Dear Mr. President:

Reference is made to your informal request for my opinion whether the secretary of the Treasury under your direction may issue instructions to all collectors of Customs substantially as follows:

Immediately upon your being satisfied that Germany is in armed conflict with another nation with or without formal declaration of war seize all German and Italian vessels in American territorial waters remove officers and crew therefrom and take all precautions against sabotage in engine rooms or otherwise.

It is my opinion that, in the event of armed conflict between foreign nations, action on our part in seizing in our ports vessels of one or more of the belligerents and not of the others would be in conflict with international law and could, under such law, be construed by the nations affected as an act of war.

It is also my opinion that any such action as contemplated by the proposed instructions, even if applied to the vessels of all belligerents impartially, would, unless based upon the procedure outlined in U.S.C. title 50, sec. 191, be in violation of the due process clause of the Constitution and would, in all probability, be immediately nullified by court action.

It is my advice, therefore, that any such instructions should be based upon a proper proclamation issued under said section 191, and that it should be made applicable impartially to at least the vessels of all belligerents.

Should the contemplated action be taken concurrently with, or subsequent to, the issuance of the general neutrality proclamation, the legal basis therefor would be considerably strengthened and broadened.

Faithfully,

Frank Murphy
Attorney General

The President
The White House
MEMORANDUM FOR THE PRESIDENT

August 26, 1939

1. Attached, the full kit of neutrality proclamations and orders, except those having to do peculiarly with credit and handling of the Coast Guard. As to these, a full set should have been sent you already from Treasury.

2. The bunch from the Treasury and this bunch represent a complete outfit.

3. The recommendation is that two sets of these be held up for a time after the outbreak of war:

   (a) The executive order affecting the Canal Zone, as to which Governor Ridley has asked that he be consulted before it be made effective.

   (b) The proclamation and orders respecting communications. These really are designed to cover a situation in which the United States might itself become involved.

It is likewise the understanding that of the orders to be presented by the Treasury, none are to be necessarily issued at once; especially, plans 3 and 4 contemplate an extremely drastic regulation of the business of the United States and therefore presumably would not be taken unless necessity arose.

A. A. Berle, Jr.
Check List

Plan I - Action pursuant to Title 50, Sec. 191, relating to anchorage, movement, etc. of vessels.

1. Papers to be used without a proclamation under the Neutrality Act:
   a. Proclamation by the President
   b. T.D. ______ Anchorage Regulations
   c. Telegram to Collectors of Customs
   d. Telegram to District Superintendents of Patrol Districts
   e. Telegram to Supervising Customs Agents
   f. Telegram to Coast Guard Officers

2. Papers to be used after a proclamation under the Neutrality Act:
   a. Proclamation by the President
   b. T.D. ______ Anchorage Regulations
   c. Telegram to Collectors of Customs
   d. Telegram to District Superintendents of Patrol Districts
   e. Telegram to Supervising Customs Agents
   f. Telegram to Coast Guard Officers

Plan II - Action to enforce Article 178 of the Customs Regulations relating to shipment of arms, etc.

1. Papers to be used before a proclamation under the Neutrality Act:
   a. Telegram to Collectors of Customs directing them to study Article 178
   b. Similar telegram to Coast Guard Officers

2. Papers to be used after proclamation under the Neutrality Act:
   a. Telegram to Collectors of Customs directing enforcement of Article 178
   b. Similar telegram to Coast Guard Officers

Plan III - General Coast Guard action.

General instructions referring to Title 50, Sec. 191, Article 178 of the Customs Regulations, and other relevant matters.
MEMORANDUM FOR GENERAL WATSON

There is attached, for the President, the file of proposed Treasury Orders covering Foreign Exchange and the Control of Vessels in Territorial Waters.

They form part of the Proclamations, Orders, etc., prepared for use, as they may seem necessary, should war break out abroad.

Though coming from Treasury, they are transmitted through me as Chairman of the Liaison Sub-Committee of the Interdepartmental Committee on Neutrality.

