War: Reports, Procurement: 1937-40

PSF
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CONFIDENTIAL

MUNITIONS PROGRAM OF JUNE 30, 1940.

(INCLUDING DEFERMENTS AS OF JULY 2, 1940)

CONFIDENTIAL

COPY NO. 44

STATEMENT OF OBJECTIVES OF MUNITIONS PROGRAM OF JUNE 30, 1940.

A. PROCURE ALL ESSENTIAL ITEMS OF SUPPLIES TO COMPLETE THE EQUIPMENT OF THE PROTECTIVE MOBILIZATION PLAN FORCE AS REVISED (APPROXIMATELY 1,200,000 MEN) AND TO MAINTAIN THAT FORCE ON A COMBAT STATUS.

B. PROCURE ALL RESERVE STOCKS OF THE CRITICAL ITEMS OF SUPPLIES NEEDED TO EQUIP AND MAINTAIN A GROUND FORCE OF APPROXIMATELY 2,000,000 MEN ON COMBAT STATUS.

C. CREATE FACILITIES FOR THE PRODUCTION OF THE CRITICAL ITEMS OF RESERVE STOCKS REQUIRED TO EQUIP AND MAINTAIN IN COMBAT APPROXIMATELY 2,000,000 MEN; AND FOR THE CREATION OF ADDITIONAL FACILITIES REQUIRING A LONG PERIOD OF TIME TO PLACE IN OPERATION AND NEEDED FOR THE EXPANSION OF THE ARMY.

D. PROCURE 18,000 COMPLETE MILITARY AIRPLANES (LESS THE 2,181 PLANES FOR WHICH FUNDS HAVE ALREADY BEEN APPROPRIATED IN THE FIRST SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT, 1941), TOGETHER WITH NECESSARY SPARE ENGINES, SPARE PARTS, GUNS, RADIO AND OTHER SUPPLIES AND ACCESSORIES PERTAINING THERETO.

E. PROVIDE PRODUCTIVE CAPACITY AVAILABLE TO THE ARMY OF 18,000 COMPLETE MILITARY AIRPLANES PER YEAR, TOGETHER WITH NECESSARY ENGINES AND ALL OTHER ACCESSORIES AND SUPPLIES PERTAINING THERETO.

F. PROVIDE NECESSARY STORAGE FOR ABOVE.

CONFIDENTIAL

MUNITIONS PROGRAM OF JUNE 30, 1940

RECAPITULATION

APPROPRIATION TITLE	ESSENTIAL ITEMS TO COMPLETE P.E.P.			CRITICAL ITEMS TO COMPLETE EQUIPMENT OF 2,000,000 MEN			AIRPLANE PROGRAM TO COMPLETE 18,000 AIRPLANES			PRODUCTION FACILITIES FOR CRITICAL ITEMS FOR 2,000,000 MEN AND FOR FURTHER EXPANSION OF THE ARMY			PRODUCTION CAPACITY FOR 18,000 AIRPLANES PER YEAR			TOTAL PROGRAM		
	PAGE 2			PAGES 3 TO 16			PAGES 17 AND 18			PAGE 19			PAGE 19					
	FINANCED IN FY 1941	DEFERRED	TOTAL	FINANCED IN FY 1941	DEFERRED	TOTAL	FINANCED IN FY 1941	DEFERRED	TOTAL	FINANCED IN FY 1941	DEFERRED	TOTAL	FINANCED IN FY 1941	DEFERRED	TOTAL	FINANCED IN FY 1941	DEFERRED	TOTAL
ORDNANCE SERVICE & SUPPLIES - ARMY	1,086,500	1,000,000	2,086,500	1,337,438,205	592,917,424	1,930,355,629	103,637,940	18,600,000	122,237,940	230,000,000	190,000,000	420,000,000	—	—	—	1,672,162,645	802,517,424	2,474,680,069
MEDICAL & HOSPITAL DEPARTMENT - ARMY	8,397,400	2,000,000	10,397,400	7,203,639	3,601,819	10,805,458				—	—	—	—	—	—	15,601,039	5,601,819	21,202,858
ENGINEER SERVICE - ARMY	2,776,000	500,000	3,276,000	39,520,200	19,760,100	59,280,300				300,000	—	300,000	—	—	—	42,596,200	20,260,100	62,856,300
AIR CORPS - ARMY	—	—	—	34,130,000	—	34,130,000	1,489,272,304	279,000,000	1,768,272,304	—	—	—	—	42,000,000	42,000,000	1,523,402,304	321,000,000	1,844,402,304
CHEMICAL WARFARE SERVICE	4,633,600	1,000,000	5,633,600	22,795,041	11,397,520	34,192,561				6,440,000	—	6,440,000	—	—	—	33,868,641	12,397,520	46,266,161
SIGNAL SERVICE - ARMY	5,615,700	2,000,000	7,615,700	28,799,920	14,399,960	43,199,880	71,831,132	12,400,000	84,231,132	—	—	—	—	—	—	106,246,752	28,799,960	135,046,712
QUARTERMASTER																		
REGULAR SUPPLIES	2,000,000	2,202,400	4,202,400	5,965,122	2,982,561	8,947,683				—	—	—	—	—	—	7,965,122	5,184,961	13,150,083
CLOTHING & EQUIPAGE	131,503,500	22,011,200	153,514,700	67,072,409	33,536,204	100,608,613				2,800,000	—	2,800,000	—	—	—	201,375,909	55,547,404	256,923,313
HORSES, DRAFT & PACK ANIMAL	341,000	—	341,000							—	—	—	—	—	—	341,000	—	341,000
ARMY TRANSPORTATION - ANIMAL	2,465,800	1,000,000	3,465,800	520,780	—	520,780				—	—	—	—	—	—	2,986,580	1,000,000	3,986,580
" " - MOTOR	45,000,000	174,313,700	219,313,700	—	—	—				—	—	—	—	—	—	45,000,000	174,313,700	219,313,700
" " - WATER	2,280,500	—	2,280,500	6,175,234	3,087,666	9,262,900				—	—	—	—	—	—	8,455,734	3,087,666	11,543,400
" " - RAIL	8,397,200	12,595,800	20,993,000	32,000,000	83,885,440	115,885,440				—	—	—	—	—	—	40,397,200	96,481,240	136,878,440
MILITARY POSTS	22,464,400	65,578,400	88,042,800	45,750,115	103,862,345	149,612,460	13,787,400	32,170,600	45,958,000	160,460,000	126,735,000	287,195,000	—	29,520,000	29,520,000	242,461,915	357,866,345	600,328,260
ACQUISITION OF LAND	352,700	352,800	705,500	7,248,185	7,248,185	14,496,370	—	—	—	—	—	—	—	—	—	7,600,885	7,600,985	15,201,870
SEACOAST DEFENSES	—	—	—	36,633,491	18,316,746	54,950,237	—	—	—	—	—	—	—	—	—	36,633,491	18,316,746	54,950,237
TOTAL	237,214,300	284,554,300	521,768,600	1,671,252,341	894,995,970	2,566,248,311	1,678,528,776	342,170,600	2,020,699,376	400,000,000	316,735,000	716,735,000	—	71,520,000	71,520,000	3,986,995,417	1,909,975,870	5,896,971,287

MUNITIONS PROGRAM OF JUNE 30, 1940

ESSENTIAL ITEMS

SUPPLY ARM OR SERVICE	TO BE FINANCED FY 1941	DEFERRED	TOTAL AMOUNT	TYPES OF ITEMS
ORDNANCE DEPARTMENT	$ 1,086,500	$ 1,000,000	$ 2,086,500	PISTOL, AUTOMATIC, CAL..45; DRILL PROJECTILES FOR ARTILLERY WEAPONS; SPACE PARTS AND ACCESSORIES; CLEANING AND PRESERVING MATERIALS.
MEDICAL DEPARTMENT	8,397,400	2,000,000	10,397,400	SETS, MEDICAL EQUIPMENT FOR FIELD USE; DENTAL EQUIPMENT FOR FIELD USE; FIRST AID KITS.
ENGINEER CORPS	2,776,000	500,000	3,276,000	CAMOUFLAGE NETS AND EQUIPMENT; SETS, TOPOGRAPHICAL EQUIPMENT; BARBED WIRE; SETS, CAMOUFLAGE EQUIPMENT.
CHEMICAL WARFARE SERVICE	4,633,600	1,000,000	5,633,600	DECONTAMINATION APPARATUS; KITS, TRAINING GAS MASK; TRAINING GAS MASKS; SMOKEPOTS.
SIGNAL CORPS	5,615,700	2,000,000	7,615,700	VACUUM TUBES FOR RADIO SETS; FLASHLIGHTS; PANEL SETS, TOOLS FOR CONSTRUCTING COMMUNICATION LINES; PHOTOGRAPHIC EQUIPMENT AND SUPPLIES.
QUARTERMASTER CORPS:				
REGULAR SUPPLIES	2,000,000	2,202,400	4,202,400	CANS, CORRUGATED, FOR FIELD KITCHENS; TOOL SETS; FIELD LANTERNS, GASOLINE; FIELD DESK EQUIPMENT.
CLOTHING & EQUIPAGE	131,503,500	22,011,200	153,514,700	UNIFORMS; RAINCOATS; SHOES; 1-PIECE WORKING SUITS; BLANKETS; SUITS, UNDERWEAR; BARRACK BAGS; SHIRTS.
ARMY TRANSPORTATION - ANIMAL	2,465,800	1,000,000	3,465,800	PACK SADDLES; COVERS FOR PACK LOADS; SADDLE BAGS; RATION BOXES
ARMY TRANSPORTATION - WATER	2,280,500	NONE	2,280,500	RADIO CONTROLLED BOATS; ARMORED BOATS FOR USE IN CONNECTION WITH AERIAL BOMBING; PICKET BOATS; UTILITY BOATS; BOATS FOR AIRCRAFT WARNING SERVICE IN PANAMA
ARMY TRANSPORTATION - MOTOR	45,000,000	174,313,700	219,313,700	MOTOR VEHICLES; TOOL SETS; GASOLINE CONTAINERS
HORSES, DRAFT & PACK ANIMALS	241,000	NONE	241,000	TO PROVIDE ANIMALS FOR 3 CORPS RECONNAISSANCE REGIMENTS (HORSE-MECHANIZED).
ARMY TRANSPORTATION - RAIL	8,397,200	12,595,800	20,993,000	REQUIRED TO COVER COST OF SHIPPING ESSENTIAL ITEMS FROM POINT OF MANUFACTURE TO STORAGE.
CONSTRUCTION, STORAGE & UTILITIES (MILITARY POSTS)	22,464,400	65,578,400	88,042,800	REQUIRED TO PROVIDE SUITABLE STORAGE FOR ESSENTIAL ITEMS PROCURED.
ACQUISITION OF LAND.	352,700	352,800	705,500	REQUIRED TO PROVIDE ADDITIONAL LAND AT STORAGE DEPOTS.
TOTALS	$237,214,300	$284,554,300	$521,768,600	

RECAPITULATION

APPROPRIATION	TO BE FINANCED F Y 1941	DEFERRED	TOTAL AMOUNT
ORDNANCE SERVICE & SUPPLIES, ARMY	$ 1,086,500	$ 1,000,000	$ 2,086,500
MEDICAL & HOSPITAL DEPARTMENT	8,397,400	2,000,000	10,397,400
ENGINEER SERVICE, ARMY	2,776,000	500,000	3,276,000
CHEMICAL WARFARE SERVICE	4,633,600	1,000,000	5,633,600
SIGNAL SERVICE, ARMY	5,615,700	2,000,000	7,615,700
QUARTERMASTER:			
REGULAR SUPPLIES	2,000,000	2,202,400	4,202,400
CLOTHING & EQUIPAGE	131,503,500	22,011,200	153,514,700
ARMY TRANSPORTATION - ANIMAL	2,465,800	1,000,000	3,465,800
ARMY TRANSPORTATION - WATER	2,280,500	NONE	2,280,500
ARMY TRANSPORTATION - MOTOR	45,000,000	174,313,700	219,313,700
ARMY TRANSPORTATION - RAIL	8,397,200	12,595,800	20,993,000
HORSES, DRAFT & PACK ANIMALS	241,000	NONE	241,000
MILITARY POSTS	22,464,400	65,578,400	88,042,800
ACQUISITION OF LAND	352,700	352,800	705,500
TOTALS	$237,214,300	$284,544,300	$521,768,600

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
AA MATERIEL						
GUN, 90MM, AA, COMPLETE	40,000	70	650	720	28,800,000	
DIRECTORS	35,000	20	155	175	6,125,000	
HEIGHT FINDERS	20,000	15	170	185	3,700,000	
INSTRUMENT, AA, FLANK SPOTTING	425	10	490	500	212,500	
SOUND LOCATORS	6,000	60	650	710	4,260,000	
LEAD COMPUTERS	20,000	160	—	160	3,200,000	
GUNS, 37MM, AA (INCLUDING MOUNTS)	20,000	35	800	835	16,700,000	
GUNS, MACHINE, .50 CAL AA (WITHOUT MOUNTS)	1,475	210	1,130	1,340	1,976,500	
MOUNT, CAL .50 MACHINE GUN (AA), M2	1,225	210	1,130	1,340	1,641,500	
FUSE SETTERS	750	45	860	905	678,750	
CENTRAL CONTROL, 37MM GUN	2,500	15	450	465	1,162,500	
CENTRAL CONTROL, .50 CAL GUN	2,650	25	330	355	940,750	
ALTIMETERS	1,000	40	360	400	400,000	
BINAURAL TRAINERS	500	—	40	40	20,000	
TESTER, STEREOSCOPIC	100	—	160	160	16,000	
TRAINER, STEREOSCOPIC	4,000	—	40	40	160,000	
RULE, FLANK SPOTTING	100	5	170	175	17,500	
INSTRUMENT, OBSERVATION, AA, BC, M-1	1,700	—	330	330	561,000	
MOUNT, PEDESTAL, AA MACHINE GUN AMP	1,000	5	—	5	5,000	
SUB-TOTAL AA MATERIEL					70,577,000	
SMALL ARMS & MISCELLANEOUS						
U.S. RIFLE, CAL .30, M-1	80	112,900	152,910	265,810	21,264,800	
37MM ANTI-TANK GUN	5,000	845	805	1,650	8,250,000	
60MM MORTAR	1,000	3,250	2,640	5,890	5,890,000	
81MM MORTAR	1,300	1,340	845	2,185	2,840,500	
SUB-MACHINE GUN, CAL .45	420	3,520	7,915	11,435	4,802,700	
MACHINE GUN CAL .50 M2, W/TRIPOD M-3 (INF) MACHINE GUN CAL .50 M2, W/TRIPOD M-3 (PACK)	1,700	1,765	2,860	4,625	7,862,500	
PROJECTOR, GROUND SIGNAL	10	1,325	2,480	3,805	38,050	
TRIPOD, M2 FOR M2 BROWNING CAL .30 M1919A4 (CAV)	93	8,255	2,895	11,150	1,036,950	
SUB-TOTAL SMALL ARMS & MISCELLANEOUS					51,985,500	

ADDITIONAL PROGRAM OF JUNE 30, 1940

CRITICAL ITEMS

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
F.A. MATERIEL						
75MM HOWITZER (FIELD)	16,525	215	350	565	9,336,625	
75MM HOWITZER (PACK)	11,000	40	—	40	440,000	
105MM HOWITZER	30,000	1,885	780	2,665	79,950,000	
155MM HOWITZER (HI-SPEED)	1,700	—	590	590	1,003,000	
155MM GUN, M-1	50,000	105	200	305	15,250,000	
8" HOWITZER	50,000	25	—	25	1,250,000	
CAISSONS FOR 75MM HOWITZER (FIELD)	1,000	25	340	365	365,000	
LIMBERS FOR 75MM HOWITZER (FIELD)	1,000	10	—	10	10,000	
155MM GUN (HI-SPEED)	3,400	120	590	710	2,414,000	
75MM GUN T-6 TANK (INCL. INSTALLATION)	10,000	—	495	495	4,950,000	
8" GUN FIELD, COMPLETE	70,000	—	65	65	4,550,000	
240MM HOWITZER, COMPLETE (NEW MODEL)	80,000	—	115	115	9,200,000	
SUB-TOTAL F.A. MATERIEL					128,718,625	
COMBAT VEHICLES						
SCOUT CARS	9,500	2,460	2,345	4,805	45,647,500	
TANKS, LT, M2A4	25,000	565	1,470	2,035	50,875,000	
TANKS, MEDIUM, M2	46,000	180	845	1,025	47,150,000	
TANKS, HEAVY	100,000	—	415	415	41,500,000	
MOTOR MORTAR CARRIAGE, M2, W/ARMAMENT	11,450	—	60	60	687,000	
PERSONNEL CARRIER (HALF-TRACK) 16-PASS.	11,000	1,200	2,280	3,480	38,280,000	
PERSONNEL CARRIER (HALF-TRACK) 8-PASS.	11,000	15	685	700	7,700,000	
SUB-TOTAL COMBAT VEHICLES					231,839,500	
MISCELLANEOUS FIRE CONTROL						
AIMING CIRCLES (M1, M1918, M1916)	500	1,490	2,205	3,695	1,847,500	
BOARD, PLOTTING, SIGNAL CORPS, M2	1,900	-	40	40	76,000	
BOARD, PLOTTING, FLASH RANGING	2,250	—	20	20	45,000	
BOARD, PLOTTING, SOUND RANGING, M1	2,500	—	20	20	50,000	
COMPASS, PRISMATIC, M1918	25	1,030	1,870	2,900	72,500	
CORRECTOR, SOUND RANGING, WIND, M1	150	—	20	20	3,000	
INSTRUMENT, AZ, MILS, M1918	1,800	—	150	150	270,000	
UNIT, GENERATING, M1	743	5	—	5	3,715	
BOARD, FIRING ADJUSTMENT, M1	250	—	10	10	2,500	
BOARD, DEFLECTION, GUN, M1	1,800	—	10	10	18,000	
BOARD, RANGE CORRECTION, M1	900	—	10	10	9,000	
CORRECTOR, PERCENTAGE, M1	125	—	10	10	1,250	
INSTRUMENT, AZ, M1910A1	1,125	55	35	90	101,250	
SUB-TOTAL MISCELLANEOUS FIRE CONTROL					2,499,715	

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
TRACTORS AND SPECIAL ORDNANCE VEHICLES						
TRACTORS, LIGHT	1,700	15	—	15	25,500	*
TRACTORS, MEDIUM	2,500	105	700*	805	2,012,500	*575 WITH BULLDOZER
TRACTORS, HEAVY	5,500	210	405	615	3,382,500	
CRANE, TRACTOR, TRACK LAYING	5,000	5	55	60	300,000	
TRAILER, BOMB	1,000	110	355	465	465,000	
TRUCK, BOMB SERVICE	1,200	55	195	250	300,000	
TRUCK, ARTILLERY REPAIR	4,500	10	125	135	607,500	
TRUCK, AUTOMOTIVE REPAIR	4,500	10	125	135	607,500	
TRUCK, EMERGENCY REPAIR	2,000	25	395	420	840,000	
TRUCK, MACHINE SHOP	5,500	15	110	125	687,500	
TRUCK, SMALL ARMS REPAIR	4,500	40	175	215	967,500	
TRUCK, SPARE PARTS	3,500	10	325	335	1,172,500	
TRUCK, TOOL & BENCH	3,500	10	75	85	297,500	
TRUCK, WELDING	5,000	10	110	120	600,000	
TRUCK, INSTRUMENT REPAIR	4,500	10	70	80	360,000	
TRUCK, TANK MAINTENANCE	4,500	2	70	72	324,000	
TRUCK, WRECKING	10,000	2	105	107	1,070,000	
TRUCK, 7½-TON TOWING	9,000	5	—	5	45,000	
SUB-TOTAL TRACTORS & SPECIAL ORD. VEHICLES					14,064,500	
RAILWAY ARTILLERY (OTHER THAN S.D.)						
8" RY GUN & CARRIAGE	195,000	4	—	4	780,000	
14" RY GUN & CARRIAGE	330,000	—	30	30	9,900,000	
MODERNIZATION OF EQUIPMENT						
HELMETS	2.50	—	973,645	973,645	2,434,113	
MACHINE GUN, CAL .30, M1917A1	75	4,550	8,225	12,775	958,125	
TRIPOD, MG CAL .30 M1917A1	60	3,235	7,705	10,940	656,400	
MACHINE GUN, CAL .30 M1917A1 (PACK CAV)	96	—	—	—	—	
RANGE FINDER, 1-METER BASE	60	505	610	1,115	66,900	
MACHINE GUN, BROWNING CAL .30 M1919A4 (CAV)	295	7,430	4,945	12,375	3,650,625	
MACHINE GUN, BROWNING CAL .30 M1919A4 (ENGR & INF)	145	1,100	13,375	14,475	2,098,875	
AUTOMATIC RIFLE, BROWNING, M1918A2	75	5,365	3,575	8,940	670,500	
SUB-TOTAL MODERNIZATION OF EQUIPMENT					10,535,538	
PROCUREMENT OF SPARE PARTS			*			* PROCURED WITH MAJOR ITEMS
SUB-TOTAL ORDNANCE (LESS AMMUNITION)					520,900,378	

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MUNITIONS PROGRAM OF JUNE 30, 1940

CRITICAL ITEMS

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
BOMBS, PYROTECHNICS, SMALL ARMS & MISC.						
BOMB, DEMOLITION — 500 LB.	150.00	—	277,550	277,500	41,625,000	
BOMB, FRAGMENTATION, PAR. & STAB.	20.00	622,070	2,922,300	3,544,370	70,887,400	
LINK, BELT, CAL .30	M. 5.64	811,800 M	—	811,800 M	4,578,552	
LINK, BELT, CAL .50	M. 13.44	2,471,452 M	56,087 M	2,527,539 M	33,970,124	
CAL .30 AP	M. 46.80	—	136,929 M	136,929 M	6,408,277	
CAL .30 TRACER	M. 43.09	—	132,962 M	132,962 M	5,729,333	
CAL .50 BALL	M. 125.66	—	22,032 M	22,032 M	2,768,541	
CAL .50 AP	M. 165.18	—	22,758 M	22,758 M	3,759,166	
CAL .50 TRACER	M. 154.56	—	11,197 M	11,197 M	1,730,608	
CARTRIDGE, SIGNAL, GROUND PROJ., ASSTD.	3.50	—	3,144,055	3,144,055	11,004,193	
37MM ANTI-TANK & TANK GUNS	4.33	895,000	835,200	1,730,200	7,491,766	
37MM AA GUN SHELL, M-54	4.56	—	1,929,600	1,929,600	8,798,976	
60MM SHELL, M-49A1	6.30	1,107,000	2,046,600	3,153,600	19,867,680	
81MM SHELL, LIGHT M-43	7.03	258,300	305,760	591,060	4,155,152	
81MM SHELL, HEAVY	9.60	66,420	78,624	145,044	1,392,422	
81MM SHELL, WP	11.85	44,280	52,416	96,696	1,145,848	
MINES, ANTI-TANK	3.75	9,800,000	9,952,000	19,752,000	74,070,000	
BOMB, DEMOLITION, 100-LB.	50.00	402,805	1,398,645	1,801,450	90,072,500	
BOMB, DEMOLITION, 300-LB.	86.00	167,400	552,976	720,376	61,952,336	
BOMB, SMOKE SMALL	20.00	30,675	134,325	165,000	3,300,000	
BOMB, SMOKE LARGE	50.00	26,825	76,320	103,145	5,157,250	
BOMB, PRACTICE, 100-LB.	31.92	—	802,500	802,500	25,615,800	
CAL .50, BALL FOR AIRPLANE	M. 125.66	—	1,853,450 M	1,853,450 M	232,904,527	
CAL .50, TRACER FOR AIRPLANE	M. 154.56	—	494,426 M	494,426 M	76,418,483	
CAL .50, AP FOR AIRPLANE	M. 166.18	—	123,526 M	123,526 M	20,527,551	
SIGNAL, AIR NAVIGATION	2.50	—	555,626	555,626	1,389,065	
BOMB, PHOTO FLASH	30.00	—	94,024	94,024	2,820,720	
FLARE, AIRPORT	2.77	—	95,650	95,650	264,951	
FLARE, BOMBING	50.00	—	77,738	77,738	3,886,900	
FLARE, LANDING	36.50	—	109,500	109,500	3,996,750	
FLARE, RECONNAISSANCE	7.70	—	1,832,626	1,832,626	14,111,220	
20MM FOR AIRPLANE	1.50	—	75,028 M	75,028 M	112,542,668	
CARTRIDGE, .30 CAL. AP (AIR CORPS)	M. 46.80	—	649,450 M	649,450 M	30,394,260	
CARTRIDGE, .30 CAL TRACER (AIR CORPS)	M. 43.09	—	162,350 M	162,350 M	6,995,662	
CARTRIDGE DISTRESS, AIR CRAFT	1.71	—	19,126	19,126	32,697	
CARTRIDGE CAL .30 BALL	M. 28.51	—	336,653 M	336,653 M	9,597,977	
CARTRIDGE CAL .45 MG & PISTOL	M. 20.57	—	28,412 M	28,412 M	584,435	
CARTRIDGE CAL .45 MG & PISTOL TRACER	M. 45.18	—	3,165 M	3,165 M	142,995	
SUB-TOTAL					1,002,0[illegible],905	

MUNITIONS PROGRAM OF JUNE 30, 1940

CRITICAL ITEMS

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
MOBILE ARTILLERY						
75MM FIELD GUN AT, AP	25.00	—	556,400	556,400	13,910,000	
75MM HOW HE	13.54	800,000	1,078,270	1,878,270	25,431,776	
75MM HOW, WP	11.07	200,000	119,810	319,810	3,540,297	
155MM HOW, HE	30.00	—	1,026,430	1,026,430	30,792,900	
155MM HOW, WP	51.45	—	114,050	114,050	5,867,873	
155MM GUN, M-1, HE	61.00	—	259,200	259,200	15,811,200	
105MM HOW, HE	22.00	7,140,000	2,152,030	9,292,030	204,424,660	
105MM HOW, WP	24.00	2,380,000	186,530	2,566,530	61,596,720	
8" GUN (MTED)	135.00	—	34,560	34,560	4,665,600	
240MM HOW (NEW MODEL) HE	130.00	—	46,080	46,080	5,990,400	
SUB-TOTAL - MOBILE ARTILLERY					372,031,426	
AA AND SD AND RY						
90MM AA HE SHELL	20.00	—	1,404,000	1,404,000	28,080,000	
14" GUN PROJECTILES AP 1400-lb	897.00	—	5,760	5,760	5,166,720	
CHARGE, PROPELLING (14" GUN)	362.00	—	5,760	5,760	2,085,120	
SUB-TOTAL - AA AND SD AND RY					35,331,840	
SUB-TOTAL - AMMUNITION					1,409,455,251	
TOTAL - ORDNANCE					1,930,355,629	

MUNITIONS PROGRAM OF JUNE 30, 1940

CRITICAL ITEMS

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
MEDICAL DEPARTMENT						
EQUIPMENT (BLANKETS, SURGICAL INSTRUMENTS, AND HOSPITAL & FIELD EQUIPMENT)		$ 50,460	$5,175,973		5,226,433	
MODERNIZATION OF EQUIPMENT		—	$5,579,025		5,579,025	
TOTAL MEDICAL DEPARTMENT					10,805,458	
ENGINEER CORPS						
AIR COMPRESSOR, MOTORIZED	6,000	490	1,270	1,760	10,560,000	
POWER EARTH AUGER	4,000	10	60	70	280,000	
WELDING & CUTTING SET	500	10	90	100	50,000	
MAP REPRODUCTION EQUIPMENT, MOTORIZED	16,000	2	15	17	272,000	
GRADER, ROAD, MOTORIZED	5,000	5	105	110	550,000	
FOOT BRIDGE, M1935	8,000	5	55	60	480,000	
MACHINE, DUPLICATING, HAND OPERATED	600	10	80	90	54,000	
SHOVEL, GASOLINE, MOTORIZED, 3/8 CU. YD.	9,000	5	85	90	810,000	
HAULER, GAS OPERATED	500	10	115	125	62,500	
MIXER, CONCRETE	1,500	5	85	90	135,000	
STEREOSCOPE, MAGNIFYING LENS PRISM	1,100	10	80	90	99,000	
ELECTRIC LIGHTING EQUIPMENT	1,000	15	75	90	90,000	
MAP REPRODUCTION EQUIPMENT, GA HQS.	6,000	—	—	—	—	
BRIDGE, STEEL, PORTABLE, H-10	5,000	10	60	70	350,000	
BOATS, ASSAULT	100	80	2,350	2,430	243,000	
WATER PURIFICATION UNIT, 5000-GAL.	15,000	—	25	25	375,000	
SEARCHLIGHT, 60" MOBILE	25,000	55	1,365	1,420	35,500,000	
MOBILE MAP REPRODUCTION TRAIN	25,000	1	5	6	150,000	
PONTON EQUIPAGE, 10-TON	60,000	—	55	55	3,300,000	
PONTON EQUIPAGE, 23-TON	75,000	5	30	35	2,625,000	
WATER SUPPLY EQUIPMENT	1,300	—	110	110	143,000	
SEARCHLIGHT, 18" (BEACH DEFENSE)	250	—	—	—	—	
ANGLE-DOZER FOR MEDIUM TRACTORS	1,000	75	575	650	650,000	
SPECIAL EQUIPMENT FOR ENGINEER REGIMENT, AVIATION	—	$200,000	—	—	200,000	
WATER PURIFICATION UNIT, 900-GAL.	2,000	10	245	255	510,000	
BRIDGE, STEEL, PORTABLE, H-20	8,000	—	10	10	80,000	
STEREOSCOPE, MIRROR, MAGNIFYING	225	5	725	730	164,250	
COMPASS, PRISMATIC	14	600	13,510	14,110	197,540	
COMPASS, LENSATIC	14	200	10,515	10,715	150,010	
AERIAL MAPPING EQUIPMENT	300,000	1	3	4	1,200,000	
TOTAL ENGINEER EQUIPMENT					59,200,300	

ITEM		UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
					NUMBER	$	
AIR CORPS							
MAINTENANCE FOR 5500 AIRPLANE PROGRAM							
(SPARE ENGINES AND SPARE PARTS)			$34,130,000	—	—	34,130,000	
CHEMICAL WARFARE SERVICE							
GAS MASK, SERVICE		7.44	367,140	1,248,505	1,615,745	12,021,143	
GAS MASK, DIAPHRAGM		11.	152,970	559,070	712,040	7,832,440	
GAS MASK, OPTICAL		11.	21,775	55,905	77,680	854,480	
CANISTER, GAS MASK, SERVICE		1.34	264,170	1,054,550	1,323,220	1,773,115	
CANISTER, GAS MASK, DIAPH., & OPTICAL		2.	132,330	519,405	651,735	1,303,470	
IMPREGNITE I	TONS	3,900.	105	1,810	1,915	7,468,500	
IMPREGNITE S	"	360.	85	1,370	1,455	523,800	
HC (SMOKE)	"	300.	875	1,500	2,375	712,500	
KIT, REPAIR, GAS MASK, CO.		.50	8,140	28,195	36,335	18,168	
KIT, REPAIR, GAS MASK, REGTL.		105.	160	1,925	2,085	218,925	
TANKS, AIRPLANE, SMOKE		225.	730	2,795	3,525	793,125	
MISC. SUPPLIES & EQUIPMENT		—	$347,000	$215,895	—	562,895	
FIELD LABORATORY		22,000.	2	3	5	110,000	
TOTAL CHEMICAL WARFARE SERVICE						34,192,561	
QUARTERMASTER CORPS							
STOVES, TENT		4.31	30,000	246,290	276,290	1,190,810	
BAGS, CANVAS, WATER STERILIZING		9.	—	14,810	14,810	133,290	
CLOTH, WOOLEN, 18 OZ., YARDS		3.	4,630,000	14,444,455	19,074,455	57,223,365	
" " SHIRTING		1.70	—	10,056,800	10,056,800	17,096,560	
OVERCOATING, MELTON, 32 OZ., YARDS	"	2.40	—	5,931,330	5,931,330	14,235,192	
TENTS, STORAGE		134.	—	1,750	1,750	234,500	
TENTS, PYRAMIDAL		53.	80,000	48,920	128,920	6,832,760	
RANGE, FIELD, GAS, M1937		500.	4,500	10,945	15,445	7,722,500	
PHILLIPS PACK SADDLE, CARGO		88.	—	2,010	2,010	176,880	
PHILLIPS PACK SADDLE, CAVALRY		76.	—	4,525	4,525	343,900	
BELTS, CARTRIDGE, CAL. .30, M1, MTD.		2.70	—	26,755	26,755	72,239	
" " " " " DISMTD.		2.85	—	464,440	464,440	1,323,654	
CUTTERS, WIRE, M1938		1.50	—	18,900	18,900	28,350	
" " " CARRIER		.25	—	19,315	19,315	4,829	
OUTFITS, CAV. COOKING		55.	—	625	625	34,375	
LEGGINGS, CANVAS, MTD.		1.67	600,000	635,670	1,235,670	2,063,569	
" " DISMTD.		.64	—	1,907,015	1,907,015	1,220,490	
SCABBARD FOR SUB-MG, CAL. .45, M1940		10.	—	1,845	1,845	18,450	
SUSPENDERS, BELT, CARTRIDGE		1.26	—	96,320	96,320	121,363	
TOTAL QUARTERMASTER CORPS						110,077,076	

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
SIGNAL CORPS						
REEL CARTS, RL-16	85	—	470	470	39,950	
" UNITS, RL-26	400	—	2,425	2,425	970,000	
" " , RL-31	45	—	3,365	3,365	151,425	
RADIO SET, SCR-131	420	45	580	625	262,500	
" " , SCR-161	410	170	705	875	358,750	
" " , SCR-171	425	45	285	330	140,250	
" " , SCR-177B	4800	10	360	370	1,776,000	
" " , SCR-178	825	75	360	435	358,875	
" " , SCR-179	825	75	—	75	61,875	
" " , SCR-194	300	280	1,310	1,590	477,000	
" " , SCR-195	300	65	1,325	1,390	417,000	
" " , SCR-203	750	—	65	65	48,750	
" " , SCR-206A	2000	30	170	200	400,000	
" " , SCR-243	325	0	55	55	17,875	
" " , SCR-244	260	20	110	130	33,800	
" " , SCR-268	35,000	55	170	225	7,875,000	
CHARGING SET, SCR-169	275	—	380	380	104,500	
FREQUENCY METER, SCR-211-A	300	195	1,450	1,645	493,500	
RADIO SET SCR-270	65,000	30	10	40	2,600,000	
THEODOLITE, ML-47	462	—	105	105	48,510	
SIGNAL LAMP EQUIPMENT, EE-84	300	—	225	225	67,500	
TIME INTERVAL APPARATUS, EE-85	1,300	—	5	5	6,500	
TELEGRAPH SET, TG-5A	40	—	1,655	1,655	66,200	
COILS, C-114	12	745	5,295	6,040	72,480	
COILS, C-161	14	35	2,970	3,005	42,070	
HEAD AND CHEST SET, HS-19	20	12,060	13,285	25,345	506,900	
SWITCHBOARD, BD-14	500	25	145	170	85,000	
SWITCHBOARD, BD-71	125	1,930	2,675	4,605	575,625	
SWITCHBOARD, BD-72	160	1,280	1,680	2,960	473,600	
SOUND RANGING EQUIPMENT, GR-38	11,000	5	20	25	275,000	
FLASH RANGING EQUIPMENT, GR-4	1,650	5	20	25	41,250	
TELEPHONES, EE-8-A	40	3,880	38,975	42,855	1,714,200	
WIRE, W-110-B (miles)	50	29,435	61,590	91,025	4,551,250	
RADIO SET, SCR-188-A	4,800	—	55	55	264,000	
RADIO SET, SCR-197-A	20,000	35	50	85	1,700,000	
CONVERTER, M-134	2,887	35	—	35	101,045	
RADIO SET, SCR-193-C	4,200	600	1,180	1,780	7,476,000	
RADIO SET, SCR-210-A	700	—	1,280	1,280	896,000	

