

Copy to Ottawa.  
in P.L. 37

BRITISH EMBASSY,  
WASHINGTON, D.C.,  
June 7th, 1940.

No. 531

My Lord,

The Allied reverses in the Low Countries following hard upon those sustained in Norway, have, as I have already reported by telegraph, made the deepest impression in this country. What hitherto had been at most a vague uneasiness that the Allies were not so sure after all of defeating Germany has turned almost over-night into a frightening persuasion that not only was Germany likely to defeat us but it was quite on the cards that she might be able to do so in short order. The feeling that almost from one day to the next this hemisphere would no longer enjoy the time-honoured shelter of the British fleet and might find itself the last great citadel of Democracy in a world dominated by greedy and ruthless totalitarian powers has shaken complacency and focussed a sharp light upon the state of the nation's own preparedness.

2. It was therefore to an already receptive audience that the President made his personal address of the 16th May to the Congress in joint session. He stated it as "a clear fact..... that the American people must recast their thinking about national protection". Then,

The Right Honourable

The Viscount Halifax, K.G.,

following/

etc., etc., etc. NMB:HOC:GHSP:FRHM:CB:DH



following a graphic illustration in terms of air distances of the vulnerability of the Western Hemisphere including "vital American zones" to attack and, it must be said, a somewhat lame apology for the existing state of the armed forces, Mr. Roosevelt asked for an immediate appropriation of \$896,000,000 together with authorisations to make contracts aggregating \$286,000,000 for the purpose of re-equipping and modernising the army, navy, and marine corps and bringing them thoroughly up to date. He wished, he said to see the nation geared up to the ability to turn out at least 50,000 planes a year provided no action were taken which would in any way hamper or delay the delivery of aircraft on order to foreign nations. The ground forces of the army also required the immediate speeding up of last winter's programme to procure equipment of all kinds, including motor transport, artillery, anti-aircraft guns, and ammunition, and requirements which it had been intended to spread over the next three or four years should be filled at once. Included in the above figures were a special lump sum appropriation of \$100,000,000 at the President's disposal "to provide for emergencies affecting the national security and defence" and a similar authorisation to make contracts of \$100,000,000 at

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the President's discretion. The object of these two last discretionary amounts is to give the President a free hand to overcome delays and tide over the period when Congress is adjourned for the Presidential election.

3. The response of Congress to the President's emergency appeal has been wholehearted and the navy and army appropriation bills are certain of passage in their revised and expanded forms. The details will be reported upon separately by the Naval, Military, and Air Attaches to their respective departments and they need not burden this despatch. Priority is also to be given to a number of miscellaneous measures connected with this country's defences and requiring legislation.

4. In the realm of defence against internal as distinct from external attack, i.e. fifth column activities, the President, on the 22nd May, sent his reorganisation plan No.5 to Congress in accordance with the Reorganisation Act of 1939 providing for transfer of the Immigration and Naturalization Service from the Department of Labor to the Department of Justice, the object being to gain more effective control over aliens and bring them more within the purview of the Federal Bureau of Investigation which operates under the authority of the latter department.

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This measure will no doubt be accepted. Legislation is also under consideration for the registration and finger-printing of aliens, the prompter deportation of undesirables, and the stricter examination of foreigners seeking naturalisation.

5. Extra-legislative work on the national defence needs is meanwhile proceeding apace and under the 1916 act of the Wilson Administration which is still on the statute books, President Roosevelt has revived the Council of National Defense consisting of the Secretaries of War, Navy, Interior, Agriculture, Commerce and Labor. In accordance with the same law the Council, with the approval of the President, has nominated an Advisory Commission of seven to coordinate the national effort. The Advisory Commission consists of Edward R. Stettinius, Jr., Chairman of the United States Steel Corporation; William S. Knudsen, President of General Motors Corporation; Sidney Hillman, President of the Amalgamated Clothing Workers Union; Chester C. Davis, member of the Federal Reserve Board; Ralph Budd, Chairman of the Board of the Chicago, Burlington and Quincy Railroad; Leon Henderson of the Securities and Exchange Commission; and Harriet Elliott, Dean of Women of the University of North Carolina. Furthermore, Colonel Frank Knox on his own initiative has set up a non-official committee of 25 Government officials, army/



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army officers, and prominent citizens to consider means for speeding the pilot training programme, while a special non-official committee of four, consisting of General Malin Craig, former Chief of Staff, Major Frank R. McCoy, Colonel William J. Donovan, former Assistant Attorney General, and Lewis W. Douglas, former Director of the Budget, has been named to work in cooperation with the War and Navy Departments and the Civil Aeronautics Authority on plans for training 50,000 civilian pilots during the next fiscal year.