A. A. Berle, Jr.
Memorandum For The President:

I. Foreign Exchange

The Interdepartmental Committee agreed to recommend the following action in regard to foreign exchange, in the absence of emergency of such extreme character as to require otherwise:

(1) On outbreak of hostilities, take no immediate action.

(2) If conditions require action, revoke the Regulations of the Secretary of the Treasury of November 12, 1934. The effect of such action would be to reimpose the restrictions on transactions in foreign exchange, transfers of credit and the export of coin and currency contained in Executive Order No. 6560 of January 15, 1934, which restrictions had in effect been suspended by such Regulations. Such Executive Order exempts from the licensing requirements foreign exchange transactions and transfers of credit for normal commercial or business requirements, and reasonable traveling and other personal requirements. Transmitted herewith is such an Order of Revocation, marked "Document A".

(3) If conditions require further action, take action to require licenses for all transactions in foreign exchange, transfers of credit between banking institutions in the United States and those outside of the United States and for the export of any currency or silver coin or bullion, except for reasonable traveling and other personal requirements. Transmitted herewith is an Executive order, marked "Document B" which amends the Executive Order of January 15, 1934 so as to effectuate such purpose. This document has not been cleared with the Attorney General, but on the basis of the Attorney General's letter to you in April, 1939, with respect to the order referred to in (4) below, there is felt to be no legal objection thereto.

(4) If conditions further require, issue the Executive order which the Secretary of the Treasury cleared with the Attorney General in April, 1939, and which was returned by you to the Secretary "ready to be signed at any time", or some modification thereof. Transmitted herewith is such an Executive order, marked "Document C", the effect of which would be to require licenses for

(a) transactions in foreign exchange;

(b) transfers of credit between banking institutions within the United States and those outside of the United States;
Acute Secretary

July 20, 1941

Another paper, described as Plan III, consists of General Intention

leveled by the State Department. These papers are described as Plan II

ment of the Department of Commerce, that a product of the Administration of the Commerce Department, which deals with the matter of

there are also the tramontane herewith, applying protective regulations to

1. Provisions and amending regulations of the administration, which must be submitted to the Commerce Department, and which are in the

Plan I - 2 are on the assumption that a product of the Administration of the Commerce Department, which deals with the matter of

and on the basis of Plan II

II. Control of vessels in territorial waters, off the United States

report of a vessel's property interests in the United States

the orders or other personal requirements. Such executive order comes in an executive order concerning the tramontane herewith.

Any transfer of credit between any bank in the United States, or (d) if any claim, or any export of any commodity or stock in

And if any claim, or any export of any commodity or stock in


- 2 -
REVOCATION OF REGULATIONS RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, TRANSFERS OF CREDIT, AND THE EXPORT OF COIN AND CURRENCY.

TREASURY DEPARTMENT,
Office of the Secretary.

The Regulations of the Secretary of the Treasury of November 13, 1934, relating to transactions in foreign exchange, transfers of credit, and the export of coin and currency, and the general license therein granted are hereby revoked.

Secretary of the Treasury.

Approved:

The White House,
EXECUTIVE ORDER

AMENDMENT OF EXECUTIVE ORDER NO. 6560, DATED JANUARY 15, 1934, REGULATING TRANSACTIONS IN FOREIGN EXCHANGE, TRANSFERS OF CREDIT, AND THE EXPORT OF COIN AND CURRENCY.