ITEM	UNIT COST	MAINTENANCE FOR P.M.P.	REQUIREMENT (INIT. & MAINT.) TO AUGMENT P.M.P. TO 2,000,000 MEN	TOTAL ADDITIONAL REQUIREMENTS		REMARKS
				NUMBER	$	
SIGNAL CORPS (CONTINUED)						
RADIO SET, SCR-245-D	3,000	—	1,425	1,425	4,275,000	
TELEGRAPH PRINTER, TG-7	1,800	10	—	10	18,000	
TELEPHONE CENTRAL OFFICE SET, TC-2	8,000	30	25	55	440,000	
TEST SET, I-56-B	180	—	205	205	36,900	
TEST SET, EE-65	100	—	440	440	44,000	
RADIO SETS FOR BOATS IN Q M PROGRAM	—	—	$55,800	—	55,800	
WIRE, W-130	40	40,000	—	40,000	1,600,000	
TRUCK, 1½-TON TELEPHONE CONSTRUCTION AND LC-104	3,700	—	25	25	92,500	
" " " " " LCS-104	4,100	—	25	25	102,500	
" " " " Earth Borer	6,200	—	25	25	155,000	
" ½-TON, COMMAND RADIO	2,000	—	415	415	830,000	
TOTAL - SIGNAL CORPS					43,199,880	
ARMY TRANSPORTATION - WATER						
C.A.C.						
MINE PLANTER	800,000	—	10	10	8,000,000	
DISTRIBUTION BOX BOAT	55,000	—	15	15	825,000	
MINE YAWL	3,500	—	30	30	105,000	
AIR CORPS						
CRASH BOAT 72'	55,000	4	—	4	220,000	
PICKET BOAT 40'	15,000	3	—	3	45,000	
SHALLOW DRAFT BOAT 20'	1,500	3	—	3	4,500	
SHALLOW DRAFT BOAT 26'-27'	3,400	1	—	1	3,400	
BOAT, 10-TON CRANE	60,000	1	—	1	60,000	
TOTAL ARMY TRANSPORTATION - WATER					9,262,900	
ARMY TRANSPORTATION - RAIL	—	$8,431,200	$107,454,240	—	115,885,440	
MILITARY POSTS	—	$33,370,920	$116,241,540	—	149,612,460	CONSTRUCTION OF STORAGE & UTILITIES
ACQUISITION OF LAND	—	$500,000	$13,996,370	—	14,496,370	

ITEM		HARBOR DEFENSES UNITED STATES		INSULAR DEPARTMENTS (LESS PHILIPPINE DEPARTMENT)		PANAMA CANAL DEPARTMENT		TOTAL		REMARKS
		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		
MATERIEL—AA AND SEACOAST FIRE CONTROL	UNIT COST	QUANTITY	$	QUANTITY	$	QUANTITY	$	QUANTITY	$	
ORDNANCE										
ANTI-AIRCRAFT										
GUNS, 90MM	40,000	46	1,840,000	10	400,000	41	1,640,000	97	3,880,000	
37MM GUNS	20,000	509	10,180,000	124	2,480,000	14	280,000	647	12,940,000	
CAL .50 MACHINE GUNS	2,716	212	575,792	186	505,176	32	86,912	430	1,167,880	
DIRECTORS	35,000	6	210,000	4	140,000	12	420,000	22	770,000	
HEIGHT FINDERS	20,000	6	120,000	4	80,000	12	240,000	22	440,000	
CENTRAL CONTROL SETS, 37MM	2,500	254	635,000	62	155,000	7	17,500	323	807,500	
INSTRUMENTS, FLANK SPOTTING	425	72	30,600	87	36,975	18	7,650	177	75,225	
RULES, FLANK SPOTTING	100	24	2,400	29	2,900	6	600	59	5,900	
INSTRUMENTS AA-BC	1,500	12	18,000	—	—	10	15,000	22	33,000	
TESTERS, STEREOSCOPIC	100	6	600	19	1,900	14	1,400	39	3,900	
TRAINERS, STEREOSCOPIC	4,000	3	12,000	9	36,000	1	4,000	13	52,000	
INSTRUMENTS, BINAURAL TRAINING	500	3	1,500	3	1,500	1	500	7	3,500	
SOUND LOCATORS	6,000	15	90,000	14	84,000	13	78,000	42	252,000	
TOTAL ANTI-AIRCRAFT			13,715,892		3,923,451		2,791,562		20,430,905	
SEACOAST FIRE CONTROL										
ARMS SCALE M1906	25	473	11,825	74	1,850	101	2,525	648	16,200	
BOARD, FIRE ADJUSTMENT, M1	250	53	13,250	4	1,000	3	750	60	15,000	
BOARD, RANGE CORRECTION, M1	900	27	24,300	19	17,100	6	5,400	52	46,800	
BOARD, DEFLECTION, M1	1,800	29	52,200	11	19,800	6	10,800	46	82,800	
BOARD, PLOTTING, M3	6,000	6	36,000	3	18,000	2	12,000	11	66,000	
BOARD, PLOTTING, 110°, M1918	2,150	—	—	—	—	3	6,450	3	6,450	
BOARD, PLOTTING, CLOKE, M1923	2,300	15	34,500	9	20,700	4	9,200	28	64,400	
BOARD, PLOTTING & RELOCATING, M1	2,900	5	14,500	1	2,900	1	2,900	7	20,300	
BOARD SPOTTING, M3	2,500	53	132,500	5	12,500	3	7,500	61	152,500	
CORRECTOR, PERCENTAGE	125	70	8,750	16	2,000	6	750	92	11,500	
RULE, SET FORWARD	15	82	1,230	22	330	8	120	112	1,680	
SCALE PREDICTION	19	88	1,672	13	247	17	323	118	2,242	
FINDER D.P.F.	4,500	105	472,500	10	45,000	22	99,000	137	616,500	
INSTRUMENT, AZIMUTH, M1910	1,125	477	536,625	99	111,375	44	49,500	620	697,500	
SPOTTING EQUIPMENT, 155MM	2,500	32	80,000	17	42,500	6	15,000	55	137,500	

MUNITIONS PROGRAM OF JUNE 30, 1940

SEACOAST DEFENSE

ITEM		HARBOR DEFENSES UNITED STATES		INSULAR DEPARTMENTS (LESS PHILIPPINE DEPARTMENT)		PANAMA CANAL DEPARTMENT		TOTAL		REMARKS
		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		
MATERIEL--AA AND SEACOAST FIRE CONTROL	UNIT COST	QUANTITY	$	QUANTITY	$	QUANTITY	$	QUANTITY	$	
SEACOAST FIRE CONTROL - CONTINUED										
COMPUTOR S.C. INTERMEDIATE CAL	25,000	55	1,375,000	23	575,000	17	425,000	95	2,375,000	
COMPUTOR S.C. MAJOR CAL	75,000	18	1,350,000	3	225,000	6	450,000	27	2,025,000	
UNIT GENERATING, M-1	743	8	5,944	36	26,748	1	743	45	33,435	
TOTAL - SEACOAST FIRE CONTROL			4,350,796		1,122,060		1,097,961		6,370,807	
TOTAL ORDNANCE			17,866,688		5,045,501		3,889,523		26,801,712	
ENGINEER										
ANTI-AIRCRAFT										
SEARCHLIGHTS, PORTABLE	21,000	20	420,000	—	—	11	231,000	31	651,000	
SEARCHLIGHTS, MOBILE	25,000	—	—	18	450,000	5	125,000	23	575,000	
TOTAL - ANTI-AIRCRAFT			420,000		450,000		356,000		1,226,000	
SEACOAST FIRE CONTROL										
SEARCHLIGHTS S.C., PORTABLE	21,000	96	2,016,000	24	504,000	4	84,000	124	2,604,000	
TOTAL ENGINEER			2,436,000		954,000		440,000		3,830,000	
SIGNAL										
ANTI-AIRCRAFT										
S.C.R. 268	35,000	26	910,000	16	560,000	3	105,000	45	1,575,000	
TELEPHONE SET T.P.4	1,079	255	275,145	85	91,715	7	7,553	347	374,413	
SPOTTING SET P.H.32	8,000	6	48,000	3	24,000	1	8,000	10	80,000	
TOTAL - ANTI-AIRCRAFT			1,233,145		675,715		120,553		2,029,413	
SEACOAST FIRE CONTROL										
RADIO S.C.R. 177-A	4,200	14	58,800	6	25,200	1	4,200	21	88,200	
FREQUENCY METER S.C.R. 211-A	400	22	8,800	7	2,800	2	800	31	12,400	
TOTAL - SEACOAST FIRE CONTROL			67,600		28,000		5,000		100,600	
TOTAL SIGNAL			1,300,745		703,715		125,553		2,130,013	
TOTAL MATERIEL (AA AND SEACOAST FIRE CONTROL)			21,603,433		6,703,216		4,455,076		32,761,725	

ITEM		HARBOR DEFENSES UNITED STATES		INSULAR DEPTS. (LESS PHIL. DEPT.)				PANAMA CANAL DEPARTMENT		TOTAL	
				HAWAII		PUERTO RICO					
		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS		TO COMPLETE PROJECT REQUIREMENTS	
CONSTRUCTION AND INSTALLATION OF SEACOAST DEFENSES	UNIT COST	QUANTITY	$	QUANTITY	$	QUANTITY	$	QUANTITY	$	QUANTITY	$
BATTERY CONSTRUCTION											
ORDNANCE MANUFACTURE											
16" GUNS	435,000	8	3,480,000					2	870,000	10	4,350,000
GUN SHIELDS - 16"	55,000	4	220,000					4	220,000	8	440,000
8" GUNS, FIXED	72,000					4	288,000			4	288,000
8" GUNS, RY	195,000	12	2,340,000							12	2,340,000
6" GUNS	100,000					4	400,000			4	400,000
MISCL.			100,000								100,000
TOTAL			6,140,000				688,000		1,090,000		7,918,000
ENGINEER CONSTRUCTION											
16" GUN		COMPL 1; INIT 5	3,425,000					INIT'S 1 BTRY	625,000		4,050,000
12" GUN						COMPLS 1 BTRY	300,000				300,000
8" GUN, FIXED		COMPL 1 BTRY	150,000			COMPLS 2 BTRY	700,000				850,000
8" GUN, RY				7 EMPLS	169,730						169,730
6" GUN		COMPL 1 BTRY	45,000			COMPLS 2 BTRY	300,000				345,000
155MM GUN		10 EMPLS	107,800								107,800
COMMAND POST, AA									218,365		218,365
COMMAND POST, DEPT.									225,000		225,000
MISCL.			196,324		45,000				100,881		342,205
TOTAL			3,924,124		214,730		1,300,000		1,169,246		6,608,100
SEACOAST FIRE CONTROL CONSTRUCTION											
ENGINEER CONSTRUCTION			922,087		35,700				58,000		1,015,787
SIGNAL COMMUNICATIONS			1,287,903						10,709		1,298,612
TOTAL SEACOAST FIRE CONTROL CONSTRUCTION			2,209,990		35,700				68,709		2,314,399
COMMAND AND FIRE CONTROL											
SIGNAL COMMUNICATIONS					700,000		500,000		600,000		1,800,000
ACCESS ROADS (TO DEF-POS)											
ENGINEER CONSTRUCTION					170,400				800,000		970,400
AMMUNITION STORAGE											
ENGINEER CONSTRUCTION					1,243,100		255,000				1,498,100
INSTALLATION AA SEARCHLIGHTS											
ENGINEER CONSTRUCTION									654,560		654,560
SUBMARINE MINE EQP'T											
COAST ARTILLERY			424,953								424,953
TOTAL CONSTRUCTION AND INSTALLATION			12,699,067		2,363,930		2,743,000		4,382,515		22,188,512

RECAPITULATION

ITEM	HARBOR DEFENSES UNITED STATES	INSULAR DEPTS. (LESS PHIL. DEPT.)	PANAMA CANAL DEPARTMENT	TOTAL	REMARKS
MATERIEL - AA & SEACOAST FIRE CONTROL					
ANTIAIRCRAFT					
ORDNANCE	$ 13,715,892	$ 3,923,451	$ 2,791,562	$ 20,430,905	
ENGINEER	420,000	450,000	356,000	1,226,000	
SIGNAL	1,233,145	675,715	120,553	2,029,413	
TOTAL ANTIAIRCRAFT	15,369,037	5,049,166	3,268,115	23,686,318	
SEACOAST FIRE CONTROL					
ORDNANCE	4,150,796	1,122,050	1,097,961	6,370,807	
ENGINEER	2,016,000	504,000	84,000	2,604,000	
SIGNAL	67,600	28,000	5,000	100,600	
TOTAL - OTHER THAN AA	6,234,396	1,654,050	1,186,961	9,075,407	
TOTAL MATERIEL (AA & SEACOAST FIRE CONTROL)	21,603,433	6,703,216	4,455,076	32,761,725	
CONSTRUCTION & INSTALLATION OF SEACOAST DEFENSES					
ORDNANCE	6,140,000	688,000	1,090,000	7,918,000	
ENGINEER	4,846,211	3,218,930	2,681,806	10,746,947	
SIGNAL	1,287,903	1,200,000	610,209	3,098,612	
C. A. C.	424,953	-	-	424,953	
TOTAL CONSTRUCTION & INSTALLATION	12,699,067	5,106,930	4,382,515	22,188,512	
GRAND TOTAL SEACOAST DEFENSE	$ 34,302,500	$ 11,810,146	$ 8,837,591	$ 54,950,237	

RECAPITULATION

APPROPRIATION TITLE	FINANCED IN FY 1941	DEFERRED	TOTAL
ORDNANCE SERVICE & SUPPLY, ARMY	1,337,438,205	592,917,424	1,930,355,629
MEDICAL & HOSPITAL DEPARTMENT, ARMY	7,203,639	3,601,819	10,805,458
ENGINEER SERVICE, ARMY	39,520,200	19,760,100	59,280,300
AIR CORPS, ARMY	34,130,000	—	34,130,000
CHEMICAL WARFARE SERVICE, ARMY	22,795,041	11,397,520	34,192,561
SIGNAL SERVICE, ARMY	28,799,920	14,399,960	43,199,880
QUARTERMASTER —			
REGULAR SUPPLIES	5,965,122	2,982,561	8,947,683
CLOTHING & EQUIPAGE	67,072,409	33,536,204	100,608,613
ARMY TRANSPORTATION - ANIMAL	520,780	—	520,780
" " - WATER	6,175,234	3,087,666	9,262,900
" " - RAIL	32,000,000	83,885,440	115,885,440
MILITARY POSTS	45,750,115	103,862,345	149,612,460
ACQUISITION OF LAND	7,248,185	7,248,185	14,496,370
SEACOAST DEFENSE	36,633,491	18,316,746	54,950,237
TOTAL	1,671,252,341	894,995,970	2,566,248,311

MUNITIONS PROGRAM OF JUNE 30, 1940

AIRPLANE PROGRAM – INCLUDING ORDNANCE AND SIGNAL EQUIPMENT

		18,000 AIRPLANE PROGRAM	2181 AIRPLANE PROGRAM	15,819 AIRPLANE PROGRAM	UNIT COST EST. AV. (Z)	TOTAL COST 15,819 PLANE PROGRAM)	ENGINES REQUIRED (15,819 PLANES)	SPARE ENGINES FOR 18,000 PLANE PROGRAM			SPARE PARTS FOR 18,000 PLANE PROGRAM
	ITEM (1)	(2)	(3)	COL.2-COL.3 (4)	(5)	COL.4 x COL. 5 (6)	(7)	NUMBER (8)	UNIT COST (9)	TOTAL COST COL. 8 x COL. 9 (10)	(ENGINE AND AIRPLANE) (11)
AIR CORPS											
1	HEAVY BOMBERS	714	222	492	370,286	182,180,712	1,968	1,000 (a)	12,500	12,500,000	
2	MEDIUM BOMBERS	2,877	73	2,804	176,306	494,362,024	5,608	2,014 (a)	16,000	32,224,000	
3	LIGHT BOMBERS	1,077	78	999	126,000	125,874,000	1,998	754 (a)	14,500	10,933,000	
4	PURSUIT 2 ENGINE	570	373	197	136,566	26,903,502	394	399 (a)	14,500	5,785,500	
5	PURSUIT 1 ENGINE	3,293	885	2,408	70,169.13	168,967,265	2,408	1,153 (a)	14,500	16,718,500	
6	TRANSPORT 2 ENGINE	1,038	246	792	110,564	87,566,688	1,584	727 (a)	9,500	6,906,500	222,760,544 (c)
7	OBSERVATION CAD	1,489		1,489	82,852.55	123,367,453	1,489	521 (a)	8,500	4,428,500	
8	AMPHIBIAN PBY TYPE	60	4	56	252,406	14,134,736	224	84 (a)	15,000	1,260,000	
9	ADVANCED TRAINING 2-E	982	300	682	90,000	61,380,000	1,364	1,473 (b)	6,000	8,838,000	
10	ADVANCED TRAINING 1-E	1,610		1,610	26,318	42,371,980	1,610	1,208 (b)	6,000	7,248,000	
11	BASIC TRAINING	2,000		2,000	19,000	38,000,000	2,000	1,500 (b)	5,000	7,500,000	
12	PRIMARY TRAINING	2,290		2,290	11,000	25,190,000	2,290	1,718 (b)	2,500	4,295,000	
	T O T A L S	18,000	2,181	15,819		1,390,298,360	22,937	12,551		118,637,000	

(Z) INCLUDES COST OF AIRPLANE, ENGINE PROPELLER AND ALL OTHER AIR CORPS EQUIPMENT PERTAINING TO THE AIRPLANE.

(a) FIGURED ON THE BASIS OF 35% OF ENGINES REQUIRED.

(b) FIGURED ON THE BASIS OF 75% OF ENGINES REQUIRED

(c) FIGURED ON THE BASIS OF 12½% OF THE TOTAL COST OF 18000 AIRPLANES COMPLETE, PLUS COST OF SPARE ENGINES FOR THE 18000 AIRPLANE PROGRAM. H. R. 10055 CARRIED NOTHING FOR SPARE PARTS (ENGINE OR AIRPLANE) OR SPARE ENGINES

ESTIMATE OF COSTS FOR SPARE PARTS (ENGINE & AIRPLANE)	222,760,544 (c)
ESTIMATE FOR STORAGE OF 18,000 AIRPLANES	45,958,000
ESTIMATE FOR TRANSPORTATION & INSPECTION COSTS OF AIRPLANES	36,576,400
COST OF 15,819 AIRPLANE PROGRAM	1,390,298,360
COST OF SPARE ENGINES FOR 18,000 AIRPLANES	118,637,000
SUB-TOTAL OF ADDITIONAL FUNDS TO BE PROVIDED	1,814,230,304

ORDNANCE	(1)	(2)	(3)	COL.2-COL.3 (4)	(5)	COL. 4 x COL.5 (6)
1	GUN, MACHINE CAL. 30 FIXED	12,958	6,391	6,567	510	3,349,170
2	GUN, MACHINE CAL. 30 FLEXIBLE	14,418	2,047	12,371	530	6,556,630
3	GUN, MACHINE CAL. 50 FIXED	27,010	14,592	12,418	1,000	12,418,000
4	GUN, MACHINE CAL. 50 FLEXIBLE	40,534	11,720	28,814	1,010	29,102,140
5	GUN, 37 MM & 20 MM AIRCRAFT	19,710	7,908	11,802	6,000	70,812,000
	SUB-TOTAL OF ADDITIONAL FUNDS TO BE PROVIDED					122,237,940

MUNITIONS PROGRAM OF JUNE 30, 1940

AIRPLANE PROGRAM - INCLUDING ORDNANCE AND SIGNAL EQUIPMENT

	ITEM (1)	18,000 AIRPLANE PROGRAM (2)	2181 AIRPLANE PROGRAM (3)	15,819 AIRPLANE PROGRAM COL.2-COL.3 (4)	UNIT COST EST. AV. (Z) (5)	TOTAL COST (15,819 PLANE PROGRAM) COL. 4 x COL. 5 (6)	ENGINES REQUIRED (15,819 PLANES)	SPARE ENGINES FOR 18,000 PLANE PROGRAM			SPARE PARTS FOR 18,000 PLANE PROGRAM
SIGNAL											
1	FREQUENCY METER SET SCR-211-A	4,689	545	4,144	300	1,243,200					
2	RADIO SET SCR-274	14,171	2,181	11,990	3,000	35,970,000					
3	RADIO SET SCR-187	4,689	545	4,144	4,400	18,233,600					
4	RADIO SET SCR-238	1,489		1,489	3,300	4,913,700					
5	RADIO COMPASS SCR-273	4,689	1,090	3,599	2,000	7,198,000					
6	RADIO COMPASS SCR-246	1,749	27	1,722	1,000	1,722,000					
7	MARKER BEACON REC. EQUIP. RC-39	6,438	572	5,866	100	586,600					
8	INTERPHONE RC-27	4,592	300	4,292	105	450,660					
9	INTERPHONE RC-15-A	7,255	623	6,632	430	2,851,760					
10	FILTER EQUIP. RC-32	24,050	3,025	21,025	33	693,825					
11	THROAT MICROPHONE T-20 (2 PLACE)	11,102	1,198	9,904	110	1,089,440					
12	THROAT MICROPHONE T-20 (1 PLACE)	10,429	1,336	9,093	55	500,115					
13	MIC. AMP. RC-19-A	14,672	1,935	12,737	88	1,120,856					
						76,573,756					
14	10% ADDED FOR SPARE PARTS					7,657,376					
	SUB-TOTAL OF ADDITIONAL FUNDS TO BE PROVIDED					84,231,132					

SUMMARY OF ADDITIONAL FUNDS TO BE PROVIDED FOR: (a) COST OF 15,819 AIRPLANES; SPARE ENGINES FOR 18,000 AIRPLANES; SPARE PARTS (ENGINES & AIRPLANES); STORAGE, TRANSPORTATION AND INSPECTION FOR 18,000 AIRPLANES: 1,614,230,304

(b) COST OF ORDNANCE FOR 15,819 AIRPLANES 122,237,940

(c) COST OF SIGNAL EQUIPMENT FOR 15,819 AIRPLANES 84,231,132

TOTAL OF ADDITIONAL FUNDS TO BE PROVIDED 2,020,699,376

RECAPITULATION

APPROPRIATION TITLE	FINANCED IN F.Y. 1941	DEFERRED	TOTAL
AIR CORPS	1,489,272,304	279,000,000	1,768,272,304
MILITARY POSTS (Construction)	13,787,400	32,170,600	45,958,000
ORDNANCE SERVICE AND SUPPLIES-Army	103,637,940	18,600,000	122,237,940
SIGNAL SERVICE - Army	71,831,132	12,400,000	84,231,132
TOTAL	1,678,528,776	342,170,600	2,020,699,376

MUNITIONS PROGRAM OF JUNE 30, 1940

WAR DEPARTMENT PROGRAM FOR INCREASING PRODUCTIVE CAPACITY FOR MUNITIONS

(IN ADDITION TO THE $44,275,000 IN THE SECOND SUPPLEMENTAL AND THE $200,000,000 IN THE SECOND DEFICIENCY, 1941 APPROPRIATION BILLS)

OBJECTIVE: FOR THE ORDNANCE DEPARTMENT, CHEMICAL WARFARE SERVICE, CORPS OF ENGINEERS AND QUARTERMASTER CORPS - FOR THE CREATION OF FACILITIES FOR THE PRODUCTION OF THE CRITICAL ITEMS OF RESERVE STOCKS REQUIRED TO EQUIP AND MAINTAIN IN COMBAT APPROXIMATELY 2,000,000 MEN AND FOR THE CREATION OF ADDITIONAL FACILITIES REQUIRING A LONG PERIOD OF TIME TO PLACE IN OPERATION AND NEEDED FOR FURTHER EXPANSION OF THE ARMY. FOR THE AIR CORPS - TO PROVIDE PRODUCTIVE CAPACITY AVAILABLE TO THE ARMY OF 18,000 COMPLETE MILITARY AIRPLANES PER YEAR, TOGETHER WITH THE NECESSARY ENGINES AND ALL OTHER ACCESSORIES AND SUPPLIES PERTAINING THERETO.

ORDNANCE DEPARTMENT

	PLANTS	ESTIMATED COST	
(1)	3 PLANTS FOR AIRCRAFT CANNON	20,000,000	
(2)	2 MACHINE GUN PLANTS	30,000,000	
(3)	3 SMOKELESS POWDER PLANTS	180,000,000	
(4)	7 T.N.T. PLANTS	61,000,000	
(5)	2 TETRYL PLANTS	9,000,000	
(6)	10 AMMUNITION LOADING PLANTS	63,500,000	
(7)	2 SMALL ARMS AMMUNITION PLANTS	20,000,000	
(8)	1 ARMOR PLATE PLANT	4,000,000	
(9)	18 PLANTS FOR FORGINGS AND MACHINING	126,000,000	
(10)	1 AMMUNITION COMPONENTS PLANT	5,000,000	
(11)	3 FUZE LOADING PLANTS	15,000,000	
(12)	4 BAG LOADING PLANTS	20,500,000	
(13)	2 PICRIC ACID AND EXPLOSIVE "D" PLANTS	8,500,000	
(14)	2 AMMONIUM NITRATE PLANTS	62,000,000	
(15)	1 PLANT FOR CHEMICAL SHELL	6,000,000	
(16)	1 COTTON PURIFICATION PLANT	6,000,000	
(17)	1 AMMONIA PLANT	15,000,000	
(18)	3 ACCEPTANCE PROVING GROUNDS	27,800,000	
(19)	DOCKS, DREDGING AND FACILITIES AT FIELD SERVICE ESTABLISHMENTS	15,500,000	
	TOTAL ORDNANCE DEPARTMENT		694,800,000

CHEMICAL WARFARE SERVICE

FOR GAS MASK AND PROTECTIVE CLOTHING	10,190,000	
TOTAL CHEMICAL WARFARE SERVICE		10,190,000

CORPS OF ENGINEERS

(1) ADDITIONAL CAPACITY FOR ANTI-AIRCRAFT SEARCHLIGHT MIRRORS	520,000	
TOTAL CORPS OF ENGINEERS		520,000

AIR CORPS

PLANTS	ESTIMATED COST	
ADDITIONAL PRODUCTIVE CAPACITY REQUIRED TO PROVIDE THE 18,000 COMPLETE MILITARY AIRPLANES PER YEAR TOGETHER WITH ALL ACCESSORIES.	71,520,000	
TOTAL AIR CORPS		71,520,000

QUARTERMASTER CORPS

(1) ROUNDING OUT EXISTING MANUFACTURING DEPOTS	7,225,000		
(2) GENERAL MANUFACTURING STORAGE	4,000,000		
TOTAL QUARTERMASTER CORPS		11,225,000	
GRAND TOTAL			788,255,000

RECAPITULATION

APPROPRIATION TITLE	PRODUCTION FACILITIES FOR CRITICAL ITEMS FOR 2,000,000 - FOR FURTHER EXPANSION OF ARMY			PRODUCTION CAPACITY FOR 18,000 AIRPLANES PER YEAR			TOTAL		
	FINANCED IN F.Y. 1941	DEFERRED	TOTAL	FINANCED IN F.Y. 1941	DEFERRED	TOTAL	FINANCED IN F.Y. 1941	DEFERRED	TOTAL
ORDNANCE SERVICE & SUPPLY, ARMY	230,000,000	190,000,000	420,000,000	—	—	—	230,000,000	190,000,000	420,000,000
CHEMICAL WARFARE SERVICE	6,440,000	—	6,440,000	—	—	—	6,440,000	—	6,440,000
ENGINEER SERVICE, ARMY	300,000	—	300,000	—	—	—	300,000	—	300,000
AIR CORPS, ARMY	—	—	—	—	42,000,000	42,000,000	—	42,000,000	42,000,000
CLOTHING & EQUIPAGE	2,800,000	—	2,800,000	—	—	—	2,800,000	—	2,800,000
MILITARY POSTS	160,460,000	126,735,000	287,195,000	—	29,520,000	29,520,000	160,460,000	156,255,000	316,715,000
TOTAL	400,000,000	316,735,000	716,735,000	—	71,520,000	71,520,000	400,000,000	388,255,000	788,255,000

PSF
War

DEPARTMENT OF AGRICULTURE
WASHINGTON

MEMORANDUM ON THE AGRICULTURAL SITUATION, 1914 and 1938.

The agricultural supply situation in 1937-38 is similar to that of 1914, and in the event of a European war would probably serve to prevent rising farm prices during 1939 as the 1914-15 supplies prevented price advances in 1915. The real effect of the war on agricultural prices first appeared in 1916. The general average of farm prices was 100 in 1912, 101 in 1913 and 1914, 98 in 1915, and 146 in 1916.

The year 1914 marked the low points in the production cycles of hogs and cattle and record crops of wheat and cotton. In the case of wheat, we were able to export much of the 1914 surplus at higher prices largely because of short crops in competing countries, and only partly because of increased demand due to the war. In the case of cotton, we exported practically none of the record 1914 crop to Germany. France and England failed to take their usual share of our large crops. Total cotton exports were about one million bales less in 1914-15 than in 1913-14; and in spite of the ample supply in 1915-16, exports fell off nearly another 4 million bales. In both wheat and cotton, small domestic crops in 1916 and 1917 as well as war influences helped stimulate rising prices.

Livestock supplies are expected to be larger in 1938-39 than in 1936 and 1937, and this upward trend in production will continue for a while, in view of ample feed crops. The price trend is therefore downward. In the case of wheat, there is a record supply in the U.S., with ample supplies in competing countries. World supplies of wheat are $1\frac{1}{2}$ billion bushels larger than in 1914; world consumption is only three-quarters of a billion bushels larger. The short-crop basis for the price advance of 1914-15 does not exist for 1938-39. The present supply of American cotton is also enormous, following the record crop of 1937 and the low level of exports. Increased foreign production and the use of synthetic fibers make the present cotton situation much more vulnerable than was the case in 1914. However, our present cotton exports to Central Europe are already very low, so that a sudden cutting off of that market would not reduce our present world cotton market as greatly as it did in 1914.

In hog and other livestock products, Europe as a whole is now much more self-sufficient, and much less dependent on our exports, than it was in 1914. Only after a year or more of general European war would these products be likely to be affected by war demands from overseas.

The attached tables and charts present briefly some of the salient facts on which this statement is based.

Tables

Table 1.- Farm price of representative farm products during period of World War inflation and post-war depression.

Farm Price

Crop year	Corn ¢ per bu.	Wheat ¢ per bu.	Cotton ¢ per lb.	Hogs $ per cwt	Beef $ per cwt	Wool ¢ per lb.	Butter ¢ per lb.
1912	55.3	80.7	11.5	6.62	5.12	18.1	25.7
1913	70.4	79.4	12.5	7.45	5.90	16.4	26.7
1914	70.8	97.4	7.4	7.48	6.23	17.7	25.1
1915	68.0	96.1	11.2	6.53	6.00	22.8	25.7
1916	116.6	143.4	17.3	8.09	6.47	27.9	28.0
1917	145.9	204.7	27.1	13.19	8.17	47.8	35.9
1918	152.2	205.0	28.9	15.82	9.44	57.9	42.7
1919	151.3	216.3	35.4	16.01	9.59	50.3	50.3
1920	61.8	182.6	15.9	12.88	8.42	39.1	54.3
1921	52.3	103.0	17.0	7.82	5.50	16.4	37.0

Source: U.S.D.A. Agricultural Yearbooks.

Table 2.- Exports and imports in physical volume, of selected farm products during period of World War inflation and post-wat depression.

Exports (in physical volume)

Year beginning July	Cotton 1,000 bales	Wheat and Flour million bushels	Hog Products Million lbs.	Beef & Products Mill.lbs.	Butter Mill.lbs.	Milk condensed and evaporated Mill. lbs.
1910-11	8,068	71	879	266	5	12
1911-12	11,070	82	1,072	234	6	21
1912-13	9,125	145	985	170	4	17
1913-14	9,522	148	922	151	4	16
1914-15	8,581	336	1,106	395	10	37
1915-16	5,917	246	1,463	458	13	160
1916-17	5,702	206	1,502	424	27	259
1917-18	4,455	133	1,692	600	18	529
1918-19	5,442	287	2,705	591	34	729
1919-20	7,035	222	1,763	368	27	708
1920-21	5,570	369	1,522	204	8	263
1921-22	6,592	282	1,516	222	8	277

Table 2.- cont. Exports and imports, in physical volume, of selected farm products during period of World War inflation and post-war depression.

Year beginning July	Exports (in physical volume)			Imports		
	Cotton seed meal and cake	Linseed meal and cake	Tobacco, unmfd.	Wool unmfd.	Rubber and gum	Sugar, raw and refined
	mill. lbs.	mill. lbs.	mill. lbs.	mill.lbs.	mill.lbs.	mill.lbs.
1910-11	805	560	355	138	146	1.97
1911-12	1,294	596	380	193	176	2.05
1912-13	1,128	838	419	195	171	2.37
1913-14	800	663	450	248	162	2.53
1914-15	1,479	525	348	308	196	2.71
1915-16	1,057	641	444	535	304	2.82
1916-17	1,150	537	412	372	365	2.67
1917-18	45	151	289	379	415	2.45
1918-19	312	203	629	422	422	2.92
1919-20	450	336	648	428	661	3.80
1920-21	455	391	507	318	371	3.51
1921-22	533	484	463	255	579	4.23

U.S.D.A., Agricultural Statistics, 1937. p. 341-42.

Table 3.- Cotton Situation and exports during world-war period.

