

After lengthy conferences with Secretary Hull and other officials the President, under authority granted to him by Congress, ordered tightening of export restrictions on steel and scrap iron. The regulations will ban export of scrap iron and steel to Japan or to any other country outside the Western Hemisphere, except to Great Britain. Secretary Hull has been shaking a warning finger at Japan for sometime. Now that Japan, in spite of Secretary Hull's warning, has invaded French Indo-China with the obvious intent of reaching British possessions and the Dutch East Indies, from whence we get our rubber and tin, America is doing more than shaking a warning finger, more even than shaking her fist. This embargo on scrap iron really hits where it hurts.

The United States is the chief source of Japan's supply of scrap iron and steel. She cannot get these strategic supplies from the nations of Europe because they are using their supply destroying each other. This brings up the question of why we should have been for so long selling Japan these materials with which to wage her war against China and to prepare for further aggression, but that is a different question. That is water over the wheel. Besides cutting off Japan's scrap iron, Jesse Jones, Secretary of Commerce and Federal Loan Administrator, announced during the week that a loan of \$25,000,000 had been extended to China. This will no doubt strengthen China's hand against the greedy invader.

This loan to China should not be interpreted as a gift to China. This is not the first loan the United States has made to China. We have already loaned something over \$43,000,000 to China, of which she has already repaid over \$13,000,000. In fact, she is not behind on a single payment. Debt paying to a Chinaman is a thing of honor and almost one might say of religion. China is considered a good risk all over the world. To repay this loan of \$25,000,000 the Metal Reserve Company, a subsidiary of the Reconstruction Finance Corporation, has purchased \$30,000,000 worth of tungsten. In Chinese tung means heavy and sten means stone. It is a metallic element with the highest melting point of all metals and is used widely in electric light filaments, spark plug points, electric contacts, etc. It is also used in alloying steel. This tungsten will be stored as a vital and strategic material in accordance with the plans of the National Defense Commission.

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Sept. 29, 1940

during the week
Senator King introduced a bill providing for the extension of credit to Great Britain. It met a cold reception in the Senate. Senator Barkley, the Majority Leader, said it would have no chance of passage at this session of Congress. President Roosevelt was reported as saying that he had made no recommendation, and expects to make none, to permit loans or credits to Britain. Nevertheless, if this is a long war, which officials in Washington anticipate, we will probably hear a great deal more about credits to Great Britain. Some gentlemen may change their minds.

Whenever we think of credit to Great Britain we, of course, think of the unpaid loans we made to her during the World War. Finland is the only country which has faithfully met payments on war debts to us. There are really only two *ways in* ~~things with~~ which one nation can pay a debt to another nation -- *or in* goods and gold. Great Britain is a manufacturing nation, but we *were not anxious* ~~did not want~~ to be paid with her manufactured goods, ~~because~~ *and* this might bring to idleness more of our own factories and workers. We already have 80% of the World's gold. We are a great exporting nation, and by having a favorable balance of trade with nations of the World, we have become a great credit nation. So when we think of *further* credits to Great Britain we must ~~always~~ bear in mind her probable inability to repay ~~us in either goods or gold.~~

Senator King's bill would also give the President authority to acquire some of the British possessions in the Pacific, ~~and otherwise.~~ This would, of course, be a ready way of repayment, ~~but~~ *in fact,* ~~this would be in reality a purchase of British possessions.~~ Great Britain has always been reluctant to lose sovereignty over ~~any~~ territory. She loves her land and her far flung possessions. Even for the 50 destroyers, which they so desperately needed, no transfer of sovereignty was made to us *over* regarding the bases which we acquired. *was granted to us.* We were ~~given~~ *only* a lease of 99 years.

