

GREAT BRITAIN

VISIT OF THE BRITISH PRIME MINISTER, RAMSAY MACDONALD, TO THE UNITED STATES, OCTOBER 4-10, 1929¹

033.4111 MacDonald, Ramsay/20

The Secretary of State to the Ambassador in Great Britain (Dawes)

No. 15

WASHINGTON, June 28, 1929.

SIR: The British Ambassador called on me June 20th to talk about the proposed visit of Prime Minister MacDonald. He said that his own view was that it would be a very good thing to get Mr. MacDonald and President Hoover in personal contact. When I mentioned the difficulties which might be caused by hostile criticism in the press and in case they did not dispose of all subjects of interest in controversy between the two nations at their interview, which would of course be quite impossible, he said he hoped that they could at least discuss and perhaps settle the arbitration treaty matter² and that while it was of course impossible that they could settle all of the details of the naval disarmament matter they might announce that they had reached an agreement in principle and were leaving the details to be worked out by others. He thought that this would take the sting out of the press. He also suggested that the press might be prepared beforehand in order to forestall criticism.

I am [etc.]

H. L. STIMSON

033.4111 MacDonald, Ramsay/34

Memorandum by the Secretary of State

[WASHINGTON,] August 15, 1929.

The British Ambassador came to discuss the arrangements for the Prime Minister's visit. The only information he had had was in the form of a letter from the Prime Minister which indicated that he would be here early in October and would remain a few days. He wanted to know whether he could place himself in the hands of

¹ For other correspondence relating to the Prime Minister's visit, see section entitled "Preliminaries to the Five-Power Naval Conference," vol. I, pp. 112 ff.

² *Foreign Relations*, 1928, vol. II, pp. 945 ff.

the Secretary of State and the President and leave the matter of his engagements entirely to them. He made some suggestion in his letter to the British Ambassador that he might go from here to Canada afterwards. He asked whether he could have some discussions with the President of an informal and friendly character on the general situation without the character of negotiations. He proposes to come without any retinue except a couple of secretaries.

The Ambassador seemed to have it on his mind considerably and to be a little bit disturbed by not knowing any more details. He thought that while there was no necessity of any publicity being given to any arrangements that it would be well to begin thinking about them beforehand. I told him that I knew nothing about the date though I had a recollection of having heard that the proposal was to come early in October. I told him that I felt certain that if he came he would have ample opportunity for discussions with the President on the general situation in an informal and friendly manner. The Ambassador asked if I knew of any reason why this meeting could not take place at that time. I said so far as I knew there was no reason. The only point we had in mind was to insure that the Prime Minister's visit was so timed in respect to the progress of the naval negotiations so that it might not produce any embarrassment to him or to those negotiations; that it was my opinion that those negotiations were going on so well now that we probably would be in the position of having reached a definite and successful conclusion very soon and I outlined to Sir Esme the Prime Minister's last letter and the satisfaction which we felt over it. He asked me whether he could telegraph to his Government these views as to the Prime Minister's visit and I told him I thought so, that I would see the President at lunch and would let him know if anything happened to the contrary.

H[ENRY] L. S[TIMSON]

033.4111 MacDonald, Ramsay/57 : Telegram

The Ambassador in Great Britain (Dawes) to the Secretary of State

LONDON, September 28, 1929—noon.

[Received September 28—10:02 a. m.]

286. The Prime Minister and his party sailed this morning on the steamship *Berengaria*. The national importance with which his visit is regarded may be judged from the fact that not only did Mr. Baldwin, in his capacity as leader of the opposition, visit the Prime Minister just previous to his departure, but also the King made the public gesture of a telegram wishing Godspeed, the text of which I quote

herewith as of possible use to the Department during Mr. MacDonald's visit to Washington:

"To the Prime Minister: On the eve of your journey I wish you Godspeed. It is a departure that will be surrounded with good wishes for it is a contribution to those happy relations between two great peoples which must be an article of faith among all men of good will. George R. I."

I am not telegraphing the Prime Minister's parting statement to the press as I have ascertained complete text has been cabled by various American news agencies.

Mr. Snowden will be the Prime Minister's deputy during MacDonald's absence.

DAWES

033.4111 MacDonald, Ramsay/95½

Memorandum by the Secretary of State

[WASHINGTON,] October 7, 1929.

MEMORANDUM OF TRIP TO RAPIDAN, OCTOBER 5TH TO 7TH

I left Washington about 2:30 with Sir Robert Vansittart and R. L. Craigie.³ We arrived about six o'clock at the camp. On the way we discussed:

I. The assistance required for prohibition enforcement.

They said this would be very difficult as it required legislation. They were willing to do everything that could be done without legislation. At the camp the Prime Minister confirmed this and said they would do everything possible and he included a treaty, which could be ratified more easily than legislation, as something they would be willing to do.

II. Free food supply.

When I put this to them the first time they took it rather, on the whole, favorably. Vansittart suggested that free food ships would not be any good to England unless accompanied by free ports. I answered with the suggestion that this could be accomplished in the same way that we protected Red Cross ships and hospitals; they could be given separate ports or separate portions of ports and be exempted from bombing parties. I repeated the conversations to the President that evening at camp and he adopted the analogy of Red Cross supplies. I don't think he had heard it before.

The evening was spent in general conversation until ten o'clock when the President and Mrs. Hoover retired. Afterwards we re-

³ Private Secretary to the Prime Minister, and the Chief of the American Division of the British Foreign Office, respectively.

mained talking with the British Party but without taking up anything special.

Sunday, at nine o'clock, immediately after breakfast, we began a full discussion; the President, the Prime Minister, Craigie, Vansittart and myself. It was an informal but interesting discussion, with the President and I sitting on one side of the fire and the others on the other side, taking up the subjects in the following order, the President leading the conversation, of course.

I. Assistance in preventing shipments of liquors and narcotics from Great Britain to America.

We proposed reciprocal action forbidding the clearance of ships loaded with cargoes of goods forbidden to enter either country, liquor and narcotics for us, and narcotics for Great Britain. (NOTE: On my talk with Craigie and Vansittart coming down they had suggested that the existing machinery of liaison between the two countries under which Great Britain notified us of any shipments of narcotics to this country might be considerably improved by better cooperation. This was brought up in this conference.) Informally it was agreed that at some future date representatives of both countries would meet to discuss the method of assisting in the enforcement of the prohibition and narcotic laws. The Prime Minister confirmed his associates' statements that the punishment of false clearances would require legislation. They all admitted the objections to legislation would not apply to a treaty with the same strength.

II. Freedom of the seas.

This matter was carefully discussed with the reasons for it on our side and the dangers on theirs. I made as strong a presentation as I could of the importance of it to Great Britain and to the naval question. The President said it must come as an offer from us to Great Britain. The proposal finally boiled down to the recommendation that the matter should be examined into by jurists and then the President should make a statement, off his own bat, in favor of free food ships, with the Prime Minister to follow by another public statement; the President's statement to be incorporated in our general announcement of the results of the Prime Minister's visit. The Prime Minister analyzed the political situation in England as follows: Labor would support such a proposition; the Liberals would support it; the young Conservatives would support it; the old Conservatives would oppose it; the Naval people would oppose it; unorganized public opinion, in general, would be suspicious of it. Afterwards, Vansittart told me that the Prime Minister had been overoptimistic in his opinion; that it would be much more generally opposed than he thought. Craigie said that the Committee of Imperial Defense had been discussing the general subject "in and out" for two years.

They felt pretty clearly that there was great danger of the matter causing an unfavorable reaction unless it was presented just right. If presented just right they agreed with us that it would command British support. For this reason they opposed the use in the first announcement of the expression "freedom of the seas" as this was associated in the British mind with attacks on their navy. Craigie suggested instead "rights and immunities at sea during war".

III. The Kellogg Pact.

Throughout the talk it was agreed by everybody, and in fact, kept coming up for re-affirmation constantly, that the enactment of the Kellogg Pact⁴ created a new starting point for international negotiations for the preservation of peace.

IV. Amendment of the Kellogg Pact.

The President brought up the memorandum which he had dictated embodying his latest views on the proposition which Cotton⁵ and I had been urging on him of getting a new starting point by which all nations could agree on stamping out the conflagration of war and preventing it.⁶ I had brought up Philip Kerr's article in *Foreign Affairs* for October and gave it to the Prime Minister to read. He knew of Kerr's view and told me he agreed with him; I told him that I also agreed with him. He read the article while he was there and said he agreed with it.

The President was opposed to our proposition that any outside nation had a right to interfere in this subject of preventing a conflagration of war because of the political opposition which it would excite against having officious countries butt into our affairs. He stressed the point of view that the essence of our proposal should be that the parties to the controversy were entitled to have it investigated by a commission of their own choosing and on which they were represented. The memorandum which he presented embodied both our views. The question of whether it should be presented as an amendment to the Kellogg Pact was also argued. I had pointed out the danger of offending Mr. Briand⁷ by an attempted amendment of his treaty and this difficulty was recognized in the conference.

The President's memorandum was talked over very fully during the morning and again in the evening. In this discussion these points came out very clearly:

⁴Treaty for the renunciation of war as an instrument of national policy, signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. 1, p. 153.

⁵Joseph P. Cotton, Under Secretary of State.

⁶See annex VIII to memorandum by the Secretary of State, October 9, p. 30.

⁷French Minister for Foreign Affairs.

First. The two separate amendments which we were trying to cover, both of which we agreed were important:

(a) that either of the disputants should have the right to present his case to world opinion through a Commission on which he was represented;

(b) in case neither disputant did so, that a neutral nation was interested in stopping the conflagration of war and should be allowed to do so.

Second. The difficulties which gradually emerged were that nearly all other nations are members of the League of Nations where the Council has the right to impose a conciliation with sanctions.

Again, there are many separate conciliation treaties between various nations which cover point (a) above. If we should propose a general multilateral treaty covering both (a) and (b) the nations who were members of the League would not be interested in doing it for us. Yet there is great need that it should be done in order to bring the great influence of the United States effectively to bear upon the settlement of controversies despite the fact that she is not a member and will not join the League. Also the general trend of public opinion now is in favor of the method of the Kellogg Pact of an appeal to world opinion rather than the method of the League with an appeal to force, after an investigation by a Superior Council.

After all these points had been discussed late in the evening we decided that, owing to these objections, it was unsafe to use this subject as one of the announcements of our meetings.

On the way home Monday morning driving with the President and MacDonald, I asked MacDonald whether, in case I should succeed in avoiding these difficulties and in negotiating successfully with Briand for a general pact would he, MacDonald, support it. He replied: "With open arms".

V. Naval Bases.

The President presented our proposition to divide the world into two hemispheres in the western one of which the British will not maintain naval or military stations which are a menace to us and in the eastern one of which we shall not maintain such bases which are a menace to them. They said that they were certain their existing bases in the western hemisphere were not fortified enough to constitute such a menace. It was agreed that only armament should be affected and not supplies or repairs. They were willing that the armament should extend only to the ability to stand off raids of privateers and to do ordinary police work against internal troubles. Finally it was decided that the best way was to have our General Board advise us as to the truth of the British statement that their bases are thus innocuous and then to have them agree not to increase them so that

they would become a menace to us. In the eastern hemisphere I pointed out the existence of the Pacific Treaty⁸ and the danger of making a new covenant within the scope of that treaty, particularly in reference to regulation in relation to Hawaii and Japan, and they agreed.

During the morning conference I suggested to the President that we send for Cotton and he arrived after luncheon at about two thirty.

After the morning conference, at about eleven o'clock we went for a walk and on our return at one o'clock the President and I retired and the President, with my assistance, dictated a memorandum which was used as the basis of the afternoon's conference and which covered the subjects discussed in the morning. This is attached and marked "A" with red pencil. The interlineations are in the President's handwriting.⁹ This was used as the basis of the afternoon conference. In the afternoon we went over it and then Cotton and I retired and dictated a new memorandum. A copy of this memorandum is attached marked "B" with red pencil. The interlineations on it are in my own handwriting.⁹ This was discussed all evening. Then we decided that we would eliminate the point about the amendment of the Kellogg Pact (marked I) in view of the difficulties above discussed, and modify the whole thing so as to confine it to the relations of the United States and Great Britain.

During our absence from the room two other memoranda were drafted by the President and they are attached hereto marked with red pencil "C" and "D".

[Annex A]

Memorandum by President Hoover

OCTOBER 6, 1929.

We have engaged in an examination of the broad questions of reinforcing the peace of the world. The situation in the world has been importantly altered in consequence of the pact of Paris. The declaration of that pact, "that the world has renounced war as an instrument of national policy["] and its undertaking that settlement or solution of disputes and conflicts of whatever origin shall never be sought except by pacific means re-orient all problems of peace.

One of the important consequences is to reduce the purpose and use of military and naval power solely to that of national defense and to emphasize the necessity for removal of international friction. It is imperative to re-examine the international situation in these lights and to seek further means for the pacific settlement of international controversies, and measures in reduction of international frictions.

⁸Treaty between the United States, the British Empire, France, and Japan, signed at Washington, December 13, 1921, *Foreign Relations*, 1922, vol. I, p. 33.

⁹Memorandum printed as revised, with no attempt to show where revisions occurred.

In the furtherance of practical application of these ideas, we have examined the possibility of the extension of the pact of Paris to strengthen measures against the outbreak of war and to reinforce the machinery of pacific settlement of controversies.

I

We are united in the feeling that an advance step could be taken in development of pacific means for the settlement of controversies if an article, to be called "Article 3" could be added to the pact of Paris to the effect that in event of any controversy in which satisfactory settlement is not made by direct negotiation or agreed reference to arbitration or judicial decision, such controversy shall be investigated by a commission to be selected by the parties to the controversy, upon which commission the parties shall be represented together with impartial members; this commission to examine all the facts concerning the controversy, to endeavor to conciliate the difficulties and to publish the facts; that suggestion of the desirability of such action by nations strangers to the controversy would not be considered an unfriendly act.

In the field of reduction of international friction we have examined the broad problems of naval reduction and limitation. We have further examined the question of limitation upon construction of military bases and we have examined the question usually referred to under the heading of "freedom of the seas".

(Rights and immunities at sea during war)

(Merchant trading during time of war)

The state of peace is recognized as normal by the Pact of Paris and war is outlawed. All nations have a legitimate interest in the preservation of peace, and all are injured by a breach of peace.

The United States, in numerous treaties of conciliation with the leading powers of Europe, in treaties with the Pan American nations, in its adhesion to the Hague treaties, has already accepted these principles. The covenant of the League of Nations provides that the counsel [*Council?*] of the League shall make such inquiry among its members. The principles of this suggestion, therefore, have been widely agreed to by the nations of the world.

This proposal however differentiates itself from those hitherto in that it would extend the number of nations adhering to these ideas; it undertakes to secure action by initiative of the parties to the controversy themselves; to secure to each nation the right to have the facts determined and an appeal to public opinion, and to arouse world opinion and world conscience that the facts shall be determined.

II

NAVAL REDUCTION AND LIMITATION

One of the primary necessities of the world for the maintenance of peace is the elimination of the frictions which arise from competitive armament and the further necessity to reduce armament in economic relief to the peoples of the world. The negotiations which have taken place between the United States and Great Britain have been based upon a desire on both sides to find solution to their peculiar problems which have hitherto stood in the way of world agreement on this question.

The negotiations which have taken place during the past three months have resulted in such an approximation of views as has warranted the calling of a conference of the leading naval powers¹⁰ in the belief that at such a conference all views can be reconciled. (Between ourselves we have agreed upon parity, category by category as a great instrument for removing the competition between us.) All the reconsideration of capital ship replacement programs provided in the Washington Arms Treaty,¹¹ the limitation and reduction in the categories of cruisers, destroyers and submarines, yield strong hope of final agreement, and it has been agreed that we shall continue to mutually examine these questions involved prior to the conference. And we shall continue to exchange views upon questions and concurrently discuss these views with the other naval powers.

III

With further view to reducing friction and to minimize the possibility of conflicts, we believe that we should agree that Great Britain should not establish new or maintain fortified military bases in the Western Hemisphere, such area to be defined as that portion of the globe lying west of say 25° meridian to the 180° meridian, or thereabouts; and that the United States on the other hand should not establish or maintain military bases in the Eastern Hemisphere, except so far as that provided in the pacific treaties of 1922—the Eastern Hemisphere for this purpose to be defined as that area of the globe lying east of the 25° meridian to the 180° meridian.

IV

We recognize that one of the most troublesome questions in international relations is that of freedom of the seas. (Some other ex-

¹⁰ The forthcoming conference on naval disarmament to be held in London in January 1930.

¹¹ Treaty for the limitation of naval armament, signed at Washington, February 6, 1922, *Foreign Relations*, 1922, vol. 1, p. 247.

pression to be substituted). Not only does this subject arouse fear and stimulate naval preparation, but it is one of the pregnant causes of expansion of the area of war once it may have broken out, by dragging other nations in as the result of controversies with belligerents.

Misunderstandings arising out of these questions have been the most pregnant cause of controversies in the past between our two countries. We have resolved therefore that we will examine this question fully and frankly.

The President proposes, and he hopes the American people would support the proposal, that food ships should be declared free from interference during times of war, and thus to remove starvation of women and children from the weapons of warfare. That would reduce the necessity for naval arms in protection of avenues of food supplies. Such a proposal goes wider than the rights of neutrals in times of war and would protect from interference all vessels solely laden with food supplies in the same fashion that we now immunize hospital and medical supplies.

[Annex B]

Memorandum by the Secretary of State and the Under Secretary of State (Cotton)

OCTOBER 6, 1929.

We have engaged in an examination of the broad question of what steps are involved in re-enforcing the peace of the world. The situation has been vitally altered in consequence of the pact of Paris.

The declaration of that pact, that the nations of the world have renounced war as an instrument of national policy and have undertaken to settle all disputes and conflicts of whatever origin, by pacific means, furnishes a new starting point for all the problems of peace.

[By agreement upon this pact, the underlying causes which have led to competition in armaments, are ended and one of the great causes of war is eliminated.]¹² It is therefore now imperative to re-examine the international situation in this light in order that we may find measures to strengthen pacific means to settle international controversies, to reduce international friction and thus prevent other causes which might still lead to war.

¹² Bracketed and stricken out either before or during the discussion.

I ¹⁸

By the pact of Paris, it is recognized that in the public opinion of the world today the condition of peace is normal and the condition of war outlawed. Thus public opinion has become a new and vital factor underlying every international controversy. It is important to either party in every such controversy where the difficulty cannot be settled by direct negotiation or by an agreed reference to arbitration or judicial decision, that the dispute be impartially investigated and the facts thus brought out laid before the public opinion of the world, in order to secure for a righteous cause the support of the world's approval.

Even before the ratification of the Pact of Paris, the United States had proposed and bound itself by this method in numerous treaties of conciliation with the leading powers of Europe and in recent treaties with other American nations. The Covenant of the League of Nations also provides that the Council of the League may make such inquiries and investigations among its members. The importance and value of this method of resolving differences has thus been widely accepted by the nations of the world.

