal freedom of commerce and navigation. The citizens or subjects of each of the Contracting Parties, equally with the citizens or subjects of the most favored nation, shall have liberty freely to come with their ships and cargoes to all places, ports and rivers in the territories of the other which are or may be opened to foreign commerce, subject always to the laws of the country to which they thus come.

Article XVII. The present treaty shall enter into operation on the 17th of July, 1911, and shall remain in force twelve years or until the expiration of six months from the date on which either of the Contracting Parties shall have given notice to the other of its intention to terminate the Treaty.

In case neither of the Contracting Parties shall have given notice to the other six months before the expiration of the said period of twelve years of its intention to terminate the Treaty, it shall continue operative until the expiration of six months from the date on which either Party shall have given such notice.

I am coordinating the several reports proposed and have asked the State Department to suggest such changes in the bills as it believes necessary in order that they would then accomplish the purposes desired without conflicting with existing treaties.

General Krueger, designated in your letter to Mr. Bland of December 10, 1937, to assist the Committee, is fully aware of these latest developments.

DW Bell
Acting Director.

THE WHITE HOUSE

WASHINGTON

January 13, 1938.

MEMORANDUM FOR

THE ACTING DIRECTOR OF THE BUDGET

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

Letter from Cong. S. O. Bland, Chairman, Committee on Merchant Marine and Fisheries, H. of R., 1/12/38 to the President, referring to President's letter of 12/10, relating to the proposed revision of Section 4311 of the Revised Statutes of the U.S. Encloses copies of H.R. 8778, H.R. 8906, H.R. 8595, H.R. 8627. States that hearings will be held on H.R. 8906 February 23 at 10 o'clock, A. M. Encloses these bills for the President's information.

SEVENTY-FIFTH CONGRESS

SCHUYLER OTIS BLAND, VA., CHAIRMAN

WILLIAM I. BIRDVICH, N. Y.

ROBERT RAMSPECK, GA.

AMBROSE J. KENNEDY, MD.

CHARLES N. CROSSY, PA.

MONRAD C. WALLGREN, WASH.

JOSEPH J. MAHNFELD, TEX.

LINDSAY C. WARREN, N. C.

EUGENE B. CROWE, IHO.

EDWARD J. HART, N. J.

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VINCENT F. HARRINGTON, IOWA

RICHARD J. WELCH, CALIF.

FRANCIS D. CULKIN, N. Y.

GEORGE H. SEGER, N. J.

BENJAMIN JARRETT, PA.

J. C. OLIVER, MAINE

ANTHONY J. DIMOND, ALASKA

House of Representatives U. S.

Committee on

Merchant Marine and Fisheries

Washington, D. C.

THE WHITE HOUSE

JAN 13 9 00 AM '38

RECEIVED

JAMES W. GULICK, III, CLERK
ROYCE L. GIVENS, ASSISTANT CLERK

January 12, 1938

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

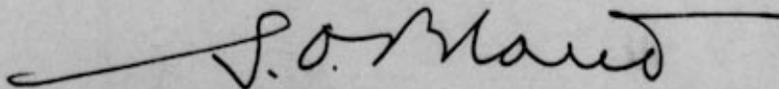
Dear Mr. President:

Referring to your letter of December 10, 1937 relating to the proposed revision of Section 4311 of the Revised Statutes of the United States, I hand you herewith a copy of H. R. 8778 which was originally introduced and also copy of H. R. 8906, an improved form of H. R. 8778, which was introduced yesterday. The latter bill deals more particularly with the question of citizen-ownership. I have sent a copy of this bill to General Krueger.

Hearings will be held on H. R. 8906 February 23 at 10 o'clock A. M., as well as on the bills set out in the attached notice. Copies of all of these bills are enclosed for your information.

With highest regards, I am

Yours very sincerely,



ENK
encl.