Item	Pre-war Average, 1909-10 to 1913-14 1/	1914-15 1/	1915-16 1/	1916-17 1/	1917-18 1/	Average for war period, 1914-15 to 1917-18: Actual	Average for war period, 1914-15 to 1917-18: Ratio to pre-war average
	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	1,000 running bales	Percent
Carry-over beginning of season...	3,040	3,769	6,716	4,889	3,851	4,806	158.09
Production including city crop....	13,177	16,231	11,307	11,559	11,558	12,664	96.11
Supply.............	16,217	20,000	18,023	16,448	15,409	17,470	107.73
Consumption:							
United States....	4,870	5,375	6,081	6,471	6,382	6,077	124.78
Foreign countries	8,282	7,874	6,958	6,091	4,489	6,353	76.71
Total.......	13,152	13,249	13,039	12,562	10,871	12,430	94.51
Exports 2/to:							
United Kingdom...	3388.8	3771.6	2852.4	2682.2	2275.4	2895.4	85.4
Germany..........	2440.6	242.7	0	0	0	60.7	2.5
France...........	1036.7	682.6	921.9	994.1	509.4	777.0	74.9
Italy............	482.1	1109.5	788.9	643.6	349.2	722.8	149.9
Japan............	282.5	433.0	491.4	481.3	604.3	502.5	177.9
Other countries..	891.4	2305.2	1136.5	937.8	550.1	1232.4	138.3
Total........	8522.1	8544.6	6191.1	5739.0	4288.4	6190.8	72.6
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Ratio of world consumption to world supply.....	81.10	66.24	72.35	76.37	70.55	71.15	87.73
Ratio of total exports to world supply...........	52.55	42.72	34.35	34.89	27.83	35.44	67.44

1/ Year beginning August 1 except for carry-over, production, and consumption in the pre-war period, which was the year beginning September 1.
2/ Including linters.

Production, carry-over, supply, and consumption compiled from New York Cotton Exchange Yearbook, 1935. Exports compiled from reports of the Bureau of Foreign and Domestic Commerce.

Table 4.- U.S. and world cotton and wheat situation
1914 and 1938

	1914-15	1938-39
Cotton: (All figures in running bales)		
Carryover in U.S.	1,178,000	11,533,000
Crop in U.S.	16,231,000	11,700,000
U.S. Supply	17,409,000	23,700,000
Carryover of Am. cotton in foreign countries	2,589,000	1,867,000
Carryover of foreign cotton in foreign countries	Unknown	9,778,000
Foreign carryover of all cotton	--	11,645,000
Crop in other countries	8,818,000	16,400,000
Supply, excluding supply in U.S.	--	28,045,000
World supply, excluding foreign carryover of for. cotton	38,818,000	41,500,000
World supply, all cotton	Unknown	51,278,000
Consumption, previous season:		
U.S. consump. Am. cotton	5,343,000	5,615,000
For. " " "	8,482,000	5,635,000
World consump. Am. cotton	13,825,000	11,250,000
U.S. consump. for. cotton	Unknown	141,301
For. " " "	"	15,358,699
World " " "	"	15,500,000
World consump. all cotton	"	26,750,000

Source: N.Y. Cotton Exchange reports.

Table 4.- cont. U.S. and world cotton and wheat situation 1914 and 1938.

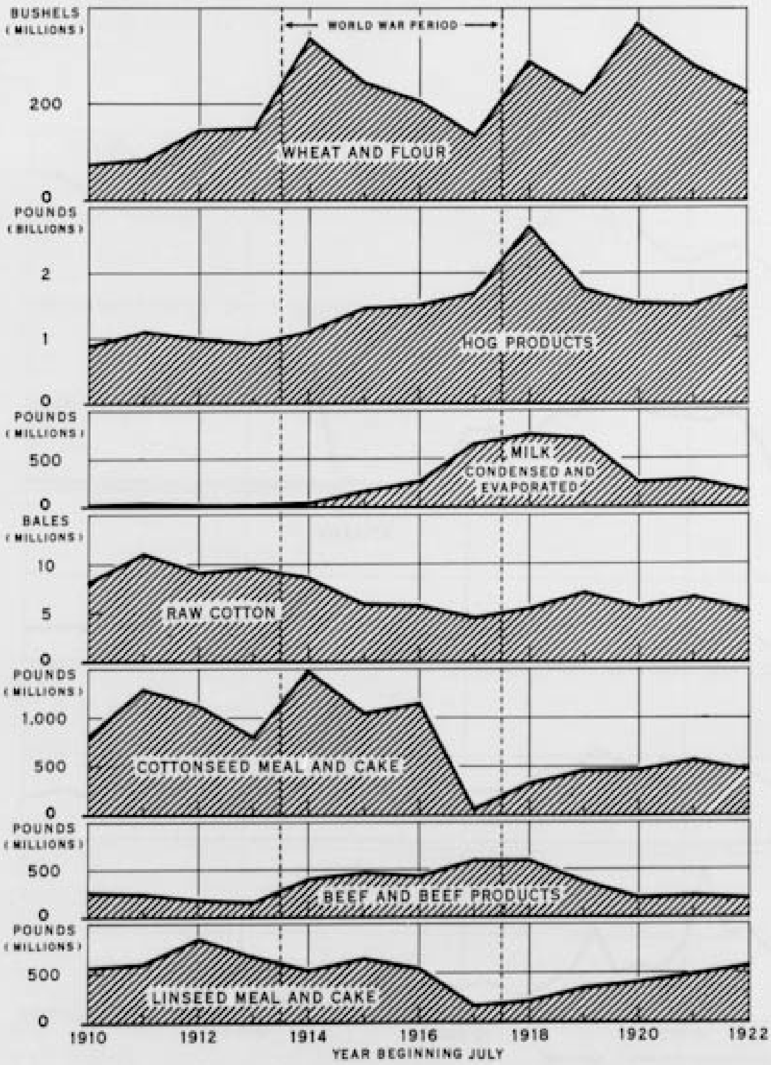
	1914	1938
	bushels	bushels
Wheat:		
Carryover in U.S.	75,000,000	154,072,000
Crop in U.S.	897,487,000	939,972,000
U.S. Supply	972,487,000	1,094,044,000
Carryover in other countries	425,000,000	440,928,000
Crop in other countries	1,986,513,000	3,403,028,000
Supply ex-U.S.	2,411,513,000	3,843,956,000
World supply	3,384,000,000	4,922,000,000
Consumption, previous season:		
U.S.	600,000,000	700,000,000
Other countries	2,525,000,000	3,125,000,000
World consumption	3,125,000,000	3,825,000,000

Source: Wheat Situation, Bureau of Agricultural Economics, U.S.D.A. for 1938 figures. 1914 figures approximations by the BAE.

Figures

Fig 1

EXPORTS OF SELECTED FARM PRODUCTS



U.S. DEPARTMENT OF AGRICULTURE

NEG. 24397 A.A.A.

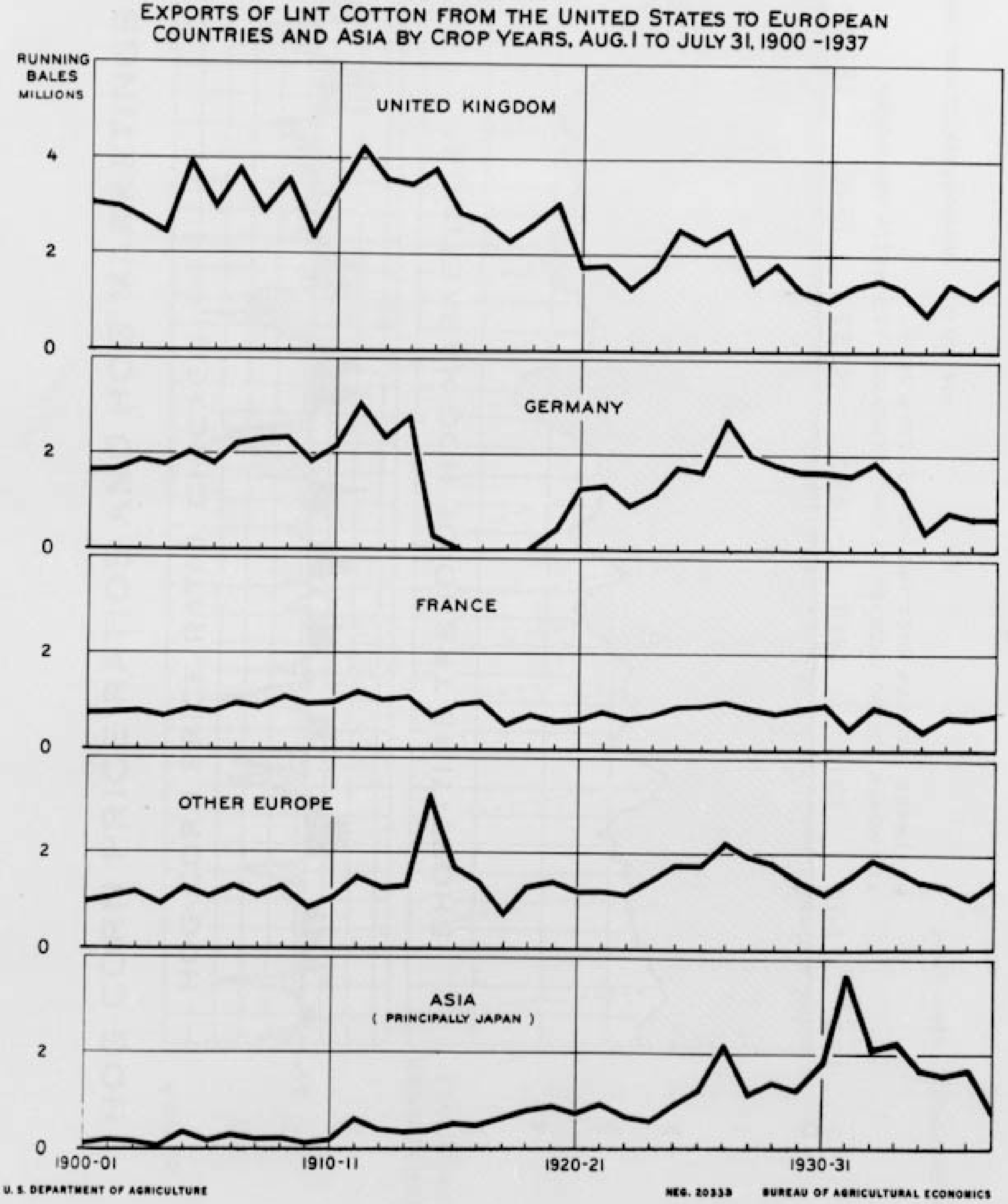

EXPORTS OF LINT COTTON FROM THE UNITED STATES TO EUROPEAN COUNTRIES AND ASIA BY CROP YEARS, AUG. 1 TO JULY 31, 1900 -1937
RUNNING BALES MILLIONS
UNITED KINGDOM
GERMANY
FRANCE
OTHER EUROPE
ASIA
(PRINCIPALLY JAPAN)
4
2
0
1900-01
1910-11
1920-21
1930-31
U. S. DEPARTMENT OF AGRICULTURE
NEG. 20339
BUREAU OF AGRICULTURAL ECONOMICS

Figure 2

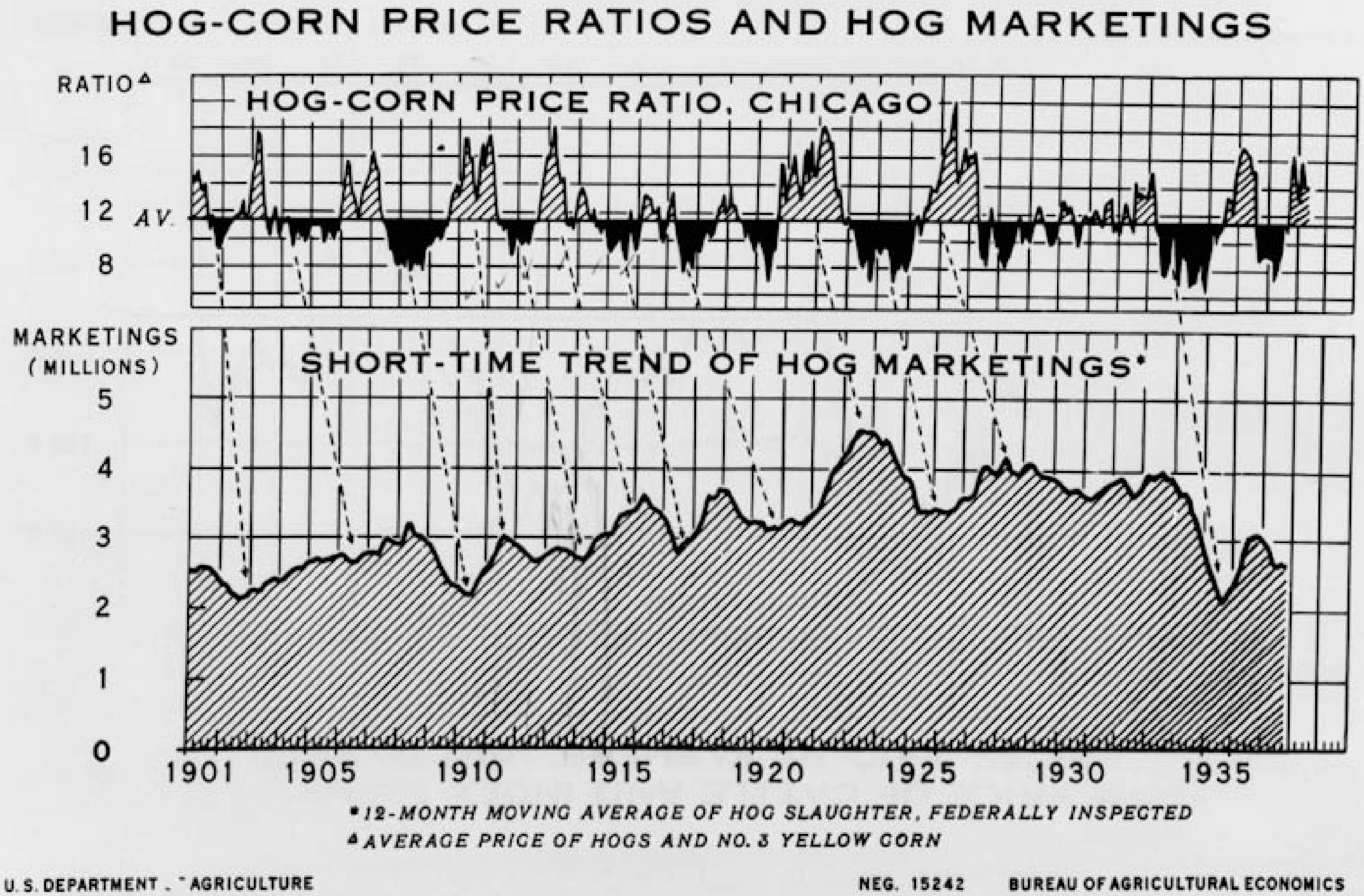

HOG-CORN PRICE RATIOS AND HOG MARKETINGS
RATIO▲
HOG-CORN PRICE RATIO, CHICAGO
16
12 AV.
8
MARKETINGS
(MILLIONS)
SHORT-TIME TREND OF HOG MARKETINGS*
5
4
3
2
1
0
1901
1905
1910
1915
1920
1925
1930
1935
*12-MONTH MOVING AVERAGE OF HOG SLAUGHTER, FEDERALLY INSPECTED
▲AVERAGE PRICE OF HOGS AND NO. 3 YELLOW CORN
U. S. DEPARTMENT . ˉAGRICULTURE
NEG. 15242
BUREAU OF AGRICULTURAL ECONOMICS

Figure 3

FARM PRICE OF CATTLE AND INDEX NUMBERS OF PRICES PAID BY FARMERS, 1910 TO DATE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 17603 BUREAU OF AGRICULTURAL ECONOMICS

Figure 4

1-2-Richards
1-7-38

0 0 0 8 1

PSF War

TREASURY DEPARTMENT

PROCUREMENT DIVISION

OFFICE OF THE DIRECTOR

WASHINGTON

October 14, 1938

MEMORANDUM FOR THE SECRETARY:

Re: Aviation Procurement

On October 25, 1934, the Director of Procurement, in accordance with the provisions of Executive Order 6166, issued an order establishing in the Procurement Division an Aviation Procurement Committee for the purpose of studying and recommending to the Director of Procurement uniform policies and methods of procuring air-craft, air-craft parts and aeronautical accessories for the various Government Agencies handling air-craft. The plan in general contemplated that this Committee would be a "Clearing House" where policies and methods might be coordinated for the various Government Agencies procuring air-craft and after approval such policies and methods would be carried out under the terms prescribed in Executive Order 6166.

In accordance with the terms of this order, the organization meeting of the Committee was held in the Procurement Division on November 5, 1934. At this meeting the Director of Procurement indicated that the Committee was (A) an agent of the Procurement Division of the Treasury; (B) that it was to study and recommend uniform policies and methods for procuring air-craft for the Government Agencies; (C) that the policies and methods were to be those best for the Federal Government; and (D) that members of the Committee are to act as liaison between the Director of Procurement and the Agencies concerned.

After the organization meeting, meetings were held at various intervals during the next fifteen months.

It was early evident in the proceedings that there was a wide divergence of opinion as to technical features between the Army, Navy and Commerce as to technical designs, types, instruments, materials to be used, experimental competitions and conditions of purchase, each service firmly entrenched in its position because of certain fundamental conditions which were:

A. That the Army and the Navy obtain their appropriations from separate committees of Congress; that each service must justify these appropriations and as the funds are made available direct to each service, each such service should have control over the military features of each set of planes and the procurement program for obtaining them.

B. That each service was separately responsible for its efficiency as a fighting arm and hence should have control over its own program.

C. That the mission in each instance was essentially different; on the one hand planes were designed for service over the land or for patrolling coasts or a short distance at sea; on the other hand, for sea planes to be catapulted from aboard ship and to land alongside or of a type suitable for taking off from or landing on board of an airplane carrier. In other words, the Army problem is one thing; the Navy problem another; the Coast Guard still another.

Aviation has been and is expected to be in a constant state of flux of evolution, and it is recognized that the competitive spirit to obtain the best type of plane to perform a particular mission is one which under the constant processes of change should be encouraged so that in the long run each service may gain from the experiences of the other.

However, much constructive work resulted through these meetings of the Procurement Aviation Committee. Different statutes being applicable, no general method of procurement can lay down identical procedures to be followed in each case by each branch of the Service. A general method of procurement was agreed to, which permitted the respective Services the rights to make exceptions therefrom in proper cases countenanced by law. The military services were brought closer together, and there was a frank expression of opinions as to experience with and types of plans and methods, and there was developed a necessity for each service working with the other insofar as practicable as to the times of going into the market, - this to their own mutual benefit.

C. J. Peoples

Director of Procurement

PSF War

INDEX OF CHARTS

Chart 23 - Trade of the United States with Norway, 1901-1937.

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Chart 26 - Trade of U.S. with Union of Soviet Socialist Republics, 1901-1937.

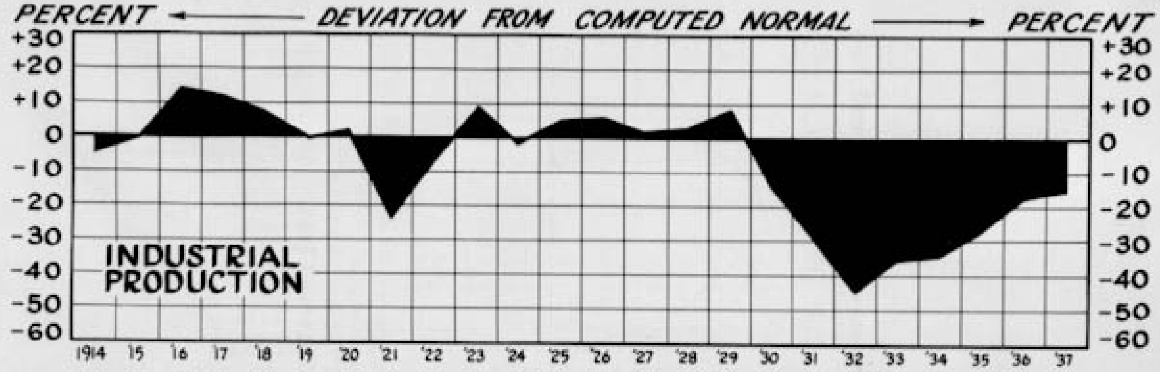
Chart 27 - Trade of the United States with United Kingdom, 1901-1937.

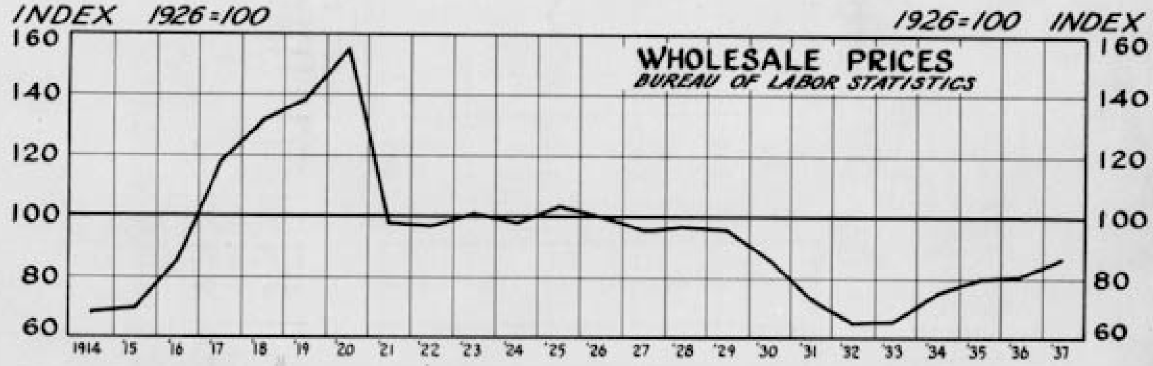
Chart 28 - Trade of the United States with Canada, 1901-1937.

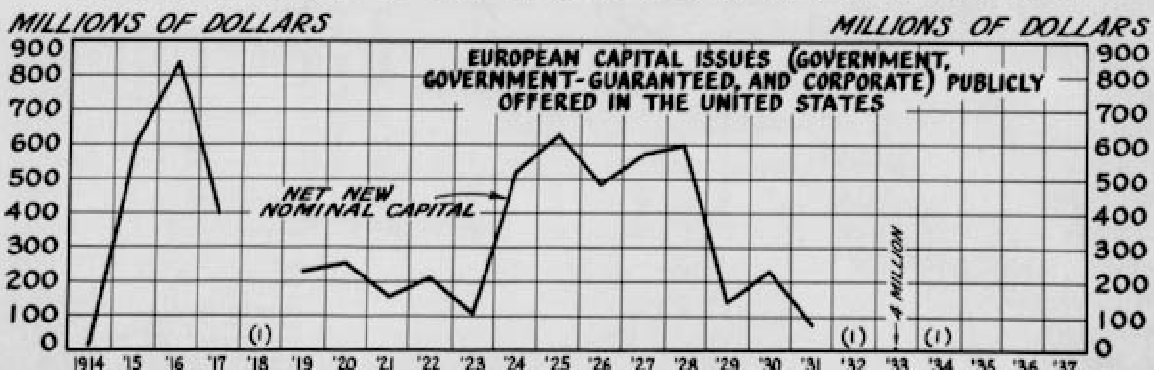
Chart 29 - Trade of the United States with Asia, 1901-1937.

Bureau of Foreign & Domestic Commerce

Chart I







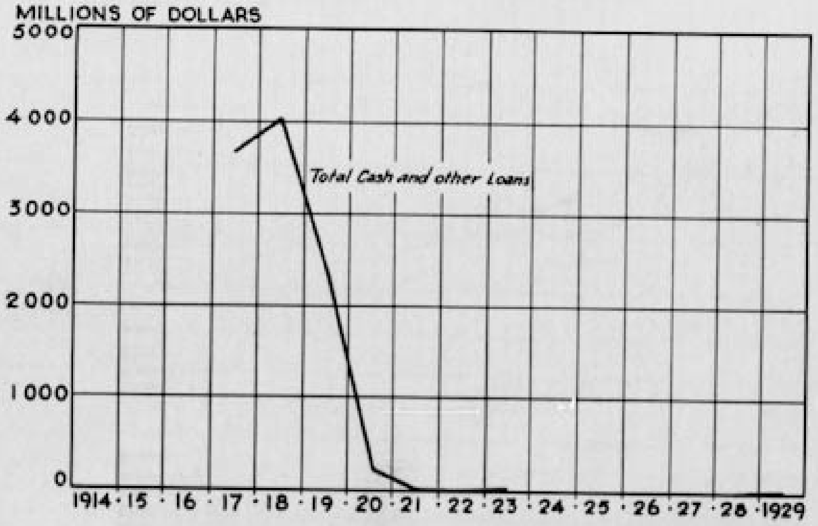
(1) CAPITAL ISSUES OF NO IMPORTANCE FOR THESE YEARS

DD-9766

Bureau of Foreign & Domestic Commerce

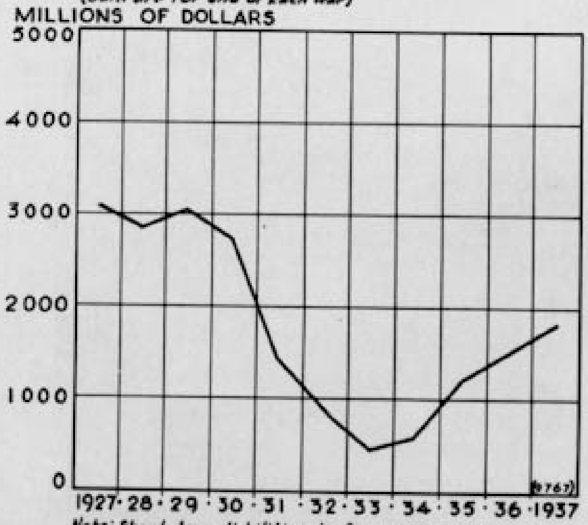
Chart II

UNITED STATES GOVERNMENT ADVANCES TO EUROPEAN GOVERNMENTS · 1914 - 1929



SHORT-TERM FOREIGN LIABILITIES OF THE UNITED STATES · 1927-1937

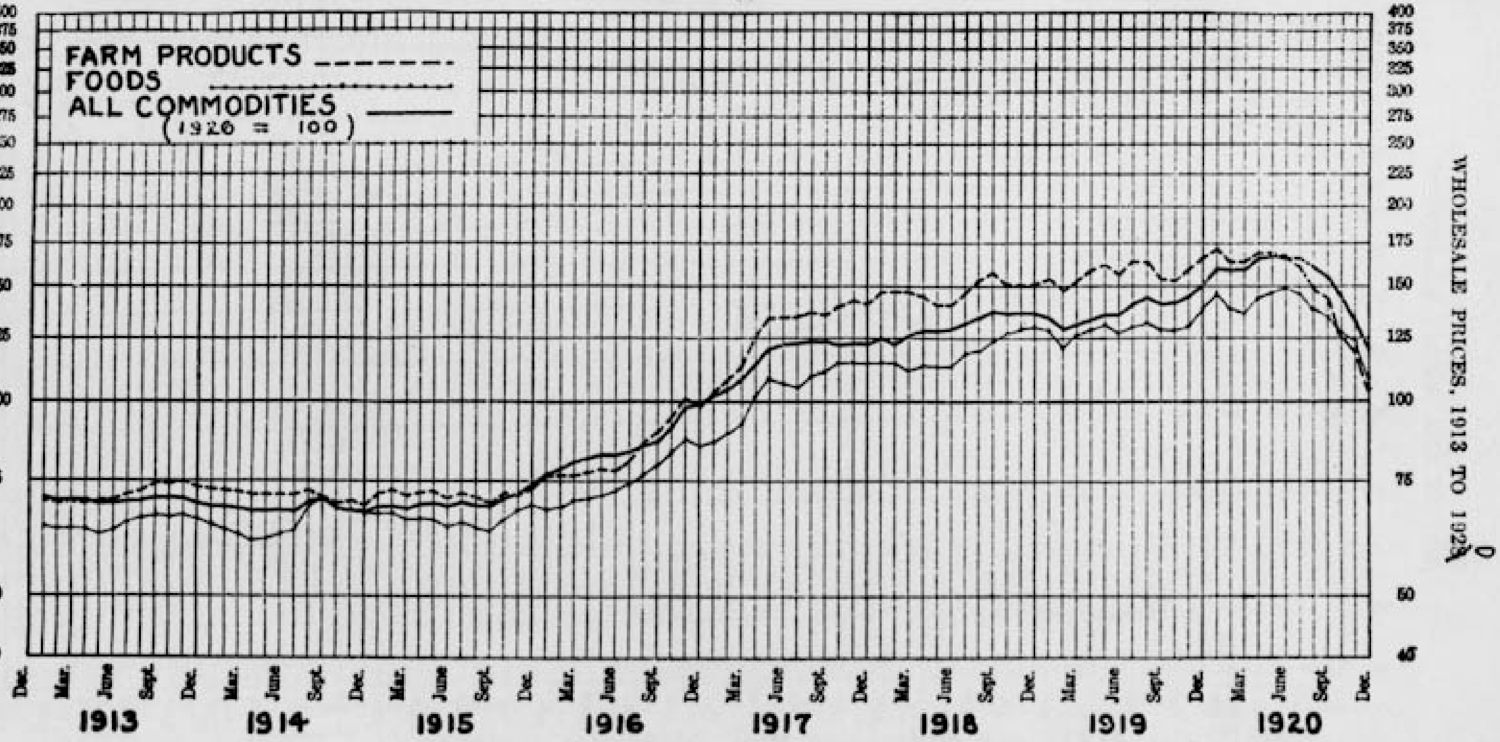
(Data are for end of Each Year)



Note: Short-term liabilities to foreigners were estimated at $450 - 500 million as of the middle of 1914

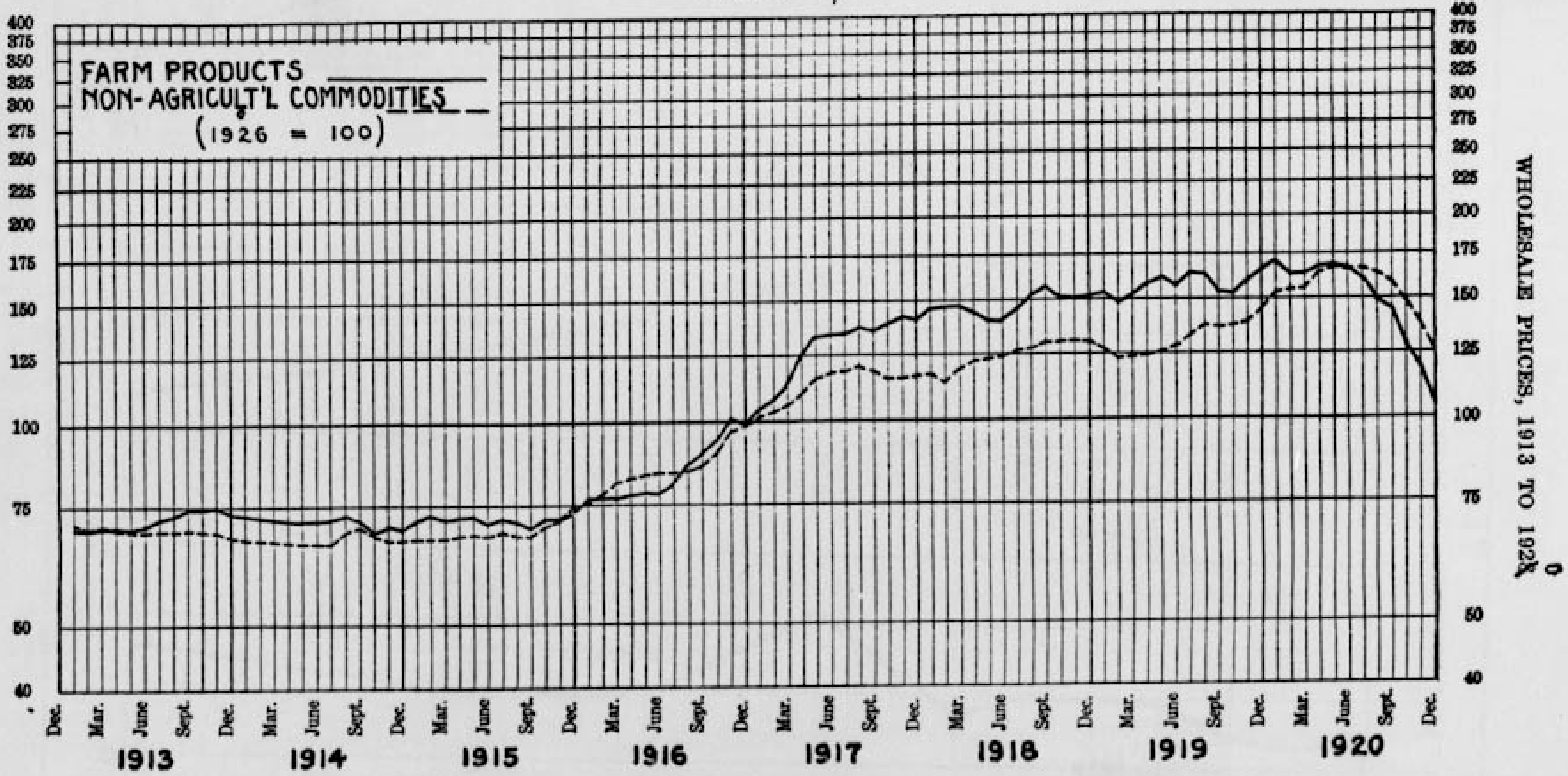
UNITED STATES DEPARTMENT OF LABOR
Bureau of Labor Statistics

