

EXISTING NEUTRALITY ACT

1. The President's proclamation of a state of war automatically places a complete embargo upon the shipment of arms, ammunition or implements of war from any place in the United States to any belligerent state or any neutral state for trans-shipment to or for the use of any such belligerent state. Also, certain restrictions are automatically placed upon the purchase, sale or exchange of bonds, etc. of the government of any belligerent state; upon the extension of credit to any such government; and upon the solicitation or reception of any contributions for any such government.

2. Concerning the materials under complete embargo, the Act provides that the President shall, from time to time, by proclamation, definitely enumerate the arms, ammunition and implements of war export of which is prohibited. The arms, ammunition and implements so enumerated must include those enumerated in the President's Proclamation No. 2163 of April 10, 1926 (superseded by Proclamation No. 2237 of May 1, 1937) but shall not include raw materials or any other articles or materials not of the same general character as those enumerated in that proclamation and the Geneva Convention of June 17, 1925. The proclamation of September 5, 1939, a copy of which is attached, was issued in accordance with this provision of the Act.

3. The President may enumerate certain articles and materials in addition to arms, ammunition and implements of war which may not be transported by American vessels to any belligerent state. Effective until May 1, 1939.

4. Likewise, he may place restrictions on the export of any articles or materials whatever to a belligerent state until all right, title and interest therein shall have been transferred to some foreign government, agency, etc. Effective until May 1, 1939.

NEUTRALITY ACT OF 1939

1. Aims of administration as reflected by excerpt from letter of Secretary of State Hull to Congressman Sol Bloom, Chairman, Committee on Foreign Affairs, House of Representatives, and incorporated in H. J. Res. 306, as introduced on May 29, 1937:

"For the reasons heretofore stated, it is my firm conviction that the arms embargo provision of the existing law should be eliminated. I furthermore believe that the most effective legislative contribution at this time toward keeping this

country out of ^{? war} car, if war occurs, would be made by enacting or reenacting provisions on lines as follows:

"To prohibit American ships, irrespective of what they may be carrying, from entering combat areas;

"To restrict travel by American citizens in combat areas;

"To provide that the export of goods destined for belligerents shall be preceded by transfer of title to the foreign purchaser;

"To continue the existing legislation respecting loans and credits to nations at war;

"To regulate the solicitation and collection in this country of funds for belligerents;

"To continue the National Munitions Control Board and the system of arms export and import licenses."