

Supplementary Documents

Senator Gerald P. Nye, Radio Address, January 6, 1936

Neutrality is to be had if we are willing to pay the price of abandonment of expectation of profits from the blood of other nations at war. But it defies any man to write a neutrality program that would long endure and succeed in keeping us neutral if the policy contemplated a business boom or even 'business as usual' in America while other nations are at war and wanting supplies from our mines, fields and factories....

We saw the last European war until 1917 as one in no degree our business.... We rejoiced at the moment that leadership of our Government was showing greatest determination to keep America out of that war, a leadership affording a policy that was presumed to be a guarantee of our neutrality. That neutrality policy is now known as a permissive or a discretionary policy, with its administration in no degree mandatory upon the President. That the policy failed, and that miserably, is record....

Ah business continues good; prosperity remains on every hand! War isn't such a bad thing when we don't have to be in it! 'But,' we said, 'look at those Germans; they are destroying American cargoes going to England and France and sinking English passenger vessels with Americans on board! Maybe something ought to be done about it! But, whatever we do, let's not get into that war!' That was our reasoning at the hour. How childish it all was—this expectation of success in staying out of a war politically while economically we stayed in it; how childish this permissive flip-flop neutrality policy of ours and our belief that we could go on and on supplying the sinews of war to one or even both sides and avoid ourselves being ultimately drawn into the engagement with our lives and our fortunes at stake.

Well, to make a long story short, our prosperity, which at the moment was our commerce with the Allies, demanded a more and

more warlike attitude on our part. Our rights on the high seas, our commerce is declared in jeopardy!...

After we had started stretching our permissive American neutrality policy to accommodate our commercial interests the Allied powers were never in doubt as to what America would ultimately do. They saw what we didn't seem to realize, namely, that where our pocketbook was there would we and our hearts ultimately be....

Insistence now upon establishment of a mandatory policy of neutrality is no reflection upon any one man. It is only fair to say that the present [Franklin D.] Roosevelt determination to keep us out of war is no higher than was that expressed by Wilson. Yet...while the Wilson administration was declaring itself neutral, parts of that administration were actually contemplating the hour when we would ultimately get into the war without a doubt as to which side we would enter on....

Based upon such facts and such experience Senator [Bennet Champ] Clark [D-Mo.] and I today introduced in the Senate a bill proposing a strict policy of neutrality, the enforcement of which shall at once be not permissive or at the discretion of the President, but mandatory upon him. The bill presents requirements and advantages roughly stated as follows:

First, at the outbreak of war between other nations the President shall by proclamation forbid the exportation of arms, ammunition and implements of war for the use of those nations, and that the President shall, not 'may' but shall, extend this embargo to other nations if and when they may become engaged in war.

Second, the bill proposes an embargo on other items of commerce which may be considered essential war materials, such as oil, and provides that the President shall forbid exportation to nations at war of these materials beyond what was the average annual exportation of these materials to those nations during

the five-year period preceding the outbreak of war.

Third, the bill requires that the President shall upon the outbreak of war between foreign states proclaim that the buyer of any and all articles to or through the field of operations of belligerent states shall be at the risk solely of the buyer and the bill provides that the buyers shall be without redress in any court of the United States. Thus, it will be seen, there is provided a strict 'cash and carry' basis with buyers taking their own risk in accomplishing delivery of supplies they buy from us in time of war.

Fourth, the bill requires that the President shall require American passengers to refrain from traveling on the vessels of belligerent states, and provides that passengers who ignore this requirement at once forfeit their right to protection of the United States. Thus we can avoid a repetition of the *Lusitania* experience.

Fifth, the bill introduced today does with loans and credits to time of war precisely what it does with war materials—it embargoes and limits them....