Chairman

SEVENTY-FIFTH CONGRESS

SCHUYLER OTIS BLAND, VA., CHAIRMAN
WILLIAM I. SIROVICH, N. Y.
ROBERT RAMSPECK, GA.
AMBROSE J. KENNEDY, MD.
CHARLES N. CROSSY, PA.
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GEORGE H. EGGER, N. J.
BENJAMIN JARRETT, PA.
J. C. OLIVER, MAINE
ANTHONY J. DIMOND, ALASKA

JAMES W. GULICK, JR., CLERK
ROYCE L. GIVENS, ASSISTANT CLERK

House of Representatives U. S.
Committee on
Merchant Marine and Fisheries
Washington, D. C.

January 11, 1938.

NOTICE OF A PUBLIC HEARING

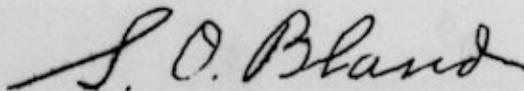
The Committee on Merchant Marine and Fisheries will hold a public hearing in Room 219 Old House Office Building, Washington, D.C., FEBRUARY 23, 1938, at 10 o'clock A.M., on the following bills:

- HR 8595 -- relating to vessels engaged in whaling;
- HR 8627 -- relating to inspection of fishing vessels; and
- HR 8778 -- relating to vessels engaged in the coasting trade and fisheries.

Persons desiring to testify are requested to notify the Clerk of the Committee. Parties who do not intend to testify, but who wish to submit a statement for the record, are requested to file such statement with the Clerk of the Committee not later than the date of the hearing.

For the information of those persons who intend to testify, it is the desire of the Committee that amendments to be proposed during the hearings, be submitted in writing to the Clerk of the Committee prior to the date of the hearing.

It is very important that notice of intention to testify -- even though doubtful of fulfillment -- be communicated to the Clerk of the Committee at least one day in advance of the hearings. Otherwise, unnecessary confusion and delay might arise, resulting in a reduction of the time available for presentation of testimony by witnesses.



Chairman

75TH CONGRESS
3D SESSION

H. R. 8906

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 1938

Mr. BLAND introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries and ordered to be printed

A BILL

To amend section 4311 of the Revised Statutes of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That section 4311 of the Revised Statutes of the United States is amended to read as follows:

"SEC. 4311. (a) Vessels of twenty net tons and upward, enrolled in pursuance of this title (R. S. 4311-4390; U. S. C., title 46, secs. 251-356) and having a license in force, or vessels of less than twenty tons but not less than five net tons, which, although not enrolled, have a license in force, as required by this title, and no others, shall be deemed vessels of the United States entitled to engage in

1 the coasting trade or fisheries. Any vessel other than as
2 defined above found engaged in the coasting trade or fisheries
3 shall, together with her tackle, apparel, furniture, and
4 equipment, be forfeited: *Provided*, That the penalty pre-
5 scribed by this section shall not apply to undocumented
6 vessels of less than five net tons, built in and wholly owned
7 by citizens of the United States and operated by crews at
8 least 50 per centum of which, excluding the person in charge,
9 shall be citizens of the United States: *Provided further*, That
10 such penalty shall not apply to vessels built in the United
11 States and which, on the effective date of this Act, are
12 owned by aliens lawfully admitted as residents therein,
13 which vessels are engaged solely in the fisheries until on and
14 after six years from the date of the approval of this Act:
15 *And provided further*, That nothing in this Act shall be
16 construed to affect any existing laws relating to the kind of
17 documents necessary for vessels engaged in the coasting
18 trade or whale fisheries.

19 (b) Within the meaning and for the purposes of this
20 section, and of the navigation laws of the United States
21 regulating the registry, enrollment and licensing, and licens-
22 ing of vessels as contained in titles XLVIII and L of the
23 Revised Statutes of the United States and amendments
24 thereto (chs. 1 and 12, U. S. C., title 46), and the num-
25 bering of undocumented vessels propelled in whole or in

1 part by machinery as provided by the Act of June 7, 1918
2 (40 Stat. 602), as amended by the Act of August 5, 1935
3 (49 Stat. 526) (U. S. C., 288, title 46), the term 'citizen
4 (or citizens) of the United States' shall, wherever used
5 therein, be defined as follows:

6 " (1) As applied to individuals it shall be held to
7 include only those persons whose citizenship has been
8 legally acquired by virtue of birth or who have been
9 completely naturalized in accordance with the laws
10 of the United States.