By virtue of the authority vested in me by section 5(b) of the Act of October 6, 1917 (40 Stat. L. 411), as amended, and by virtue of all other authority vested in me, I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do hereby issue the following Executive Order:

Section 1. Executive Order No. 6560, dated January 15, 1934, regulating transactions in foreign exchange, transfers of credit, and the export of coin and currency is hereby amended in the following respects:

(a) Section 1 of such Executive Order is amended to read as follows:

"Section 1. Every transaction in foreign exchange, transfer of credit between any banking institution within the United States and any banking institution outside of the United States (including any principal, agent, home office, branch, or correspondent outside of the United States of a banking institution within the United States), and the export or withdrawal from the United States of any currency or silver coin or bullion by any
person within the United States, is hereby prohibited, except under license thereto issued pursuant to this Executive Order; Provided, however, That, except as prohibited under regulations prescribed by the Secretary of the Treasury, such foreign exchange transactions, transfers of credit, and the export or withdrawal of currency and silver coin and bullion may be carried out without a license for reasonable traveling and other personal requirements."

(b) Section 7 of such Executive Order is amended to read as follows:

"Section 7. Definitions. As used in this Executive Order the term 'United States' means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands; the term 'continental United States' means the States of the United States, the District of Columbia, and the Territory of Alaska; the term 'person' means an individual, partnership, association, or corporation, whether acting as principal or acting as agent or in any other representative capacity; and the term 'banking institution' includes any person engaged primarily or incidentally in the business of banking, of granting or transferring credits, or of purchasing and selling foreign exchange or procuring purchasers and sellers thereof, as principal or agent, or any person holding credits for others as a direct or incidental part of his business, or brokers; and, for
the purposes of this Order, each home office, branch, principal, agent, or correspondent of any person so engaged shall be regarded as a separate 'banking institution'."

Section 2. This Executive Order may be modified or revoked at any time.

THE WHITE HOUSE,
EXECUTIVE ORDER

REGULATING TRANSACTIONS IN FOREIGN EXCHANGE,
TRANSFERS OF CREDIT, PAYMENTS, AND THE
EXPORT OF COIN, BULLION AND CURRENCY

By virtue of the authority indicated in such Executive
Order, Executive Order No. 6560 of January 15, 1934 is hereby
amended to read as follows:

"By virtue of the authority vested in me by Section
5(b) of the Act of October 6, 1917 (40 Stat. L., 411) as
amended by Section 2 of the Act of March 9, 1933, entitled
'An Act to Provide Relief in the Existing National Emergency
in Banking and for other Purposes', I, FRANKLIN D. ROOSEVELT,
President of the UNITED STATES OF AMERICA, do declare that
a period of national emergency continues to exist, and by
virtue of said authority and of all other authority vested
in me, do hereby prescribe the following regulations for
the investigation, regulation, and prohibition of transac-
tions in foreign exchange, transfers of credit between or
payments by banking institutions as herein defined, and
export of currency or silver coin, or bullion, by any person
within the United States or any place subject to the
jurisdiction thereof:

"Section 1. The following are prohibited except under
license therefor issued pursuant to this Executive Order
or regulations issued herewith:
"A. Every transaction in foreign exchange, transfer of credit between any banking institution within the United States and any banking institution outside of the United States (including any principal, agent, none office, branch, or correspondent outside of the United States of a banking institution within the United States), and the export or withdrawal from the United States of any currency or silver coin or bullion by any person within the United States;

"B. Every transfer of credit between any banking institutions within the United States and every payment by any banking institution within the United States, in which transfer of credit or payment any foreign country or a national thereof has any interest of any nature whatsoever, direct or indirect; and

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

Provided, however, That, except as prohibited under regulations prescribed by the Secretary of the Treasury, such foreign exchange transactions, transfers of credit, payments, and the export of currency and silver coin and bullion may be carried out without a license for reasonable traveling and other personal requirements.

"Section 9. Possessions of the United States. Except as prohibited in section 1 hereof, transfers of credit between banking institutions in the continental United States.
and banking institutions in other places subject to the jurisdiction of the United States (including principals, agents, home offices, branches, or correspondents in such other places, of banking institutions within the continental United States), may be carried out without a license.

