

PSF: NAVY: GENERAL BOARD - (JOINT BOARD... ARMY + NAVY), 1939

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

March 13, 1939.

MEMORANDUM FOR

THE CHIEF OF NAVAL OPERATIONS

This is sent me by the
American Ambassador in London. It
should be kept confidential but
may be made available to Operations
and the General Board.

F. D. R.

1939
MAY 1939
MAY 1939
MAY 1939

Carbon copy of Summary attached in
Joe Kennedy folder-Drawer 1-1939

Mary file

London, March 3, 1939

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eg. 4/20

My dear Mr. President:

This is a rather hurried outline of the subject we talked about and I am sure that, as time goes on, we will have a much better job for you. I thought, however, it might give you some preliminary material for the present discussions. We can do better and will, but I felt you would want something when you arrived home.

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Faithfully yours,

Joe

The President,

The White House.

SUMMARY

During the nineteenth century it was Britain's control of the sea which enabled the peoples of the Low Countries, the Baltic littoral, and of North and South America to develop unhindered their own institutions, and which permitted minor European Powers such as Portugal and Holland to maintain colonial empires.

It is this system which is now under attack. Should the British Empire disintegrate as a result of war, or by a slower but equally effective undermining of its essential bases, the consequences to the United States must be most serious.

Great Britain no longer occupies its former predominant position in Europe, where it could maintain a balance of power. Britain and France are now subject to a simultaneous pressure on three vital fronts. The effectiveness of blockade has been seriously diminished by the German control of the Danubian Basin and the growth of air power has rendered the United Kingdom very vulnerable to direct attack.

Can the United States afford to run the risk of seeing Britain and France defeated by the totalitarian regimes? The result of such a defeat would be the disintegration of the last bulwarks of democracy in

Europe,

Europe, and the rise of Germany as the sole Great Power in Europe. It would mean the Mediterranean as a German-Italian lake; Russia at the mercy of Germany and Japan; the division of the British and French, Dutch and Belgian colonial empires between Germany, Italy and Japan - with the latter holding an unassailable position in East Asia and the Western Pacific.

The effects of such a victory upon the United States would be:

1. About fifty percent of America's total export trade and seventy-five percent of its foreign investment would be lost or in the hands of potential enemies who would seek to use this power to extract concessions from us.
2. The reduction of foreign trade and the tremendous burden of necessary armament would severely depress the standard of living in the United States and would require a radical alteration in the American economic structure.
3. These conditions in turn would cause unrest and dissatisfaction in the United States, creating a soil favorable to foreign ideologies. Fascist and Communistic ideas would spread from Europe and Asia to the Americas, resulting in a serious threat to the very democratic institutions which we are arming to maintain.
4. Alone, the American navy would be unable to protect American trade routes across the Pacific and Atlantic. Sources of essential raw materials such as rubber and tin would be in hostile hands.
5. While the United States, with aid of a gigantic expansion in armaments and a drastic alteration in its way of life, should be able to defend North America from invasion, a simultaneous

attack

attack on both the Atlantic and Pacific fronts, with Latin America under totalitarian influence, might well be more than the American navy could handle alone.

6. A defeated Britain and France would mean, as far as Europe and Asia are concerned, the end of liberalism in trade, in thought and in social organization, and the effects of this would soon penetrate into every American home.

7. The resources of the conquered peoples, instead of acting as a protection for the United States as now, would be used against us.

What were the foundations of Britain's power, which resulted in the Pax Britannica being maintained from 1814 to 1914 without a world war and which enabled the United States to develop its present economy and form of government without interference from abroad? They were basically:

First, the maintenance by Britain of superior sea power with far flung strategic bases. This gave the United Kingdom effective control of the world's oceanic highways.

Second, the British policy of maintaining the balance of power in Europe by seeking to prevent any one State from attaining an overwhelmingly dominant position on the European Continent, which might threaten the safety of Great Britain itself.

This state of affairs is now imperilled by the following four major developments:

1. The actual supremacy of Germany in Central

Europe

Events during the past year have resulted in outstanding changes and serious potential alterations in Britain's international position. The deterioration in the situation of the European democracies vis à vis the totalitarian states necessitates an appraisal of the possible consequences to the United States of a disintegration of the British Empire.

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Europe since Munich and the serious threat of the Reich's future Continental domination from the Rhine to the Dnieper.

2. The rise of a totalitarian Japan which has largely vitiated Great Britain's influence in the Far East and appears to be driving the Empire's point of resistance back to Singapore. The threat to Australasia is apparent.