11 " (2) Firms, partnerships, companies, organiza-
12 tions, and associations (other than corporations) shall
13 be deemed citizens of the United States only if the entire
14 ownership, interest, control, and management of such
15 is vested solely in persons who are citizens of the United
16 States as defined in paragraph (1) of this subsection.

17 " (3) A corporation shall be deemed a citizen of
18 the United States only if it is organized and chartered
19 under the laws of the United States, or of any State,
20 Territory, or District thereof, the corporate officers and
21 directors are citizens of the United States as herein-
22 before defined, and not less than 51 per centum of the
23 voting stock of such corporation is owned by persons
24 who are citizens of the United States and is free from
25 any trust or obligation of any kind whatsoever in favor

1 of any person not a citizen of the United States; but in
2 case of a corporation operating a vessel in the coasting
3 trade or in the whaling or other fisheries not less than
4 75 per centum of the voting stock must be owned by
5 persons who are citizens of the United States and is free
6 from any trust or obligation of any kind whatsoever in
7 favor of any person not a citizen of the United States:
8 *Provided*, That after the effective date of this Act no
9 certificate of registry, certificate of enrollment and
10 license, license, or certificate of award of number to an
11 undocumented vessel shall be issued to any vessel not
12 wholly owned by a citizen or citizens of the United
13 States: *And provided further*, That six years from the
14 effective date of this Act all such documents, including
15 certificates of award of numbers to undocumented ves-
16 sels, which have been issued prior to the passage and
17 approval of this Act to vessels the ownership of which
18 is not in accordance with the provisions of this Act, and
19 which are outstanding at the end of the six-year period
20 above fixed, shall become null and void and shall be
21 taken up and canceled, and any such vessel thereafter
22 operated in violation of the ownership requirements of
23 this Act, unless the same shall have been lawfully trans-
24 ferred to foreign registry, shall be seized and forfeited.

1 “(c) Sections 4131, 4132, 4137, and 4313 of the
2 Revised Statutes (U. S. C., title 46, secs. 221, 11, 15, and
3 253), and section 1, Act of June 7, 1918, as amended
4 (46 U. S. C. 288), are hereby amended to conform with
5 the provisions of this Act: *Provided*, That nothing herein
6 contained shall be construed as amending or modifying the
7 laws respecting the citizenship of officers and crews of vessels
8 of the United States.

9 “(d) The Secretary of Commerce shall promulgate
10 appropriate regulations for effectuating the provisions of
11 subsection (b) of this Act.

12 “(e) Except as herein otherwise provided this Act shall
13 become effective on the date of approval thereof.”

75TH CONGRESS }
3D SESSION

H. R. 8906

A BILL

To amend section 4311 of the Revised Statutes
of the United States.

By Mr. BLAND

JANUARY 11, 1938

Referred to the Committee on Merchant Marine and
Fisheries and ordered to be printed

75TH CONGRESS
2D SESSION

H. R. 8778

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21, 1937

Mr. BLAND introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries and ordered to be printed

A BILL

To amend section 4311 of the Revised Statutes of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 4311 of the Revised Statutes of the United States
4 is amended to read as follows:

5 "SEC. 4311. Vessels of twenty net tons and upward,
6 enrolled in pursuance of this title (R. S. 4311-4390; U. S. C.,
7 title 46, secs. 251-356) and having a license in force, or
8 vessels of less than twenty tons but not less than five net
9 tons, which, although not enrolled, have a license in force,
10 as required by this title, and no others, shall be deemed
11 vessels of the United States entitled to engage in the coasting