There are those who will insist that this measure is too severe. We, who sponsor it, feel that in the light of experience, nothing short of those provisions is deserving of the title of a neutrality policy and we beg the confidence of the people of the land in it not as an instrument that will completely prevent war, but as one that will make it extremely difficult for the United States to be drawn into another foreign war that becomes our war only because of selfish interests that profit from the blood spilled in the wars of other lands."

Japan Envisions a "New Order" in Asia, 1938

What Japan seeks is the establishment of a new order which will insure the permanent stability of East Asia. In this lies the ultimate purpose of our present military campaign.

This new order has for its foundation a tripartite relationship of mutual aid and

co-ordination between Japan, Manchoukuo [the name Japan gave to Manchuria in February 1932], and China in political, economic, cultural and other fields. Its object is to secure international justice, to perfect the joint defence against Communism, and to create a new culture and realize a close economic cohesion throughout East Asia. This indeed is the way to contribute toward the stabilization of East Asia and the progress of the world.

What Japan desires of China is that that country will share in the task of bringing about this new order in East Asia. She confidently expects that the people of China will fully comprehend her true intentions and that they will respond to the call of Japan for their co-operation. Even the participation of the Kuomintang Government would not be rejected, if, repudiating the policy which has guided it in the past and remolding its personnel, so as to translate its re-birth into fact, it were to come forward to join in the establishment of the new order.

Japan is confident that other Powers will on their part correctly appreciate her aims and policy and adapt their attitude to the new conditions prevailing in East Asia. For the cordiality hitherto manifested by the nations which are in sympathy with us, Japan wishes to express her profound gratitude.

The establishment of a new order in East Asia is in complete conformity with the very spirit in which the Empire was founded; to achieve such a task is the exalted responsibility with which our present generation is entrusted. It is, therefore, imperative to carry out all necessary internal reforms, and with a full development of the aggregate national strength, material as well as moral, fulfill at all costs this duty incumbent upon our nation.

Such the Government declares to be the immutable policy and determination of Japan.

President Roosevelt's Fireside Chat, December 29, 1940: "We must be the great arsenal of democracy."

This is not a fireside chat on war. It is a talk on national security; because the nub of the whole purpose of your President is to keep you now; and your children later, and your grandchildren much later, out of a last-ditch war for the preservation of American independence and all of the things that American independence means to you and to me and to ours.

Tonight, in the presence of a world crisis, my mind goes back eight years ago to a night in the midst of a domestic crisis. It was a time when the wheels of American industry were grinding to a full stop, when the whole banking system of our country had ceased to function.

I well remember that while I sat in my study in the White House, preparing to talk with the people of the United States, I had before my eyes the picture of all those Americans with whom I was talking. I saw the workmen in the mills, the mines, the factories; the girl behind the counter; the small shopkeeper; the farmer doing his spring plowing; the widows and the old men wondering about their life's savings.

I tried to convey to the great mass of American people what the banking crisis meant to them in their daily lives.

Tonight, I want to do the same thing, with the same people, in this new crisis which faces America.

We met the issue of 1933 with courage and realism.

We face this new crisis—this new threat to the security of our Nation—with the same courage and realism.

Never before since Jamestown and Plymouth Rock has our American civilization been in such danger as now.

For, on September 27, 1940, by an agreement signed in Berlin, three powerful nations,

two in Europe and one in Asia, joined themselves together in the threat that if the United States interfered with or blocked the expansion program of these three nations—a program aimed at world control—they would unite in ultimate action against the United States.

The Nazi masters of Germany have made it clear that they intend not only to dominate all life and thought in their own country, but also to enslave the whole of Europe, and then to use the resources of Europe to dominate the rest of the world.

Three weeks ago their leader stated, "There are two worlds that stand opposed to each other." Then in defiant reply to his opponents, he said this: "Others are correct when they say: 'With this world we cannot ever reconcile ourselves.'...I can beat any other power in the world." So said the leader of the Nazis.

In other words, the Axis not merely admits but proclaims that there can be no ultimate peace between their philosophy of government and our philosophy of government.