6. Outlining these plans before one of the largest press conferences in the history of his Administration, President Roosevelt, on the 28th May, explained that the idea underlying his revival of the 1916 statute was to prevent any sudden changes in the Government structure for handling the national defence problem or in the normal American way of life. It was also his purpose to avoid a request for any new authorising legislation which might provoke protracted debate. The President added that there was no reason for the country to become "discomboomerated" in apprehension of what might come to pass. The women of the country would not have to give up their cosmetics, lipsticks, and chocolate/



chocolate sodas in consequence of the preparedness programme. It was the intention not to upset the normal trends of American life any more than necessary.

7. The same "business as usual" note was struck by the President in his radio "fireside chat" to the nation on the evening of Sunday, the 26th May. Opening on an eloquent appeal in behalf of the Red Cross and the relief of civilian suffering in Europe, the talk degenerated into what many commentators have held to be a complacent and far from reassuring expose over-burdened with statistics of the actual or, more accurately, the paper strength of the defence services, followed by what on the face of it appeared to be a wholly inconsistent plea for retention and prosecution of the social gains of the New Deal. The talk was in fact a disappointment and the President might easily have done better justice to the occasion. In recent weeks there have been repeated charges that the New Deal has "poured money down a rat hole" during the seven years it has directed the national defence and it is felt, rightly or wrongly, that Mr. Roosevelt was concerned mainly to uphold the record of his own Administration and that he was in fact playing politics with the national safety.



8. At the same time it was freely said that the appropriations for which the President had asked were quite inadequate, and there was little surprise, when on the 31st May the President found it necessary to send a further message to Congress requesting, in view of the "almost incredible events of the past two weeks in the European conflict", another enlargement of the military programme. This message spoke of the "possibility ... that not one continent or two continents but all continents may become involved in world-wide war" and called for increased and urgent appropriations and authorisations of over a billion dollars to meet orders placed with industry for special material such as guns, ammunition, and fire-control equipment, for the expansion of production facilities, and for the training and re-training of personnel both for skilled employment in manufacture of weapons and for actual service in the army and navy. The message concluded on a specific recommendation that before adjournment Congress authorise the President to call into active service such portion of the National Guard as may be deemed necessary to maintain the neutrality of the United States and to safeguard the national defence, this to include authority to call into active service the necessary Reserve personnel.



9. Most of these Administration moves to compass the country's preparedness have found Congress both receptive and eager, and the tone of the debates has been not only that the U.S. should look to its own arms at full speed but that everything possible should be done to hasten and swell the supply to the Allies of those essential war materials, specially airplanes, with which they may continue to hold the fort and gain the precious time required to enable this country to secure its own defences. Quite apart from any motive of sentiment, more than ever it is realised that the vital interests of the United States are bound up with the fortunes of the Allies. But Senator Pepper of Florida went too quick when on the 21st May he introduced a joint resolution authorising the President to sell and deliver within the United States to the Governments of Great Britain, France, Australia, Czechoslovakia, Poland, Norway, Denmark, Holland, and Belgium and such other countries in Europe as may be subject to unprovoked invasion, such aircraft, aircraft parts, or equipment belonging to the United States as can be sold and delivered without imperilling the national defence, on condition that the reduction be made good from future deliveries of aircraft at present under construction on Allied account. In spite of the Senator's plea that <sup>the</sup> war must be kept "over there" and that it was not written in the holy writ of Americanism that America should be a mere spectator at Armageddon, when the vote was taken in the Foreign Relations/



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Relations Committee of the Senate no one but himself voted for his motion. Members of the Administration who were sympathetic to it feared that this smashing rejection would have an unhappy and exaggerated reaction in the Allied countries, where it would not be realised that the resolution had not been wisely handled by its promoter. Similarly the criticism, notably from Senator Vandenberg, of the proposal in the message to Congress of the 31st May to vest authority in the President to call up the National Guard and the Reserve may probably be regarded as essentially a symptom of the recurrent fear of the Republicans lest the President should take advantage of a war crisis to acquire dictatorial powers and perpetuate himself in office.

10. I enclose herein texts of the President's address and message to Congress respectively of the 16th and 31st May, and of his "fireside chat" of the 26th May. I also enclose a "Who's Who" of the President's Advisory Commission on Defense mentioned in paragraph 5 above giving thumb-nail sketches of its members.

11. I am sending a copy of this despatch to the High Commissioner for the United Kingdom in Ottawa, to the Department of Overseas Trade, and to the Political Intelligence Department.

I have the honour to be,  
with the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,  
(For the Ambassador)

(SGD) N. M. BUTLER