CHART 3



UNITED STATES DEPARTMENT OF LABOR
Bureau of Labor Statistics

CHART ~~2~~ 4



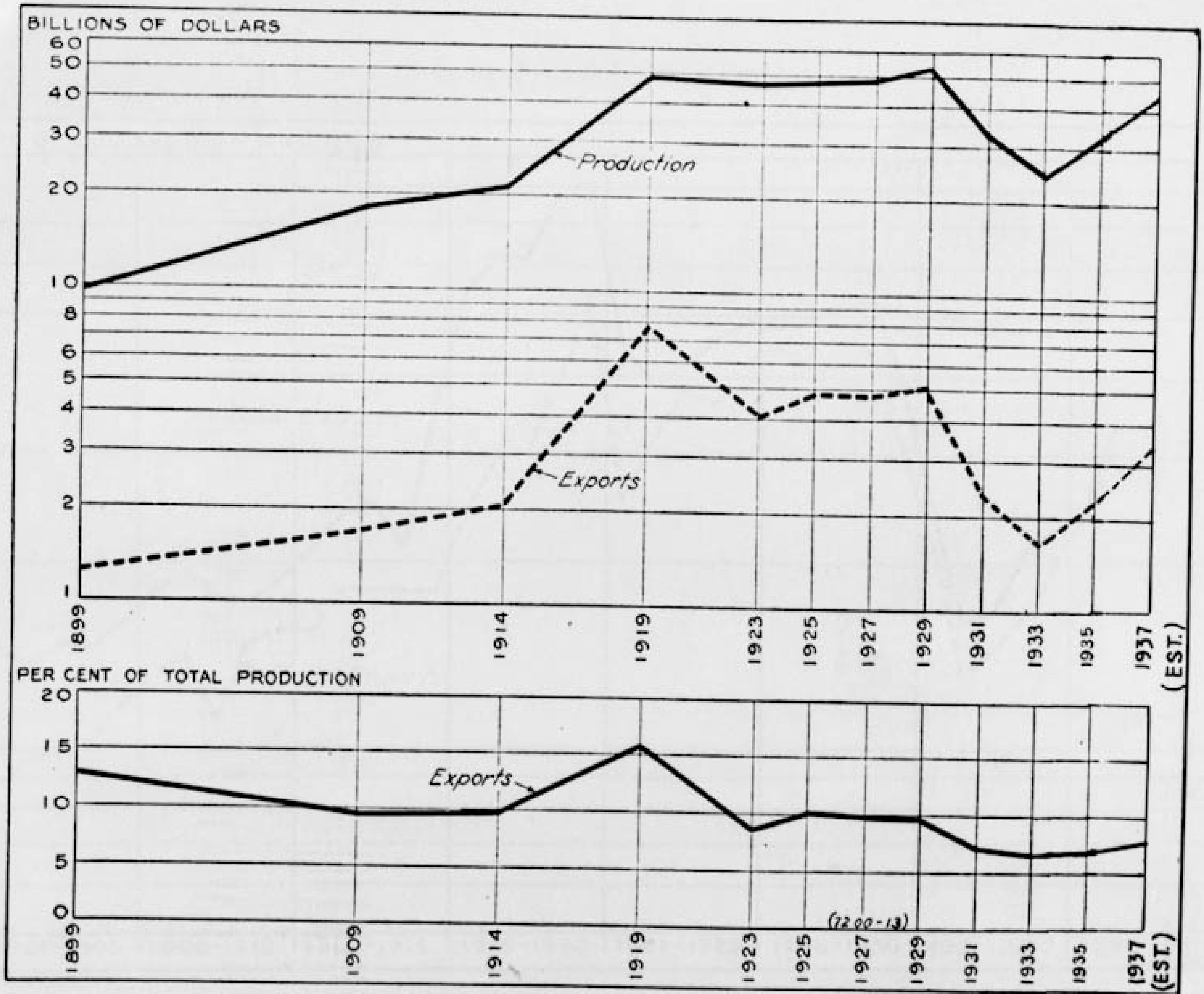


Chart 5. —**Changes in Production and Exports.**

Bureau of Foreign & Domestic Commerce

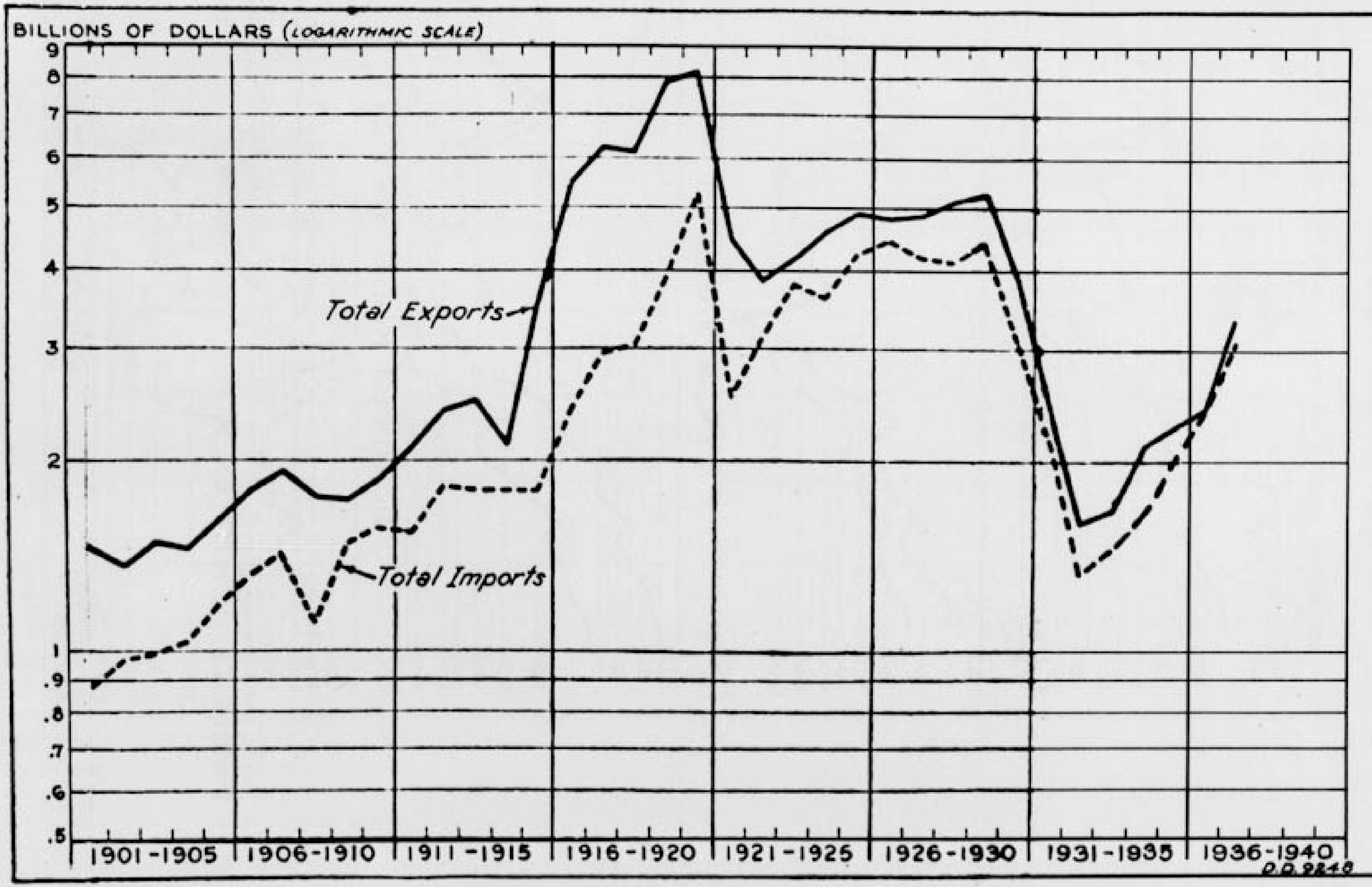


Chart 6 - U.S. Merchandise Exports and Imports. (1901 - 1937)

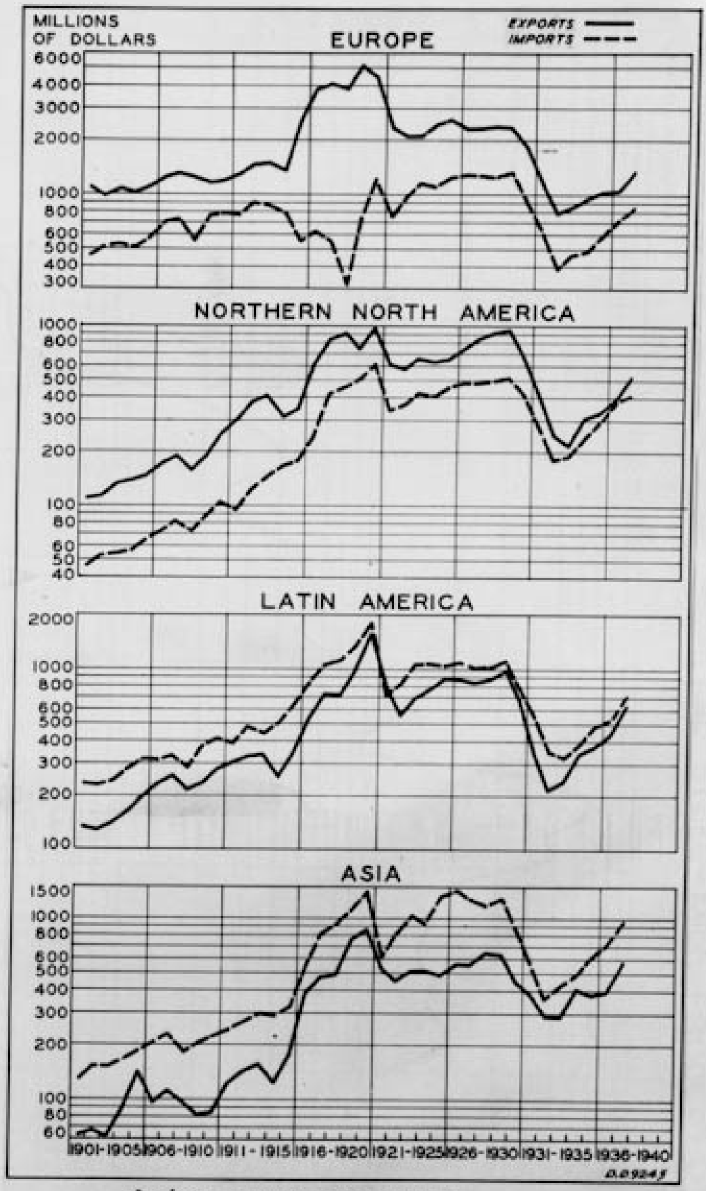
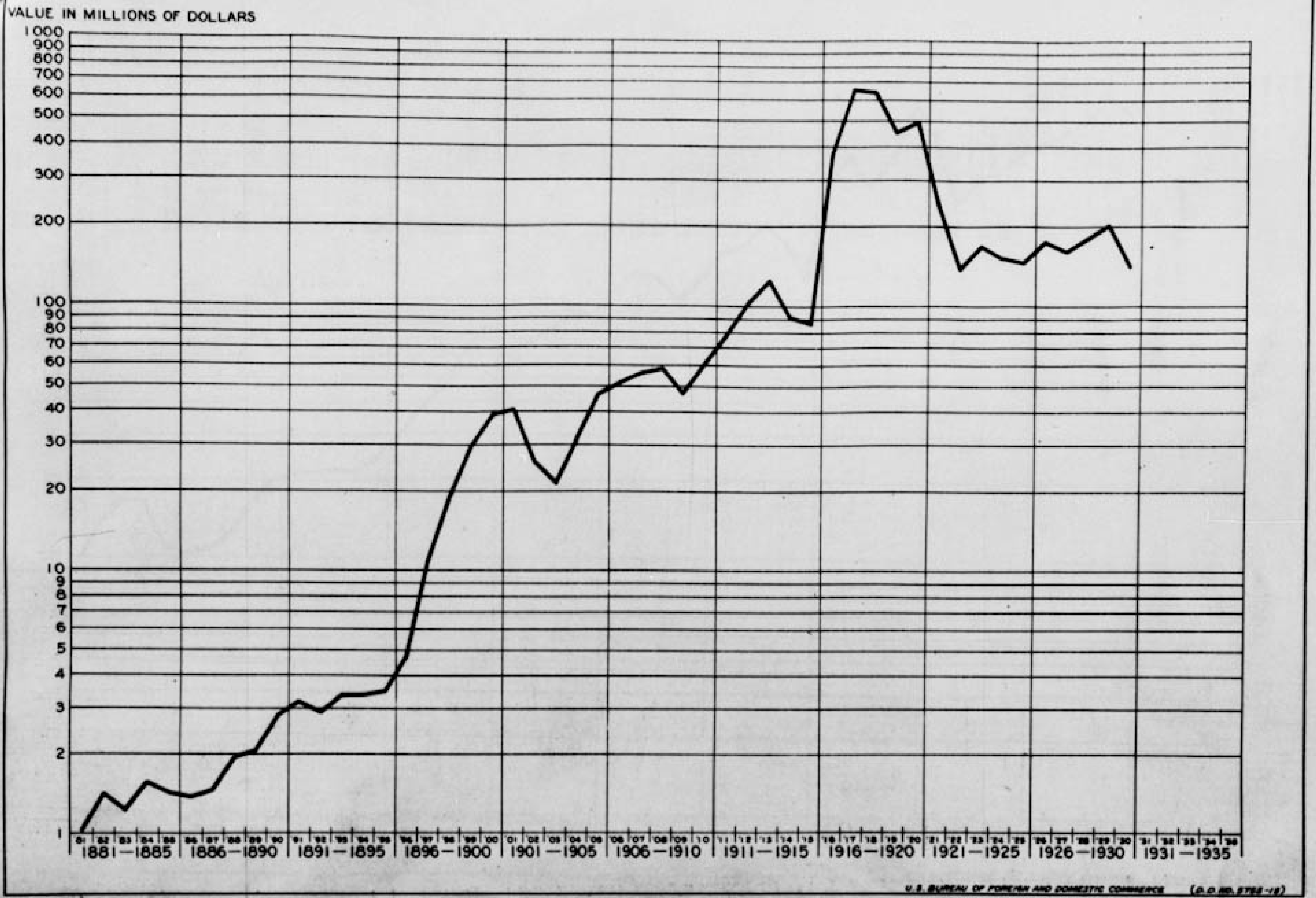


Chart 7. - Exports and Imports by Principal Regions.

Chart 8

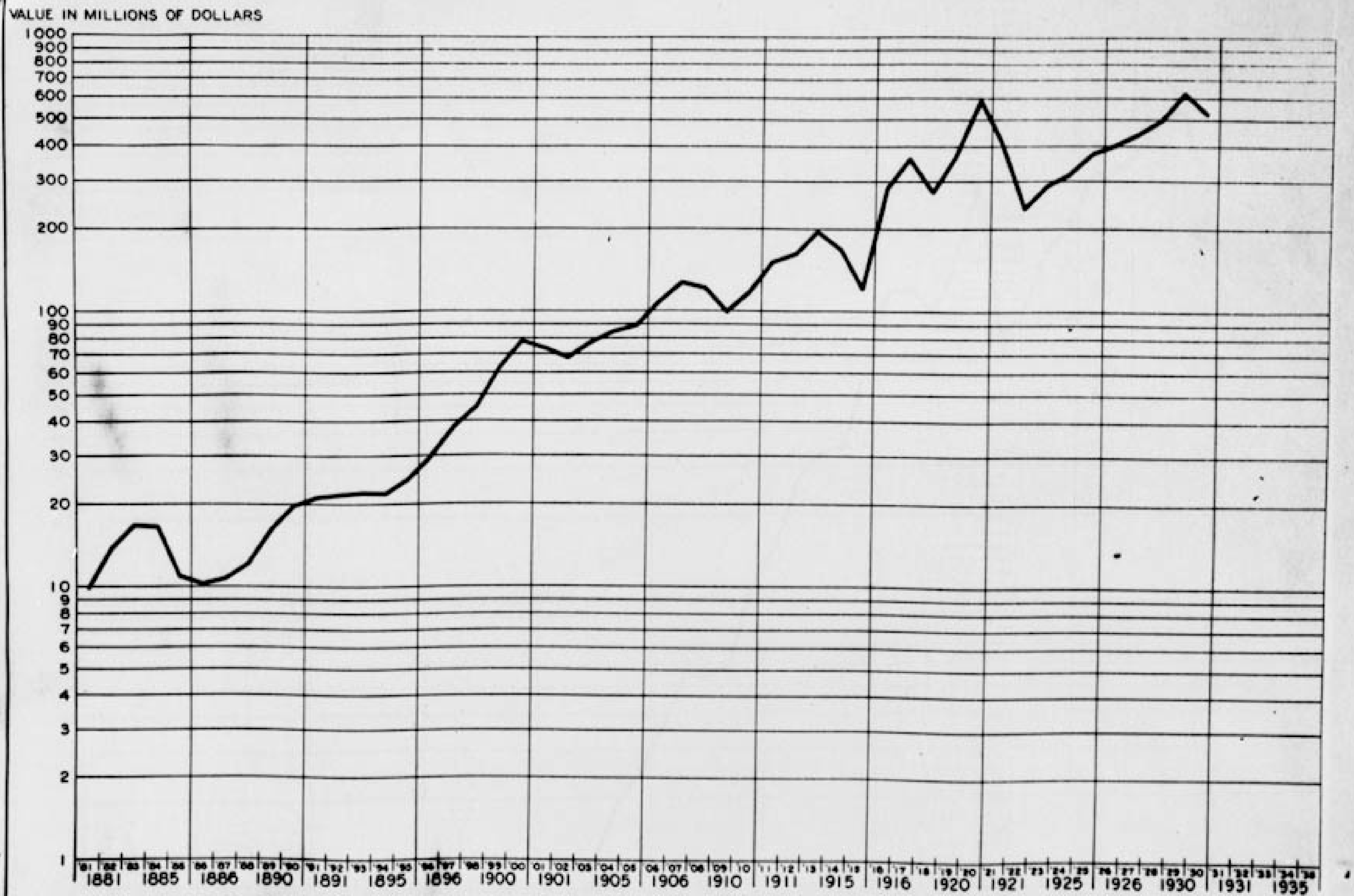
UNITED STATES EXPORTS OF IRON AND STEEL-MILL PRODUCTS



Bureau of Foreign & Domestic Commerce

Chart 9

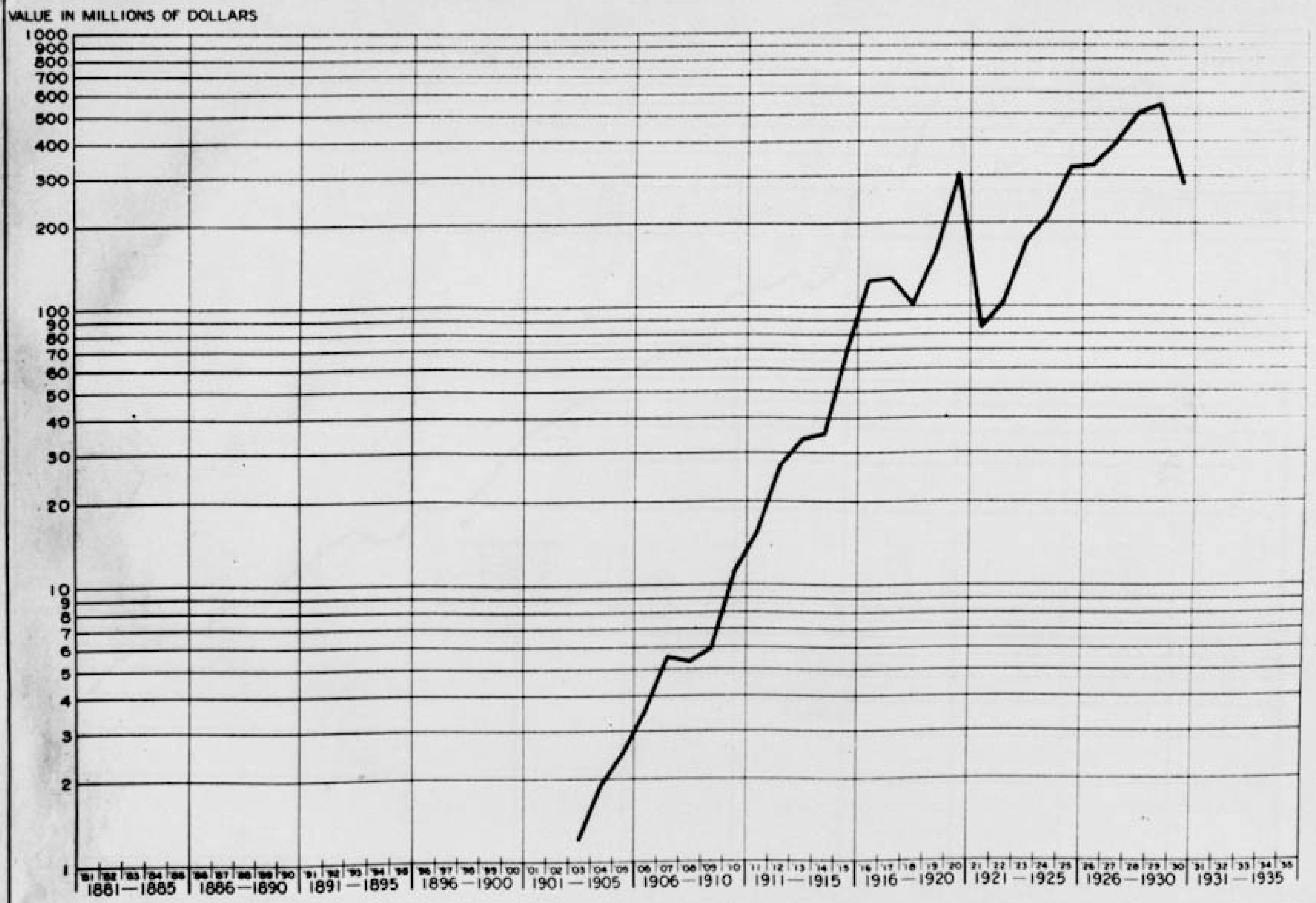
UNITED STATES EXPORTS OF MACHINERY, ALL CLASSES



Bureau of Foreign & Domestic Commerce

Chart 10

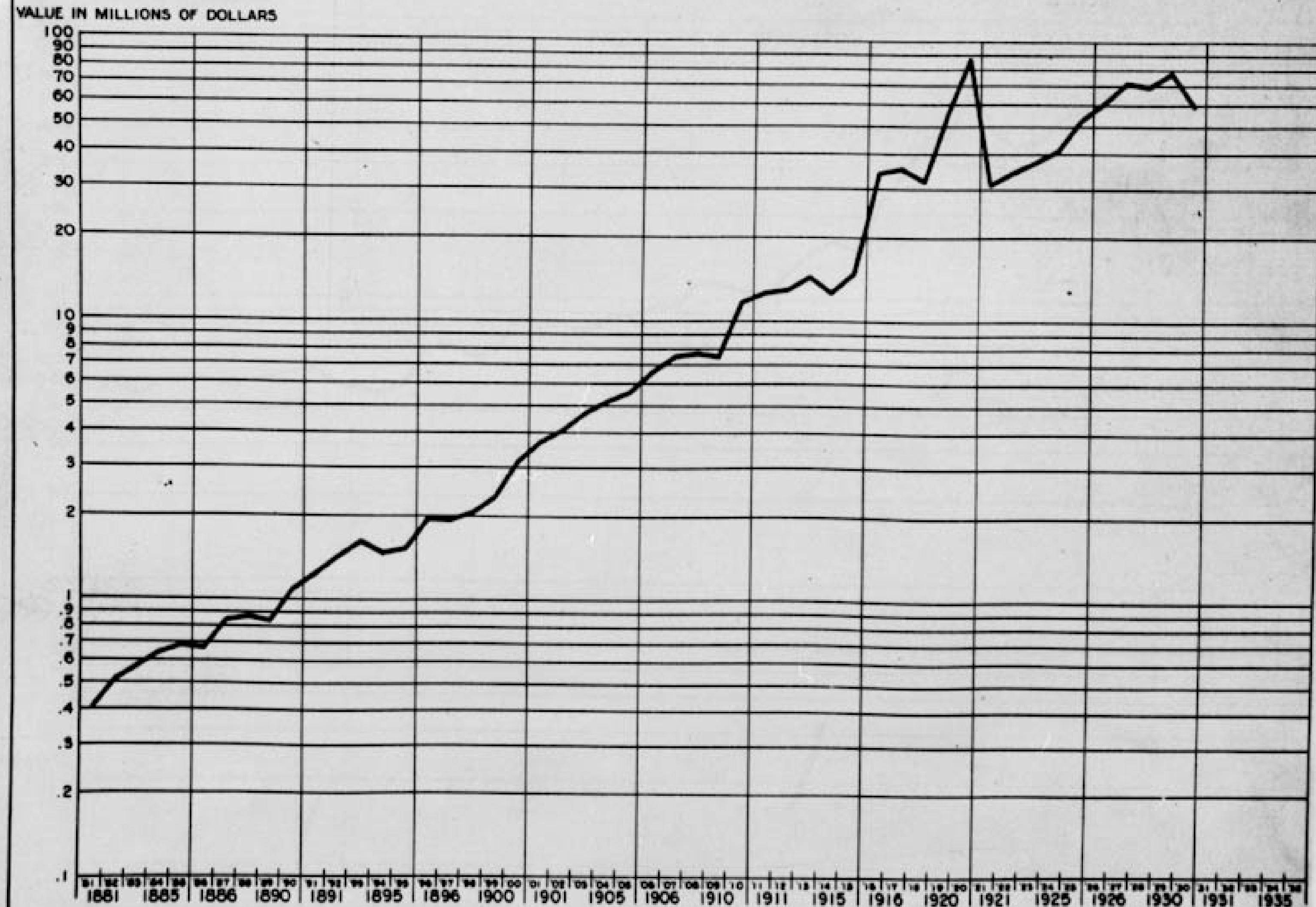
UNITED STATES EXPORTS OF AUTOMOBILES INCL. ENGINES AND PARTS



Bureau of Foreign & Domestic Commerce

Chart 11

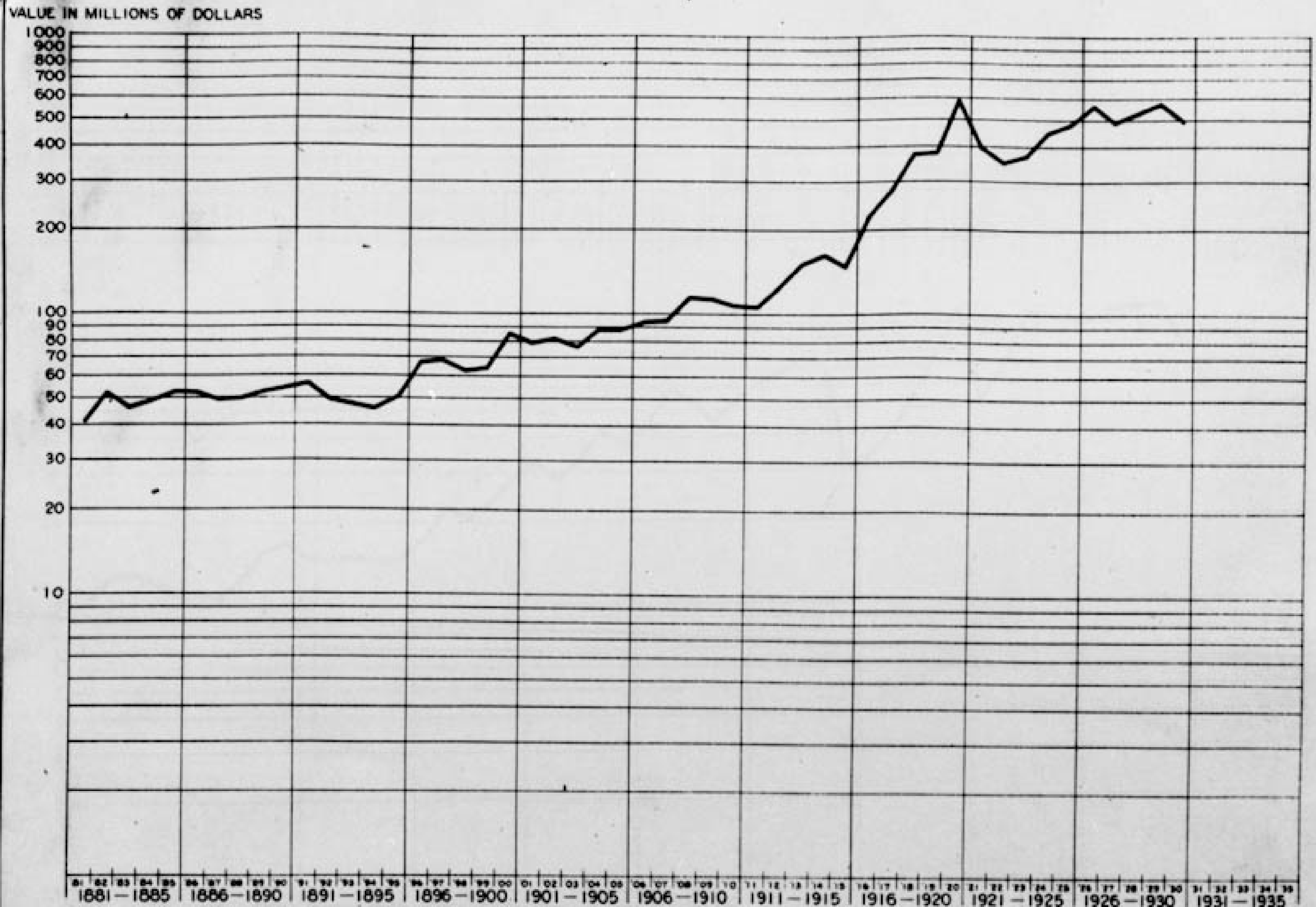
UNITED STATES EXPORTS OF RUBBER AND MANUFACTURES



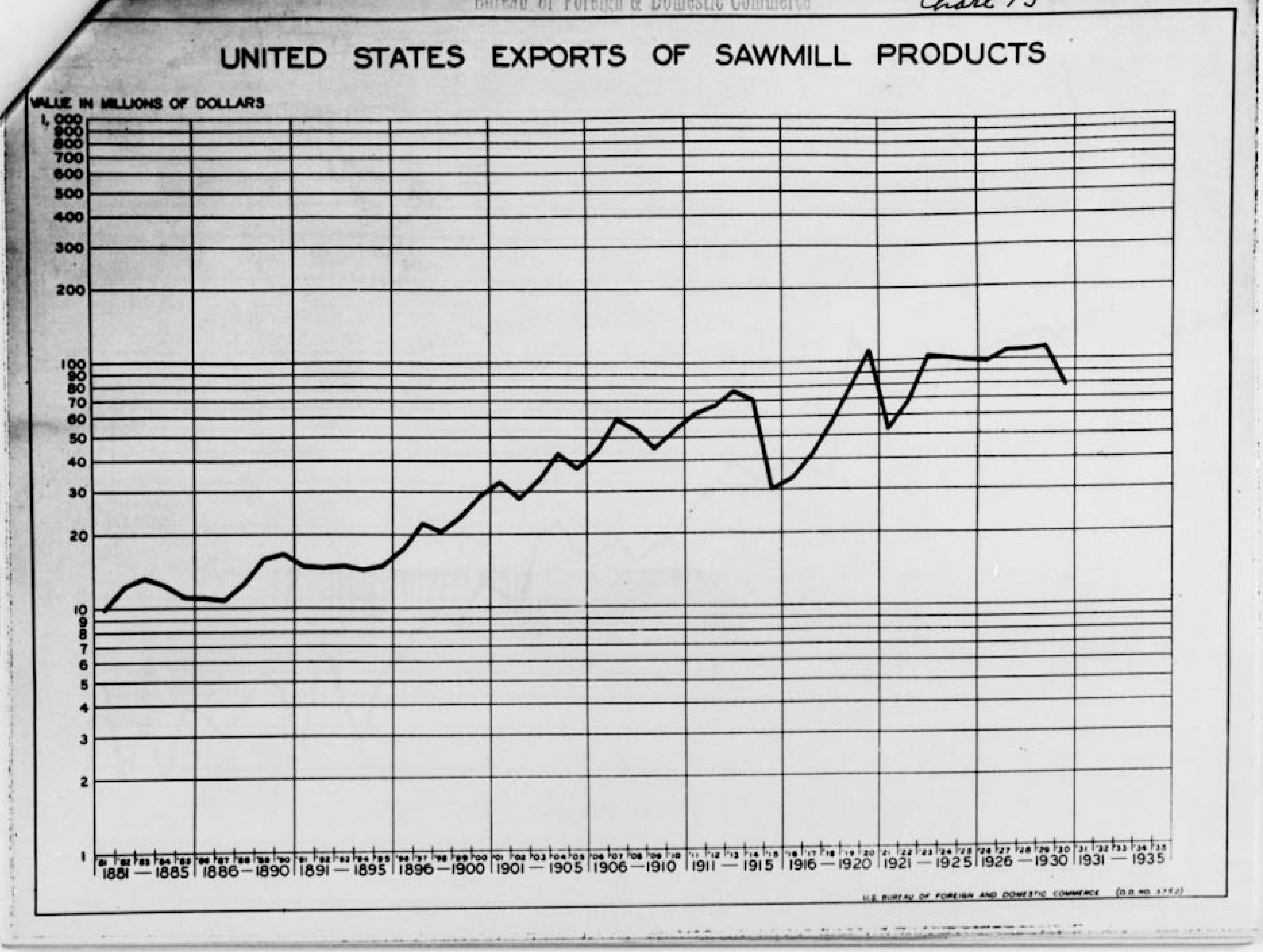
U.S. BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Bureau of Foreign & Domestic Commerce — Chart 12

UNITED STATES EXPORTS OF PETROLEUM AND PRODUCTS



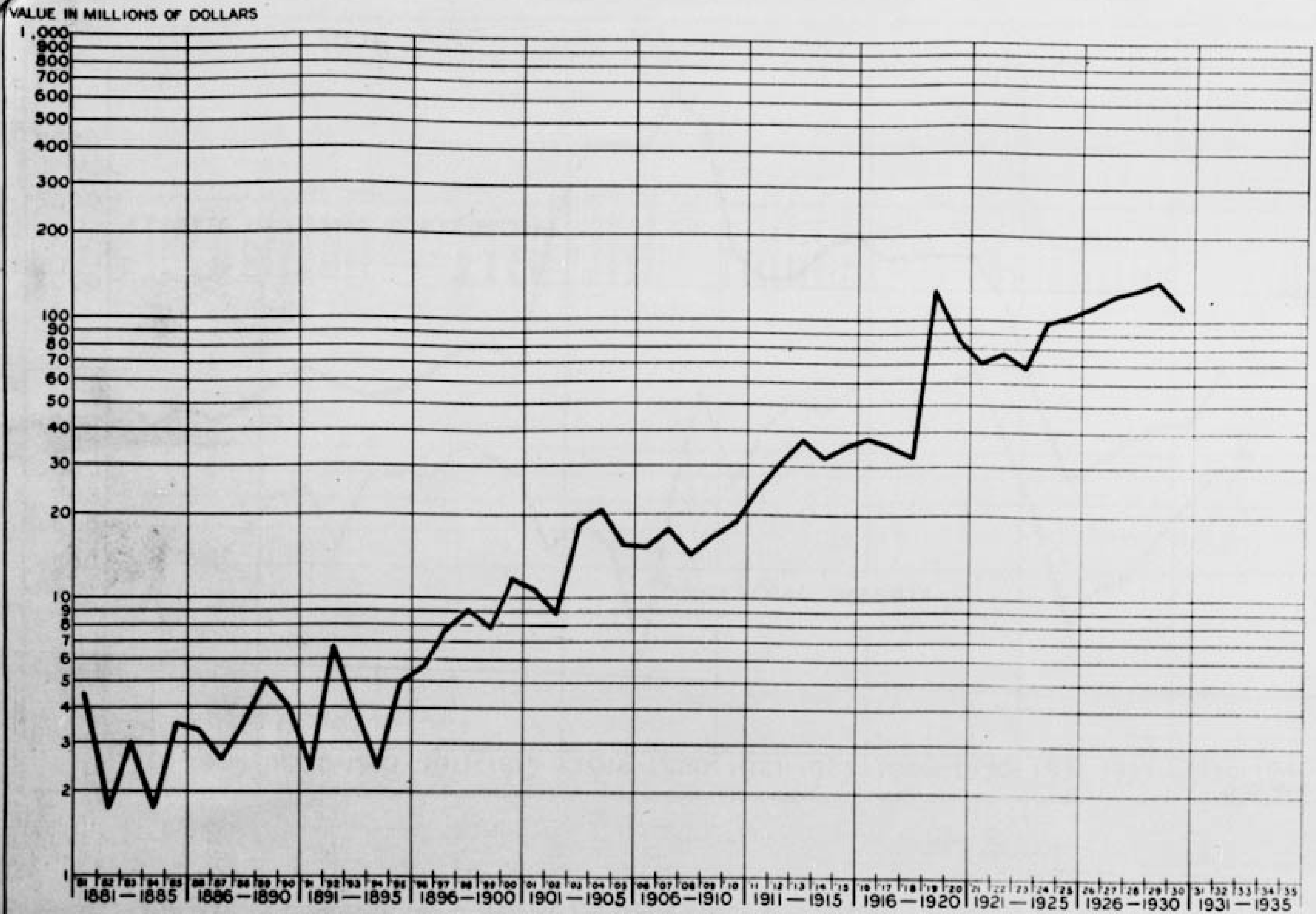
U.S. BUREAU OF FOREIGN AND DOMESTIC COMMERCE


UNITED STATES EXPORTS OF SAWMILL PRODUCTS
VALUE IN MILLIONS OF DOLLARS
1,000
900
800
700
600
500
400
300
200
100
90
80
70
60
50
40
30
20
10
9
8
7
6
5
4
3
2
1
1881 — 1885
1886 — 1890
1891 — 1895
1896 — 1900
1901 — 1905
1906 — 1910
1911 — 1915
1916 — 1920
1921 — 1925
1926 — 1930
1931 — 1935
U.S. BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Bureau of Foreign & Domestic Commerce