It seems wise, therefore, that this right of a disputant nation to appeal to the public opinion of the world should be made universal. By a general treaty like the pact of peace, the disputant should have the right to call for the creation of an impartial commission, formed for this purpose, on which both sides should be represented, to investigate and report upon the facts of the controversy. Furthermore, as other nations have a legitimate interest in the preservation of peace, and may be injured or endangered by a breach thereof, they also, in cases where the usual means provided by treaties for direct negotiations or arbitral or judicial settlements are not invoked, should have the right to urge and require that such an investigation be made and the public opinion of the world be informed.

It may well be found that this end may be most appropriately accomplished by a third article to the pact of peace.

II

The most important concrete step to insure peace is to stop the race of competitive armament with its train of fear and friction and its economic burden on the people of the world. The negotiations which have taken place between the United States and Great Britain during

¹⁸ This point eliminated from the memorandum by agreement during the discussion.

the past summer have been based upon the desire of both sides to find a solution for the problems peculiar to them, which have hitherto stood in the way of world agreement on this question. These negotiations have resulted in such an approximation of views as to warrant the issue of invitations to a conference of the leading naval powers in the belief that the way is now prepared for a general agreement on naval reduction.

We have agreed upon the principle of parity between our two navies, category by category, believing that such an agreement alone will prevent competition in naval armaments between our two countries.

We have also agreed, if the other signatories are in accord, to a reconsideration of the capital ship replacement program provided in the Washington Arms Treaty; to limitation of cruisers and reduction in the categories of destroyers and submarines, and that we shall continue to mutually examine these questions prior to the conference, in the hope of achieving further reduction.

We shall continue to exchange views upon these questions and to concurrently discuss these views with the other naval powers.

III

With the further view to reducing fear and the friction that comes from fear, we have obtained the opinion of our General Board of the Navy, that the existing military and naval stations of Great Britain in the Western Hemisphere are not in a condition to be a menace to the U. S.

Great Britain will not hereafter establish any military or naval stations in her possessions in the Western Hemisphere nor alter any such existing stations in such a way as in either case to become a menace to the United States.

Reciprocally, the United States makes the same agreement as to the Eastern Hemisphere.

It is understood however by both of us that the above declaration does not supersede or alter the provisions of Article XIX of the Washington Treaty of 1922 for the Limitation of Naval Armament.

Such Western Hemisphere is to be defined as that portion of the globe lying west of the 25th meridian and east of the 180th meridian. The Eastern Hemisphere is the remainder of the globe.

IV

We recognize that one of the most vexed questions in international relations is that of rights and immunities at sea during war.

The controversies and disputes engendered by this subject have in the past been pregnant with the danger of aggravating or extending

hostilities. Misunderstandings and fears arising from this source have been a frequent but we believe avoidable cause of friction between our two countries.

We have resolved, therefore, that we will examine this question fully and frankly.

The President hopes that food ships shall be declared free from interference in times of war, thus removing the starvation of women and children from the weapons of warfare, and reducing the necessity for naval arms for the protection of avenues of food supplies. Such a proposal would protect all vessels laden solely with food supplies in the same fashion that hospital ships are now protected.

[Annex C]

Memorandum by President Hoover

[OCTOBER 6, 1929.]

Preparatory to the January conference it is agreed that we shall further examine the following questions:

Capital ships

The British to formulate suggestions for replacement by ships limited to 12-inch guns, 25,000 tons.

The United States to formulate proposals for the deferment of replacements for a period of 5 years and for the dropping out of certain replacements altogether.

Cruisers

The United States to formulate a suggestion for creation of a class of police cruisers to be comprised of cruisers not in excess [omission?].

Destroyers

It is suggested that the maximum destroyer strength of each nation should be approximately tons.

Submarines

While our action must be governed entirely by the attitude of the other powers, we suggest a maximum of tons for submarines. We would, of course, be glad to abolish them altogether.

[Annex D]

Memorandum by President Hoover

[OCTOBER 6, 1929.]

We have reviewed the questions particularly affecting the United States and Great Britain in naval reduction and limitation. The following is the position of negotiations:

Battle Ships

We have agreed to continue the examination of how far we can defer or drop or modify the replacements required by the Washington Arms Treaty.

Cruisers

We have agreed to continue the examination of the cruiser category with view to reducing the gross tonnage previously stated for this category.

Destroyers

We have agreed that the maximum tonnage for destroyers should be 190,000 tons but we shall further examine this with the intention of reduction at the conference.

Submarines

We are prepared to abolish all submarines. We shall, however, need to establish a tonnage at the conference based upon that required by other powers.

These accomplishments promise definite reduction in existing tonnage and prospective programs of the two countries.

As soon as the conference has been fixed we propose to exchange views with the other naval powers upon similar questions in a desire to advance problems as far as possible prior to the conference.

033.4111MacDonald, Ramsay/953

Memorandum by the Secretary of State

[WASHINGTON,] October 9, 1929.

MEMORANDUM OF PAPERS DRAWN UP DURING PRIME MINISTER
MACDONALD'S VISIT

When we came down from Rapidan we used as a basis the memoranda "A" and "B" attached to my memorandum of October 7. Mr. Cotton drafted a memorandum which is annexed hereto marked I.

From this memorandum the President, on Monday afternoon,¹⁴ drafted another memorandum, according to my recollection, while I was at work with Mr. Adams¹⁵ over the vagaries of the General Board. I went over the President's memorandum on that afternoon with him while Mr. Cotton went down to see the General Board. The President's original memorandum is not attached. Then the Prime Minister took the President's memorandum and on the basis of it that night produced another memorandum which is attached, marked I-a.

After he produced I-a the Prime Minister got alarmed about making any reference to the President's statement on food ships and there was produced II.

In the meantime I was at work on the President's food ship idea and made a revision of it, marked II-a.

He¹⁶ accepted substantially as embodied in II-b.

¹⁴ October 7.

¹⁵ Charles Francis Adams, Secretary of the Navy.

¹⁶ i.e., Prime Minister MacDonald.

Tuesday night he was getting more troubled about public opinion and getting frightened about the naval station point, but at the British Ambassador's dinner he told me what he thought he could do in respect to that. I got up at six o'clock Wednesday morning and drafted the penciled paper attached, marked III. At 7:20 I telephoned to Vansittart my version of what the Prime Minister was willing to do on the naval base point. I stopped at the British Embassy on my way downtown and found the Prime Minister had receded again from III and was at work on a carbon of draft II. He came in and brought me a draft of II with his amendments in his handwriting. I had a pretty thorough talk with the Prime Minister at that time and made up my mind he could not do any more than he proposed without danger of disrupting his government and destroying what we were hoping for.

I then went to the White House with II with the Prime Minister's amendments on it. I went over it with the President, putting in the things which are in my handwriting, and then at 12:15 the Prime Minister, Vansittart and Craigie came in and the communique for the press was agreed on substantially upon the basis of II as amended.

The President afterwards sent me over a letter, dated October 9, with memoranda on the two subjects which had thus been omitted: military stations and food ships. This letter is attached with its enclosures as IV.

Later that afternoon the President sent for me and read me a memorandum which he had made of his conversations with the Prime Minister on the subject of the enforcement of prohibition, which, after my criticisms, was sent to Mr. MacDonald.¹⁷

The communique for the press is attached here as V in the form which Cotton and I went over with Craigie after the 12:15 White House conference. In this form it was given to Mr. Akerson¹⁸ to be multigraphed.

I also attach hereto a memorandum dated Sunday, October 6, 1929, containing the results of the President's discussions with MacDonald and Craigie on the subject of the cruisers, at Rapidan. This is marked VI.

There is also attached the President's note of October 1 containing some of his preliminary memoranda in regard to the various matters which were to be discussed at Rapidan. This is marked VII.

There is attached as VIII a memorandum, my first one, scratched up by the President, on the principle of trying to work out the Kellogg Pact amendment mentioned in my memorandum of October 7.

¹⁷ See letter from President Hoover, October 10, p. 31.

¹⁸ George Akerson, Secretary to the President.

Today, October 9, in our discussion at the Embassy, Craigie, who was very anxious to have added to our communique in some form, the Pact of Peace amendment, made the draft which I have marked IX and attached hereto.

In a telephone conversation this morning the President suggested that his statement on food supplies could be given out by Mr. MacDonald after he left Washington with the enclosed memorandum marked X. I proposed this to MacDonald at the Embassy this morning when I was there between 10 and 10:30 and he at first accepted it and was going to do it, but after consultation with Vansittart decided that it was too dangerous in view of his later telegrams from London.

I attach also miscellaneous copies of some of these papers which I have not had time to sort out and which I have marked "X".¹⁹

[Annex I]

Memorandum by the Under Secretary of State (Cotton)

OCTOBER 7 [, 1929].

By the Pact of Paris the nations of the world renounced war as an instrument of national policy. The United States and Great Britain completely accept that renunciation. As regards each other they have resolved that henceforth it is axiomatic that war between the two countries is unthinkable. That basic conclusion has been the chief point in the consultations which have been proceeding between the Prime Minister and the President. To emphasize that conclusion has been the main purpose of the Prime Minister's visit to the United States. During the consultations they have reviewed the concrete measures which, in the light of that conclusion, may be wisely taken by the two countries to prevent friction and differences between them.

NAVAL DISARMAMENT

The most important concrete step to insure peace is to stop the race of competitive naval armament with its train of fear and friction and its economic burden on the peoples of the world. The negotiations which have taken place between the United States and Great Britain during the past summer have been based upon the desire of both countries to find solution for the problems peculiar to them which have hitherto stood in the way of world agreement on this question. The negotiations have resulted in such an approximation of views as warrants the issue of invitations to a conference of the leading naval powers in the belief that the way is now pre-

¹⁹ Not printed.

pared for a general agreement on naval reduction. In the negotiations the two countries have agreed on the principle of parity between them in the belief that thus alone can they end competition between them in naval armament. They have also agreed, if the other signatories be in accord, to a reconsideration of the capital ship replacement program provided in the Washington Arms Treaty.

The exchange of information and views between the Prime Minister and the President in person during the last few days has resulted in a better understanding of the needs and the problems of the two Governments in regard to naval armament, and it is clear that such differences as still remain may be safely left to be disposed of in the conference. In preparation for the conference the two countries will continue to exchange views and information with each other and concurrently with the other naval powers who are invited to the conference.

RIGHTS AND IMMUNITIES AT SEA

It is recognized that some of the most troublesome questions in international relations are those arising out of rights and immunities at sea during war. The controversies and disputes engendered by this subject have in the past been pregnant with the danger of aggravating or extending hostilities. The misunderstandings and fears arising from this source have been a frequent, but it is believed an avoidable, cause of friction between the two countries. It is resolved, therefore, that this question should be fully and frankly examined.

The President hopes that food-ships will be declared free from interference in time of war, thus removing starvation of women and children from the weapons of war and reducing the necessity for naval arms for the protection of avenues of food supplies. Such a proposal would protect all vessels laden solely with food supplies in the same way that hospital ships are now protected.

[Annex I-a]

Memorandum by the British Prime Minister (MacDonald)

[OCTOBER 7, 1929.]

During the last few days we have had an opportunity not only to review the conversations on a naval agreement which have been carried on during this summer between representatives of the United States and Great Britain, but also to discuss some of the more important means by which the moral force of our countries can be exerted for peace. We have been guided by the double hope of settling our own differences on naval matters and so establishing

unclouded good-will, candour and confidence between us, and also of contributing something to the solution of the problem of peace in which all other nations are interested and which calls for their cooperation.

In signing the Paris Peace Pact we and 56 other nations have declared that war shall not be used as an instrument of national policy. We have agreed that all disputes shall be settled by pacific means. Both our Governments resolve to accept the Peace Pact not only as a declaration of good intentions but as a positive obligation to direct national policy in accordance with its pledge.

The part of each of our governments in the promotion of world peace will be different, as one will never consent to become entangled in European diplomacy and the other is resolved to pursue a policy of active cooperation with its European neighbours; but both of our governments will direct their thoughts and influence towards securing and maintaining the peace of the world.

Our conversations have been largely confined to the mutual relations of the two countries in the light of the situation created by the signing of the Peace Pact. Therefore, in a new and reinforced sense the two governments not only declare that war between them is unthinkable, but that distrusts and suspicions arising from doubts and fears which may have been justified before the Peace Pact must now cease to influence national policy. We approach old historical problems from a new angle and in a new atmosphere. On the assumption that war between us is banished, and that conflicts between our military or naval forces cannot take place, these problems have changed their meaning and character, and their solution, in ways satisfactory to both countries, has become possible.

The exchange of views on naval reduction has brought the two nations so close to agreement that failure seems now out of the question. We have kept the nations which took part in the Washington Naval Conference of 1922 informed of the progress of our conversations, and we have now proposed to them that we should all meet together and try to come to a common agreement which would justify each in making substantial naval reductions. An Anglo-American agreement on naval armaments cannot be completed without the cooperation of other naval powers, and both of us feel sure that, by the same free and candid discussion of needs which has characterized our conversations, such mutual understandings will be reached as will make a world agreement possible and pave the way for the long delayed larger world conference on disarmament.

Between now and the meeting of the proposed conference in January, our governments will continue conversations with the other powers concerned, in order to remove as many difficulties as possible before the official and formal negotiations open.

In view of the security afforded by the Peace Pact, we have been able to end, we trust for ever, all competitive building between ourselves with the risk of war and the waste of public money involved, by agreeing to a parity of fleets, category by category.

We have already initiated steps for the reduction of our own naval programmes. We propose that between ourselves and the other naval powers we shall, before the conference, consider how far the replacement battleship programmes set out in the Washington Treaty for the Limitation of Naval Armament can be deferred or dropped or modified; re-examine the cruiser category, which for the moment produces special difficulties, with a view to fixing the gross tonnage at its lowest possible level; and suggest a very considerable reduction of tonnage used for destroyers. Further, we agree that whilst ourselves prepared to abolish all submarines, we realise that we must meet the views of the other naval powers, but we shall negotiate with them so as to try and effect reductions by mutual agreement.

Success at the coming conference will result in a large decrease in the naval equipment of the world and, what is equally important, the reduction of prospective programmes of construction which would result in competitive building to an indefinite amount.

Two questions which cannot be dissociated from any satisfactory agreement between America and Great Britain have also been discussed and methods of dealing with them suggested.

The first relates to fortified stations which are apt to be made the subject of a propaganda of fear from which friction is likely to arise.

The General Board of the United States Navy have put their opinion on record that the existing military and naval stations of Great Britain in the Western Hemisphere are not in their present condition an appreciable menace to the United States.

Great Britain will not hereafter establish any military, naval or military aviation stations in her possessions in the Western Hemisphere nor alter any existing stations in such a way as to become a menace to the United States.

Reciprocally the United States makes the same agreement as to the Eastern Hemisphere.

It is understood, however, by both parties that the above declaration does not alter nor supersede the provisions of Article 19 of the Washington Treaty of 1922 for the Limitation of Naval Armament within the territory covered thereby.

The Western Hemisphere is to be defined as that portion of the globe lying West of the 30 meridian and East of the 170 meridian, and the Eastern Hemisphere as the remainder of the globe. This arrangement may be placed in treaty form if it seems desirable.

As regards the second point, we recognise that some of the most troublesome questions in our relations are those which have arisen out of rights and immunities at sea during war. The controversies and disputes engendered by this have in the past been pregnant with the danger of aggravating and extending hostilities. Misunderstandings and fears springing from this source have been a frequent, but we believe avoidable, cause of friction between our two countries. We have resolved, therefore, that we shall examine the question fully and frankly together on all its bearings.

[The two paragraphs which follow *infra* were stricken from the draft, as the Secretary implies in his memorandum of October 9, printed on page 14.]

The President himself hopes that food ships will be declared free from interference in time of war, thus removing the starvation of women and children from the weapons of warfare and reducing the necessity for naval arms to protect avenues of food supplies. His proposal would place all vessels laden solely with food supplies on the same footing as hospital ships.

He takes the view that the accentuated growth of industrialisation during the past half century places countries with populations in excess of their domestic food supply in a peculiarly weak military position, and that protection for overseas supplies has been one of the impelling causes of increasing naval armament. Further, he contends that the economic stability of surplus food-producing countries is to a considerable degree dependent upon keeping the avenues of export open and they in turn consider they must maintain armament to protect such outlets. Moreover, in all naval wars of recent years a large element in strategy by all nations has been to cut off such supplies. He expressed the belief that the time had come for the world to consider the true meaning of such action and to agree that the starvation of civilian populations should not be included in the weapons of war, and that a definite organisation for the protection of food movements in time of war would constitute the most important contribution to the rights of parties whether neutrals or belligerents, as well as a lessening of the pressure for naval strength.

We believe that this cooperation in peacemaking will be warmly welcomed by the peoples whom we represent and be a substantial contribution to the efforts now being universally made to gain security, not by military organisation which has always failed, but by peaceful means rooted in public opinion and enforced by the sense of justice of the civilised world.

[Annex II]

[This annex is not printed. It is the same as annex I-a, *supra*, except for slight verbal changes and the omission of the two last

paragraphs preceding the final paragraph. For annex II as amended, see the joint statement of President Hoover and the British Prime Minister set forth in the statement issued to the press October 10, printed on page 33.]

[Annex II-a]

Memorandum by the Secretary of State

[OCTOBER 7, 1929.]

We recognize that some of the most troublesome questions in our relations are those of rights and immunities at sea in times of war. The controversies and disputes engendered by this have in the past been pregnant with danger of aggravating and extending hostilities. Misunderstandings and fears springing from this source have been a frequent, but we believe avoidable, cause of friction between our two countries. We have resolved that we will examine the question fully and frankly together in all its bearing.

The President hopes that it will be possible to suggest to the other powers that all ships laden solely with food shall be made free of any interference in times of war, in some such manner as is now provided for hospital ships, thus removing starvation of women and children from the weapons of warfare and reducing the necessity for naval arms for protection of the overseas lanes of food supplies.

He expressed the view that the rapid growth of an industrial civilization during the past half century has created in many countries populations far in excess of their domestic food supply. As a consequence protection for overseas supplies has been one of the impelling causes of increasing naval armaments. Again, in countries which produce surplus food their economic stability is also to a considerable degree dependent upon keeping open the avenues of their trade in the export of such surplus, and this stimulates armament on their part to protect such outlets. Thus the fear of an interruption in sea-borne food supplies has powerfully tended towards naval development in both importing and exporting nations and in all naval wars of recent years the cutting off or the protection of such supplies has formed a large element in their strategy. He expressed the belief that the time had come for the world to consider the true meaning of this situation and to establish that the starvation of civilian population should not be included among the weapons of warfare. He felt that a definite organization for protection of food movements in time of war would constitute a most important contribution to the rights of parties whether neutrals or belligerents and would greatly tend towards lessening the pressure for naval strength.

