

BRITISH EMBASSY,

WASHINGTON, D. C.,

March 10th, 1939

No. 287

My Lord,

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I have the honour to inform Your Lordship that the bill referred to in paragraph 4 of Mr. Mallet's despatch No. 214 E of February 10th, authorising the expenditure of \$358,000,000 on the Army was passed by the Senate on March 7th by 77 votes to 8. This bill provides for \$23,750,000 being spent on improving the defences of the Canal Zone and \$54,500,000 on placing educational orders with the American armaments firms. The remaining \$300,000,000 is to be devoted to increasing the number of military aircraft. The House had fixed 5500 as the limit to which the total number of aircraft might be expanded - thus permitting an increase over present figures of approximately 3000 - but as explained in paragraph 7 of my despatch No. 253 E of March 2nd the Senate Military Affairs Committee recommended that this figure be increased to 6000. The main interest in the Senate debate centred on whether or not this recommendation would be adopted, since it was generally admitted that there would be little serious opposition to the bill as a whole. In the end the Senate decided to increase the limit to 6000 by 54 votes to 28. The Senate also added an amendment to the bill limiting the profits of the manufacturers of the military aircraft to be acquired to 10%. The bill has now/

The Right Honourable

The Viscount Halifax, K.G.,

etc., etc., etc.

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now returned to the House for consideration of the Senate's amendments.

2. The debate on the bill in the Senate lasted for seven days and consisted in the main of a somewhat desultory discussion on foreign affairs. Very few of the speakers attempted to deny that the Administration's rearmament plans were justified in principle - though as indicated above several individuals were doubtful of the necessity of increasing the maximum figure from 5500 aircraft to 6000 - and the main concern of the Senators was to attack or defend the President's foreign policy.

3. The arguments advanced by the opposition followed familiar lines. Senator Vandenberg opened the attack on February 28th by complaining of the absence of any clear indication as to what the Administration's foreign policy really was and warned his hearers that if the object of increasing the armed forces of the United States was to use them in order to enable this country to act as the arbiter of the world, there was a grave danger that this country might find itself involved in war. It was, he asserted, the height of folly to imagine that the United States could "thrust themselves into foreign quarrels and mould alien destiny by methods 'short of war'". There was no such thing "as a partial interference in the quarrels of other nations which can dependably stop 'short of war'". Senator Vandenberg was naturally supported by the inveterate isolationists Senators Nye, Johnson and Clark of Missouri. Senator Nye while renewing his attack on the recent supply of aircraft to the French Government went

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so far as to declare that the United States Government by encouraging the democracies to stand up to the dictatorships was running the risk of incurring the responsibility for any war that might break out - a statement for which he was hotly attacked by the Democrat Senator Lucas who denounced it as likely to "do more to drag this nation into the zone of war hysteria than any utterance made by a responsible man in public life". Senator Johnson warned the country against the attempts which he alleged were now being made by "insidious propaganda" to induce the United States to intervene in matters which did not concern them and declared that America must have no commitments or understandings by which "we might be taken into the vortex of war or by which we could be taken into the controversies of Europe". Senator Clark took much the same line and denounced the Administration's desire to rearm in order, as he put it, to "brandish our fists in the faces of other nations and thumb our noses at any other power in the world".

4. On the other hand the bill was warmly defended by many speakers on the Government side and also by some Republicans. Senator Austin of Vermont, for example, reminded the Senators that whether they liked it or not, the United States were "inextricably mixed up with world politics" but said that he failed to see anything in the bill to indicate, as the isolationists insinuated, that the President was about to embark on a policy of active intervention in European affairs. He for his part was satisfied that the Administration's rearmament plans were justified.

Senator/

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Senator Logan, a Democrat, went much further and after arguing that the present neutrality legislation should be amended since in his view it served to encourage the dictator states in their campaign against the democracies, declared that if he were responsible for directing the foreign policy of the country, he would furnish the United Kingdom and France with everything they needed for a defensive war. Several other speakers supported the bill on its merits and indicated that they thought the fears of the isolationist group greatly exaggerated.