Chart 14

UNITED STATES EXPORTS OF FRUITS AND NUTS



U.S. BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Bureau of Foreign & Domestic Commerce

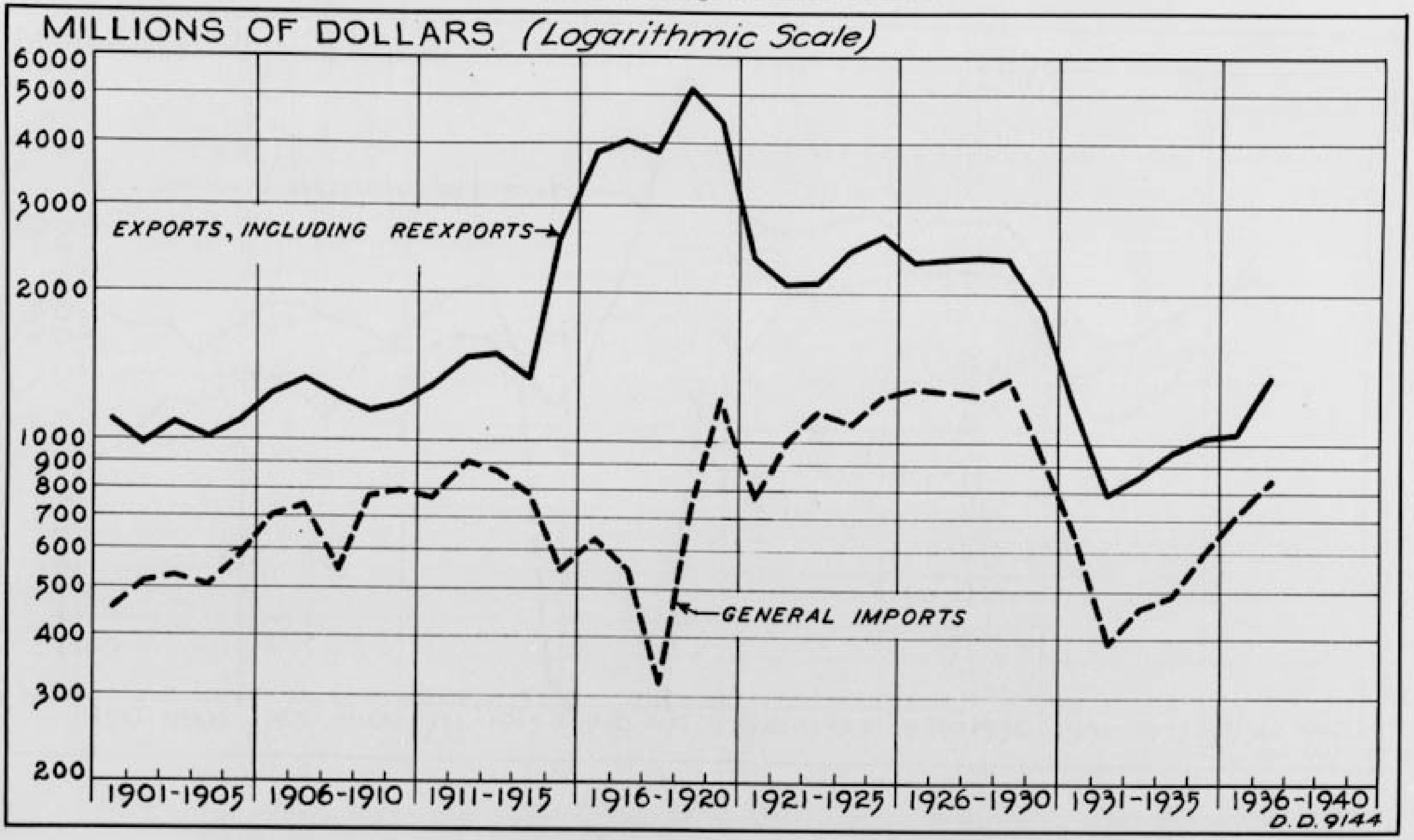


Chart 15. - Trade of the United States with Europe.

Bureau of Foreign & Domestic Commerce

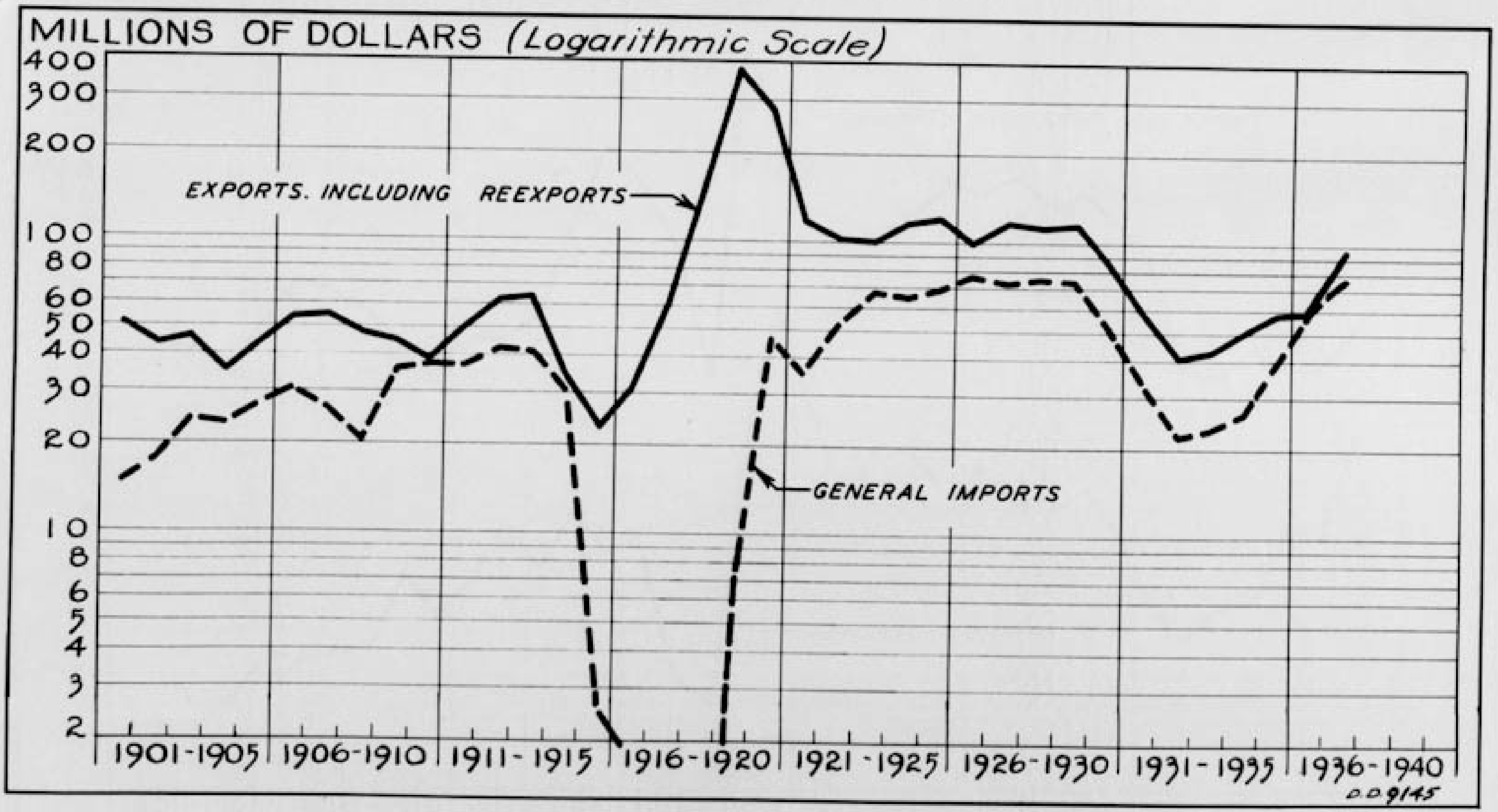


Chart 16. - Trade of the United States with Belgium.

Bureau of Foreign & Domestic Commerce

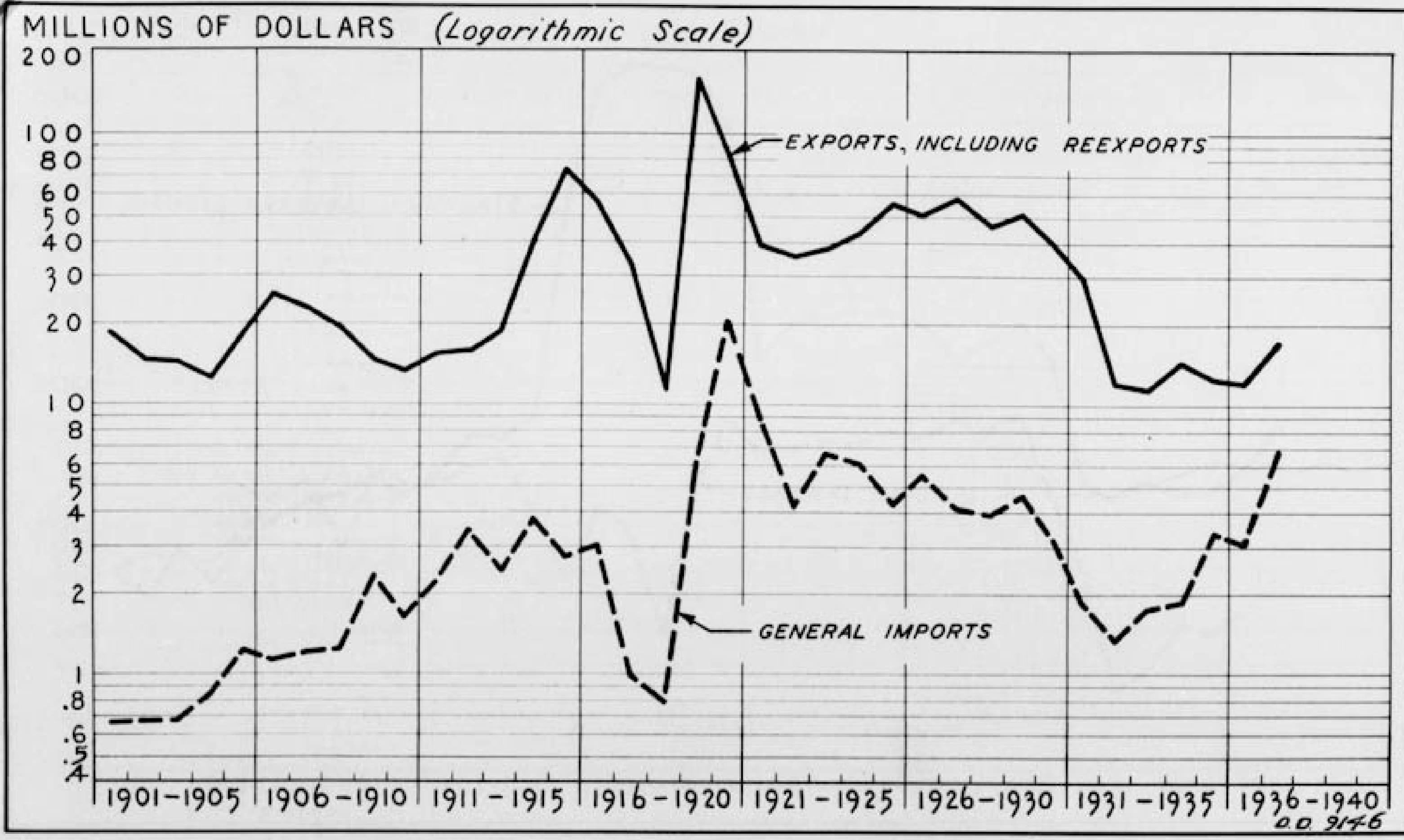


Chart 17.- Trade of the United States with Denmark.

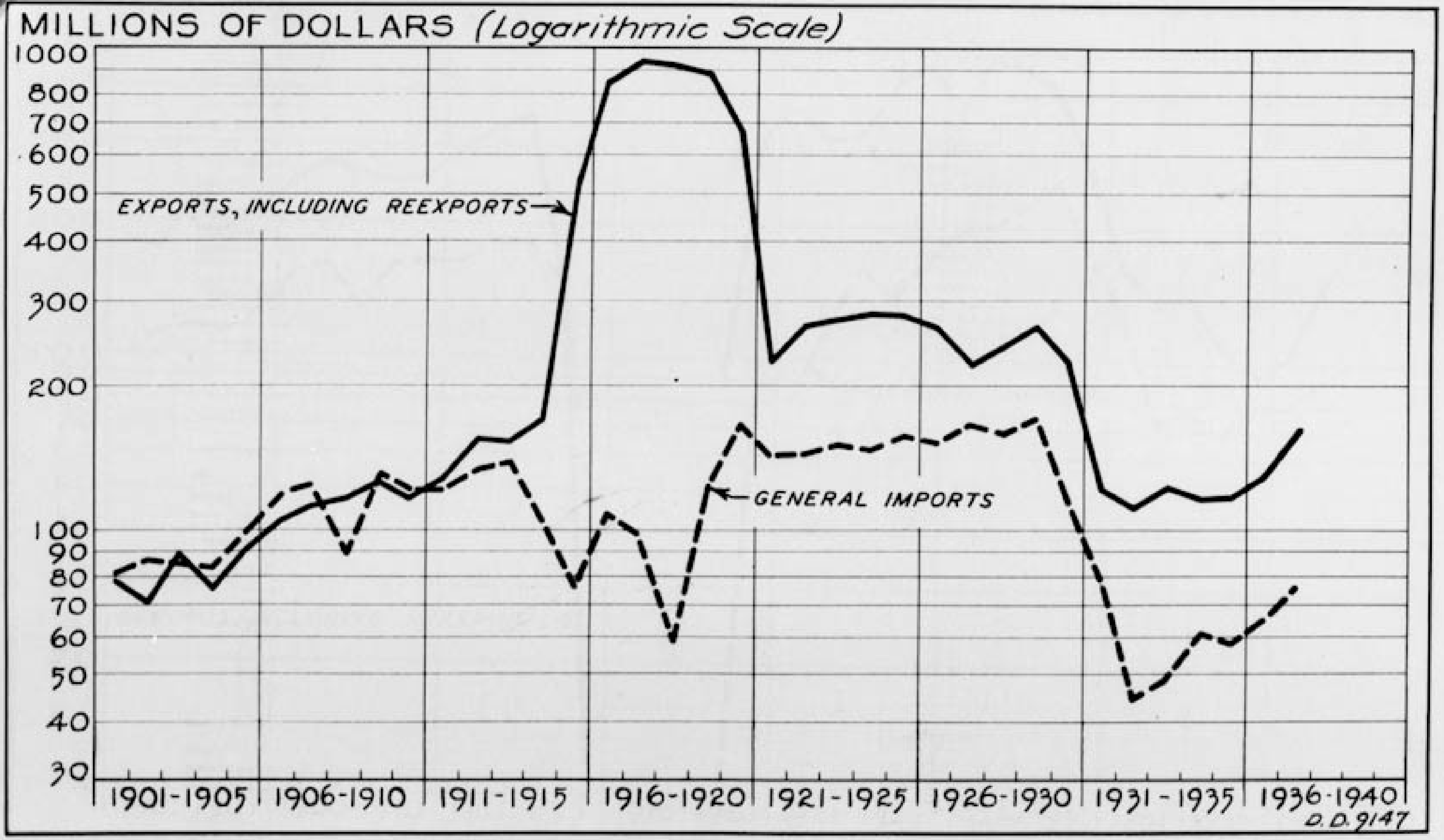


Chart 18.- Trade of the United States with France.

Bureau of Foreign & Domestic Commerce

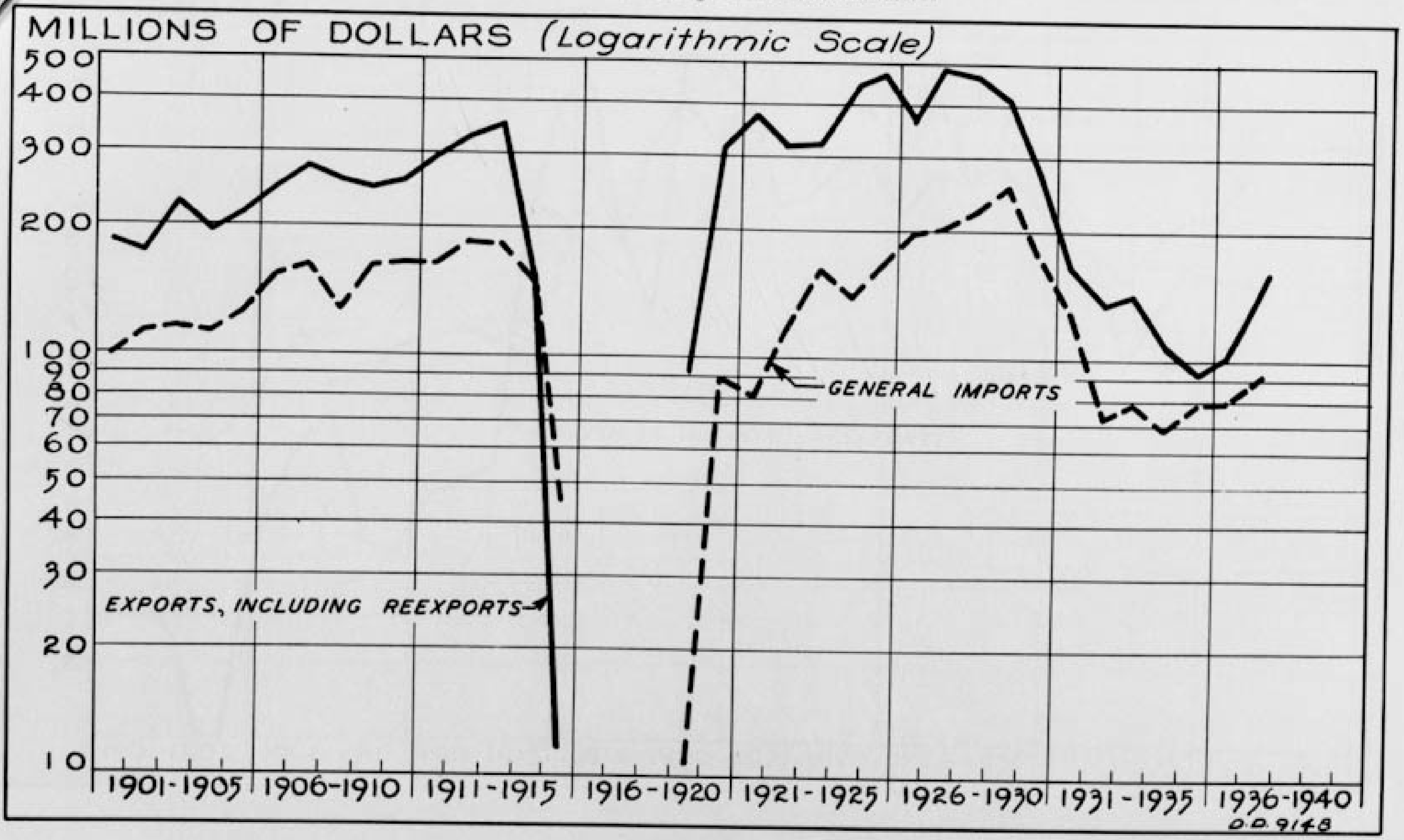


Chart 19.- Trade of the United States with Germany.

Bureau of Foreign & Domestic Commerce

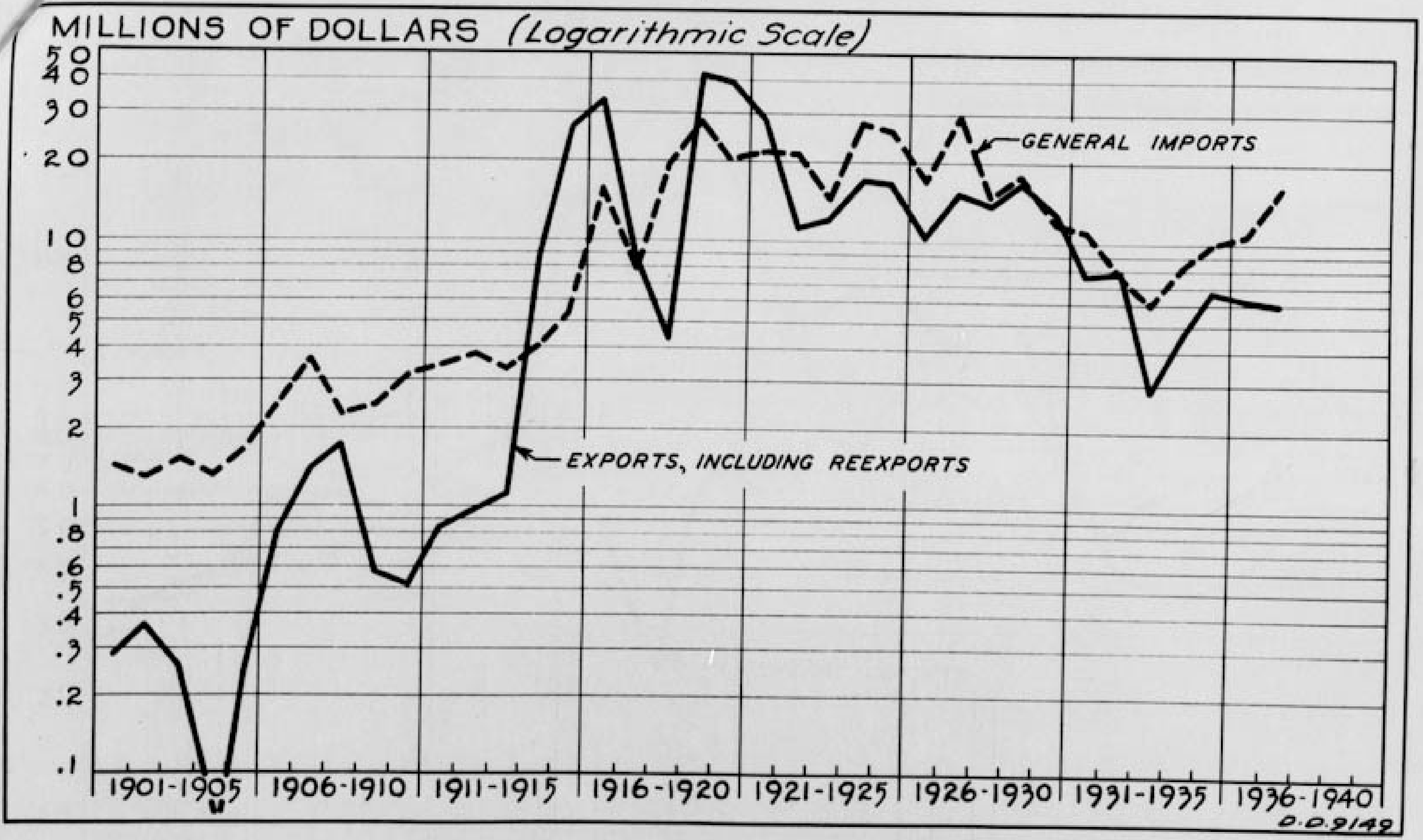


Chart 24-Trade of the United States with Greece.

Bureau of Foreign & Domestic Commerce

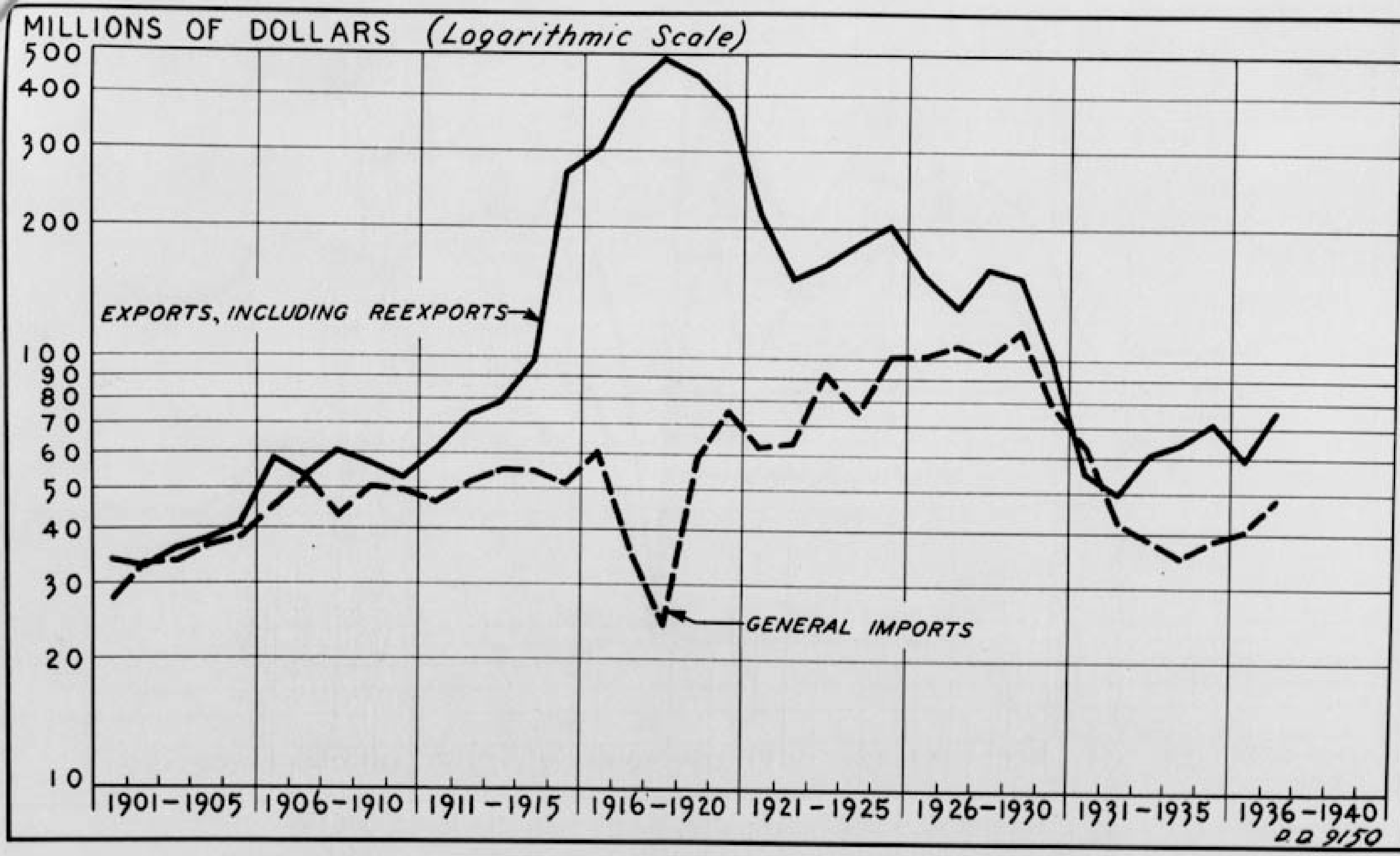


Chart 21. – Trade of the United States with Italy.

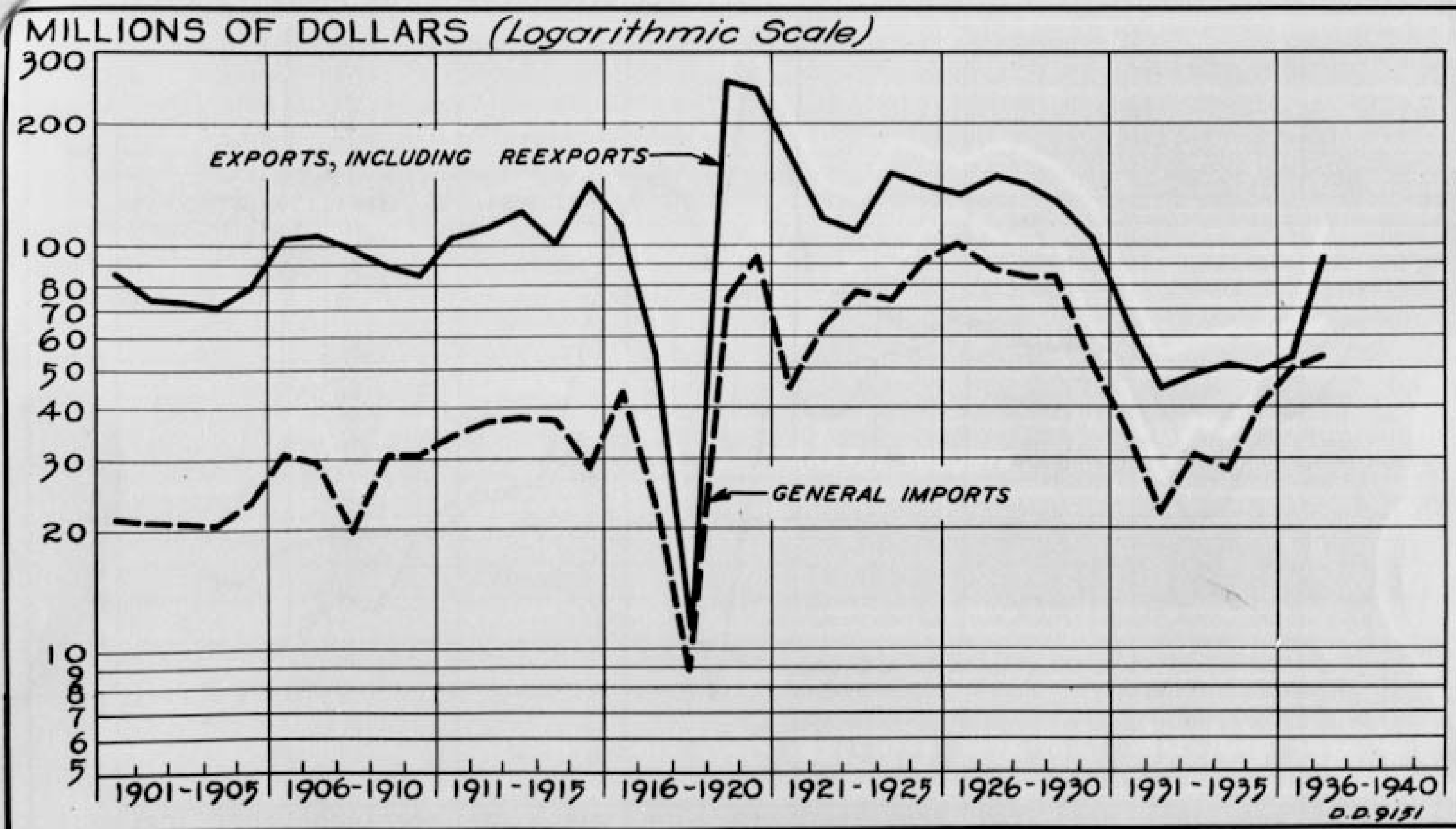


Chart 22.–Trade of the United States with the Netherlands.