[Annex II-b]

Memorandum by the Secretary of State

[OCTOBER 7, 1929.]

The President hopes that it will be possible as one of the results of such examination to suggest to the other powers that food ships shall be made free of any interference in times of war, thus removing starvation of women and children from the weapons of warfare and reducing the necessity for naval arms to protect the overseas lanes of food supplies. His proposal would place all vessels laden solely with food supplies on the same footing as hospital ships.

He expressed the view that the rapid growth of an industrial civilization during the past half century has created in many countries populations far in excess of their domestic food supply and thus peculiarly weakened their military position. As a consequence, protection for overseas supplies has been one of the impelling causes of increasing naval armaments and military alliances. Again, in countries which produce surplus food their economic stability is also to a considerable degree dependent upon keeping open the avenues of their trade in the export of such surplus, and this stimulates armament on their part to protect such outlets. Thus the fear of an interruption in sea-borne food supplies has powerfully tended towards naval development in both importing and exporting nations and in all important wars of recent years the cutting off or the protection of such supplies has formed a large element in the strategy of all combatants. He expressed the belief that the time had come for the world to realize this as one of the underlying causes of the situation and to establish that the starvation of civilian population should not be included among the weapons of warfare. He felt that a definite organization for protection of food movements in time of war would constitute a most important contribution to the rights of parties whether neutrals or belligerents and would greatly tend toward lessening the pressure for naval strength.

[Annex III]

Memorandum by the Secretary of State

[OCTOBER 9, 1929.]

To follow the statement about General Board in II.

The Govt of Great Britain stands ready to make this situation permanent, and after consultation with the dominions concerned to undertake by treaty that no military, naval nor military aviation stations shall be maintained in her possessions in the Western Hemisphere in such a way as to become a menace to the United States.

In those portions of the Eastern Hemisphere where our territories come into proximity the provisions of Article 19 of the Washington

Treaty of 1922 for the Limitation of Naval Armament already apply.

[Annex IV ²⁰]

President Hoover to the Secretary of State

THE WHITE HOUSE, October 9, 1929.

MY DEAR MR. SECRETARY: I send you herewith copies of my memoranda on the two subjects—Military Stations, and Freedom of the Seas—and in addition, a copy of the revised edition of the food statement which I gave to Mr. MacDonald this morning.

I transmit these to you in order that we may check up to see that we have the same record.

Yours faithfully,

HERBERT HOOVER

[Enclosure 1—Memorandum]

ARMY, NAVY, AND MILITARY AVIATION STATIONS

The General Board of the United States Navy have put their opinion on record that the existing military and naval stations of Great Britain in the Western Hemisphere are not in their present condition an appreciable menace to the United States.

Great Britain will not hereafter establish any military, naval or military aviation stations in her possessions in the Western Hemisphere nor alter any existing stations in such a way as to become a menace to the United States.

Reciprocally, the United States makes the same agreement as to the Eastern Hemisphere.

It is understood, however, by both parties that the above declaration does not alter nor supersede the provisions of Article 19 of the Washington Treaty of 1922 for the Limitation of Naval Armament within the territory covered therein.

The Western Hemisphere is to be defined as that portion of the globe lying West of the 30 meridian and East of the 170 meridian, and the Eastern Hemisphere as the remainder of the globe. This arrangement may be placed in treaty form if it seems desirable.

[Enclosure 2—Memorandum]

RIGHTS AND IMMUNITIES AT SEA DURING WAR

As regards the second point, we recognize that some of the most troublesome questions in our relations are those which have arisen out of rights and immunities at sea during war. The controversies and

²⁰ Filed under 033.4111 MacDonald, Ramsay/953.

disputes engendered by this have in the past been pregnant with the danger of aggravating and extending hostilities. Misunderstandings and fears springing from this source have been a frequent, but we believe avoidable, cause of friction between our two countries. We have resolved, therefore, that in the light of the new situation created by the Pact of Paris, we shall examine the question fully and frankly together on all its bearings.

[Enclosure 3]

Statement Regarding Food Ships

The President has made the informal suggestion that food ships should be made free of any interference in times of war, thus removing starvation of women and children from the weapons of warfare and decreasing the necessity for naval arms for protection of the overseas lanes of food supplies. His suggestion would place all vessels laden solely with food supplies on the same footing as hospital ships.

He expressed the view that the rapid growth of industrial civilization during the past half century has created in many countries populations far in excess of their domestic food supply and thus steadily weakened their natural defenses. As a consequence, protection for overseas supplies has been one of the impelling causes of increasing naval armaments and military alliances. Again, in countries which produce surplus food their economic stability is also to a considerable degree dependent upon keeping open the avenues of their trade in the export of such surplus, and this again stimulates armament on their part to protect such outlets. Thus the fear of an interruption in seaborne food supplies has powerfully tended towards naval development in both importing and exporting nations. And in all important wars of recent years to cut off or to protect such supplies has formed a large element in the strategy of all combatants. He expressed the belief that the world must sooner or later realize this as one of the underlying causes of its armed situation. And further, that steps should be taken that starvation should not be included among the weapons of warfare. He felt that definite organization under neutral auspices for protection of food movements in time of war would constitute a most important contribution to the rights of parties, whether neutrals or belligerents and would greatly tend toward lessening the pressure for naval strength.

The President recognizes that such a suggestion could become practicable only by world-wide revision of existing treaties and the international understandings among many nations, and only after further realignment of world thought which should flow from the Paris Peace Pact.

[Annex V]

[This final draft of the joint statement by President Hoover and the British Prime Minister is set forth in the statement issued to the press October 10, printed on page 33.]

[Annex VI]

Memorandum by President Hoover

SUNDAY, OCTOBER 6, 1929.

Mr. MacDonald explained to me that he thought he could devise a program which would maintain 50 cruisers for the British Navy and still result in a reduction of gross tonnage by some 14,000 tons. He asked how this would affect our views.

I told him it would of course affect our views to the extent of this tonnage. I requested the details of the ships and these were furnished to me by Mr. Craigie. I then calculated the valuation of Mr. MacDonald's new proposal by the General Board's formula with the following results:

MR. MACDONALD'S NEW PROPOSAL

<i>Units</i>	<i>Gross</i>	<i>General Board Valuation</i>
15 8-inch	146,800	135,565
21 old 6-inch	101,480	64,961
2 old 6-inch	9,000	6,000
7 new 6-inch (6500)	45,500 (6500)	43,680
5 new 6-inch (4500)	22,500 (4500)	21,000
	<hr/> 325,280	<hr/> 271,206
Mr. MacDonald's former proposal	339,280	287,886
	<hr/>	<hr/>
Reduction	14,000	16,680

GENERAL BOARD AMERICAN NAVY

<i>Units</i>	<i>Gross</i>	<i>Valuation</i>
21 8-inch	210,000	204,460
10 6-inch	70,500	53,413
5 6-inch	35,250	33,840
	<hr/> 315,750	<hr/> 291,213

Gen. Board American Navy. 291, 213

MacDonald new proposal. 271, 206

American Navy in excess by 20,000 valuation tons, or equal to two new 8-inch cruisers.

It is interesting to note the results of the application of Admiral Jones' formula to Mr. MacDonald's new proposal.

ADMIRAL JONES' VALUATION

<i>United Kingdom</i>		<i>United States</i>	
15 8-inch	137,543	21 8-inch	205,760
21 old 6-inch	61,461	10 6-inch	50,865
2 old 6-inch	5,500	5 6-inch (new)	30,888
7 new 6-inch (6500)	39,244		
5 new 6-inch (4500)	19,350		
	<hr/>		<hr/>
	262,098		287,513

There is thus a difference of 25,500 valuation tons or 2 new 8-inch cruisers and one 6" cruiser.

ON MAXIMUM FORMULA—

(G. B. Age—Admiral J. guns)

<i>United Kingdom</i>		<i>United States</i>	
15 8-inch	135,565	21 8-inch	204,360
21 6-inch (old)	55,898	10 6-inch (old)	48,754
2 6-inch (old)	5,000	5 6-inch (new)	30,888
7 6-inch (new)	39,100		
5 6-inch (new)	19,350		
	<hr/>		<hr/>
	254,913		284,002

Or American Navy in excess by 29,000 valuation tons (equal to 3 8-inch cruisers)

Subsequently Mr. Craigie presented me the memorandum²¹ upon which the above plan was formulated, in which I discover that their proposed U. S. Fleet is

	<i>Gross</i>	<i>Navy Board Valuation</i>
18 large 8"	180,000	174,460
10 <i>Omahas</i>	70,500	53,413
7 New 6" (7000)	49,000	47,250
	<hr/>	<hr/>
	299,500	275,123

It will be seen that this fleet is 4000 valuation tons above Mr. MacDonald's new fleet and could be reduced by one new 6" and still fall within the Navy Board valuation formula.

Using the Navy Board formula for age and Admiral Jones' formula for guns the valuation of these two fleets would be as follows:

	<i>Gross Tons</i>	<i>Valuation Tons</i>
U. K.	325,280	254,913
U. S.	299,500	266,000
	<hr/>	<hr/>
	-26,780	+12,900

²¹ *Infra.*

This indicates that we are two of the new ships in excess.

I informed Mr. MacDonald that I could not obviously agree to the reduction of two cruisers from 21 to 19 without the approval of my colleagues. My impression was that it offered an avenue for solution at the conference, that it was my belief that it was undesirable to submit these figures in such places as they would be likely to become public as that would only again start speculation and that we should hold them confidential within our administrations until we arrived at the conference, more especially if the British went into the conference with an initial claim for 339,000 tons of cruiser fleet. It would offer opportunity for adjustment.

It was decided to leave it in this position.

[Enclosure]

Mr. Craigie's Memorandum of October 6, 1929

CRUISER PROBLEM

1. The Japanese make a strong claim for 70% of 8'' tonnage of strongest Power. Total tonnage of 12 Japanese 8'' ships built and building is 10', 400 [108,400]. This figure is 70% of 154,800, which would only give the United States between 15 and 16 8'' ships.

2. The above shows that even if the United States come down to 18 8'' ships (180,000 tons) we cannot satisfy the Japanese claim to 70% of America's 8'' tonnage. On the contrary, 108,400 tons is only 60% of 180,000 tons. On numbers we should however be offering the Japanese a 67% ratio and it is probable that they would accept this ratio under pressure. We could not however be a party to endeavoring to depress the Japanese ratio still further.

3. Either therefore the United States must come down to 18 8'' ships or Great Britain and Japan must build further 8'' cruisers. The latter alternative would be disastrous from every point of view, so we are inexorably brought back to the former.

4. How can this excess of 30,000 tons of American 8'' cruiser tonnage be disposed of? It is suggested that the line of least resistance would be to follow three methods simultaneously, i. e. (1) transfer of American 8'' tonnage to 6'' tonnage; (2) increase in yardstick in our favor; (3) reduction of total British cruiser tonnage each side making an equal contribution to bridge the gap.

5. The precise allocation to each of the above categories of the tonnage to be reduced is a matter for negotiation, but the following plan is suggested as a fair compromise.

(a) U. S. to transfer 14,000 tons of 8'' tonnage to her 6'' allowance thus permitting the construction of 2 more 7,000 ton 6'' cruisers (i. e. 7 in all instead of 5 as she now proposes.)

(b) The present American yardstick works out at what the Americans call a discount in our favor of 24,280 tons on a total American tonnage of 315,000. Expressed differently, it means that 1 ton of 8" tonnage equals 1.38 tons of 6" tonnage. That is, one 10,000 ton 8" cruiser would be regarded as the equivalent of two 6,900 ton 6" gun cruisers. This is manifestly absurd even on calibre alone, since the bursting power of the 8" shell is something like six times the bursting power of the 6" shell. The transfer of tonnage suggested under (a) above would bring the yardstick ratio up from 1:1.38 to 1:1.49. Even this is entirely insufficient and it is suggested that nothing less than a ratio of 1:1.7 [1:1.8] would bring us within reach of real parity in combatant strength, which is the avowed purpose of the yardstick. This latter ratio works out at one 10,000 ton 8" ship to three 6,000 ton 6" ships which, though inadequate of this ratio would enable the Americans to reduce by a further 8,600 tons.

(c) This would leave 7,600 tons of the 30,000 ton gap to be bridged. Working on a yardstick ratio 1:1.8 we should have to reduce one 6" cruiser tonnage by 13,680 to enable the United States to reduce its 8" cruiser tonnage by 7,600. It is believed that the Admiralty might be brought to agree to this if we could secure an agreement amongst the Naval Powers (with the possible exception of the United States) that 50% of the numbers of cruisers in each Navy shall be 4,500-5,000 ton ships. (This would be the proportion in our Navy if the suggested reduction of 13,680 in our 6" tonnage were to be realized, i. e. 25 out of 50 ships would be of an average tonnage of 4,500 tons). As Japan and Italy already have well over 50% of the cruisers in the 5,000 ton type or smaller and France has about 33% in the smaller type, such an agreement should not be impossible.

To sum up:

The 30,000 ton American 8" excess might, it is suggested, be disposed of as follows:

(a) By transfer of 14,000 tons to 6" gun category.	14, 000
(b) By raising yardstick ratio from 1:1.38C to 1:1.8	8, 400
(c) By reducing British light cruiser tonnage by 13,680	7, 600
	<hr/>
	30, 000 tons

Under this scheme the British and American cruiser strengths would be as follows:

BRITISH EMPIRE	
15 8" gun cruisers.	146, 800
35 6" gun cruisers.	178, 800
	<hr/>
	325, 600 tons
UNITED STATES	
18 8" gun cruisers.	180, 000
10 <i>Omahas</i>	70, 000
7 new 6" gun cruisers	49, 000
	<hr/>
	299, 000 tons

Discount in our favour 26,600 tons, i. e. 13% on 199,000 tons.

Ratio of 8'' tonnage to 6'' tonnage equals 1 ton of 8'' to 1.8 tons of 6''.

Ratio of ships: 1 10,000 tons 8'' cruiser equals 3 6,000 ton 6'' cruisers.

[Annex VII ²²]

The Secretary to the President (Richey) to the Secretary of State

THE WHITE HOUSE, October 1, 1929.

MY DEAR MR. SECRETARY: The President has asked me to transmit to you the enclosed notes which he drafted today in connection with naval parity.

Yours sincerely,

LAWRENCE RICHEY

[Enclosure 1]

Memorandum by President Hoover

OCTOBER 1, 1929.

The contracting nations agree that in case of any dispute between them that they are unable to refer to arbitration or judicial decision, they shall continue discussions looking to settlement for at least one year after the origin of such dispute, or alternatively they will each request through another nation the creation of a committee of inquiry upon which the disputants shall be represented and no military action shall take place during the twelve months.

[Enclosure 2]

Memorandum by President Hoover

OCTOBER 1, 1929.

The parity basis of the two nations shall be 250,000 tons measured in new Washington Treaty cruisers, that is, 10,000 ton cruisers with 8-inch guns, but for ships not exceeding 7,000 tons equipped with 6'' guns an additional gross tonnage shall be allowed not exceeding 20% of the displacement of the latter type of cruisers.

Either nation may elect what type of cruisers it will construct within these ratios. These standards being fixed upon new cruisers (not exceeding three years of age) an additional tonnage may be maintained from time to time compensating for the depreciation due to age within the following formula of progressive obsolescence: (General Board Formula)

²² Filed under 033.4111 MacDonald, Ramsay/954.

Upon this formula the following fleets could be maintained—

AMERICAN FLEET No. 1

21 large cruisers 210,000 less age factor	204, 000
10 <i>Omaha</i> (less age & 20% gun factor).	41, 000
Displacement : 280, 000	
	<hr/> 245, 000

AMERICAN FLEET No. 2

18 large cruisers 180,000 — age factor	184, 000
10 <i>Omaha</i> (less age & 20% gun factor).	41, 000
5 new 35,000 ton less 20% gun factor.	27, 500
Displacement 285, 000	
	<hr/> 252, 500

BRITISH FLEET No. 1

15 large cruisers less age factor	135, 565
21 old cruisers 6'' type, less age and 20% gun factor . . .	44, 900
8 old 6'' cruisers, less age and 20% gun factor.	72, 800
Total displacement 339, 000	
	<hr/> 253, 200

[Annex VIII ²³]

Memorandum by the Secretary of State ²⁴

STIMSON No. 1

HOOVER No. 3

PROPOSED ARTICLE III FOR KELLOGG-BRIAND PACT

The High Contracting Parties further agree that if there should develop between any of them a controversy which is not satisfactorily settled by diplomacy in event of any controversy which satisfactory settlement is not made by direct negotiation or by reference to arbitration or judicial decision it shall be investigated by an impartial commission of conciliation, to be selected by the parties to the controversy and upon which commission said parties may be represented, which shall have full power to examine all the facts concerning such controversy. and to render to both parties and to make public their conclusions. To this end any of the High Contracting Parties not parties to such a controversy may suggest to them the propriety of the creation of such a commission of conciliation and such suggestion shall not be deemed an unfriendly act.

²³ Filed under 033.4111 MacDonald, Ramsay/.

²⁴ Canceled type indicates words apparently crossed out by President Hoover and *italics* those words written in by him.

[Annex IX ²⁵]

*Statement Drafted by Mr. R. L. Craigie for Inclusion in the Joint
Statement to the Press*

[OCTOBER 9, 1929.]

As a part of the general policy of our two governments to promote the cause of conciliation and arbitration, we believe that the provisions of the Pact of Peace renouncing war as an instrument of national policy would be further strengthened if the interested Powers were to undertake to consult together with a view to agreement as to the best method of preventing a threatened outbreak of hostilities.

A²⁶

We are determined to seek for methods to crystallize the support of the public opinion of the world to those nations which rely upon pacific means for settlement of any controversy.

[Annex X ²⁶]

*Draft of a Proposed Joint Statement by President Hoover and the
British Prime Minister (MacDonald)*

[OCTOBER 9, 1929.]

Both the President and Prime Minister recognize that such a suggestion is impracticable except by worldwide revision of existing treaties and of international law among nations and only after a further development of pacific thought. The Prime Minister however considers that the suggestion is so pregnant with hope not only because of its transcendent humane character but also as a contribution to thought upon rights and immunities at sea that it should be made public.

033.4111MacDonald, Ramsay/105½

President Hoover to the Secretary of State

THE WHITE HOUSE, October 10, 1929.

MY DEAR MR. SECRETARY: Please find enclosed herewith copy of the prohibition comment sent to the Prime Minister.

Yours faithfully,

HERBERT HOOVER

²⁵ Filed under 033.4111 MacDonald, Ramsay/.

²⁶ Added paragraph in the handwriting of the Secretary of State.

[Enclosure]

Memorandum on the Enforcement of Prohibition of the Liquor Traffic

OCTOBER 9, 1929.

The United States is making the most notable effort in all history to suppress alcoholic beverages. This effort is one that is of profound importance to the whole of humanity and the United States in pioneering it in certain directions and [*sic*] is therefore doing service to all nations. It would appear that it should receive the sympathetic support of other nations for whether it succeeds or not, it will at least have exhausted some portion of the wide variety of methods for the remedy of a great human evil.