1 trade or fisheries. Any vessel other than as defined above
 2 found engaged in the coasting trade or fisheries shall, together
 3 with her tackle, apparel, furniture, and equipment, be for-
 4 feited: *Provided*, That the penalty prescribed by this section
 5 shall not apply to undocumented vessels of less than five net
 6 tons, built in and wholly owned by citizens of the United
 7 States and operated by crews at least 50 per centum of which,
 8 excluding the person in charge, shall be citizens of the
 9 United States: *Provided further*, That such penalty shall not
 10 apply to vessels built in the United States and owned by
 11 aliens lawfully admitted as residents therein, which vessels
 12 are engaged solely in the fisheries until on and after six
 13 years from the date of the approval of this Act: *And pro-*
 14 *vided further*, That nothing in this Act shall be construed
 15 to affect any existing laws relating to vessels engaged in the
 16 coasting trade or whale fisheries."

4 is amended to read as follows:

5 "Sec. 4311. Vessels of twenty net tons and upward,
 6 enrolled in pursuance of this title (R. S. 4311-4360; U. S. C.,
 7 title 46, sec. 351-356) and having a license in force, or
 8 vessels of less than twenty tons but not less than five net
 9 tons, which, although not enrolled, have a license in force,
 10 as required by this title, and no others, shall be deemed
 11 vessels of the United States entitled to engage in the coasting

A BILL

To amend section 4311 of the Revised Statutes
of the United States.

By Mr. BLAND

DECEMBER 21, 1937

Referred to the Committee on Merchant Marine and
Fisheries and ordered to be printed

75TH CONGRESS
2D SESSION

H. R. 8595

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 3, 1937

Mr. BLAND introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries and ordered to be printed

A BILL

To limit the licensing of vessels engaged in catching, killing, or processing whales, or in catching, killing, or processing of other aquatic products.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled.*
3 That no license shall be granted by the Secretary of Com-
4 merce or by any other officer of the United States to any
5 person, association, partnership, or corporation for the pur-
6 pose of operating any vessel or other watercraft to be en-
7 gaged in taking or killing of whales or as a floating reduction
8 ship or for any other work connected with the taking or
9 catching or processing of aquatic products of any kind unless
10 the said vessel or other craft is documented as a vessel of

1 the United States and no vessel unless so documented shall
2 engage in whaling, in catching or killing whales, or in reduc-
3 ing and rendering whales into whale oil or in taking,
4 catching, or processing aquatic products of any kind, nor
5 shall such oil or other products be imported or introduced
6 into the commerce of the United States by any vessel other
7 than a vessel documented under the laws of the United
8 States. If any ship, factory, or other craft required under
9 the laws of the United States to be possessed of a license
10 for the purpose of taking or killing of whales or for opera-
11 tion as a floating reduction ship or for other operation in
12 connection with the taking, catching, or processing of aquatic
13 products of any kind shall be used for any of said services
14 without a license as required by law, the master and the
15 owner and the charterer, if any, of such vessel or other
16 watercraft, as the case may be, shall be liable to imprison-
17 ment for a term not exceeding one year or to a fine not
18 exceeding \$5,000 for each day said vessel or other watercraft
19 was so operated.

20 The Secretary of Commerce may refuse to grant a
21 license under this Act in respect to any vessel or other water-
22 craft to any person or corporation, association or partnership
23 otherwise entitled to receive it who has been convicted of an
24 offense under this Act. Any whale oil or other aquatic
25 products transported from a vessel documented under the

A BILL

To limit the licensing of vessels engaged in catching, killing, or processing whales, or in catching, killing, or processing of other aquatic products.

By Mr. BLAND

DECEMBER 3, 1937

Referred to the Committee on Merchant Marine and Fisheries and ordered to be printed

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The Secretary of Commerce may refuse to grant a license under this Act in respect to any vessel or other watercraft to any person or corporation, association or partnership otherwise entitled to receive it who has been convicted of an offense under this Act. Any whale oil or other aquatic products transported from a vessel documented under the

75TH CONGRESS
2D SESSION

H. R. 8627

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 1937

Mr. WELCH introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries and ordered to be printed

A BILL

To fix the definition and application of certain terms used in the navigation and steamboat inspection laws with reference to the fishing industries and the vessels employed therein, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That wherever in the laws relating to the documentation,
4 navigation, and inspection of vessels the terms "fisheries",
5 "fishing industry", "fishing vessel", "vessels engaged in
6 the fisheries", or similar terms relating to the taking of
7 fish of any description, including shellfish, and the vessels
8 employed, are used, they shall, within the meaning and
9 for the purpose of such laws, be held to mean and apply
10 to the American fisheries.