In view of the nature of this undeniable threat, it can be asserted, properly and categorically, that the United States has no right or reason to encourage talk of peace until the day shall come when there is a clear intention on the part of the aggressor nations to abandon all thought of dominating or conquering the world.

At this moment, the forces of the states that are leagued against all peoples who live in freedom are being held away from our shores. The Germans and Italians are being blocked on the other side of the Atlantic by the British, and by the Greeks, and by thousands of soldiers and sailors who were able to escape from subjugated countries. The Japanese are being engaged in Asia by the Chinese in another great defense.

In the Pacific is our fleet.

Some of our people like to believe that wars in Europe and in Asia are of no concern to us. But it is a matter of most vital concern to us that European and Asiatic war-makers

should not gain control of the oceans which lead to this hemisphere.

One hundred and seventeen years ago the Monroe Doctrine was conceived by our Government as a measure of defense in the face of a threat against this hemisphere by an alliance in continental Europe. Thereafter, we stood on guard in the Atlantic, with the British as neighbors. There was no treaty. There was no “unwritten agreement.”

Yet, there was the feeling, proven correct by history, that we as neighbors could settle any disputes in peaceful fashion. The fact is that during the whole of this time the Western Hemisphere has remained free from aggression from Europe or from Asia.

Does anyone seriously believe that we need to fear attack while a free Britain remains our most powerful naval neighbor in the Atlantic? Does any one seriously believe, on the other hand, that we could rest easy if the Axis powers were our neighbor there?

If Great Britain goes down, the Axis powers will control the continents of Europe, Asia, Africa, Australasia, and the high seas—and they will be in a position to bring enormous military and naval resources against this hemisphere. It is no exaggeration to say that all of us in the Americas would be living at the point of a gun—a gun loaded with explosive bullets, economic as well as military.

We should enter upon a new and terrible era in which the whole world, our hemisphere included, would be run by threats of brute force. To survive in such a world, we would have to convert ourselves permanently into a militaristic power on the basis of war economy.

Some of us like to believe that, even if Great Britain falls, we are still safe, because of the broad expanse of the Atlantic and of the Pacific.

But the width of these oceans is not what it was in the days of clipper ships. At one point between Africa and Brazil the distance is less than from Washington to Denver—five hours for the latest type of bomber. And at the

north of the Pacific Ocean, America and Asia almost touch each other. Even today we have planes which could fly from the British Isles to New England and back without refueling. And the range of the modern bomber is ever being increased.

During the past week many people in all parts of the Nation have told me what they wanted me to say tonight. Almost all of them expressed a courageous desire to hear the plain truth about the gravity of the situation. One telegram, however, expressed the attitude of the small minority who want to see no evil and hear no evil, even though they know in their hearts that evil exists. That telegram begged me not to tell again of the ease with which our American cities could be bombed by any hostile power which had gained bases in this Western Hemisphere. The gist of that telegram was: “Please, Mr. President, don’t frighten us by telling us the facts.”

Frankly and definitely there is danger ahead—danger against which we must prepare. But we well know that we cannot escape danger, or the fear of it, by crawling into bed and pulling the covers over our heads.

Some nations of Europe were bound by solemn non-intervention pacts with Germany. Other nations were assured by Germany that they need never fear invasion. Non-intervention pact or not, the fact remains that they were attacked, overrun, and thrown into the modern form of slavery at an hour’s notice or even without any notice at all. As an exiled leader of one of these nations said to me the other day: “The notice was a minus quantity. It was given to my government two hours after German troops had poured into my country in a hundred places.”

The fate of these nations tells us what it means to live at the point of a Nazi gun.

The Nazis have justified such actions by various pious frauds. One of these frauds is the claim that they are occupying a nation for the purpose of “restoring order.” Another is that they are occupying or controlling a nation on the excuse that they are “protecting it” against the aggression of somebody else.