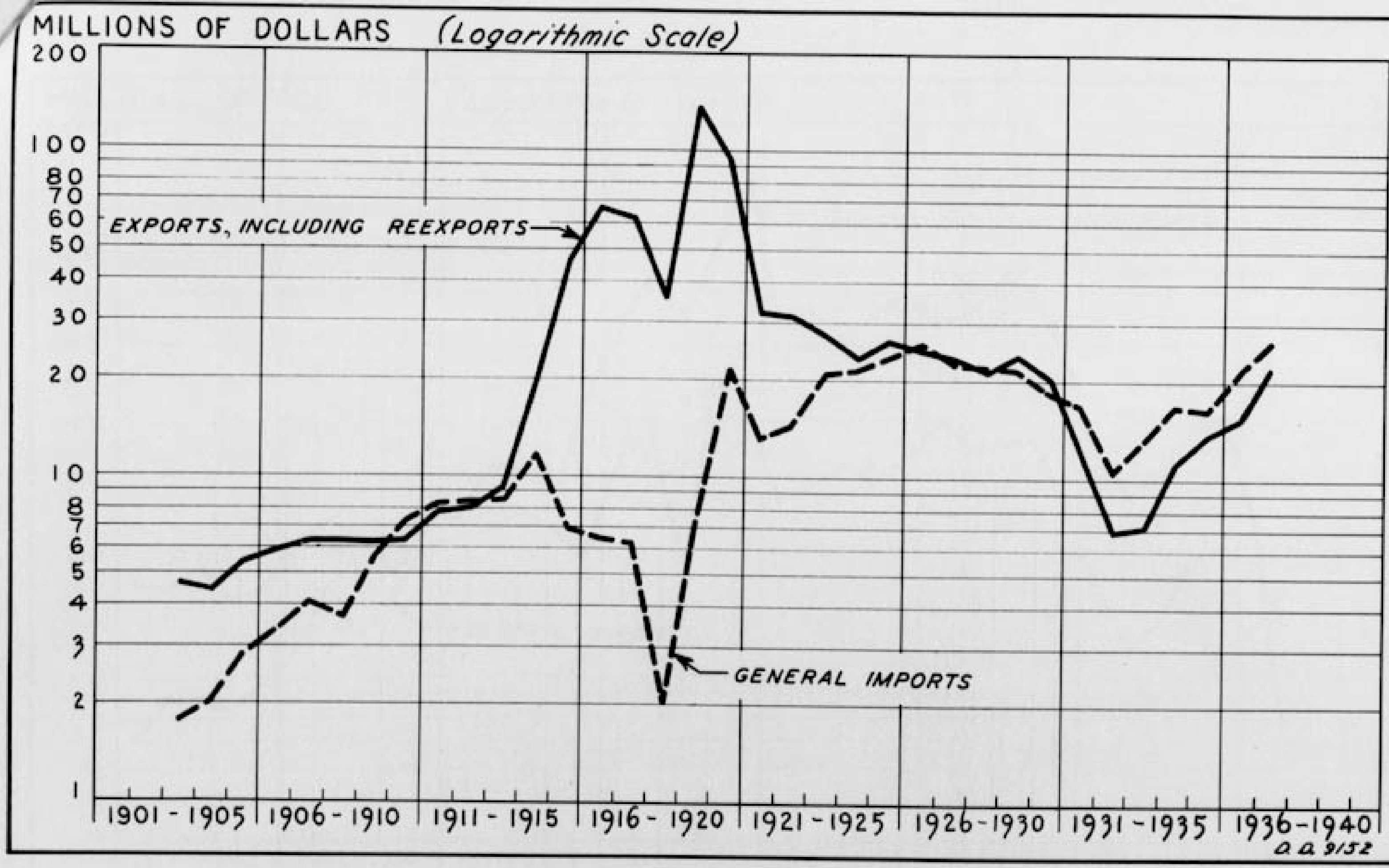


Chart 23.-Trade of the United States with Norway

Bureau of Foreign & Domestic Commerce

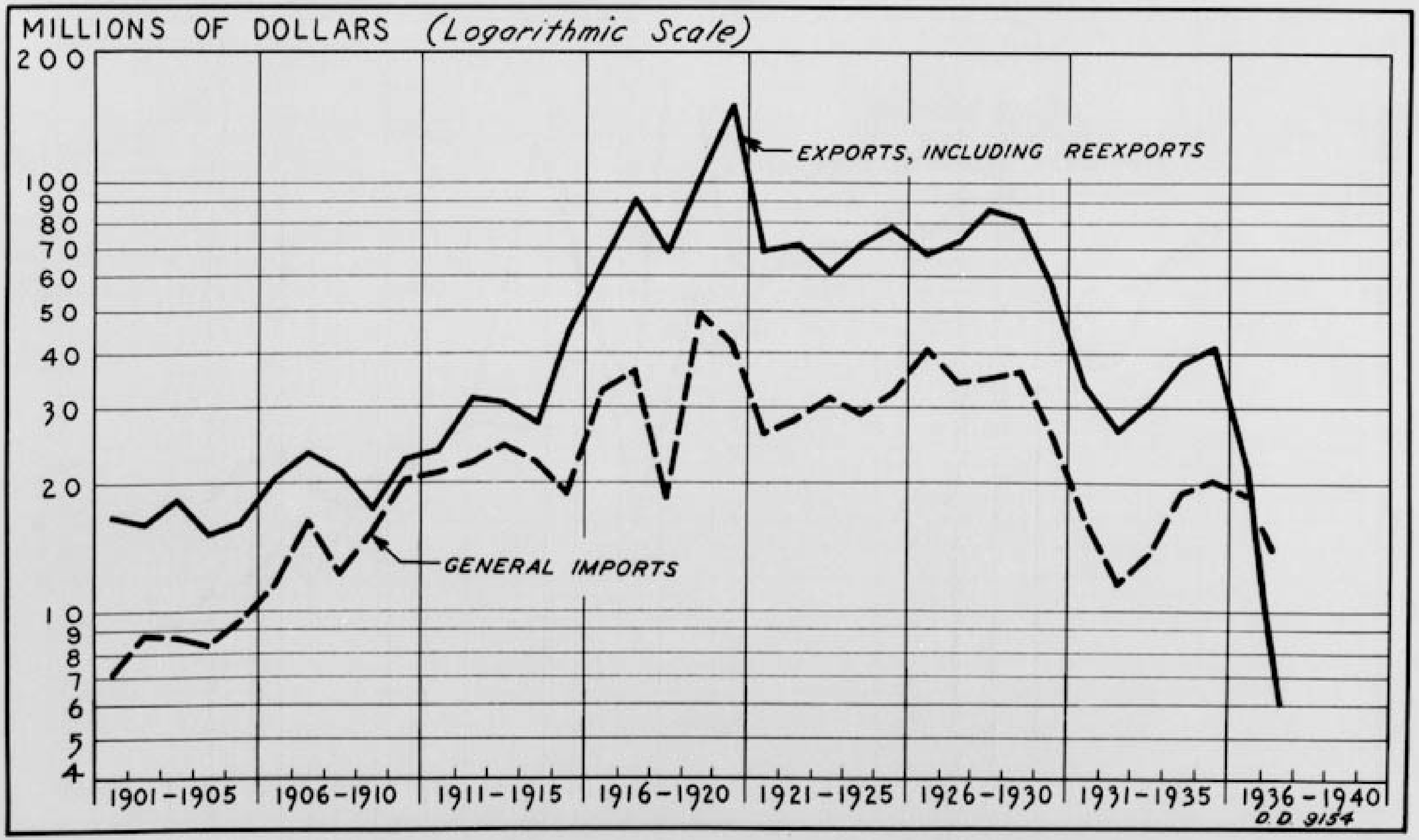


Chart 24.-Trade of the United States with Spain.

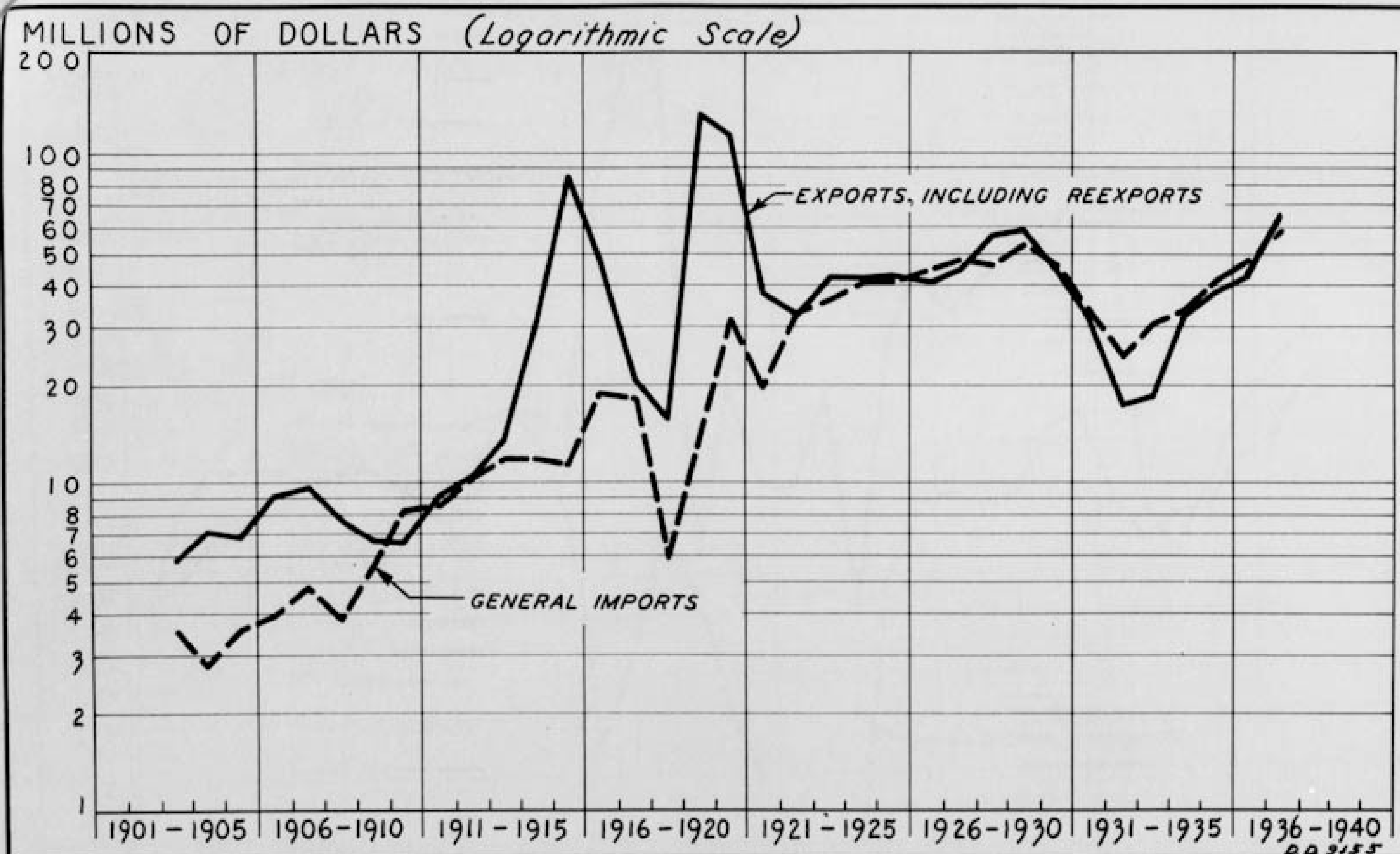


Chart 25-Trade of the United States with Sweden.

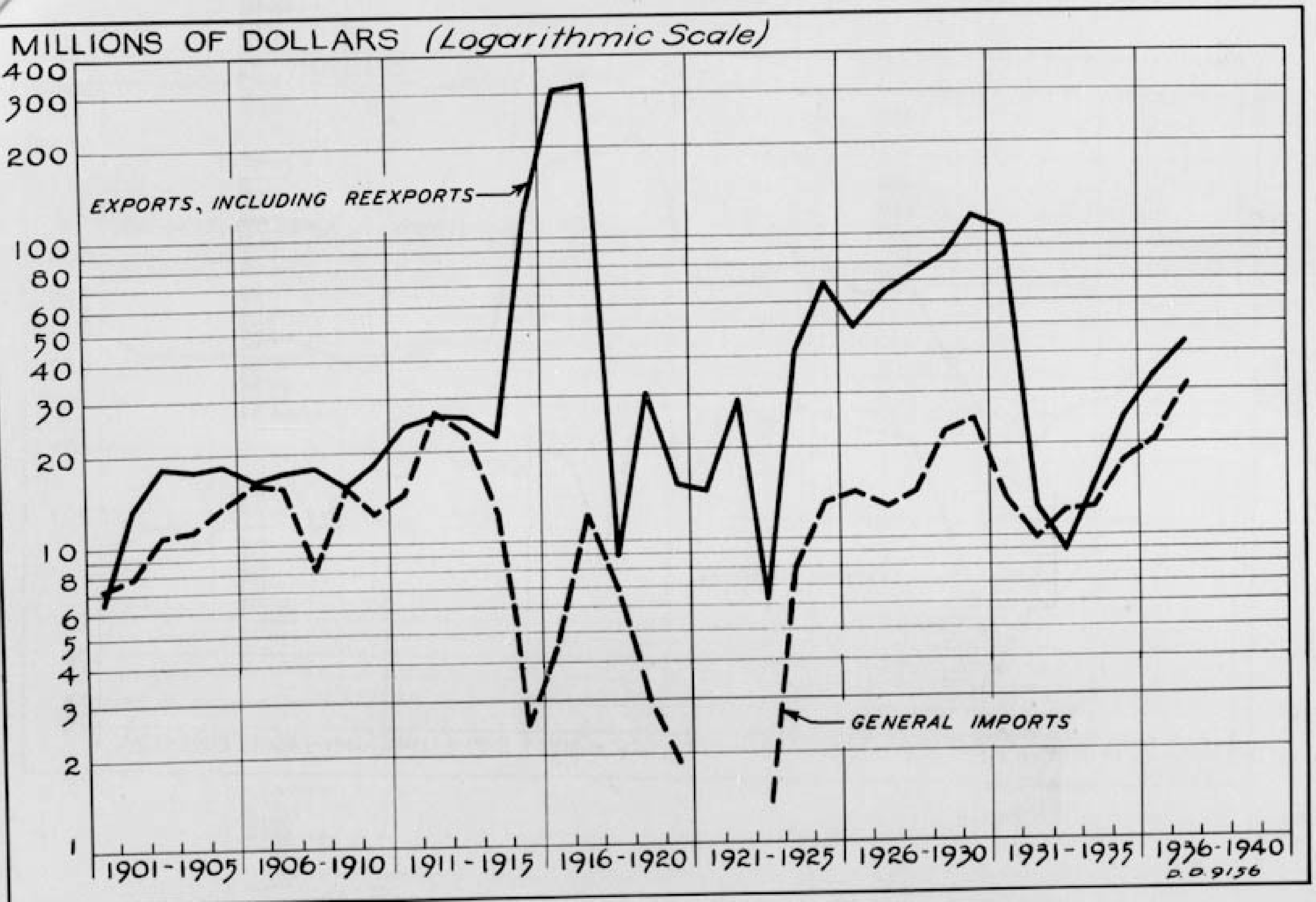


Chart 26. - Trade of U.S. with Union of Soviet Socialist Republics

Bureau of Foreign & Domestic Commerce

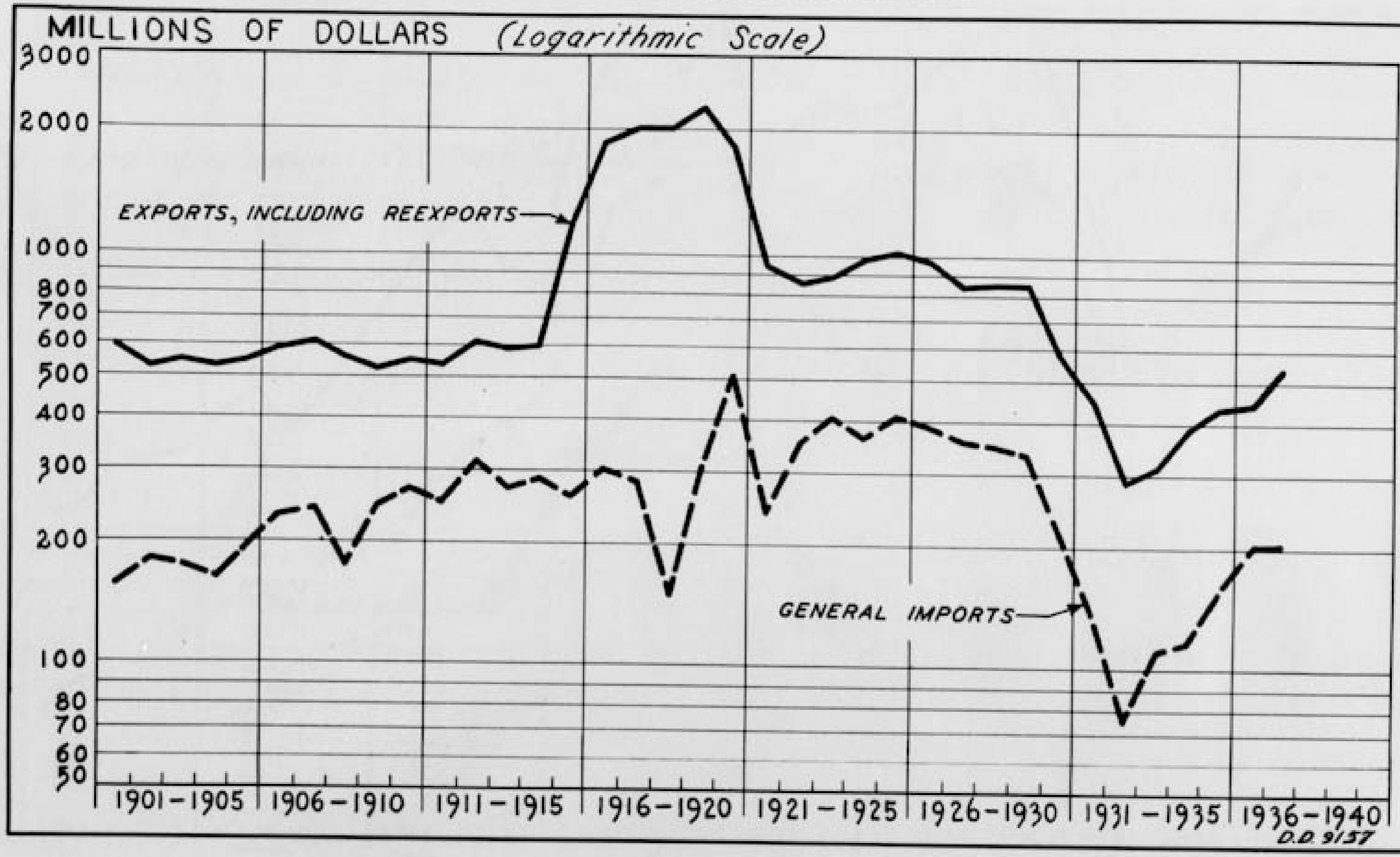


Chart 27.–Trade of the United States with United Kingdom.

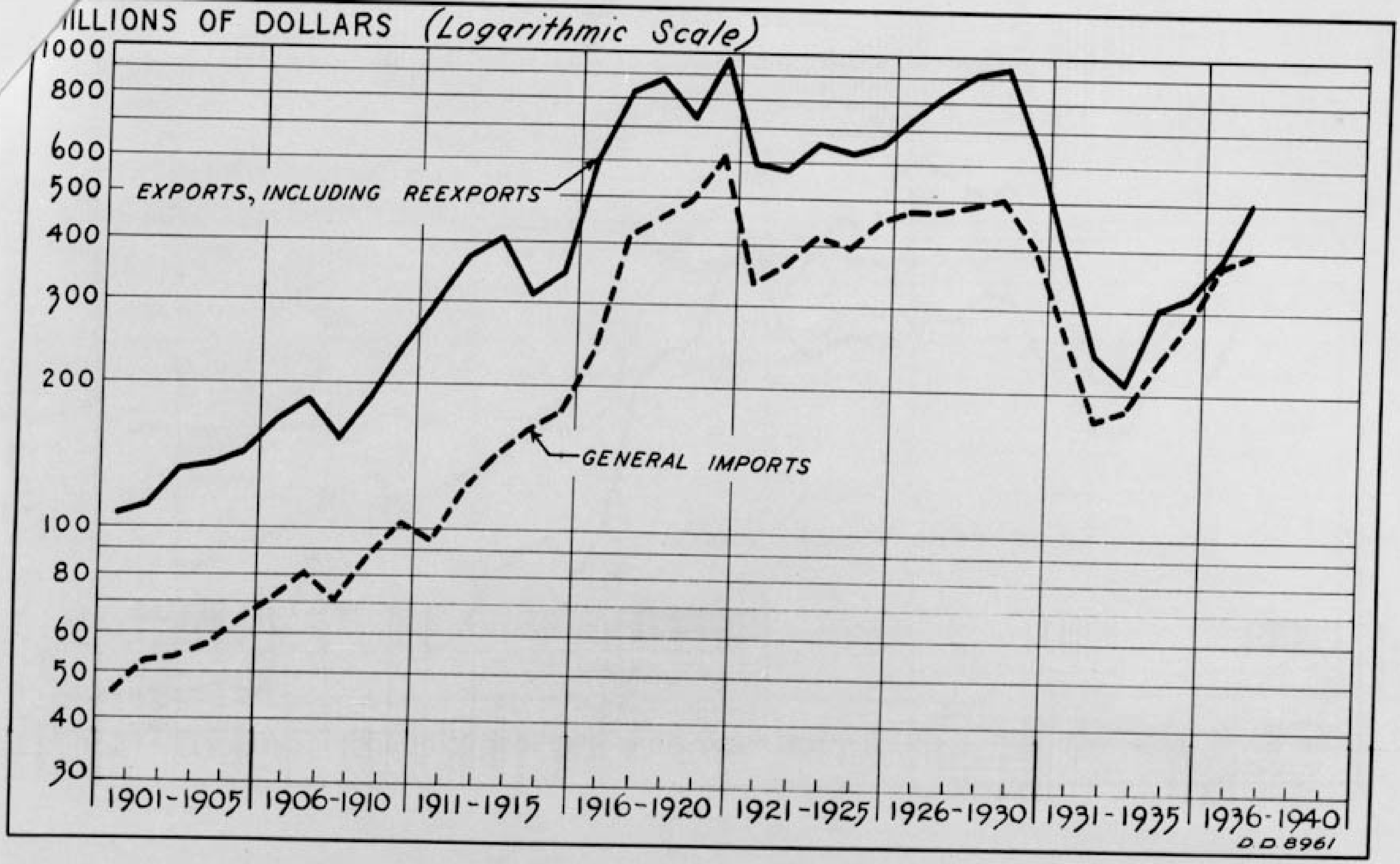


Chart 28. - Trade of the United States with Canada.

Bureau of Foreign & Domestic Commerce

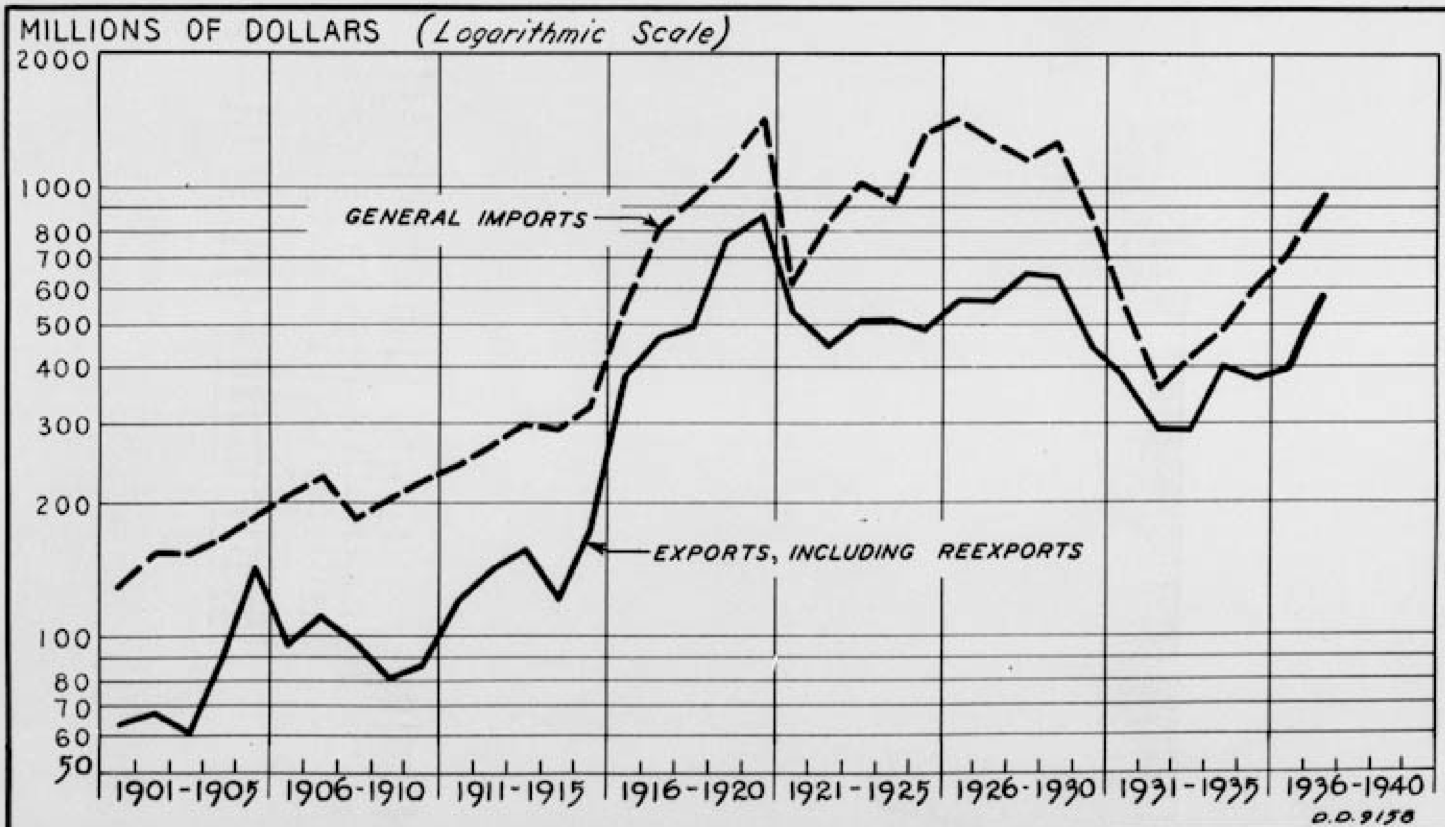


Chart 29.-Trade of the United States with Asia.

Procurement Reports

PSF War

Office of the Attorney General
Washington, D.C.

pick up memorandum ok

December 22, 1937.

My dear Mr. President:

On the tenth of November I sent you an elaborate memorandum dealing with "The President's Power in the Field of Foreign Relations." Part I and Part II of that memorandum have an immediate bearing on some of the problems with which you have to deal in the Far East.

Today I am sending you a supplemental memorandum entitled "Power of the President to Join in the Blockade of Japan." It is very much to the point and fairly bristles with pertinent illustrations and citations.

You will observe that the authority of the Executive is practically unlimited in the matter of any measures - military or otherwise - that he may take, either alone or in conjunction with other governments, in emergencies, which in his judgment call for the exercise of unusual powers. The check upon his authority lies in the force of public opinion. If the measures are reasonable and have the support of the people they cannot be effectively challenged. If public opinion does not support such measures there would naturally be repercussions in the Congress, the extent of which would, in turn, depend on public reactions.

Sincerely yours,

Homer Cummings

The President,
The White House.

December 22, 1937.

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Sincerely yours,

The President,
The White House.

GOLDEN W. BELL
ASSISTANT SOLICITOR GENERAL

JTJ
Rai.

Department of Justice
Washington

JTF:VOA

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Power of the President to join in blockade of Japan

A blockade is a military measure, within the authority of the President under the Constitution, and requires no legislative sanction. United States v. The Tropic Wind, 28 Fed. Cas. pp. 218, 220; Prize Cases, 2 Black (U.S.) 635, 666, 671.

Being a military measure its use is justifiable only in a state of war or other exigency which warrants use of the armed forces; but the Supreme Court stated in the Prize Cases that "the proclamation of blockade is itself official and conclusive evidence to the court that a state of war existed which demanded and authorized a recourse to such a measure, under the circumstances peculiar to the case."

The above-mentioned cases involved the blockade of southern ports by the President in recognition of the actual state of war existing, although no war had been declared and no statute had authorized the blockade.

The power of the President to resort to military measures in the absence of a declaration of war has been disputed in the Congress and elsewhere but has been frequently exercised and has been supported upon principles indicated by the following excerpts:

Senator Cass, of Michigan (1846), answering contrary argument by Calhoun (Benton's Abridgment of the Debates of Congress, Vol. XV, p. 503):

"There can be no hostilities undertaken by a government which do not constitute a state of war. War is a fact, sir, created by an effort made by one nation to injure another. One party may make a war, though it requires two parties to make a peace. The Senator from South Carolina contends that as Congress alone have a right, by the constitution, to declare a war, therefore there can be no war till it is thus declared. There is here a very obvious error. It is certain that Congress alone has the right to declare war. That is, there is no other authority in the United States, which, on our part, can change the relations of peace with another country into those of war. No authority but Congress can commence an aggressive war. But another country can commence a war against us without the co-operation of Congress. Another country can, at its pleasure, terminate the relations of peace with us, and substitute for these the relations of war, with their legitimate consequences. War may be commenced with or without a previous declaration. It may be commenced by a manifesto announcing the fact to the world, or by hostile attacks by land or sea. The honorable Senator from Virginia (Mr. Pennybacker) has well stated the modern practice of nations on this subject. He has referred both to facts and authorities, showing that acts of hostility, with or without a public declaration, constitute a state of war. It was thus the war of 1756 was commenced. It was thus, I believe, was commenced the war between England and France during our Revolution. The peace of Amiens was terminated by an act of hostility, and not by a public manifesto. The capture of the Danish fleet was preceded by no declaration of the intentions of the British Government. Our own war of 1812 was declared on the 18th of June. The manifesto of the Prince Regent, declaring war against us, was not issued till January 10, 1813. And yet long before that our borders had been penetrated in many directions, an army had been subdued and captured, and the whole territory of Michigan had been overrun and seized. All these facts prove conclusively that it is a state of hostilities that produces war, and not any formal declaration. Any other construction would lead to this practical absurdity. England, for instance, by an act of hostility or by a public declaration, announces that she is at war with us. If the view, presented by the honorable Senator from South Carolina, is correct, we are not at war with her till Congress has acted upon the subject. One party, then, is at war, while the other is at peace; or, at any rate, in this new intermediate state of hostilities, before unknown to the world. Now, sir, it is very clear that Mexico is at war with us, we at war with her. If she terminates the peaceful relations between two countries, they are terminated whether we consent or not. The new state of things thus created, does not depend upon the will of Congress. The two nations are at war, because one of them has chosen to place them both in that attitude."

Mr. Justice Grier, in the Prize Cases, supra:

"By the Constitution, Congress alone has the power to declare a national or foreign war. It cannot declare war against a State, or any number of States, by virtue of any clause in the Constitution. The Constitution confers on the President the whole Executive power. He is bound to take care that the laws be faithfully executed. He is Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several States when called into the actual service of the United States. He has no power to initiate or declare a war either against a foreign nation or a domestic State. But by the Acts of Congress of February 28, 1795, and 3d of March, 1807, he is authorized to call out the militia and use the military and naval forces of the United States in case of invasion by foreign nations, and to suppress insurrection against the government of a State or of the United States.

"If a war be made by invasion of a foreign nation, the President is not only authorized but bound to resist force by force. He does not initiate the war, but is bound to accept the challenge without waiting for any special legislative authority. And whether the hostile party be a foreign invader, or States organized in rebellion, it is none the less a war, although the declaration of it be 'unilateral.' Lord Stowell (1 Dodson, 247) observes, 'It is not the less a war on that account, for war may exist without a declaration on either side. It is so laid down by the best writers on the law of nations. A declaration of war by one country only, is not a mere challenge to be accepted or refused at pleasure by the other.'

"The battles of Palo Alto and Resaca de la Palma had been fought before the passage of the Act of Congress of May 13, 1846, which recognized 'a state of war as existing by the act of the Republic of Mexico.' This act not only provided for the future prosecution of the war, but was itself a vindication and ratification of the Act of the President in accepting the challenge without a previous formal declaration of war by Congress.

"This greatest of civil wars was not gradually developed by popular commotion, tumultuous assemblies, or local unorganized insurrections. However long may have been its previous conception, it nevertheless sprung forth suddenly from the parent brain, a Minerva in the full panoply of war. The President was bound to meet it in the shape it presented itself, without waiting for Congress to baptize it with a name; and no name given to it by him or them could change the fact. * * *

"Whether the President in fulfilling his duties, as Commander-in-Chief, in suppressing an insurrection, has met with such armed hostile resistance, and a civil war of such alarming proportions as will compel him to accord to them the character of beilligerents, is a question to be decided by him, and this Court must be governed by the decisions and acts of the political department of the Government to which this power was intrusted. 'He must determine what degree of force the crisis demands.' The proclamation of blockade is itself official and conclusive evidence to the Court that a state of war existed which demanded and authorized a recourse to such a measure, under the circumstances peculiar to the case."

Mr. Justice Nelson, sitting in the Circuit Court in Durand v. Hollins, 4 Black, 451, 454-455 (an action for damages against the Commander of a naval vessel which had bombarded Greytown, Nicaragua, in consequence of an attack upon the United States Consul, 1854):

"As the Executive head of the nation, the President is made the only legitimate organ of the General Government, to open and carry on correspondence or negotiations with foreign nations, in matters concerning the interests of the country or of its citizens. It is to him, also, the citizens abroad must look for protection of person and of property, and for the faithful execution of the laws existing and intended for their protection. For this purpose, the whole Executive power of the country is placed in his hands, under the Constitution, and the laws passed in pursuance thereof; and different Departments of government have been organized, through which this power may be most conveniently executed, whether by negotiation or by force--a Department of State and a Department of the Navy.

"Now, as it respects the interposition of the Executive abroad, for the protection of the lives or property of the citizen, the duty must, of necessity, rest in the discretion of the President. Acts of lawless violence, or of threatened violence to the citizen or his property, cannot be anticipated and provided for; and the protection, to be effectual or of any avail, may, not unfrequently, require the most prompt and decided action. Under our system of Government, the citizen abroad is as much entitled to protection as the citizen at home. The great object and duty of Government is the protection of the lives, liberty, and property of the people composing it, whether abroad or at home; and any Government failing in the accomplishment of the object, or the performance of the duty, is not worth preserving.

* * * * * * *

"The question whether it was the duty of the President to interpose for the protection of the citizens at Greytown against an irresponsible and marauding community that had established itself there, was a public political question, in which the Government, as well as the citizens whose interests were involved, was concerned, and which belonged to the Executive to determine; and his decision is final and conclusive, and justified the defendant in the execution of his orders given through the Secretary of the Navy."

Professor Edward S. Corwin, in his work, "The President's Control of Foreign Relations," gives the following instances of presidential resort to military measures without any declaration of war or express statutory authority:

Jefferson's expedition against the Barbary States (p. 132).

Lincoln's blockade of the Southern Ports (p. 138).

The training of naval guns upon the Austrian ship Hussar to enforce demands for the release of Martin Koszta, a naturalized citizen, 1853 (p. 142).

Bombardment of Greytown, Nicaragua, following an attack by a mob on the United States Consul, 1854. (pp. 143-144)

Naval attack on the Barrier forts in China to avenge an alleged insult to our flag (p. 145).

Buchanan's dispatch of naval vessels to Cuban waters with directions to protect United States ships from search or detention by vessels of war of other nations (p. 146).

McKinley's dispatch of a naval force and an army of 5,000 men to China at the time of the Boxer movement (p. 150).

Wilson's action in placing armed guards on merchant vessels (pp. 152-156). (He had asked the Congress to sanction this, although stating his view that he already possessed the authority--and the Congress had failed to act.)

Bombardment of Japanese ports by naval vessels of the United States, Great Britain and France (p. 161).

President Roosevelt's intervention in the conflict between Panama and Columbia (p. 162).

President Wilson's employment of armed forces in Nicaragua, Haiti, and Santo Domingo (p. 162).

It will also be recalled that President Wilson sent the army across the border into Mexico and sent another expedition to the Port of Vera Cruz.

Professor Corwin states (p. 141) that all so-called congressional declarations of war from 1812 to 1917, inclusive, only recognized the existence ("Whereas war in fact now exists," etc.) of actual war already commenced in fact.

The Japanese attack on the naval vessel, Panay, and the

Standard Oil Company's vessels was clearly an act of hostility, if the President in his discretion chooses to so regard it. In this respect, it differs in no essential particular from the attack upon Fort Sumter. The Supreme Court having determined that the latter warranted presidential resort to military measures, including a blockade of the Southern Ports, it appears to follow that the President is no less authorized now to resort to military measures, including a blockade of Japanese Ports. Applying the principles stated by Mr. Justice Grier and Mr. Justice Nelson, supra, the matter rests solely in the discretion of the President.