3. The development of air power which renders Great Britain, with its highly concentrated industrial areas, vulnerable to attack.

4. A situation whereby Great Britain, for the first time, can be threatened simultaneously on three major fronts, i.e., in the North Sea, in the Mediterranean and in the Far East.

This threatening situation gives rise to the question of what would be the effect on the United States and on the democratic way of life, of a defeat of the United Kingdom and of the resulting disintegration of the British Empire. Before attempting to answer this question, it is necessary to assume the following probable hypotheses:

1. That the British Empire is defeated in a
and Manila) and ... war

Germany, the East Indies and Malaya.
war in which the U.S.A. has not participated,
by a coalition between Germany, Italy and Japan;
that its colonial territories have been divided
among the victors; and that the United Kingdom
has become a second-class Power, which may have
purchased some degree of economic well-being at
the price of establishing a government and pursuing
a policy acceptable to Germany.

2. That Germany has become the dominant
Power in Europe; that its satellite, Italy, is
in control of Spain and North Africa; and that
The Netherlands have fallen under Germany's con-
trol or influence.

3. That France, shorn of her Empire, has
sunk to the level of a minor Power.

4. That Russia has been crippled by joint
German-Japanese action.

5. That the smaller States of Europe have
fallen under the economic and political domina-
tion of Germany and Italy.

6. That Japan has become the dominant Power
in Asia and the Western Pacific directly con-
trolling East Asia (including Hongkong, Singapore
and Manila) and annexing, alone or jointly with

affect the interests of the United States. Germany,
ally, (2) politically, (3) commercially and (4)
ideologically, is examined below.

Germany, the East Indies and Malaya.

7. That India has become an independent federation, torn by internal strife, and struggling against pressure from Germany and Japan.

8. That Canada has thrown in her lot with the United States, and that the British West Indies have been annexed by the United States at their own request.

9. That Australia and New Zealand may have been forced to accept imposed terms, providing for the opening of Australia to Japanese immigration and their subjection to economic control by Japan.

On the basis of these assumptions three groups of Powers would stand face to face in the world:

a) A totalitarian coalition formed by the Berlin-Rome axis - dominant in Europe and Africa.

b) Japan dominant in Asia and the Eastern Pacific.

c) A predominantly democratic group consisting of the U.S.A., Canada and the Latin-American Republics.

The extent to which the defeat and disintegration of the British Empire as indicated above would affect the interests of the United States (1) strategically, (2) politically, (3) commercially and (4) ideologically, is examined below.

1. The Strategic Effects

In Europe at the present time the continuance of the political independence of the Low Countries and of the small states of Northern and South-eastern Europe, including the Middle East, depends upon the power and resources of the British Empire and France.

The essence of this power is the naval supremacy of the British fleet and the land defenses of France. Assuming the defeat of the United Kingdom and France, consequent upon a failure to maintain command of the sea and to protect themselves adequately from aerial attack, the British and French navies could no longer exist. The strategic bases now occupied by Great Britain would pass to the victors, and Germany, Italy and Japan, as a naval coalition, would be dominant in European waters, the Eastern and South Atlantic, the Indian Ocean and the South Pacific.

As a result, although the United States now holds Alaska, Hawaii and Panama, it is not improbable that America might find it impossible to maintain the strategic triangle Dutch Harbor-Hawaii-Panama against such a coalition adequately supplied with naval bases.*

*E.G., Singapore, Hongkong, Manila, Sydney (?) Simonstown, West African ports, the Canaries, the Azores, Gibraltar, the West Coast of Ireland, and the Falkland Islands.

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Also, without sufficient bases of its own, the United States Navy would be unable to protect American trade routes across the Pacific and Atlantic and could be cut off from vital sources of supply in Malaya and Dutch East Indies. Even the coastwise traffic to South America might be subject to attack by raiders in a manner similar to the damage inflicted on Greek vessels in the Mediterranean during the past year.

Because of the possibility of the blocking of the Panama Canal by sabotage, the United States would have to maintain adequate naval forces on the Atlantic Coast as well as in the Pacific. In spite of the fact that distances in both the Pacific and Atlantic decrease to a certain extent the possibility of a successful naval attack, a very large fleet - two fleets, in fact - would be necessary to meet these requirements.