For example, Germany has said that she was occupying Belgium to save the Belgians from the British. Would she hesitate to say to any South American country, "We are occupying you to protect you from aggression by the United States"?

Belgium today is being used as an invasion base against Britain, now fighting for its life. Any South American country, in Nazi hands, would always constitute a jumping-off place for German attack on any one of the other republics of this hemisphere.

Analyze for yourselves the future of two other places even nearer to Germany if the Nazis won. Could Ireland hold out? Would Irish freedom be permitted as an amazing exception in an unfree world? Or the islands of the Azores which still fly the flag of Portugal after five centuries? We think of Hawaii as an outpost of defense in the Pacific. Yet, the Azores are closer to our shores in the Atlantic than Hawaii is on the other side.

There are those who say that the Axis powers would never have any desire to attack the Western Hemisphere. This is the same dangerous form of wishful thinking which has destroyed the powers of resistance of so many conquered peoples. The plain facts are that the Nazis have proclaimed, time and again, that all other races are their inferiors and therefore subject to their orders. And most important of all, the vast resources and wealth of this hemisphere constitute the most tempting loot in all the world.

Let us no longer blind ourselves to the undeniable fact that the evil forces which have crushed and undermined and corrupted so many others are already within our own gates. Your Government knows much about them and every day is ferreting them out.

Their secret emissaries are active in our own and neighboring countries. They seek to stir up suspicion and dissension to cause internal strife. They try to turn capital against labor and vice versa. They try to reawaken long slumbering racial and religious enmities which should have no place in this country. They are active in every group that promotes

intolerance. They exploit for their own ends our natural abhorrence of war. These trouble-breeders have but one purpose. It is to divide our people into hostile groups and to destroy our unity and shatter our will to defend ourselves.

There are also American citizens, many of them in high places, who, unwittingly in most cases, are aiding and abetting the work of these agents. I do not charge these American citizens with being foreign agents. But I do charge them with doing exactly the kind of work that the dictators want done in the United States.

These people not only believe that we can save our own skins by shutting our eyes to the fate of other nations. Some of them go much further than that. They say that we can and should become the friends and even the partners of the Axis powers. Some of them even suggest that we should imitate the methods of the dictatorships. Americans never can and never will do that.

The experience of the past two years has proven beyond doubt that no nation can appease the Nazis. No man can tame a tiger into a kitten by stroking it. There can be no appeasement with ruthlessness. There can be no reasoning with an incendiary bomb. We know now that a nation can have peace with the Nazis only at the price of total surrender. Even the people of Italy have been forced to become accomplices of the Nazis; but at this moment they do not know how soon they will be embraced to death by their allies.

The American appeasers ignore the warning to be found in the fate of Austria, Czechoslovakia, Poland, Norway, Belgium, the Netherlands, Denmark, and France. They tell you that the Axis powers are going to win anyway; that all this bloodshed in the world could be saved; and that the United States might just as well throw its influence into the scale of a dictated peace, and get the best out of it that we can.

They call it a "negotiated peace." Nonsense! Is it a negotiated peace if a gang of outlaws surrounds your community and on threat of extermination makes you pay tribute

to save your own skins?

Such a dictated peace would be no peace at all. It would be only another armistice, leading to the most gigantic armament race and the most devastating trade wars in history. And in these contests the Americas would offer the only real resistance to the Axis powers.

With all their vaunted efficiency and parade of pious purpose in his war, there are still in their background the concentration camp and the servants of God in chains.

The history of recent years proves that shootings and chains and concentration camps are not simply the transient tools but the very altars of modern dictatorships. They may talk of a "new order" in the world, but what they have in mind is but a revival of the oldest and the worst tyranny. In that there is no liberty, no religion, no hope.

The proposed "new order" is the very opposite of a United States of Europe or a United States of Asia. It is not a government based upon the consent of the governed. It is not a union of ordinary, self-respecting men and women to protect themselves and their freedom and their dignity from oppression. It is an unholy alliance of power and pelf to dominate and enslave the human race.

