

Lease-Lend Bill 302/81/41

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No. 333.

March 28th 1941.

Sir,

The genesis of the Lease-Lend Act, which was signed by the President on March 11th and the final text of which is enclosed herein, is to be found in the President's message to Congress on the state of the Union on January 6th. In this message the President for the first time enunciated the principle of the manufacture of defence articles in the United States to be leased or lent to foreign countries, a policy which is intended to give effect to the Administration's declared intention of converting this country into an "arsenal of democracy."

2. The time-table of the Bill's progress is as follows:-

January 10th. Bill introduced in the Senate and the House and referred to Committees.

January 15th. House Foreign Affairs Committee begins hearings.

January 29th. House Committee ends its hearings, votes amendments and reports favourably to the House by 17 votes to 8.

January 31st. Senate Foreign Affairs Committee opens its hearings.

February 3rd. General debate opened in the House.

February 8th. House passes Bill, 260 votes to 165.

The Right Honourable  
Anthony Eden, M.C., M.P.,  
etc. etc. etc.

February/

February 11th. Senate Committee's hearings end.

February 13th. Senate Committee reports favourably on the Bill by 15 votes to 3, with certain amendments.

February 13th. Senate Debate opens.

March 4th. General debate ends.

March 8th. Bill passes the Senate with certain amendments.

March 11th. The House agrees to the Senate's amendments and the President signs the Bill which becomes law.

3. In the early stages of the Bill's progress the hearings of distinguished witnesses in Committee attracted more attention than the debates in the House or even than the amendments which were there discussed. The star witness for the opposition was Colonel Lindbergh, and for the Bill Mr. Willkie. In the end the latter was by far the more effective. Colonel Lindbergh shot his bolt too soon; he testified before the House Committee on January 23rd, and his subsequent appearance before the Senate Committee was largely repetitive in effect. Mr. Willkie on the other hand, who had given general support to the Bill in a public statement on January 13th, did not appear before Congress until the last day of the Senate Committee's hearings, when he arrived in Washington fresh from his trip to England; this dramatic effect produced the largest attendance in the public galleries ever known at a meeting of a Committee of the Senate. Moreover, apart from its superior timing Mr. Willkie's testimony was far more effective in its content than that of Colonel Lindbergh. The Colonel's view that the United States is in no danger of attack, that Britain cannot win even with American aid and that it does not matter to America which side wins is shared by very few people in this country; on the other hand Mr. Willkie's support of the principle of the Bill and of aid to Britain and his emphasis on the necessity of national unity behind this policy is in full accord with popular sentiment.

4. In contrast to these dramatic events, and  
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to the weighty testimony in support of the Bill given by such Administration leaders as the Secretaries of State, the Treasury, War and the Navy, the debate in the House of Representatives attracted little attention, more particularly because the final result was a foregone conclusion and the House rules of procedure did not permit of a filibuster which might have delayed a vote. In the event, after six days' debate, the House passed the Bill by 260 votes to 165 with a certain number of amendments, all of them acceptable to and approved by the Administration except for one, passed by a snap vote, which provided that the powers granted to the President under the Bill might be terminated at any time by a concurrent resolution agreed to by a majority of both Houses of Congress - such a resolution not requiring subsequent Presidential assent. The amendments acceptable to the Administration included a provision for consultation with the Chiefs of Staff before disposal of a defense article, limitation to 1,500 million dollars of the amount of defense articles which might be disposed of from funds heretofore appropriated, termination of the Act on June 30th 1945, and statements that nothing in the Act should be construed as authorizing convoy by the United States Navy or the entry of American ships into combat areas as defined by the Neutrality Act.