The foregoing contemplates the actual use of force, and not a mere paper blockade. If prizes are taken and brought into our courts, of course the legality of the seizures will be subject to judicial determination.

A copy of a memorandum to you of November 8, 1937, on the general subject of "The President's Power in the Field of Foreign Relations" is annexed for reference particularly to Parts I and II which are pertinent to the subject discussed herein.

Respectfully,

Golden Bell

GOLDEN W. BELL
Assistant Solicitor General.

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War

THE WHITE HOUSE
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THE ATTORNEY GENERAL
WASHINGTON

December 23, 1937.

My dear Mr. President:

Attached hereto is a supplemental memorandum concerning the authority of the President under Section 2 of the Act of March 9, 1933, as affecting the Japanese situation.

Sincerely yours,

Homer Cummings

The President,
The White House.

GOLDEN W. BELL
ASSISTANT SOLICITOR GENERAL

Department of Justice
Washington

December 22, 1937.

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Authority of the President under Section 2 of the Act of March 9, 1933, as Affecting the Japanese Situation.

Section 2 of the Act of March 9, 1933, 48 Stat. 1, provides:

> SEC. 2. Subdivision (b) of section 5 of the Act of October 6, 1917 (40 Stat. L. 411), as amended, is hereby amended to read as follows:
>
> "(b) 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 regulation 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. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director,

or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term 'person' means an individual, partnership, association, or corporation."

This statute is, by its terms, limited to matters "within the United States or any place subject to the jurisdiction thereof." It is apparent, however, from a reading of the statute, that the President by proclamation thereunder, and rules and regulations issued in connection therewith, may regulate or <u>prohibit</u>:

1. All transactions in foreign exchange between persons within the United States and Japan or its citizens.

2. All transfers of credit between persons within the United States and Japan or its citizens.

3. All payments by banking institutions in the United States of funds held by said banks to the credit of Japan or its citizens.

4. The export or earmarking of gold or silver coin or bullion or currency by any person within the United States to, or for the benefit of, Japan or its citizens.

5. Any of the transactions referred to in paragraphs 1, 2, 3, and 4 above made with any other foreign nation or its citizens for the use, benefit, or advantage of Japan or its citizens.

Action by the President as above outlined would tend to freeze all credits, balances, and moneys in the United States belonging to Japan or its citizens. Moreover, since trade between nations is largely dependent upon transactions in exchange and transfers of credit, such action would also tend to materially restrict, if not entirely prohibit, trade between the United States and Japan.

The extent to which such action would produce the results above mentioned would depend upon the nature and extent of the regulation or prohibition imposed by the proclamation and by the rules and regulations prescribed by the President in connection therewith.

The question arises whether action under this statute directed against Japan and its citizens exclusively would not be a violation of the treaty of commerce and navigation between United States and Japan which contains most favored nation provisions. The answer to this question probably is that Japan has already violated that treaty, thus rendering it no longer binding upon the United States. It is presumed, however, that no such action would be taken by the President without first having conferred with the State Department on this question.

Respectfully,

Golden W. Bell

GOLDEN W. BELL,
Assistant Solicitor General.

UNITED STATES CODE, Title 50
Section 191

"Secretary of Treasury and Governor of Canal Zone authorized to regulate anchorage, movement, and so forth, of vessels. Whenever the President by proclamation or Executive order declares a national emergency to exist by reason of actual or threatened war, insurrection, or invasion, or disturbance or threatened disturbance of the international relations of the United States, the Secretary of the Treasury may make, subject to the approval of the President, rules and regulations governing the anchorage and movement of any vessel, foreign or domestic, in the territorial waters of the United States, may inspect such vessel at any time, place guards thereon, and, if necessary in his opinion in order to secure such vessels from damage or injury, or to prevent damage or injury to any harbor or waters of the United States, or to secure the observance of the rights and obligations of the United States, may take, by and with the consent of the President, for such purposes, full possession and control of such vessel and remove therefrom the officers and crew thereof and all other persons not specially authorized by him to go or remain on board thereof.

"Within the territory and waters of the Canal Zone the Governor of the Panama Canal, with the approval of the President, shall exercise all the powers conferred by this section on the Secretary of the Treasury."

OFFICE OF
THE ATTORNEY GENERAL

PSF
War

Feb. 10, 1938.

Dear Miss Tully:-

Attached is a copy of the Memo. you requested over the phone.

Paris Houston

MEMORANDUM FOR THE ATTORNEY GENERAL

The President's Power in the Field of Foreign Relations

November 8, 1937.

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: The President's Power in the Field of Foreign Relations.

PART I.

The President as the Depositary of the Executive Power.

"It is important to bear in mind that we are here dealing * * * with * * * the very delicate, plenary and exclusive power of the President as the sole organ of the Federal Government in the field of international relations—a power which does not require as a basis for its existence an act of Congress."—Mr. Justice Sutherland.

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There are two major contentions regarding the extent of the President's power in the field of foreign relations:

(1) That the President, as the Chief Executive, has the sole and unlimited power—that his designation in the Constitution as the depositary of the Executive Power is, in itself, a source of power.

(2) That while the President as the Chief Executive is the sole spokesman of the nation in

> the field of foreign relations, the Congress as the law-making body may prescribe the policy to be followed, and the President in dealing with foreign nations must keep within that policy.

The controversy between the exponents of these two views has existed since the beginning of our constitutional Government. It reached bitter proportions during Washington's administration, with Alexander Hamilton championing the first position and John Madison championing the second. The occasion for their debate was the issuance by the President on April 22, 1793, of the proclamation of neutrality with respect to the war between certain nations, including Great Britain, on the one part and France on the other. This proclamation was in direct conflict with the provisions of the treaty of alliance then existing between the United States and France, and as there was strong sentiment for France in this country at the time, the proclamation aroused severe criticism. It was charged that the President had failed in his constitutional duty to "take care that the laws be faithfully executed," in that he not only had failed to carry out the treaty but had committed the country to a policy in direct opposition to its terms.

In a series of articles signed "Pacificus",[1] Hamilton came to the support of the President, justifying the action taken upon the ground that the President was the sole repre-

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[1] The Works of Alexander Hamilton (John Hamilton Editor), Vol. 7, pp. 76-117.

sentative of the nation in its dealings with other nations, so that in this field no other arm of the Government could interfere with or hamper his action. He took the position that in this field the President's power was supreme and unlimited, pointing out that the Constitution vests in the President The Executive Power, while it vests in the Congress only such legislative power as is therein granted. From this he argued that the executive power is complete except in so far as it is limited by the Constitution, and that the constitutional limitations must be strictly construed. He even inferred that the constitutional grant to the Congress of the power to declare war is not a limitation on the President's right to also exercise this strictly executive function, but that in this respect, the power granted to the Congress is concurrent with the inherent power of the President as the repositary of The Executive Power.

Madison, at the request of Jefferson[2], took issue with Hamilton and in a series of articles signed "Helvidius"[3] advanced the second contention set out above. He took the position that the President's powers, like those of the Congress, were strictly limited to those expressly granted by the Constitution and those necessarily implied therefrom, and that his duty "to take care that the laws be faithfully executed" required him to execute all laws enacted by the Congress including any bearing on the

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[2] Writings of Thomas Jefferson (P.L.Ford Edition), Vol. VI, p. 338.

[3] Madison, Letters and Writings, Vol. 1, pp. 611-654.

subject of foreign relations. He argued that the Constitution vested in Congress the exclusive right to regulate foreign commerce and to declare war, and that this was in direct conflict with Hamilton's views. He contended that if the President believed the laws as enacted by the Congress were improper or inadequate his power was exhausted when he had convened the Congress and communicated his views to that body.

Madison twitted Hamilton with inconsistency by quoting from an earlier article published in the Federalist, in which Hamilton had said:[4]

> " * * * 'The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind <u>as those which concern its intercourse</u> with the rest of the world to the <u>sole</u> disposal of a magistrate created and circumstanced as would be a president of the United States.'— Federalist, vol. 2, p. 344."

Hamilton could well have retorted that Madison, in a speech to the House of Representatives in 1789, upon the question of the President's power to remove from office, had said:[5]

> "The constitution affirms, that the executive power shall be vested in the president. Are there exceptions to this proposition? Yes, there are. The constitution says that, in appointing to office, the senate shall be associated with the president, unless in the case of inferior officers, when the law shall otherwise direct. Have we a right to extend this exception? I believe not. If the

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[4] Idem., pp. 644, 645.

[5] The President's Control of Foreign Relations (Corwin), p. 29.

> constitution has invested all executive power in the president, I venture to assert, that the legislature has no right to diminish or modify his executive authority."

It is thus apparent that neither Hamilton nor Madison, the two early exponents of the opposing theories, was at all times consistent in his views on the subject.

History discloses that Thomas Jefferson, likewise, was at times inconsistent. While Secretary of State under President Washington he wrote an opinion, at the request of the President, in which he said:[6]

> "The transaction of business with foreign nations is Executive altogether. It belongs, then, to the head of that department, except as to such portions of it as are specially submitted to the Senate. Exceptions are to be construed strictly."

This statement by Jefferson has been often quoted by exponents of the Hamiltonian theory. It is to be remembered, however, that Madison's series of articles on the subject were written at Jefferson's request. Moreover, although Jefferson as President, without authority from Congress, sent the American fleet into the Mediterranean to wage war against Tripoli, after that fleet had engaged in a naval battle with the Tripolitan fleet he seemingly belied his authority for his action in a message to Congress of December 8, 1801, in which he said:[7]

> "Tripoli, the least considerable of the Barbary States, had come forward with demands unfounded

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[6] The Writings of Thomas Jefferson (Memorial Edition), Vol. III, p. 16.

[7] The Writings of Thomas Jefferson, op. cit., pp. 328-329, Vol. III.

either in right or in compact, and had permitted itself to denounce war, on our failure to comply before a given day. The style of the demand admitted but one answer. I sent a small squadron of frigates into the Mediterranean * * * with orders to protect our commerce against the threatened attack. * * * Our commerce in the Mediterranean was blockaded, and that of the Atlantic in peril. * * * One of the Tripolitan cruisers having fallen in with, and engaged the small schooner Enterprise, * * * was captured, after a heavy slaughter of her men * * * . Unauthorized by the constitution, without the sanction of Congress, to go beyond the line of defence, the vessel being disabled from committing further hostilities, was liberated with its crew. The legislature will doubtless consider whether, by authorising measures of offence, also, they will place our force on an equal footing with that of its adversaries. I communicate all material information on this subject, that in the exercise of the important function confided by the constitution to the legislature exclusively, their judgment may form itself on a knowledge and consideration of every circumstance of weight."

Again, in the Louisiana Purchase, Jefferson acted first as only the broad theory of Hamilton would permit, and then left his deed to be ratified and paid for by the Congress. Afterwards in a letter to John Breckinridge, dated August 12, 1803, he declared:[8]

"The Constitution has made no provision for our holding foreign territory, still less for incorporating foreign nations into our Union. The executive in seizing the fugitive occurrence which so much advances the good of their country, have done an act beyond the Constitution. The Legislature in casting behind them metaphysical subtleties, and risking themselves like faithful servants, must ratify and pay for it, and throw

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[8] The Writings of Thomas Jefferson, op. cit., Vol. X, p. 407.

themselves on their country for doing for them unauthorized, what we know they would have done for themselves had they been in a situation to do it."

Hamilton, in an article signed "Lucius Crassus", howsoever inconsistently with his own theory of the powers of the Chief Executive, caustically commented on both Jefferson's action and his message in the Tripolitan affair:[9]

"The doctrine of the Message includes the strange absurdity, that without a declaration of war by Congress, our public force may destroy the life, but may not restrain the liberty, or seize the property of an enemy. This was exemplified in the very instance of the Tripolitan corsair. A number of her crew were slaughtered in the combat, and after she was bubdued, she was set free with the remainder. * * * a perfect illustration of the unintelligible right, to take the life but not to abridge the liberty, or capture the property of an enemy. * * * The principle avowed in the Message, would authorize our troops to kill those of the invader, if they should come within reach of their bayonets, perhaps to drive them into the sea, and drown them; but not to disable them from doing harm, by the milder process of making them prisoners, and sending them into confinement. Perhaps it may be replied, that the same end would be answered by disarming, and leaving them to starve. The merit of such an argument would be complete by adding, that should they not be famished, before the arrival of their ships with a fresh sup ly of arms, we might then, if able, disarm them a second time, and send them on board their fleet, to return safely home."

The controversy has continued. From time to time it has been the occasion of discussion in the public press and of debate in the Congress, few administrations having passed with-

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[9] The Works of Alexander Hamilton, _op_. _cit_., Vol. 7

out the question being raised in one form or another. Andrew Jackson maintained that the designation of the President as the depositary of the Executive Power is, in itself, a source of power. Webster denied, without qualification, that the President has any powers except those specified in the Constitution. Chancellor Kent and Justice Story adopted the Hamiltonian view; Alfred Conkling rejected it. The names of prominent men who have kept the discussion alive, some in the support of one and some of the other view, are too numerous to mention here. Many recent articles in the public press and some debates in the last session of the Congress show that the question still is one upon which there is much difference of opinion.

So acute did the question become during Lincoln's administration that the House of Representatives in 1864 adopted a resolution declaring:[10]

> "That Congress has a constitutional right to an authoritative voice in declaring and prescribing the foreign policy of the United States, as well in the recognition of new Powers as in other matters; and it is the constitutional duty of the executive department to respect that policy, not less in diplomatic negotiations than in the use of the national forces when authorized by law; and the propriety of any declaration of foreign policy by Congress is sufficiently proved by the vote which pronounces it; * * * ."

Sharp debate was heard on the question in the Senate in 1906. While participated in by many Senators, it was chiefly

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[10] Congressional Globe, Vol. 67, Pt. 1, p. 66.

between Senator Spooner of Wisconsin and Senator Bacon of Georgia[11]—Senator Spooner supporting the broad theory of the President's powers and Senator Bacon advocating the opposite view. Many of the arguments advanced are reminiscent of those of Hamilton and Madison.

Senator Spooner, in the course of his argument quoted Mr. Justice Story as follows:

> "That a power so extensive in its reach over our foreign relations could not be properly conferred on any other than the executive department will admit of little doubt. That it should be exclusively confined to that department without any participation of the Senate in the functions (that body being conjointly intrusted with the treaty-making power) is not so obvious. Probably the circumstance that in all foreign governments the power was exclusively confined to the executive department, and the utter impracticability of keeping the Senate constantly in session, and the suddenness of the emergencies which might require the action of the Government, conduced to the establishment of the authority in its present form. It is not, indeed, a power likely to be abused, though it is pregnant with consequences often involving the question of peace or war."

Senator Spooner also quoted from Professor Pomeroy as follows:

> "I repeat that the Executive Department, by means of this branch of its power over foreign relations, holds in its keeping the safety, welfare, and even permanence of our internal and domestic institutions. And in wielding this power it is untrammeled by any other department of the Government; no other influence than a moral one can control or curb it; its acts are political, and its responsibility is only political."

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11 Congressional Record, January 23 and February 6, 1906.

Senator Bacon, in support of the other view, said in part:

> "The terms upon which foreign ships shall be allowed to enter our ports or do business with us is an important one in our foreign relations, but the power to fix and determine them is altogether with Congress.
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> * * * *
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> "It is entirely within the competency of Congress to pass a law that no citizen of a given country shall come to this country, that no goods shall be received from it, that no merchandise shall go from this country to it, that no letters shall come from it, that there shall be no intercommunication of any kind whatever. Who doubts the power of Congress to do so?
>
> "In other words, it is within the power of Congress to absolutely sunder the relations between this country and any given foreign country. When that is said the whole thing is said; when that is said the whole argument is exhausted as to where rests the supreme power in foreign affairs, because the whole must include every part. If it is within the power of Congress to absolutely sunder all relations of every kind, commercial, social, political, diplomatic, and of every other nature, it is certainly within the power of Congress to regulate and control every question subsidiary to that and included within it. Congress and not the President is supreme under the Constitution in the control of our foreign affairs.
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> * * * *
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> "Compared to this great array of sovereign powers granted to Congress, those conferred upon the President present a most striking contrast. He is clothed with the great power and responsibility of the execution of the laws, but beyond this the only prerogative of sovereignty with which he is exclusively invested is the pardoning power, and even that is denied to him in cases of impeachment by the House and conviction by the Senate."

The broad powers which Hamilton declared to be vested in the Chief Executive have been exercised to a greater or lesser degree by many of the Presidents. Washington's exercise of power in derogation of the treaty with France, and Jefferson's actions in connection with the war with Tripoli and with the Louisiana Purchase have been noted heretofore. Other instances are the invasions of Mexico under Presidents Polk and Wilson; President McKinley's agreement with England, France, Italy, and Germany to suppress the Boxer Revolution and the sending of a joint expeditionary force into the heart of China; and President Theodore Roosevelt's action in connection with the Venezuela affair in 1901, and his armed assistance to Panama in its revolt against Columbia for the purpose of acquiring the Panama Canal Zone which he had been unable to acquire from Columbia. In all of these situations and in others of like character, the action taken was without authority from Congress, and that of Theodore Roosevelt in Panama was in direct conflict with the treaty with Columbia; yet in each instance the action met with the approval of the people and added to the prestige of the President.

In other instances Presidents have attempted to exercise similar powers without success. Notable examples are President Tyler's attempt to annex Texas in 1844; President Grant's attempt to annex Santo Domingo; and President Wilson's effort to make the United States a party to the League of Nations. On these and other occasions, the attempted exercise of broad powers was not approved by the people and the Presidents therefore failed of their purpose.

An outstanding example of the exercise of executive power in the field of foreign relations is to be found in the Monroe Doctrine. First promulgated by President Monroe in 1823, that Doctrine has been consistently adhered to and has been many times restated and reasserted. As sometimes interpreted, it is broad enough to constitute in advance a declaration of war against any European or Asiatic nation that attempts to interfere in the political affairs of any independent government on either of the American Continents. A few writers have attempted to justify it under the President's statutory authority to repel invasion or threatened invasion, but most have treated it as a purely executive declaration of the foreign policy of the United States. This Doctrine, unsupported for seventy-five years by any act of the Congress, has come to be almost, if not entirely, as much a part of our fundamental law as the Constitution itself. Daniel Webster said of it:[12]

> "I look upon it as a part of its treasures of reputation; and, for one, I intend to guard it. ... I will neither help to erase it nor tear it out; nor shall it be, by any act of mine, blurred or blotted. It did honor to the sagacity of the government, and will not diminish that honor."

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[12] The Real Monroe Doctrine, Elihu Root (1914), No. Amer. Review, Vol. 199, p. 843.

President Cleveland referring to it said:[13]

"It may not have been admitted in so many words to the Code of International Law, but * * * it has its place in the Code of International Law as certainly and as securely as if it were specifically mentioned."

And in 1919, in its "resolution of ratification" of the treaty of Versailles, the Senate incorporated therein, among others, the following reservation:[14]

"The United States will not submit to arbitration or to inquiry by the assembly or by the council of the League [of] Nations, provided for in said treaty of peace, any questions which in the judgment of the United States depend upon or relate to its long-established policy, commonly known as the Monroe doctrine; said doctrine is to be interpreted by the United States alone and is hereby declared to be wholly outside the jurisdiction of said League of Nations and entirely unaffected by any provisions contained in the said treaty of peace with Germany."

While, as has been indicated, many Presidents have asserted the right to exercise the broad powers outlined by Hamilton other Presidents have expressly disavowed this right. President Buchanan's special message to the Congress, dated February 18, 1859, in connection with Central American affairs is an example of such a disavowal. That message called attention to the lawless conditions existing in Central America, to the harsh and unlawful treatment of citizens of the United States and to the arbitrary and unwarranted seizure and confiscation of United States vessels and cargoes in that section of the world.

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13 Idem., p. 934.

14 Congressional Record, Vol. 59, Pt. 5, p. 4577.

It then declared that the President, unlike the Executives of foreign nations, was wholly without authority in his own right to take any action. It disavowed any right in the President, without authority from the Congress, to exert any force to correct conditions or to redress the many grievous wrongs that had been, and were continuing to be, perpetrated against United States citizens and their property, and expressly requested the Congress to grant the President that right.

What a contrast between this action and the action of other Presidents under similar circumstances!

The divergent views of different Presidents on the extent of the executive power is further illustrated by a comparison of statements made by Presidents Theodore Roosevelt and William Howard Taft. Referring to his action in connection with the acquisition of the Panama Canal Zone, Mr. Roosevelt said:[15]

> "If I had followed traditional, conservative methods, I would have submitted a dignified state paper of probably two hundred pages to Congress and the debate on it would have been going on yet; but I took the Canal Zone and let Congress debate."

Speaking in his autobiography of his action in 1905 in putting custom houses in Santo Domingo under American control, Mr. Roosevelt said:[16]

> "The Constitution did not explicitly give me power to bring about the necessary agreement with Santo Domingo. But the Constitution did not forbid my doing what I did. I put the agreement into effect,

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15 Temple Law Quarterly (1937), Vol. XI, p. 421.
16 pp. 551, 552.

and I continued its execution for two years before the Senate acted; and I would have continued it until the end of my term, if necessary, without any action by Congress. But it was far preferable that there should be action by Congress, so that we might be proceeding under a treaty which was the law of the land and not merely by a direction of the Chief Executive which would lapse when that particular Executive left office. I therefore did my best to get the Senate to ratify what I had done."

Mr. Roosevelt further said in his autobiography:[17]

"The most important factor in getting the right spirit in my Administration, next to the insistence upon courage, honesty, and a genuine democracy of desire to serve the plain people, was my insistence upon the theory that the executive power was limited only by specific restrictions and prohibitions appearing in the Constitution or imposed by the Congress under its Constitutional powers. My view was that every executive officer, and above all every executive officer in high position, was a steward of the people bound actively and affirmatively to do all he could for the people, and not to content himself with the negative merit of keeping his talents undamaged in a napkin. I declined to adopt the view that what was imperatively necessary for the Nation could not be done by the President unless he could find some specific authorization to do it. My belief was that it was not only his right but his duty to do anything that the needs of the Nation demanded unless such action was forbidden by the Constitution or by the laws. Under this interpretation of executive power I did and caused to be done many things not previously done by the President and the heads of the departments. I did not usurp power, but I did greatly broaden the use of executive power. In other words, I acted for the public welfare, I acted for the common well being of all our people, whenever and in whatever manner was necessary, unless prevented by direct constitutional or legislative prohibition. I did not care a rap for the mere form and show of power; I cared immensely for the use that could be made of the substance."

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17 pp. 388, 389.

Mr. Taft, on the other hand, in his book "Chief Magistrate", published after his retirement from office, said:[18]

"The true view of the Executive functions is, as I conceive it, that the President can exercise no power which cannot be fairly and reasonably traced to some specific grant of power or justly implied and included within such express grant as proper and necessary to its exercise. Such specific grant must be either in the Federal Constitution or in an act of Congress passed in pursuance thereof. There is no undefined residuum of power which he can exercise because it seems to him to be in the public interest, and there is nothing in the Neagle case and its definition of a law of the United States, or in other precedents, warranting such an inference. The grants of Executive power are necessarily in general terms in order not to embarrass the Executive within the field of action plainly marked for him, but his jurisdiction must be justified and vindicated by affirmative constitutional or statutory provision, or it does not exist."

In the same book Mr. Taft, after quoting from President Roosevelt's autobiography the passage last quoted above, makes this statement:[19]

"My judgment is that the view of * * * Mr. Roosevelt, ascribing an undefined residuum of power to the President is an unsafe doctrine and that it might lead under emergencies to results of an arbitrary character * * * ."

For many years the Supreme Court did not definitely take either side in the controversy. It did hold that in matters of foreign relations the judiciary had no authority, such matters being political in their nature and committed solely to the charge of the political authorities of the Govern-

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18 p. 139.

19 p. 144.

ment; but it did not distinguish between the Congress and the executive, nor designate which, if either, of these two political branches of the Government had the higher authority.

Commentators on the subject cite many decisions of the Supreme Court as tending to support the one theory or the other. However, most decisions of that Court relating to matters in the field of foreign affairs, when carefully examined, involve both congressional and presidential action, and, therefore, involve some form of purported congressional delegation of power. Such decisions are not pertinent here, since the question, so far from being one of congressional delegation of power, is one of what powers the President may exercise without authority from Congress.

Of the decisions usually cited those in Kansas v. Colorado,[20] and In re Neagle[21] have heretofore been most often relied upon by the exponents of the first mentioned theory, and that in Little v. Barreme[22] by the exponents of the second theory. These decisions, however, fall far short of being decisive of the question.

The decision in Kansas v. Colorado is much stressed by advocates of the Hamiltonian theory. That decision relates only to the powers of the judiciary, but in discussing and

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[20] 206 U. S. 46.

[21] 135 U. S. 1.

[22] 2 Cranch 169.

defining those powers the Court adopts much of the reasoning advanced by Hamilton in connection with the executive power, especially that based on the difference in the language of the several constitutional grants of powers.

The decision in the Neagle case is also urged in support of that theory. It holds that the President's duty to "take care that the laws be faithfully executed is not limited to the enforcement of acts of Congress or of treaties of the United States according to their express terms," but that it includes the rights, duties, and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the Government under the Constitution. However, this part of the decision is dictum, since the court justified the action taken by the President in that case under an express congressional grant of authority.

The decision in Little v. Barreme, on the other hand, lends some comfort to the advocates of the Madisonian theory. Apparently it holds that in the field of foreign relations if the Congress has spoken, the President is controlled by the act of that body and by the policy prescribed thereby; but it seems to intimate, in a dictum, that if the Congress has not spoken the power of the President as the Chief Executive are sufficient to enable him to meet any situation that may arise.

The most recent and far reaching decision of the Supreme Court on the question is that in United States v. Curtiss-Wright Corp.,[23] In that decision, rendered December 21, 1936, the Court held:

> "The broad statement that the federal government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs."

It further held that the Government has powers of sovereignty not granted by the Constitution--powers which prior to the declaration of independence were in the English crown; that these powers were wrested from the crown by the colonies collectively and not individually; and that when so wrested from the crown they vested, not in the individual colonies, but in the colonies as a unit. The court declared that among such powers was the power to deal with foreign nations.

The court further held in the Curtiss-Wright Corp. case that in foreign affairs "the President alone has the power to speak or listen as a representative of the nation," being the sole organ of the nation in its external relations and responsible only to the Constitution for his conduct. It then said (pp. 319-320):

> "It is important to bear in mind that we are here dealing not alone with an authority vested in the President by an exertion of legislative power, but with such an authority plus the very delicate,

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23 299 U. S. 304, 315.

plenary and exclusive power of the President as the sole organ of the federal government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress, but which, of course, like every other governmental power, must be exercised in subordination to the applicable provisions of the Constitution. It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved."

It must be remembered, however, that the Curtiss-Wright Corp. case involved, not the question of the President's power to act without congressional authority, but the question of his right to act under and in accord with an act of Congress. In that case the constitutionality of the act under which the Presidents had proceeded was assailed on the ground that it delegated legislative powers to the President. Much of the decision is dicta, and the ratia decedendi is contained in the following language:

"When the President is to be authorized by legislation to act in respect of a matter intended to affect a situation in foreign territory, the legislator properly bears in mind the important consideration that the form of the President's action—or, indeed, whether he shall act at all—may well depend, among other things, upon the nature of the confidential information which he has or may thereafter receive, or upon the effect which his action may have upon our foreign relations. This consideration, in connection with what we have already said on the subject, discloses the unwisdom of requiring Congress in this field of governmental power to lay down narrowly definite standards by which the President is to be governed. As this court said in Mackenzie v. Hare, 239 U.S. 299, 311, 'As a government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern its relations and intercourse with other countries. We should hesitate long before limiting or embarrassing such powers.' (Italics supplied.)"

It is apparent, therefore, that the case leaves much of the controverted question still unsettled. It places internal and external affairs in separate categories, and holds that the strict rule applied by the court to congressional delegations of power to the President in connection with internal affairs does not apply to such delegations of power in connection with external affairs. It intimates that the President might act in external affairs without congressional authority, but it leaves undecided the question whether the Congress can enact a statute in derogation of the President's power in this field—for example, a mandatory embargo or neutrality act—, which question involves the further question whether the President may, in dealing with foreign nations, entirely disregard a statute which the Congress has enacted, and which prescribes a policy to be followed.

On this point the decision of the Supreme Court in Little v. Barreme, supra, is of interest, and perhaps of importance. As before stated, it intimates that when the Congress has not spoken the President's powers over foreign affairs are unlimited, but apparently holds that when the Congress has spoken, his powers are limited to the policy declared by the act of the Congress. Whether the Court would today hold this to be a correct statement of the law, or even the correct interpretation of its former decision, is a matter of conjecture.

In view of what has been said, it is apparent that from the beginning the question of the extent of the President's powers has been a controversial one, and that the answer to the question is to be found in the statement of Chief Justice Marshall in Marbury v. Madison:[24]

> "* * * the president is invested with certain important political powers, in the exercise of which he is to use his own discretion, and is accountable only to his country in his political character, and to his own conscience."

In any government, the exercise of political powers is dependent upon the will of the sovereign. In the United States the people constitute the sovereign, and therefore the successful exercise of any political power by the executive is dependent upon public opinion. For this reason it is doubtful if the question of the extent of the President's powers ever will be definitely determined. Public opinion is changeable; it may favor one thing today and another tomorrow. Therefore,

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[24] 1 Cranch 137, 165-166.

the power which the public will permit the executive to exercise will vary from time to time according to the circumstances involved.

Like Hamilton and Madison, the average man is never consistently either a strict or a liberal constructionist. He views the Constitution and the Government merely as instruments through which he may on the one hand secure the performance of those acts of which he approves and on the other prevent the performance of those acts of which he does not approve. Therefore, if the act sought to be done is one of which the general public approves it will accept any construction, however liberal, which permits the act to be done; but if the act is one of which it does not approve, it will accept any construction, however restricted, which prevents the act from being done.

This was strikingly illustrated during the Wilson administration. When President Wilson, without any authority from the Congress, seized Vera Cruz, and when he later sent an expeditionary force into Mexico, despite criticism in many quarters, the public generally approved those actions. But when later he took the leadership in establishing the League of Nations and in his dealings with European countries practically committed the United States to participation therein, public approval perceptibly waned and the Senate rejected the treaty. As a result thereof the President's prestige was greatly impaired, with consequences injurious to his political influence and to his health.

It follows that a President today, in the performance of an act of which the general public approves, may assume and exercise a power with the approbation of the public; but tomorrow, in the performance of some act of which the public does not approve, he will exercise the same or a like power at his peril.

The question must be considered realistically. It is essentially practical and does not admit of a legalistic treatment that fails to take into account human nature in the individual and in the mass. If it be shocking to legal concept to conclude that a President at one time under the Constitution has the power to do an act in respect of foreign relations, and that the same or another President under the same Constitution has not the power to do such an act at another time, the trouble is not with the conclusion but with the concept. History corroborates the conclusion, while at the same time overturning any legal theory on the subject that does not accord with experience. Even when Conkling was bitterly attacking President Johnson for assuming unwarranted executive power he said:[25]

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[25] Powers of the Executive Department (1866), pp. 154-155.

"It is not like the assumption of a questionable power from good motives and for beneficent ends; * * * where the acquiescence of the nation may rightly be held a practical sanction and affirmation of the power." (Underscoring supplied.)

Presidents will continue in the future to draw their executive power respecting foreign relations from the Constitution, as they have done in the past, and to exercise it. When the people approve the exercise, the existence of the power under the Constitution will be proved; when they disapprove the exercise, the existence of the power under the Constitution will be disproved. In this sphere, indeed, "the event is a great teacher." The theory of Hamilton and the theory of Madison have been debated continuously--and the argument will persist. The two views have not been and cannot be reconciled in the realm of logic; in the practical world they converge. In the field of foreign relations, the Chief Executive moves in a zone of twilight where he may proceed with assurance of his powers under the Constitution only when the people follow and approve. As said by Woodrow Wilson:[26]

"If he [the President] rightly interpret the national thought and boldly insist upon it, he is irresistible."

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[26] Constitutional Government in the United States (1908), 1917 Edition, p. 68.

PART II.

The President's Power to Repel Invasion

"Better to be awakened by the alarm-bell than to perish in the flames"--Burke.

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Closely related to the subject discussed under Part I is the power of the President to repel invasion. That power is unquestioned. The exponents of the Hamiltonian theory contend that the power, without statutory authority, would be inherent in the President as the Chief Executive; but it is not necessary to rely on this view, since the statutes expressly provide that "whenever the United States shall be invaded or in imminent danger of invasion by any foreign nation", the President may use the military and naval forces to repel such invasion.

In the Prize Cases,[27] the Supreme Court said (p.668):

> "But by the Acts of Congress * * * he is authorized to call out the militia and use the military and naval forces of the United States in case of invasion by foreign nations, and to suppress insurrection against the government of a State or of the United States.
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> "If a war be made by invasion of a foreign nation, the President is not only authorised but bound to resist force by force. He does not initiate the war, but is bound to accept the challenge without waiting for any special legislative authority."

In *Martin* v. *Mott*,[28] the Supreme Court took a some-

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[27] 2 Black 635.
[28] 12 Wheat. 19.

what broader view of this power of the President. In that case Justice Story, speaking for the Court, said (pp. 27-30, 31):

> "For the more clear and exact consideration of the subject, it may be necessary to refer to the constitution of the United States, and some of the provisions of the act of 1795. The constitution declares, that congress shall have power 'to provide for calling forth the militia, to execute the laws of the Union, suppress insurrections, and repel invasions:' and also 'to provide for organizing, arming and disciplining the militia, and for governing such part of them as may be employed in the service of the United States.' In pursuance of this authority, the act of 1795 has provided, 'that whenever the United States shall be invaded, or be in imminent danger of invasion from any foreign nation or Indian tribe, it shall be lawful for the president of the United States to call forth such number of the militia of the state or states most convenient to the place of danger, or scene of action, as he may judge necessary to repel such invasion, and to issue his order for that purpose to such officer or officers of the militia as he may think proper.' And like provisions are made for the other cases stated in the constitution. It has not been denied here, that the act of 1795 is within the constitutional authority of congress, or that congress may not lawfully provide for cases of imminent danger of invasion, as well as for cases where an invasion has actually taken place. In our opinion, there is no ground for a doubt on this point, even if it had been relied on, for the power to provide for repelling invasions includes the power to provide against the attempt and danger of invasion, as the necessary and proper means to effectuate the object. One of the best means to repel invasions is to provide the requisite force for action, before the invader himself has reached the soil.
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> "The power thus confided by congress to the president, is, doubtless, of a very high and deli-

cate nature. A free people are naturally jealous of the exercise of military power; and the power to call the militia into actual service, is certainly felt to be one of no ordinary magnitude. But it is not a power which can be executed without a correspondent responsibility. It is, in its terms, a limited power, confined to cases of actual invasion, or of imminent danger of invasion. If it be a limited power, the question arises, by whom is the exigency to be judged of and decided? Is the president the sole and exclusive judge whether the exigency has arisen, or is it to be considered as an open question, upon which every officer to whom the orders of the president are addressed, may decide for himself, and equally open to be contested by every militia-man who shall refuse to obey the orders of the president? We are all of opinion, that the authority to decide whether the exigency has arisen, belongs exclusively to the president, and that his decision is conclusive upon all other persons. We think that this construction necessarily results from the nature of the power itself, and from the manifest object contemplated by the act of congress. The power itself is to be exercised upon sudden emergencies, upon great occasions of state, and under circumstances which may be vital to the existence of the Union. * * *

"If we look at the language of the act of 1795, every conclusion drawn from the nature of the power itself, is strongly fortified. The words are, 'whenever the United States shall be invaded, or be in imminent danger of invasion, &c., it shall be lawful for the president, &c., to call forth such number of the militia, &c., as he may judge necessary to repel such invasion.' The power itself is confided to the executive of the Union, to him who is, by the constitution, 'the commander-in-chief of the militia, when called into the actual service of the United States,' whose duty it is to 'take care that the laws be faithfully executed,' and whose responsibility for an honest discharge of his official obligations is secured by the highest sanctions. He is necessarily constituted the judge of the existence of the exigency, in the first instance, and is bound to act according to his belief of the facts. * * * "

The use in the statutes and decisions of the term "imminent danger of invasion" raises another question. Assuming that the President's power to use force against a foreign nation is limited to his statutory power to repel an "invasion" or an "imminent danger of invasion", what constitutes an "imminent danger of invasion"? Under what circumstances may the President act, and how far may he go, under his authority to meet an "imminent danger of invastion"?