We have had numerous conferences with Canadian authorities with respect to measures that could be taken to assist in suppression of the flow of alcoholic beverages over the border. The Canadian authorities have cooperated to the extent of giving information to the American officials as to proposed shipments and in other ways which have been most helpful. However, so long as the Canadian Government allows liquor to be cleared for American ports or allows their clearance for other ports when really destined for the U. S. there will be a constant stream of Canadian liquor into the U. S. It is not possible on 3,000 miles of frontier to erect sufficient border patrol to prevent it because the initiative is always in the hands of the smuggler.

This movement of liquor is the source of constant friction between the two nations. Only desperate men of criminal type engage upon it. They are criminals under the laws of the United States. They go armed and often arm their ships. Such equipment is an indication of their intent to kill and they have often killed the United States officers. It is impossible on our side to employ the type of men on border patrols who have knowledge of international law and delicacy in dealing with killers, and when perchance they execute their duty an inch over the line they are the cause of an international incident. The sensational press envisages war with the British Empire whenever an American patrol boat fires on a Canadian bootlegger or vice versa, and if perchance one of this criminal class should be killed or captured, he becomes an international celebrity. The diplomatic officers of Great Britain are placed in the difficult position of defending the rights of criminals. All this leads to constant and disagreeable irritation. The Canadian officials in contact with our officials in the past have insisted very frankly that the export of alcoholic beverages is an important item in Canadian trade. We realize there is no obligation upon Canada to trouble herself

over our problems. We bear her no ill will in the matter for she is entirely within her rights in leaving it alone. The benefits to Canada by full cooperation with the United States to help in a social question would lie in better feeling in the United States which would I am sure interpret itself in time into cooperation in other directions which would be of assistance to her.

There is no real solution to the problem unless the Canadian Government would undertake to prohibit shipment of all liquor to the United States. At the present time the great bulk of shipments (as per my official information 90%) are cleared directly for American ports. If the only shipments were upon false papers the traffic would greatly diminish as the smuggler would thus be in conflict and in danger from the laws of both countries.

Mr. Mackenzie King has recently taken an interest in the matter and expressed a desire to clear it up. The British Government also controls a certain amount of liquor flow into the United States through the West Indies, and some direct from British ports. The question therefore involves Great Britain directly also.

500.A15A3/307

Press Release Issued by the White House, October 10, 1929

The visit of the British Prime Minister to President Hoover, which is now terminated, had as its chief purpose the making of personal contacts which will be fruitful in promoting friendly and frank relations between the two countries. Both the President and the Prime Minister are highly gratified by the keen interest which the people of both countries have taken in the meeting, and regard it as proof of the strong desire of both nations to come to closer understanding. The British Prime Minister has been particularly impressed and gratified by the warmth of his welcome and the flood of expressions of good will which have poured upon him.

At the moment of leaving Washington the following joint statement was issued:

[JOINT STATEMENT BY PRESIDENT HOOVER AND THE BRITISH PRIME MINISTER (MACDONALD)]

"During the last few days we have had an opportunity, in the informal talks in which we have engaged, not only to review the conversations on a naval agreement which have been carried on during this summer between us, but also to discuss some of the more important means by which the moral force of our countries can be exerted for peace.

"We have been guided by the double hope of settling our own differences on naval matters and so establishing unclouded good will, candor and confidence between us, and also of contributing something to the solution of the problem of peace in which all other nations are interested and which calls for their cooperation.

"In signing the Paris Peace Pact fifty-six nations have declared that war shall not be used as an instrument of national policy. We have agreed that all disputes shall be settled by pacific means. Both our Governments resolve to accept the Peace Pact not only as a declaration of good intentions but as a positive obligation to direct national policy in accordance with its pledge.

"The part of each of our governments in the promotion of world peace will be different, as one will never consent to become entangled in European diplomacy and the other is resolved to pursue a policy of active cooperation with its European neighbours; but each of our governments will direct its thoughts and influence towards securing and maintaining the peace of the world.

"Our conversations have been largely confined to the mutual relations of the two countries in the light of the situation created by the signing of the Peace Pact. Therefore, in a new and reinforced sense the two governments not only declare that war between them is unthinkable, but that distrusts and suspicions arising from doubts and fears which may have been justified before the Peace Pact must now cease to influence national policy. We approach old historical problems from a new angle and in a new atmosphere. On the assumption that war between us is banished, and that conflicts between our military or naval forces cannot take place, these problems have changed their meaning and character, and their solution, in ways satisfactory to both countries, has become possible.

"We have agreed that those questions should become the subject of active consideration between us. They involve important technical matters requiring detailed study. One of the hopeful results of the visit which is now terminating officially has been that our two Governments will begin conversations upon them following the same method as that which has been pursued during the summer in London.

"The exchange of views on naval reduction has brought the two nations so close to agreement that the obstacles in previous conferences arising out of Anglo-American disagreements seem now substantially removed. We have kept the nations which took part in the Washington Naval Conference of 1922 informed of the progress of our conversations, and we have now proposed to them that we should all meet together and try to come to a common agreement which would justify each in making substantial naval reductions. An agreement on naval armaments cannot be completed without the cooperation of

other naval powers, and both of us feel sure that, by the same free and candid discussion of needs which has characterized our conversations, such mutual understandings will be reached as will make naval agreement next January possible, and thus remove this serious obstacle to the progress of world disarmament.

"Between now and the meeting of the proposed conference in January, our Governments will continue conversations with the other powers concerned, in order to remove as many difficulties as possible before the official and formal negotiations open.

"In view of the security afforded by the peace pact, we have been able to end, we trust for ever, all competitive building between ourselves with the risk of war and the waste of public money involved, by agreeing to a parity of fleets, category by category.

"Success at the coming conference will result in a large decrease in the naval equipment of the world and, what is equally important, the reduction of prospective programs of construction which would otherwise produce competitive building to an indefinite amount.

"We hope and believe that the steps we have taken will be warmly welcomed by the people whom we represent as a substantial contribution to the efforts universally made by all nations to gain security for peace—not by military organization—but by peaceful means rooted in public opinion and enforced by a sense of justice in the civilized world."

033.4111MacDonald, Ramsay/141

Press Release Issued by the Department of State, October 11, 1929

SECRETARY STIMSON'S STATEMENT ON COMMENT IN THE PRESS ON
MACDONALD'S VISIT AND JOINT STATEMENT OF THE PRESIDENT AND
PRIME MINISTER MACDONALD

In reading comments upon the Prime Minister's visit and the joint statement which was issued on his departure I have noticed a statement which so completely misconceives and misrepresents the actual facts and the spirit of our conference that I can not let it pass without correction.

Mr. David Lawrence says that "Great Britain and the United States have in effect agreed to pool their navies to maintain the peace of the world". During the whole of our conversations there was not a syllable of such a suggestion. The tenor of the conversations was exactly the reverse and I believe that the joint statement makes that perfectly clear. The understanding which we aimed at was a moral understanding. The influence which we are seeking to exert is a moral influence and not a military one. The basis of our discussions was the Kellogg-Briand Pact of Peace which aims at outlawing war

and all forcible means of compulsion of nations and which relies wholly upon the public opinion of the world as its sole sanction. This breathes throughout the entire joint statement made yesterday from the beginning where we say that we discussed some of the "means by which the moral force of our countries can be exerted for peace" down to the final sentence where we said that we were endeavoring to take steps which would be a contribution towards efforts for peace "not by military organization but by peaceful means rooted in public opinion and enforced by a sense of justice in the civilized world."

Nothing could have been further away from the truth than to suspect that we contemplated any joinder or pooling of our navies. No such idea was even broached or discussed.

033.4111MacDonald, Ramsay/1134

*The Private Secretary to the British Prime Minister (Vansittart)
to the Secretary of State*

OTTAWA, October 19, 1929.

DEAR MR. SECRETARY: AS we were leaving you asked me to send you a line on the Ottawa sequel to the Washington conversations. I take this first opportunity of doing so. We have still one more day here, but I expect you will be glad of early information since, owing to the fact that Mr. MacDonald's speech had to be delivered on the very day of his arrival it was not possible to cover much ground. No doubt Campbell gave you my advance message to this effect. I telephoned to ask him to do so. Since then there has been a little more time, and Mr. MacDonald has been able to give Mr. Mackenzie King a full account of the Washington proceedings, including of course the paragraphs which the President wished to add in regard to ships laden exclusively with foodstuffs. I may say that the idea of exempting foodships has been received here with a great deal of interest and will be examined in Ottawa as we promised it should be examined in London. You will have noticed also that Mr. MacDonald in his speech went a step ahead in foreshadowing the joint examination provided for in the first of the eliminated paragraphs.

The Prime Minister also discussed the question of the naval stations. It is, I think, clear from further close examination that the plan for the division of the world into two hemispheres will not be workable, and we shall have to think out some other way of laying the 'ghost' of the so-called menace of the naval stations.

The Canadian Government are willing in principle to announce simultaneously and jointly with us that their naval stations are not, and are not intended to be, a menace to the United States. This,

however, could only be done if the same statement were made reciprocally by the United States. If this is, in your view, impossible, the agreement would then be confined to the Caribbean area. The wording of this statement would as arranged be settled between us. Mr. Ramsay MacDonald will go into this matter immediately upon his return to London.

The intentions of the Canadian Government in regard to the refusal of clearance to vessels carrying liquor to the United States we found to agree with the last paragraph of the President's memorandum sent to me by Akerson on October 10th; and an announcement will be made in due course by the Canadian Government of the action it proposes to take.

I am [etc.]

ROBERT VANSITTART

QUESTION OF ACCEPTANCE AS DEPORTEES FROM GREAT BRITAIN
OF PERSONS PRESUMED TO HAVE LOST AMERICAN CITIZENSHIP
ACQUIRED BY NATURALIZATION

341.1124/26

The British Chargé (Chilton) to the Secretary of State

WASHINGTON, August 9, 1928.

SIR: I have the honour to inform you that His Majesty's Principal Secretary of State for Foreign Affairs has instructed me to draw attention to the question of the acceptance by the United States Government as deportees of persons who, having acquired United States citizenship by naturalisation, have subsequently resided for many years abroad.

In particular Sir Austen Chamberlain wishes me to draw attention to the case of a man named George Wilfred Goode. This man was convicted in 1918 on his own confession of landing without leave in the United Kingdom, and was recommended for expulsion. He claimed to be a citizen of the United States and it was ultimately discovered that his father, George Goode, who is now understood to reside at Pittsburg, Pennsylvania, had been naturalised on September 26th, 1896. The son had been taken to the United States in 1892 and had continued to live there until March 1918 when he enlisted in the British Army. He appeared to have lost his British nationality by virtue of his father's naturalisation, and application was made to the competent United States authorities for the necessary facilities for his journey to the United States. These facilities were, however, refused. It is understood that the competent authorities admitted that Goode acquired United States citizenship by virtue of his father's naturalisation, but took the view that by reason of his absence from

the United States and his residence in his native land since 1918 he had under Section 2 of the United States Act of March 2nd, 1907, become subject to the presumption that he had ceased to be a United States citizen, and further, that a naturalised citizen, as long as he is not in a position to overcome the presumption of loss of United States citizenship, must be regarded as "not a citizen".

The case of George Wilfred Goode has ceased to be of any practical importance by reason of his voluntary departure from the United Kingdom. His Majesty's Government are, however, anxious to clear up the general question involved. Section 2, the relevant section of the Act of March 2nd, 1907, reads as follows:

"When any naturalised citizen shall have resided for two years in the foreign State from which he came, or for five years in any other foreign State it shall be presumed that he has ceased to be an American citizen, and the place of his general abode shall be deemed his place of residence during said years: Provided, however, That such presumption may be overcome on the presentation of satisfactory evidence to a diplomatic or Consular Officer of the United States, under such rules and regulations as the Department of State may prescribe: And provided also, That no American citizen shall be allowed to expatriate himself when this country is at war".

His Majesty's Government fully recognise that the interpretation of the above Act is a matter which the United States judicial authorities alone are competent to determine. At the same time they venture to point out that the Act would not appear to them to give ground for refusal to accept a given individual as a deportee, inasmuch as the operation of the Act would not seem to amount to the revocation of a certificate of naturalisation, which may be considered a function of the courts under the provision of United States law. Further, it appears to His Majesty's Government that the Act of 1907 was specifically intended merely to assist the State Department in refusing protection abroad to naturalised citizens who, by residing out of the United States of America, avoid all the duties and obligations of citizenship. It does not appear to have been intended to apply to naturalised citizens who return to the United States. In this connection His Majesty's Government beg leave to quote the remarks of Mr. Perkins, who reported the Bill from the Committee, and had charge of the Bill in the House. In the course of the debate thereon he made the following statement (Congressional Record Vol. 41 pt. 2 p. 1466)

"The Statute provides that, having remained there five years continuously, there shall be a presumption which, unless he satisfies the officers of the State Department, their Consuls, or Ministers to the contrary, would authorise the State Department to refuse to extend him protection. It cannot affect any other rights which of course he can present in Court. No presumption is conclusive on a Court.

It is a mere presumption but the presumption would protect the State Department. There is the object of the Bill and the result of the Bill and the only result of it."

Further, in 1910 the United States Attorney General is understood to have given the following opinion as to the meaning of this Act in the case of a naturalised alien named Jabran Gossin who had resided abroad so long as to raise the presumption that he had lost his United States nationality. His opinion was as follows:²⁸

"I infer from your statement of the facts that before leaving Syria Jabran Gossin did not make proof before a consular or diplomatic officer of the United States as provided by the regulations of the State Department. The question then is whether the presumption as to non-citizenship raised by the act by reason of his residence abroad continues notwithstanding his return to the United States.

"In my judgment the Act was not intended to apply to a case of this kind but its operation is limited to naturalised citizens while residing in foreign countries. The purpose of this Act is, I think, simply to relieve the Government of the obligation to protect such citizens residing abroad after the limit of two or five years, as the case may be, when their residence there is not shown to be of such a character as to warrant the presumption that they intend to return and reside in the United States and thus bear the burdens as well as enjoy the rights and privileges incident to citizenship. Until the time limit has expired the presumption is that they intend to return; after that time it is presumed that they do not intend to return, and it becomes necessary in order that they may continue to have this Government protection, to show affirmatively in accordance with the regulations of the State Department made in pursuance of the Act, that it is their bona fide intention to return to the United States to live."

At the same time he added that:

"The fact that the act only authorises the submission of proof for the purpose of overcoming the presumption as to non-citizenship raised thereby to diplomatic and consular officers of the United States who necessarily reside abroad and makes no provision in respect to naturalised citizens coming within the purview of the act who return to the United States is a further evidence that Congress did not intend the act to apply to a case of this kind. To hold that it did, would produce the absurdity of a naturalised citizen seeking to re-enter the United States being held to have ceased to be such, and possibly denied admission, because he had failed to make proof before the proper diplomatic or consular officer abroad of his intention to return to the United States.

"As shown above, the presumption to non-citizenship raised by the act is created for the purpose of relieving the State Department of protecting naturalised citizens abroad when the conditions are apparently such as to indicate that they have no bona fide intention

²⁸ 28 Opinions of the Attorney General 504.

to return to and reside in the United States. When a citizen returns to the United States, the necessity for such protection no longer exists, and it is fair to assume that with the cessation of the necessity the presumption created by the Act also ceases."

His Majesty's Government also beg leave to refer to the case of a man named K. E. Svensen, a British subject by naturalisation in Australia, whom the United States Government desired to deport to the Commonwealth. This man's case was dealt with in my predecessor's note of February 18th, 1920, and in previous correspondence.²⁹ In pressing this case Mr. Polk, the Acting Secretary of State, made the following statement:³⁰

"This Government has in the past admitted, and stands ready in the future to receive, its nationals, native or naturalised, who may be deported, in accordance with the laws of any of the British Dominions. In view of this position, it is hoped that you will spare no effort to effect an understanding with the Australian authorities whereby there may be an interchange of deported aliens based on reciprocity."

A similar case to that of Mr. Goode appears to have been that of a man named Adolph Aschengrau, a United States citizen by naturalisation. This man, whose case is understood to have been dealt with by the United States Embassy in London, was re-admitted as a deportee to the United States.

His Majesty's Government have desired me to lay before you the foregoing considerations in the hope that they may be enabled to arrive at an understanding with the United States Government of the general questions involved and I shall be most grateful if I may be informed in due course of the views of your Government.

I have [etc.]

(For H. M. Charge d'Affaires)

M. R. WRIGHT

341.1124/30

The Secretary of State to the British Ambassador (Howard)

WASHINGTON, January 26, 1929.

EXCELLENCY: I have the honor to acknowledge the receipt of your Embassy's note of December 5³¹ making further inquiry concerning the question which was the subject of your Embassy's notes of August 9 and October 17, 1928,³² that is, the question whether naturalized citizens of the United States who brought upon themselves the presumption of the loss of citizenship through protracted residence abroad, under the provision of the second paragraph of Section 2 of the Act

²⁹ Note of February 18, 1920, and previous correspondence not printed.

³⁰ Note to the British Chargé, May 12, 1919, not printed.

³¹ Not printed.

³² Latter not printed.

of March 2, 1907, will be admitted to the United States as citizens thereof upon deportation from Great Britain. It is assumed that the inquiry relates to persons whose protracted foreign residence has not been due to one of the causes set forth in the regulations prescribed by the Department whereunder the statutory presumption may be overcome and whose proposed return to this country is due not to their own free will but to the action of the British authorities in deporting them.

Section 2 of the Act of March 2, 1907, reads as follows:

"That any American citizen shall be deemed to have expatriated himself when he has been naturalized in any foreign State in conformity with its laws, or when he has taken an oath of allegiance to any foreign State.

"When any naturalized citizen shall have resided for two years in the foreign State from which he came, or for five years in any other foreign State it shall be presumed that he has ceased to be an American citizen, and the place of his general abode shall be deemed his place of residence during said years: Provided, however, That such presumption may be overcome on the presentation of satisfactory evidence to a diplomatic or consular officer of the United States, under such rules and regulations as the Department of State may prescribe: And provided also, That no American citizen shall be allowed to expatriate himself when this country is at war."

Enclosed herewith are duplicate copies of the Department's Order of March 6, 1928,³³ in which the rules whereunder the statutory presumption may be overcome are prescribed. Particular attention is called to Rule (g), according to which the statutory presumption of loss of citizenship may be overcome by naturalized citizens upon their presenting to diplomatic or consular officers of the United States satisfactory evidence "that they have made definite arrangements to return immediately to the United States permanently to reside". This rule has relation to naturalized citizens who, after having brought upon themselves the statutory presumption through protracted residence abroad and having failed to overcome such presumption under the other rules, have determined of their own free will to return to the United States for permanent residence and have made definite arrangements to do so immediately. It was not prescribed with reference to cases of persons who are sent back to this country under compulsion. Thus the intent of the individual concerned appears to be a factor which must be taken into account in determining his status under the law. It may be observed that this question of intent is emphasized by the Attorney General in the opinion concerning the case of Jabran Gossin, mentioned in the Embassy's note of August 9.