1 SEC. 2. That the term "American fisheries" shall be
2 held to include (a) the taking, for commercial disposition
3 or processing, whether on board ship or in shore plants,
4 of fish of every description, including shellfish, and also all
5 other marine products, from waters lying within the terri-
6 torial jurisdiction of the United States, its Territories and
7 possessions; and (b) the taking for commercial disposition
8 or processing, whether on board ship or in shore plants, of
9 fish of every description, including shellfish, and also all
10 other marine products, by vessels documented under the
11 laws of the United States, from waters outside the terri-
12 torial jurisdiction of the United States, its Territories and
13 possessions.

14 SEC. 3. That vessels of every description employed in
15 the American fisheries, as defined in this Act, shall be classed
16 as fishing vessels and that wherever in the laws relating to
17 the documentation, navigation, and inspection of vessels the
18 terms "fisheries", "fishing industry", "vessels engaged in the
19 fisheries", or similar terms relating to vessels engaged in the
20 taking of fish of every description, including shellfish, or other
21 marine products from the water are used, they shall be held
22 to mean "fishing vessels" and such vessels shall be so
23 classified.

24 SEC. 4. That the term "fishing vessels" shall be held to
25 include vessels used as canning and processing plants and

1 vessels operated in the fishing industry engaged in the trans-
2 portation of individuals employed in catching, taking, canning,
3 curing, processing, or otherwise treating fish, including shell-
4 fish, or in the transportation of materials or supplies used in
5 such operations and the various products resulting therefrom.

6 SEC. 5. The number of persons in addition to the crew
7 that may be carried on fishing vessels that are subject to
8 the laws governing the inspection of vessels shall be fixed
9 by the United States local inspectors by whom the vessel
10 is inspected and shall be stated in the certificate of inspec-
11 tion: *Provided*, That the persons in addition to the crew
12 so carried on such vessels shall be employed by the owners
13 of these vessels for service that is connected with the business
14 of the vessel, or shore plant in the prosecution of legitimate
15 activities in the American fisheries, as defined in this Act,
16 that no compensation shall be collected for such transporta-
17 tion, and that persons transported under the conditions above
18 prescribed shall not be classed as passengers within the
19 meaning of any law covering the inspection of vessels or
20 any existing treaty or convention with regard to which the
21 United States is a contracting government.

22 SEC. 6. (a) That no fishing vessel shall be navigated
23 without having on board and so placed as to be readily
24 accessible at least one life preserver of the sort approved

1 by the Bureau of Marine Inspection and Navigation for
2 each person on board.

3 (b) That no fishing vessel subject to any of the laws
4 governing the inspection of vessels shall be navigated without
5 having on board and in condition for ready use such number
6 of lifeboats, liferafts, or other approved lifesaving appliances,
7 as in the judgment of the Bureau of Marine Inspection and
8 Navigation is necessary for safety of life.

9 (c) That no fishing vessel subject to any of the laws
10 governing the inspection of vessels shall be navigated with-
11 out having on board and in condition for immediate use such
12 equipment of fire pumps, fire hose, fire buckets, fire axes,
13 and portable chemical fire extinguishers of types approved
14 by the Bureau of Marine Inspection and Navigation, as in
15 the judgment of that Bureau is necessary for adequate pro-
16 tection against fire.

