

Neutrality: 1939 Model

As Franklin Roosevelt set his pen to the revised Neutrality Act—which was passed after the House, as predicted, joined with the Senate in repealing the arms embargo, 243-to-181, Americans last week began governing their commerce with the warring world under history-making restrictions.

The Act was the fruit of a special session of Congress, which adjourned shortly after its passage. It provides:

1) Any warring nation can buy anything that is for sale here (arms and munitions included), provided it pays cash and carries the goods away in its own ships.

2) American merchantmen may not be armed.

3) American nationals may not travel on ships of belligerent nations.

4) President Roosevelt is empowered to designate "combat zones" which American ships may not enter (see map). The zones are described in the President's own words: "American ships cannot proceed to any ports in France, Great Britain or Germany . . . (nor) to any ports in Ireland, nor to any ports in Norway south of Bergen; nor to any ports in Sweden, Denmark, Netherlands or Belgium; nor to Baltic ports. All neutral ports in the Mediterranean and Black Seas are open; likewise all ports, belligerent or neutral, in the Pacific and Indian Oceans and dependent waters, and all ports in Africa south of the latitude of the Canaries." Belligerent ports are closed to American ships by law; other zones by Presidential proclamation under the law.

5) Belligerent nations and their citizens may not acquire credits in the United States for the purchase of war materials.

6) Violation of the prohibition against trade with belligerents is punishable by \$50,000 fine, five years' imprisonment, or both.

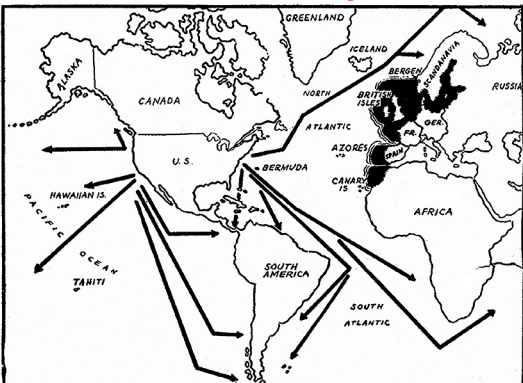
7) The life of the Munitions Control Board is extended.

8) Ships under control of the Red Cross are exempted from the ban on travel into combat areas.

9) Ships of foreign states may not fly the U. S. flag; violators will be excluded from U. S. territorial waters for three months.

10) The President may prohibit submarines and armed merchant vessels from entering or leaving U. S. ports and territorial waters. (Last week the President barred submarines from U. S. ports unless driven in by "force majeure,"—i.e., acts of God.)

Neutrality



American Merchantmen May Follow the Arrows, but May Not Enter the Black Areas

Orders: Anticipating repeal of the embargo, France had previously placed orders for 6,000 airplane motors. The embargo had halted more than 600 aircraft worth more than \$72,000,000 planes. In Berlin, Air Marshal Hermann Goering, No. 2 Nazi, merely commented: "We will build our planes. Let them build theirs. Then we shall see who comes out best." As plane orders swarmed in British and French purchasing commissions started to America to place orders for other war supplies.

U. S. Merchant Marine: American shipping men viewed the Act with dismay, predicting losses to the American merchant marine would mount up to \$40,000,000 a year. European sailings of the liners *Washington*, *President Roosevelt* and *American Farmer* were cancelled.

Meantime the first squabble over interpretation of the Act arose when the United States Lines requested permission of the Maritime Commission to transfer eight ships to Panamanian registry. The Commission indicated approval. Secretary of State Cordell Hull objected that such a move violated the spirit of the Neutrality Act. President Roosevelt, saying there was nothing illegal about such a move, nevertheless ordered it held up for study.