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BRITISH MBASSY,

WASHINGTON, D. C.,

November 20th, 1939

No. 1307

My Lord,

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With reference to correspondence ending with my telegram No. 765 of the 14th November. I have the honour to transmit to Your Lordship herewith copies of a State Department release giving the text of a broadcast made by the Under Secretary of State, Mr. Summer Welles, on the work of the recent conference at Panama. The occasion for the address was the impending meeting at Washington of the Inter-American Financial and Economic Advisory Committee. In the course of his address Mr. Welles recommended the Committee to concentrate on finding feasible and practical solutions for the "existing and urgent problems affecting inter-American communications and trade", and warned them against limiting themselves to "theoretical expositions of doctrine".

2. The bulk of Mr. Welles' speech consisted of a review of the three major problems with which, he said, the Panama Conference had to deal, viz.

(i) the maintenance of normal inter-American economic and commercial life, (ii) the maintenance of

INCHEX

neutrality/

The Right Honoursble,

The Viscount Halifax, K.G.,

etc., etc., etc.,

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neutrality, (111) the problem of keeping war away from the New World.

3. In connexion with the third point
Mr. Welles took the opportunity of answering some
criticisms of the "Declaration of Pansma". He
began by denying flatly that the Declaration was
bellicose, or that it was empty and meaningless,
or that it would oblige the United States Navy to
patrol the whole "Security Zone".

Then efter quoting the text of the Declaration at length he went on, with a passage the bext of which was reported in my telegram under reference, to emphasise that the American Republics were only obliged under the Declaration to try to secure from the belligerents an assurance that the latter would observe the terms of the Declaration. This might, he pointed out, involve lengthy discussions with the belligerents. Although the American Republics had agreed to consult together in the event of the belligerents refusing to accept the Declaration, yet there was no implication in the agreement that any of them would use force to complete observance of the Declaration.

Mr. Welles went on to explain that the United States Government was under no obligation to patrol waters which were not adjacent to its own coasts and made it clear that in any case the patrol was only intended to enable the American Governments

to ascertain what was happening within the "neutral zone".

I have the honour to be,
with the highest respect,
My Lord,
Your Lordship's most obedient,
humble servant,

(SGD) LOTHIAN