"Section 3. Licenses. The Secretary of the Treasury, acting directly or through any agencies that he may designate, and the Federal reserve banks acting in accordance with such rules, regulations and instructions as the Secretary of the Treasury may from time to time prescribe, are hereby designated as agencies for the granting of licenses as hereinafter provided. Licenses may be granted authorizing such transactions in foreign exchange, transfers of credit, payments and exports of currency (other than gold certificates) or silver coin or bullion in such specific cases or classes of cases as the Secretary of the Treasury may determine in rules, regulations and instructions prescribed hereunder.

"Section 4. Reports.

"A. Reports under oath shall be filed, on such forms, at such time or times, and from time to time, as provided in regulations which the Secretary of the Treasury is hereby authorized to prescribe, with respect to:

"(1) All property situated in the United States on the date as of which the report is made of which any foreign country or a national thereof
is the owner, or in which any foreign country or a national thereof has an interest of any nature whatsoever, direct or indirect, on the date as of which the report is made; and

(2) Without any limitation whatsoever of the foregoing:

(a) All shares of stock, debentures, notes, bonds, coupons, or other obligations or securities of any partnership, association, or corporation organized under the laws of the United States or any state or territory of the United States, or having its principal place of business in the United States regardless of where the stock certificates, etc., or any other evidence of the property herein enumerated, is situated on the date as of which the report is made, of which any foreign country or national thereof is the owner, or in which any foreign country or a national thereof has an interest of any nature whatsoever, direct or indirect, on the date as of which the report is made; and

(b) All obligations or other securities of the United States or any agency or instrumentality thereof
(including those in any manner guaranteed by the United States, its agencies or instrumentalities), or of any state, territory, municipality or political subdivision or other agency or instrumentality thereof, of the United States, regardless of where the documents evidencing such obligations or securities are situated on the date as of which the report is made, of which any foreign country or a national thereof is the owner, or in which any foreign country or a national thereof has an interest of any nature whatsoever, direct or indirect, on the date as of which the report is made; and

"(c) All debts or obligations of any character, regardless of where any evidence thereof is situated on the date as of which the report is made, by a person in the United States, owed to any foreign country or a national thereof, or in which any foreign country or a national thereof has an interest of any nature whatsoever, direct or indirect, on the date as of which the report is made.

"B. Such reports shall be filed by:

"(1) Every person in the United States directly or indirectly (i) holding, or having
title to, or custody, control, or possession of
such property, shares of stock, debentures,
notes, bonds, coupons, or other obligations or
securities, or (ii) in any way so indebted or
obligated; including, without any limitation
whatsoever of the foregoing, every partnership,
association, or corporation organized under
the laws of the United States or any state or
territory of the United States, or having its
principal place of business in the United
States, in the shares of whose stock or in
whose debentures, notes, bonds, coupons, or
other obligations or securities any foreign
country or a national thereof has an interest
of any nature whatsoever, direct or indirect;
and

(2) Every state, territory, municipality
or political subdivision or other agency or
instrumentality thereof, of the United States,
of whose obligations or securities any foreign
country or a national thereof has title or in
which obligations or securities any foreign
country or a national thereof has an interest
of any nature whatsoever, direct or indirect;
and
"(3) Every agent or representative in the United States for any foreign country or a national thereof having any information with respect to any such property, shares of stock, debentures, notes, bonds, coupons, or other obligations or securities or debts or obligations; and

"(4) Every national of any foreign country owning or having any interest herein-above mentioned in such property, shares of stock, debentures, notes, bonds, coupons, or other obligations or securities, or debts or obligations; and also

"(5) Without any limitation whatsoever of the foregoing:

"(a) Every corporation or association or company in the United States having any of its shares of stock, issues of notes, debentures, bonds or other securities listed on any securities exchange or market in the United States, and every banking institution, trust company, investment house, broker or dealer in financial securities in the United States; and
"(b) Such other persons as the Secretary of the Treasury may, by regulation, prescribe.