5. Finally winding up for the Administration on March 7th Senator Barkley made a general defence of the President's foreign policy, which he declared was a policy inspired both by the desire for peace and by the desire to defend and protect democracy. The United States had no desire to intervene in Europe or in Asia but "when by the confluence of influences and the convergence of authority and tendencies, our own democracy, our civilisation, not only within the bounds of the United States but within the Western Hemisphere are endangered, the American people are not so cowardly or supine as to take no note of these circumstances and to defend the rights and traditions of our people and our Nation". He reminded the Senate that the defeat of the United Kingdom or France at the hands of some other European power might well vitally affect the defence of this country and that such a possibility could not be disregarded in considering the matter of American rearmament. But the President, he declared, had no intention of dragging the country into war; on

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the contrary it was his policy to pursue a course "which would not only preserve peace in the Western Hemisphere, but may make some contribution to the preservation of peace in other parts of the world".

6. This long debate on foreign policy has naturally resuscitated public interest in the neutrality legislation and has led to speculation as to the President's intentions in the matter. During the course of the Senate discussion, twelve Senators, including Messrs. Nye, Champ Clark and La Follette, tabled a resolution, more or less on the lines of the Ludlow Resolution, providing that save in the case of an attack on the United States, war should only be declared after such a course had been approved by a national referendum. Mr. Cordell Hull lost no time in condemning this proposal on constitutional grounds in an official statement released by the State Department and the "Washington Times-Herald", the "Philadelphia Inquirer" and the "New York Times" all supported his action. The last paper however suggested that the action of the twelve Senators showed the necessity of the Government "clarifying in simple terms" its whole foreign policy.

7. A somewhat similar demand for a clarification of the Government's foreign policy was contained in a letter addressed to the "New York Times" on March 6th by Mr. Stimson, the former Secretary of State. A copy of this letter is enclosed herein from which it will be seen that Mr. Stimson called for a policy "of farsighted affirmative action". Mr. Stimson made it clear that in his opinion it was impossible for

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the United States to follow a policy of isolation. The growing power of the totalitarian states constituted, he claimed, a threat to the democratic institutions of America as well as of Europe and the danger could be felt "be successfully resisted only by far-sighted readiness and cooperation of the nations which are opposed" to the authoritarian system. The United States in virtue of their geographical position and their immense material resources had a great responsibility. Americans had to decide between "burying their heads in the sands of isolationism or taking steps to throw their weight into the vacillating scales in favour of law and order and freedom". Mr. Stimson did not hesitate to argue in favour of the second alternative and to claim that in the interests of civilization in general and of the United States themselves it was folly to tell the American people that "neither they nor their Government shall discriminate between right and wrong, between an aggressor and his victim, between an upholder of law and a violator thereof". Mr. Stimson went further and implied that the best means of deterring the dictator states from any aggressive action was to indicate clearly in advance that in the event of any attack on the democracies the United States would cooperate actively with the United Kingdom and France.

8. Mr. Stimson's letter has had a good press and although not all the papers altogether agree with his arguments, his plea for a more affirmative and positive foreign policy is generally supported. The publication of the letter, coinciding as it did with the long debate on foreign affairs in the Senate has still

further focussed attention on the Neutrality Act, but there is as yet no clear indication of the Government's intentions in the matter. It has however not escaped notice that Senator Barkley, the Democrat leader, speaking in the debate on March 7th declared that he was doubtful whether the Neutrality Act, whether enforced or not, had contributed to the peace of the world, and that the President at his press conference on the same day used very similar language. The President is reported to have been asked whether in his opinion the Neutrality legislation had contributed to the cause of peace during the last three years and to have replied with a definite negative. Questioned whether he therefore favoured the repeal of the Act, Mr. Roosevelt is however said to have replied that was a different question which was "not on the carpet today".

9. Despite this remark of the President, it was stated in more than one paper that the whole question of the neutrality legislation would shortly come up for discussion, and Senator Pittman is reported to have said that the Senate Foreign Affairs Committee would begin considering the matter in about 10 days' time. The "New York Times" on March 9th said that it was understood that the Administration would not put forward any proposals of its own and that Senator Pittman, after studying the course of the debate in his Committee would probably eventually draft a bill which would reproduce the views of the Administration as far as was "politically feasible". In the meantime various independent suggestions have been made. Senator Lewis has introduced a bill to repeal the Neutrality Act and to substitute for it a simple declaration that the

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country's policy in case of foreign war is one of neutrality, to be put into effect by regulations and executive order of the President. Senator King wishes simply to repeal the whole neutrality legislation while Senator Thomas, as explained in Mr. Mallet's despatch No. 214 E would empower the President to discriminate against an aggressor power.

10. I am sending a copy of this despatch to the High Commissioner for the United Kingdom in Canada.

I have the honour to be,

with the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(Sgd) R. C. LINDSAY