The British people are conducting an active war against this unholy alliance. Our own future security is greatly dependent on the outcome of that fight. Our ability to "keep out of war" is going to be affected by that outcome.

Thinking in terms of today and tomorrow, I make the direct statement to the American people that there is far less chance of the United States getting into war if we do all we can now to support the nations defending themselves against attack by the Axis than if we acquiesce in their defeat, submit tamely to an Axis victory, and wait our turn to be the object of attack in another war later on. If we are to be completely honest with ourselves, we must admit there is risk in any course we may take. But I deeply believe that the great majority of our people agree that the course that I advocate involves the least risk now and the greatest hope for world peace in the future.

The people of Europe who are defending themselves do not ask us to do their fighting. They ask us for the implements of war, the planes, the tanks, the guns, the freighters, which will enable them to fight for their liberty and our security. Emphatically we must get these weapons to them in sufficient volume and quickly enough, so that we and our children will be saved the agony and suffering of war which others have had to endure.

Let not defeatists tell us that it is too late. It will never be earlier. Tomorrow will be later than today.

Certain facts are self-evident.

In a military sense Great Britain and the British Empire are today the spearhead of resistance to world conquest. They are putting up a fight which will live forever in the story of human gallantry.

There is no demand for sending an American Expeditionary Force outside our own borders. There is no intention by any member of your Government to send such a force. You can, therefore, nail any talk about sending armies to Europe as deliberate untruth.

Our national policy is not directed toward war. Its sole purpose is to keep war away from our country and our people.

Democracy's fight against world conquest is being greatly aided, and must be more greatly aided, by the rearmament of the United States and by sending every ounce and every ton of munitions and supplies that we can possibly spare to help the defenders who are in the front lines. It is no more unneutral for us to do that than it is for Sweden, Russia, and other nations near Germany to send steel and ore and oil and other war materials into Germany every day. We are planning our own defense with the utmost urgency; and in its vast scale we must integrate the war needs of Britain and the other free nations resisting aggression.

This is not a matter of sentiment or of controversial personal opinion. It is a matter of realistic military policy, based on the advice of our military experts who are in close touch with existing warfare. These military and

naval experts and the members of the Congress and the administration have a single-minded purpose—the defense of the United States.

This Nation is making a great effort to produce everything that is necessary in this emergency—and with all possible speed. This great effort requires great sacrifice. I would ask no one to defend a democracy which in turn would not defend everyone in the Nation against want and privation. The strength of this Nation shall not be diluted by the failure of the Government to protect the economic well-being of all citizens.

If our capacity to produce is limited by machines, it must ever be remembered that these machines are operated by the skill and the stamina of the workers. As the Government is determined to protect the rights of workers, so the Nation has a right to expect that the men who man the machines will discharge their full responsibilities to the urgent needs of defense.

The worker possesses the same human dignity and is entitled to the same security of position as the engineer or manager or owner. For the workers provide the human power that turns out the destroyers, the airplanes, and the tanks.

The Nation expects our defense industries to continue operation without interruption by strikes or lock-outs. It expects and insists that management and workers will reconcile their differences by voluntary or legal means, to continue to produce the supplies that are so sorely needed.

And on the economic side of our great defense program, we are, as you know, bending every effort to maintain stability of prices and with that the stability of the cost of living.

Nine days ago I announced the setting up of a more effective organization to direct our gigantic efforts to increase the production of munitions. The appropriation of vast sums of money and a well-coordinated executive direction of our defense efforts are not in themselves enough. Guns, planes, and ships have to be built in the factories and arsenals of America. They have to be produced by work-

ers and managers and engineers with the aid of machines, which in turn have to be built by hundreds of thousands of workers throughout the land.

In this great work there has been splendid cooperation between the Government and industry and labor.