17 (d) Nothing in this Act shall be construed as affecting
18 any law applicable to fishing vessels with respect to the
19 construction thereof, the inspection of hulls, boilers, operat-
20 ing and auxiliary machinery, or the manning or officering
21 of the same: *Provided*, That for all fishing vessels over one
22 thousand gross tons, the Board of Supervising Inspectors
23 of the Bureau of Marine Inspection and Navigation, with
24 the approval of the Secretary of Commerce, shall establish
25 rules and regulations as may be necessary with respect to

1 the foregoing: *Provided further*, That until such rules and
2 regulations are in effect, certificates will be issued to fishing
3 vessels, as defined in this Act, which have previously been
4 inspected and certificated, without imposing any additional
5 requirements over and above the conditions and requirements
6 under which previous certificates have been issued, and all
7 fishing vessels as defined herein shall be permitted to carry
8 or transport all materials and supplies required for catching,
9 canning, curing, preserving, or otherwise treating fish, and
10 for constructing, maintaining, and operating plants and acces-
11 sories, and the various products resulting from such
12 operations.

13 SEC. 7. A fine not to exceed \$500 shall be incurred
14 by the owner of any fishing vessel which shall be navigated
15 in violation of any of the applicable provisions of section
16 6 and the rules and regulations lawfully established there-
17 under, for which fine the vessel shall be liable and may
18 be seized and proceeded against by way of libel in the dis-
19 trict court of the United States within whose district the
20 vessel is found. The Secretary of Commerce may, upon
21 proper application by the owner, take such action looking
22 to the mitigation or remission of the penalty as in his judg-
23 ment the circumstances of the case warrant.

24 SEC. 8. Nothing in this Act shall be construed as affect-
25 ing any provision of any treaty or convention existing be-

1 between the United States and any foreign government re-
 2 specting the taking of fish or other marine products in any
 3 waters.

4 SEC. 9. Except as herein provided, fishing vessels, as
 5 defined by this Act, shall not be subject to the requirements
 6 of any law relating to the inspection or safety of vessels:
 7 *Provided*, That nothing herein contained shall be construed
 8 as affecting the application to fishing vessels, as herein de-
 9 fined, of all applicable laws, prescribing rules and regulations
 10 for preventing collisions, including the provisions of the Act
 11 of June 9, 1910, prescribing the lights to be carried by
 12 motor boats, as defined by that Act.

13 SEC. 10. This Act shall become effective on and after
 14 the date of approval thereof.

75TH CONGRESS }
2D SESSION }

H. R. 8627

A BILL

To fix the definition and application of certain terms used in the navigation and steamboat inspection laws with reference to the fishing industries and the vessels employed therein, and for other purposes.

By Mr. WELCH

DECEMBER 6, 1937

Referred to the Committee on Merchant Marine and Fisheries and ordered to be printed

This letter to Hon Lister Hill
is a part of our strictly
confidential file. No indication
in Congressional Record
that it was made public.
If N.Y. Times carried it
on Dec. 20th verbatim I suppose
there is no objection to furnishing
a copy, but if they had only
its substance, a question of policy
is involved, and Mr. Earl should

Mr. Ingling:
I am telling them
that letter was never
released. Dg

be asked to pass on it.

[Faint, illegible handwritten notes, possibly including the name "P. G."]

PSF
C.F.
Staty

C O P Y

U. S. S. POTOMAC

Dec. 1, 1937

Honorable Lister Hill,
Chairman, Committee on Military Affairs,
House of Representatives.

Dear Mr. Hill:

On February 24, 1937, the Senate passed S. 1485, an Act "To prohibit the making of photographs, sketches, or maps of vital Military and Naval defensive installations and equipment, and for other purposes". On February 25, 1937, this act was referred to your Committee for consideration. It is understood that no definite action has subsequently been taken by your Committee on this proposed legislation.

From a national defense viewpoint, it is considered desirable that this legislation, substantially as passed by the Senate, be enacted into law and such action is accordingly, recommended.

Sincerely,

THE WHITE HOUSE
WASHINGTON

December 14, 1957.

CONFIDENTIAL

MEMORANDUM FOR THE SECRETARY OF STATE:

I think in view of these charges, they should be presented to Mr. Dearing. I hope, of course, that he will be able to disprove satisfactorily the accusations made. I wish you would also recheck on his eligibility for retirement because he, himself, does not, I think, understand that he is eligible for retirement.