What help have we already given Great Britain? ~~Soon~~ after the outbreak of the war Great Britain realized that in addition to the bravery of soldiers, ~~and~~ the morale of her people, and national determination to resist the forces of tyranny, the war could only actually be won in the factories, work shops, and industries of her own country and of the other democracies throughout the World. They organized the British Purchasing Commission in this

country to place orders and make purchases which they needed. This Commission now comprises over 1000 people, many of whom are American citizens ~~who are~~ experts on American industry. An inquiry of the Washington office of the British Purchasing Commission during the week brought the information that to date they have placed orders for more than \$2,000,000,000 with American industry. Over \$1,000,000,000 of this amount is for the purchase of aircraft and associated ~~equipement~~ equipment. They have ordered 11,000 planes from our factories. More than 3,000 have already been delivered. *On Wed the British Purch Com. officially expressed A.B. thanks to America for her assistance.* In ~~expressing her thanks to us~~ Great Britain possibly had in mind that these 3,000 American built planes may have turned the tide of the ~~attempted~~ ^{impending} German invasion. More planes on British order are going forward to them at a steady ^{ly} increasing rate. ~~The biggest single item of assistance we have given to them was the destroyers.~~ After the equipment of an entire army was lost in Flanders, the British people turned to us for every kind of material of war, even for rifles. We readily sold them hundreds of thousands of our Lee-Endfield rifles left over from the World War. We sold them ^{ammunitions} machine guns and field guns. *Without our help the British Isles might have already come with much grace. been subjugated* These British thanks

The first thought of every United States statesman should be the welfare of the United States. ~~Considered in this light credits and aid to Great Britain naturally poses the question of whether or not it is best for the United States. What would be the meaning to us of a German victory? What would be the meaning to us of a British victory?~~

During a debate on the neutrality bill ^{about a year ago} between Sen Pitman and the late Sen Borah, Sen Pitman had interrupted Sen Borah's speech to make an observation. Sen Pitman said, "We must think of America first" Quick as a flash Sen Borah roared, "and last!"

The ominous meaning to us of a totalitarian victory hampers American thought.

(30) A complete German victory would be a victory for the totalitarians, ^{also} *for Japan, a victory for Italy and perhaps for Russia.* a victory for Nazism, Tokay militarism, Fasism, Communism, different inform but all adding up to total authority by the government, subjugation and subordination of the people. A German victory would mean total control of the Suez Canal, the ~~Mediterranean~~ and Gibraltar, one of the two passages from the Atlantic to the Pacific, the other being the Panama Canal. Military preparedness on our part would ^{now} only have begun. Economic warfare would only have started. We would be left in a world of only four other major powers, Italy, Germany, Russia, and Japan, ~~complete victors~~ ^{and rulers} over Europe, Asia and Africa, all unscrupulous, all aggressive, and all cooperating together, and all against us. We would be the last major obstacle to the totalitarian dream of world domination. Standing alone we would be gravely menaced from both front and rear, by predatory enemies. Even if we ^{were} are able to maintain a form of peace, it would be without substance, for we ^{suddenly with declaration or provocation} would never know when it might be shattered by the ambitions of the combination formed against us.

Present One must only let the scales of ~~prejudice~~ ^{narrow isolationism} fall from his eyes and look up in order to see America's stake in the survival of Great Britain.

Whether we like it or not ~~The American people are approving of the assistance which this country has given to Great Britain. Movements so stupendous, and overpowering as~~ ^{and revolutionary}

movements, ~~to be~~ beyond the control of any individual, are gradually bringing a merger of British and American interests throughout half the world. Bases belonging to England in the Atlantic Ocean are becoming American bases. Canadian pilots are to be trained during the winter months in our southern States. Canada and the United States ^{are arranging} agree upon mutual defense plans. Australia is laying her cards on the Department of State's table. The British invite the United States Navy to use Singapore. The British Fleet guards the gate ^{of} ~~way to Europe~~ on the Atlantic while the American Fleet ^{cooperating,} patrols the trade routes of the Pacific. Day by day it becomes more difficult ^{to call} where British interests leave off and American interests begin.