The thoughts and opinions expressed are those of the authors and not necessarily of the U.S. Government, the U.S. Department of the Navy or the Naval War College.
come a question as to where and when those resources can best be used to further the greatest extent our common effort. This applies equally to manufactured war supplies and to raw materials.

"The needs and demands of your and our armed services can only be determined in the light of the full knowledge of the many factors which must be taken into consideration in the decisions that we make. In order that all of us may be in a position to arrive at speedy decisions as to the apportionment of our joint resources, we suggest that we prepare for a meeting to be held at Moscow, to which we would send high representatives who could discuss these matters directly with you. If this conference appeals to you, we want you to know that pending the decisions of that conference we shall continue to send supplies and material as rapidly as possible.

"We realize fully how vitally important to the defeat of Hitlerism is the brave and steadfast resistance of the Soviet Union and we feel therefore that we must not in any circumstances fail to act quickly and immediately in this matter on planning the program for the future allocation of our joint resources.

"Franklin D Roosevelt
"Winston S Churchill"

V. USE OF FOREIGN-FLAG MERCHANT VESSELS IN AMERICAN PORTS


The Inter-American Financial and Economic Advisory Committee announced on August 28 that in its plenary session of that date, it had formally adopted and placed into effect, with the approval of the governments of all of the American republics, a plan for the effective use in the interests of inter-American commerce of the foreign-flag merchant vessels lying inactive in the ports of the American Continent. The text of the plan is as follows:
PLANS FOR PLACING SHIPS IN AMERICAN PORTS INTO SERVICE

(1) The basic principle of the plan is that the vessels now lying in American ports shall be utilized in accordance with the resolution of April 26, 1941 in such a manner as to promote the defense of the economies of the American republics as well as the peace and security of the continent.

(2) To this end there should be an immediate transfer of such vessels to active service. Just and adequate compensation for such vessels shall be made.

(3) In order to attain the maximum efficiency in the operation of available shipping, there must be the closest cooperation among the maritime authorities of the ship-operating nations of the Western Hemisphere in planning the most effective use of all available vessels. This cooperation must extend to the allocation of particular vessels to the several trade routes; to efficient scheduling where more than one shipping line serves an individual port or nation; to the diversion of at least minimum shipping facilities to those nations not reasonably adequately served and in which there lie no or not sufficient inactive vessels to alleviate at least partially the situation; and to the exchange or interchange among the ship-operating nations of vessels of various types in order that each may operate the type of vessels which it is in a position to handle and which are appropriate to the type of commerce to be borne.

(4) It is recognized that several of the American nations operate merchant marines and are in a posi-
tion to handle efficiently the operation of some or all of the inactive vessels lying in their ports. Other American republics may not have the appropriate organization to operate ships or may not desire to undertake to do so. In such cases, the Government of the United States and United States shipping companies are prepared, in the closest cooperation and coordination with services provided by other ship-operating nations of the Western Hemisphere, to operate for their account or in any other appropriate way those vessels other American republics do not operate themselves. The Government of the United States is also prepared to make appropriate arrangements to take over and operate any such vessels in general services.

(5) The Government of the United States has been informed that the British Government agrees to recognize the transfers of vessels resulting from this plan of operation and to waive its belligerent rights so long as the following conditions are met:

(a) The vessels transferred are operated in accordance with this plan.

(b) The vessels are operated under the flag of any American republic in inter-American trade, or by the Government of the United States in general services in accordance with paragraph (4).

(c) Such service of the vessels now inactive shall not result in the diversion of any other vessels owned or controlled by Governments or nationals of an American republic to services inimical to the interests of Great Britain.

(d) Any funds or proceeds from such vessels shall not be made available to the governments or
nationals of the countries whose flags they flew until the present war is terminated.

(e) Crews of the vessels shall be nationals of the countries whose flag the vessels fly or shall be comprised of officers and personnel satisfactory to the Inter-American Financial and Economic Advisory Committee.

(6) The Government of the United States is prepared to render, through the Maritime Commission every possible technical assistance and cooperation to the Governments of the other American republics.

The Committee is continuing to study details incident to the actual placing of the vessels into service and is especially considering proposals of the British Government for the implementation of paragraph 5 of the plan.

VI. FREEDOM OF THE SEAS

ADDRESS BY THE PRESIDENT, SEPT. 11, 1941


MY FELLOW AMERICANS:

The Navy Department of the United States has reported to me that on the morning of September fourth the United States destroyer Greer, proceeding in full daylight towards Iceland, had reached a point southeast of Greenland. She was carrying American mail to Iceland. She was flying the American flag. Her identity as an American ship was unmistakable.

She was then and there attacked by a submarine. Germany admits that it was a German