³³ Not printed; but see *Passport Regulations, Executive Order January 31, 1928* (Washington, Government Printing Office, 1928), p. 22, appendix E.

The matter of intent has also been emphasized by the courts in decisions involving the application of the statutory provision in question. See especially *Ex parte Gilroy*, 257 Fed. 110, *Nurge v. Miller*, 286 Fed. 982, and *Miller v. Sinjen*, 289 Fed. 388. The cases mentioned related to persons who had actually returned to the United States of their own free will. I regret to say that there seem to be no decisions of the courts concerning the question of the citizenship of persons who, having brought upon themselves the presumption mentioned, are unable to overcome it under the rules prescribed in pursuance of the statute, and are still residing abroad.

For the reasons mentioned the Department is not in a position to assure the Embassy that persons of the class mentioned would, upon deportation from Great Britain, be admitted to the United States as citizens thereof. If and when a concrete case involving this question arises, and it is brought to the attention of the Department, the question whether a passport of the United States or consular registration certificate may be granted to the deportee will be considered.

Accept [etc.]

For the Secretary of State:

WILBUR J. CARR

341.1124/31

The Secretary of State to the British Ambassador (Howard)

WASHINGTON, April 9, 1929.

EXCELLENCY: I have the honor to refer to your note of October 17, 1928,³⁴ regarding the question of acceptance by the United States Government as deportees from Great Britain of persons who having acquired American citizenship by naturalization, have subsequently incurred the presumption of loss of citizenship, under the provisions of Section 2 of the Act of March 2, 1907, through protracted residence abroad, and to my note of November 9, 1928,³⁴ informing you that this question was under consideration by the appropriate branches of the Government.

I had received a letter from the Secretary of Labor in which he informs me that his Department is of the opinion that the appearance at a port of entry of the United States under an order of deportation of the British Government of a person against whom the statutory presumption of loss of citizenship has arisen would not, of itself, be sufficient to overcome the presumption and would not justify the Department of Labor in admitting such a person as an American citizen. He further states that it would appear reasonable to assume that the question of the weight to be given to the fact of return to this country

³⁴ Not printed.

in overcoming the statutory presumption does not arise in the case of a person who is returning solely by reason of compulsion under an order of deportation.

Accept [etc.]

For the Secretary of State:

WILBUR J. CARR

**RECIPROCAL CUSTOMS PRIVILEGES ACCORDED TO AMERICAN
AND BRITISH CONSULAR OFFICERS**

641.11241/58

The Chargé in Great Britain (Atherton) to the Secretary of State

No. 3123

LONDON, October 19, 1928.

[Received October 31.]

SIR: I have the honor to bring to the attention of the Department some correspondence which has been exchanged between this Embassy and the Consulate General and between the Embassy and the Foreign Office on the subject of customs and taxation privileges for United States consular officers in Great Britain.

The first enclosure is a copy of a letter from Mr. L. C. Pinkerton, the American Consul in Charge of the American Consulate General in London, dated September 18, 1928,³⁵ in which the Embassy is asked to obtain a ruling from the Foreign Office for distribution to the consular officers in Great Britain on the question of customs courtesies on personal and other effects of consular officers coming to England the first time. With this letter was enclosed a copy of a communication addressed by Robert P. Skinner, the American Consul General, to the Honorable Frank B. Kellogg, American Ambassador, on September 29, 1924, on this general subject.³⁵

Upon receipt of this communication the Third Secretary of the Embassy was sent to the Foreign Office to discuss informally the question with the official in charge of such matters at the Foreign Office. The Secretary left with Mr. Warner, the gentleman in question, a memorandum on this subject, dated September 19, 1928, as a basis for discussion.³⁵ A copy of Mr. Skinner's letter of September 29, 1924, was also furnished to Mr. Warner.

The Embassy is now in receipt of an informal communication dated October 11, 1928, from the Foreign Office,³⁵ commenting on the Third Secretary's memorandum and explaining in detail the Foreign Office's views on this question.

It will be observed that the British practice does not coincide with the American practice as regards customs privileges, et cetera, in

³⁵ Not printed.

that they are not extended to vice consuls. Inasmuch as it is the understanding of the Embassy that such questions are based on reciprocity, the views of the Foreign Office, as outlined in its communication of October 11, 1928, are being brought to the attention of the Department.

I have [etc.]

RAY ATHERTON

641.11241/58

*The Secretary of State to the Ambassador in Great Britain
(Houghton)*

No. 1623

WASHINGTON, December 12, 1928.

SIR: The Department has received Mr. Atherton's despatch No. 3123 dated October 19, 1928, on the subject of customs and taxation privileges for United States consular officers in Great Britain.

It has been noted that the British practice in regard to customs privileges for American consular officers does not provide for the extension of the privilege of free entry for the articles which American Vice Consuls may bring with them for their personal use upon their first arrival in Great Britain.

Under existing regulations in the United States, British Vice Consuls assigned to this country enjoy the same customs privileges as other foreign consular officers, that is, free entry upon arrival of whatever they may bring with them for their personal or family use, with the exception of articles the importation of which is prohibited by the laws of the United States, and the same privileges upon return to their posts in the United States after leave of absence spent abroad. Moreover, if for some good reason it is not practicable for a consular officer to have his effects accompany him upon arrival the effects are accorded free entry in this country when they do arrive.

As stated in Mr. Atherton's despatch of October 19, 1928, the American regulations in respect of customs privileges for consular officers are based on reciprocal treatment for American consular officers abroad. If, therefore, the British Government can not see fit to extend customs privileges to American Vice Consuls it will become necessary for this Government to withhold from British Vice Consuls assigned to the United States the customs privileges which are now being extended. The Department feels that perhaps the British Government is not aware of the nature of the American regulations in this regard and on that account it is reluctant to advise the Treasury Department to withdraw the customs privileges now enjoyed by British Vice Consuls in the United States without assurance that the British Government fully understands this situation. You are accordingly requested to address an official note in the foregoing sense to the Foreign Office and to inquire whether, in the cir-

cumstances, it may not be found practicable to extend customs privileges to American Vice Consuls in Great Britain on an equal footing with those now extended to other consular officers. You will state in your note that if it is not found possible to extend such privileges to American Vice Consuls, it will of course be necessary to withhold such privileges from British Vice Consuls in the United States.

I am [etc.]

For the Secretary of State:

NELSON TRUSLER JOHNSON

641.11241/59

The Chargé in Great Britain (Atherton) to the Secretary of State

No. 3688

LONDON, June 4, 1929.

[Received June 13.]

SIR: Referring to the Department's instruction No. 1623 of December 12, 1928, on the subject of customs and taxation privileges for the United States Consular Officers in Great Britain, I have the honor to advise the Department that an official note was sent to the Foreign Office on December 27, 1928, a copy of which is enclosed,⁸⁷ inquiring whether it might not be found practicable to extend customs privileges to American Vice Consuls in Great Britain on an equal footing with those now extended to other Consular Officers.

On April 23, 1929, a reply was received from the Foreign Office in which the Embassy was informed that His Majesty's Government in the United Kingdom have decided that their treatment of United States Vice Consuls of career shall, in the future, be the same as that which is at present accorded to United States Consular officers of career of the grade of Consul General and Consul. A copy of the note in question is transmitted herewith.⁸⁷

Upon receipt of this information I directed a further verbal inquiry to the Foreign Office, asking whether this treatment would be accorded to United States Vice Consuls of career in other parts of the British Empire. To this inquiry I have as yet had no reply, although the matter has been taken up on various occasions with the appropriate officials in the Foreign Office.

I am hoping that the British Government will inform me in the near future of its decision in this matter, but in the meantime a copy of the Foreign Office note of April 23, 1929, has been sent to the American Consul General in London who has, in turn, informed Consular offices in Great Britain and Northern Ireland of the decision reached by the British Government.

I have [etc.]

RAY ATHERTON

⁸⁷ Not printed.

641.11241/61

The Ambassador in Great Britain (Houghton) to the Secretary of State

No. 177

LONDON, August 21, 1929.

[Received August 31.]

SIR: Adverting to the Embassy's despatch No. 3688 of June 4, 1929, I have the honor to inform the Department of the receipt of a note from the Foreign Office, No. T9075/29/373 of August 17, 1929 (copies of which together with its enclosure are transmitted herewith),⁸⁸ stating that as far as the Dominions are concerned (with the exception of Canada) Vice Consuls of career are granted free entry for their personal effects on their first arrival to take up their appointments, and in the case of Australia they may import goods within six months of their arrival in that Dominion. As regards Canada, inquiries have been made by the Foreign Office at Ottawa but as yet no definite information is available.

It will also be noted that the Colonial Office have been asked to notify the Governments of the various British Colonies and Protectorates to accord first arrival privileges to United States Vice Consuls of career, and corresponding action will be taken in the case of India.

I have [etc.]

For the Ambassador:

F. L. BELIN

First Secretary of Embassy

**PROTECTION OF AMERICAN LIVES AND PROPERTY IN PALESTINE
ENDANGERED BY CONFLICT BETWEEN ARABS AND JEWS**

867n.404Wailing Wall/1 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 23, 1929—6 p. m.

[Received August 23—1:43 p. m.]

Renewed Wailing Wall incidents have given rise to conflicts throughout old and new Jerusalem between Arabs and Jews. A number of casualties both sides reported. The authorities are doing everything possible to control the situation. Several aeroplanes were circling low over the city this afternoon. Telephone service has been suspended. Further details later.

KNABENSHUE

⁸⁸ Not printed.

867n.404 Wailing Wall/24 : Telegram

*The Acting Secretary of State to the Consul General at Jerusalem
(Knabenshue)*

WASHINGTON, August 24, 1929—1 p. m.

Your August 23, 6 p. m. Keep Department informed by telegraph. Department presumes that no injury has been done to American citizens or their property.

CARR

867n.404 Wailing Wall/5 : Telegram

*The Consul General at Jerusalem (Knabenshue) to the Secretary
of State*

[Paraphrase]

JERUSALEM, August 24, 1929—7 p. m.

[Received 10:52 p. m.]

During the past 24 hours, a serious situation has been developed by Moslem attacks on Jews. The police are entirely inadequate, though they have been augmented by armed civilian volunteers, and the Government here is losing control of the situation. There is no confirmation yet of rumors regarding deaths of American citizens, but all the hospitals are filled to capacity with casualties and Jewish refugees are fleeing to the city from Jerusalem's outlying districts.

Thirty-three American Jews, mostly women and children, have come to the consulate general for shelter and have requested asylum until it is safe to return to their homes.

This morning the consular corps formulated demands for presentation by the dean of the consular body to the British Acting High Commissioner as follows:

- (1) Adequate protection of foreign nationals.
- (2) Protection of consulates.
- (3) Police passes to be provided consular personnel, since martial law has been declared.
- (4) Resumption of consular telephonic service, which has been suspended for all governmental offices.

The second, third, and fourth demands have been granted, with the assurance added that the situation will be under control by tonight. Officials privately feel, however, that tonight may be critical, followed by improvement tomorrow.

Responding to my request for aid to provide for the refugees at present in the consulate general, the Government's reply was that it could do nothing and would not assure me of their safety if they

returned to their homes, and it was stated merely that two armored cars are on patrol in their particular part of the city. I shall keep the refugees at the consulate general pending clarification of the situation.

It is my opinion that the Moslem attacks were precipitated by provocative acts of the Jews and that disturbances throughout the whole country will rapidly become general and brigandage will become rife if adequate forces are not rushed here from Egypt. I request a telegraphic acknowledgment.

KNABENSHUE

867n.404Wailing Wall/22: Telegram

The Acting Secretary of State to the Consul General at Jerusalem
(Knabenshue)

[Paraphrase]

WASHINGTON, August 25, 1929—3 p. m.

Your August 24, 7 p.m., was received last night at 10:52 o'clock. It should be emphasized by you with the competent British authorities that they are responsible for protecting American lives and property in Palestine.

CARR

867n.404Wailing Wall/6: Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 25, 1929—8 p. m.

[Received August 25—5:11 p. m.]

Moslem attacks on Jews at Hebron Friday and Saturday,⁴¹ resulting in 45 Jews killed, 51 seriously wounded, 20 slightly wounded, of which Mr. Simon, of the consulate general, recognized a number of wounded and 12 dead, all American students at Slovodka-Talmudic school.⁴² Their names will be secured and telegraphed later.

Talpioth, Jewish suburb Jerusalem where several American families resided, was evacuated without casualties and homes afterward looted by Moslems.

KNABENSHUE

⁴¹ August 23-24.

⁴² Slovodka Yeshivah, the Talmudic school at Hebron.

867n.404Wailing Wall/8 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 25, 1929—10 p. m.

[Received August 25—8:07 p. m.]

Continued disturbances Jerusalem and vicinity last night. Numerous casualties. One synagogue and several homes burned. Three aeroplanes circled Jerusalem this morning disbursing [*dispersing*] with machine gun fire approaching bands of Moslem villagers. About 50 British troops arrived by aeroplanes last evening from Egypt and 600 by train this afternoon, which is expected to improve the situation in Jerusalem tonight. Americans who took refuge in the consulate general last night returned to homes today.

Total casualties to date estimated at about 100 killed and more than 300 wounded.

Telaviv today attacked by Moslems from Jaffa but the timely arrival of British troops reported to have saved the situation and British war vessel is expected to arrive there tomorrow. Disturbances reported to have commenced in other sections of the country.

KNABENSHUE

867n.404Wailing Wall/23 : Telegram

The Secretary of State to the Ambassador in Great Britain (Dawes)

WASHINGTON, August 26, 1929—11 a. m.

223. American Consul General at Jerusalem reports serious disorders in Palestine as a result of which twelve Americans have been killed at Hebron and others wounded. You should without delay orally express to the Foreign Office the Department's earnest hope that immediate and comprehensive steps may be taken for the restoration of order and for the protection of the lives and property of American citizens. Please telegraph results of your representations.

STIMSON

867n.404Wailing Wall/27 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 26, 1929—9 p. m.

[Received 11:54 p. m.]

British authorities sent armed convoy Hebron today to evacuate Jewish noncombatants guarded in Hebron police barracks. British authorities promised to evacuate Americans and I sent Simon, Jewish

member of the consulate general, with a convoy to obtain list of names of all American citizens, including dead and wounded, and to assist evacuation of the living. All Americans are now evacuated except 14 students and 2 others who refused to leave without the other students, but it is hoped to secure their evacuation tomorrow.

KNABENSHUE

867n.404Wailing Wall/21 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 26, 1929—10 p. m.

[Received August 27—2:03 a. m.]

Following complete list American citizens whose deaths verified by consulate general: [William] (Wolf) Berman, Philadelphia; David Shunberg [*Shainberg*], Memphis; Bennie [*Benjamin*] Hurwitz, Chicago [*Brooklyn, N. Y.*]; Harry Froman, New York City; [William] (Wolf) Greenberg, Brooklyn; Hyman Krassner, Chicago [*New York?*]; Aaron David Epstein, Chicago; Jack [*Jacob C.*] Wexler, Chicago.

Following are seriously wounded Americans: Samuel Senders [*Sanders?*], Chicago; Mrs. Bernstein Sokolover, both in Jerusalem; David Winchester, Elizabeth, New Jersey, in Hebron.

Following slightly wounded Americans: Mordechai Barg, New York City; Shachne Koleditsky, Brooklyn; Emanuel and Solomon Goodman, brothers, Cleveland; Israel Snow, Brooklyn; Baruch Kaplan, New York City; Nathan Goodman, Philadelphia; Solomon Kushner, New York City; Bennie Cohen, Seattle; Moses Gold, San Francisco. All still at Hebron and Harbater brothers (two) in Jerusalem.

Following Americans at Hebron unhurt: Aaron Bernzweig and wife Breine, Jersey City; Gittel Barg, New York; Morris Berman, Philadelphia; Ralph Bekoven [*Raoul De Koven?*], Chicago.

KNABENSHUE

867n.404Wailing Wall/28 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 26, 1929—11 p. m.

[Received 11:58 p. m.]

Scattered firing outskirts city and a few incidents within city last 24 hours but the situation Jerusalem now generally improved. British authorities informed me this afternoon British battleship *Barham* arriving tomorrow morning and will land 900 men and also air

craft carrier *Courageous* with 4 companies troops and that 1,000 troops would also arrive tomorrow by rail from Egypt. Inasmuch as Moslem attacks against the Jews, although now widespread in Palestine, have not the support of their religious and other important leaders and partake of the character of mob violence, troops expected to arrive by tomorrow night should materially assist in a few days suppressing the disorders.

KNABENSHUE

867n.404Walling Wall/228

Memorandum by the Chief of the Division of Near Eastern Affairs (Shaw)

[WASHINGTON,] August 27, 1929.

In replying to the Zionist Delegation the Secretary said that he appreciated the remarks which had been made by the spokesmen of the Delegation. Needless to say, he wished to express sympathy at the blow sustained by the Jews in Palestine and at the suffering which they were undergoing. The Secretary said that he had many old and dear friends among those interested in the Zionist Movement. His duty, however, was to protect American citizens. He was glad of an opportunity to tell the Delegation of the steps which had been taken by the Department with this object in view. Our Consul at Jerusalem had been very active and without waiting for instructions had at once appealed to the local authorities for protection. On Sunday we had instructed the Consul to emphasize the importance of this protection. Yesterday the Secretary said he had taken the unusual step of instructing our Embassy at London to urge upon the British Government that the measures taken for the restoration of order in Palestine and for the protection of American lives and property should be of the broadest character. From the reports which we have received it is clear that this is just what the British are doing. Troops have already arrived and many more are arriving momentarily. The Secretary concluded by saying that we would do all that was possible for the protection of Americans and for ultimate relief.

G. H[OWLAND] S[HAW]

867n.404Walling Wall/37: Telegram

The Ambassador in Great Britain (Davies) to the Secretary of State

LONDON, August 27, 1929—3 p. m.

[Received August 27—2:48 p. m.]

246. As directed in your 223, August 26, 11 a. m., I called at the Foreign Office and expressed your earnest hope that immediate and

comprehensive steps would be taken for the restoration of order and for the protection of the lives and property of American citizens in Palestine. The Foreign Office assured me that every effort is being made and will be made to restore order and to protect American lives and property. They stated that the Trans-Jordan forces have been used to prevent the Arabs from infiltrating across the river and making things worse. They said that a British battalion abroad consists of about 700 men and a battalion has been sent to Palestine from Egypt and a battalion and a half from Malta. The cruisers *Barham* [and] *Sussex* and [the] *Courageous* have probably arrived at Palestine by this time. The above is the statement of Sir Ronald Lindsay, the Under Secretary of State for Foreign Affairs.