"C. Reports are required of such persons, agents, nationals, states, territories, municipalities, etc., with respect to any acquisition, transfer, disposition, or any other dealing in such property, shares of stock, debentures, notes, bonds, coupons, or other obligations or securities, or any modification, payment or liquidation of, or any other dealing in, such debts or obligations, or the undertaking of any new or further such debts or obligations. Such reports under oath shall be filed, on such forms, at such time or times, and from time to time, as provided in regulations which the Secretary of the Treasury is hereby authorized to prescribe.

"D. The Secretary of the Treasury may require the furnishing under oath of additional and supplemental information, including the production of any books of account, contracts, letters or other papers with respect to the matters concerning which reports are required to be filed under this Section."
"Section 5. Regulations. The Secretary of the Treasury is authorized and empowered to prescribe from time to time rules, regulations, and instructions to carry out the purposes of this Order, and to provide in such rules, regulations, and instructions the conditions under which licenses may be granted by the Federal reserve banks and by such other agencies as the Secretary of the Treasury may designate; and the Secretary of the Treasury may require any person engaged in any transaction, transfer, payment, export, or withdrawal referred to in this Executive Order to furnish under oath complete information relative thereto, including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person either before or after such transaction, transfer, export, or withdrawal is completed.

"Section 6. Penalties. Whoever willfully violates or knowingly participates in the violation of any provision of this Executive Order or of any license, order, rule, or regulation issued or prescribed hereunder, shall be subject to the penalties provided in Section 5 (b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933.

"Section 7. Definitions.

"A. The term 'United States' means the United
States and any place subject to the jurisdiction thereof, including the Philippine Islands.

"B. The term 'continental United States' means the States of the United States, the District of Columbia, and the Territory of Alaska.

"C. The term 'person' means an individual, partnership, association, or corporation, whether acting as principal or acting as agent or in any other representative capacity.

"D. The term 'banking institution' includes any person engaged primarily or incidentally in the business of banking, of granting or transferring credits, or of purchasing and selling foreign exchange or procuring purchasers and sellers thereof, as principal or agent, or any person holding credits for others as a direct or incidental part of his business, or brokers; and, for the purposes of this Order, each home office, branch, principal, agent, or correspondent of any person so engaged shall be regarded as a separate 'banking institution'.

"E. The term 'national of any foreign country' shall include any person who is, or whom there is reasonable cause to believe is, domiciled in, or a subject, citizen or resident
of, any foreign country, but shall not include any person domiciled and residing in the United States; and shall also include any partnership, association, or other organization, including any corporation, organized under the laws of, or having its principal place of business in any foreign country, or which is controlled by, or a substantial part of the stock, shares, bonds, debentures, or other securities of which is owned or controlled by, directly or indirectly, one or more persons whom there is reasonable cause to believe are, domiciled in, or the subjects, citizens or residents of any foreign country.

"F. The term 'property' shall include, but not by way of limitation, money, checks, drafts, bullion, bank deposits, savings accounts, any debts, indebtedness or obligations, financial securities commonly dealt in by bankers, brokers, and investment houses, notes, debentures, stocks, bonds, coupons, bankers' acceptances, mortgages, pledges, liens or other right in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, other evidences of title or ownership, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, vendors' sales agreements,
land contracts, real estate and any interest therein, leaseholds, ground rents, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks, copyrights, insurance policies, safe deposit boxes and their contents, annuities, etc.

"C. Safe deposit boxes shall be deemed to be in the 'custody' not only of all persons having access thereto but also of the lessors of such boxes whether or not such lessors have access to such boxes. The foregoing shall not in any way be regarded as a limitation upon the meaning of the term 'custody'."

"Section 8. Section 8 of the Executive Order of August 26, 1933, Relating to the hoarding, export, and earmarking of Gold Coin, Bullion, or Currency and to Transactions in Foreign Exchange, is hereby revoked.

"Section 9. This Executive Order and any rules, regulations, or licenses prescribed or issued hereunder may be modified or revoked at any time."