An imponderable in the situation is, of course, Soviet Russia. There is, however, no warrant for believing that the Soviet Union would be on the side of the United States. It seems just as likely that Germany would be able to exert a preponderant influence on Russia without actual invasion, or that the doctrinaires of the Kremlin would retire into splendid isolation, hoping for the day when the pickings in Europe or Western

China

China were ripe. It would, in any event, be the height of optimism to expect Russia to come to the aid of the United States after a victory of Germany, Italy and Japan over the British Empire.

The air factor, also, cannot be overlooked. The effective radius of bombers is increasing rapidly and to this danger must be added the potential threat of aircraft carriers and of air raids from bases in Latin America. When all these possibilities are assumed, it appears clear that the United States would be forced to construct at an enormous cost a naval and air armament, requiring sacrifices in time of peace on the part of the American public which it would be difficult for a popularly elected Government to demand.

The preceding examination of the American position in the event of the destruction of the Empire warrants the deduction that the United States, with the aid of a gigantic expansion of armaments should be able, for a time at least, to defend North America from any actual invasion. If, however, it was subject to attack simultaneously on both the Atlantic and Pacific fronts, and if Latin America were to fall under Fascist or Nazi control, there would be more than a 50-50 chance that even though these attacks were repulsed, the
ensuing

ensuing alterations in the American system would be so great and so violent as to wreck permanently democratic government in the United States. Should the American fleet be destroyed by a joint attack on two fronts, the very independence of certain sections of the country might be difficult to maintain.

3. The Political Effects

Democracy and free institutions develop under conditions of peace and security and tend to deteriorate where war or the danger of war is constant.

An important by-product of Britain's naval supremacy in the past has been the growth of freedom and democracy behind the shield of British sea power. While Europe east of the Rhine and south of the Baltic remained mostly under autocratic regimes during the last century, not only has Great Britain become steadily more democratic but Canada, Australia, South Africa and New Zealand have become, in effect, democratic self-governing nations. It was because of Britain's power that the Low Countries and the Scandinavian Kingdoms were able to develop their democratic regimes. And who can deny that it was British naval supremacy during the nineteenth century which

permitted

permitted North and South America to enjoy the unusual advantage of being able to evolve along their own lines without interference from Europe?

The Pax Britannica, which fostered the expansion of liberal institutions, vanishes with the defeat of Britain. The little countries, from Belgium via Scandinavia to the Baltic States, Poland, Spain, Portugal, the Balkans, Turkey, Iraw and Trans-Jordania, would be forced to make terms with the totalitarian victors. Thus, the disintegration of the British Empire would mean that the United States would face alone a hostile concentration of a great part of the combined peoples of Europe and perhaps even those of an Asia dominated by Japan.

The sullen and half starving population of the defeated nations, bitterly resentful against those who thought like them but hesitated to give aid, might be persuaded, if offers were held out of material improvement in their lot, to assist their oppressors to beat down the last stronghold of democracy. The Latin American States, many of which have been built up by dictators, would tend to come under the sway of new rulers of

Europe.

Europe. The very strength and prestige of the victorious totalitarian states would result in an internal situation in the United States which could be exploited by elements in collusion with the Dictator Powers.

Today the United States, with a population of 130 millions and its vast wealth and resources, holds the balance of power in the world. The defeat of the British Empire would mean the disappearance of this predominant rôle. Vast as are American resources they might well be less than those of a totalitarian world in arms.

Finally, the huge and unprofitable expenditure upon armaments and the consequent taxation, together with the necessary national regimentation for defense, would inevitably mean the destruction of the American form of Government as at present conceived, in the very effort to defend the country from alien authoritarian forms of control.

3. The Economic Effects

Out of the total American exports the British Empire took 43 percent in 1936 and 40 percent in 1937. Exports taken by the United Kingdom or by

Canada

Canada alone exceed by \$200 millions total exports to South America.

While all this trade would not disappear with the defeat of Britain and the downfall of the Empire, it can certainly be anticipated that every effort would be made by the victors to divert Europe's purchases to totalitarian sources of supply, and the vastly increased prestige and power of the dictator States would be fully utilized to curtail American sales to Latin America and the Far East. Furthermore, the United States at such time would be primarily preoccupied with military measures and would be handicapped in promoting its own overseas commerce. The defeat of Britain and France would give such an impetus to the German system of government controlled foreign trade that, in self defense, a parallel system would have to be adopted in the United States. It would not be an exaggeration, therefore, to say that the downfall of the British Empire would cut American exports at least 50 percent in volume.