The following information was given by an official of the Colonial Office, which handles Palestine affairs, who stated that the situation was serious but not one to cause undue alarm. Possibly the greatest difficulty, he said, was in maintaining law and order in the small villages and settlements throughout Palestine. The disorders had been the result of a revival of the chronic feud between the Arabs and the Jews which started this time with the Wailing Wall clash. The Government was taking no chances and had ordered more troops than would most likely be necessary to Palestine. He believed that as a result the trouble would be soon straightened out. The remark was made that from the point of view of protecting American interests in Palestine it was fortunate that the Government had fast cruisers at Malta to send.

DAWES

867n.404 Wailing Wall/47: Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 27, 1929—9 p. m.

[Received 9:57 p. m.]

All American citizens at Hebron as listed in my August 26, 10 p. m., now safe in Jerusalem. Please notify relatives.

KNABENSHUE

867n.404 Wailing Wall/67: Telegram

The Ambassador in Great Britain (Dawes) to the Secretary of State

LONDON, August 28, 1929—4 p. m.

[Received August 28—1:32 p. m.]

248. I called again at the Foreign Office this morning *in re* Palestine, having noted press despatches to effect Arabs in Trans-Jordania

were organizing to move into Palestine. Sir Ronald Lindsay then explained the method of air patrol in this section which he stated is effectively organized and in position to break up organized movements in open country in a way impossible in city districts.

While no intimation as to such a step has been given by British Government in its review of the situation, consideration might be given to the moving of some available American cruiser to a point nearer Palestine to be on hand in case of unexpected but possible emergency endangering American lives and property.

DAWES

867n.404Wailing Wall/76 : Telegram

The Secretary of State to the Ambassador in Great Britain (Dawes)

WASHINGTON, August 28, 1929—midnight.

230. Your 246, August 27, 3 p. m. Consular Corps at Jerusalem have informed their respective governments that in spite of reiterated requests no special protection has been accorded consulates and it has been impossible to secure the presence of an agent of the public force at the doors of the Consulates. You should urgently bring this situation to the attention of the Foreign Office and you should request that suitable measures for the protection of the American Consulate General be taken with the least possible delay.

STIMSON

867n.404Wailing Wall/83 : Telegram

The Secretary of State to the Ambassador in Great Britain (Dawes)

[Paraphrase]

WASHINGTON, August 29, 1929—noon.

231. Referring to your telegram No. 248, August 28, 4 p. m. Any suggestion that an American cruiser be sent to Palestine has been discouraged by me in the press, on the ground of possibly offending the British authorities which have acted apparently with energy and vigor. Furthermore, no American cruiser is available in European waters. I do not think, under these circumstances, that this Government would wish to consider the dispatch of a cruiser to Palestine unless circumstances arose to make it clear that sending one not only would not be unwelcome to Great Britain but would be strongly desired. No request has been received from the American Consul General at Jerusalem for any such assistance.

STIMSON

867n.404 Wailing Wall/77 : Telegram

The Ambassador in Great Britain (Dawes) to the Secretary of State

LONDON, August 29, 1929—5 p. m.
[Received August 29—1:40 p. m.]

249. Answering your 230, August 28, midnight. I called this morning at the Foreign Office, requesting as directed that suitable measures be taken for the protection of the American consulate general at Jerusalem at the earliest possible date. The Foreign Office stated that it would at once ask the Colonial Governor to telegraph Jerusalem to report to them and to comply with the request contained in your No. 230 if possible. Will cable you again on receipt of word from the Foreign Office which they will give on reply to their telegram to Jerusalem.

DAWES

867n.404 Wailing Wall/130 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 30, 1929—10 p. m.
[Received August 31—1:22 a. m.]

Department's August 28, 8 p. m.⁴³ Four British troops stationed today at the consulate general for its protection.

KNABENSHUE

867n.404 Wailing Wall/128 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, August 30, 1929—12 p. m.
[Received August 31—4:09 a. m.]

As occurring events have been adequately covered lately by the press, although perhaps somewhat exaggerated and not always entirely correct, I have discontinued such reports unless they should be of special interest or significance.

Measures now taken in Jerusalem believed to be sufficient to maintain public security within the city in spite of the fact that as I write numerous machine-gun and rifle shots are heard fired in the outskirts of the city.

The menace from Trans-Jordan is not now so dangerous and the British general commanding believes that, with his present force of 2,000 troops together with about 1,000 marines, he will be able to clear

⁴³ Not printed; it transmitted text of telegram No. 230 of August 28, midnight, to the Ambassador in Great Britain, p. 53.

up the situation, but I believe that continued disorders will continue in outlying localities throughout the country for some time before general public security is finally reestablished; and I still insist that as there are many important localities still unprotected, in some of which American lives and property are in danger, more troops should be sent to clear up the situation quickly instead of slowly which would inevitably result in the further destruction of lives.

KNABENSHUE

867n.404 Wailing Wall/139 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

[Paraphrase]

JERUSALEM, September 1, 1929—4 p. m.

[Received 9:32 p. m.]

At the request of the British High Commissioner, who returned August 29, I had a long, friendly, cordial conversation this morning with him. He confidentially confirmed the facts as to appointment of a commission of inquiry (reported in my August 30, 10 p. m.⁴⁴). Not one Moslem, he said, had expressed regret for either the disturbances or their consequences, while even the Grand Mufti's early efforts to quell the Moslems were due to the emphatic instructions issued by the Government to him. I expressed to him substantially the statement in the last paragraph of my August 30, 12 p. m., and he replied that the Egyptian situation is none too reassuring and that he was uninformed as to what would be the Labor Government's attitude in London in regard to sending additional troops to Egypt and Palestine.

KNABENSHUE

467n.11/1 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, September 4, 1929—6 p. m.

[Received September 5—12:15 a. m.]

Consular corps today requested High Commissioner to take into consideration the question of indemnification for damages suffered by foreigners as a result of the recent disturbances and to inform it of the procedure to be followed in the verification of the damages and in the presentation of claims.

KNABENSHUE

⁴⁴ Not printed.

867n.404Wailing Wall/190 : Telegram

*The Secretary of State to the Consul General at Jerusalem
(Knabenshue)*

WASHINGTON, September 6, 1929—3 p. m.

For your information and for use in the event that inaccurate reports are circulated in the press or elsewhere, the following remarks were made today by the Secretary in replying to a delegation of American citizens representing the Palestine National League, the New Syria Party and the Young Men's Moslem Society which called to express their views concerning the claims of Arab nationalism and the future of Palestine:

"I am glad of an opportunity to speak with you concerning the tragic events which have been taking place in Palestine. I am confident that you share the deep regret which is felt by this Government and by all American citizens at the loss of life and the suffering which have accompanied those events. I am gratified to note that order is being rapidly and completely restored, and while it would not be proper for me to comment upon the views which you have set forth concerning the future of Palestine, it is entirely fitting that I should emphasize my conviction that the cause of civilization, the cause of better understanding among peoples of different races and religions is never served by violence and recrimination. It is my earnest hope that, as soon as order has been fully restored, the competent and responsible authorities animated by a sincere desire to do justice to all parties concerned, will be able to bring about peace and cooperation. If your Delegation can play a part in emphasizing those qualities of moderation and thoughtfulness which are so needed in any approach to the present problems of Palestine, you will have served an eminently useful and an eminently American purpose."

STIMSON

367n.1113Ganani, Samuel/6 : Telegram

*The Secretary of State to the Consul General at Jerusalem
(Knabenshue)*

WASHINGTON, September 14, 1929—2 p. m.

Your August 25, 8 P. M. reported twelve American citizens killed at Hebron. Eight of these are listed in your August 26, 10 P. M. and your telegram of September 11th⁴⁵ reported Samuel Genandi [*Ganani?*] as having died from wounds. Urgently telegraph names of any American citizens killed other than those listed in two telegrams mentioned above.

STIMSON

⁴⁵ Not printed.

367n.1113Ganani, Samuel/7 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, September 17, 1929—6 p. m.

[Received September 17—5:20 p. m.]

Department's September 14, 2 p. m. The eight persons listed in my telegram August 26, 10 p. m., are the only Americans whose deaths have been confirmed.⁴⁶ Four of the twelve persons reported in my telegram August 25, 8 p. m., later proved to be sons of alien residents and Canadians. Samuel Genani [*Ganani?*] is said by his widow not to be an American citizen.

KNABENSHUE

867n.404Wailing Wall/229 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, September 19, 1929—7 p. m.

[Received September 20—1:02 a. m.]

At the request of Felix Warburg and Bernard Flexner of New York, through Mr. Mohl, their Jerusalem representative, I had informal conversation with the High Commissioner today in order to ascertain his opinion as to whether it would be permissible for a prominent American lawyer to appear before the forthcoming British Commission of Inquiry as counsel for Jewish-American interests, it being represented to me that arrangements had already been made for counsel for Jewish-British interests to appear before the Commission. The High Commissioner informed me that this was a matter entirely for the decision of the Commission in accordance with any instructions that might be given to it by the Colonial Office in London and that the American parties interested would have to make appropriate representations to the Colonial Office. The High Commissioner is informing the Colonial Office of our personal informal conversation.

I informed Mohl that I would report the result of my conversation to the Department and that Flexner and Warburg would have to apply to the Department. It is my understanding that these gentlemen for some unknown reason wish it to appear that my conversation with the High Commissioner was upon my own initiative and not [at] their instigation and that they are going to Washington tomorrow to discuss this and other relative matters with the

⁴⁶ Harry Froman proved, however, to be a Canadian (367n.4213 Froman, Harry/8).

Secretary of State personally. I would respectfully suggest that they be informed only of the High Commissioner's reply to me and not the rest of this message.

So many American Jews have insisted to me upon American representation at the forthcoming inquiry that it would probably allay much Jewish-American criticism here and in the United States against what they might claim to be our Government's indifference if the Warburg-Flexner proposal could be arranged. If counsel is not permitted to appear before the Commission, doubtless there would be no objection to the presence in Jerusalem of an American attorney to assist in the preparation of the Jewish case. On the other hand it would appear to be inadvisable for the United States to make official representations in this matter to the British Government, for such action would undoubtedly create resentment against us here and in other Moslem countries.

KNABENSHUE

867n.404Walling Wall/234 : Telegram

*The Secretary of State to the Consul General at Jerusalem
(Knabenshue)*

[Paraphrase]

WASHINGTON, September 20, 1929—6 p. m.

Felix M. Warburg yesterday called at the Department, but he said nothing of the matter reported in your September 19, 7 p. m., which at the time of his visit had not yet been received. In view of this, the Department will take no initiative in communicating to him the results of the informal conversation you had with the British High Commissioner.

You will please refer to the Department any request received to assist in obtaining representation for American-Jewish interests in regard to the forthcoming inquiry by the British commission.

STIMSON

867n.404Walling Wall/255

*Memorandum by the Chief of the Division of Near Eastern
Affairs (Shaw)* ⁴⁷

[WASHINGTON,] September 23, 1929.

Rabbi Wise ⁴⁸ called to ask the Secretary's views with respect to the American Zionists retaining the services of a prominent Amer-

⁴⁷ Marked "O K" by the Secretary of State.

⁴⁸ Stephen S. Wise, of New York.

ican lawyer to assist in presenting the Jewish point of view before the Shaw ⁴⁹ Commission of Investigation. Rabbi Wise felt that in view of the killing of American citizens in the course of the Palestine troubles this move would be eminently proper. The Secretary said he could see no objection to Rabbi Wise's suggestion, it being distinctly understood that the American lawyer chosen had no official status and that the steps necessary to enable him to appear before the Shaw Commission should be taken by the American Zionist Organization in collaboration with the Jewish Agency in London and the British Colonial Office. It was pointed out to Rabbi Wise that the presenting of the Jewish or Zionist point of view before the Commission of Investigation was one thing and the presentation before the competent authorities of private claims for damages on account of the killing of American citizens was something quite different and the two should not be confused. It was suggested to Rabbi Wise that to argue that because eight American citizens had been killed in Palestine therefore the American Government was under some sort of obligation to assist in presenting the Zionist side before the Commission of Investigation was clearly fallacious reasoning. Why should the American Government assist in presenting either the Jewish or the Arab side? If on the other hand the competent Zionist authorities desired to retain the services of an American, a German or a Polish lawyer to assist Sir F. Boyd Merriman that was entirely a matter to be settled through the Jewish Agency and the Colonial Office.

G. H[OWLAND] S[HAW]

867n.404 Walling Wall/240 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, September 25, 1929—1 p. m.
[Received September 25—10:55 a. m.]

Reference my September 19, 7 p. m.; Department's September 20, 6 p. m.; my September 21, 5 p. m.⁵⁰

The High Commissioner sent to me today, for my personal information, copy of telegram addressed to the Palestine Government, Palestine-Zionist Executive, and Palestine-Arab Executive, from the Palestine Commission of Inquiry. The salient points of the telegram are as follows:

1. The terms of reference to the Commission are: "To inquire into the immediate causes which led to the recent outbreak in Palestine,

⁴⁹ Sir Walter Shaw, Chairman.

⁵⁰ Telegram of September 21 not printed.

and to make recommendations as to the steps necessary to avoid the [a] recurrence."

2. The inquiry is not a public judicial proceeding and therefore inexpedient to permit counsel for purposes of addressing the Commission or of cross-examining witnesses.

3. Commissioners consider it desirable, however, that the principal parties interested be represented when witnesses are examined and say that it would be of greater assistance to the Commission if some person could be appointed on behalf of the interested parties to collect and present such evidence as those parties may desire to submit to the Commission and to make such representations as they may desire to offer as to the course of the inquiry.

4. The Commissioners expect to arrive at Jerusalem on October 10th.

KNABENSHUE

867n.404 Wailing Wall/244 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, October 7, 1929—10 a. m.

[Received 11:40 a. m.]

My September 25, 1 p. m. The High Commissioner has informed me:

1. That his Government has compromised with Jewish demands and will permit counsel to ask pertinent questions of witnesses but not plead case.

2. That he has asked for counsel to defend Palestine Government officials.

3. That likewise Arabs will be represented by British counsel, and

4. That Commission, delayed by negotiations, will arrive on October 24.⁵¹

KNABENSHUE

467n.11/11 : Telegram

The Consul General at Jerusalem (Knabenshue) to the Secretary of State

JERUSALEM, October 18, 1929—2 p. m.

[Received October 18—9:45 a. m.]

Inasmuch as the local law does not seem to afford adequate damages for injuries and loss of life suffered during the recent disturb-

⁵¹ For the report of the Commission, see Great Britain, Cmd. 3530 (1930), *Report of the Commission on the Palestine Disturbances of August, 1929*.

ances and since the character of the disturbances and other elements involved therein might justify international claims, will the Department please instruct me by telegraph whether I should make reservations in this respect to the Palestine Government before the expiration of the 2 months' limit?

KNABENSHUE

467n.11/12: Telegram

The Secretary of State to the Consul General at Jerusalem
(Knabenshue)

WASHINGTON, October 22, 1929—1 p. m.

Your October 18, 2 p. m. While the Department considers that American citizens should take advantage of the opportunity to have their claims passed upon by the Commissioner, it does not consider that any claim for injury to person or property of an American citizen would be barred from further consideration on its merits if it should develop that the award of the Commissioner is inadequate or that insufficient time has been allowed for presentation of the claim. You may so inform the Palestine Government.

STIMSON

REPRESENTATIONS FOR PROTECTION OF AMERICAN RIGHTS UNDER
PALESTINE MANDATE CONVENTION IN CONNECTION WITH BIDS
FOR CONSTRUCTION OF HARBOR WORKS AT HAIFA

867n.156/8

The Consul at Jerusalem (Heizer) to the Secretary of State

No. 1814

JERUSALEM, July 24, 1928.

[Received August 15.]

SIR: I have the honor to report to the Department that according to information received from London the construction of the Harbor Works at Haifa is not to be undertaken by the Government of Palestine as originally intended, but is to be built by contract. The Government expresses the hope that it will be possible to have the tenders submitted by the end of November, 1928.

For the construction of this harbor at Haifa over five million dollars have been set aside from the recent loan contracted by the Government of Palestine.

It is believed that American contractors may wish to make tenders for the work. Specifications have been asked for and as soon as obtained will be forwarded to the Department.

The following particulars are published with regard to the harbor at Haifa which it is now reported is to be built by contract.

"The Harbor is to be formed by a breakwater 8000 feet in length, running N. W. by S. E. from Ras el Krum point. The existing jetty will be extended towards the end of the breakwater. The breakwater is to be built of local stone quarried in the neighborhood of Athlit.

Within the area of approximately 200 acres thus enclosed, vessels of 30 feet draught will be protected against gales and bad weather. Berthing facilities will be provided along the inside of the breakwater for about two thirds of its length, and, when the use of the Harbor warrants it, the 6000 feet of shore frontage will also be developed for quays.

The ultimate development of the scheme will therefore give nearly 12,000 feet of berthage.

The task of determining the best alignment of the quays and breakwaters is a difficult and lengthy operation. A large number of borings are being made. Most of these borings have to be taken from floating craft and owing to rough weather the work has been much delayed.

Serious difficulties have also been met in finding a suitable site at which to establish a quarry for the stone required in the construction of the breakwaters. The whole country within twenty miles of the harbor site has been explored and trial excavations have been made at many places. The possible sites have now been limited to two and the final choice depends on investigations which are now proceeding into the comparative cost of quarrying and transport of stone at the two sites.

Government will also consider in the light of all the facts that will become available during the course of this summer what is the best method of construction.

In spite of all difficulties it is expected that the final plans will be ready by the autumn and it is hoped that the work of construction will be put in hand before the end of this year."

I have [etc.]
File No. 815.6

OSCAR S. HEIZER

867n.156/10

The Vice Consul at Jerusalem (Gilman) to the Secretary of State

No. 1872

JERUSALEM, October 20, 1928.

[Received November 9.]

SIR: I have the honor to refer to this office's despatch No. 1814 of July 24, 1928, File No. 815.6, relative to the construction of the harbor works at Haifa, in which the Department was informed that the construction of Haifa harbor was not to be undertaken by the Palestine Government as originally intended, but was to be done by contract and that as soon as plans and specifications were available they would be forwarded to the Department for the information of American firms interested in submitting tenders.

Under date of July 23, 1928, the Chief Secretary of the Government of Palestine was requested to advise this Consulate when invitations

to firms interested in submitting tenders would be ready to be sent, and to furnish the Consulate with copies of the plans and specifications of the work to be done as soon as they were available. The Consulate's letter was acknowledged by the Secretariat on July 28, 1928, in which acknowledgement the then Acting Chief Secretary stated simply that, "A further reply will be sent to you in due course".

No further communication has as yet been received, however, from the Secretariat, and on the morning of October 19th I called personally upon Mr. F. Pudsey, Director of the Department of Public Works of the Government of Palestine, in regard to this matter. Mr. Pudsey informed me that Mr. Palmer of Rendel, Palmer, and Tritton, Westminster, London, the consulting engineers engaged by the Crown Agents, who visited Palestine in March of this year to make a preliminary survey of the Haifa work, submitted plans and specifications to the Crown Agents which were approved by the Colonial Office on July 26, 1928.

