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BRITISH EMBASSY,
 WASHINGTON, D.C.,

No. 214 E.

February 16th, 1939.

My Lord,

In paragraph 5 of my despatch No. 124 E of February 2nd last, I had the honour to report upon the antagonism which the President was provoking in Congress by certain minor appointments. Since then what should have been an unimportant incident has been magnified into quite a serious display of ill-feeling between Mr. Roosevelt and the Senate. Mr. Floyd Roberts, a Virginian Judge, was the comparatively harmless and innocent cause of the trouble. The President had nominated him for a District Judgeship in Virginia, but the Senate overwhelmingly rejected this nomination by 72 - 9. There are occasions when Senators are inclined to treat each other as fellow members of a distinguished club, and this was one. The two Senators for Virginia, Messrs. Carter Glass and Harry Byrd, are highly respected not only in their own State but elsewhere, and they have long shown great independence towards any New Deal legislation sponsored by the Administration. Mr. Glass is over eighty and does not intend to stand for reelection, but Mr. Byrd believes himself marked out for a purge in 1940. Last summer the two Senators got wind of the fact that the Governor of Virginia, who is a New Deal Democrat, wanted Mr. Roberts appointed to

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the Judgeship. There is a tradition that patronage for Federal appointments is a prerogative of Senators and not of Governors. The Senators thereupon made their views clear to the President, who asked them to suggest to the Attorney General the name or names of the nominees they favoured. They sent in two names and the only reply was the nomination of Mr. Roberts. The Senators felt that this was a deliberate affront in view of their having been invited to submit their own suggestions. When, therefore, the question came to the floor of the Senate on February 5th they declared that the appointment of Mr. Roberts was personally obnoxious to them, and almost all their fellow Senators behaved like good members of the club and came to their support. Their action in doing so was not merely due to admiration of their Virginian colleagues but because they felt that their own patronage in their own States might be the next bone of contention.

2. The above story sounds rather trivial, but it has to be taken in conjunction with other irritants which Mr. Roosevelt has thought fit to apply to Congress lately. One of these is the Amlie nomination, which has not yet come to a vote on the floor of the Senate but is likely to be rejected. Another is the bad grace with which Mr. Roosevelt accepted the Relief Deficiency Appropriation Bill when it reached him cut to \$725,000,000. He signed the appropriation bill, but three days later sent a message to Congress stressing/

stressing its inadequacy, and pointing out that since the Joint Resolution required that reduction in unemployment on relief during February and March should not exceed 5% there would have to be either an abrupt reduction of 1,000,000 persons on the relief rolls from April 1st, or a gradual week by week reduction from April 1st to the end of June which would make it necessary to cut off from the relief rolls by that date one and a half million persons, or half those at present on those rolls. For these reasons the President asked Congress to begin immediate consideration of how to provide additional funds to be available on and after April 1st, and he recommended immediate legislation to provide the necessary balance of \$150,000,000 for the Works Progress Administration, exactly the sum which Congress had cut from the appropriation the week before.

3. On top of these disputes there was strong criticism, particularly in the Senate, of the secrecy with which the President was shaping his foreign policy, as exemplified by the secret sessions of the Military Affairs Committee on the defence measures and on the question of selling aircraft to the French Government, which have been dealt with in former despatches. The cumulative effect of these various causes of disagreement became so serious that Administration leaders in the Senate decided to hold no sessions of that body last week in order to give/

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give time for Senators' tempers to cool. In this way a debate on foreign policy has been postponed and it is possible that a serious clash may have been avoided; the fact that Mr. Roosevelt is off to-day for a cruise in the Caribbean will give further time for reflection. All except the most ardent left wing supporters of the President are alarmed at the prospect of a severe split in the Democratic Party which would let in the Republicans in 1940. The President's most intimate advisers are still the Hopkins, Corcoran group who do not inspire confidence among the moderates in Congress. These latter are distressed to find the President so obstinate and insensitive to the present mood of the legislature. Their feeling is reflected in the following quotation from a leading article in the "New York World Telegram" (Scripps Howard) of February 8th:-

" If Mr. Roosevelt wants to destroy his own prestige, wreck his party, leave his administration's truly great achievements wide open to their enemies and let the world conclude that America's President is not her spokesman on affairs domestic or foreign, that is what his present course seems most likely to accomplish.

" But if he wishes to avoid these dangers and disasters, then we think he has need to make a change as simple and wise as it would be right.