It is estimated that approximately 3 million American workers are directly engaged in producing for the export trade. Half the cotton, a third

of

of the tobacco, a third of the petroleum products, and one-fifth of the wheat we produce are normally marketed abroad. Certain sections of the country, such as the Southern States, part of the Middle West and the West Coast, are particularly dependent on the export of their produce. A loss of foreign markets to the extent of 50 percent or more would have most serious repercussions in large areas already adversely affected and might well require a complete reorientation of the Nation's basic economy at a time when other preoccupations rendered such an alteration in the economic setup extremely difficult. It is, of course, true that a greatly enlarged rearmament program would take up some of the slack resulting from shrunken exports, but it is doubtful whether the raw material and food-producing areas would greatly benefit from rearmament which would mainly affect the larger industrial centers of the country.

As regards foreign investments, the total involved is estimated to amount ~~to~~ \$15.6 billions* (compared with a British total of about \$20 billions). Outside of Canada and Newfoundland where American holdings total \$3.9 billions, or a quarter of

*As of December 1930

the total private American foreign long term investments, it seems probable that the United States would lose all its investments in Europe, China, Africa and eventually Latin America. Even the Canadian tranche would greatly depreciate in value in consequence of the impoverishment of the mother country and the possible preponderant influence of the totalitarian states in the remainder of the Empire.

The dislocation in the American economy and the necessary heavy armament expenses would so alter the balance of economic forces in the United States as to require a regimented industrial order under Government control. Such centralization would tend to reproduce, possibly under other names, the basic features of the Fascist state: to fight totalitarianism we would have to adopt totalitarian methods.

4. Ideological Effects

The defeat of Britain and her allies would mean a tremendous impetus for totalitarianism in all those states which would fall under the domination of the victors.

In all probability, political upheavals in Britain and France, as a consequence of defeat,

would

would result in the establishment in those countries of governments in harmony with national socialist doctrines. In support of this supposition, one need only to recall the political evolution in those states which, having fallen from time to time under the domination of Napoleon, went so far as to furnish troops and to apply the "Continental system" against Great Britain.

With Europe in the grip of a totalitarian ideology, little time would elapse before such ideas established themselves firmly in at least some of the States of Latin America. The discussions at the Lima Conference in December 1938 provide not only sufficient evidence of the reality of this danger but also of some indication of the suspicions and differences of outlook existing in South America, which might be exploited in such a way as to render fruitless the efforts of the United States to unite the Western Hemisphere in self-defense against the intrusion of foreign influences and propaganda, or even as to turn those efforts against their originator by raising the cry of "Yanqui Imperialismo".

It cannot be overlooked that many of the

Republics

Republics of South America are, actually or virtually, dictatorships and that the ground is, in consequence, not unprepared for the seed of National-Socialism, which would in the first instance be given a South American character, but would soon be revealed as the projection of its European prototype into the New World. The menace which such a development would constitute to the continuance of democracy in the United States does not require to be underlined.

Finally, the depression in the American standard of living consequent upon the high cost of necessary armament, and the serious effect upon industrial production from the reduction and interruption in America's foreign trade, would cause much unrest and dissatisfaction. Such a state of affairs would provide just the proper soil in which foreign ideologies could take root.

Conclusion

Great Britain and France are no longer able to maintain the old world order. They are on the defensive; the totalitarian states are on the offensive with the rise of air power. The pre-eminence of Great Britain has disappeared,

for

for obviously a country so vulnerable to air attack cannot be the center of a really stable world system.

One must, therefore, envisage the possibility, at best, that the totalitarian powers may confront Britain and France with a military and aerial superiority so great that the latter will be forced progressively to yield strategic positions vital to the future of the United States as a world power. The United States would, thereafter, be unable to rely upon the armed resources of Britain and France in a crisis - any more than they can now rely upon the armed resources of Czechoslovakia.

At the most the actual defeat of Britain and France in war would mean not only the occupation of their Colonial Empire and the possible subjection of South Africa and the Antipodes, but also the placing at the disposal of the Axis powers the resources and strategic positions of the Dutch and Belgian Colonial Empires and the disappearance as independent entities of the small states of Europe. Indeed, it is by no means beyond the bounds of possibility that, in

the

the bitterness and misery of defeat, the very man power and resources of France and Britain might be placed at the disposal of the authoritarian powers for action against America.

Were Great Britain to be defeated, a tremendous, indeed a decisive, alteration in the balance of world forces, military, moral and political, would occur to the grave disadvantage of the United States. We would be compelled to watch the disintegration of the old oceanic defenses of democracy. The world, in fact, outside America would be totalitarian and she would be unable to do anything effective to prevent it.