The Crown Agents at once notified eleven specially selected English firms, providing them with the approved specifications. These firms forthwith sent representatives to Palestine to look over the field and prepare estimates for the work.

The closing date fixed for the final submission of tenders to the Crown Agents is November 4, 1928, and, as the Department was informed in this office's telegram of October 19, 1928,⁵² three American firms, which to the Consulate's knowledge have expressed an interest in bidding for the work, will have no opportunity to do so unless the closing date can be postponed and bidding opened to them. The firms in question are the Frederick Snare Corporation of 114 Liberty Street; Ulen and Company, 120 Broadway; and Fox Brothers and Company, Incorporated, 32 Rector Street; all of New York City.

As little publicity as possible has been given to this project, at least in Palestine, and it would appear that the Palestine Government has deliberately endeavored to conceal the intention of the British Government to invite only English firms to participate in the bidding for the work until it was too late for other Governments to make any representations.

I told Mr. Pudsey during our interview that this looked very much like a closed proposition, and he smilingly agreed that it was. He also told me that some time ago the Italian Consul General in Jerusalem had inquired of the Secretariat regarding the Haifa harbor works upon behalf of an Italian firm which was interested in bidding for the contract, and that he had been put off by Colonel Symes, Chief Secretary at that time, with an evasive reply some-

⁵² Not printed.

thing to the effect of, to quote Mr. Pudsey's own words, "Oh, don't bother me now about this matter. We will let you know all about it when the time comes".

I have [etc.]

J. THAYER GILMAN

867n.156/10

The Secretary of State to the Ambassador in Great Britain
(Houghton)

No. 1617

WASHINGTON, December 4, 1928.

SIR: There is enclosed a paraphrase of a telegram of October 19,⁵³ and a copy of despatch No. 1872 of October 20, 1928 from the Consulate at Jerusalem concerning the tender of bids for the construction of a proposed harbor works at Haifa, Palestine. As the Embassy is aware, these works are to be financed by the Government of Palestine from funds raised under the Palestine Loan Ordinance.

The enclosed communications indicate that the British Crown Agents in charge of the contract for the construction, apparently sometime in July, 1928, furnished eleven selected British firms with the specifications of the harbor works, and fixed November 4, 1928 as the closing date for the final submission of bids. On July 23, 1928 the Consulate at Jerusalem had requested from the Palestine Government information regarding the contract for the harbor works in order that it might advise interested American concerns, but it was not informed of the action taken by the Crown Agents until October 19, 1928. By that time it was obviously too late for the American firms to carry out the preliminary investigations, prepare estimates, and submit tenders by November 4, the date fixed by the Crown Agents.

The Department is of the opinion that the line of action adopted by the British Authorities in respect to the submission of tenders is in harmony neither with the spirit of the mandate⁵⁴ nor with the provisions of the American-British Palestine Mandate Convention of December 3, 1924.⁵⁵ Article 18 of the Mandate, to the benefits of which the United States is entitled under the terms of its Convention with Great Britain, provides as follows:

"The Mandatory shall see that there is no discrimination in Palestine against the nationals of any State member of the League of Nations (including companies incorporated under its laws) as compared with those of the Mandatory or of any foreign State in matters concerning taxation, commerce or navigation, the exercise

⁵³ Not printed.

⁵⁴ For revised final draft of the mandate for Palestine, see *Foreign Relations*, 1922, vol. II, p. 292.

⁵⁵ *Ibid.*, 1924, vol. II, p. 212.

of industries or professions, or in the treatment of merchant vessels or civil aircraft. Similarly, there shall be no discrimination in Palestine against goods originating in or destined for any of the said States, and there shall be freedom of transit under equitable conditions across the mandated area.

"Subject as aforesaid and to the other provisions of this mandate the Administration of Palestine may, on the advice of the Mandatory, impose such taxes and customs duties as it may consider necessary, and take such steps as it may think best to promote the development of the natural resources of the country and to safeguard the interests of the population. It may also, on the advice of the Mandatory, conclude a special customs agreement with any State the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia."

The provisions of this article, especially the term "exercise of industries," appear to apply to such discrimination as that which has taken place in connection with the submission of tenders for the construction of the harbor works at Haifa. Moreover, this Government on several occasions during the course of the correspondence with the British Government in regard to the Palestine Mandate Convention stated in no uncertain terms its insistence upon the principle of the open door and of equality of commercial opportunity in Palestine and in other mandated territories.

As early as May 12, 1920 the Embassy at London in a communication to the Foreign Office⁵⁶ suggested several propositions which embodied or illustrated the principles which this Government desired to see applied in the mandated regions. Among these propositions were the following:

(1) That the mandatory power strictly adhere and conform to the principles expressed and agreed to during the peace negotiations at Paris, and to the principles embodied in mandate "A" prepared in London for adoption by the League of Nations by the Commission on Mandatories.

(2) That there be guaranteed to the nationals or subjects of all nations treatment equal in law and in fact, to that accorded nationals or subjects of the mandatory power with respect to taxation and other matters affecting residence, business profession, concessions, freedom of transit for persons and goods, freedom of communication, trade, navigation, commerce, industrial property, and other economic rights or commercial activities.

The Foreign Office in reply to this communication stated that it was "in full sympathy" with the "various propositions mentioned."⁵⁷ Other communications setting forth the viewpoint of this Government in regard to the equality of commercial opportunity in Palestine are to be found in the Department's confidential publication

⁵⁶ *Ibid.*, 1920, vol. II, p. 651.

⁵⁷ *Ibid.*, pp. 663, 666.

entitled "Mandate for Palestine,"⁵⁸ a copy of which is understood to be available in the Embassy.

In view of the consistent attitude of this Government in regard to the granting of concessions in Palestine the Department is at a loss to understand the action of the British Crown Agents and of the Palestine Government in arranging the submission of tenders for the construction of the harbor works at Haifa so as effectually to exclude the participation of other than British firms. Such action appears clearly to be discriminatory and in violation of the rights of this Government under the American-British Palestine Mandate Convention of December 3, 1924.

The Department therefore desires that you seek an early occasion to bring the foregoing orally to the attention of the Foreign Office. At the time of your interview you may leave with the appropriate officials a memorandum recapitulating the points discussed in this instruction.

You will, of course, furnish the Department with a copy of any memorandum that you may leave at the Foreign Office and inform it promptly of the result of your representations.

I am [etc.]

FRANK B. KELLOGG

867n.156/11

The Consul at Jerusalem (Heizer) to the Secretary of State

No. 1904

JERUSALEM, January 10, 1929.

[Received January 31.]

SIR: I have the honor to refer to a despatch from this office No. 1814 dated July 24, 1928, and also to a despatch No. 1872 dated October 20, 1928, concerning the intention of the Government of Palestine to construct a harbor at Haifa in the near future. Reference was also made to the fact that an attempt had been made to shut out all but British firms in connection with the contract for the construction of the harbor.

Recently there has appeared in the *Palestine Bulletin*, published in Jerusalem, a few lines to the effect that owing to a protest made by the Italian Government against the manner in which the contract was given out, preventing Italian firms from making bids, the commencement of construction work on the harbor had been postponed.

In conversation today with Mr. Giardini, the Italian Consul in charge, I learned that the Italian Government had made a strong protest to the Foreign Office in London against the manner which

⁵⁸ See Department of State, Near Eastern Series No. 1, *Mandate for Palestine* (Washington, Government Printing Office, 1931).

the Government had employed in securing bids for the construction work at Haifa, shutting out effectually any participation by Italian firms.

He stated also that the French Authorities had protested against the construction of a harbor at Haifa, so near the Syrian frontier, which could be used as a naval base. He seems to think, however, that the French opposition to the harbor was made with the idea of having something in hand to trade in case of the projected oil line from Mosul to the Mediterranean. If for instance the British would agree to have the oil line brought to Alexandretta or some Syrian Port instead of to Haifa the French might withdraw their opposition to the so called naval port at Haifa.

Apparently the contract for the construction of a harbor at Haifa has been effectually held up for the present. In case there are any American firms that would like to make a bid for this construction work it might be well for them to take the matter up with the Colonial Office through the proper American Authorities in London.

The following firms seem to have been interested in the proposition and possibly might wish to follow the matter up if advised that there had been a delay in awarding the contract.

Messrs. Frederic Snare Corporation,
114 Liberty Street,
New York City.

Messrs. Ulen and Company,
120 Broadway,
New York City.

Messrs. Fox Brothers and Company Incorporated,
33 Rector Street,
New York City.

I have [etc.]

OSCAR S. HEIZER

867n.156/12

The Ambassador in Great Britain (Houghton) to the Secretary of State

No. 3334

LONDON, January 30, 1929.

[Received February 13.]

SIR: I have the honor to refer to the Department's instruction No. 1617, December 4, 1928 (File No. 867n.156/10), and to state that the construction of the proposed harbor works at Haifa, Palestine, was discussed with the appropriate official of the Foreign Office and a memorandum was left with the officer, a copy of which, in triplicate, is enclosed,⁵⁰ according to the Department's instructions.

⁵⁰ Memorandum not printed.

A note has now been received from the Foreign Office, a copy of which I also have the honor to enclose, setting forth the position of the harbor work at Haifa, and stating that no discrimination will be exercised in the allocation of the local contracts.

I have [etc.]

For the Ambassador:

RAY ATHERTON

Counselor of Embassy

[Enclosure]

*The British Secretary of State for Foreign Affairs (Chamberlain)
to the American Ambassador (Houghton)*

No. E 505/57/65

LONDON, 29 January, 1929.

YOUR EXCELLENCY: On January 3 Mr. Atherton left in this department a memorandum on the question of the proposed work for the construction of a new harbour at Haifa in Palestine.

2. Enquiries have since then been made as to the position, and I now have the honour to inform Your Excellency that the representations contained in that memorandum are based on a misapprehension. His Majesty's Government in the United Kingdom have no intention, as appears to be assumed in the memorandum, of violating any of their obligations, either under the Palestine Mandate or under the Anglo-United States Palestine Mandate Convention of December 3, 1924.

3. It is true that some months ago it was the intention of the Government of Palestine to invite tenders from selected firms for the construction of the proposed new harbour at Haifa. His Majesty's Government are not prepared to admit that in acquiescing in this procedure they would have been acting in conflict with any of their international obligations. But in fact no invitations to tender were issued as it became apparent, in December last, that factors had arisen which rendered it impracticable to proceed further with the proposed work by the method which had up till then been contemplated, and a definite decision to this effect was taken at the end of December.

4. Apart from certain major factors of uncertainty in connexion with the future of the proposed harbour at Haifa, serious difficulties have arisen in regard to the question of the employment of local labour. There has been a considerable amount of unemployment among Jews, who have settled in Palestine in consequence of the scheme for a National Home for the Jews, and the opportunity which the proposed harbour works will afford of providing work for Jewish labour is one that cannot be neglected. Owing to the different standards of life that prevail among Arabs and Jews respectively, special provisions as to wages etc., will have to be made

if the above object is to be secured, and it would be difficult, if not impossible, to include such provisions in any contract which could be made with a firm contracting for the whole work.

5. Further unexpected difficulties have arisen in connexion with the quarrying of the stone for the proposed new breakwater. The most suitable quarry site capable of supplying stone of satisfactory quality in blocks of sufficient size is found to contain exceptionally important antiquarian remains, and therefore cannot, in view of the Palestine Antiquities Ordinance, be used for the purpose, until its antiquarian value has been more fully investigated. In any case it will be necessary to impose considerable restrictions on quarrying, which it would be difficult to embody in a contract without prejudice to the interests of the Palestine Government.

6. In the circumstances it has been decided that the system of tendering for the construction of the harbour work under a single contract must be abandoned, and that the work must be carried out departmentally, contracts being let out locally for the supply of materials or the execution of sections of the work as circumstances permit. No discrimination will be exercised in the allocation of these local contracts.

I have [etc.]

(For the Secretary of State)

H. J. SEYMOUR

867n.156/15

*Memorandum by the Consul General at Jerusalem (Knabenshue)
of a Conversation With the British High Commissioner in
Palestine (Chancellor), June 12, 1929*⁶⁰

[Extract]

The decision of the British government to have the new Haifa harbor constructed by the Public Works Department of the Palestine government, instead of by private enterprise, seems to have been brought about primarily by the protests of the other powers. But on the other hand, the reasons given therefor by the British Foreign Office in its note to the Embassy of January 29, 1929,⁶¹ may be accepted, inasmuch as their statements in this connection represent, according to general knowledge, the actual situation here. For instance, it was reported in the local press of June 18th that, in consequence of representations made by the Jewish interests in Palestine, the Government had established the principle that in all of its public works, including the Haifa harbor, Jewish labor would be given 35% of the total of the work. Lastly, it must be admitted

⁶⁰ Transmitted to the Department by the Consul General in his despatch No. 31, June 25; received July 17.

⁶¹ *Supra*.

that the decision of the British government to have the Haifa harbor constructed by the Public Works Department of the Palestine government is quite within their rights in accordance with Article 11 (eleven) of the terms of the mandate, and therefore there would seem to be no basis for making further representations in this matter.

P. KNABENSHUE

NEGOTIATIONS IN REGARD TO THE ADMINISTRATION OF THE TURTLE ISLANDS AND TO THE BOUNDARY BETWEEN THE PHILIPPINE ISLANDS AND BRITISH NORTH BORNEO⁶²

711.4115A/60

*Memorandum of a Conference Held at 10 A. M., July 24, 1929,
Regarding the Turtle Islands Boundary Negotiations*

PRESENT

Major General Frank McIntyre, ⁶³	Sir Esme Howard, British
Mr. J. A. Metzger, ⁶⁴	Ambassador,
Mr. J. K. Caldwell ⁶⁵	Mr. F. W. Fraser, ⁶⁶

Mr. T. A. Shone, First Secretary of the British Embassy.

The British Ambassador read the attached "Memorandum for Negotiations with the United States Government Regarding the Turtle and Mangsi Islands".

As the British Ambassador had sent to London the photostatic copies of the charts which were enclosed with the Department's note to the British Embassy of August 20, 1927,⁶⁷ Mr. Boggs, the Geographer of the Department, undertook to prepare for the British Ambassador by tomorrow morning duplicates of the hydrographic charts from which the photostatic copies had been made.

During the conference General McIntyre received a telephone message from Brigadier General Parker, Chief of the Bureau of Insular Affairs of the War Department, stating that in concurrence with the opinion expressed in the report made by General McIntyre after his visit to the Turtle Islands last October, the Governor General of the Philippine Islands did not consider it advisable to take over the administration of the Turtle Islands at this time. As was pointed out in the memorandum of General McIntyre's conversation with Mr. Johnson on July 16,⁶⁸ General McIntyre had been very much im-

⁶² Continued from *Foreign Relations*, 1928, vol. II, pp. 985-986.

⁶³ Recently Chief of the Bureau of Insular Affairs, War Department.

⁶⁴ Assistant to the Solicitor, Department of State.

⁶⁵ Division of Far Eastern Affairs, Department of State.

⁶⁶ Recently British Government Secretary in North Borneo.

⁶⁷ *Foreign Relations*, 1927, vol. II, p. 779.

⁶⁸ Not printed.

pressed, during his visit in North Borneo, with the difficulties which would confront the Government of the Philippine Islands in administering the Turtle Islands.

Following the receipt of the telephone message from General Parker, General McIntyre handed to the British Ambassador a copy of the attached draft treaty^{68a} which provides for the definitive delimitation of the boundary of the Turtle Islands but (by Article 2) permits of the temporary continuance of their administration by the British North Borneo Company. It was pointed out to the British Ambassador that to take any of the steps advocated in paragraph 9 of his memorandum (namely to cede, sell, or lease the Turtle Islands) would be much more difficult than to make an arrangement such as has been provided for in the draft treaty, which would practically continue in force the present 1907 agreement with reference to administration.⁶⁹

The Ambassador suggested that consideration be given to the possibility of including in the treaty merely the delimitation of the boundary and a provision that the administration of the Islands be arranged for by an exchange of notes.

Mr. Fraser stated that the Mangsi Islands are hardly more than a group of reefs lying to the northwest of the Turtle Islands and that, although they have not been referred to specifically in the correspondence concerning these negotiations, they have been administered by the British North Borneo Company under the 1907 agreement. He suggested that perhaps it might be arranged, either by a provision in the treaty or by an exchange of notes, that the British North Borneo Company continue to administer those islands which it has been administering since 1907 in accordance with the temporary agreement, thus including the Mangsi Islands as well as the Turtle Islands.

Although the British Ambassador admitted the difficulties attending any of the courses suggested in paragraph 9 of his memorandum, he suggested that perhaps the American delegation might wish to refer them to the Secretary, and asked that he be informed of the proposal which the American delegation wished to put forward after further consideration. It was understood that he intended to communicate with his Government upon receiving such a proposal.

Following the departure of the British representatives, the proposals which had been made in paragraph 9 of the British Ambassador's memorandum were discussed. It was the opinion of the American representatives that, on account of the practical difficulties which would be encountered, it would be inadvisable to undertake to arrange for ceding, selling, or leasing the Turtle Islands to the British North

^{68a} Not printed.

⁶⁹ For exchange of notes, dated July 3 and 10, 1907, see *Foreign Relations*, 1907, pt. 1, pp. 547, 548.

Borneo Company, and that the method contemplated in the draft treaty would seem to offer the simplest means of achieving the important objects of the negotiations, namely, the permanent delimitation of the boundary and the temporary administration of the Islands by the British North Borneo Company. General McIntyre stated that he believed that it would be acceptable to the War Department to have the period referred to in Article 2 of the draft treaty increased from six months to one year, thus making the period the same as that specified in the temporary agreement of 1907.

It was arranged that General McIntyre would confer with Brigadier General Parker, Chief of the Bureau of Insular Affairs, and that after the memorandum of today's conference had been given appropriate consideration in this Department, the American representatives should agree concerning the proposal which should be made to the British Ambassador, although it was not thought that any important change would be necessary in the attached draft treaty other than to change the period of six months to one year in Article 2.

There is attached a letter from General McIntyre, dated July 24, 1929, enclosing copies of the telegrams exchanged between the Bureau of Insular Affairs and the Governor General of the Philippine Islands.⁷⁰

J. K. C[ALDWELL]

[Annex]

*British Memorandum for Negotiations With the United States
Government Regarding the Turtle and Mangsi Islands*

[UNDATED.]

1. There is no dispute as to the legal claim of the Philippines to ownership of the islands, arising out of the Madrid Protocol of 1885⁷¹ by Article 3 of which the islands were assigned to Spain, and the Convention of 1900,⁷² supplementary to the Peace Treaty between the United States of America and Spain,⁷³ under which the Spanish claim was relinquished to the United States.