THE WHITE HOUSE,

1939.
MEMORANDUM FOR MISS TULLY

Reference is made to our conversation over the telephone today and I am enclosing copy of the letter and memorandum to which you referred.

The memorandum was accompanied by thirteen (13) exhibits which are referred to in the memorandum as Exhibits 1(a) 1(b) 1(c) 1(d) 2(a) 3(a) 4(a) 4(b) 5(a) 5(b) II(a) II(b) II(c)

These exhibits are referred to by titles in the memorandum and copies can be secured, I am sure, from Mr. Berle, at the State Department.

Respectfully,

[Signature]

NEWMAN A. TOWNSEND
Acting Assistant Solicitor General
August 31, 1939

The President,

The White House,

My dear Mr. President:

Pursuant to your request the undersigned, the Secretary of State, the Secretary of the Treasury, and the Attorney General, have given consideration to what action may be taken upon the outbreak of hostilities in Europe (1) without declaration of a national emergency and (2) with declaration of a national emergency.

The attached list enumerates some of the action considered more important that may be taken under such conditions but is by no means complete. Further study is being made and a supplemental report will be filed later.

Respectfully,

Secretary of State

Secretary of the Treasury

Attorney General
ACTION THAT MAY BE TAKEN WITHOUT DECLARATION OF A
NATIONAL EMERGENCY

I. NEUTRALITY

1. General Neutrality.
   
   (a) Proclamation relating to neutrality generally.
       
       (Copy attached as Exhibit 1 (a).)
   
   (b) Executive order prescribing regulations governing
       the enforcement of neutrality under the Proclamation.
       
       (For issuance in connection with Exhibit 1 (a) and
       prescribes the duties of the several departments
       and agencies of the Government under that Exhibit.
       Copy attached as Exhibit 1 (b).).
   
   (c) Proclamation prescribing regulations concerning
       neutrality in the Canal Zone.
       
       (For issuance in connection with Exhibit 1 (a) and
       governs activities in the Canal Zone under that
       Exhibit. Copy attached as Exhibit 1 (c).)
   
   (d) Executive order prescribing regulations governing
       passage and control of vessels through Panama Canal
       in any war in which the United States is neutral.
       
       (For issuance in connection with Exhibit 1 (c).
       Copy attached as Exhibit 1 (d).)

2. Export of Arms.
   
   (a) Proclamation under section 1 of the Joint Resolution
       of May 1, 1937, relating to export of arms, ammunition,
       and implements of war.
(This proclamation would also bring into operation other provisions of the Act relating to extension of loans and credits to belligerents (which may be modified by Presidential exemptions), travel by American citizens on belligerent vessels, use of American ports by armed merchant vessels and submarines, etc. Copy of draft attached as Exhibit 2 (a).)

3. Travel.
   (a) Regulations under section 9 of the Joint Resolution of Congress approved May 1, 1937.

   (Regulations governing travel. For issuance by the Secretary of State upon the issuance by the President of Exhibit 2 (a). Copy attached as Exhibit 3 (a).)

4. Aircraft.
   (a) Proclamation prescribing regulations concerning the neutrality of the United States in connection with aircraft.

   (Copy attached as Exhibit 4 (a).)

   (b) Executive order prescribing regulations governing the enforcement of neutrality in connection with aircraft.

   (For issuance in connection with Exhibit 4 (a). Defines the duties of all departments and agencies of the Government in connection with the enforcement of aircraft neutrality. Copy attached as Exhibit 4 (b).)

5. Communications
   (a) Proclamation prescribing regulations concerning the neutrality of the United States in connection with communications.

   (Copy attached as Exhibit 5 (a).)
(b) Executive order prescribing regulations governing enforcement of neutrality in connection with communications.

(For issuance in connection with Exhibit 5 (a). Defines the duties of the several departments and agencies of the Government in connection with enforcement of communications neutrality. Copy attached as Exhibit 5 (b).)

