

*Mr. Affair
Mr. Present
Mr. H. Halifax*

BRITISH EMBASSY,
WASHINGTON D.C.

November 9th 1939.

No. 1242 E.

My Lord,

Since I had the honour of addressing to you my despatch No. 1179 E of October 21st the extraordinary session of Congress has passed the revised Neutrality Act and adjourned. The net results of the vehement discussion about the Act were two clear cut decisions of the American people. The first was that they wanted the Allies to win and would help them by making available to them the resources of American industry of every kind, on the "cash and carry" principle. The second was that they were determined to keep out of the European war and would approve no measures which seemed likely to entangle them in it. These decisions are likely to remain as the fundamentals of American policy unless and until some change in the international situation confronts the United States with a threat to its own vital national interests. No other question was debated during the six weeks' session, nor have the leaders of both parties apparently thought fit to remain in Washington as the President invited them to do in order to be available for consultation in any international emergency. They can, of course, easily return here if a crisis occurs, but it seems that they prefer for the present to get in closer touch with feeling in their constituencies.

2. This is perhaps natural as the decision about the present phase of the war is quite clear, and as public opinion is turning away from war issues for the moment, mainly owing to the lull in active hostilities

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The Right Honourable

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The Viscount Halifax, K.G.,

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in Europe, and concentrating on party politics. The session which opens in January is the last before the Presidential election and the primaries for choosing the candidates take place in midsummer. I understand that the Republicans hold theirs first, which may be an advantage for the Democrats. By the time of the Republican primary it will presumably be possible to gauge how far Mr. Roosevelt is likely to be able to dominate the Democratic Convention, but it is quite likely that he will not by then have provided the answer to the riddle whether he will attempt to run for a third term. That will depend partly upon whether the Democratic Convention can be relied upon to nominate a candidate who will carry on, possibly in a moderated form, the policies of the New Deal, and partly on how the war develops in the next six months. There is no use in speculating on the outcome to-day. The President certainly has not yet made up his mind.

3. The Gallup polls, to which politicians pay perhaps undue attention, show that Mr. Roosevelt's popularity which had been steadily dwindling until August has risen very greatly since war began. There is relief that the quarrel with Wall Street has, at least temporarily, been terminated. There is the effect of better business. There is also a good deal of satisfaction at the calm way in which the President has handled Congress during the neutrality debates; he has been most scrupulous in not butting in, and his utterances since war began have been far less belligerent than before; it is, in fact, felt that

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he has sensed the strong feeling against involvement in war and has done everything possible to keep his country out of it. Only people "in the know" profess alarm at his real feelings and at the risk of his taking some precipitate act. They point to the Panama declaration and the dangers involved in the "chastity belt" of patrol vessels. They suspect a strong desire for acts "short of war" which might however land the country where it has no desire to go.

4. Mr. Herbert Hoover, who has been very active among his friends in New York, recently in an "off the record" address warned his hearers, who were mostly Wall Street men, that there were fifty-seven Senators in Washington pledged to pass legislation which had already been drafted whereby, if war were to come, excess war profits would be taxed up to 96 per cent, and the control of all important industries vested in the Federal authorities. This complete socialization would, according to Mr. Hoover, really make the President a dictator, and when peace returned there could be no return to uncontrolled industry and very little tax relief. In fact the President would have become the prisoner of the Congress of Industrial Organizations' leader Mr. John L. Lewis and of the small clique of Corkrans and Cohens whose left wing tastes would have had their chance in wartime to bring about a complete revolution. Therefore Mr. Hoover and his friends argue that however much their sympathies may lie with the Allies it would be ruin for the United States to get into the war, and the last hope for democracy in the world would perish, if she did.