2. Nevertheless, it cannot be reasonably disputed that the islands belong geographically to North Borneo, the Government of which has administered them for so long and which is in a far better position to do so than the Government of the Philippines.

⁷⁰ Letter and enclosures not printed.

⁷¹ Protocol between Great Britain, Germany, and Spain, respecting the sovereignty of Spain over the Sulu Archipelago, etc., signed at Madrid, March 7, 1885; *British and Foreign State Papers*, vol. LXXVI, p. 58.

⁷² Treaty between the United States and Spain for the cession to the United States of any and all islands of the Philippine Archipelago lying outside of the lines described in article III of the treaty of peace of December 10, 1898, signed at Washington, November 7, 1900; *Foreign Relations*, 1900, p. 887.

⁷³ Signed at Paris, December 10, 1898; *ibid.*, 1898, p. 831.

3. Administration of the islands from Manila as compared with Sandakan would, it is feared, give rise to difficulties of the following nature:

(i) *Mutual Police Difficulties.* In a few hours natives or others can reach these Islands from the Mainland of Borneo and vice versa. If extradition follows its normal lengthy channels, an intolerable situation might arise for both Administrations.

(ii) *Customs Difficulties.* The inhabitants of these islands will still have to buy and sell in Sandakan or on the coast of North Borneo; the copra produced from these Turtle Islands could hardly be disposed of in any other way.

(iii) *Medical.* In the case of epidemics or sickness inhabitants of these islands must still rely on North Borneo for assistance.

(iv) *Departmental Administration.* The Judicial, Land and other Departments function easily in these Islands while under the jurisdiction of the North Borneo Government; it is not probable that the corresponding Departments of the Government of the Philippine Islands could function as easily in the Islands so distant.

4. Expense would be entailed in policing such small islands at a distance from the centre of the Philippine Administration and if there were lack of adequate policing the islands might easily become a great cause of friction and even of serious trouble to the Government of North Borneo.

5. The Islands are of little value in themselves. The population of the seven islands in the Turtle Group claimed by the United States Government is approximately 220 persons who are practically all migrants from North Borneo. The annual revenue is small: the direct revenue, derived from the Turtle Egg farm, quit rents, boat licenses and poll tax is estimated at \$3,610 and indirect revenue from export duty on copra at a further \$600.00; total \$4,210. But Taganac, with its lighthouse, constructed by the North Borneo Government, is of importance to Sandakan at whose very gates it lies; the value of the light if erected at any other point in the jurisdiction of North Borneo would be greatly decreased.

6. Sandakan is the natural import and export centre for the Turtle Islands and must continue to be so. To remove the islands from the jurisdiction of the North Borneo Government can scarcely fail to result in hardship on the inhabitants who have always recognised and relied on that Government.

7. The Mangsi Islands are visited by natives from neighbouring islands belonging to North Borneo, to plant, tend and harvest their crops. They do not reside there permanently. If these islands were permitted to remain within the jurisdiction of North Borneo, possible difficulties and hardships to these natives might be avoided without any disadvantage being imposed upon the United States Government or the Government of the Philippine Islands.

8. The United States authorities have in the past stated that North Borneo was the source of opium smuggling into the Philippines. Since 1914, owing to measures taken by the North Borneo Government this illicit traffic has to all intents and purposes ceased. The United States representative at the Eleventh Session of the Advisory Committee of the League of Nations on Traffic in Opium held at Geneva in April, 1928, stated that there had been no evidence of smuggling from North Borneo to the Philippines for the last two years.⁷⁴

Other forms of smuggling are negligible.

In any case, the suppression of smuggling, if that be one of the objects of the United States Government in wishing to take over the administration of the islands, would not be facilitated by administering the islands from Manila, for the only practicable route for smuggling is via intricate inland waters and Tambisan Island.

9. For all these reasons the Government of North Borneo are very anxious to continue to administer the Turtle and Mangsi Islands and they ask whether as a matter of equity the United States Government would not be willing to cede them, or sell them, or let them on a long lease. It is believed that any of these solutions would be acceptable to the North Borneo Company, but details would have to be submitted to them in London in the event of the United States Government agreeing to any such proposal. In this connexion it may not be amiss to recall that Palmas Island, situated about 50 miles south of Mindanao, which had been controlled for many years by the Government of the Netherlands East Indies, although within the geographical limits of the Philippines, was awarded to Holland by the Hague International Court, the United States Government making no objection to its cession.⁷⁵ Much more, then, should the position of the Turtle and Mangsi Islands which are admittedly outside the geographical limits of the Philippine Islands, be generously considered by the United States of America.

711.4115A/60

*Memorandum of a Conference Held at 10 A. M., July 29, 1929,
Regarding the Turtle Islands Boundary Negotiations*

In reply to an inquiry of the British Ambassador concerning the attitude of the Secretary respecting the proposals contained in the

⁷⁴ See League of Nations, Advisory Committee on Traffic in Opium and Other Dangerous Drugs, *Minutes of the Eleventh Session, Held at Geneva From April 12th to 27th, 1928*, C.328.M.88.1928.XI.[O.C.816.] (Geneva, 1928), p. 32.

⁷⁵ See The Hague, Permanent Court of Arbitration, *Arbitral Award Rendered in Conformity With the Special Agreement Concluded on January 23rd, 1925, Between the United States of America and the Netherlands Relating to the Arbitration of Differences Respecting Sovereignty Over the Island of Palmas (or Miangas), April 4th, 1928* ([The Hague, 1928]); see also, *Foreign Relations*, 1925, vol. II, pp. 614 ff.

memorandum left at the Department by the British Ambassador on July 24,⁷⁶ General McIntyre stated that he had discussed the memorandum with the Secretary and that it was the opinion of the Secretary that a method of settlement such as that provided for by the draft treaty handed to the British Ambassador on July 24⁷⁷ would be preferable to any of the methods suggested in the memorandum of the British Ambassador.

The Ambassador called attention to the omission in paragraph 9 of the description of the line in the draft treaty of the words "with the meridian of longitude 100".

The Ambassador inquired whether the contemplated arrangement would provide for the administration of the islands by the British North Borneo Company on a lease and was informed by General McIntyre that it would seem preferable to continue the administration on the basis of an agreement similar to that of 1907.

The Ambassador suggested that the treaty should contain only three articles: First, an article delimiting the boundary; Second, an article incorporating the Washington treaty provision regarding the fortifications (Article 19);⁷⁸ and Third, an article providing for ratification; the remaining provisions regarding the administration, the lighthouse, a police post, et cetera, to be dealt with in a concurrent exchange of notes. The Ambassador said that he had not yet received an instruction from his Government covering this point but that he was confident that the British Government would approve. General McIntyre stated that this question had not been referred to the Secretary, but that it would seem to be a satisfactory procedure and that there was no reason to suppose that there would be any objection to it.

Mr. Shone brought up the question of some forty-one transfers (by sale, perpetual or other long term lease) of a total of some three hundred acres of land in the Turtle Islands which were effected prior to the conclusion of the 1907 agreement. After some discussion it was agreed that since the transfers occurred after the acquisition of the islands by the United States by the 1900 treaty, a clear legal title to these plots of ground could only be created by a provision in the treaty confirming the transfers, but that it would probably be satisfactory to omit from the treaty any mention of these plots and to incorporate in the exchange of notes a statement referring to and continuing the provision of the 1907 agreement stipulating that no alienation of land shall take place, together with a note stating

⁷⁶ *Supra.*

⁷⁷ Draft treaty not printed.

⁷⁸ Treaty between the United States of America, the British Empire, France, Italy, and Japan, signed February 6, 1922; *Foreign Relations*, 1922, vol. I, pp. 247, 252.

that before the 1907 agreement became effective a certain number of plots of ground amounting to a certain number of acres were alienated by the British North Borneo Company.

The Ambassador asked whether it would not be possible, to provide either in the treaty or in the exchange of notes, for the maintenance of the lighthouse on Taganac Island and a proper police post on the Turtle Islands in the event that the administration should pass out of the hands of the British North Borneo Company, either by the taking over of the administration by the United States Government or by the termination of the ownership of the islands by this Government. It was agreed, after some discussion, that there might be some question concerning the propriety of making definite commitments concerning the manner in which the United States Government proposed to deal with such matters in islands which are admittedly its own, but that there would be no objection to referring to this matter in the exchange of notes, the British note pointing out the importance to it of the continued maintenance of the light and of adequate police control over the islands and the United States Government taking note of the British views concerning this matter.

Mention was made of the suggestions in the memorandum of Mr. Boggs of July 26, 1929,⁷⁹ and it was agreed that in describing the boundary it should be specified that the islands on one side of the line belonged to the United States and on the other side to Great Britain, thus avoiding any possibility of suggestion that the line was intended to fix a boundary between the two countries on the high seas. The suggestion of Mr. Boggs that it be specified that any rocks traversed by the line shall belong to the Philippine archipelago was accepted. It was also agreed that, in conformity with Mr. Boggs' suggestion, provision should be made to insure the line passing between Little Bakkungaan and Great Bakkungaan Islands, and between the Mangsi Islands and Mangsi Great Reef, irrespective of any alterations in the chart which may be necessitated by subsequent more accurate surveys.

At the suggestion of the British Ambassador, it was arranged that Mr. Shone should prepare a draft of the treaty and of the note which it is proposed to transmit and confer with Mr. Metzger and Mr. Caldwell with a view to putting them in final form. The Ambassador said that he believed that we should be able to complete the drafting in perhaps one more meeting and dispose of the matter by the end of this week, as there are no differences of opinion concerning any matters of importance.

With reference to Mr. Boggs' suggestion that a copy of the chart be attached to the treaty as an integral part thereof, the commission was of the opinion that it would be preferable not to do so, since the chart

⁷⁹ Not printed.

could not be published as a part of the treaty; it was agreed to define the line in the way suggested by Mr. Boggs, making reference to the chart in question, but not actually attaching a copy to the treaty.

J. K. C[ALDWELL]

711.4115A/60

Memorandum of a Conference Held at 4 P. M., July 31, 1929, Regarding the Turtle Islands Boundary Negotiations

PRESENT:

Mr. J. A. Metzger,
Mr. J. K. Caldwell

Mr. T. A. Shone, First Secretary
of the British Embassy,
Mr. F. W. Fraser.

Mr. Shone submitted certain changes which he proposed be made in the American draft treaty, and also submitted a draft of the proposed British note providing for the continued administration of the Turtle and Mangsi Islands by the British North Borneo Company. After some discussion, it was mutually agreed that certain changes be made in the drafts submitted by Mr. Shone and that the treaty and the note in the form finally agreed upon be typed up as soon as possible, in the Department of State, and that copies would be sent to Mr. Shone for submission to the British Ambassador. It was also agreed that copies would be submitted to General McIntyre and to the Secretary and that a final meeting of the British and American representatives should take place on Friday, August 2, at 10:00 o'clock.

Mr. Shone also requested that he be given a copy of pages 4 and 5 of the memorandum of the Geographer of the Department, dated July 26, 1929,⁸⁰ dealing with possible changes which might be necessitated by subsequent more accurate surveys, in order that he may submit this matter to the British Ambassador for consideration of the advisability of incorporating some such provision in the treaty.

Copies of the treaty and of the British note as redrafted on the meeting on July 31 are attached hereto.⁸¹

It was proposed by Mr. Shone that the treaty be completed in final form, so far as the negotiators can do so, at the meeting on Friday morning (tomorrow) August 2nd, after which the British would like to submit the text to the Foreign Office, since there is no urgency about the signing in view of the arrangement that the administration be continued by the British North Borneo Company. Mr. Fraser would return home, and the treaty would be signed later.

J. K. C[ALDWELL]

⁸⁰ Not printed.

⁸¹ Neither printed.

711.4115A/76

*Memorandum of a Conference Held at 10 A. M., August 2, 1929,
Regarding the Turtle Islands Boundary Negotiations*

PRESENT:

Major General Frank McIntyre
Mr. J. A. Metzger
Mr. J. K. Caldwell

Sir Esme Howard, British Am-
bassador,
Mr. T. A. Shone, First Secretary,
British Embassy.
Mr. F. W. Fraser.

It was agreed to include in the treaty as Article II. the paragraphs in the latter part of the memorandum of the Geographer, dated July 26, 1929,⁸² and to provide that sections of the two charts, described in the treaty, be attached to the treaty as a part thereto.

The texts of the treaty and of the proposed British note were read over and compared and certain minor pencilled changes made in them, after which they were both initialed, in duplicate, by General McIntyre and by the British Ambassador.

One copy of each of the initialed documents is attached hereto.⁸²

It is the intention of the British Ambassador to submit his copies to the British Foreign Office, after which the final copies will be prepared for signature.

J. K. C[ALDWELL]

711.4115A/75

*Memorandum by Mr. John K. Caldwell of the Division of Far Eastern
Affairs*

[WASHINGTON,] August 3, 1929.

In explanation of the changes which have been made in the draft submitted by the American delegation to the British at the second meeting on July 24, it should be explained that it was mutually agreed by the American and British representatives that it would be preferable to deal with matters regarding the administration of the Turtle Islands in a concurrent exchange of notes, adhering to the form and in some sections to the exact phraseology of the notes exchanged in 1907, which provided for the temporary arrangement under which the British North Borneo Company has been administering the Turtle Islands.

Article I remains the same.

Article II of the initialed treaty incorporates two paragraphs drafted by the Geographer of the Department, designed to make certain that, in

⁸² Not printed.

case of a more accurate survey being made, the boundary line would pass between certain of the more important islands.

Article III was also suggested by the Geographer to prevent any question concerning the ownership of any small unnamed islands or rocks across which the line might pass, the stipulation that such islands or rocks should belong to the United States having been made in view of the fact that, with two exceptions, the line has been placed quite outside of the three marine league limit of the 1900 protocol. This section is so worded as to make it clear that the line defined in the treaty is intended to separate bodies of land and not to be considered as an international boundary on the high seas.

Articles I, II, III, IV, V, VI, VII and VIII have been incorporated in the British note, the American agreement to which is to be indicated in a note to be sent in reply.

Article IV of the initialed treaty contains the reference to Article 19 of the Washington Treaty on Limitation of Naval Armament, which was provided for in Article IX of the American draft.

Article V of the initialed treaty is the same as Article X of the American draft.

Notations indicating these changes have been made in blue pencil in the margin of the American draft attached to the memorandum of July 24.

The note to be despatched by the British Ambassador provides that the administration by the British North Borneo Company may be terminated on one year's notice, instead of the six months' notice which was specified in Article II of the American draft. However, this alteration is satisfactory to the War Department and the Government of the Philippine Islands and is similar to the provision of the 1907 agreement.

J. K. C[ALDWELL]

711.4115A/70

The Secretary of State to the British Chargé (Campbell)

WASHINGTON, November 20, 1929.

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Great Britain and informs him that the Government of the United States has no objection to amending, in the manner indicated in the Embassy's note No. 609, of November 7, 1929,⁸³ the draft convention and the exchange of notes concerning the boundary and the administration of certain islands off the

⁸³ Not printed.

east coast of British North Borneo, which were initialed by representatives of the American and British Governments on August 2, 1929.

There are enclosed herewith drafts^{83a} of the convention and of the notes to be exchanged concurrently with the signing of the convention which have been amended in ink in accordance with the suggestions contained in the Embassy's note referred to above.

The Secretary of State is prepared to proceed with the signing of the convention and the notes in the amended form.⁸⁴

**INQUIRY REGARDING BRITISH POLICY RESPECTING THE HOLDING
AND OPERATION BY FOREIGNERS OF PETROLEUM CONCESSIONS
IN TERRITORIES SUCH AS BAHREIN**

846b.6363/3 : Telegram

The Secretary of State to the Chargé in Great Britain (Atherton)

[Paraphrase]

WASHINGTON, March 28, 1929—6 p. m.

61. The Department of State has been informed that the Gulf Oil Company of Pennsylvania in November 1927 obtained an option contract on a Bahrein Islands petroleum concession from a British company, the Eastern & General Syndicate, Limited, to which the Sheikh of Bahrein had originally granted the concession in December 1925. The Turkish Petroleum Company agreement was signed July 31, 1928, and by its terms, as a member of the American Group, the Gulf Company was barred from operations in Bahrein. The Gulf Company, with the Syndicate's consent, accordingly assigned its option rights on December 21, 1928, to the Standard Oil Company of California, and the latter organized in turn a Canadian subsidiary to hold and to operate the concession.

The Syndicate, under the option contract's terms, was to secure from the British Colonial Office a one-year renewal of the concession which was expiring December 2, 1928. When the Colonial Office was approached in October 1928 by the Syndicate, approval of the renewal was made contingent upon the insertion in the original concession agreement of a clause providing, among other things, that the managing director and a majority of the other directors should be British subjects, that the concessionaire company should be British-registered, and that none of the rights and privileges which the Sheikh had granted in the concession should be controlled directly

^{83a} Not printed.

⁸⁴ Convention and notes signed on January 2, 1930.

or indirectly by foreigners. Such a clause inserted in the concession agreement would exclude effectually from holding or operating the concession a company which was directly or indirectly controlled by Americans.

You are desired by the Department to discuss this case informally at an early date with the appropriate authorities of the British Government. You should point out in your conversation that existing legislation is extremely liberal in the United States and its possessions in regard to operation of petroleum concessions by companies of foreign control; and you should add that the Department of State would be glad to obtain a statement of the British Government's policy respecting the holding and operating by foreigners of petroleum concessions in territories such as Bahrein.

The result of your conversation should be promptly reported by telegraph.

KELLOGG

846b.6363/8 : Telegram

The Chargé in Great Britain (Atherton) to the Secretary of State

LONDON, May 30, 1929—noon.

[Received May 30—10 a. m.]

135. Department's 61, March 28, 6 p. m. Following Foreign Office note received today:

"I have the honor to inform you that His Majesty's Government are prepared in principle to consent to the participation of United States interests in this concession, subject to their being satisfied as to the conditions on which United States capital will participate, and in particular as to the nationality of the operating company, of its chairman and directors, and of the personnel who will be employed in the Islands. His Majesty's Government would suggest that these conditions should form the subject of direct discussion between representatives of the Eastern and General Syndicate, as being the existing concessionaires, and the Colonial Office.

With regard to the oral request which you made on April 3rd to a member of this Department for a statement of the policy of His Majesty's Government with regard to the holding and operations in territories such as the Bahrein Islands, of petroleum concessions by foreigners, I have the honor to inform you that His Majesty's Government feel bound to reserve to themselves the right to consider on its merits, and in the light of the circumstances obtaining at the time, each proposal for the holding or operation [of] petroleum concessions by foreigners in such territories, and that they therefore

find themselves unable to make any general statement of their policy on this question such as the United States Government desire."

I understand Major Davis⁸⁵ is on the Continent and shall endeavor to convey substance of this note to him.

ATHERTON

⁸⁵ Harry G. Davis, of the Gulf Oil Co. of Pennsylvania.