

October 5, 1939

My dear Ambassador:

In accordance with our conversation this morning, I enclose a short note on points which may arise concerning the Panama Conference proposal for a zone round the United States and South America.

Yours sincerely,

T. S. V. PHILLIPS

While the proposal in general is welcomed, the following points will need attention.

(1) From the point of view of international law, it would obviously be necessary to make it clear that British assent to the proposal was not any precedent and did not imply a recognition of a right on the part of a neutral to exclude belligerents from operating anywhere on the high seas (i.e. outside the three mile limit).

(2) It would naturally be necessary for belligerent forces to have free access to their own or allied territory and territorial waters within the zone.

(3) It would be a fundamental part of the scheme that it should be effective, i.e. not only that enemy action against territory, forces or shipping should be prevented, but also that the use of the area as a sanctuary in which raiders or supply ships might take refuge should be prevented. The question of the use of the area as a sanctuary is clearly very important because, unless such action were prevented, it would clearly facilitate greatly the operations of enemy raiders in areas outside the zone.

(4) The extent of the zone to be finally accepted would presumably be linked up with the possibilities of effective enforcement.

(5) The conversion of belligerent merchant ships into warships in ports within the zone would presumably be prevented.

(6) It would naturally be necessary that a belligerent should retain the right to continue a pursuit of the forces of his enemy into that area, because otherwise the existence of the zone might frequently enable a raider to escape destruction and subsequently emerge from the zone to re-commence raiding in some other area.

(7) We should of course hope to obtain any information concerning the movements of enemy forces within the area since otherwise the operation of the scheme would greatly reduce the possibilities of obtaining such information for ourselves.

(8) The question of enemy merchant ships is also of some importance because the number now interned in various American ports might presumably, under the safety given by the scheme, resume trading on the American continent, so earning considerable quantities of foreign currency. Such trading would presumably in any case not be allowed unless the Germans themselves had accepted the scheme and respected it.