COMMENTS

It is believed that existing law contains authority for all of the documents above mentioned with the exception of the provisions of Exhibit 5 (b) relating to censorship of mails. With respect to the latter document, it is believed that additional legislation is necessary to authorize censorship of the mails.

If it is deemed desirable to issue the document before additional legislation is secured, it should be revised to eliminate those provisions. Subject to the above, the documents enumerated have been approved by the Attorney General as to form and legality.
II. MONETARY AND FISCAL CONTROL

1. Control of foreign exchange.

(a) Revocation by the Secretary of the Treasury of Regulations of November 12, 1934. The effect of such action would be to reimpose the restrictions on transactions in foreign exchange, transfers of credit, and the export of coin and currency contained in Executive Order No. 6550 of January 15, 1934, which restrictions had in effect been suspended by such Regulations. This Executive Order exempts from the licensing requirements foreign exchange transactions and transfers of credit for normal commercial or business requirements, and reasonable traveling and other personal requirements; or

(b) Require licenses for all transactions in foreign exchange, transfers of credit between banking institutions in the United States and those outside of the United States and for the export of any currency or silver coin or bullion, except for reasonable traveling and other personal requirements. Transmitted herewith is an Executive order, Exhibit 6(e), which amends the Executive Order of January 15, 1934 so as to effectuate such purpose; or

(c) Issue the Executive order which the Secretary of the Treasury cleared with the Attorney General in April, 1939, and which was returned by the President to the Secretary "ready to be signed at any time. (This order repeats the finding of the continuance of a period of national emergency as stated in the Executive Order No. 6620 of January 15, 1934, but does not make any finding as to the existence of a new emergency.) Transmitted herewith is such an Executive order, Exhibit 6(e), the effect of which would be to require licenses (except for reasonable traveling and other personal requirements) for

(1) all transactions in foreign exchange;

(2) all transfers of credit between banking institutions within the United States and those outside of the United States;
(3) the export of any currency or silver coin or bullion; and

(4) transfers of credit between any banking institutions within the United States, any payments by any banking institutions within the United States, in which transfers or payments any foreign country or a national thereof has any interest whatsoever.

The order also requires reports as to all property in the United States held by aliens or by any persons for or on behalf of aliens.

Documents providing for the above actions have been prepared and are in readiness and copies are attached as Exhibits II (a), II (b), and II (c). These documents have been approved by the Attorney General as to form and legality.

**ACTION WHICH MAY BE TAKEN WITH DECLARATION OF NATIONAL EMERGENCY**

Under a declaration of national emergency the powers of the President are broad and the action that might be taken by the President and departments and agencies of the Government covers a wide and varied field, and authority for such action is contained in numerous statutes. For example, the Interstate Commerce Commission under such conditions could (a) suspend operation of all rules and regulations relating to interstate commerce, (b) require car service without regard to ownership as between carriers, (c) require joint or common use of terminals, including tracks for a reasonable distance outside of terminals, and (d) give direction for preference or priority in transportation or movement of traffic under permits, and do many other things. Under section 5 (b) of the Trading with the Enemy Act
as amended, the President has the following power:

"During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision to furnish under oath, complete information relative thereto, including the production of any books of account, contracts, letters or other papers, in connection therewith in the custody or control of such person, either before or after such transaction is completed. ####

Again under such condition the Secretary of the Treasury could be authorized to permit importations free of duty.

The following are some of the actions which might be deemed advisable under a declaration of national emergency:

1. **Securities and Commodities.**
   
   (a) Closing of stock and commodities exchanges for a period of not more than 10 days by the Securities and Exchange Commission, or

   (b) Closing such exchanges for not exceeding 90 days by the Securities and Exchange Commission with the approval of the President.

2. **Shipping.**

   (a) Regulation by the Secretary of the Treasury under proclamation issued under Title II of the Espionage Act of June 15, 1917, governing anchorage, movement, inspection, detention, and protection of vessels, and the prevention of sabotage to vessels, wharves, and other shipping facilities.