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This view has, I understand, gained a good many adherents among the richer Republicans. It means that they will not trust Mr. Roosevelt not to get the country into war; they suspect his intention to do so; they are convinced that if he did so he would use the war crisis to inaugurate another and more ruthless New Deal. Therefore above all things they must fight to prevent his re-election. They would not mind if a "conservative" type of democrat were elected, even if it were a man as inadequately equipped for that high office as Mr. Garner. They would, of course, prefer their own man. But here a difficulty arises in their not being able to see a suitable candidate. The New York business man would still prefer Mr. Dewey, but the middle westerner would probably for that very reason prefer anybody else: Mr. Taft is not inspiring, but he seems level-headed: Mr. Vandenberg is rather out of favour because he has apparently backed an unpopular horse when he voted against the removal of the embargo. Whoever is chosen will, of course, like his Democratic opponent, run on a cry that he intends to keep the country out of war; if Mr. Roosevelt is a candidate he will have the advantage of being able to claim that he has done so. If the unexpected occurs and a Republican is elected there is no more guarantee that he will keep the country out than there was after Mr. Woodrow Wilson's re-election on that very cry in 1916. In fact the rich manufacturers and bankers who will contribute to the campaign chest are among our best supporters, and if there was any risk of Great Britain and France being defeated would be quite likely to urge effective American intervention when once they were sure that it would not be Mr. Roosevelt's war

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with its hideous prospect of penal taxation.

5. The war has not at present presented to the American public that clean cut issue between black and white that had been foreshadowed by the press pundits. An ideological war of the "democracies" versus the three "Totalitarians" was one thing. It implied that the Soviet Union, so beloved by the left wing idealists who haunt the universities and fill the columns of the more highbrow periodicals, would be on our side. Now that Russia has let them down they are inclined to vent their spleen on us for having "forced" Russia by our inept diplomacy into the arms of Hitler. These people are, I think, suffering from a guilty conscience for having abused us at the time of Munich, and then finding that, when we have declared war against Hitler, it is the United States which is inclined, through terror of involvement, to "Munich" the democracies. They attempt to salve this conscience by accusing us of having bungled the Russian negotiations, of being interested only in preserving the existing social order in the United Kingdom, and of being governed by a "Tory" administration which does not represent the real opinion of the country. I do not think that these "intellectuals" really carry much weight in the country, and certainly not in Congress, but as their sympathies are in internal politics very strongly pro-"New Deal", they could in certain circumstances carry some weight with the Administration. Fortunately for us the President seems just now to have temporarily lost interest in the coterie of radicals grouped admiringly round Mr. Hopkins, Mr. Corkran and Mr. Cohen; he is more interested in talking

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strategy with his military and naval advisers. If he can continue at least to give this impression for the next few months it may do much to prevent the party split from re-opening. The foreign policy which Mr. Roosevelt has advocated and the embargo repeal which almost reunited his party in Congress have been good politics from the point of view of the 1940 Convention. There is always the risk, however, that next session with its promised debates on labour questions will reveal what is certainly the fact that Mr. Roosevelt has not really lost his sympathy with many of the causes sponsored by the Congress of Industrial Organizations. That organisation is detested by southern democrats, who are reactionary as regards coloured labour and dislike the idea of Mr. Lewis butting in to their southern preserves and organising coloured labour; they fear that the next step would be his insisting on negroes exercising the franchise, and then where would the old conservative democratic politician be?

6. The present picture of a more or less united Democratic Party faced by a Republican Party pretty deeply divided over foreign policy is one that may easily be altered by a false step by Mr. Roosevelt in either the foreign or domestic field. He is said to intend to practice real neutrality for the present as prescribed for him by Congress, but the old Adam in him may easily be aroused by any outrageous acts on Germany's part. Similarly in home politics he may be too much tempted to make a bid for Congress of Industrial Organisations support in the industrial states, and thereby reunite the solid south/

south in opposition to him at the Democratic Convention, and it must not be forgotten that such men as Senators Tydings and George, whom he attempted to purge last year, have never forgiven him, while Mr. Garner recently remarked to a friend in the privacy of his home at Uvalde that he would as soon receive a visit there from a rattlesnake as from Mr. Roosevelt.

7. The elections that have just taken place are of no real significance this year, being only for offices such as Mayor, but in one or two states under their own constitutions there have been plebiscites on local matters. There is some significance, as showing the desire of the country for a middle course and a rest from experiments, in the crushing defeat in California by a two to one majority of the "ham and eggs" plan, a proposal to give pensions of \$30 a week to unemployed over 50 years of age, and by three to one of the Bigelow plan in Ohio for old age pensions of \$50 a month to persons over sixty.

8. I am sending copies of this despatch to the High Commissioner for the United Kingdom in Canada, The Prime Minister of Australia, Canberra, and to the Department of Overseas Trade.

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

(Sgd) LOTHIAN

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