With the axis powers dominating Europe, Asia and Africa, and quite possibly having a major influence in South America, the United States would be forced to build an armed fence around North America by occupying all vital positions 1,000 miles from her shores.

But that would not be all. The terrific burden of rearmament and the loss of a major portion of our foreign trade, with its consequent dislocation of our internal economy, would necessitate the complete re-ordering of our

industrial

industrial structure and probably the adoption of stringent government control over business. It can also hardly be doubted that the victorious powers would endeavor to destroy our morale by boring from within. This would necessitate the initiation of counter measures that would restrict severely the liberty of the individual and the press.

In short, America, alone in a jealous and hostile world, would find that the effort and cost of maintaining "splendid isolation" would be such as to bring about the destruction of all those values which the isolation policy had been designed to preserve.

* * * * *

*Navy
General Board*

For correspondence on Informal Committee, headed by Capt Collins, Director of Procurement, Treasury Dept, created by the President on Dec 6, 1939 to represent the American Government in its contacts with the interested Foreign Govs in all matters relating to the purchase of supplies, equipment and materials; also for Joint letter of Dec 9th from Louis Johnson and Sec Edison relating to the above Committee and the President's Memo to Edison of Dec 13th on the same subject.

See: Collins memo to Pres of Dec 20, 1939
Treasury folder-Drawer 1-1939

copy

PSF: Navy, General Board
PSF Gen Bd.
Navy navy.

THE SECRETARY OF THE NAVY

WASHINGTON

June 8, 1940

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT:

Enclosed is a paper prepared by the General Board, presenting certain opinions and recommendations which, I believe, will be of interest to you.

Faithfully yours,

Charles Edison

Franklin D. Roosevelt Library

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DOD DIR. 5200.9 (9/27/58)

Date- 2-27-59

Signature- Carl S. Spicer

Originals of these memos given to V. J. Lilly on June 26th for Speech Material File.

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PSF Navy

~~CONFIDENTIAL~~

G.B.No. 425
(Serial No. 1963)

DEPARTMENT OF NAVY

Op File No (SC) A16-1

CONFIDENTIAL

GENERAL BOARD

Doc. No - 22322

WASHINGTON

From: Chairman General Board;
To: Secretary of the Navy

June 7, 1940

Subject: The National Defense

1. The General Board has given careful attention to the events in Europe during the past nine months. Of the various lessons to be deduced from the conduct of the war now in progress, primary emphasis must be placed on the vital importance of being ready for any eventuality - not ready tomorrow, but ready today - and of maintaining such a state of readiness at all times.

2. The United States is at the present time rich, soft, and vulnerable: rich, because of our great comparative prosperity and of our great material resources; soft, because our people are undisciplined and untrained, ill-inclined to sacrifice and service, and because they are forgetful that their freedom, liberty and prosperity were bought by the labor, sacrifice and blood of their forefathers, and that these blessings must be maintained with like devotion by each succeeding generation; and vulnerable because our geographical position no longer renders us immune from attack by probable weapons of the future, because we have not wholly relied upon our own Fleet, but instead have relied to a certain extent on the Fleet of another nation, and because our national policies, particularly in this hemisphere, can eventually only be maintained by force, which power we do not now possess in sufficient strength.

3. The General Board would be remiss if it did not set forth and strongly recommend three steps which it believes essential to the national defense.

(a) The first step, and this should be taken immediately, is to adopt universal military service, calling to the colors each year all male citizens reaching their 18th year for intensive military training without pay. This step will serve to train and indoctrinate our youth, to teach them loyalty, sacrifice and service, and will build up a military force continually available. Some will say that the adoption of universal service is politically inexpedient; in the opinion of the General Board, nothing should stand in the way of national defense, which may well mean national survival.

(b) The second step is to build up the United States Navy to a point where it will be able to exercise dominant strength in both the Atlantic and Pacific Oceans at the same time. This step is essential not only for

our own protection, but to prevent other world powers from gaining hegemony in this hemisphere.

(c) The third step is to continue and intensify the effort to build up the quantity and quality of military and naval weapons, ammunition and equipment to a point satisfactory to the Chief of Staff of the Army and to the Chief of Naval Operations, and to keep such munitions modernized and continuously available.

4. The General Board requests that this letter be brought to the attention of the Commander in Chief of the Army and Navy and by him to the Congress of the United States.

W. R. Sexton

Copy to C.N.O.

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DOD DIR. 5200.9 (9/27/58)

Date- 2-27-59

Signature- Carl L. Spicer