F.D.R.

RE: Fred Morris Dearing, former Ambassador to Peru.

CF
Date

1452
PWF:12-10
20

December 13, 1937.

My dear Mr. President:

I spoke to you the other day with regard to the charges which Ambassador Steinhardt had made against Mr. Dearing and the investigation of these charges which had recently been completed by one of the inspectors of the Foreign Service.

I am sending you herewith Mr. Steinhardt's letter to me of September 29, in which the charges are formulated, and the report of the inspector upon these charges dated December 3.

Both the Secretary and I feel that Mr. Dearing should be given an opportunity of answering the charges made against him and of learning the results of the official investigation made by the inspector. We further feel, however, that unless he is able to disprove satisfactorily the salient features of the report of the inspector, Mr. Dearing should not be continued in office. I should appreciate it if you would let us know what

The President,

The White House.

your wishes may be after you have had time to read these two communications.

With reference to your inquiry as to Mr. Dearing's retirement status, I find that he is already eligible for retirement, so that if he has to retire immediately, he can draw his full retirement annuity.

Believe me

Faithfully yours,

State

PSF

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

December 28, 1937.

MEMORANDUM FOR
THE UNDER SECRETARY OF STATE

x20

I think there is a sort of form to fill in for nominations for the Nobel Award. Would you find out about this and try to get one? I will send it at once and I suppose it should go through the Fouch and Mrs. Harriman, the American Minister.

x2671

F. D. R.

No papers accompanied this memo.

*x518
xPP7 1071*

*x123-A
x123*

DEPARTMENT OF STATE
WASHINGTON

December 22, 1937

My dear Mr. President:

I have this morning your memorandum of December 20 with regard to the candidacy of the Secretary of State for the Nobel Award.

I have written personally to ^{Charles E.} General Dawes and to Dr. Nicholas Murray Butler asking them to present the Secretary's ^{PP7445} candidacy since they are entitled to do so as earlier recipients of the Award.

In reply to your inquiry as to whether I see any reason why you yourself should not make a formal nomination of the Secretary of State, I feel very definitely that it would be both appropriate and singularly helpful if you did so. In the next to the last paragraph of my letter to you of December 11 I said,

"What I believe, however, would be the most helpful thing that could be done, if you feel it appropriate to do so, would be for you yourself to suggest the candidacy of the Secretary of State directly to the office of the Nobel Committee of the Norwegian Parliament at Drammensvei 19, Oslo."

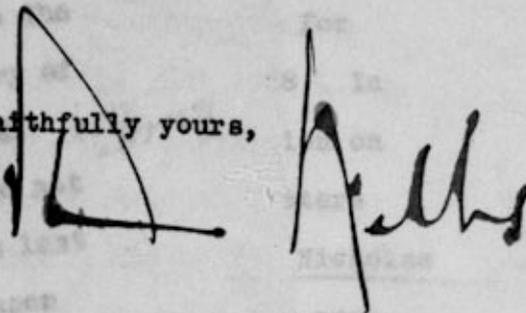
The President,

The White House.

Under the regulations I do not know of any other individuals in the United States, now that Mr. Kellogg is dead, who are qualified to suggest the candidacy. Of course, either House of the Congress could take such action, but you are a better judge of the propriety of that step than I am.

Believe me

Faithfully yours,

A handwritten signature in dark ink, appearing to be 'H. H. H. Kellogg'. The signature is written in a cursive style with a large, prominent initial 'H'.

518

THE WHITE HOUSE
WASHINGTON

December 20, 1937.

MEMORANDUM FOR
THE UNDER SECRETARY OF STATE

Go ahead just as strongly
as you can in relation to the
candidacy of the Secretary of
State for the Nobel Award. *x 518
x 20
x 277 1071*
While, as you know, I did not
make a formal nomination last
year, do you see any reason
why I should not do so this year?

Try to think up all the
names you can of eligible
nominators in this country.

F. D. R.

No papers accompanied this memo.

THE UNDER SECRETARY OF STATE
WASHINGTON

December 11, 1937.