" Let him cease to treat Congress as an inferior/

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inferior servant, to be shocked, coerced or frightened into obedience. Let him recognize ungrudgingly the rights and responsibilities of Congress as an equal and co-ordinate branch of government.

Let him appeal sincerely to Congress for counsel and cooperation. We believe it is not yet too late for such an appeal to win response."

A more unfriendly criticism in the "Chicago Tribune" foresees that the President may be provoking a quarrel with Congress as a curtain raiser for a new party of revolution. It sees him aiming at a third term with the support of a kind of left bloc. Mr. Arthur Krock in the "New York Times" states that the President has all along made concessions to his radical followers, to the Congress of Industrial Organizations, to the inflationists, to the silver bloc, to the domestic sugar group, to the doctrinal social economic reformers. The moderates, particularly in view of certain results last November, cannot see why it is not their turn for concessions. To this section of his party, however, Mr. Roosevelt has steadily turned the cold shoulder and demanded acquiescence. In Mr. Krock's view the responsibility for the lack of unity in the Democratic Party lies not with Congress but with the White House.

4. However irritated Congress may have been by the President's secretive methods, there seems to be no doubt that the defence measures will go through

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without difficulty. On February 15th the House passed and sent up to the Senate the May Bill to increase the Army Air Corps to 5500 serviceable aeroplanes. The Bill, which authorised also other measures recommended in the President's defence message involving expenditure of about \$376,000,000, was approved by 367 votes to 15. Numerous speakers harped upon the dangers of the international situation with its ultimate threat to the security of the United States. Mr. Pace of Georgia went so far as to declare: "We are safe so long as England and France stand, and we are in immediate danger when they fall". As regards the sale of aeroplanes to France, it looks as if the whole matter will blow over, because reports from the constituencies show that the public wish the French (and by implication ourselves) to have the aeroplanes, and is not deeply concerned about the legalities of the case. The Administration leaders do not, however, yet feel that the time has come to embark upon the crucial question of neutrality. There are several private Bills waiting in pigeon holes, including one by Senator Thomas of the Foreign Relations Committee which would allow the President to define an aggressor and thereafter sell him arms on a cash and carry basis. The opposite point of view is being represented in Father Coughlin's broadcast in which he calls for a stricter definition of neutrality because France and England are not

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in his opinion true democracies. So far the President and his advisers have been careful not to give any very definite indications of their intentions in the matter. Mr. Cordell Hull is, however, reported to have written to the Chairman of the House Foreign Affairs Committee suggesting that the discussion of a bill proposing the prohibition of scrap iron to China and Japan be postponed "until such time as Congress may find it convenient to consider our neutrality policy in all its aspects". The Secretary of State is also said by the "New York Times" to have indicated in this letter that "the revision of the Neutrality Act would not be distasteful to the Administration, although leaving the initiative entirely to Congress".

5. Following upon the Supreme Court's decision regarding the Tennessee Valley Authority referred to in my despatch No.124 E, an arrangement has been announced between the Authority and the Commonwealth and Southern Corporation, whose Chairman, Mr. Wendell Willkie, has for a long time been negotiating for the sale of his Company's assets. The Tennessee Valley Authority have agreed to pay 78½ million dollars for the rival electric power properties owned by a subsidiary of Mr. Willkie's corporation. The Tennessee Valley Authority had originally only offered \$55 million, and the present price is said to be only slightly less than Mr. Willkie's original demand, /

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demand, so that Wall Street is agreeably surprised and it is being said that public confidence will be greatly increased by the knowledge that in the future the Administration will be ready to pay fair prices for its purchases of utilities. A way may now be opening to renewed expenditure by utility companies which would greatly help towards economic recovery.

6. Another Justice of the Supreme Court has resigned and presented the President with the chance of making his fourth nomination to the Court. The resigning Justice is Mr. Louis Brandeis, and it is universally acknowledged that he has been a very great liberal judge. He is 82 years old and has been on the bench for 23 years. His appointment at the time raised an outcry because he was a Jew and a radical, but he has never allowed his liberal views to outweigh the impartiality of his judgments and he has proved himself to be one of the greatest and most respected jurists in the history of this country.

7. I am sending copies of this despatch to the High Commissioner for the United Kingdom in Canada, the Department of Overseas Trade, and the Prime Minister of Australia care of the Dominions Office.

I have the honour to be,

with the highest respect,

My Lord,

Your Lordship's most obedient

humble servant,

(Sgd) V.A.L. MALLEY,
H.M. Chargé d'Affaires.