American industrial genius, unmatched throughout the world in the solution of production problems, has been called upon to bring its resources and talents into action. Manufacturers of watches, of farm implements, linotypes, cash registers, automobiles, sewing machines, lawn mowers, and locomotives are now making fuses, bomb-packing crates, telescope mounts, shells, pistols, and tanks.

But all our present efforts are not enough. We must have more ships, more guns, more planes—more of everything. This can only be accomplished if we discard the notion of “business as usual.” This job cannot be done merely by superimposing on the existing productive facilities the added requirements for defense.

Our defense efforts must not be blocked by those who fear the future consequences of surplus plant capacity. The possible consequence of failure of our defense efforts now are much more to be feared.

After the present needs of our defense are past, a proper handling of the country’s peacetime needs will require all of the new productive capacity—if not more.

No pessimistic policy about the future of America shall delay the immediate expansion of those industries essential to defense.

I want to make it clear that it is the purpose of the Nation to build now with all possible speed every machine and arsenal and factory that we need to manufacture our defense material. We have the men, the skill, the wealth, and above all, the will.

I am confident that if and when production of consumer or luxury goods in certain industries requires the use of machines and raw materials essential for defense purposes,

then such production must yield to our primary and compelling purpose.

I appeal to the owners of plants, to the managers, to the workers, to our own Government employees, to put every ounce of effort into producing these munitions swiftly and without stint. And with this appeal I give you the pledge that all of us who are officers of your Government will devote ourselves to the same whole-hearted extent to the great task which lies ahead.

As planes and ships and guns and shells are produced, your Government, with its defense experts, can then determine how best to use them to defend this hemisphere. The decision as to how much shall be sent abroad and how much shall remain at home must be made on the basis of our over-all military necessities.

We must be the great arsenal of democracy. For us this is an emergency as serious as war itself. We must apply ourselves to our task with the same resolution, the same sense of urgency, the same spirit of patriotism and sacrifice, as we would show were we at war.

We have furnished the British great material support and we will furnish far more in the future.

There will be no “bottlenecks” in our determination to aid Great Britain. No dictator, no combination of dictators, will weaken that determination by threats of how they will construe that determination.

The British have received invaluable military support from the heroic Greek Army and from the forces of all the governments in exile. Their strength is growing. It is the strength of men and women who value their freedom more highly than they value their lives. I believe that the Axis powers are not going to win this war. I base that belief on the latest and best information.

We have no excuse for defeatism. We have every good reason for hope—hope for peace, hope for the defense of our civilization and for the building of a better civilization in the future.

I have the profound conviction that the American people are now determined to put forth a mightier effort than they have ever yet made to increase our production of all the implements of defense, to meet the threat to our democratic faith.

As President of the United States I call for that national effort. I call for it in the name of this Nation which we love and honor and which we are privileged and proud to serve. I call upon our people with absolute confidence that our common cause will greatly succeed.

The Lend-Lease Act

AN ACT

Further to promote the defense of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as “An Act to Promote the Defense of the United States”.

SEC. 2. As used in this Act—

(a) The term “defense article” means—

(1) Any weapon, munition, aircraft, vessel, or boat;

(2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;

(3) Any component material or part of or equipment for any article described in this subsection;

(4) Any agricultural, industrial or other commodity or article for defense.

Such term “defense article” includes any article described in this subsection: Manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term “defense information” means any plan, specification, design, prototype, or information pertaining to any defense article.

SEC. 3. (a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary Of War, the Secretary of the Navy, or the head of any other department or agency of the Government

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act. shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefore, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a) except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the neutrality Act of 1939.

SEC. 4 All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee,

or agent of such foreign government.

SEC. 5. (a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714) of the quantities, character, value, terms of disposition and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

SEC. 6. (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after

June 30, 1946.

SEC. 7. The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

SEC. 8. The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

SEC. 9. The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

SEC. 10. Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

SEC. 11. If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.