5. The general debate opened in the Senate ten days after the House passed the Bill. It lasted for three weeks and generated more heat than light. The principal subject discussed was whether or not the Bill conferred dictatorial powers on the President; on this these extravagant statements were made such as that if the Bill passed the President would have greater powers than Hitler or Stalin, the Bill of Rights would be suspended, Congress would abdicate, etc. These assertions were made in general terms and without reference to the terms of the Bill, which indeed lent no support to any of them. Generally speaking, the debates in both Houses accepted the principle of aid to Britain and differed about the method by which that aid would be rendered. Isolationist Senators, who little  
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more than a year ago were against allowing Britain to buy war materials for cash in America, went on record as favouring the grant of a loan to her for that purpose, and the Opposition even introduced an alternative Bill provided a credit of 2,000 million dollars. This change of attitude is a measure of the increasing awareness of events not so much among the Isolationist Senators as in the country as a whole, which realized far more clearly than it did when the Neutrality Act was under discussion how much the fate of this country is bound with that of Great Britain. The Isolationist Senators themselves had evolved only superficially, and seemed to one observer to be engaged in trying to keep America out of the last war. Though they professed to take account of the change of heart in the country when the debate opened, as it drew on their tempers began to get frayed; anti-British speeches began to be made, notably by Senator Nye and indications of a possible filibuster appeared. The Administration leaders were in a quandary; they were unwilling to leave the arguments of the opposition unanswered, but on the other hand if they got up to answer them they prolonged the debate and stultified their own repeated assertions that early action on the Bill was necessary. Towards the end of February the Bill passed through a bad period; Opposition Senators made several speeches each, and angry charges of filibustering were made by Administration Senators and as angrily denied by the Opposition. The public, which had hitherto not shown much interest in the Senate's discussions, began to wake up to what was happening and manifested in no uncertain way its disapproval of the delaying tactics in regard to a measure which even the Opposition admitted commanded a two to one majority in the Senate, and which repeated Gallup polls had shown to have a similar backing in the country. As a result the general debate came to an abrupt end on March 4th, and the discussions on the amendments lasted only four days. All the amendments which the Administration opposed were voted down by majorities of approximately two to one; a certain number of others were accepted, and the Bill itself passed the Senate by 60 votes to 31 on March 8th.

6. The principal amendments agreed to by the Senate/

Senate were the inclusion of agricultural products in the definition of defence articles, provision that action under the Bill could only be taken "to the extent to which funds are made available or contracts are from time to time authorized by Congress", an authorization to the Government to procure manufacture of defence articles by private contract in addition to manufacturing defence articles itself, and the so-called "Byrd amendment." The latter which consisted of the insertion of the last sentence of section 3 (a) (2), was allowed to pass without proper consideration by the Administration leaders in the Senate, and came nearer to upsetting the Government's plans than any other amendment. It had been intended that all defence articles procured should form one pool, out of which the President would, at his sole discretion, make allocations to the United States or to the United Kingdom or other countries. The amendment however limits the allocations of articles procured out of new appropriations under the Act to those procured out of funds appropriated under the Act, and thus limits the President's discretion. A large number of other amendments designed to hamper the freedom of action of the Administration in future eventualities, e.g. forbidding the use of convoys and the despatch of American troops overseas, were defeated without great difficulty. A more dangerous category of amendment was one which began with the phrase "nothing in this Bill shall be construed as empowering the President" to do so and so. The Administration have accepted one or two amendments of this kind when the Bill was in the House (see paragraph 4) on the grounds that they left open the question whether or not the President possessed such powers under the Constitution or some other Act. The Opposition took advantage of this to try to write into the Bill amendments in this form which, while they would have had no legal effect, would have constituted an expression of opinion by the Senate against a number of policies which the President might subsequently wish

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to pursue. Debates on this insidious type of amendment were fairly prolonged, and one of them, which stated that nothing in the Bill authorized the sending of American troops overseas, was only defeated by 39 votes to 52, the highest vote obtained by the Opposition on any division in the Senate. The Administration offered its own substitute for all these amendments in a clause stating that "Nothing in this Act should be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defence articles, the communication of information and other non-combatant purposes enumerated in this Act." The vote on this amendment was regarded as a trial of strength; it was passed by 65 votes to 24 and thereafter the Opposition seemed to lose heart.

7. The House voted to accept the Senate's amendments on March 11th by 317 votes to 71. The Bill was immediately signed by the President, who five minutes later approved an unpublished list of war materials to be transferred at once from the American Army and Navy to the British and the Greeks and a little later stated that he was preparing a request to Congress for an immediate appropriation of \$7,000,000,000 to carry the new Act into effect.

I have the honour to be,  
with the highest respect,  
Sir,  
Your most obedient,  
humble servant,  
Sd. HALIFAX