As mentioned in Part I of this memorandum, the Monroe Doctrine has sometimes been justified under the powers of the President to repel threatened invasions; but if this power be the sole justification for the Monroe Doctrine, how far may it be extended under present conditions? If at the time the Monroe Doctrine was announced—the day of coach by land and sail by sea--the interference by a foreign nation in South American affairs constituted a threat of invasion of the United States, what is necessary to constitute such a threat today in the world of the airplane and the submarine? In the light of present means of rapid transportation and destructive warfare, how far is the President justified in finding in military preparations and activities by foreign nations threat of invasion? Do the military activities and demonstrations of Japan, for example, constitute a threat of invasion of the Philippine Islands or of Hawaii? Could there be sufficient military developments and demonstrations on islands in the Pacific or Atlantic or on the European or the Asiatic Continent to constitute such a threat?

Moreover, what does the term "invasion" embrace? Is it limited to territorial invasion, or does it comprehend, also, invasion of the rights of this country as a sovereign nation, wherever committed?

Again, attention is called to President Jefferson's message to Congress in connection with the Tripolitan affair. Jefferson justified the action taken on the ground that he had sent the fleet to the Mediterranean "with orders to protect our commerce against * * * threatened attack". Since, in the same document, he disclaimed any authority to act without authority from the Congress, perhaps he deemed his statutory authority to repel invasion or threatened invasion as sufficient authority.

The real answer here, also, is that the determination of when there is invasion or imminent danger of invasion and power to deal with the subject are political questions which can be resolved only through the exercise of the President's judgment supported by the will of the people. Woodrow Wilson said:[29]

> "The President may * * * be both the leader of his party and the leader of the nation, or he may be one or the other. If he lead the nation, his party can hardly resist him. His office is anything he has the sagacity and force to make it."

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[29] Op. Cit., p. 69.

And as stated by Justice Story in Martin v. Mott, supra:

> "It is no answer, that such a power [the power to provide against the danger of invasion] may be abused, for there is no power which is not susceptible of abuse. The remedy for this, as well as for all other official misconduct, if it should occur, is to be found in the constitution itself. In a free government, the danger must be remote, since, in addition to the high qualities which the executive must be presumed to possess, of public virtue, and honest devotion to the public interests, the frequency of elections, and the watchfulness of the representatives of the nation, carry with them all the checks which can be useful to guard against usurpation or wanton tyranny."

PART III.

The President's Position in the Far Eastern and Spanish Affairs as Affected by the Neutrality Act of 1937.

"The transaction of business with foreign nations is executive altogether." — Jefferson.

If the Hamiltonian theory of the President's powers be accepted in its broadest sense, the Neutrality Act of 1937 may be treated by him as advisory only, to be put into effect or not at a particular time as he may determine to be for the best interests of the country. If the Madisonian view be adopted, however, even with material qualifications, the Neutrality Act binds the President and makes it his constitutional duty to "take care" that it is enforced.

Since considerable misapprehension has appeared in the public press with respect to the effect of the Neutrality Act of 1937 upon prior existing treaties entered into between this country and foreign nations, it is to be observed at the outset that it is settled by the decisions of the Supreme Court that under the Constitution both treaties and acts of Congress are the supreme law of the land; that neither is superior to the other; and that in case of conflict, that which is later in date controls.[50] It follows that to the

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[50] See Pigeon River Co. v. Cox Co., 291 U.S. 138, 160; Cook v. United States, 288 U.S. 102, 118; Ex Parte Webb, 225 U.S. 665; Head Money Cases, 112 U.S. 580.

extent that the Neutrality Act of 1937 conflicts with any prior treaty, the treaty is abrogated by the Act.

The legislative history of the Act is in accord with this doctrine. During the Session at which the Joint Resolution of February 29, 1936 was adopted, the House Committee on Foreign Affairs had reported a resolution (H.J. Res. 422)[31] containing the following section:

> "SEC. 16. If the President shall find that any of the provisions of this Act, if applied, would contravene treaty provisions in force between the United States and any foreign country before such provisions shall become applicable as to such foreign country or countries, he shall enter into negotiations with the government of such country for the purpose of effecting such modification of the treaty provisions as may be necessary, and if he shall be unable to bring about the necessary modifications, he may in his discretion, but before such provisions shall become applicable as to such foreign country or countries he shall give notice of termination and terminate the treaty in accordance with the terms thereof."

In connection therewith the Committee's report stated:

> "Section 16: This section has created quite an argument in your committee, on the question as to whether or not any of the provisions of this bill would violate any treaties between the United States and any foreign countries. While this section provides that if the President shall find that any of the provisions of this act, if applied, would contravene treaty provisions in force between the United States and any foreign country, he may enter into negotiations with the government of such country for the purpose of effecting such modification of the treaty provisions which will be necessary, and

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[31] House Report 1928, 74th Cong., 2d Sess.

> if he shall be unable to bring about the necessary modifications, he may, in his discretion, give notice of the termination of the treaty. Many of our treaties with European countries have a provision of 1 year's notice of termination. The committee is very anxious to see that no treaty rights are violated, * * * ."

The Committee later abandoned this more liberal resolution and reported a substitute resolution which became the Joint Resolution of February 29, 1936. The Committee's report[32] made no explanation of the change of position but Chairman McReynolds explained on the floor of the House that a compromise had been necessary.[33] The Committee was accused of "retreat and surrender," "and abandonment of everything that Committee stood for." During the consideration of the substitute resolution in the House and in the Senate there was no mention of the question of the effect of the resolution on treaties. The Joint Resolution of February 29, 1936, was substantially reenacted in section 1 of the Neutrality Act of 1937.

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[32] House Report 2001, 74th Cong., 2d Sess.

[33] Cong. Rec., Vol. 80, p. 2240.

A. The Spanish Situation.

Section 1 (c) of the Neutrality Act of 1937 provides as follows:

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

Acting under that provision, the President on May 1, 1937, found and proclaimed that:[34]

> "A state of civil strife unhappily exists in Spain and that such civil strife is of a magnitude and is being conducted under such conditions that the export of arms, ammunition, or implements of war from the United States to Spain would threaten and endanger the peace of the United States * * * ."

It is thus obvious that the President, with ample justification for his finding, followed, with respect to the civil strife existing in Spain, precisely the course which he was authorized by the Congress to take.

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[34] Fed. Reg., Vol. 2, p. 923.

Under the facts any criticism of the President's action in this situation cannot be directed fairly to any unwarranted assumption of power. Nor can fault be found properly on the ground that circumstances in Spain did not justify his finding--everyone knows that they did, and in any event, the Congress left it to the President's sole discretion to judge whether the facts in a given situation justify such a finding and proclamation.

For the reason stated above, any earlier treaty with Spain inconsistent with the Neutrality Act of 1937 was abrogated by that Act and the President's action under it, to the extent of the inconsistency.

B. The Far Eastern Situation.

Section 1 (a) of the Neutrality Act of 1937 provides as follows:

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

The President has not yet found under this section "that there exists a state of war between" China and Japan.

Irrespective of whether the provisions of section 1 are mandatory, requiring the President to find the existence of a state of war when in fact it does exist, or discretionary, leaving it to him, when there exists a state of war, to determine whether and when he shall make a finding of its existence so as to make the Neutrality Act applicable to it, his position in not having made a finding that a state of war exists between China and Japan is fully justified, notwithstanding that to many people the existence of war in China is an accepted fact.

Japan has not formally declared war on China, nor has China formally declared war on Japan. So far has each refrained from that course, that diplomatic relations between the two countries have not even been severed but continue as in time of peace, each maintaining in the country of the other an ambassador and consuls, thus indicating that neither conceives that war exists between them. While diplomatic relations are often severed before war begins, the existence of diplomatic relations after the commencement of war would be novel. Moreover, no neutral nation has formally recognized the existence of a state of war as between China and Japan. Other circumstances inconsistent with a finding that there exists a state of war between these two nations are that the

Japanese blockade is not that of a belligerent, being directed only against Chinese vessels, and that the United States and other countries continue to harbor their warships in Chinese waters, and to rescue and repatriate their nationals, as they could not do in case of war between the two nations.

Should the President find that there exists a state of war between China and Japan, this nation would become the first to characterise the conflict between them as war. Such a finding on the part of the President would have the effect of causing the Neutrality Act to abrogate the commerce features of the Nine Power Treaty—a result not lightly to be contemplated—while so long as he refrains, the Act and the Treaty are not in conflict and both are fully effective. Such a course would be tantamount to a declaration of war by this country between those two nations, notwithstanding that neither has formally declared war on the other and might well cause one or both to do so, to say nothing of causing repercussions among the other countries of the world, and such complications as would greatly lessen the possibilities of a peaceful solution of the difficulties involved—particularly through the influence of the United States. While the Neutrality Act does not disclose whether the President shall find that there exists a state of war only when there has been a formal declaration as between two nations, or also when a de facto state of war exists, the existing situation in the Far East is such that on either construction the course so far pursued by the President is sound and within his authority under the Act for the reasons heretofore indicated.

As to whether, when there exists a state of war, the Neutrality Act is mandatory upon the President to find its existence, the position may be taken that the act by its terms leaves to the President the discretion to find or not to find the existence of a state of war—or at least the discretion as to *when* to make a finding. This, however, would be a strained construction and not borne out by the legislative history of the Act.

The President at the time he approved the Neutrality Act of 1936 indicated by his statement that the provisions of section 1 were too inflexible, saying:[35]

> "The latter section terminates at the end of February 1936. This section requires further and more complete consideration between now and that date. Here again the objective is wholly good. It is the policy of this Government to avoid being drawn into wars between other nations, but it is a fact that no Congress and no Executive can foresee all possible future situations. History is filled with unforeseeable situations that call for some flexibility of action. It is conceivable that situations may arise in which the wholly inflexible provisions of Section 1 of this Act might have exactly the opposite effect from that which was intended. In other words, the

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[35] *Can We Be Neutral?* — Dulles and Armstrong (1936) p. 150.

> inflexible provisions might drag us into war instead of keeping us out. The policy of the Government is definitely committed to the maintenance of peace and the avoidance of any entanglements which would lead us into conflict."

Upon this phase of the matter Congressman Johnson of the House Committee on Foreign Affairs, in explanation of the Joint Resolution of February 29, 1936, made the following explanation:[36]

> "Someone expressed opposition to the bill because it was not mandatory and delegated authority to the President. Five of its prohibitions are mandatory and the President has no discretion whatever, and only the two relating to the use of American ports by submarines and the travel of Americans on belligerent vessels are left to the President's discretion, and even in these the delegation of discretion is so circumscribed that it is practically mandatory, since he is required to act if either of a number of contingencies therein mentioned should arise."

The mandatory provisions of that Resolution were re-enacted as section 1 of the Joint Resolution of May 1, 1937, without pertinent change of language. It seems clear, therefore, from the language of the Act and from its legislative history, that as to section 1 (a) the Congress did not intend to leave anything to the discretion of the President, and did intend that the provisions of that section should be mandatory on him when it came to his knowledge that a state of war existed. The express granting of discretion in connection with section 1 (c) emphasizes this construction.

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[36] Cong. Rec., Vol. 80, p. 2245.

Since the Act does not operate on a given situation until the President makes a finding, it always lies within his power, when there exists a state of war, so to find or not to find. He could not be fairly criticized, certainly, for not making such a finding until after the lapse of a reasonable time, under the circumstances, after the commencement of a state of war. In any view, he would be entitled to such a reasonable time to investigate, consider, come to his conclusion, and act. Should he delay, however, beyond such a reasonable time, he could justify his negative action only if the delay should meet with popular approval. Should there be, instead, popular disapproval, his position (even if placed on the Hamiltonian view) would be difficult to defend. These considerations would become pressing in the event that Japan should formally declare war on China.

Another position which has been suggested is that the Neutrality Act of 1937 contemplates a finding that there exists a state of war only when there has been a formal declaration of war, and not in case of any de facto war. It is true that the practice of the Roman Empire was not to recognise the existence of a state of war until war had been formally declared; but that procedure fell into early disuse, and for many centuries it was the general custom not to formally declare war. The Supreme Court has declared that a state of war may exist without a formal declaration of war.[37]

The Second Hague Conference of 1907, in its Convention III, contains provisions looking toward reestablishment of the Roman practice:[38]

"Article 1

The contracting Powers recognize that hostilities between themselves must not commence without previous and explicit warning, in the form either of a reasoned declaration of war or of an ultimatum with conditional declaration of war.

"Article 2

The existence of a state of war must be notified to the neutral Powers without delay, and shall not take effect in regard to them until after the receipt of a notification, which may, however, be given by telegraph."

But the effort was rendered largely nugatory by the last clause of Article 2, which provides:

"Neutral Powers, nevertheless, cannot rely on the absence of notification if it is clearly established that they were in fact aware of the existence of a state of war."

The modern tendency seems to be for nations not to make formal declarations of their wars, and the suggested construction of the Act as contemplating a finding by the President only in case of formally declared war is highly technical and unconvincing.

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[37] The Prize Cases, 2 Black. 635, 668; Bas v. Tingy, 4 Dall. 37,40-41; Miller v. United States, 11 Wall. 268, 306; The Pedro, 175 U.S. 354, 363.

[38] Carnegie Endowment for International Peace, Pamphlet No. 12.

A practical course which the President may see fit to follow is that set by President Wilson in connection with the arming of American merchant vessels just prior to our entrance into the World War. On February 26, 1917, he went before the Congress and asked its approval of his decision to authorise merchant ships to carry defensive arms and to use them in the protection of lives and property in their legitimate and peaceful pursuits at sea. President Wilson said in part:[59]

> "No doubt I already possess that authority without special warrant of law, by the plain implication of my constitutional duties and powers; but I prefer in the present circumstances not to act upon general implication. I wish to feel that the authority and the power of the Congress are behind me in whatever it may become necessary for me to do. We are jointly the servants of the people and must act together and in their spirit, so far as we can divine and interpret it."

So here, the President might submit the instant situation to the Congress in a message sufficiently setting forth the facts to show the serious complications involved and the undesirable results likely to flow from precipitate steps, together with an outline of such plan of action as he may wish to propose, requesting the Congress to cooperate with the Executive in dealing with the crisis.

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[59] The President's Control of Foreign Relations — Edward S. Corwin, p. 152.

Such a course would tend to abate any criticism of the President because he has not or does not find under section 1 (a) of the Neutrality Act that there exists a state of war between China and Japan, and does not say why he fails to do so. It may be peculiarly adapted to the situation which will exist should Japan formally declare war on China. Should the policy outlined by the President in such a message meet with popular approval its purposes would be accomplished.

"The law is the general will; * * * ." — Volney.

Respectfully,

GOLDEN W. BELL,
Assistant Solicitor General.

APPENDIX

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PSF War

2 years

Navy Bases	44,000,000
" Planes	19,000,000
" Air Mat Tests	2,000,000
	65,000,000
Civil Training	10,000,000
Army	450
	525,000,000

OFFICE OF
THE ATTORNEY GENERAL

PSF
War

Navy Bases -	27,000,000
" Air -	19,
Coast Guard -	9,
Civilian Training -	10,
Navy Air Test Mat.	2,
	67,000,000
Army { Fd Orders	32,000,000
Planes	300,000,000
Other (to be listed)	121,000,000
	453,000,000
	520,000,000

PSF
War

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

MEMORANDUM RE

DOLLAR PURCHASING POWER OF FOREIGN COUNTRIES

(By Finance Division)

In the event of a European war, the belligerent countries would by our present laws be precluded from borrowing in the United States. Accordingly, their ability to make purchases here would depend upon the ownership by those countries of dollars or of assets readily exchangeable for dollars. Such assets may be divided into four groups and will be discussed under the following heads:

1. Foreign Short-Term Investments in the United States
2. Foreign Long-Term Investments in the United States
3. Foreign Securities Marketable in this Country
4. Gold Holdings, Including Gold under Earmark in the United States

Whenever possible, comparisons have been made in the tables with the situation which existed in 1914 with regard to the same assets.

These assets are not at present the property of the governments of foreign countries. Some, especially gold and short-term funds, are owned by the central banks of foreign countries, but the larger part of all types of assets except gold are owned by banks, corporations and individuals and would have to be mobilized by the governments. As a result of the experience acquired in the World War, it is probable that foreign governments will shortly mobilize the foreign assets of its citizens to be used for the general purposes of the respective governments. It may also be noted that most of the foreign assets are reported to be held by the United Kingdom, France and Canada, and the two neutral powers Netherlands and Switzerland.

I. Foreign Short-Term Investments in the United States

Foreign short-term investments consist of deposits in United States banks, bills held for foreign account, short-term United States Government obligations held for foreign account, borrowings from foreign banks, acceptances made by foreign banks, other liabilities of American banks, and the credit balances of American brokers in accounts with foreigners.

Table I shows that foreign short-term assets in the United States amounted, as of June 29, 1938, to $1,389,000,000- . These assets are characterized by a high degree of liquidity. They are subject to considerable fluctuations as is evidenced by the large inflow of funds during the last three months. In 1914, such holdings amounted to only about $500,000,000.

Table I. FOREIGN SHORT-TERM INVESTMENTS (BANKING AND BROKERAGE FUNDS) IN THE UNITED STATES, AS OF JUNE 30, 1938

(In millions of dollars)

Country	Total
Canada	179
United Kingdom	224
France	108
Netherlands	52
Switzerland	180
Germany	27
Italy	18
Other Europe	124
Latin America	264
Far East	195
All Other	18
	1,389

Source:
United States Treasury Department, Division of Research and Statistics.

Note:
The ultimate ownership of these investments may reside in countries other than those reported. The reported ownership is shown above.

II. Foreign Long-Term Investments in the United States.

Foreign long-term investments in the United States, as of the end of 1937, amounted to $5,270,000,000, whereas in 1914 such investments were estimated at $7,090,000,000.

As shown in table II, foreign investments in the United States in 1937 were of five principal types. The direct investments, which comprise about 31 percent of the total, are not readily marketable and would be of use to foreign governments only after a considerable length of time. Such investments may be described as American corporations and properties which are either owned 100 percent or are controlled by foreign corporations. Most of them are not represented by securities which have a ready market. The "other investments", amounting to 14 percent of the total, are largely estates and trust accounts which, also, are not readily marketable.

Holdings of common and preferred stocks and bonds are for the most part readily marketable. The values of the preferred stocks and bonds as shown in table II could not in all probability be realized because their market values are not as great as their par values. Furthermore, the effect of a war and of some foreign liquidation might have depressing effect upon prices.

The geographic distribution of foreign investments in the United States as shown in table III cannot be brought up-to-date accurately. To judge by the figures of net foreign purchases of domestic (U. S.) securities, as compiled and published by the United States Treasury Department, only the United Kingdom, Switzerland and Netherlands have made very large additions to their investments since the end of 1934.

Table II. FOREIGN LONG-TERM INVESTMENTS IN THE UNITED STATES, AS OF JULY 1, 1914, AND THE END OF 1937, BY TYPES

(In millions of dollars)

Type of Investment	1/ 1914	2/ 1937
Direct Investments (book value) -----------	1,210	1,675
Common Stocks (market value) --------------		1,850
Preferred Stocks (par value) --------------	5,880	430
Bonds (par value) -------------------------		565
Other Investments -------------------------		750
	7,090	5,270

1/ Lewis, Cleona, "America's Stake in International Investments", p. 546. Other estimates vary from $5,000,000,000 (Dow Jones) to $7,000,000,000 (Sir George Paish).

2/ Finance Division, Department of Commerce.

Note: According to the Standard Statistics stock price index, stocks have increased from 82.5 at the end of 1937 to 89.3 on September 10, 1938. The trend during the last week has been downward tending to wipe out the previous gain .

Table III. FOREIGN LONG-TERM INVESTMENTS IN THE UNITED STATES, AS OF JULY 1, 1914, AND THE END OF 1934, BY COUNTRIES

- (In millions of dollars) -

	1/ 1914	2/ 1934
Canada --------------	275	1,007
United Kingdom ------	4,250	1,297
France --------------	410	226
Netherlands ---------	635	713
Switzerland ---------	3/	348
Germany -------------	950	3/
Other Europe --------	3/	235
Latin America -------	3/	40
Rest of World -------	570	491
	7,090	4,357

1/ Lewis, Cleona, "America's Stake in International Investments", p. 546.

2/ Finance Division, "Foreign Investments in the United States."

3/ Included with "Rest of World" or "Other Europe."

Note: The ultimate ownership of these investments may reside in countries other than those reported. The reported ownership is shown above.

III. <u>Foreign Securities Marketable in the United States</u>

The foreign assets in this category are: (1) the Canadian securities now held in the portfolios of foreign investors, (2) foreign dollar bonds formerly sold in the United States but since repurchased by foreigners and foreign dollar bonds originally sold outside the United States, and (3) certain foreign-currency issues which are listed on United States stock exchanges and are, accordingly, marketable here. These classes of assets are of some importance because it is believed that by sales of these holdings in the United States dollars may be obtained by foreign countries without violating the Johnson Act and the Neutrality Act.

At the end of 1936 foreign investments in Canada, exclusive of the holdings of the United States, amounted to $2,849,300,000. Of this total $2,725,100,000 were held in the United Kingdom. The French, Belgian, Australian and Japanese dollar bonds, which have been repatriated to a considerable extent but which still have fairly active markets in New York, are examples of the second class mentioned above. Total repatriations of outstanding foreign dollar bonds originally purchased in the United States were estimated at $1,229,000,000 (par value) as of the end of 1937 (of which $317,000,000 represented German obligations). Belonging to the same general category is a substantial amount of dollar bonds originally sold outside the United States for which a market still exists in this country. These additional foreign dollar bonds held abroad, the bulk of which is Canadian, aggregate, for all of Europe, about $400,000,000 (of which one-fourth are German securities). The principal examples of the third class of securities are the American depository receipts representing the shares of several large European corporations.

IV. Gold Reserves of Central Banks and Governments

(a) Held in the United States - (These data are highly confidential.)

As of the first week of September, 1938, the amount of gold held in the United States under earmark for foreign account was $439,000,000. Practically all of this total was held for the account of European countries.

(b) Total reserves

As of the end of June, 1938, the visible gold reserves of foreign central banks and governments amounted to $10,850,000,000. The distribution of these reserves by countries is given in the table which follows. There was, in addition, a substantial amount of gold held by exchange stabilization funds, of which only that held by the British Exchange Equalization Account has been officially reported. As of March 31, 1938, the British Account held gold valued at $1,489,000,000. The total gold reserves of the United Kingdom as of the same date, including these holdings and those of the Bank of England ($2,689,000,000), were $4,178,000,000.

Comparative data on gold reserves as of the end of 1914 are given in the accompanying table.

Table IV. GOLD RESERVES OF FOREIGN CENTRAL BANKS AND GOVERNMENTS, AS OF DECEMBER 31, 1914 AND JUNE 30, 1938

(In millions of dollars)

Country	Amount 12/31/14	Amount 6/30/38
Canada	99	185
United Kingdom	426	1/ 2,690
France	803	2,428
Germany	499	29
Italy	271	2/ 210
Austria-Hungary	214	-
Belgium	51	481
Netherlands	84	1,008
Switzerland	46	3/ 689
Bulgaria	11	24
Czechoslovakia	-	93
Denmark	25	53
Greece	7	25
Hungary	-	25
Norway	10	90
Poland	-	85
Portugal	9	69
Rumania	30	123
Russia	803	-
Spain	111	4/ 525
Sweden	29	279
Yugoslavia	11	55
Other Europe	8	79

Country	Amount 12/31/14	Amount 6/30/38
Argentina	242	439
Brazil	45	32
Chile	1	30
Colombia	-	19
Mexico	-	25 p
Peru	2	20 p
Uruguay	13	71 p
Other Latin Am.	3	20 p
British India	80	274
China	-	16
Japan	64	261
Java	15	80
New Zealand	30	23
Turkey	-	29
Other Asia and Oceania	39	3
Egypt	22	55
South Africa	31	187
Other Africa	5	23 p
Grand Total	4,136	10,850

p Preliminary

1/ Excluding holdings of the British Exchange Equalization Fund, which were officially reported at $1,489,000,000 on March 31, 1938.

2/ Officially reported as of March, 1938.

3/ The holdings of the B.I.S., amounting to $10,000,000, are included.

4/ Officially reported as of April, 1938.

Source: Federal Reserve Bulletin.

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PSF
War

DEPARTMENT OF AGRICULTURE
WASHINGTON

Memorandum on indirect methods of price control.

This memorandum presents methods of indirect price control which might be used in the event of a new world war, and considers their probable effectiveness and consequences.

In advance of any determination to establish arbitrary and specific price fixing, we think it of primary importance that the most thoroughgoing consideration be given to these questions: (1) whether such a course would be either immediately helpful or in the long run interest so long as the United States were not a party to the war; and (2) whether even in the event that we should become a party to the war, such a course should be either necessary or desirable in helping both to achieve victory and to bring out of the war a nation secure and sound. These are paramount questions of national policy that should have serious consideration other than solely from the military point of view. The questions far exceed the field of technical competence of the army and navy.

The government of the United States is in a much better position today to maintain order in its economy than it was at the time of the World War. If we take full advantage of the lessons of the World War and the post war depressions, and of the achievements of the New Deal, we should be able to meet quite soundly the problems that would be posed by a new World War and a new peace without endangering the mechanisms of economic adjustment we have built up with such great effort during the last few years.

A quarter-century ago we hastily improvised many rough expedients for directing economic activity. The reaction against "wartime regimentation" speedily swept them all away after the war, and plunged us into the uncontrolled and unabashed pursuit of profits of the twenties. We are still suffering from that orgy. This current decade we have been building up a series of New Deal mechanisms for bringing order and security into our social system. These same permanent mechanisms, strengthened where necessary, with new ones of similar kind, can be used to meet the economic shocks of a new war. Afterwards they would help make the transition back to peace time conditions as painless as possible.

Price distresses at the time of the World War were effects rather than causes. The desirable thing to do is not simply to try to control the effects but to try to direct the causes. That is the way that indirect price controls work. For example, the general skyrocketing of prices after 1915 reflected the lending abroad of enormous sums by American banks and then by the American government, and the financing of the war here through enormous deficits. Controls of the flow of credit and of merchandise abroad are much easier to effect and much more fundamental than direct efforts at control of prices.

The danger ahead is that of enormous fluctuation in our economic activity first with a drastic reduction and later with a sudden and enormous expansion and price inflation. The immediate objective should be one of stabilization and steady increase in employment and production, rather than a concentration of attention on prices per se.

If instead we adopt arbitrary regimentation to meet wartime needs, disrupt existing marketing systems, and rigidly suppress democratic action and individual freedom, the reaction against control after the war might sweep away with it much that the New Deal has accomplished to date.

Careful consideration must therefore be given both to the problems that European war might present for solution, and to the extent to which those problems may be solved along the same lines already pioneered by the New Deal.

II. Existing indirect means of controlling prices, and their suitability for emergency use.

Vast powers of indirect price control now exist in the federal government. Monetary and fiscal powers, in the Treasury, Federal Reserve Board, R.F.C., F.D.I.C., and the State Department, provide almost complete means for the control of money and credit, both internal and external. The speculative exchanges are subject to S.E.C. and Commodity Exchange Administration supervision. Transportation, communication and power rates and service are subject to I.C.C., Federal Power Commission, T.V.A., Maritime Commission, Federal

Communications Commission, and Post Office control or competition. Commodity production or prices are influenced by the Bituminous Coal Commission, the state-federal control of petroleum, the A.A.A., and the great volume of federal purchases through the Procurement Division and other channels. Housing and construction are influenced by P.W.A., W.P.A., H.O.L.C., F.H.A., F.C.A., and other agencies. International movement of commodities is influenced by the Neutrality Act, the reciprocal trade agreements program, and the export operations under the A.A.A.

Hit-or-miss development of credit policy in the past war was one major factor producing runaway prices. From 1914 to 1916 liquidation of foreign assets and loans to foreign countries released great funds here. Industrial production increased somewhat, prices rose much more. When we entered the war we financed our operation by deficits of ten billions or more a year. Those expenditures produced no increase in production as a whole. Instead, industrial production declined from 1917 to 1919, while prices skyrocketed. The sudden cessation of deficit financing produced the 1920 collapse in prices and production as well. During the 1932-1937 period, on the contrary, with industrial production far below capacity, large deficit expenditures increased price levels only slightly but increased production sharply. Such financing can increase production if industry generally is not operating at capacity. During time of war the need is to get full capacity production and shift production to the things the country needs. Once capacity operation has been reached further deficit expenditures only drive up prices. After capacity output is reached, the effort should be to finance a war as far as possible through current taxes so as to shift production and consumption with the least possible skyrocketing prices or exploitation of labor.

Powers of monetary, fiscal, and credit control now exist for more effective action in this emergency ahead. They are scattered through many agencies, however. Creation of a new central authority to centralize financial policy, and to coordinate the action of all these various scattered agencies in the fulfillment of that policy, would be essential to rapid and effective action in time of emergency.

The many agencies dealing with the utility industries, and those dealing with housing and construction, are each in need of similar centralized policy-making and control for effective emergency action. New central authorities, to develop and control policies in each of these two fields, are needed for effective action under emergency conditions.

In the commodity field, the existing mechanisms for coal, oil, and farm products could continue to be used, with necessary legislative changes to provide more administrative flexibility in meeting emergencies of wartime or of the subsequent adjustment to peace, and to close gaps that now exist in commodity coverage. Similar mechanisms do not exist for industrial products, and mechanisms of the N.R.A. type do not seem suitable.Although facts or experience upon which indirect controls of industrial commodities might be based are very scanty, some of these indirect controls, at least on a limited front, might be fashioned on some elements of the A.A.A. Industry has permitted both production and employment to go far below normal levels, at the cost of heavy relief expenditures by the federal government. Wartime expansions in demand may produce bottlenecks both in machine tool and equipment industries and in trained workers. The national welfare and safety might now be well served by arrangements for increased industrial production in many basic industrial lines, backed by R.F.C. loan or purchase agreements at prices agreed to as reasonable with the higher level of operations. This would build up reserve supplies of primary or secondary war materials, both as a device for supporting industrial activity during the first impact of wartime depression, and as a means for subsequent indirect control of commodity prices. This would prevent subsequent price increases by the indirect method of building up stock piles and eliminating bottlenecks ahead of the impact of the emergency demands.

The operations in the commodity field, likewise, would need centralization through some new central authority, establishing policies for all agencies operating in that field.

In addition to four new centralizing authorities to establish consistent policies and coordinate programs in the financial, utility, construction and housing, and commodity fields, an overall super-authority would be needed to centralize policies and unify operations in all four fields. Such a structure of unified control of the existing and necessary new institutions would make it possible to use indirect controls to cope with the economic problems both of wartime and of the new peace with far greater effectiveness than during the days of 1914 to 1920.

III. Economic and Political considerations.

In meeting the coming emergency, we should not forget that the country will have to live through not only the war period, but also the transition from emergency conditions back to normal living. We should try to pick policies that will not only work in the emergency but will smooth the period of transition to peace without again bringing about another great post war depression.

The experience during the last war with flat price regulation indicates that it is only a clumsy instrument for achieving production and consumption control. Many of the flat price schemes of the last war period resulted in great distress in the subsequent period. The unpopularity of price-fixing was one of the important elements in the demand for a "return to normalcy." Experience during the past 10 years indicates that where indirect controls can be applied to the factors that cause price changes they can operate much more smoothly and continuously and with much less popular resistance and less interference with existing business practices than attempts at direct flat controls.

In addition to these economic considerations, political aspects cannot be overlooked. Positive regimentation of prices would disrupt or destroy much of the existing business structure and would arouse great resentment on the part of individuals. It would also lead to suppression of democratic action and limitations on individual freedom, and resentment on these grounds as well. The more extreme and rigorous the measures used in war time the greater the danger of complete sweeping away of control after the war. The more that the New Deal administrative organs already developed or other indirect methods like them can be effective in dealing with the emergency conditions and can be used as continuous agencies to smooth the transition back to peace time, the less the danger will be of New Deal gains to date being lost as a result of wartime measures.

IV. Conclusions.

In view of the analysis above, it is recommended:

1. That the emergency be dealt with as far as possible through a strengthening of existing economic institutions and through the creation of new agencies to centralize policy and coordinate actions.

2. This is only a hasty preliminary report. Specific details of new administrative, or of executive action, or of amendment of existing legislation, or new legislation, have not been explored. It is recommended that the problem be explored further and in greater detail, either by the present informal interdepartmental committee or by a continuing permanent committee established to deal with the general problem. Even if European war be averted this week, the menace will continue for months ahead.

3. Facing wartime conditions will involve all economic powers and functions of government, as well as military powers and functions. It is accordingly recommended that the Industrial Mobilization Plan of the Army and Navy, as published in 1936, be referred to the new continuing committee mentioned above or to the National Resources Committee, for reexamination and reformulation on the basis of administration-wide cooperation

of all agencies involved, with due regard to peace time consequences as well as wartime effectiveness and to economic, political, and social considerations. The Plan, devised thus far solely from the military and wartime point of view, would be materially broadened and strengthened as a result of such reconsideration. Without this preliminary consideration there is the danger of adopting a plan from a purely wartime point of view that would rest chiefly on regimentation. The forethought and coordination recommended here would enable us to meet war and post war emergencies with a maximum of democratic procedure and a minimum of regimentation.

We are submitting herewith a separate statement on the general agricultural situation now as contrasted to 1914, together with pertinent tables and charts.

For the Department of Agriculture,

Paul H. Appleby

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Mordecai Ezekiel

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