My dear Mr. President:

I am today sending you the circular of the Nobel Committee of the Norwegian Parliament regarding proposals of candidates for the Nobel Peace Prize for the year 1938. In accordance with our previous conversation on this subject, I am writing personal letters to General Charles G. Dawes and to Dr. Nicholas Murray Butler, both qualified under the regulations of the Nobel Committee to suggest candidacies for the Prize, asking if they will not present the candidacy of the Secretary of State. I shall take similar action in the case of the Latin American governments and some European governments which took a friendly

The President,
The White House.

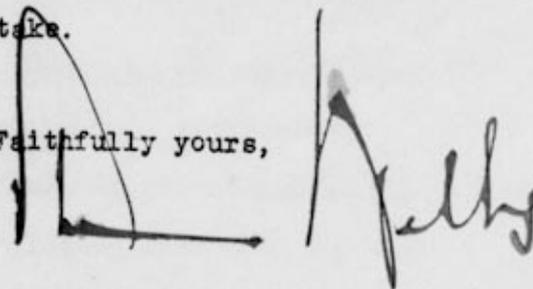
interest in Mr. Hull's candidacy last year.

What I believe, however, would be the most helpful thing that could be done, if you feel it appropriate to do so, would be for you yourself to suggest the candidacy of the Secretary of State directly to the office of the Nobel Committee of the Norwegian Parliament at Drammensvei 19, Oslo.

Will you let me know what your wishes in the matter may be and also tell me if there are any further steps which you think I myself could appropriately take.

Believe me

Faithfully yours,

A handwritten signature in dark ink, appearing to read "N. Rockefeller". The signature is written in a cursive style with a large initial "N" and a long horizontal stroke extending to the right.



DEPARTMENT OF STATE
WASHINGTON

December 11, 1937

In reply refer to
FA 093.57 N 66/327

My dear Mr. McIntyre:

The Nobel Committee of the Norwegian Parliament
has forwarded to the Department of State a number of
copies of the Committee's circular furnishing infor-
mation in regard to proposals of candidates for the
Nobel Peace Prize for the year 1938, for distribution
among those persons in the United States qualified to
propose candidates.

Accordingly, I beg to enclose a copy of the cir-
cular for the information of the President.

Sincerely yours,

Under Secretary.

Enclosure:
Circular of the Nobel
Committee of the
Norwegian Parliament.

The Honorable

Marvin H. McIntyre,

Secretary to the President,

The White House.

518

x123

DEPARTMENT OF STATE

DIVISION () FA
BUREAU ()

ENCLOSURE

TO

LETTER DRAFTED _____

ADDRESSED TO

The Honorable Marvin H.
McIntyre

DET NORSKE STORTINGS NOBELKOMITÉ. NOBEL COMMITTEE OF THE NORWEGIAN PARLIAMENT

NOBEL PEACE PRIZE

All proposals of candidates for the Nobel Peace Prize, which is to be distributed December 10th, 1938, must, in order to be taken into consideration, be laid before the Nobel Committee of the Norwegian Parliament by a duly qualified person *before the first of February of the same year.*

Any one of the following persons is held to be duly qualified: (a) Members and late members of the Nobel Committee of the Norwegian Parliament, as well as the advisers appointed at the Norwegian Nobel Institute; (b) Members of Parliament and Members of Government of the different States, as well as Members of the Interparliamentary Union; (c) Members of the International Arbitration Court at the Hague; (d) Members of the Council of the International Peace Bureau; (e) Members and Associates of the Institute of International Law; (f) University professors of Political Science and of Law, of History and of Philosophy; and (g) Persons who have received the Nobel Peace Prize.

The Nobel Peace Prize may also be accorded to institutions or associations.

According to the Code of Statutes, § 8, the grounds upon which any proposal is made must be stated and handed in along with such papers and other documents as may therein be referred to.

According to § 3, every written work, to qualify for a prize, must have appeared in print.

For particulars, *qualified persons* are requested to apply to the Office of the Nobel Committee of the Norwegian Parliament, Drammensvei 19, Oslo.